COMPAGNIE PLASTIC OMNIUM

2018 INTERIM RESULTS REPORT

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DECLARATION BY THE PERSON RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

I declare that, to the best of my knowledge, the condensed interim consolidated financial statements for the past six months have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, financial position and results of both the Company and all consolidated companies, and that the interim business report herewith presents a true picture of major events occurring during the six months of the fiscal year, of their incidence on financial statements and of the major transactions between related parties, and that it describes the main risks and uncertainties for the remaining six months of the year.

Levallois, July 19, 2018

Laurent Burelle

Chairman and CEO

INTERIM BUSINESS REPORT

HIGHLIGHTS OF THE FIRST HALF-YEAR 2018

Appointments

As at January 1, 2018, Félicie Burelle, the Director of Strategy and Development of Plastic Omnium, and Rodolphe Lapillonne, the Group's Chief Financial Officer, were appointed Senior Vice Presidents alongside Laurent Burelle, Chairman and CEO, Jean-Michel Szczerba, Co-Chief Executive Officer, and Paul Henry Lemarié, Chief Operating Officer.
Furthermore, Damien Degos, 49, was appointed CEO of Plastic Omnium New Energies, a newly created subsidiary of Plastic Omnium Auto Inergy dedicated to the development of energies of the future, specifically in the fields of fuel cells and hydrogen propulsion.

Raising our stake in HBPO, a world leader for exterior front-end modules

Having obtained authorization from the relevant competition authorities, Plastic Omnium today completed the acquisition of the German Group, Mahle's 33.33% equity investment in the joint venture, HBPO, up to now held equally by Plastic Omnium, Hella and Mahle-Behr.
Plastic Omnium now owns 66.67% of HBPO.
This acquisition was signed for an enterprise value of €350 million, financed from the Group's own resources.

HBPO is the world leader in the development, assembly and logistics of automotive front-end modules with 20% of worldwide market shares.
With 6 million front-end modules delivered per year, HBPO generated revenue of
€2 billion in 2017 in 26 plants across 3 continents (Europe, USA and Asia), and already has an order portfolio which will enable it to achieve revenue of €3 billion in 2021.

HBPO's size and technological expertise will enable Plastic Omnium to speed up its development in smart and modular products, and meet the technological challenges of tomorrow's autonomous and connected car, which will considerably modify automotive design and esthetics.

Proposed disposal of our Environment business

On July 19, 2018, Compagnie Plastic Omnium signed a put option with the consortium made up of Latour Capital and Bpifrance (Banque publique d'investissement) for the sale of its subsidiary Plastic Omnium Environment BV. The closing of this operation is expected by the end of 2018.

The Environment business – which is Compagnie Plastic Omnium's founding business – is the European leader in the containerization of waste. Standalone, profitable and cash-generating, with 6 plants in France, Germany and Spain, an R&D center, a customer service center recently inaugurated at Saint Priest (France), and with the large network of agencies and service desks serving 8,000 customers, this business generates an annual revenue exceeding €330 million, thanks to a broad range of products and services dedicated to waste management (wheeled bins for household waste, collection banks, composters, underground and semi-underground containers; maintenance, washing, surveys and implementation, data management, incentive-based invoicing systems, etc.). Plastic Omnium Environment employs 1,800 people operating across 12 countries.

Plastic Omnium is committed to choose a buyer who understands the businesses of its Environment activity, who has developed an ambitious industrial project both for France and internationally and who is in line with its culture of excellence.

This disposal project will be subject to the procedures involving employee representatives in the countries concerned and must be submitted to the relevant competition authorities.

This project reflects Plastic Omnium's decision to concentrate all of its human and financial resources on its automotive business. As the world leader in intelligent exterior systems and modules, as well as clean energy systems for motor vehicles, the Group is implementing a strategy of innovation and profitable growth through sustainable mobility.

Pursuant to IFRS 5 and taking into account the on-going disposal project of the Environment Division, the results from this activity are presented on a special line headed "net income from discontinued operations".

A program of sustained investments

Plastic Omnium is committed to supporting carmakers worldwide and to expanding its industrial capacity in high-growth regions for auto production. It continues to strengthen its footprint in these regions.

Over the first half of 2018, Plastic Omnium has commissioned a plant in Hansalpur (India) which produces the fuel systems for Suzuki's Swift and Baleno models.

In all, the Group has an industrial footprint of 122 plants in 26 countries.

Additionally, seven plants are now under construction: one in India, one in Slovakia, one in Morocco, two in China and two in the United States, including the Greer pilot plant (South Carolina) for the Group's Industry 4.0 program. This plant will place Plastic Omnium at the cutting edge of new forms of production, combining robotics, algorithms and artificial intelligence. These processes will then be rolled out in all our plants, significantly improving the Group's manufacturing efficiency.

Lastly, the Group has launched the building or extension of three R&D centers:

- the creation of an advanced research center for new energies, Δ-Deltatech, due to open in Brussels mid 2019;
- the building of a new development and testing center for fuel systems in Wuhan (China) in 2019;
- the digitalization and enlargement of the world R&D center for exterior body parts in Lyon by the year 2020.

Accelerating R&D

To speed up its innovation strategy and meet the new challenges of carbon-free cars, the Group created Plastic Omnium New Energies on January 1, 2018. This subsidiary of Plastic Omnium Auto Inergy is dedicated to the development of energies of the future, specifically in the fields of fuel cells and hydrogen propulsion. Its development is now in the fast lane with the acquisition in December 2017 of two companies with a strong technological component: Swiss Hydrogen, a Swiss enterprise specializing in the design and production of energy management and control solutions in fuel cell systems ("balance of plant"), and Optimum CPV, a Belgian company specializing in the design and production of composite filament vessels for high-pressure hydrogen storage.
With the creation of ΞPO-CellTech in 2016 and the commissioning of Δ-Deltatech, the new advanced research center dedicated to new energies based in Brussels, Plastic Omnium is aiming to secure a positioning as a major player for storage systems and automotive propulsion.

In connected cars, the acquisition of an equity stake in February 2018 in Finnish plastronics company Tactotek strengthened the Group's capacity to integrate and protect radars and sensors, and confirms Plastic Omnium as a leader of intelligent exterior systems and modules.

Purchase of treasury shares

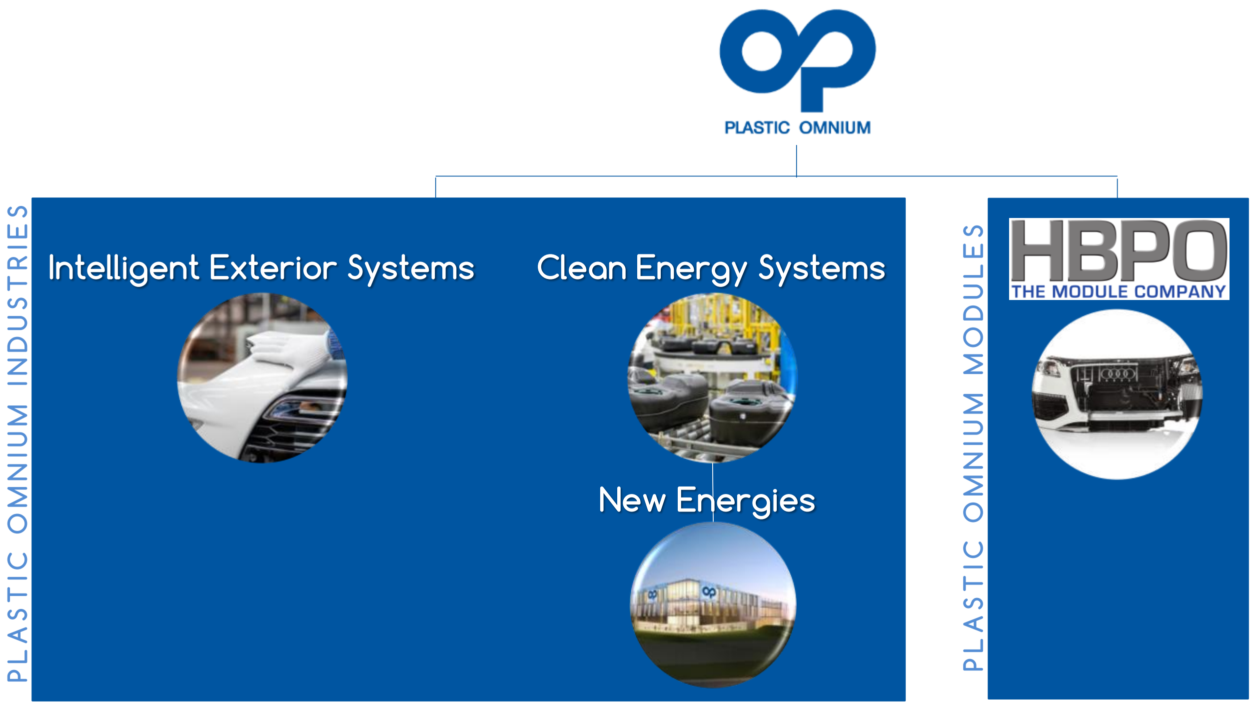
In the first-half of 2018, Plastic Omnium bought back 810,000 of its own shares for a total value of 31.5 million euros. Treasury stock accounted for 2.28% of equity as at June 30, 2018, i.e. 3.4 million shares.

At their meeting of July 19, 2018, the Board of Directors voted to cancel 1,110,613 treasury shares as of July 25, 2018. After this cancellation, the percentage of control of Burelle SA will rise from 57.57% to 58%.

New presentation of Compagnie Plastic Omnium business activity

As from July 1, 2018, Plastic Omnium is to present its business activity around two operational sectors, each with very different industrial approaches, capital requirements, levels of profitability and ROCE:

- Plastic Omnium Industries: production activities with significant investment in plants and long cycles;
- Plastic Omnium Modules: assembly activities with low levels of capital employed;



- Plastic Omnium Industries pools all production activities with 98 plants in 22 countries:

    - Intelligent Exterior Systems, dedicated to complex and intelligent exterior systems

This activity is the world leader with a wide range of complex exterior assemblies: bumpers and energy absorption systems, tailgates, spoilers, fenders and floor modules. Operating in a market producing parts with paintwork and slick design, the goal is to propose customized multi-material solutions with high added value, designed along a growing rationale of integrating functions and safety in order to lighten vehicles and reduce CO_2 emissions. Additionally, backed by expertise in the integration of functions and unique performance in the electromagnetic transparency of plastics, Plastic Omnium is contributing to the development of tomorrow's smart cars. Its exterior parts will include numerous radar and other sensors, with ever-improving design and protection.

- Clean Energy Systems, dedicated to clean energy storage systems

This activity leads the world for the production of fuel systems. It is developing new product lines such as SCR depolluting systems for diesel-powered vehicles, and fuel systems for plug-in hybrid vehicles (PHEVs).

The Group has created "Plastic Omnium New Energies" dedicated to the development of energies of the future, specifically in the fields of fuel cells and hydrogen propulsion. After the creation of EPO-CellTech in 2016, development is now in the fast lane with the acquisition in December 2017 of two companies with a strong technological content: Swiss Hydrogen, a Swiss enterprise based in Fribourg specializing in the design and production of energy management and control solutions in fuel cell systems ("balance of plant"), and Optimum CPV, a Belgian company based in Zonhoven specializing in the design and production of composite filament vessels for high-pressure hydrogen storage.

- Plastic Omnium Modules pools all module assembly activities with 24 sites located in 11 countries:
  - HBPO, dedicated to front-end modules

This activity is the world leader in the development, assembly and logistics of front-end modules. HBPO provides just-in-time delivery of nearly 6 million front-end modules from assembly units located close to the plants of major automotive manufacturers. A front-end module is a complex assembly at the front of a vehicle which, on the basis of a technical front-end, integrates the impact beam, lighting and engine cooling systems, active grille shutters and driving-aid radar and sensor systems.

CONSOLIDATED INTERIM 2018 RESULTS

Pursuant to IFRS 5 and taking into account the planned disposal of the Environment Division now underway, the results from this activity are not included in the Group's results and are presented on a special line headed "net income from discontinued operations".

The 2017 interim financial statements have been restated to provide a proforma with comparable scope for the first half-year 2018 pursuant to IFRS 5.

Taking into account the planned disposal of the Environment Division now underway and pursuant to IFRS 5, Plastic Omnium Group revenue relates to the Automotive Business only.

In €m Group	First half-year 2017 published	First half-year 2017proforma to IFRS 5	First half-year 2018 IFRS 5	Change vs proforma	
Economic revenue[1]	4,062.2	3,894.2	3,820.9	*- 1.9%*	*
Consolidated revenue[2]	3,454.9	3,286.9	3,189.6	*- 3.0%*	**

* + 4.8% like-for-like (scope and exchange)

** + 4.6% like-for-like (scope and exchange)

The economic revenue[1] recorded by Compagnie Plastic Omnium stood at 3,820.9 million euros as at June 30, 2018 and takes account of negative impacts of 186 million euros from exchange rates and 97 million euros from scope, i.e. a total negative impact of minus 283 million euros.

On a like-for-like basis (exchange and scope), growth stands at 4.8% compared with worldwide automotive production up by 1.8%, i.e. outperformance of 3 points.

Consolidated revenue[2], excluding joint ventures, came to 3,189.6 million euros, up by 4.6% on a like-for-like basis (scope and exchange). It takes account of negative impacts of 161 million euros from exchange rates and 84 million euros from scope, i.e. a total negative impact of minus 245 million euros.

All our regions played a part in the growth of business[7].

In €m and % of economic revenue, per region	First half-year2017 published	First half-year2017 proforma to IFRS 5	First half-year2018 IFRS 5	Change vs proforma	Change like-for-like (scope & exchange)
Europe/Africa	2,235.0 *55%*	2,080.2 53%	2,120.0 *55%*	+1.9%	+5.1%
North America	1,048.0 *26%*	1,043.5 27%	943.2 *25%*	-9.6%	+1.9%
South America	129.1 *3%*	124.4 3%	101.4 *3%*	-18.5%	+7.3%
Asia	650.1 *16%*	646.1 17%	656.3 *17%*	+1.6%	+8.2%
Economic revenue[1]	**4,062.2** *100%*	**3,894.2** *100%*	**3,820.9** *100%*	**-1.9%**	**+4.8%**
Consolidated revenue[2]	**3,454.9**	**3,286.9**	**3,189.6**	**-3.0%**	**+4.6%**

Business[7] in Europe, which accounts for 55% of total revenue[2], was up by 5.1% on a like-for-like basis (scope and exchange) while automotive production rose by 2.2%. This outperformance of 2.9 points is mainly explained by brisk business in Eastern Europe.

Business[7] recorded in North America was up by 1.9% over the first half of the year, while automotive production fell by 2.6 points, giving outperformance of 4.5 points. Business has benefited from new facilities that have been in production for three years (two plants commissioned in 2015 in the United States, then three plants in Mexico in 2016-2017). Moreover, in North America, the Group benefited from its strong exposure to the SUV/Light Truck segment which accounts for around 80% of its business.

Business in Asia, including China, increased by 8.2%, at constant scope and exchange rates. In China, which accounts for revenue[1] of 362.8 million euros, or 9.5% of total revenue, growth in business on a like-for-like basis (scope and exchange) amounted to 13.7% over the first-half 2018 while automotive production rose by 3.3%. This outperformance of 10.4 points is explained by gains in market shares achieved by our two business divisions and by strong investments made in recent years to grow our industrial footprint. Plastic Omnium has 25 local brands in its customer portfolio, which represent a growing share of revenue produced in China, particularly with SUVs. In the rest of Asia, growth in business amounted to 2.4% like-for-like, in comparison with automotive production up by 2.1%.

The consolidated gross profit was 530.7 million euros, up from the 522.8 million euros in the first-half 2017. This represents 16.6% of revenue, compared with 15.9% in the first-half 2017.

In gross value, research and development costs rose by 4.5% to 204.7 million euros compared with 195.8 million euros in the first-half 2017. In net value, i.e. after capitalization and rebilling to customers, expenditure amounted to 96.4 million euros, versus 80.0 million euros in the first-half 2017. This represents 3.0% of revenue.
Selling expenses totaled 20.3 million euros or 0.6% of revenue, compared with 19.4 million euros or 0.6% of revenue in first-half 2017.
Administrative expenses totaled 119.9 million euros in the first-half 2018, compared with 129.6 million euros in the first-half 2017, representing 3.8% and 3.9% of revenue respectively.

In the first-half 2018, the operating margin topped 323.8 million euros, or 10.2% of consolidated sales, versus 311.8 million euros proforma over the first-half 2017. The operating margin improved significantly, rising from 9.5% proforma in the first-half 2017 to 10.2% in the first-half 2018.
Consequently, the Group has recovered the double-digit level of profitability that it first achieved in the first-half 2016, just prior to the acquisition of the Faurecia exterior parts business, whose turnaround was engineered more quickly than originally announced.

In the first-half 2018, Plastic Omnium recorded net non-current expenses of 9.9 million euros (versus 23.9 million euros in the first-half 2017).

As at June 30, 2018, the net financial loss was -36.8 million euros versus -31.3 million euros over the first-half 2017.

As at June 30, 2018, the amount of income tax came to -50.9 million euros, i.e. an effective rate of 21.0%, versus - 52.8 million euros as at June 30, 2017 (an effective rate of 23.4%).

Net income from continued operations thus rose by 11.1% to 226.5 million euros and represents 7.1% of consolidated revenue.

Net income from discontinued operations came to 6.6 million euros.

Net profit amounted to 232.7 million euros (i.e. 7.3% of consolidated revenue), growth of 9.2%.

Net profit - Group share came to 230.1 million euros (i.e. 7.2% of consolidated revenue), giving growth of 9.4%.

FINANCIAL POSITION AND CHANGE IN NET DEBT

The Group sped up investments over the first-half 2018. Levels were up by 33.0% to top 271 million euros, or 8.5% of consolidated revenue (versus 204 million euros or 6.2% of consolidated revenue in the first-half 2017).

They covered, most notably:

- the Group's 4th factory in India, commissioned in the course of the six-month period, which produces fuel systems for Suzuki's Swift and Baleno models;
- seven plants under construction: one in India, one in Slovakia, one in Morocco, two in China and two in the United States, including the Greer pilot plant (South Carolina) for the Group's Industry 4.0 program;
- the building or extension of three R&D centers:
    - the creation of an advanced research center for new energies, Δ-Deltatech, due to open in Brussels mid 2019,
    - the building of a new development and testing center for fuel systems in Wuhan (China) in 2019,
    - the digitalization and enlargement of the world R&D center for exterior body parts in Lyon by the year 2020.

This sustained investment program is extensively financed by EBITDA, which amounted to 457.0 million euros in the first-half 2018 (14.3% of consolidated revenue versus 449.5 million euros and 13.7% of consolidated revenue in proforma data over the first-half 2017).
As at June 30, 2018, the Group is clearing free cash-flow of 109 million euros, i.e. 3.4% of consolidated revenue.

The net financial debt totaled 992 million euros as at June 30, 2018, up by 421 million euros compared with December 31, 2017, and by 362 million euros compared with June 30, 2017.
It includes an enterprise value of 350 million euros for the takeover of HBPO, the world leader for front-end modules, 99 million euros in dividends and a net amount of 25 million euros for the purchase of treasury shares.
The Group's financial position is very sound with the Group's net debt representing 54% of equity capital and 1.1x EBITDA.

RELATED PARTIES

Related party transactions correspond to transactions with Sofiparc, Burelle SA and Burelle Participations. No changes occurred in the contracts between the Group and these companies during the period.

No material change has been made to the compensation paid to senior executives and officers since December 31, 2017.

OUTLOOK

In 2018, worldwide automotive production is expected to grow by around 2%.

In this context together with the integration of HBPO during the second half-year, Plastic Omnium will post growth in revenue[1] to reach around 9 billion euros in proforma figures.

The Group hereby confirms that 2018 results will show growth.

The Group will be pursuing its investment program with some 600 million euros invested in 2018 whilst clearing three-digit free cash-flow.

RISKS OVER THE SECOND HALF-YEAR

The risk factors for Compagnie Plastic Omnium remain those identified in the Group's management report as at end-December 2017.

Glossary

(1) Economic revenue relates to consolidated revenue (excluding Plastic Omnium Environment) plus revenue from the Group's joint ventures up to its holding percentage: BPO, HBPO and YFPO as at June 30, 2018. The figure reflects the operational and managerial realities of the Group.

(2) Consolidated revenue does not include:

   a. the share of joint ventures, which are consolidated using the equity method pursuant to IFRS 10-11-12;

   b. the revenue of Plastic Omnium Environment, pursuant to IFRS 5 as at January 1, 2018.

(3) The operating margin includes the share of the results of companies which have been consolidated using the equity method, and the amortization of the intangible assets acquired, before other operating income and expenses.

(4) EBITDA corresponds to the operating margin plus the share of profit of associates and joint ventures before depreciation and operating provisions.

(5) Free cash flow corresponds to the operating cash flow, less tangible and intangible investments net of disposals, taxes and net interest paid +/- variation of the working capital requirements (cash surplus from operations).

(6) Net debt includes all long-term borrowings, short-term loans and bank overdrafts less loans, marketable debt instruments and other non-current financial assets, and cash and cash equivalents.

(7) Business activity relates to economic revenue on a like-for-like basis (scope and exchange rates).

CONSOLIDATED FINANCIAL STATEMENTS
AT JUNE 30, 2018

Financial indicators

In the context of its financial communication, the Group uses financial indicators based on the consolidated financial statements prepared in accordance with IFRS, as adopted in the European Union.

As indicated in Note 3.1 of the consolidated financial statements of June 30, 2018, the Group uses the notion of “ Economic sales ” for its operational management, which corresponds to the consolidated revenue of the Group and its joint ventures at their ownership percentage: HBPO, a German company and world leader in front-end modules (see Note 2.3.1 in the “ Significant events of the period ”), Yanfeng Plastic Omnium, the Chinese leader in exterior body parts, BPO, a major player in the Turkish market for exterior equipment.

Reconciliation of economic revenue with consolidated revenue:

In thousands of euros	First-half 2018	First-half 2017 restated
Economic revenue	3 820 869	3 894 221
Including revenue from joint ventures at the Group's percentage stake	*631 243*	*607 343*
Consolidated revenue	3 189 626	3 286 878

BALANCE SHEET

In thousands of euros	Notes	June 30, 2018	December 31, 2017
ASSETS			
Goodwill	3.1.2 - 5.1.1 - 5.1.2	489 166	584 685
Other intangible assets(1)	3.1.2 - 5.1.2	551 713	497 857
Property, plant and equipment(1)	3.1.2	1 454 107	1 410 465
Investment property	3.1.2 - 5.1.3	93 263	93 263
Investments in associates and joint ventures(2)	5.1.4	207 002	211 174
Investments in non-listed equity instruments (2)	5.1.5.1	372 971	316
Investments in listed equity instruments and in funds (4)	5.1.5.2 - 5.2.4.5	26 518	27 514
Other non-current financial assets(4)	5.1.6 - 5.2.4.5	60 586	59 060
Deferred tax assets (1)		116 409	96 663
TOTAL NON-CURRENT ASSETS		**3 371 735**	**2 980 997**
Inventories (1)	3.1.2 - 5.1.7	729 256	414 013
Finance receivables(4)	5.1.8 - 5.2.4.5	28 647	42 807
Trade receivables(1) (3)	3.1.2 - 5.1.9.2 - 5.1.9.4 - 6.2.1	793 552	940 084
Other	3.1.2 - 5.1.9.3 - 5.1.9.4	353 816	354 602
Other financial assets and financial receivables(4)	5.1.8 - 5.2.4.5	79 647	83 209
Hedging instruments(4)	3.1.2 - 5.2.4.5 - 5.2.5	770	5 254
Cash and cash equivalents(4)	3.1.2 - 5.1.10 - 5.1.10.2 - 5.2.4.5	494 308	939 635
TOTAL CURRENT ASSETS		**2 479 996**	**2 779 604**
Assets held for sale	5.1.12 - 5.1.13	**305 932**	**846**
TOTAL ASSETS		**6 157 663**	**5 761 447**

EQUITY AND LIABILITIES			
Capital	5.2.1.1	9 059	9 059
Treasury stock		-89 342	-61 764
Additional paid-in capital		17 389	17 389
Consolidated reserves		1 650 639	1 337 759
Net income for the period		230 100	425 177
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		**1 817 845**	**1 727 620**
Attributable to non-controlling interests		28 458	26 614
TOTAL EQUITY		**1 846 303**	**1 754 234**
Non-current borrowings(4)	3.1.2 - 5.2.4.5	1 337 115	1 323 771
Provisions for pensions and other post-employment benefits	5.2.3	100 984	106 517
Provisions for liabilities and charges(1)	5.2.3	35 765	54 689
Non-current government grants		6 732	6 557
Deferred tax liabilities		59 095	20 975
TOTAL NON-CURRENT LIABILITIES		**1 539 691**	**1 512 509**
Bank overdrafts(4)	3.1.2 - 5.2.4.5 - 5.1.10.2	13 021	9 993
Current borrowings(4)	3.1.2 - 5.2.4.5	315 402	381 078
Current debt(4)	3.1.2 - 5.2.4.5	7	4
Hedging instruments(4)	3.1.2 - 5.2.4.5 - 5.2.5 - 6.3.1	17 291	5 618
Provisions for liabilities and charges(1)	5.2.3	48 743	70 944
Current government grants		3 992	3 948
Trade payables	5.2.6 - 5.2.6.3	1 335 723	1 233 221
Other operating liabilities(1)	5.2.6.2 - 5.2.6.3	944 862	789 898
TOTAL CURRENT LIABILITIES		**2 679 041**	**2 494 704**
Liabilities related to assets held for sale	5.1.12 - 5.1.13	**92 628**	**-**
TOTAL EQUITY AND LIABILITIES		**6 157 663**	**5 761 447**

(1) See Note 2.1.1 related to the 1st application of IFRS 15 "Revenue from Contracts with Customers".

(2) See in "Significant Events of the period", Note 2.3.1 related to the acquisition of a 33,33 % equity stake in HBPO from Mahle-Behr on June 26, 2018.

(3) See Note 2.1.2 on the impacts of the 1st application of IFRS 9 "Financial instruments".

(4) Components of net debt. Net debt stands at € 992,4 million at June 30, 2018 compared with € 563,0 million at December 31, 2017 (see Note 5.2.4.5).

INCOME STATEMENT

In thousands of euros	Notes	First-half 2018	%	First-half 2017 restated	%
Consolidated sales (revenue)	**3.1.1 - 3.1.4.1 - 3.1.4.2**	**3 189 626**	**100,0%**	**3 286 878**	**100,0%**
Cost of goods and services sold	4.2	-2 658 967	-83,4%	-2 764 073	-84,1%
Gross profit		**530 659**	**16,6%**	**522 805**	**15,9%**
Net research and development costs	4.1 - 4.2	-96 419	-3,0%	-80 004	-2,4%
Selling costs	4.2	-20 350	-0,6%	-19 446	-0,6%
Administrative expenses	4.2	-119 912	-3,8%	-129 584	-3,9%
Operating margin before amortization of intangible assets acquired in business combinations and before share of profit of associates and joint ventures	**3.1.1**	**293 978**	**9,2%**	**293 770**	**8,9%**
Amortization of intangible assets acquired in business combinations(1)	3.1.1 - 4.3	-4 882	-0,2%	-12 757	-0,4%
Share of profit/loss of associates and joint ventures(2)	3.1.1 - 4.4	34 675	1,1%	30 817	0,9%
Operating margin	**3.1.1**	**323 771**	**10,2%**	**311 830**	**9,5%**
Other operating income	3.1.1 - 4.5	29 475	0,9%	58 893	1,8%
Other operating expenses	3.1.1 - 4.5	-39 393	-1,2%	-82 832	-2,5%
Financing costs, net	3.1.1 - 4.6	-33 635	-1,1%	-30 633	-0,9%
Other financial income and expenses, net	3.1.1 - 4.6	-3 161	-0,1%	-654	-0,0%
Profit from continuing operations before income tax and after share of profits of associates and joint ventures	**3.1.1**	**277 057**	**8,7%**	**256 604**	**7,8%**
Income tax	3.1.1 - 4.7	-50 900	-1,6%	-52 807	-1,6%
Net income after tax from continuing operations		**226 157**	**7,1%**	**203 797**	**6,2%**
Net income after income tax from discontinued activities(3)	**3.1.1**	6 575	0,2%	9 246	0,3%
Net income	**3.1.1**	**232 732**	**7,3%**	**213 043**	**6,5%**
Net profit attributable to non-controlling interests	4.8	2 632	0,1%	2 724	0,1%
Net profit attributable to owners of the parent		**230 100**	**7,2%**	**210 319**	**6,4%**
Earnings per share attributable to owners of the parent	**4.9**				
Basic earnings per share (in euros)(4)		1,56		1,42	
Diluted earnings per share (in euros)(5)		1,55		1,41	

(1) Intangible assets acquired in business combinations, mainly contractual customer relationships

(2) See in "Significant Events of the period", Note 2.3.1 related to the acquisition of a 33,33 % equity stake in HBPO from Mahle-Behr on June 26, 2018.

(3) See Note 2.6.1 in "Significant events of the period" on the project to sell the "Environment" business.

(4) Basic earnings per share are calculated using the weighted average number of ordinary shares outstanding, less the average number of shares held in treasury stock.

(5) Diluted earnings per share take into consideration the average number of treasury shares deducted from equity and shares which might be issued under stock option programs.

STATEMENT OF COMPREHENSIVE INCOME

In thousands of euros	First-half 2018			First-half 2017 restated		
	Total	Gross	Tax	Total	Gross	Tax
Net profit for the period attributable to owners of the parent (1)	**230 100**	**280 246**	**-50 147**	**210 319**	**265 941**	**-55 622**
Reclassified to the income statement	**-8 453**	**-9 902**	**1 449**	**-35 131**	**-35 184**	**53**
Reclassified in the period	**286**	**413**	**-127**	**4 749**	**4 891**	**-142**
Exchange differences on translating foreign operations - reclassified to the income statement	-	-	-	4 478	4 478	-
Cash flow hedges - Interest rate instruments reclassified to the income statement	*286*	*413*	*-127*	*271*	*413*	*-142*
Reclassified at a later date	**-8 739**	**-10 315**	**1 576**	**-39 880**	**-40 075**	**195**
Exchange differences on translating foreign operations	-3 998	-3 998	-	-39 509	-39 509	-
Cash flow hedges	-4 741	-6 317	1 576	-371	-566	195
Gains/(losses) for the period - Interest rate instruments	-	-	-	-	-	-
Gains/(losses) for the period – Exchange rate instruments	*-4 741*	*-6 317*	*1 576*	*-371*	*-566*	*195*
Cannot be reclassified to the income statement at a later date	**-1 713**	**-1 728**	**15**	**-790**	**271**	**-1 061**
Actuarial gains/(losses) recognized in equity	271	256	15	497	1 558	-1 061
Change in the fair Value adjustment in investments in listed equity instruments and in funds	-1 984	-1 984	-	-1 287	-1 287	-
Other comprehensive income of continuing activities	**-10 166**	**-11 630**	**1 464**	**-35 921**	**-34 913**	**-1 008**
IFRS 5 - Other comprehensive income from discontinued activities	**-**	**-**	**-**	**324**	**298**	**26**
Comprehensive income attributable to owners of the parent(2)	**219 934**	**268 616**	**-48 683**	**174 722**	**231 326**	**-56 604**
Net profit for the period attributable to non-controlling interests	**2 632**	**3 385**	**-753**	**2 724**	**3 704**	**-980**
Reclassified to the income statement	**-399**	**-399**	**-**	**-1 331**	**-1 331**	**-**
Reclassified at a later date	**-399**	**-399**	**-**	**-1 331**	**-1 331**	**-**
Exchange differences on translating foreign operations	-399	-399	-	-1 331	-1 331	-
Other comprehensive income	**-399**	**-399**	**-**	**-1 331**	**-1 331**	**-**
Comprehensive income attributable to non-controlling interests	**2 233**	**2 986**	**-753**	**1 393**	**2 373**	**-980**
Total comprehensive income	**222 167**	**271 602**	**-49 436**	**176 115**	**233 699**	**-57 584**

(1) Net profit for the period attributable to owners of the parent amounted to €135,574 thousand at June 30, 2018 compared with €124,130 thousand at June 30, 2017.

(2) Total net profit attributable to owners of the parent amounted to €129,585 thousand at June 30, 2018 compared with €103,121 thousand at June 30, 2017.

CHANGES IN EQUITY

In thousands of euros
In thousand units for the number of shares

									Shareholders' equity		
	Number of shares	Capital	Additional paid-in capital	Treasury stock	Other reserves	(1)	Translation adjustment	Net profit for the period	Attributable to owners of the parent	Attributable to non-controlling interests	Total equity
Equity at December 31, 2016	**152 477**	**9 149**	**17 389**	**-61 192**	**1 168 339**	(1)	**34 240**	**312 112**	**1 480 037**	**23 674**	**1 503 711**
Appropriation of net profit at December 31, 2016	-	-	-	-	312 112		-	-312 112	-	-	-
First-half 2017 net profit	-	-	-	-	-		-	210 319	210 319	2 724	213 043
Other comprehensive income of continuing activities	-	-	-	-	3 588		-39 509	-	-35 921	-1 331	-37 252
Exchange differences on translating foreign operations	-	-	-	-	*4 478*		*-39 509*	-	*-35 031*	*-1 331*	*-36 362*
Actuarial gains/(losses) recognized in equity	-	-	-	-	*497*		-	-	*497*	-	*497*
Cash flow hedges - Interest rate instruments	-	-	-	-	*271*		-	-	*271*	-	*271*
Cash flow hedges - currency instruments	-	-	-	-	*-371*		-	-	*-371*	-	*-371*
Change in the fair value adjustments to property, plant and equipment	-	-	-	-	*-1 287*		-	-	*-1 287*	-	*-1 287*
IFRS 5 - Other comprehensive income from discontinued activities	-	-	-	-	*409*		*-85*	-	*324*	-	*324*
Comprehensive income	-	-	-	-	316 109		-39 594	-101 793	174 722	1 393	176 115
Treasury stock transactions	-	-	-	-45 751	923		-	-	-44 828	-	-44 828
Dividends paid by Compagnie Plastic Omnium	-	-	-	-	-72 272		-	-	-72 272	-	-72 272
Dividends paid by other Group companies	-	-	-	-	-		-	-	-	-451	-451
Stock option costs	-	-	-	-	2 074		-	-	2 074	-	2 074
Equity at June 30, 2017	**152 477**	**9 149**	**17 389**	**-106 943**	**1 415 174**	(1)	**-5 354**	**210 319**	**1 539 734**	**24 617**	**1 564 350**
Second-half 2017 net profit	-	-	-	-	-		-	214 858	214 858	2 586	217 444
Other comprehensive income	-	-	-	-	-4 653		-23 455	-	-28 108	-466	-28 574
Exchange differences on translating foreign operations	-	-	-	-	*-4 478*		*-23 455*	-	*-27 933*	*-466*	*-28 399*
Actuarial gains/(losses) recognized in equity	-	-	-	-	*-2 791*		-	-	*-2 791*	-	*-2 791*
Cash flow hedges - Interest rate instruments	-	-	-	-	*223*		-	-	*223*	-	*223*
Cash flow hedges - currency instruments	-	-	-	-	*2 068*		-	-	*2 068*	-	*2 068*
Change in the fair value adjustment of Investments in listed equity instruments and in funds	-	-	-	-	*325*		-	-	*325*	-	*325*
Comprehensive income	-	-	-	-	-4 653		-23 455	214 858	186 750	2 120	188 870
Treasury stock transactions	-	-	-	3 796	-923		-	-	2 873	-	2 873
Tax effect of treasury stock transactions	-	-	-	-	-2 441		-	-	-2 441	-	-2 441
Dividends paid by other Group companies	-	-	-	-	-		-	-	-	-122	-122
Stock option costs	-	-	-	-	1 253		-	-	1 253	-	1 253
Deffered tax on stock option and share purchase plan	-	-	-	-	-962		-	-	-962	-	-962
Effect of Tax rate change on deferred taxes related to the recognition of fixed assets at fair value	-	-	-	-	504		-	-	504	-	504
Equity at December 31, 2017	**150 977**	**9 059**	**17 389**	**-61 764**	**1 366 568**	(1)	**-28 809**	**425 177**	**1 727 620**	**26 614**	**1 754 234**
1st application of IFRS 15					-4 878				-4 878	-	-4 878
1st application of IFRS 9					-1 939				-1 939		-1 939
Equity at January 1st, 2018	**150 977**	**9 059**	**17 389**	**-61 764**	**1 359 751**	(1)	**-28 809**	**425 177**	**1 720 803**	**26 614**	**1 747 417**
Appropriation of net profit at December 31, 2017	-	-	-	-	425 177		-	-425 177	-	-	-
First-half 2018 net profit	-	-	-	-	-		-	230 100	230 100	2 632	232 732
Other comprehensive income	-	-	-	-	-1 136		-9 030	-	-10 166	-399	-10 565
Exchange differences on translating foreign operations	-	-	-	-	*5 032*		*-9 030*	-	*-3 998*	*-399*	*-4 397*
Actuarial gains/(losses) recognized in equity	-	-	-	-	*271*		-	-	*271*	-	*271*
Cash flow hedges - Interest rate instruments	-	-	-	-	*286*		-	-	*286*	-	*286*
Cash flow hedges - Currency instruments	-	-	-	-	*-4 741*		-	-	*-4 741*	-	*-4 741*
Change in the fair value adjustment of Investments in listed equity instruments and in funds	-	-	-	-	*-1 984*		-	-	*-1 984*	-	*-1 984*
IFRS 5 - Other comprehensive income from discontinued activities	-	-	-	-	-		-	-	-	-	-
Comprehensive income	-	-	-	-	424 041		-9 030	-195 077	219 934	2 233	222 167
Treasury stock transactions	-	-	-	-27 578	2 089		-	-	-25 489	-	-25 489
Capital reduction (cancellation of treasury stock)	-	-	-	-	-		-	-	-	-	-
Tax effect of treasury stock transactions	-	-	-	-	-		-	-	-	-	-
Dividends paid by Compagnie Plastic Omnium	-	-	-	-	-98 822		-	-	-98 822	-	-98 822
Dividends paid by other Group companies	-	-	-	-	-		-	-	-	-389	-389
Stock option and share purchase plan costs	-	-	-	-	1 274		-	-	1 274	-	1 274
Deferred tax on stock option and share purchase plans	-	-	-	-	145		-	-	145	-	145
Effect of tax rate change on deferred taxes related to the recognition of fixed assets at fair value	-	-	-	-	-		-	-	-	-	-
Equity at June 30, 2018	**150 977**	**9 059**	**17 389**	**-89 342**	**1 688 478**	(1)	**-37 839**	**230 100**	**1 817 845**	**28 458**	**1 846 303**

(1) See Note 5.2.1.2 for details of "Other reserves and retained earnings".

(2) The dividend per share distributed on June 30, 2018 by Compagnie Plastic Omnium in respect of the 2017 fiscal year is € 0,67 compared with €0.49 on June 30, 2017 in respect of 2016 fiscal year (see Note 5.2.2 on dividends voted and paid).

STATEMENT OF CASH FLOWS

In thousands of euros	Notes	First-half 2018	2017(1)	First-half 2017 restated
I - CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	3.1.1	232 732	430 487	213 043
Dividends received from associates and joint ventures		27 791	32 401	17 533
Non-cash items		161 161	396 516	166 431
Net profit from discontinued operations	*5.1.13*	*-6 575*	*-*	*-9 246*
Share of profit/(loss) of associates and joint ventures	*4.4*	*-34 675*	*-61 746*	*-30 817*
Stock option plan expense		*1 274*	*3 327*	*2 074*
Other adjustments		*7 971*	*688*	*-15 062*
Depreciation and provisions for impairment of fixed assets	*3.1.3*	*85 609*	*168 512*	*74 846*
Depreciation and provisions for impairment of intangible assets	*3.1.3*	*59 373*	*127 660*	*60 911*
Changes in provisions		*-36 612*	*-4 841*	*-21 522*
Net (gains)/losses on disposals of non-current assets	*4.5*	*2 630*	*19 606*	*24 719*
Proceeds from operating grants recognized in the income statement		*-905*	*-2 274*	*-1 362*
Current and deferred taxes	*4.7.1*	*50 899*	*84 548*	*52 786*
Interest expense		*32 171*	*61 037*	*29 104*
NET OPERATING CASH GENERATED BY OPERATIONS BEFORE IMPACT OF FINANCIAL EXPENSES AND INCOME TAX CASH PAYMENTS (A)		**421 684**	**859 404**	**397 007**
Change in inventories and work-in-progress – net		-76 779	-42 327	-72 304
Change in trade receivables – net		-20 123	-195 976	-152 117
Change in trade payables		101 942	177 432	206 969
Change in other operating assets and liabilities - net		36 229	17 660	27 877
CHANGE IN WORKING CAPITAL REQUIREMENTS (B)		**41 268**	**-43 211**	**10 425**
TAXES PAID (C)		**-42 831**	**-114 049**	**-65 071**
Interest paid		-41 092	-62 729	-36 011
Interest received		1 229	3 540	1 448
NET FINANCIAL INTEREST PAID (D)		**-39 863**	**-59 189**	**-34 563**
NET CASH GENERATED BY OPERATING ACTIVITIES (A+B+C+D)		**380 258**	**642 955**	**307 798**
II – CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of property, plant and equipment	3.1.3	-181 407	-328 718	-138 563
Acquisitions of intangible assets	3.1.3	-97 797	-165 561	-82 311
Disposals of property, plant and equipment	4.5 a	391	20 638	7 909
Disposals of intangible assets	4.5 a	-	1 338	1 326
Net change in advances to suppliers of fixed assets		6 468	14 471	7 453
Government grants received		1 118	688	215
NET CASH USED IN OPERATIONS-RELATED INVESTING ACTIVITIES (E)		**-271 227**	**-457 144**	**-203 971**
FREE CASH FLOW (A + B + C + D + E)(2)		**109 031**	**185 811**	**103 827**
Acquisitions of shares in subsidiaries and associates, investments in associates and joint ventures, and related investments(3)		217	-21 419	-
Acquisitions of Investments in non-listed equity instruments (4)		-372 762	-	-
Acquisitions of Investments in listed equity instruments and in funds (6)		-1 000	-32 874	-34 013
Proceeds from disposals of shares in subsidiaries and associates	4.5 a	767	10 678	10 755
Disposal of Investments in non-listed equity instruments (5)	4.5 a	20	159 424	156 771
Disposal of Investments in listed equity instruments and in funds (6)	4.5 a	-	36 842	38 714
Impact of changes in scope of consolidation -Cash and cash equivalents contributed by companies entering the scope of consolidation	2.4	-	747	63
Impact of changes in scope of consolidation - Cash and cash equivalents from companies leaving the scope of consolidation	2.6 - 5.1.12	-	-5 179	-5 519
Impact of changes in scope of consolidation - Borrowings contributed by companies entering the scope of consolidation	2.4	-	-	-
NET CASH FROM FINANCIAL INVESTING ACTIVITIES (F)		**-372 759**	**148 219**	**166 771**
NET CASH FROM INVESTING ACTIVITIES (E+F)		**-643 986**	**-308 925**	**-37 200**
III - CASH FLOWS FROM FINANCING ACTIVITIES				
Increases/reductions in share capital and premiums		-	-90	-
Purchases/sales of treasury stock		-25 485	-41 955	-44 827
Dividends paid to Burelle SA(7)		-58 238	-42 592	-42 592
Dividends paid to other shareholders(8)		-40 974	-30 253	-30 131
Increase in financial debt		42 233	507 371	485 896
Repayment of borrowings		-79 205	-110 236	-60 645
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES (G)		**-161 668**	**282 245**	**307 701**
Assets held for sale (and discontinued operations) (H)(9)	5.1.12 - 5.1.13	**-14 910**	-	-249
Effect of exchange rate changes (I)		**-3 288**	**-10 515**	**-10 291**
NET CHANGE IN CASH AND CASH EQUIVALENTS (A + B + C + D + E + F + G + H + I)		**-443 596**	**605 761**	**567 759**
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**5.1.10.2 - 5.2.4.5**	**924 884**	**323 882**	**316 864**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**5.1.10.2 - 5.2.4.5**	**481 288**	**929 643**	**884 624**

(1) The year 2017 corresponds to the publication of December 31, 2017 in connection with the opening balance sheet which remained unchanged (no restatement according to IFRS 5). The information in this column is used to reconcile the figures with the opening Cash accounts for the period of June 2018.

(2) The "Free Cash Flow" is an essential notion specific to the Plastic Omnium Group. It is used in all of the Group's external financial communication and, in particular, for annual and interim results presentations.

(3) These are the acquisition price adjustments during the first half of 2018 of "Swiss Hydrogen" for €148 thousand and "Optimum CPV BVBA" for €69 thousand (see Notes 2.4.1 and 2.4.2 in the " Operations of the period ").

(4) See in "Significant Events of the period", Note 2.3.1 related to the Group's acquisition of Mahle-Behr's 33.33 % equity stake in HBPO on June 26, 2018 for €369,762 thousand and Note 2.3.2 related to the €3,000 thousand for the acquisition of Tactotek shares.

(5) Relates to the sale of the "Faurecia Exterior Systems" activities due to the acquired opening balance sheet adjustments recorded as "Assets and liabilities held for sale" amounting to € 159,424 thousand at December 31, 2017, and to € 156,771 thousand at June 30, 2017 (see Notes 4.5-a).

(6) Relates to the financial investments in listed companies recorded under "Investments in listed equity instruments and in funds" (see Notes 4.5-a 5.1.5.2).

(7) The full amount of the dividend paid to Burelle SA in the two periods was paid by Compagnie Plastic Omnium.

(8) In the first half of 2018, the dividend paid to other shareholders of €40,584 thousand (compared with €29,681 thousand in 2017) was paid by Compagnie Plastic Omnium, bringing the total dividends paid by Compagnie Plastic Omnium to €98,822 thousand (compared with €72,272 thousand in 2017). See Note 5.2.2 "Dividends voted and paid by Compagnie Plastic Omnium".

(9) The amounts in this section for June 2018 and 2017 correspond to the " Cash flow from inter-companies transactions of other Group's entities with the Environment "

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements for the six months ended June 30, 2018 of the Plastic Omnium Group were approved by the Board of Directors on July, 19, 2018.

PRESENTATION OF THE GROUP

Compagnie Plastic Omnium, a company governed by French law, was set up in 1946. The bylaws set its duration until April 24, 2112. It is registered in the Lyon Trade and Companies Register under number 955 512 611 and its registered office is at 19, boulevard Jules Carteret, 69 007 Lyon, France.

The terms “Compagnie Plastic Omnium”, “the Group” or “the Plastic Omnium Group” refer to the group of companies comprising Compagnie Plastic Omnium and its consolidated subsidiaries.

The Plastic Omnium Group is a global leader in the transformation of plastic materials for the automotive market (Automotive Division) for body parts modules, storage systems and fuel supply systems, and for local authorities for waste collection bins (Environment Division).

On September 20, 2017, the Group announced its plan to sell the Environment Division activity *(see Note 2.6.1 in the “Significant events of the period”)*. The project is progressing. As a result, the Group applied IFRS 5 "Non-current Assets to be Sold and Discontinued Operations" to entities in the Environment Division at June 30, 2018. This resulted in the presentation in the 2017 and 2018 income statement of a single amount comprising the total after-tax gain or loss from this discontinued operation as reported data for 2017 have been restated, and the assets and liabilities held for sale have been recorded on separate lines of assets and liabilities. Consolidated balance sheet as of June 30, 2018, without restatement of the 2017 data presented as comparative.

At June 30, 2018, all of the Group’s revenue came from the automotive business.

Plastic Omnium Group shares have been traded on the Paris Stock Exchange since 1965. The Group is part of the SBF 120 and the CAC Mid 60 indices. The main shareholder is Burelle SA, which holds a 57.57% stake in the Group (58.92% excluding treasury stock) at June 30, 2018.

The unit of measurement used in the Notes to the consolidated financial statements is thousands of euros, unless otherwise indicated.

The “restated” notion is used for all the footnotes to the income statement of June 30, 2017.

1. ACCOUNTING POLICIES, ACCOUNTING RULES AND PRINCIPLES

1.1. Basis of preparation

The condensed consolidated financial statements for the six months ended June 30, 2018 have been prepared in accordance with IAS 34 "*Interim Financial Reporting*".

These condensed interim consolidated financial statements do not include all the information required for annual financial statements and should be read in conjunction with the consolidated financial statements at December 31, 2017.

The accounting policies used are those applied by the Group at December 31, 2017 and described in Note 1 "Basis of preparation, accounting rules and methods" of the 2017 consolidated financial statements.

Since January 1, 2018, the Group has applied IFRS 15 "Income from ordinary activities drawn from customer contracts" and IFRS 9 "Financial Instruments" (See notes 2.1.1 and 2.1.2).

IFRS 16 "Leases" published in early 2016 by the IASB and applicable from January 1, 2019 is currently being analyzed by the Group. Its impact on consolidated property, plant and equipment should be less than 10%; it mainly concerns property rentals. Due to the insignificant impacts of this new standard, the Group should apply the modified retrospective method for the transition at January 1, 2019: the 2018 consolidated financial statements would not be restated and the new accounting treatment would be applied to leases in progress at January 1, 2019.

The Group has not anticipated the application of standards, interpretations and amendments that are not mandatory at January 1, 2018.

1.2. Preparation of interim financial statements

- **Income tax**

The tax charge for the period (due and deferred) is determined based on the estimated annual tax rate, applied to profit before tax for the period excluding significant non-recurring items.

- **Employee benefits**

The change in reference rates over the first half of the year has generally no impact on the valuation of long-term corporate commitments and the interim financial statements of the Group.

The net allocation to post-employment benefit obligations is half of the net cost calculated for the 2018 financial year based on the actuarial data and assumptions used at December 31, 2017after the impact of the new employee downsizing plans.

- **Seasonality of activity**

Plastic Omnium Group's business is not seasonal in nature.

- **Impairment and depreciation tests**

At June 30, 2018, as no impairment loss indicators were identified by the Group, in particular given the sound level of business and profitability over the period and the outlook, no impairment tests were carried out.

1.3. Use of estimates and assumptions

In preparing its financial statements, the Plastic Omnium Group uses estimates and assumptions to assess some of its assets and liabilities. These estimates and assumptions, which may lead to a material adjustment to the carrying amount of assets and liabilities, mainly concerned deferred taxes and goodwill at June 30, 2018.

Goodwill is subject to an annual impairment test as part of the annual closing of the consolidated financial statements but also when there is evidence of impairment. The tests carried out by the Group are based on the value in use, which is calculated as the present value of future cash flows.

2. SIGNIFICANT EVENTS OF THE PERIOD

2.1. Application of the new IFRS standards applicable from January 1, 2018:

IFRS 15 and IFRS 9, mandatory from January 1, 2018, were applied by Plastic Omnium Group for the first time as of January 1, 2018.
The impacts on the Group's financial statements are shown below and explained in the following notes:

1st application of IFRS 15 and IFRS 9: Transition from December 31, 2017 to January 1st, 2018 Consolidated Balance Sheet

In thousands of euros	Notes	December 31, 2017	IFRS 15	IFRS 9	January 1st, 2018
ASSETS					
Goodwill		584 685	-		584 685
Intangible assets	5.1.2	497 857	20 508		518 365
Property, plant and equipment		1 410 465	29		1 410 494
Investment property		93 263	-		93 263
Investments in associates and joint ventures		211 174	-		211 174
Investments in non-listed equity instruments		316	-		316
Investments in listed equity instruments and in funds		27 514	-		27 514
Other non-current financial assets		59 060	-		59 060
Deferred tax assets		96 663	530		97 193
TOTAL NON-CURRENT ASSETS		**2 980 997**	**21 067**	**-**	**3 002 064**
Inventories	5.1.7	414 013	273 074		687 087
Finance receivables		42 807	-		42 807
Trade receivables	5.1.9.2	940 084	-124 507	-1 939	813 638
Other		354 602	-		354 602
Other financial assets and financial receivables		83 209	-		83 209
Hedging instruments		5 254			5 254
Cash and cash equivalents		939 635	-		939 635
TOTAL CURRENT ASSETS		**2 779 604**	**148 567**	**-1 939**	**2 926 232**
Assets held for sale		**846**	**-**		**846**
TOTAL ASSETS		**5 761 447**	**169 634**	**-1 939**	**5 929 142**

EQUITY AND LIABILITIES					
Capital		9 059	-		9 059
Treasury stock		-61 764	-		-61 764
Additional paid-in capital		17 389	-		17 389
Consolidated reserves		1 337 759	-4 878	-1 939	1 330 943
Net income for the period		425 177	-		425 177
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		**1 727 620**	**-4 878**	**-1 939**	**1 720 804**
Attributable to non-controlling interests		26 614	-		26 614
TOTAL EQUITY		**1 754 234**	**-4 878**	**-1 939**	**1 747 418**
Non-current borrowings		1 323 771	-		1 323 771
Provisions for pensions and other post-employment benefits		106 517	-		106 517
Provisions for liabilities and charges	5.2.3	54 689	826		55 515
Non-current government grants		6 557	-		6 557
Deferred tax liabilities		20 975	-		20 975
TOTAL NON-CURRENT LIABILITIES		**1 512 509**	**826**	**-**	**1 513 335**
Bank overdrafts		9 993	-		9 993
Current borrowings		381 078	-		381 078
Current debt		4	-		4
Hedging instruments		5 618	-		5 618
Provisions for liabilities and charges	5.2.3	70 944	3 181		74 125
Current government grants		3 948	-		3 948
Trade payables		1 233 221	-		1 233 221
Other operating liabilities (Deferred income)	5.2.6.2	789 898	170 505		960 403
TOTAL CURRENT LIABILITIES		**2 494 704**	**173 686**	**-**	**2 668 390**
Liabilities related to assets held for sale		**-**	**-**		**-**
TOTAL EQUITY AND LIABILITIES		**5 761 447**	**169 634**	**-1 939**	**5 929 142**

2.1.1. 1st time application of IFRS 15 "Revenue from contract with customers" and impacts on accounts

The Group has been applying IFRS 15 "Revenue from contract with customers" since January 1, 2018. In this context, the accounting treatment selected until December 31, 2017 for costs and products related to activities carried out during the project phase of automotive contracts has been amended. The project phase corresponds to the period during which the Group is working on the development of the part to be produced, on the design and manufacture of specific tooling to be used in production, as well as on the organization of future production processes and logistics. It begins with the appointment of the Group to the vehicle and the product concerned, and the product concerned is completed when the normal production volume is reached.

The new accounting treatment is based on the identification by the Group, in most cases, of two performance obligations, distinct from the production of parts, under the Design activity and certain specific tooling whose control is transferred to clients.

The costs related to performance obligations are recognized in inventories during the project phase and then in expenses when their control is transferred to the client, i.e. when the series is launched. Products related to payments including those explicitly included in the part price, and therefore the negative or positive margin for these performance obligations shall be recognized at the start of the series life.

Other costs incurred during the project phase related to the execution of the contract not transferred to the customers, are recognized in fixed assets and depreciated over the expected period of production, i.e. three years for the exterior parts and five years for fuel systems. These assets are tested for impairment on an annual basis and then when the asset is put into service.

Furthermore, under IFRS 15, only the costs of obtaining contracts that would not exist in the absence of contracts are capitalized and depreciated over the expected production period; costs incurred prior to the appointment of the Group, whether or not the contract is obtained, are recognized as an expense for the period.

The Group has also examined the concepts specified or introduced by IFRS 15, such as the concept of "agent versus principal", which does not have an impact on the principles applied until now.

Due to the non-significant impacts of this new accounting treatment, the Group has decided to apply the modified retrospective method; the 2017 consolidated financial statements are not restated and the new accounting treatment is applied to projects not completed on January 1, 2018, i.e. automotive contracts whose series has not been launched at December 31, 2017.

The impact of this change in accounting treatment on the opening balance sheet at January 1, 2018 is essentially related to the restatement of the revenue recognized for the current projects until December 31, 2017. As previously indicated, the new accounting treatment provides for the recognition of products relating to performance obligations at the start of the series life.

Hence, invoices to be recorded on these projects as at December 31, 2017 have been cancelled, in the amount of €125 million, and invoices until that date have been recorded as deferred income, in the amount of €171 million. In return, the related costs that were no longer in the balance sheet at December 31, 2017 have been restated, i.e. recorded in inventories, in the amount of €273 million, or property, plant and equipment, in the amount of €21 million, according to their nature.

These restatements have no impact on equity, since no profit or loss has been booked on these projects at December 31, 2017 in accordance with the accounting principles applicable at that date.

The impact on shareholders' equity of the change in method corresponds to the provisions for losses on the completion of the performance obligations or the tooling, and to a lesser extent to the restatement of the acquisition costs of capitalized contracts at December 31, 2017 and the related deferred taxes.

As indicated in the 2017 financial statements, the impact of applying this new standard has no significant impact on the Group's 2018 revenue and net income.

2.1.2. 1st time application of IFRS 9 "Financial Instruments" and impacts on accounts

The impacts related to the provisions of IFRS 9 “Financial Instruments”, which are mandatory from January 1, onwards, are not material for the Plastic Omnium Group for the following reasons:

- non-materiality of “Investments in non-listed equity instruments” and investments currently recorded in “Investments in listed equity instruments and in funds”;

- non-materiality of the losses expected from the outset, even in the absence of a credit event, given the financial strength of the Group’s customers;

- IFRS 9 does not modify the accounting treatment of the different types of hedging used by the Plastic Omnium Group, nor the swap point treatment or the optional nature of hedge accounting. It softens the criteria for the eligibility of hedging instruments and the hedged elements and compliance with the effectiveness criteria. On these bases, and in view of the interest rate and forex risk hedging policy, the Group’s impacts are very limited. *(See Note 5.2.5.1 on “Interest rate hedges”.)*

The only impact of this new IFRS standard at January 1, 2018, is the recognition of accounts receivable write-down of -€1.9 million.

In accordance with the new standard, changes in the value of assets available for sale are recorded as follows from January 1, 2018:

- changes in the fair value of listed companies are accounted for using the alternative method provided for under IFRS 9 under “Other operating income”/“Other comprehensive income” in equity "(OCI)" without being reclassified in profit or loss;

- changes in the fair value of long-term investments in open-ended collective investment schemes (SICAV) and mutual funds (FCP) are recognized in profit or loss.

2.2. Creation of a new "New Energies" business dedicated to new energy

During the first half of the year, the Group created a new “New Energies” business within the Plastic Omnium Auto Inergy Division of the Automotive segment. It is devoted to business related to future energy in the fields of combustion cells and hydrogen propulsion.

2.3. Acquisitions and acquisitions of shares in the first half of the year

2.3.1. Acquisition by the Group of 33.33% Equity stake in HBPO

On March 1, the Plastic Omnium Group signed an agreement with the German group Mahle-Behr to acquire its 33.33% equity stake in the joint venture HBPO until then held equally between Plastic Omnium, Hella and Mahle-Behr.

After it was authorized by the competition authorities, the Plastic Omnium Group finalized the acquisition on June 26, 2018, for an enterprise value of €350 million corresponding to the 33.33% Mahle-Behr stake, financed with the Group's own resources.

The global leader in automotive module development, assembly and logistics with a global market share of nearly 20%, HBPO employs 2,200 people. This acquisition enables the Plastic Omnium Group to acquire additional industrial resources for its development in the smart and modular body segment.

The acquisition having been finalized a few days before the closing of June 30, 2018, the additional 33.33% stake is recognized in the balance sheet under “Investments in non-listed equity instruments” and in the Table of Cash Flows under “Investments in non-listed equity instruments” in the financial statements at June 30, 2018. This accounting is temporary and will be finalized in the second half of 2018.

The following notes on the Plastic Omnium Group’s equity shares in HBPO present the Group’s 33.33% equity stake, i.e. before the additional 33.33% acquisition from the German Group Mahle-Behr:

Summary of HBPO in the Group accounts :

Please refer to the following note : N°	Note	Caption	First-half 2018	June 30, 2018	First-half 2017	June 30, 2017	2017	December 31, 2017
Reminder of all notes on "Associates and joint ventures" - including HBPO :								
P&L, Notes 3.1.1 & 4.4	"Income statement by operating segment"	Share of profit/(loss) of associates and joint ventures - Including HBPO	34 675		30 817		61 746	
B/Sheet & note 5.1.4	B/Sheet - "Investments in associates and joint-ventures"	"Investments in associates and joint-ventures" - including HBPO		207 002		194 944		211 174
5.1.11	Consolidated funds and proportionate share of funds from operations of associates and joint ventures, after taxes and interest paid, net of dividends paid	Associates and joint ventures - Including HBPO	937		22 315		47 696	
Share of profit and investments in "Associates and joint ventures":								
P&L, Notes 3.1.1 & 4.4	Cost of goods and services sold before the elimination of inter-companies transactions	JV HBPO GmbH and its subsidiaries and associates	8 731		8 831		15 066	
B/Sheet & note 5.1.4	B/Sheet - "Investments in associates and joint-ventures"	JV HBPO GmbH and its subsidiaries and associates		39 990		35 320		41 161
5.1.11	Consolidated proportionate share after taxes and interest paid, net of dividends paid of Associates and joint ventures	JV HBPO GmbH and its subsidiaries and associates	10 928		15 444		23 543	
Acquisition of additional 33.33 % stake from the German Group Mahle-Behr on June 26, 2018 :								
B/Sheet	Investments in non-listed equity instruments	Total amont in the B/Sheet - including acquisition from Mahle-Behr		372 971	349		316	
5.1.5.1	Investments in non-listed equity instruments	Additional acquisition of 33,33 % Shares Equity in HBPO		369 762				

The Balance Sheet and Income Statements of fully-consolidated HBPO entities before the elimination of inter-companies transactions are presented below:

Balance Sheet at 100 % of HBPO Entities before the elimination of inter-companies transactions :

In thousands of euros ASSETS	June 30, 2018	December 31, 2017
Intangible assets including the Goodwill	53 576	47 037
Property, plant and equipment	76 207	65 696
Non-current financial assets	48 094	48 745
Deferred tax assets	11 902	10 956
Inventories	60 753	46 049
Trade receivables and other	381 332	309 843
Other financial assets and financial receivables	148 548	154 907
Cash and cash equivalents	48 496	93 094
TOTAL ASSETS	**828 908**	**776 328**
EQUITY AND LIABILITIES		
Consolidated reserves	113 309	32 980
Net income for the period	48 367	132 292
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	**161 675**	**165 272**
Attributable to non-controlling interests	-	-
TOTAL EQUITY	**161 675**	**165 272**
Borrowings and debt	171 712	167 978
Provisions for pensions and other post-employment benefits	1 893	1 770
Provisions for liabilities and charges	6 235	8 824
Deferred tax liabilities	215	616
Trade payables	487 178	431 868
TOTAL EQUITY AND LIABILITIES	**828 908**	**776 328**

Income Statement at 100 % of HBPO Entities before the elimination of inter-companies transactions :

In thousands of euros	First-half 2018	%	First-half 2017	%
Consolidated sales (revenue) before the elimination of inter-companies transactions	**1 233 437**	**100,0%**	**1 260 936**	**100,0%**
Cost of goods and services sold before the elimination of inter-companies transactions	-1 178 969	-95,6%	-1 208 507	-95,8%
Gross profit before the elimination of inter-companies transactions	**54 468**	**4,4%**	**52 429**	**4,2%**
Net research and development costs, Selling costs and Administrative expenses before the elimination of inter-companies transactions	-16 677	-1,4%	-16 174	-1,3%
Operating margin before the elimination of inter-companies transactions	**37 791**	**3,1%**	**36 256**	**2,9%**
Other operating income before the elimination of inter-companies transactions(1)	19 151	1,6%	23 544	1,9%
Net financial Income before the elimination of inter-companies transactions	-149	-0,0%	1 129	0,1%
Profit before income tax before the elimination of inter-companies transactions	**56 793**	**4,6%**	**60 928**	**4,8%**
Income tax before the elimination of inter-companies transactions	-8 426	-0,7%	-8 825	-0,7%
Net income before the elimination of inter-companies transactions	**48 367**	**3,9%**	**52 103**	**4,1%**

(1) This caption includes 100% of the dividend paid to shareholders.

Dividend at 100 % paid to shareholders	**-20 822**	**-1,7%**	**-25 609**	**-2,0%**
Net income excluding the dividends to Shareholders	**27 545**	**2,2%**	**26 494**	**2,1%**

2.3.2. Acquisition of a stake in Finnish company Tactotek OY

In February 2018, the Group took a 4.43% equity stake in the Finnish company “Tactotek OY” in the amount of €3 million. The company "Tactotek OY" is specialized in the manufacture of radars, integrated sensors in vehicle bodies.

In the absence of significant influence or control exercised by the Plastic Omnium Group, the company “Tactotek OY” is not consolidated. The acquired securities are recorded in the balance sheet under “Investments in non-listed equity instruments” *(see Note 5.1.5.1)*.

The change in fair value of this asset is recognized in profit or loss *(see Note 2.1.2on the first application of IFRS 9 “Financial Instruments”)*.

2.4. Monitoring of acquisitions and acquisitions of investments in 2017

The previous year’s acquisitions have evolved as follows:

2.4.1. Monitoring of the acquisition of “ Swiss Hydrogen ” by the “ Fuel Systems ” Division

The company “Swiss Hydrogen”, specializing in the design and production of energy management and control solutions for combustion battery systems dedicated to mobility ("Balance of plant / BOP") and based in Fribourg, was acquired on December 18, 2017. It is part of the “Plastic Omnium New Energies”.

During the first half of 2018, a non-material adjustment to the acquisition price of Swiss Hydrogen and therefore goodwill was recorded.

Goodwill amounted to € 8.9 million at June 30, 2018.

The allocation of the acquisition price will be completed in the second half of 2018.

2.4.2. Monitoring of the acquisition of “ Optimum CPV BVBA ” of the “ Fuel Systems ” Division

The Belgian company “Optimum CPV BVBA”, specialized in the design and production of tanks in filament composite for the storage of pressurized hydrogen and based in Zonhoven, was acquired on December18, 2017. It is part of the “Plastic Omnium New Energies”.

During the first half of 2018, a non-material adjustment to the acquisition price of the company “Optimum CPV BVBA” and therefore goodwill was recorded.

Goodwill amounted to €4.8 million at June 30, 2018.

The allocation of the acquisition price will be completed in the second half of 2018.

2.4.3. Investment in the venture capital company “ Aster ”

As a co-sponsor, the Plastic Omnium Group signed a €20 million subscription commitment in the framework of a fundraising operation by the venture capital company “Aster”.

The "Aster" company supports the growth of innovative start-ups in energy, greentech for energy transition, innovative materials, intelligent transport systems, digital transformation, new industrial models and the internet of things.

At June 30, 2018, the amount paid by the Plastic Omnium Group amounted to €1.5 million, including €1 million in the first half of 2018. It is recognized as an asset on the balance sheet under “Investments in listed equity instruments and in funds” *(see Note 5.1.5.2)*.

The change in fair value is recognized in the income statement *(see Note 2.1.2 on the first-time application of IFRS 9 “Financial Instruments”)*.

2.5. Monitoring of investments and site openings

2.5.1. Investments in production capacity: Greer and Smyrna plants in the United States

The construction of the two plants Greer and Smyrna in the US continues.

Greer plant in South Carolina in the United States:

Construction of the Greer plant in South Carolina in the United States, launched during the first half of 2017, will end on July 2018. This plant is designed to deliver all major exterior body parts of the carmaker BMW's X3, X4, X5 and X6 models, as well as future models of the BMW plant, which is part of the Auto Exterior Division of the Automotive segment. It will also supply the carmakers Volvo in South Carolina and Daimler in Alabama.

The Greer plant is the 1st plant in the history of the Group (pilot plant) that will operate on "4.0" technology. It will lead to further improvements in industrial processes, parts quality, robotization, standardization and competitiveness.

Smyrna plant in Tennessee in the United States:

Construction of the Smyrna plant in Tennessee in the United States for the "Fuel Systems" Division of the Automotive segment, which began in the first half of 2017, is being completed. This plant, which has been operational since late March, will produce fuel systems for a Japanese manufacturer starting in early August 2018.

2.5.2. Investments in production capacity: plant in Hlohovec in Slovakia for the production of body parts

The construction of the new plant in Hlohovec in Slovakia for body parts (Auto Exteriors Division of the Automotive segment) for the plant of the carmaker Jaguar Land Rover started in the second half of 2017 (who also set up in Slovakia, in Nitra) is continuing. The work will end in the first half of the year 2019, when the production begins.

2.5.3. Construction of the innovation center and high-tech activity: Δ-Deltatech

The construction of an innovation and high-tech activity center on new energies, Δ-Deltatech, in Brussels, Belgium decided by the Group in the second half of 2016, began in early 2018. Total investment, including the land, is €52 million. The opening is planned in early 2019 and the research center will employ around two hundred engineers.

2.5.4. Construction of a technical center in Wuhan in China for " Fuel systems " in the Automotive segment - ω-Omegatech

In order to support its growing activities in Asia, and reduce the use of the α-Alphatech center in France in Compiègne (department of the Oise) and of outsourcing, the Group is launching a construction project in Wuhan in China; near its current plant specialized in the manufacture of fuel systems. The center will include technical premises for the development of new fuel tank projects and new part validation tests, a fuel test laboratory, a mechanical laboratory and a prototype development workshop.

Construction began in the 3rd quarter of 2018 and will end in the first quarter of 2019. The total cost of the project is close to RMB194 million (€25.2 million) at June 30, 2018.

2.5.5. Expansion and reinforcement of advanced tools from the International R&D Centre for body components and modules: Σ-Sigmatech

As part of its overall strategy for responding to new challenges arising from the preparation of the vehicle of the future and the advent of the connected, autonomous and cleaner car, the Group has launched an extension and digitization program for its international R&D center, Σ-Sigmatech, totaling of €25 million.

The program will provide the center with resources in mechatronic, connected systems, virtual reality and collaborative robots.

2.6. Disposals of companies, property assets and site closures at the first half of 2018

2.6.1. Project to sell the "Environment" activity

On September 20, 2017, Compagnie Plastic Omnium announced its proposed sale of the Environment Division, which specializes in waste management products and services intended primarily for local authorities and businesses to focus on the global development of its automotive activities. It employs 1,800 people and has an R&D center and six plants in Europe (France, Germany and Spain).

Its activities cover:

- containers: household waste receptacles, overhead columns, composters, underground and partially buried containers;
- associated services: maintenance, washing, surveys and implementation, data management, etc.;
- urban furniture: waste disposal areas, playgrounds, park and street equipment.

At June 30, 2018, the sale project is still underway. In view of the completion process and the likelihood that the disposal will take place in the coming months, the Group has decided to apply IFRS 5 by reclassifying this activity under “Non-current assets held for sale and discontinued operations”. The companies covered by this accounting treatment are identified in the "list of consolidated entities". The information related to the Environment Division is presented in Note 5.1.13 "Environment Division summary report under IFRS 5, 30 June 2017 and 2018".

2.6.2. Disposal of the Group’s Equity shares in “Plastic Recycling SAS”

At the end of February 2018, the Plastic Omnium Group and the company “Derichebourg”, which co-owned the company “Plastic Recycling SAS”, sold their equity shares in “Veolia Propreté”.

The transaction resulted in a +€0.4 million profit for the Plastic Omnium Group, and sale proceeds of €0.7 million and equity of €0.3 million.

2.7. Monitoring of disposals of companies in 2017

2.7.1. Monitoring of the disposal of the Automotive Division “ Truck ” business on June 30, 2017

In accordance with the sale contract, the process for determining any price adjustments between the two parties is still ongoing at June 30, 2018. No significant price revisions are expected.

3. SEGMENT INFORMATION

3.1. Information by operating segment

The Group is divided into two operational segments: Automotive and Environment.

The Group uses the concept of “economic sales” for its operational management, which corresponds to the consolidated sales of the Group and its joint ventures at their ownership percentage: HBPO a German company, the world leader in front-end modules (see Note 2.3.1 in the “Significant events of the period”), Yanfeng Plastic Omnium, the Chinese leader in exterior body parts, BPO, a major player in the Turkish market for exterior equipment.

The columns in the tables below show the amounts of each sector. The “Unallocated items” column groups together inter-segment eliminations and amounts that are not allocated to a specific segment (in particular, holding company activity) by allowing for the reconciliation of segment data with the Group’s financial statements. Financial results, taxes and the share of profit/(loss) of associates are monitored at Group level and are not allocated to the segments. Transactions between segments are carried out on the basis of their market value.

3.1.1. Income statement by operating segment

In thousands of euros	First-half 2018 Automotive	Environment	Unallocated items[2]	Reclassification IFRS 5	Total
Economic sales (revenue) [1]	**3 820 869**	**165 035**	**-**	**-165 035**	**3 820 869**
Including Sales from joint ventures at the Group's percentage stake	*631 243*	-	-	-	*631 243*
Sales to third parties	**3 189 647**	**165 050**	**-37**	**-165 050**	**3 189 610**
Sales between segments	-21	-16	37	16	16
Consolidated sales (revenue)	**3 189 626**	**165 034**	**-**	**-165 034**	**3 189 626**
% of segment revenue - Total	*100,0%*	*5,2%*		*-5,2%*	*100,0%*
Operating margin before amortization of intangible assets acquired in business combinations and before share of profit of associates and joint ventures	**294 888**	**9 516**	**-**	**-10 426**	**293 978**
% of segment revenue	*9,2%*	*5,8%*		*6,3%*	*9,2%*
Amortization of intangible assets acquired in business combinations	-4 882	-	-	-	-4 882
Share of profit/(loss) of associates and joint ventures [3]	34 675	-	-	-	34 675
Operating margin	**324 681**	**9 516**	**-**	**-10 426**	**323 771**
% of segment revenue	*10,2%*	*5,8%*		*6,3%*	*10,2%*
Other operating income	27 021	2 591	-	-137	**29 475**
Other operating expenses	-39 393	-1 860	-	1 860	**-39 393**
% of segment revenue	*-0,4%*	*0,4%*		*-1,0%*	*-1,0%*
Finance costs, net					-33 635
Other financial income and expenses, net					-3 161
Profit from continuing operations before income tax and after share in associates and joint ventures					**277 057**
Income tax					-50 900
Net income after income tax from continuing operations					226 157
Net income after income tax from discontinued activities					6 575
Net income					**232 732**

In thousands of euros	First-half 2017 restated Automotive	Environment	Unallocated items[2]	Reclassification IFRS 5	Total
Economic sales (revenue) [1]	**3 894 221**	**168 026**	**-**	**-168 026**	**3 894 221**
Including Sales from joint ventures at the Group's percentage stake	*607 343*	-	-	-	*607 343*
Sales to third parties	**3 286 911**	**168 077**	**-84**	**-168 077**	**3 286 827**
Sales between segments	-33	-51	84	51	51
Consolidated sales (revenue)	**3 286 878**	**168 026**	**-**	**-168 026**	**3 286 878**
% of segment revenue - Total	*100,0%*	*5,1%*		*-5,1%*	*100,0%*
Operating margin before amortization of intangible assets acquired in business combinations and before share of profit of associates and joint ventures	**296 288**	**10 613**	**-**	**-13 131**	**293 770**
% of segment revenue	*9,0%*	*6,3%*			*8,9%*
Amortization of intangible assets acquired in business combinations	-12 757	-	-	-	-12 757
Share of profit/(loss) of associates and joint ventures [3]	30 817	-	-	-	30 817
Operating margin	**314 348**	**10 613**	**-**	**-13 131**	**311 830**
% of segment revenue	*9,6%*	*6,3%*			*15,9%*
Other operating income	41 779	19 798	-	-2 684	**58 893**
Other operating expenses	-63 175	-21 894	-	2 238	**-82 832**
% of segment revenue	*-0,7%*	*-1,2%*		*0,3%*	*-1,6%*
Finance costs, net					-30 633
Other financial income and expenses, net					-654
Profit from continuing operations before income tax and after share in associates and joint ventures					**256 604**
Income tax					-52 807
Net income after income tax from continuing operations					**203 797**
Net income after income tax from discontinued activities					9 246
Net income					**213 043**

(1) Economic sales (revenue) correspond to the sales of the Group and its joint ventures consolidated at their percentage of ownership.

(2) "Unallocated items" correspond to inter-segment eliminations and amounts that are not allocated to a specific segment (for example, holding company activities). This column is included to enable segment information to be reconciled to the Group's financial statements.

(3) See in "Significant Events of the period", Note 2.3.1 related to the acquisition of a 33.33% equity stake in HBPO from Mahle-Behr on June 26, 2018.

3.1.2. Balance sheet data by operating segment

June 30, 2018					
In thousands of euros **Net amounts**	**Automotive**	**Environment**	**Unallocated items**	**Reclassification IFRS 5**	**Total**
Goodwill	489 166	98 525	-	-98 525	489 166
Intangible assets	540 934	11 078	10 779	-11 078	551 713
Property, plant and equipment	1 406 972	53 183	47 135	-53 183	1 454 107
Investment property	-	-	93 263	-	93 263
Inventories	729 256	40 504	-	-40 504	729 256
Trade receivables	788 555	52 809	4 997	-52 809	793 552
Other	294 597	12 071	59 219	-12 071	353 816
Finance receivables (C) [(1)]	34 901	1 355	-	-1 355	34 901
Current accounts and other financial assets (D)	-1 016 783	2 077	1 150 762	-2 077	133 979
Investments in listed equity instruments and in funds - FMEA 2 (F)	137	-	26 381	-	26 518
Hedging instruments (E)	-	61	770	-61	770
Net cash and cash equivalents (A) [(2)]	140 361	19 528	340 926	-19 528	481 287
Total segment assets	**3 408 096**	**291 191**	**1 734 232**	**-291 191**	**5 142 328**
Borrowings (B)	101 437	449	1 568 378	-449	1 669 815
Segment liabilities	**101 437**	**449**	**1 568 378**	**-449**	**1 669 815**
Segment net debt = (B - A - C- D - E - F) [(3)]	**942 821**	**-22 572**	**49 539**	**22 572**	**992 360**

December 31, 2017 published					
	Automotive	**Environment**	**Unallocated items**		**Total**
Goodwill	486 160	98 525	-		584 685
Intangible assets	475 979	11 391	10 487		497 857
Property, plant and equipment	1 308 836	53 053	48 576		1 410 465
Investment property	-	-	93 263		93 263
Inventories	377 020	36 993	-		414 013
Trade receivables	886 624	46 369	7 091		940 084
Other	280 004	12 674	61 924		354 602
Finance receivables (C) [(1)]	50 200	1 865	-		52 065
Current accounts and other financial assets (D)	-561 801	1 082	693 730		133 011
Investments in listed equity instruments and in funds - FMEA 2 (F)	149	-	27 365		27 514
Hedging instruments (E)	-	298	4 956		5 254
Net cash and cash equivalents (A) [(2)]	142 121	4 758	782 763		929 642
Total segment assets	**3 445 292**	**267 008**	**1 730 155**		**5 442 455**
Borrowings (B)	144 113	740	1 565 618		1 710 471
Segment liabilities	**144 113**	**740**	**1 565 618**		**1 710 471**
Segment net debt = (B - A - C- D - E - F) [(3)]	**513 444**	**-7 263**	**56 804**		**562 985**

(1) At June 30, 2018, "Finance receivables" included €9,258 thousand shown in the balance sheet under "Other non-current financial assets" against €28,633 thousand at December 31, 2017, and €42,807 thousand reported under “Finance receivables – current portion” against €33,918 thousand at December 31, 2017.

(2) Net cash and cash equivalents as reported in the Statement of Cash Flows. See also 5.1.10.2 “Net cash and cash equivalents at end of period”.

(3) See Notes 5.2.4.1 “Net debt indicator used by the Group” and Note 5.2.4.5 “Reconciliation of gross and net debt”.

3.1.3. Other information by operating segment

First-half 2018 In thousands of euros	Automotive	Environment	Unallocated items	Reclassification IFRS 5	Total
Acquisitions of intangible assets	96 627	318	1 170	-318	97 797
Capital expenditure including acquisitions of investment property	180 636	6 185	771	-6 185	181 407
Depreciation and amortization expense(1)	-141 994	-6 412	-2 988	6 412	-144 982

First-half 2017 restated In thousands of euros	Automotive	Environment	Unallocated items	Reclassification IFRS 5	Total
Acquisitions of intangible assets	81 288	418	1 023	-418	82 311
Capital expenditure including acquisitions of investment property	135 908	5 590	2 655	-5 590	138 563
Depreciation and amortization expense(1)	-149 524	-7 348	13 767	7 348	-135 757

(1) This item corresponds to depreciation, amortization and impairments of property, plant and equipment and intangible assets, including the amortization of intangible assets (primarily contractual customer relationships and, to a lesser extent, brands) acquired in business combinations.

3.1.4. Revenue - Information by geographic region and by country of sales

The information given in the following tables corresponds to the revenue generated by the subsidiaries in the marketing regions or market countries as indicated below:

3.1.4.1. Information by market region

First-half 2018		
In thousands of euros	**Totals**	**%**
France	334 772	*8,8%*
North America	943 179	*24,7%*
Europe excluding France	1 744 081	*45,6%*
South America	101 389	*2,7%*
Africa	41 108	*1,1%*
Asia	656 340	*17,1%*
Economic revenue	**3 820 869**	***100%***
Including revenue from joint ventures at the Group's percentage stake	*631 243*	
Consolidated revenue	**3 189 626**	

First-half 2017 restated		
In thousands of euros	**Totals**	**%**
France	349 801	*9,0%*
North America	1 043 520	*26,8%*
Europe excluding France	1 692 542	*43,4%*
South America	124 378	*3,2%*
Africa	37 888	*1,0%*
Asia	646 094	*16,6%*
Economic revenue	**3 894 221**	***100%***
Including revenue from joint ventures at the Group's percentage stake	*607 343*	
Consolidated revenue	**3 286 878**	

3.1.4.2. Information for the first ten contributing countries

First-half 2018		
In thousands of euros	**Totals**	**%**
Germany	656 556	*17,2%*
United States	577 173	*15,1%*
Spain	371 332	*9,7%*
China	362 785	*9,5%*
France	334 772	*8,8%*
Mexico	328 890	*8,6%*
United Kingdom	249 275	*6,5%*
Slovakia	138 157	*3,6%*
South Korea	121 648	*3,2%*
Czech republic	76 414	*2,0%*
Other	603 867	*15,8%*
Economic revenue	**3 820 869**	***100%***
Including revenue from joint ventures at the Group's percentage stake	*631 243*	
Consolidated revenue	**3 189 626**	

First-half 2017 restated		
In thousands of euros	**Totals**	**%**
United States	710 690	*18,2%*
Germany	644 666	*16,6%*
Spain	375 277	*9,6%*
France	349 801	*9,0%*
China	337 803	*8,7%*
Mexico	291 086	*7,5%*
United Kingdom	248 329	*6,4%*
South Korea	148 514	*3,8%*
Slovakia	121 703	*3,1%*
Brazil	73 261	*1,9%*
Other	593 092	*15,2%*
Economic revenue	**3 894 221**	***100%***
Including revenue from joint ventures at the Group's percentage stake	*607 343*	
Consolidated revenue	**3 286 878**	

3.1.4.3. Information by automotive manufacturer

First-half 2018		
Automotive manufacturers	**Totals**	
In thousands of euros	**Totals**	**% of total Automotive revenue**
Volkswagen-Porsche	871 461	*22,8%*
PSA Peugeot Citroën(1)	514 381	*13,5%*
General Motors	468 867	*12,3%*
Ford	369 309	*9,7%*
Renault/Nissan/Mitsubishi	293 849	*7,6%*
Total – main manufacturers	**2 517 867**	***65,9%***
Other automotive manufacturers	1 303 002	*34,1%*
Total Automotive segment – Economic revenue	**3 820 869**	***100,0%***
Including revenue from joint ventures at the Group's percentage stake Automotive revenue sub-total	*631 243*	
Total Automotive segment - Consolidated revenue	**3 189 626**	

First-half 2017		
Automotive manufacturers	**Totals**	
In thousands of euros	**Totals**	**% of total Automotive revenue**
Volkswagen-Porsche	848 817	*21,8%*
General Motors(2)	548 122	*14,1%*
PSA Peugeot Citroën	401 002	*10,3%*
Renault/Nissan	319 206	*8,2%*
BMW	301 658	*7,7%*
Total – main manufacturers	**2 418 805**	***62,1%***
Other automotive manufacturers	1 475 416	*37,9%*
Total Automotive segment – Economic revenue	**3 894 221**	***100%***
Including revenue from joint ventures at the Group's percentage stake Automotive revenue sub-total	*607 343*	
Total Automotive segment - Consolidated revenue	**3 286 878**	

(1) Takes into account the acquisition of Opel by PSA Peugeot Citroën from General Motors on August, 1, 2017
(2) Of which €80,892k of Opel revenue

4. NOTES TO THE INCOME STATEMENT

The application of IFRS 5 to the Environment Division entails the presentation in the Income Statement 2017 and 2018 of a single amount comprising the total profit or loss after tax of this discontinued operation. Accordingly, published data of 2017 has been restated.

4.1. Research and development costs

The percentage of research and development costs is expressed in relation to the amount of revenue.

In thousands of euros	First-half 2018	%	First-half 2017 restated	%
Research and development costs	-204 710	-6,4%	-195 835	-6,0%
Capitalized development costs and research and development costs billed to customers	108 291	3,4%	115 831	3,5%
Net research and development costs	**-96 419**	**-3,0%**	**-80 004**	**-2,4%**

4.2. Cost of sales, development, selling and administrative costs

In thousands of euros	First-half 2018	First-half 2017 restated
Cost of sales includes:		
Raw materials (purchases and changes in inventory) (1)	-2 045 516	-2 102 779
Direct production outsourcing	-5 805	-6 001
Utilities and fluids	-48 453	-52 658
Employee benefits expense(2)	-327 571	-353 953
Other production costs	-166 439	-180 474
Depreciation	-80 581	-77 689
Provisions for liabilities and charges	15 398	9 481
Total	**-2 658 967**	**-2 764 073**
Research and development costs include:		
Employee benefits expense(2)	-99 903	-95 727
Amortization of capitalized development costs	-53 124	-47 624
Other	56 608	63 346
Other	**-96 419**	**-80 004**
Selling costs include:		
Employee benefits expense(2)	-13 818	-14 782
Depreciation, amortization and provisions	-829	-60
Other	-5 703	-4 604
Total	**-20 350**	**-19 446**
Administrative costs include:		
Employee benefits expense(2)	-70 444	-71 581
Other administrative expenses	-44 085	-53 126
Depreciation	-5 383	-5 008
Provisions for liabilities and charges	-	131
Total	**-119 912**	**-129 584**

(1) Including charges, reversals and provisions for impairment on inventories amounting to
- - €272 thousand at June 30, 2018;
- - €1,085 thousand at June 30, 2017.

(2) See, in "Significant events of the period", Note 2.5.1 on the implementation of the Competitiveness and Employment Tax Credit-CICE for French entities in the consolidated financial statements at December 31, 2017.

(3) See “Gains/(losses) on disposals of non-current assets” in Note 4.5 “Other operating income and expenses”.

4.3. Amortization of intangible assets acquired in business combinations

This item corresponds essentially to:

- the amortization over nine years of contractual customer relationships recognized in 2011 on " Ford's fuel tank business " activities in the United States;

- the amortization over six years of contractual customer relationships recognized during the acquisition, on July 29, 2016 of the " Faurecia Group Exterior Systems " business.

In thousands of euros	First-half 2018	First-half 2018
Amortization of Brands	-175	-175
Amortization of Contractual customer relationships	-4 707	-12 582
Total amortization of intangible assets acquired in business combinations	**-4 882**	**-12 757**

4.4. Share of profit/(loss) of associates and joint ventures

The associates Chengdu Faway Yanfeng Plastic Omnium, Dongfeng Plastic Omnium Automotive Exterior and Hicom HBPO are included in the YFPO and HBPO joint ventures, respectively.
The share of profit/(loss) of associates and joint ventures is broken down as follows:

In thousands of euros	First-half 2018 % Interest	First-half 2017 restated % Interest	First-half 2018	First-half 2017 restated
JV HBPO GmbH and its subsidiaries and associates(1)	33,33%	33,33%	8 731	8 831
JV Yanfeng Plastic Omnium and its subsidiaries	49,95%	49,95%	22 305	20 135
B.P.O. AS	49,98%	49,98%	5 470	5 308
Plastic Recycling SAS(2)	50,00%	50,00%	18	-7
POCellTech (3)	23,00%	20,00%	-1 849	-3 450
Total share of profit/(loss) of associates and joint ventures			**34 675**	**30 817**

(1) At June 30, 2018, the 33.33% presented corresponds to the Group's equity shares before the acquisition of an additional 33.33% stake in HBPO from the German group Mahle-Behr. See note 2.3.1 in "Significant Events of the period".

(2) The Group sold its financial investment in "Plastic Recycling" in February 2018. The share of profit(loss) in 2018 represents profit/(loss) in the Group's Financial Statements at the time of the sale. See Note 2.6.2 in "Significant events of the period".

(3) The Group increased its ownership stake in the Israeli company "POCellTech" in the second half of 2017. See note 2.1.4 in "Significant events of the period" of the Consolidated Financial Statements of December 31, 2017.

4.5. Other operating income and expenses

In thousands of euros	First-half 2018	First-half 2017 restated
Pre-start-up costs at new plants [(1)]	-10 490	-2 592
Reorganization costs[(2)]	-3 266	-11 491
Impairment of non-current assets [(3)]	-70	-5 263
Provisions for charges [(4)]	9 162	-224
Litigation [(5)]	2 350	-5 938
Foreign exchange gains and losses on operating activities [(6)]	-6 076	-5 245
Fees and expenses related to changes in the scope of consolidation [(7)]	2 014	-6 260
Deconsolidation impact[(a)]	492	-6 789
Impact 1st implementation of Competitiveness and Employment Tax Credit-CICE for French entities[(8)]	-	13 916
Gains/losses on disposal of Investments in listed equity instruments and in funds [(a)]	-42	3 777
Other [(9)]	-1 067	10 198
Gains/losses on disposals of non-current assets [(a)]	-2 925	-8 028
Total operating income and expenses	**-9 918**	**-23 939**
- of which total other operating income	***29 475***	***58 893***
- of which total other operating expense	***-39 393***	***-82 832***

<u>First-half 2018</u>

(1) : <u>Pre-start-up costs at new plants:</u>

All of the costs incurred in the first half of 2018 relate to plants in the Automotive Division (mainly the Greer plant in the United States).

(2) : <u>Reorganization costs</u>:

The reorganization costs mainly correspond to significant restructuring in the Exterior Automotive Division: continuation of the reorganization of the German Faurecia plants acquired in 2016 and closure of the Norcross plant in the United States.

(3) : <u>Impairment of non-current assets:</u>

Not significant.

(4) : <u>Provisions for charges</u>:

This caption mainly includes a write-back of provisions provided for tax risks.

(5) : <u>Disputes</u>:

Not significant.

(6) : <u>Foreign exchange gains and losses on operating activities:</u>

Almost all foreign exchange losses in the first-half of 2018 are on the Automobile segment and cover different currencies including the Argentine peso, the dollar and the renminbi.

(7) : <u>Fees and expenses related to the changes in the scope of consolidation</u>:

These are costs relating to the various external growth transactions in progress or recently completed, including the acquisition of an additional 33.33% stake in HBPO *(see Note 2.3.1 in "Significant events of the period").*

(9) : “Other ”:

Non-significant amounts taken individually.

First-half 2017

(1) : Pre-start-up costs at new plants:

All costs incurred in the first-half of 2017 related to the Auto Exterior Division plants in the Automotive segment.

(2) : Reorganization costs:

Employee downsizing costs were mainly related to restructuring in the Auto Exterior Division.

(3) : Impairment of non-current assets:

This item included impairments mainly on the Automotive segment assets.

(4) : Provisions for charges:

Not significant.

(5) : Disputes:

This item concerned legal fees and expenses relating to several disputes involving the Automotive segment.

(6) : Foreign exchange gains and losses on operating activities:

Virtually all foreign exchange losses in the first-half of 2017 were made on the Automotive segment and covered various currencies, including the Argentine peso, the Brazilian real and the renminbi.

(7) : Fees and expenses related to the changes in the scope of consolidation:

This included fees on the external growth transactions already mentioned in 2016 *(see notes on changes in the scope of consolidation in paragraph 2 "Significant events of the period" in the interim consolidated financial statements published at June 30, 2017*).

(9) : The item “Impact of first implementation of the Tax credit for employment and competitiveness-CICE-French companies”:

See in “Significant events of the period” of the interim consolidated financial statements published at June 30, 2017, Note 2.5 on “ The implementation of the Tax credit for competitiveness and employment for French companies ”.

(a) Income from disposals of non-current assets

The breakdown of the disposals of non-current assets given below is used to explain the impact on non-current operating income of transactions in non-current assets and reconcile them with changes in the statement of cash flows:

- *the amount of disposals of property, plant and equipment and intangible assets in the statement of cash flows is made up of the amount of proceeds from disposals of fixed assets in "Other operating income and expenses".*

- *the amount of the capital gain or loss on disposals of fixed assets in the statement of cash flows is comprised of the amount in the income statement under " Other operating income and expenses ". The break down as follows:*

In thousands of euros	First-half 2018		First-half 2017 restated	
	Disposal proceeds	Gain/loss	Disposal proceeds	Gain/loss
Disposals of intangible assets	-	-87	1 326	990
Disposals of property, plant and equipment(1)	391	-2 838	7 909	-4 445
Disposal of Investments in listed equity instruments and in funds (2)	-	-	38 714	3 777
Total from disposals of non-current assets and of Investments in listed equity instruments and in funds	**391**	**-2 925**	**47 949**	**322**
Disposals of non-current financial assets	**787**	**450**	**167 526**	**-25 041**
Shares in "Faurecia Exterior Systems" business, not retained by the Group			*156 771*	*-5 235*
Shares in "Truck" business entities			*10 755*	*-19 806*
Shares in "Plastic Recycling"(3)	*767*	*492*		
Other shares sold(4)	*20*	*-42*		
Total proceeds from disposal of non-current financial assets (see table above)	**787**	**450**	**167 526**	**-25 041**
Total	**1 178**	**-2 475**	**215 475**	**-24 719**

First Half 2018

(1) Losses on disposals are mainly related to the Automotive segment in Germany.

(3) Sale in February 2018 of the Group's stake in "Plastic Recycling". See Note 2.6.2 in "Significant events of the period".

(4) The difference with the cash flows statement is due to the reversal of the provision on investments in non-listed equity instruments, Madridiario (Non-compensated in the cash flows statement).

First Half 2017

(1) Losses on disposals mainly concern the disposal of the office buildings of the Automotive segment.

(2) The Group disposed the securities of listed companies shown on the balance sheet at December 31, 2016 under "Other available-for-sale financial assets" (renamed "Investments in listed equity instruments and in funds ").

(3) Disposals of Faurecia Exterior Systems securities, reclassified in 2016 under "Assets held for sale" for €157,029 thousand, price correction for the disposal of the Spanish site for -€258 thousand and disposal of the truck business entities for the difference.

4.6. Net financial income

In thousands of euros	First-half 2018	First-half 2017 restated
Finance costs	-29 741	-25 592
Interest cost of post-employment benefit obligations	-1 208	-1 190
Financing fees and commissions	-2 686	-3 851
Finance costs, net	**-33 635**	**-30 633**
Exchange gains or losses on financing activities	9 111	-22 284
Gains or losses on interest rate and currency hedges(1)	-12 272	21 630
Other financial income and expenses, net	**-3 161**	**-654**
Total	**-36 796**	**-31 287**

(1) See Notes 5.2.5.1.3 on the "Impact of hedging on the Income statement" and 5.2.5.2.2 on the "Impact of unsettled foreign exchange currency hedges on income and equity".

4.7. Income tax

4.7.1. Income tax recorded in the income statement

The income tax expense includes taxes payable, deferred tax and the value-added tax (CVAE).

The income tax expense breaks down as follows:

In thousands of euros	First-half 2018	First-half 2017 restated
Current taxes on continuing activities	**-47 027**	**-61 945**
Current income tax (expense)/income	-45 524	-54 964
Tax (expense)/income on non-recurring items	-1 503	-6 981
Deferred taxes on continuing activities	**-3 873**	**9 138**
Deferred tax (expense)/income on timing differences arising or reversed during the period	-1 061	9 663
Effect of changes in tax rates or the introduction of new taxes	-2 812	-525
Income tax on continuing activities recorded in the consolidated income statement	**-50 900**	**-52 807**

4.7.2. Income tax analysis - Tax proof

The analysis of the income tax expense reveals the following factors:

In thousands of euros	First-half 2018		First-half 2017 restated	
	Totals	% (1)	Totals	% (1)
Consolidated profit on continuing activities before tax and share of profit/(loss) of associates and joint ventures (A)	**242 382**		**225 787**	
French standard tax rate (B)		**34,43%**		**34,43%**
Theoretical tax expense (C) = (A) x (-B)	**-83 452**		**-77 738**	
Difference between theoretical tax expense and current and deferred tax expense excluding tax assessed on net interim profit on continuing activities (D)	**32 552**	**-13,4%**	**24 931**	**11,0%**
Tax credits	19 184	7,9%	16 396	7,3%
Change in unrecognized deferred taxes	593	0,2%	7 746	3,4%
Impact of differences in foreign tax rates	22 307	9,2%	9 658	4,3%
Value-added tax contribution	-3 061	-1,3%	-3 302	-1,5%
Other impacts	-6 471	-2,7%	-5 567	-2,5%
Total current and deferred tax expense on continuing activities (E) = (C) - (D)	**-50 900**		**-52 807**	
Effective tax rate on continuing activities (-E) / (A)	**21,0%**		**23,4%**	

(1) Percentage expressed in relation to the consolidated profit on continuing activities before tax and share of profit/(loss) of associates and joint ventures (C)

The Group's effective tax rate in first-half 2018 is 21,0% (23,3% for the first half 2017).

In the first half of 2018, the tax recognized is a charge of €50.9 million for a theoretical tax of €83.5 million, based on a tax rate of 34,43%.

During the first half of 2017, for the same period, the tax recognized was an expense of €52.8 million for a theoretical tax of €77.9 million, based on a tax rate of 34,43%.

The difference between the tax recognized and the theoretical tax is mainly explained:

- for €19.2 million by using specific tax reductions or credits mainly in North America, Asia and France (€16.4 million for the first half 2017);

- for -€5.0 million from permanent differences between accounting profits and taxable profits such as taxable dividends (-€6.8 million for the first half 2017);

- for €0.6 million by the effect of losses or other assets generated in the year but not recognized, net those previously not activated but used or recognized in the year (€7.7 million for the first half 2017);

- and for €22.3 million by the impact of more favorable tax rates, mainly in Asia, Europe, Europe (excluding France and Belgium) and Mexico (€9.7 million for the first half 2017).

4.8. Net profit attributable to non-controlling interests

The net profit attributable to non-controlling interests corresponds to the share of minority interests in the profit/(loss) of fully consolidated entities controlled by the Group. It breaks down as follows:

In thousands of euros	First-half 2018	First-half 2017 restated
Beijing Plastic Omnium Inergy Auto Inergy Co. Ltd	970	816
Plastic Omnium Auto Inergy Manufacturing India Pvt Ltd	633	677
DSK Plastic Omnium Inergy	1 060	1 301
DSK Plastic Omnium BV	-31	-70
Total attributable to non-controlling interests	**2 632**	**2 724**

4.9. Earnings per share and diluted earnings per share

Net profit attributable to owners of the parent	First-half 2018	First-half 2017 restated
Basic earnings per share (in euros)	**1,56**	**1,42**
Diluted earnings per share (in euros)	**1,55**	**1,41**
Net income from discontinued activities		
Basic earnings per share from discontinued activities (in euros)	**0,04**	**0,06**
Diluted earnings per share from discontinued activities (in euros)	**0,04**	**0,06**
Net income of continuing activities		
Basic earnings per share of continuing activities (in euros)	**1,52**	**1,36**
Diluted earnings per share of continuing activities (in euros)	**1,51**	**1,35**
Weighted average number of ordinary shares outstanding	150 976 720	152 476 720
- Treasury stock	-3 461 894	-4 693 077
Weighted average number of ordinary shares, undiluted	**147 514 826**	**147 783 643**
- Impact of dilutive instruments (stock options)	734 804	1 281 245
Weighted average number of ordinary shares, diluted	**148 249 630**	**149 064 888**
Weighted average price of the Plastic Omnium share during the period		
- Weighted average share price	**39,65**	**32,99**

5. NOTES TO THE BALANCE SHEET

As mentioned in the introduction, as of June 30, 2018, the Group applied the IFRS5 accounting treatment to the assets and liabilities of the Environment Division (assets held for sale). As a result, assets and liabilities held for sale were recorded on separate lines (captions) of assets and liabilities in the consolidated balance sheet as of June 30, 2018. In accordance with IFRS 5, this presentation is not applied to the 2017 comparative data.

5.1. Assets

5.1.1. Goodwill

At June 30, 2018, no impairment indicators were identified by the Group, in particular given the sound level of business and profitability over the period and the outlook, and no impairment tests were carried out *(see note 1.3 "Use of estimates and assumptions").*

GOODWILL **In thousands of euros**	**Gross Value**	**Impairments**	**Net Value**
Goodwill at January 1, 2017	**579 958**	**-**	**579 958**
IFRS 5 reclassifications(1)	255	-	255
Sale of the "Truck" business from the "Auto Exteriors" division	-245	-	-245
Goodwill on the acquisition of new companies in the "Fuel Systems" division of the Automotive segment(2)	13 869	-	13 869
Translation differences	-9 152	-	-9 152
Goodwill at December 31, 2017	**584 685**	**-**	**584 685**
Goodwill adjustment on the acquisition of new companies in the "Fuel Systems" division of the Automotive segment	-217	-	-217
IFRS 5 reclassifications(3)	-98 525	-	-98 525
Translation differences	3 223	-	3 223
Goodwill at June 30, 2018	**489 166**	**-**	**489 166**

(1) See Note 2.1.1 on the acquisition of the "Exterior Systems" business from Faurecia in the consolidated financial statements at December 31, 2016.
(2) See Note 2.1.3 "Acquisition of two new start-ups" in "Significant events of the period" of the 2017 consolidated financial statements.
(3) See, in "Significant events of the period", Note 2.6.1 on the "Project to sell the Environment activity".

Hereafter, goodwill by reportable segment:

GOODWILL BY REPORTABLE SEGMENT **In thousands of euros**	**Cost**	**Impairment**	**Carrying amount**
Automotive	489 166	-	489 166
Environment	98 525	-	98 525
IFRS 5 reclassification (1)	-98 525	-	-98 525
Value at June 30, 2018	**489 166**	**-**	**489 166**

Automotive	486 160	-	486 160
Environment	98 525	-	98 525
Value at December 31, 2017	**584 685**	**-**	**584 685**

(1) See, in "Significants events of the period", Notes 2.6.1 and 5.1.13 "Environment Division summary report under IFRS 5, June 30 2017 and 2018".

5.1.2. Goodwill and intangible assets

As regards intangible assets, the impact of the first-time application of IFRS 15 is presented below. No detail is provided on the impact on property, plant and equipment since the amount is immaterial.

In thousands of euros	Goodwill	Patents and licenses	Software	Development assets	Contractual customer relationships	Other	Total
Carrying amount published at December 31, 2017	**584 685**	**26 478**	**21 998**	**411 594**	**37 294**	**493**	**1 082 542**
IFRS 15 at January 1st, 2018[1]	-	-	-	20 508	-	-	20 508
Adjusted carrying amount at January 1, 2018	**584 685**	**26 478**	**21 998**	**432 102**	**37 294**	**493**	**1 103 050**
Changes of the period	-95 519	-10 156	-4 146	52 709	-4 565	-493	-62 171
Carrying amount at June 30, 2018	**489 166**	**16 322**	**17 852**	**484 811**	**32 729**	**-**	**1 040 879**

(1) See, in Significants events of the period, Note 2.1.1 "1st time application of IFRS 15".

In thousands of euros	Goodwill	Patents and licenses	Software	Develop-ment assets	Contractual customer relationships	Other	Total
Carrying amount at January 1, 2017	**579 958**	**25 825**	**23 720**	**375 738**	**58 340**	**698**	**1 064 279**
Carrying amount published at December 31, 2017	**584 685**	**26 478**	**21 998**	**411 594**	**37 294**	**493**	**1 082 542**

5.1.3. Investment property

The item “Investment property ” is unchanged since December 31, 2017. It includes:

- a 33,000 sq.m. complex of office buildings located in Lyon Gerland and 82%-rented to a third party and 3%-devoted to the Group’s own use;
- as well as bare land in the Lyon region.

In thousands of euros	Land	Buildings	Total
Lyon Gerland real estate complex	12 700	80 563	**93 263**
Fair value at June 30, 2018 and December 31, 2017	**12 700**	**80 563**	**93 263**

5.1.4. Investments in associates and joint ventures

Investments in associates and joint ventures correspond to investments by the Group in the following companies:

In thousands of euros	**2018 % interest**	**2017 % interest**	**June 30, 2018**	**December 31, 2017**
JV HBPO GmbH and its subsidiaries and sub-subsidiaries(1)	33,33%	33,33%	39 990	41 161
JV Yanfeng Plastic Omnium and its subsidiaries	49,95%	49,95%	148 627	146 153
B.P.O. AS	49,98%	49,98%	12 689	16 057
Plastic Recycling SAS (2)	50,00%	50,00%	-	258
POCellTech (3)	23,00%	23,00%	5 696	7 545
Total investments in associates and joint ventures			**207 002**	**211 174**

(1) At June 30, 2018, the 33.33% presented corresponds to the Group's equity shares before the acquisition of the additional 33.33% stake from the German group Mahle-Behr. See Note 2.3.1 in "Significant events of the period".

(2) "Plastic Recycling SAS" was sold in February 2018. See note 2.6.2 on the disposal of this company in the "Significant events of the period".

(3) The Group increased its stake in the in Israeli company "POCellTech" over the second half of 2017. See note 2.1.4 in "Significant events of the period" of the consolidated financial statements at December 31, 2017.

Investments in these entities include goodwill by segment and for the following amounts:

In thousands of euros	**June 30, 2018**	**December 31, 2017**
Goodwill in associates and joint ventures - Automotive segment(1)	21 776	23 441
Total goodwill in associates and joint ventures	**21 776**	**23 441**

(1) The change over the period mainly corresponds to:
- the impairment of POCellTech Goodwill.

5.1.5. "Investments in non-listed equity instruments" and "Investments in listed equity instruments and in funds"

Financial assets recognized in this item correspond to shell companies, non-material dormant companies, amounts invested in funds or equivalent vehicles, and investments in listed companies.

As part of the first application of IFRS 9 "Financial instruments" (see Note 2.1.2 in "Significant events of the period"), the Group opted for the recognition of changes in the value of listed shares in non-recyclable Other Comprehensive Income, and in profit/(loss) for those of investments in non-listed equity instruments and in investment funds, such as "Aster", "Tactotek OY" and "FMEA".

5.1.5.1. Investments in non-listed equity instruments

Financial assets recognized in this item correspond to shell companies, non-material dormant companies, and acquisitions of securities over the period amounting to stakes which are too low to allow the Group to at least exercise a notable influence (Tactotek OY). They also correspond to the temporary recognition of the additional 33% stake in HBPO acquired at the end of June 2018.

In thousands of euros	June 30, 2018	December 31, 2017
Acquisition of an additional 33.33% equity stake in HBPO[(1)]	369 762	-
Financial investments in "Tactotek OY"[(2)]	3 000	-
Other	209	316
Investments in non-listed equity instruments	**372 971**	**316**

(1) Acquisition by the Group on June 26, 2018 of a 33.33% equity stake in HBPO from the German group Mahle-Behr. See Note 2.3.1 in "Significant events of the period".

(2) Acquisition, in February 2018, of an equity stake in the Finnish company "Tactotek OY". See Note 2.3.2 in "Significant events of the period".

5.1.5.2. Investments in listed equity instruments and in funds

Financial assets recognized under this item include investments in listed securities, the funds invested in the venture capital company "Aster", and the investment by the Group in the "FMEA 2" fund as part of the support for subcontractors of the Automotive segment.

In thousands of euros	June 30, 2018			December 31, 2017		
	Subscribed amounts	**Non-called-up amounts**	**Net**	**Subscribed amounts**	**Non-called-up amounts**	**Net**
Contributions to the "FMEA 2" fund [(1)]	-	-	2 012	-	-	1 512
Financial investments in listed securities[(1)]	-	-	23 369	-	-	25 353
Investment in the venture capital company "Aster"[(2)]	19 500	-18 500	1 000	20 000	-19 500	500
Other	-	-	137	-	-	149
Investments in listed equity instruments and in funds			**26 518**			**27 514**

(1) Contributions to the "FMEA 2" fund and investments in shares in listed companies are listed with long-term financial receivables in Note 5.2.4.5 "Reconciliation of gross and net debt".

(2) Payment of € 1 million during the first half of 2018. See Note 2.4.3 of the "Significant Events of the Period".

5.1.6. Other non-current financial assets

In thousands of euros	June 30, 2018	December 31, 2017
Loans	3	2
Deposits and bonds	54 329	49 758
Other receivables	-	42
Other non-current assets and financial receivables (see Note 5.2.4.5)	**54 332**	**49 802**
Finance receivables related to Environment finance leases (see Note 6.4.1)	-	856
Finance receivables related to Automotive contracts (see Note 6.4.1)	6 254	8 402
Non-current financial receivables (see Note 5.2.4.5)	**6 254**	**9 258**
Total	**60 586**	**59 060**

" Deposits and bonds " mainly concern deposits linked to leased offices and sold receivables sales programs.

5.1.7. Inventories

In thousands of euros	June 30, 2018		January 1st, 2018		IFRS 15 at January 1st, 2018 [1]		December 31, 2017	
Raw materials and supplies								
At cost (gross)	*138 717*		*144 991*		-		*144 991*	
Net realizable value		129 362		134 802		-		134 802
Molds, tooling and engineering								
At cost (gross)	*467 171*		*414 861*		*273 074*		*141 787*	
Net realizable value		467 064		414 273		273 074		141 199
Other work in progress								
At cost (gross)	-		*67*		-		*67*	
Net realizable value		-		67		-		67
Maintenance inventories								
At cost (gross)	*59 626*		*59 199*		-		*59 199*	
Net realizable value		49 602		49 180		-		49 180
Goods								
At cost (gross)	*1 549*		*9 927*		-		*9 927*	
Net realizable value		1 517		8 822		-		8 822
Semi-finished products								
At cost (gross)	*47 603*		*41 781*		-		*41 781*	
Net realizable value		44 702		38 582		-		38 582
Finished products								
At cost (gross)	*39 660*		*44 391*		-		*44 391*	
Net realizable value		37 009		41 361		-		41 361
Total, net		**729 256**		**687 087**		**273 074**		**414 013**

(1) See, in "Significants events of the period", Note 2.1.1 "1st time application of IFRS 15".

5.1.8. Current financial receivables

In thousands of euros	June 30, 2018	December 31, 2017
	Carrying amount	**Carrying amount**
Current financial receivables (see Note 5.2.4.5)	**28 647**	**42 807**
of which Environment division finance lease receivables	-	*1 009*
of which Automotive division finance receivables	*28 647*	*41 798*
Other current financial assets and financial receivables (see Note 5.2.4.5)	**79 647**	**83 209**
of which "Current accounts"	*3*	*1 344*
of which "Negotiable debt securities" [1]	*23 473*	*24 011*
of which "UCITS" or mutual funds (2) [2]	*50 007*	*50 007*
of which "Other"	*6 164*	*7 847*
Total current financial receivables	**108 294**	**126 016**

(1) See Note 5.2.4.3 "Loans, negotiable debt securities and other financial assets" for the principal amount.

(2) See Note 5.2.4.3 on the characteristics of the investment in UCITS (Undertaking for Collective Investment in Transferable Securities) carried out by the Group in 2017 as part as its cash management.

5.1.9. Trade and other receivables

5.1.9.1. Sale of receivables

Compagnie Plastic Omnium and some of its European and US subsidiaries have set up several receivables sales programs with French banks. These programs have an average maturity of more than two years.

These non-recourse programs transfer almost all the risks and rewards of ownership of the receivables sold; for these programs, only the non-material dilution risk is not transferred to the buyer.
Receivables sold under these programs, which are therefore no longer included in the balance sheet, totaled €356 million at June 30, 2018 and €341 million at December 31, 2017.

The Environment Division reclassified as "discontinued operations" at June 30, 2018 had €23 million position compared to €22 million as of December 31, 2017.

5.1.9.2. Trade receivables - Cost, impairment and carrying amounts

In thousands of euros	June 30, 2018			December 31, 2017		
	Cost	Impairment	Carrying amount	Cost	Impairment	Carrying amount
Trade receivables	**798 746**	**-5 194**	**793 552**	**944 886**	**-4 802**	**940 084**
1st application of IFRS 15[(1)]				-124 507		-124 507
1st application of IFRS 9[(2)]					-1 939	-1 939
Trade receivables at January 1st, 2018				**820 379**	**-6 741**	**813 638**

(1) See, in “Significant events of the period”, Notes 2.1 and 2.1.1 on the 1st time application of IFRS15 at January 2018.

(2) See, in “Significant events of the period”, Notes 2.1 and 2.1.2 on the 1st time application of IFRS9 at January 2018.

The Group has not identified significant un-provisioned customer risk over the two periods.

5.1.9.3. Other receivables

In thousands of euros	June 30, 2018	December 31, 2017
Sundry receivables	94 966	95 389
Prepayments to suppliers of tooling and prepaid development costs	51 031	58 265
Prepaid and recoverable income taxes	107 239	93 048
Other prepaid and recoverable taxes	86 213	101 209
Employee advances	5 045	2 342
Prepayments to suppliers of non-current assets	9 322	4 349
Other receivables	**353 816**	**354 602**

5.1.9.4. Trade and other receivables by currency

In thousands of currency units	June 30, 2018			December 31, 2017		
	Local currency	Euro	%	Local currency	Euro	%
EUR Euro	615 693	615 693	54%	706 031	706 031	55%
USD US dollar	322 746	276 845	24%	336 820	280 847	22%
CNY Chinese yuan	600 579	77 825	7%	703 206	90 104	7%
GBP Pound sterling	49 359	55 707	5%	63 968	72 099	6%
Other Other currencies		121 298	11%		145 605	11%
Total		**1 147 368**	**100%**		**1 294 686**	**100%**
Of which:						
● *Trade receivables*		*793 552*	69%		*940 084*	*73%*
● *Other receivables*		*353 816*	31%		*354 602*	*27%*
1st application of IFRS 15					-124 507	
1st application of IFRS 9					-1 939	
Total at January 1st, 2018					**1 168 240**	
Of which:						
● *Trade receivables*					*813 638*	*70%*
● *Other receivables*					*354 602*	*30%*

Sensitivity tests on changes in currencies under "Trade and other receivables" led to the following results:

In thousands of currency units	Sensitivity tests on receivables at June 30, 2018						Sensitivity tests on receivables at December 31, 2017					
	Base		Increase – all currencies		Decrease – all currencies		Base		Increase – all currencies		Decrease – all currencies	
			+10%	+20%	-10%	-20%			+10%	+20%	-10%	-20%
	Local currency	Exchange rate	%	%	%	%	Local currency	Exchange rate	%	%	%	%
EUR Euro	615 693	1,00000	51%	49%	56%	59%	706 031	1,00000	52%	50%	57%	60%
USD US dollar	322 746	0,85778	25%	26%	23%	21%	336 820	0,83382	23%	24%	20%	19%
CNY Chinese yuan	600 579	0,12958	7%	7%	6%	6%	703 206	0,12813	7%	8%	7%	6%
GBP Pound sterling	49 359	1,12860	5%	5%	5%	4%	63 968	1,12710	6%	6%	5%	5%
Other Other currencies			12%	13%	10%	10%			12%	12%	11%	10%
Total in euros		1 147 368	1 200 535	1 253 702	1 094 201	1 041 033		1 294 686	1 353 551	1 412 417	1 235 821	1 176 955
Of which:												
● *Trade receivables*		*793 552*	*830 325*	*867 097*	*756 781*	*720 009*		*940 084*	*982 827*	*1 025 570*	*897 342*	*854 599*
● *Other receivables*		*353 816*	*370 210*	*386 605*	*337 420*	*321 024*		*354 602*	*370 724*	*386 847*	*338 479*	*322 356*
1st application of IFRS 15								-124 507	-128 929	-133 351	-120 084	-115 662
1st application of IFRS 9								-1 939	-1 939	-1 939	-1 939	-1 939
Total in euros at January 1st, 2018								**1 168 240**	**1 222 683**	**1 277 127**	**1 113 798**	**1 059 354**
Of which:												
● *Trade receivables*								*813 638*	*851 959*	*890 280*	*775 319*	*736 998*
● *Other receivables*								*354 602*	*370 724*	*386 847*	*338 479*	*322 356*

Foreign exchange sensitivity tests on " Trade receivables and other receivables " and " Trade payables and other operating liabilities by currency" (see Note 5.2.6.3) show low sensitivity of this item to variations in exchange rates.

5.1.10. Cash and cash equivalents

5.1.10.1 Cash and cash equivalents

In thousands of euros	**June 30, 2018**	**December 31, 2017**	**June 30, 2017**
Cash at bank and in hand	423 370	762 731	640 226
Short-term deposits	70 938	176 904	258 411
Total cash and cash equivalents on the balance sheet	**494 308**	**939 635**	**898 637**

Cash and cash equivalents break down as follows:

In thousands of euros	**June 30, 2018**	**December 31, 2017**	**June 30, 2017**
Cash and cash equivalents of the Group’s captive reinsurance company	31 559	30 902	30 425
Cash and cash equivalents in countries with exchange controls on remittances and transfers(1)	91 731	86 138	97 691
Cash equivalents	371 018	822 594	770 521
Total cash and cash equivalents on the balance sheet	**494 308**	**939 635**	**898 637**

(1) The countries in "regions with exchange controls on remittances and transfers" include Brazil, China, India, Chile, Argentina and South Korea.

The different categories of the above table are presented in the current assets in the absence of any general restriction on these amounts.

5.1.10.2 - net cash and cash equivalents at end of period

In thousands of euros	**June 30, 2018**	**December 31, 2017**	**June 30, 2017**
Cash and cash equivalents	494 308	939 635	898 637
Short-term bank loans and overdrafts	-13 021	-9 993	-9 762
Net cash and cash equivalents at end of period in the statement of cash flows	**481 287**	**929 642**	**888 875**

5.1.11. Consolidated funds and proportionate share of funds from operations of associates and joint ventures, after taxes and interest paid, net of dividends paid

Consolidated self-financing capacity and proportionate share of funds from operations of associates and joint ventures, after taxes and interest paid, net of dividends paid, break down as follows:

Consolidated financial statements	First-half 2018	2017 (1)	First-half 2017 restated
Funds from operations	421 683	859 404	397 006
Tax paid	-42 831	-114 049	-65 071
Interest paid	-39 863	-59 189	-34 563
Funds from operations after payment of taxes and interest	**338 990**	**686 167**	**297 372**
Associates and joint ventures(2)			
Share of funds from operations	38 867	95 433	47 587
Share of tax paid	-10 770	-16 470	-8 799
Share of interest received/paid	630	1 134	1 060
Elimination of dividends paid	-27 791	-32 401	-17 533
Share of funds from operations after payment of taxes and interest received, net of dividends paid	**937**	**47 696**	**22 315**
			-
Total	**339 926**	**733 862**	**319 687**

(1) The year 2017 corresponds to the publication of December 31, 2017. The information in this column is used to reconcile the figures with the opening cash accounts for the period of June 2018.

(2) At June 30, 2018, the proportionate share funds of associates and joint ventures in the Group's operating cash flow, only includes the 33.33% held in HBPO before the additional 33.33% acquisition from the German group Mahle-Behr.
See Note 2.3.1 in "Significant events of the period".

5.1.12. Monitoring, at June 30, of transactions, other than those of the Environment Division, classified under IFRS 5 at December 31, 2017

"Assets and Liabilities held for sale" are measured based on the best estimate of realizable values. The differences between realizable values and net carrying amounts, where these were negative, resulted in the recognition of an impairment during the considered period.

At June 30, 2018, the following is still recognized under IFRS 5 in the financial statements:

- the Compiègne (Oise) technical center for "Fuel systems";
- the Laval " Fuel systems " technical center in Laval: fully impaired.

June 30, 2018, the breakdown of "Assets and Liabilities held for sale" is provided in the following table.

	June 30, 2018	December 31, 2017
In thousands of euros	**Amount**	**Amount**
Compiègne technical center in the Oise department	**846**	**846**
of which Land	*167*	*167*
of which Buildings, equipment, building improvements, fixtures and fittings	*679*	*679*
ASSETS held for sale excluding the Environment Division	**846**	**846**
NET ASSETS HELD FOR SALE excluding the Environment Division	**846**	**846**

5.1.13. Environment Division summary report under IFRS 5, 30 June 2017 and 2018

The IFRS 5 accounting treatment applied on June 30, 2018 to entities in the Environment Division has the following consequences:

- Assets and liabilities held for sale were recorded on separate lines of the assets and liabilities of the consolidated balance sheet at June 30, 2018 based on the lower of their carrying amount and their estimated fair value. The consolidated balance sheet of December 31, 2017 is not restated.

- The Environment division, which is a separate operating segment, fulfilling the criteria for discontinued operations, presenting in the 2018 and 2017 income statement a single amount including the total after tax profit or loss of discontinued operations.

Hereafter, the Environment Division summary statements:

- Balance sheet
- Income statement
- Statement of cash flows

Comparative Balance Sheet of the Environment Division:

	Net Assets and Liablities of the Environment Division	
In thousands of euros **ASSETS**	**June 30, 2018**	**December 31, 2017**
Goodwill	98 525	98 525
Other intangible assets	11 078	11 391
Property, plant and equipment	53 183	53 053
Investments in non-listed equity instruments	44	46
Other non-current financial assets	2 624	2 915
Deferred tax assets	13 512	13 318
Inventories	40 504	36 993
Trade receivables	52 809	46 555
Other receivables	12 874	13 682
Other financial assets and financial receivables	5	5
Hedging instruments	61	298
Cash and cash equivalents	19 867	4 810
Total Assets	**305 086**	**281 591**
Borrowings and financial debt	449	440
Provisions for pensions and similar post-employment benefits	11 965	11 871
Provisions	3 225	3 924
Government grants	40	47
Deferred tax liabilities	145	174
Bank overdrafts	339	52
Hedging instruments	-	299
Trade payables	48 121	48 852
Other operating liabilities	28 344	24 987
Total liabilities	**92 628**	**90 646**

Income Statement of the Environment Division :

In thousands of euros	First-half 2018	%	First-half 2017	%
Consolidated sales (revenue)	**165 035**	**100,0%**	**168 026**	**100,0%**
Cost of goods and services sold	-130 272	-78,9%	-130 061	-77,4%
Gross profit	**34 763**	**21,1%**	**37 965**	**22,6%**
Net research and development costs	-1 211	-0,7%	-1 009	-0,6%
Selling costs	-10 237	-6,2%	-10 460	-6,2%
Administrative expenses	-12 889	-7,8%	-13 365	-8,0%
Operating margin	**10 426**	**6,3%**	**13 131**	**7,8%**
Other operating income	137	0,1%	2 684	1,6%
Other operating expenses	-1 860	-1,1%	-2 238	-1,3%
Financing costs, net	-389	-0,2%	-465	-0,3%
Other financial income and expenses, net	8	0,0%	-71	-0,0%
Profit before income tax	**8 322**	**5,0%**	**13 041**	**7,8%**
Income tax	-1 747	-1,1%	-3 795	-2,3%
Net income	**6 575**	**4,0%**	**9 246**	**5,5%**

Statement of Cash Flows of the Environment Division :

In thousands of euros	First-half 2018	First-half 2017
I - CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	6 575	9 246
Dividends received from associates and joint ventures	-	-
Non-cash items	7 322	8 768
Other adjustments	*-62*	*-6*
Depreciation and provisions for impairment of fixed assets	*5 782*	*5 941*
Depreciation and provisions for impairment of intangible assets	*631*	*1 407*
Changes in provisions	*-598*	*-867*
Net (gains)/losses on disposals of non-current assets	*-460*	*-1 888*
Proceeds from operating grants recognized in the income statement	*-7*	*-8*
Current and deferred taxes	*1 747*	*3 794*
Interest expense	*290*	*395*
NET OPERATING CASH GENERATED BY OPERATIONS BEFORE IMPACT OF FINANCIAL EXPENSES AND INCOME TAX CASH PAYMENTS (A)	**13 897**	**18 014**
Change in inventories and work-in-progress – net	-3 528	-92
Change in trade receivables – net	-6 388	-9 228
Change in trade payables	215	-4 018
Change in other operating assets and liabilities - net	2 040	-2 242
CHANGE IN WORKING CAPITAL REQUIREMENTS (B)	**-7 661**	**-15 580**
TAXES PAID (C)	**-1 323**	**-2 194**
Interest paid	-314	-406
Interest received	25	11
NET FINANCIAL INTEREST PAID (D)	**-289**	**-395**
NET CASH GENERATED BY OPERATING ACTIVITIES (A+B+C+D)	**4 624**	**-155**
II – CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of property, plant and equipment	-6 184	-5 590
Acquisitions of intangible assets	-318	-418
Disposals of property, plant and equipment	785	3 897
Disposals of intangible assets	-	-
Net change in advances to suppliers of fixed assets	530	-590
NET CASH USED IN OPERATIONS-RELATED INVESTING ACTIVITIES (E)	**-5 187**	**-2 701**
FREE CASH FLOW (A + B + C + D + E)	**-563**	**-2 856**
NET CASH FROM FINANCIAL INVESTING ACTIVITIES (F)	**-**	**-**
NET CASH FROM INVESTING ACTIVITIES (E+F)	**-5 186**	**-2 701**
III - CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in financial debt	-17	-12
Repayment of borrowings	519	-160
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES (G)	**502**	**-172**
Cash flows related to internal transactions with the Group's other entities (H)	**14 910**	**249**
Effect of exchange rate changes (I)	**-80**	**12**
NET CHANGE IN CASH AND CASH EQUIVALENTS (A + B + C + D + E + F + G + H + I)	**14 770**	**-2 767**
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**4 758**	**7 018**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**19 527**	**4 251**

5.2. Liabilities

5.2.1. Shareholders' equity

5.2.1.1 Share capital of Compagnie Plastic Omnium

In euros	June 30, 2018	December 31, 2017
Share capital for the period at January 1	9 058 603	9 148 603
Capital reduction during the year	-	-90 000
Share capital at end of period, made up of ordinary shares with a par value of €0.06 each over the two periods	**9 058 603**	**9 058 603**
Treasury stock	207 557	198 364
Total share capital net of treasury stock	**8 851 046**	**8 860 239**

The registered shares registered on behalf of the same holder for at least two years shall have double voting rights.

Capital structure at June 30, 2018

The share capital is unchanged from December 31, 2017.

At June 30, 2018, Compagnie Plastic Omnium holds 3,459,285 treasury shares, i.e. 2.29 % of the share capital, against 3,306,070 or 2.19% of the share capital at December 31, 2017.

Capital structure at December 31, 2017

On July 20, 2017, the Board of Directors of Compagnie Plastic Omnium decided to cancel 1,500,000 treasury shares, i.e. 0.98% of the share capital with effect from August 14, 2017.

The share capital of Compagnie Plastic Omnium decreased from 152,476,720 shares to 150,976,720 shares with a par value of €0.06, representing a total value of €9,058,603.20.

At December 31, 2017, Compagnie Plastic Omnium held 3,306,070 treasury shares, i.e. 2.19% of the share capital, against 4,226,467 shares or 2.77% of the share capital at December 31, 2016.

5.2.1.2 Breakdown of "Other reserves and retained earnings" in the consolidated statement of changes in equity

In thousands of euros	Actuarial gains/(losses) recognized in equity	Cash flow hedges – interest rate instruments	Cash flow hedges – currency instruments	Fair value adjustments	Retained earnings and other reserves	**Attributable to owners of the parent**
December 31, 2016	**-49 848**	**-1 120**	**-172**	**19 200**	**1 200 279**	**1 168 339**
Movements for first half of 2017	906	271	-371	-1 287	247 316	**246 835**
At June 30, 2017	**-48 942**	**-849**	**-543**	**17 913**	**1 447 595**	**1 415 174**
Movements for second half of 2017	-2 791	223	2 068	325	-48 431	**-48 606**
At December 31, 2017	**-51 733**	**-626**	**1 525**	**18 238**	**1 399 164**	**1 366 568**
1st application of IFRS 15					-4 878	**-4 878**
1st application of IFRS 9					-1 939	**-1 939**
At January 1st, 2018	**-51 733**	**-626**	**1 525**	**18 238**	**1 392 347**	**1 359 751**
Movements for first half of 2018	271	286	-4 741	-1 984	334 895	**328 727**
At June 30, 2018	**-51 462**	**-340**	**-3 216**	**16 254**	**1 727 242**	**1 688 478**

5.2.2. Dividends voted and paid by Compagnie Plastic Omnium

In thousands of euros *Dividend per share in euros* *Number of shares, in units*	**June 30, 2018**		**December 31, 2017**	
	Number of shares in 2017	**Dividend**	**Number of shares in 2016**	**Dividend**
Dividend per share (in euros)		0,67 (1)		0,49 (1)
Total number of shares outstanding at the end of the previous year	150 976 720		152 476 720	
Total number of shares held in treasury on the ex-dividend date	3 481 820 (2)		4 981 805 (2)	
Total number of shares held in treasury at the year-end (for information)	3 306 070 (2)		4 226 467 (2)	
Dividends on ordinary shares		101 154		74 713
Dividends on treasury stock (unpaid)		-2 333 (2)		-2 441 (2)
Total net dividend		**98 822**		**72 272**

(1) In the first-half of 2018, Compagnie Plastic Omnium paid a dividend of €0.67 per share on profits for 2017.

In 2017, Compagnie Plastic Omnium paid a dividend of €0.49 per share on profits for 2016.

(2) **At June 30, 2018**: 3,306,070 of treasury shares were taken into account at December 31, 2017 to determine of the provisional total dividend. On the ex-dividend date for the First-half 2018, this number amounted to 3,481,820 shares, increasing the dividends attached to these shares from €2,215 thousand to €2,333 thousand.

At December, 31, 2017: 4,226,467 treasury shares were taken into account at December 31, 2016 to determine the provisional total dividend. On the ex-dividend date for the first half of 2017, this number amounted to 4,981,805 shares, increasing the dividends attached to these shares from €2,071 thousand to €2,441 thousand.

5.2.3. Provisions

In thousands of euros	December 31, 2017	IFRS 15 1st application on January 1st, 2018[1]	Charges	Utilizations	Releases of surplus provisions	Reclassi-fications according to IFRS 5[2]	Other reclassifications	Actuarial gains/(losses)	Changes in scope of consolidation (derecognition)[5]	Translation adjustment	June 30, 2018
Customer warranties	27 403	-	2 608	-2 108	-8 427	-2 212	-	-	-	64	17 328
Reorganization plans[3]	15 905	-	605	-7 905	-	-300	4 416	-	-	-407	12 315
Taxes and tax risks[4]	8 548	-	-	-	-2 043	-667	-	-	-	-	5 838
Contract risks[5]	47 650	4 007	5 047	-17 271	-3 669	-	5 269	-	-	-24	41 010
Claims and litigation	11 172	-	62	-4 648	-2 915	-113	90	-	-	-41	3 608
Other[6]	14 955	-	167	-65	-20	-633	-9 775	-	-	-219	4 411
Provisions for liabilities and charges	**125 633**	**4 007**	**8 489**	**-31 997**	**-17 074**	**-3 925**	**-**	**-**	**-**	**-626**	**84 508**
Provisions for pensions and other post-employment benefits[7]	106 517	-	6 329	-983	-	-11 871	-	-256	-	1 248	100 984
TOTAL	**232 150**	**4 007**	**14 818**	**-32 980**	**-17 074**	**-15 796**	**-**	**-256**	**-**	**623**	**185 492**

(1) 1st application of IFRS 15 (see Note 2.1.1 in the "Significant events of the period").
(2) Regarding the application of IFRS5, the Environnement activity has been reclassified to "Non current assets that are to be abandoned".
(3) Regarding the reorganization of the Automotive Division.
(4) Regarding reversal of provisions for tax audits ongoing.
(5) Regarding the impacts of loss-making contracts and losses on completion in the Automotive division.
(6) The "Others" sub-section includes individually insignificant amounts.
(7) The "Others" sub-section includes individually insignificant amounts.

In thousands of euros	December 31, 2016	Charges	Utilizations	Releases of surplus provisions	Reclassi-fications according to IFRS 5[5]	Other reclassifications	Actuarial gains/losses[4]	Changes in scope of consolidation (derecognition)[6]	Translation adjustment	December 31, 2017
Customer warranties	19 985	16 557	-7 899	-941	-	-	-	-	-299	27 403
Reorganization plans[1]	10 752	13 098	-7 500	-263	-	-	-	-	-182	15 905
Taxes and tax risks	298	8 250	-	-	-	-	-	-	-	8 548
Contract risks[2]	80 480	13 047	-39 320	-7 701	17 239	94	-	-15 879	-310	47 650
Claims and litigation	4 986	8 211	-1 557	-825	848	-146	-	-275	-70	11 172
Other[3]	15 092	2 292	-1 070	-535	-	52	-	-	-877	14 955
Provisions for liabilities and charges	**131 593**	**61 455**	**-57 346**	**-10 265**	**18 087**	**-**	**-**	**-16 154**	**-1 738**	**125 633**
Provisions for pensions and other post-employment benefits	109 718	8 424	-3 375	-	9 990	-	-2 427	-10 601	-5 212	**106 517**
TOTAL	**241 311**	**69 879**	**-60 721**	**-10 265**	**28 077**	**-**	**-2 427**	**-26 755**	**-6 950**	**232 150**

(1) Regarding the reorganization of an Automotive Division site in Germany.
(2) Regarding provisions for tax audits ongoing in the Automotive Division.
(3) Regarding the impacts of loss-making contracts and losses on completion in the Automotive Division.
(4) The "Others" sub-section included individually insignificant amounts.
(5) Regarding provisions for companies classified in "Assets & Liabilities held for sale" in 2016 and actually sold in 2017 (see Note 5.1.16 for 2016 period). The two columns "Reclassifications according to IFRS 5" and "Change in scope of consolidation" are related.
(6) The actuarial difference corresponded to the combined effect of the decrease in rates in the United States and the increase in rates in France.

5.2.4. Non-current borrowings

5.2.4.1 Definition of debt instruments within the Group

Net debt is an important notion for the day-to-day management of Plastic Omnium cash. It is used to determine the Group's debit or credit position outside of the operating cycle. Net debt is determined as:

- long-term borrowings:
  - drawdowns on lines of credit
  - private placement notes
  - bonds;
- less loans, negotiable debt securities and other long-term financial assets *(see Note 5.2.4.3 " Loans, negotiable debt securities and other financial assets ");*
- plus short-term loans;
- plus overdraft facilities;
- less cash and cash equivalents.

5.2.4.2 Borrowings: private placements and bonds

<u>At June, 30, 2018</u>:

The main features of the bonds and private placements as at June 30, 2018 are summarised in the following table:

June 30, 2018	Private placement bond issue of 2012	Private bond of 2013	"Schuldschein" private placement of 2016	Private placement bond issue of June 2017
Issue - Fixed rate in euros	250,000,000	500,000,000	300,000,000	500,000,000
Annual interest rate / coupon	3.875%	2.875%	1.478%	1.25%
Features	French institutional investors	European investors	International (Asia, Germany, Netherlands, Switzerland, Luxembourg, Belgium) and French investors	European investors
	No "covenants" and "rating"			
Maturity	December 12, 2018	May 29, 2020	June 17, 2023	June, 26, 2024

5.2.4.3 Loans, negotiable debt securities and other financial assets

Other financial assets comprise loans, security deposits and sureties paid and negotiable debt securities, mixed bond-cash SICAVs (UCITS - Undertaking for Collective Investment in Transferable Securities). They are measured at amortized cost. Whenever there is any objective evidence of impairment – i.e. a negative difference between the carrying amount and the recoverable amount – an impairment provision is recognized through profit or loss. This impairment is reversed in the case of a favorable reversal.

Other financial assets also include short-term investment securities that do not meet the criteria for classification as cash equivalents. These assets are measured at their fair value at the closing date, and changes in fair value are recognized in net financial income.
In 2015, the Group subscribed to four negotiable medium-term notes with a credit institution and in 2017 to UCITS composed of medium-term bonds and cash. This is summarized in the table below:

Negotiable medium- term note	Classified as current financial receivables [1]				UCITS [2]
Subscription date	February 24, 2015	July 13, 2015	July 13, 2015	February 24, 2015	December, 14 and 29, 2017
Nominal (in euros)	5,000,000	10,000,000	4,000,000	5,000,000	50,006,265
Maturity	February 25, 2019	July 11, 2018	July 15, 2019	February 24, 2020	Indeterminate
	Not available for four quarters following the subscription date			*Not available for eight quarters following the subscription date*	
Quarterly coupon: Fixed rate Variable rate	Sets the first four quarters following the issue 3-month Euribor + spread as of the fifth quarter			Sets the first eight quarters following the issue 3-month Euribor + spread as of the ninth quarter	N/A
Total at June 30, 2018	**24,000,000 euros**				**50,006,265 euros**

(1) See Note 5.1.8 on Current financial receivables.

(2) UCITS : Undertaking for Collective Investment in Transferable Securities

5.2.4.4 Use of medium-term credit lines

At June 30, 2018 as at December 31, 2017, the Plastic Omnium Group has access to several confirmed bank lines of credit, the amount of which exceeds the Group’s requirements.

At June 30, 2018, the amount of these confirmed bank lines of credit amounted to €1 290 million with an average maturity of four years, compared with €1,349 million at December 31, 2017

5.2.4.5 Reconciliation of gross and net debt

In thousands of euros	June 30, 2018			December 31, 2017		
	Total	**Current portion**	**Non-current portion**	**Total**	**Current portion**	**Non-current portion**
Finance lease liabilities	**13 059**	2 696	10 363	**14 412**	2 741	11 671
Bonds and bank loans	**1 639 458**	312 706	1 326 752	**1 690 437**	378 337	1 312 100
of which the bond issue in 2017	*495 509*	*291*	*495 218*	*498 180*	*3 339*	*494 841*
of which the bond issue in 2013	*499 316*	*1 300*	*498 016*	*506 067*	*8 546*	*497 521*
of which the "EuroPP " bond issue	*255 062*	*255 062*	*-*	*249 964*	*249 964*	*-*
of which the "Schulschein" private placement 2016	*299 044*	*158*	*298 886*	*301 173*	*2 393*	*298 780*
of which bank lines of credit	*90 528*	*55 896*	*34 632*	*135 053*	*114 095*	*20 958*
Non-current and current borrowings (+)	**1 652 517**	315 402	1 337 115	**1 704 849**	381 078	1 323 771
Other current debt (+)	**7**	7		**4**	4	
Hedging instruments - liabilities (+) (1)	**17 291**	17 291		**5 618**	5 618	
Total borrowings (B)	**1 669 815**	**332 700**	**1 337 115**	**1 710 471**	**386 700**	**1 323 771**
Investments in listed equity instruments and in funds (-) (2)	**-26 518**		-26 518	**-27 514**		-27 514
Other financial assets (-)	**-89 233**	-28 647	-60 586	**-101 867**	-42 807	-59 060
of which non-current financial receivables (3)	*-54 332*		*-54 332*	*-49 802*		*-49 802*
of which trade accounts receivable (3) (4)	*-34 901*	*-28 647*	*-6 254*	*-52 065*	*-42 807*	*-9 258*
Other current financial assets and financial receivables (-) (4)	**-79 647**	-79 647		**-83 209**	-83 209	
of which negotiable debt securities and UCITS or mutuals funds	*-73 480*	*-73 480*		*-74 018*	*-74 018*	
Hedging instruments - assets (-) (1)	**-770**	-770		**-5 254**	-5 254	
Total financial receivables (C)	**-196 168**	**-109 064**	**-87 104**	**-217 844**	**-131 270**	**-86 574**
Gross debt (D) = (B) + (C)	**1 473 647**	**223 636**	**1 250 011**	**1 492 627**	**255 430**	**1 237 197**
Cash and cash equivalents (-) (5)	**494 308**	494 308		**939 635**	939 635	
Short-term bank loans and overdrafts (+)	**-13 021**	-13 021		**-9 993**	-9 993	
Net cash and cash equivalents as recorded in the Statement of Cash Flows (A) (6)	**-481 287**	**-481 287**		**-929 642**	**-929 642**	
NET DEBT (E) = (D) + (A)	**992 360**	**-257 651**	**1 250 011**	**562 985**	**-674 212**	**1 237 197**

(1) See Note 5.2.5 "Interest rate and foreign exchange hedges".

(2) See Note 5.1.5.2 "Investments in listed equity instruments and in funds".

(3) See 5.1.6 "Other non-current financial assets".

(4) See Note 5.1.8 "Current financial assets" and 5.2.7.3 for the principal amount.

(5) See Note 5.1.10.1 "Cash and cash equivalents - Gross value".

(6) See Note 5.1.10.2 "Net cash and cash equivalents at close".

5.2.4.6 Analysis of gross debt by currency

The table below shows the gross financial debt after taking into account the swaps transactions that allowed the conversion of the euro into foreign currency.

As a % of total debt	**June 30, 2018**	**December 31, 2017**
Euro	66%	74%
US dollar	22%	18%
Chinese yuan	5%	3%
Pound sterling	5%	4%
Brazilian real	1%	1%
Indian rupee	1%	-
Other currencies(1)	0%	0%
Total	**100%**	**100%**

(1) "Other currencies" concerns various currencies, which, taken individually, account for less than 1% of total financial debt over the two periods.

5.2.4.7 Analysis of gross debt by type of interest rate

As a % of total debt	**June 30, 2018**	**December 31, 2017**
Hedged variable rates	-	-
Unhedged variable rates	4%	7%
Fixed rates	96%	93%
Total	**100%**	**100%**

5.2.5. Interest rate and currency hedges

	June 30, 2018		**December 31, 2017**	
In thousands of euros	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Interest rate derivatives	-	-1 959	-	-3 400
Exchange rate derivatives	770	-15 332	5 254	-2 218
Total balance sheet	**770**	**-17 291**	**5 254**	**-5 618**

5.2.5.1 Interest rate hedges

Interest rate hedges included swaps. The objective is to hedge the Plastic Omnium Group against the increase in interest rates to which it is exposed for its financing.

At June 30, 2018:

- the total notional amount of derivative instruments used to manage interest rate risks amounts to 105 million (swaps) as at December 31, 2017;

The Group no longer has any cash flow hedges (" Cash flow hedge").

Instruments that do not qualify for hedge accounting are nevertheless part of the Group's interest rate hedging strategy, which is financed at variable rates, particularly in the context of its sales of receivables.

The fair value of derivatives is recognized in the assets and liabilities in the consolidated balance sheet under "Hedging instruments".

For derivatives that qualify for hedge accounting under IFRS:

- the effective portion of the change in fair value of the derivatives to hedge future periods is recognized in equity (“ Other comprehensive income ”);
- it is reclassified to the income statement in the same period as the hedged cash flows (i.e. Interest payments) affect profit;
- the time value of options is excluded from the hedging relationship. Changes in the time value of options and the ineffective portion of the gain or loss on the hedging instrument are recognized in profit or loss.

Changes in fair value of instruments that do not qualify for hedge accounting are recognized directly in financial income.

5.2.5.1.1 Portfolio of derivatives

In thousands of euros	June 30, 2018			December 31, 2017		
	Fair value of hedging instruments	Recorded in assets	Recorded in liabilities	Fair value of hedging instruments	Recorded in assets	Recorded in liabilities
Interest rate derivatives (fair value)	**-1 959**	-	-1 959	**-3 400**	-	-3 400
Total fair value and outstanding premiums		**-**	**-1 959**		**-**	**-3 400**

Composition of interest rate derivatives portfolio:

	June 30, 2018								
In thousands of euros	Fair value	Recorded in assets	Recorded in liabilities	Effective portion included in OCI(1)	Nominal	Maturity	Reference interest rate	Outstanding premiums(2)	Nature of derivative
Swaps	-1 959	-	-1 959	-	105 000	février-2019	Euribor 1M	N/A	Non qualifié
Total	**-1 959**	**-**	**-1 959**	**-**	**105 000**			**N/A**	

	December 31, 2017								
In thousands of euros	Fair value	Recorded in assets	Recorded in liabilities	Effective portion included in OCI(1)	Nominal	Maturity	Reference interest rate	Outstanding premiums(2)	Nature of derivative
Swaps	-3 400	-	-3 400	-	105 000	February 2019	Euribor 1M	N/A	Non qualified
Total	**-3 400**	**-**	**-3 400**	**-**	**105 000**			**N/A**	

(1) OCI: Other comprehensive income.

(2) Cap premiums are paid out in installments over the duration of the instruments. Outstanding premium amounts are classified under liabilities and shareholders’ equity in the consolidated balance sheet under “Non-current borrowings” and “Current borrowings”.

5.2.5.1.2 Amounts recognized in equity under " Other Comprehensive Income "

The amounts below are expressed in gross value before tax.

In thousands of euros	Balance before tax recorded in OCI (1) at December 31, 2017	Change in fair value of derivatives	Montant recyclé en résultat sur la période	Fair value adjustments reclassified in profit or loss June 30, 2018
Effect of August 2010 and February 2012 restructuring of the derivatives portfolio (2)	**1 020**	-	-401	**619**
Effect of June 2013 restructuring of the derivatives portfolio	**-1 900**	-	814	**-1 086**
Total	**-880**	**-**	**413**	**-467**

In thousands of euros	Balance before tax recorded in OCI (1) at December 31, 2016	Change in fair value of derivatives	Amount reclassified in profit or loss in the period	Fair value adjustments reclassified in profit or loss December 31, 2017
Effect of August 2010 and February 2012 restructuring of the derivatives portfolio(2)	**1 824**	-	-804	**1 020**
Effect of June 2013 restructuring of the derivatives portfolio	**-3 530**	-	1 630	**-1 900**
Total	**-1 706**	**-**	**826**	**-880**

(1) OCI: Other Comprehensive Income.

(2) Restructuring of derivatives portfolio to extend maturity of hedging instruments.

5.2.5.1.3 Impact of hedging on the income statement

In thousands of euros	June 30, 2018	December 31, 2017	June 30, 2017
Effective component of hedging instruments related to derivatives portfolio *(hedging of interest rates accruing over the period)*	-1 471	-3 260	-1 763
Reclassification in profit or loss of accumulated gains and losses following past restructurings(1)	-413	-826	-413
Time value of caps	-	299	299
Changes in fair value of instruments that do not qualify for hedge accounting	1 431	3 022	1 656
Total(2)	**-453**	**-765**	**-221**

(1) See Note 5.2.5.1.2 "Foreign exchange hedge Instruments", the amounts reclassified in profit or loss.

(2) See "Gains or losses on interest rate and currency hedges" in Note 4.6 "Net financial income".
See also the impact of currency hedges in Note 5.2.5.2.

5.2.5.2 Currency hedges

The Group uses derivatives to hedge its exposure to currency risk.

Since 2016, the Group has opted for a policy to hedge the highly probable future transactions in foreign currencies of its entities. Hedging instruments implemented in this respect are forward purchases of foreign currency. The Group has applied to these instruments the accounting treatment of cash flow hedges as required: instruments are valued at fair value and changes in value are recognized in equity for the effective portion. These amounts recognized in equity are reported in profit or loss when the hedged cash flows affect the income.

Instruments are valued at fair value and changes in value and their settlement are recognized in equity.

At June 30, 2018, the fair value of the instruments implemented and thus recognized was -€14 562 thousand of which - €4 100 thousand was recognized in equity.

Changes in the fair value of other currency hedging instruments are recognized in net financial income.

5.2.5.2.1 Portfolio of currency hedges

	June 30, 2018				December 31, 2017			
	Fair value in thousands of euros	**Notional amount in thousands of currency units**	**Medium-term exchange rate**	**Exchange rate at June 30, 2018**	**Fair value in thousands of euros**	**Notional amount in thousands of currency units**	**Medium-term exchange rate**	**Exchange rate at December 31, 2017**
			Currency / Euro	**Currency / Euro**			**Currency / Euro**	**Currency / Euro**
Net sell position (net buy position if <0)								
USD - Forward exchange contract	-8 162	+142 765	1,2466	1,1658	+2 216	-45 780	1,1492	1,1993
GBP - Forward exchange contract	-107	-8 600	0,8978	0,8861	-	-	-	-
HUF - Forward exchange contract	-	-	-	-	-19	-283 982	316,8402	310,3300
PLN - Forward exchange contract	-17	+32 100	4,3636	4,3732	-	-	-	-
CLP - Forward exchange contract	-	-	-	-	-1	+222 832	742,7733	-
KRW - Forward exchange contract	-	-	-	-	-6	-2 225 591	1 281,7979	1 279,6100
USD - Forward currency swap	-5 605	-348 300	1,1892	1,1658	+2 739	-228 000	1,1834	1,1993
GBP - Forward currency swap	+345	-50 000	0,8830	0,8861	-519	-48 000	0,8980	0,8872
CHF - Forward currency swap	+5	-2 100	1,1532	1,1569	-	-	-	-
RUB - Forward currency swap	+32	-124 000	72,2200	73,1582	-76	-127 670	72,8100	69,3920
CNY - Forward currency swap	-993	-486 729	7,9508	7,7170	-1 300	-398 000	8,0525	7,8044
JPY -Forward currency swap	-60	-792 904	127,8000	129,0400	-	-	-	-
TOTAL	-14 562				+3 036			

5.2.5.2.2 Impact of unsettled foreign exchange hedges on income and equity

In thousands of euros	June 30, 2018	December 31, 2017
Impact of change in foreign exchange hedging portfolio on income (ineffective portion)(1)	-11 281	11 587
Impact of change in foreign currency hedging portfolio on equity (effective portion)	-6 317	2 403
Total	**-17 598**	**13 990**

(1) See “Gains or losses on interest rate and currency hedges” in Note 4.6 “Net financial income”. See also Note 5.2.5.1.3 "Impact of hedging on the income statement".

5.2.6. Operating and other liabilities

5.2.6.1 - Trade payables

In thousands of euros	June 30, 2018	December 31, 2017
Trade payables	1 238 590	1 146 885
Due to suppliers of fixed assets	97 134	86 336
Total	**1 335 723**	**1 233 221**

5.2.6.2 - Other operating liabilities

In thousands of euros	June 30, 2018	January 1st, 2018	1st application of IFRS 15	December 31, 2017
Accrued employee benefits expense	159 150	156 558		156 558
Accrued income taxes	38 032	31 741		31 741
Other accrued taxes(1)	145 232	125 574		125 574
Other payables	221 789	260 760		260 760
Customer prepayments - Deferred revenues(2)	380 659	385 770	170 505	215 265
Total	**944 862**	**960 403**	**170 505**	**789 898**

(1) This account includes the Competitiveness Tax Credit (CICE) which is recognized as a reduction in personnel costs.
(2) See, in "Significant events of the period", Note 2.1.1 related to 1st application of IFRS 15.

5.2.6.3 Trade payables and other operating liabilities by currency

In thousands of currency units		Liabilities at June 30, 2018			Liabilities at December 31, 2017		
		Local currency	**Euro**	**%**	**Local currency**	**Euro**	**%**
EUR	Euro	1 249 484	1 249 484	55%	1 138 805	1 138 805	56%
USD	US dollar	667 865	572 881	25%	538 656	449 142	22%
GBP	Pound sterling	124 706	140 744	6%	118 456	133 512	7%
CNY	Chinese yuan	835 460	108 262	5%	878 575	112 574	6%
BRL	Brazilian real	182 095	40 577	2%	174 635	43 957	2%
Other	Other currencies		168 637	7%		145 129	7%
Total			**2 280 585**	**100%**		**2 023 119**	**100%**
Of which:							
● *Trade payables*			*1 335 723*	*59%*		*1 233 221*	*61%*
● *Other operating liabilities*			*944 862*	*41%*		*789 898*	*39%*
1st application of IFRS 15						170 505	
1st application of IFRS 9						-	
Total at January 1st, 2018						**2 193 624**	
Of which:							
● *Trade payables*						*1 233 221*	*56%*
● *Other operating liabilities*						*960 403*	*44%*

Sensitivity tests on changes in foreign exchange rates of “ Trade payables and other liabilities ” give the following results:

In thousands of currency units		Sensitivity tests on liabilities at June 30, 2018						Sensitivity tests on liabilities at December 31, 2017					
		Base		Increase – all currencies		Decrease – all currencies		Base		Increase – all currencies		Decrease – all currencies	
				+10%	+20%	-10%	-20%			+10%	+20%	-10%	-20%
		Local currency	Conversion rate	%	%	%	%	Local currency	Conversion rate	%	%	%	%
EUR	Euro	1 249 484	1,0000	52%	50%	57%	60%	1 138 805	1,0000	54%	52%	59%	62%
USD	US dollar	667 865	0,8578	26%	28%	24%	22%	538 656	0,8338	23%	24%	21%	19%
GBP	Pound sterling	124 706	1,1286	6%	7%	6%	5%	118 456	1,1271	7%	7%	6%	6%
CNY	Chinese yuan	835 460	0,1296	5%	5%	4%	4%	878 575	0,1281	6%	6%	5%	5%
BRL	Brazilian real	182 095	0,2228	2%	2%	2%	2%	174 635	0,2517	2%	2%	2%	2%
Other	Other currencies			9%	8%	7%	7%			8%	9%	7%	6%
Total in euros			2 280 585	2 383 677	2 486 768	2 177 495	2 074 404		2 023 119	2 111 554	2 199 985	1 934 690	1 846 258
Of which:													
● *Trade payables*			*1 335 723*	*1 396 095*	*1 456 467*	*1 275 352*	*1 214 980*		*1 233 221*	*1 287 126*	*1 341 030*	*1 179 316*	*1 125 411*
● *Other operating liabilities*			*944 862*	*987 582*	*1 030 301*	*902 143*	*859 424*		*789 898*	*824 428*	*858 955*	*755 374*	*720 847*
1st application of IFRS 9									-	-	-	-	-
1st application of IFRS 15									170 505	177 439	184 373	163 572	156 638
Total at January 1st, 2018									**2 193 624**	**2 288 993**	**2 384 358**	**2 098 262**	**2 002 896**
Of which:													
● *Trade payables*									*1 233 221*	*1 287 126*	*1 341 030*	*1 179 316*	*1 125 411*
● *Other operating liabilities*									*960 403*	*1 001 867*	*1 043 328*	*918 946*	*877 485*

Foreign exchange sensitivity tests on “Trade payables and other liabilities” and “Trade and other receivables” indicate a net sensitivity to exchange rate fluctuations as at June 30, 2018. (See Note 5.1.9)

6. MANAGEMENT OF CAPITAL AND MARKET RISKS

Compagnie Plastic Omnium has implemented a global cash management system with its subsidiary Plastic Omnium Finance, which manages liquidity, currency and interest rate risks on behalf of all subsidiaries. The market risk strategy, which may result in balance sheet and off-balance sheet commitments, is validated every quarter by the Chairman and Chief Executive Officer.

6.1. Capital management

The Group's objective is to have, at any time, sufficient financial resources to enable it to carry out its current business, the investments required for its development and also to withstand any exceptional events.

To meet this objective, it seeks funding from the capital markets, leading to capital and financial liabilities management.

As part of its capital management strategy, the Group pays dividends to its shareholders and may make adjustments in respect of the changes in economic conditions.

The adjustment of the capital structure may be made by the payment of ordinary or exceptional dividends, the redemption and the cancellation of treasury shares, the redemption of a share of the capital or the issuance of new shares and / or securities giving rights to capital.

The Group uses the gearing ratio, corresponding to the ratio of consolidated net debt to equity, as a ratio of the Group's net debt. The Group includes in net debt all financial liabilities and commitments, excluding holding companies, less cash and cash equivalents and other financial assets, excluding holding companies, such as securities and loans. At June 30, 2018 and December 31, 2017, the gearing ratio is as follows:

In thousands of euros	June 30, 2018	December 31, 2017
Net debt(1)	992 360	562 985
Equity (including non-current government grants)	1 853 035	1 760 791
Gearing ratio	**53,55%**	**31,97%**

(1) See note 5.2.4.5 "Reconciliation of gross and net debt".

None of the Group's bank loans or financial liabilities contains acceleration clauses based on compliance with financial ratios.

As part of its capital management strategy, the liquidity account shows the following positions:

- at June 30, 2018:
    - 81,565 shares
    - and 859,789 in cash
- at December 31, 2017:
    - 9,500 shares
    - and €3,552,108 in cash
- at June 30, 2017:
    - 54,603 shares
    - and €2,000,362 in cash.

6.2. Credit risk

Credit risk covers customer credit risk and bank counterparty risk.

6.2.1. Customer risk

At June 30, 2018, 10.4% of the Group's Trade receivables were past due, against 13.2% at December 31, 2017. Trade receivables break down as follows:

Ageing analysis of receivables:

At June 30, 2018

In thousands of euros	Total outstanding	Not yet due	Due and past due	Less than 1 month	1-6 months	6-12 months	More than 12 months
Automotive	788 555	706 183	82 372	26 679	35 190	15 505	4 999
Environment	52 809	40 855	11 954	6 208	5 260	527	-41
Reclassement IFRS5	-52 809	-40 855	-11 954	-6 208	-5 260	-527	41
Unallocated items	4 997	4 993	4	4	-	-	-
Total	**793 552**	**711 176**	**82 376**	**26 682**	**35 190**	**15 505**	**4 999**

At December 31, 2017

In thousands of euros	Total outstanding	Not yet due	Due and past due	Less than 1 month	1-6 months	6-12 months	More than 12 months
Automotive	886 624	772 123	114 501	73 557	23 287	13 186	4 471
Environment	46 369	36 849	9 520	4 995	3 792	654	79
Unallocated items	7 091	7 091	-	-	-	-	-
Total at Decembre 31, 2017	**940 084**	**816 063**	**124 021**	**78 552**	**27 079**	**13 840**	**4 550**
1st application of IFRS 15	-124 507	-124 507	-	-	-	-	-
1st application of IFRS 9	-1 939	-	-1 939	-	-	-	-1 939
Total at January 1st, 2018[1]	**813 638**	**691 556**	**122 082**	**78 552**	**27 079**	**13 840**	**2 611**

The risk of non-recovery is low and involves only a non-material amount of receivables more than twelve months past due.

6.2.2. Bank counterparty risk

The Group invests its cash surplus with first class banks and / or in senior securities.

6.3. Liquidity risk

The Group needs access, at all times, to adequate financial resources not only to finance operations and the investments required to support its growth, but also to withstand the effects of any exceptional events.

This requirement is met primarily through medium-term bank lines of credit, but also through short-term bank facilities.

The cash position of each division and the Group position are reviewed on a daily basis and a cash report is submitted to the Chairman and Chief Executive Officer and the Chief Operating Officers every week.

6.3.1. Financial liabilities by maturity

The schedule of financial liabilities is done on the basis of undiscounted contractual cash flows. The analysis of financial liabilities shows the following:

At June 30, 2018:

In thousands of euros	June 30, 2018	Less than 1 year	1 to 5 years	More than 5 years
Financial liabilities				
Non-current borrowings (1)	1 430 284	25 059	600 697	804 528
Bank overdrafts	13 021	13 021	-	-
Current borrowings (2)	325 909	325 909	-	-
Other current debt	7	7	-	-
Hedging instruments	17 291	17 291	-	-
Trade payables	1 335 723	1 335 723	-	-
Total financial liabilities	**3 122 235**	**1 717 010**	**600 697**	**804 528**

(1) "Non-current borrowings" includes the amounts reported in the balance sheet and interest payable over the remaining life of the debt.

(2) "Current borrowings" includes the amounts reported in the balance sheet and interest due within one year.

At December 31, 2017:

In thousands of euros	December 31, 2017	Less than 1 year	1 to 5 years	More than 5 years
Financial liabilities				
Non-current borrowings (1)	1 427 177	11 332	599 713	816 133
Bank overdrafts	9 993	9 993	-	-
Current borrowings (2)	393 796	393 796	-	-
Other current debt	4	4	-	-
Hedging instruments	5 618	5 618	-	-
Trade payables	1 233 221	1 233 221	-	-
Total financial liabilities	**3 069 810**	**1 653 964**	**599 713**	**816 133**

(1) "Non-current borrowings" includes the amounts reported in the balance sheet and interest payable over the remaining life of the debt.

(2) "Current borrowings" includes the amounts reported in the balance sheet and interest due within one year.

7. ADDITIONAL INFORMATION

7.1. Related party transactions

Related party transactions correspond to transactions with Sofiparc, Burelle SA and Burelle Participations. No changes occurred in the contracts between the Group and these companies during the period.

No material change has been made to the compensation paid to senior executives and officers since December 31, 2017.

7.2. Consolidating entity

Burelle SA holds 58.92% of Compagnie Plastic Omnium, after the cancellation of Compagnie Plastic Omnium's treasury stock (57.57% before cancellation of treasury stock), and fully consolidates the Company.

Burelle SA - 19, Boulevard Jules Carteret
69342 Lyon Cedex 07

7.3. Subsequent events

No event likely to have a material impact on the Group's business, financial position, earnings or assets and liabilities at June 30, 2018 has occurred since the closing date.

LIST OF CONSOLIDATED COMPANIES AT JUNE 30, 2018

		Reportable segment			June 30, 2018			December 31, 2017			June 30, 2017			
Legal name		Auto-motive	Environ-ment	Un-allocated	Method of Consolidation	% control	% interest	Method of Consolidation	% control	% interest	Method of Consolidation	% control	% interest	Tax group
France														
COMPAGNIE PLASTIC OMNIUM SA				*	Parent company			Parent company			Société mère			1 - a
PLASTIC OMNIUM SYSTEMES URBAINS SAS	g2018 IFRS 5		*		FC	100	100	FC	100	100	FC	100	100	1 - b
METROPLAST SAS	g2018 IFRS 5		*		FC	100	100	FC	100	100	FC	100	100	1 - b
LA REUNION VILLES PROPRES SAS	g2018 IFRS 5		*		FC	100	100	FC	100	100	FC	100	100	1 - b
PLASTIC OMNIUM CARAIBES SAS	g2018 IFRS 5		*		FC	100	100	FC	100	100	FC	100	100	1 - b
INERGY AUTOMOTIVE SYSTEMS FRANCE SAS		*			FC	100	100	FC	100	100	FC	100	100	1 - a
PLASTIC RECYCLING SAS	c2018	*			EM_Ifrs_2014	50	50	EM_Ifrs_2014	50	50	EM_Ifrs_2014	50	50	
PLASTIC OMNIUM AUTO EXTERIEUR HOLDING SA	x2017f	*			FC	100	100	FC	100	100	FC	100	100	1 - a
PLASTIC OMNIUM AUTO EXTERIEUR SERVICES SAS		*			FC	100	100	FC	100	100	FC	100	100	1 - a
PLASTIC OMNIUM GESTION SNC				*	FC	100	100	FC	100	100	FC	100	100	1 - a
PLASTIC OMNIUM FINANCE SNC				*	FC	100	100	FC	100	100	FC	100	100	1 - a
LUDOPARC SAS	g2018 IFRS 5		*		FC	100	100	FC	100	100	FC	100	100	1 - b
PLASTIC OMNIUM AUTO EXTERIORS SA		*			FC	100	100	FC	100	100	FC	100	100	1 - a
PLASTIC OMNIUM AUTO INERGY SAS		*			FC	100	100	FC	100	100	FC	100	100	1 - a
PLASTIC OMNIUM AUTO INERGY MANAGEMENT SAS		*			FC	100	100	FC	100	100	FC	100	100	1 - a
BEAUVAIS DIFFUSION SAS	d2018		*		FC	100	100	FC	100	100	FC	100	100	
PLASTIC OMNIUM AITO EXTERIEUR SA	x2017e	*			FC	100	100	FC	100	100	FC	100	100	1 - a
TECHNIQUES ET MATERIELS DE COLLECTE - « TEMACO » SAS	g2018 IFRS 5		*		FC	100	100	FC	100	100	FC	100	100	1 - b
PLASTIC OMNIUM COMPOSITES SA	ca2017	*			FC	100	100	FC	100	100	FC	100	100	1 - a
MIXT COMPOSITES RECYCLABLES - MCR SAS	c2017	*			FC	100	100	FC	100	100	FC	100	100	
PLASTIC OMNIUM ENVIRONNEMENT HOLDING SAS	g2018 IFRS 5		*		FC	100	100	FC	100	100	FC	100	100	1 - b
SIGNALISATION FRANCE SA				*	FC	100	100	FC	100	100	FC	100	100	1 - b
SULO FRANCE SAS	d2018		*		FC	100	100	FC	100	100	FC	100	100	1 - b
PLASTIC OMNIUM AUTO INERGY SERVICES SAS		*			FC	100	100	FC	100	100	FC	100	100	1 - a
PLASTIC OMNIUM AUTO INERGY FRANCE SAS		*			FC	100	100	FC	100	100	-	-	-	1 - a
PLASTIC OMNIUM MANAGEMENT 4	i2017	*			FC	100	100	FC	100	100	-	-	-	
South Africa														
PLASTIC OMNIUM AUTO INERGY SOUTH AFRICA (PROPRIETARY) Ltd		*			FC	100	100	FC	100	100	FC	100	100	

Legal name		Reportable segment			June 30, 2018			December 31, 2017			June 30, 2017			
		Auto-motive	Environ-ment	Un-allocated	Method of Consolidation	% control	% interest	Method of Consolidation	% control	% interest	Method of Consolidation	% control	% interest	Tax group
Germany														
PLASTIC OMNIUM GmbH				*	FC	100	100	FC	100	100	FC	100	100	2 - b
PLASTIC OMNIUM AUTO COMPONENTS GmbH		*			FC	100	100	FC	100	100	FC	100	100	2 - b
PLASTIC OMNIUM ENTSORGUNGSTECHNIK GmbH	g2018[IFRS 5]		*		FC	100	100	FC	100	100	FC	100	100	2 - a
PLASTIC OMNIUM AUTO INERGY GERMANY GmbH		*			FC	100	100	FC	100	100	FC	100	100	2 - b
HBPO BETEILIGUNGSGESELLSCHAFT GmbH		*			EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	
HBPO RASTATT GmbH		*			EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	
HBPO GERMANY GmbH		*			EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	
HBPO GmbH		*			EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	
PLASTIC OMNIUM ENVIRONNEMENT GmbH	g2018[IFRS 5]		*		FC	100	100	FC	100	100	FC	100	100	2 - a
ENVICOMP SYSTEMLOGISTIK GmbH	g2018[IFRS 5]		*		FC	100	100	FC	100	100	FC	100	100	2 - a
WESTFALIA INTRALOG GmbH	g2018[IFRS 5]		*		FC	100	100	FC	100	100	FC	100	100	2 - a
SULO UMWELTTECHNIK GmbH	g2018[IFRS 5]		*		FC	100	100	FC	100	100	FC	100	100	2 - a
PLASTIC OMNIUM COMPOSITES GmbH	ca2017	*			FC	100	100	FC	100	100	FC	100	100	2 - b
PLASTIC OMNIUM SYSTEMS GmbH	g2018[IFRS 5]		*		FC	100	100	FC	100	100	FC	70	70	2 - a
HBPO INGOLSTADT GmbH		*			EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	
HBPO REGENSBURG GmbH		*			EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	
SULO EA GmbH			*		FC	100	100	FC	100	100	FC	100	100	2 - b
PLASTIC OMNIUM AUTOMOTIVE EXTERIORS GmbH		*			FC	100	100	FC	100	100	FC	100	100	2 - bi
HBPO VAIHINGEN Enz GmbH	b2017	*			EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	-	-	-	
Argentina														
PLASTIC OMNIUM AUTO INERGY ARGENTINA SA		*			FC	100	100	FC	100	100	FC	100	100	
PLASTIC OMNIUM SA		*			FC	100	100	FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTOMOTIVE ARGENTINA		*			FC	100	100	FC	100	100	FC	100	100	
Belgium														
PLASTIC OMNIUM NV	g2018[IFRS 5]		*		FC	100	100	FC	100	100	FC	100	100	
PLASTIC OMNIUM ADVANCED INNOVATION AND RESEARCH NV		*			FC	100	100	FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO INERGY BELGIUM SA		*			FC	100	100	FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTOMOTIVE BELGIUM		*			FC	100	100	FC	100	100	FC	100	100	
OPTIMUM CPV BVBA	b2017	*			FC	100	100	FC	100	100	-	-	-	
PLASTIC OMNIUM NEW ENERGIES SA	a2018	*			FC	100	100	-	-	-	-	-	-	
Brazil														
PLASTIC OMNIUM AUTO INERGY		*			FC	100	100	FC	100	100	FC	100	100	
PLASTIC OMNIUM DO BRASIL Ltda		*			FC	100	100	FC	100	100	FC	100	100	
HBPO BRASIL AUTOMOTIVE SERVICOS Ltda		*			EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	-	-	-	
PLASTIC OMNIUM AUTOMOTIVE DO BRASIL Ltda		*			-	-	-	-	-	-	FC	100	100	

Legal name		Reportable segment: Automotive	Reportable segment: Environment	Reportable segment: Unallocated	June 30, 2018: Method of Consolidation	June 30, 2018: % control	June 30, 2018: % interest	December 31, 2017: Method of Consolidation	December 31, 2017: % control	December 31, 2017: % interest	June 30, 2017: Method of Consolidation	June 30, 2017: % control	June 30, 2017: % interest	Tax group
Canada														
HBPO CANADA INC.		*			EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	
Chile														
PLASTIC OMNIUM SA	g2018 IFRS 5		*		FC	100	100	FC	100	100	FC	100	100	
China														
PLASTIC OMNIUM COMPOSITES (JIANGSU) Co. Ltd	c2017	*			FC	100	100	FC	100	100	FC	100	100	
WUHAN PLASTIC OMNIUM AUTO INERGY Co. Ltd		*			FC	100	100	FC	100	100	FC	100	100	
YANFENG PLASTIC OMNIUM AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd		*			EM_Ifrs_2014	49,95	49,95	EM_Ifrs_2014	49,95	49,95	EM_Ifrs_2014	49,95	49,95	
PLASTIC OMNIUM INERGY (SHANGHAI) CONSULTING Co. Ltd		*			FC	100	100	FC	100	100	FC	100	100	
INERGY AUTOMOTIVE SYSTEMS CONSULTING (BEIJING) Co. Ltd		*			FC	100	100	FC	100	100	FC	100	100	
BEIJING PLASTIC OMNIUM AUTO INERGY Co. Ltd		*			FC	60	60	FC	60	60	FC	60	60	
CHONGQING YANFENG PLASTIC OMNIUM AUTOMOTIVE EXTERIOR FAWAY Co. Ltd		*			EM_Ifrs_2014	49,95	25,47	EM_Ifrs_2014	49,95	25,47	EM_Ifrs_2014	49,95	25,47	
GUANGZHOU ZHONGXIN YANFENG PLASTIC OMNIUM AUTOMOTIVE EXTERIOR TRIM Co. Ltd		*			EM_Ifrs_2014	49,95	25,47	EM_Ifrs_2014	49,95	25,47	EM_Ifrs_2014	49,95	25,47	
CHENGDU FAWAY YANFENG PLASTIC OMNIUM Co. Ltd		*			EM	24,48	24,48	EM	24,48	24,48	EM	24,48	24,48	
HBPO CHINA Co. Ltd	c2018	*			EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	
YANFENG PLASTIC OMNIUM (SHANGHAI) AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd		*			EM_Ifrs_2014	49,95	49,95	EM_Ifrs_2014	49,95	49,95	EM_Ifrs_2014	49,95	49,95	
DONGFENG PLASTIC OMNIUM AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd		*			EM	24,98	24,98	EM	24,98	24,98	EM	24,98	24,98	
GUANGZHOU PLASTIC OMNIUM AUTO INERGY Co. Ltd		*			FC	100	100	FC	100	100	FC	100	100	
SHENYANG PLASTIC OMNIUM AUTO INERGY Co. Ltd		*			FC	100	100	FC	100	100	FC	100	100	
YANFENG PLASTIC OMNIUM YIZHENG AUTOMOTIVE EXTERIOR SYSTEM Co. Ltd		*			EM_Ifrs_2014	49,95	49,95	EM_Ifrs_2014	49,95	49,95	EM_Ifrs_2014	49,95	49,95	
PLASTIC OMNIUM HOLDING (SHANGHAI) Co. Ltd				*	FC	100	100	FC	100	100	FC	100	100	
YANFENG PLASTIC OMNIUM (SHENYANG) AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd		*			EM_Ifrs_2014	49,95	49,95	EM_Ifrs_2014	49,95	49,95	EM_Ifrs_2014	49,95	49,95	
YANFENG PLASTIC OMNIUM NINGBO AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd		*			EM_Ifrs_2014	49,95	49,95	EM_Ifrs_2014	49,95	49,95	EM_Ifrs_2014	49,95	49,95	
YANFENG PLASTIC OMNIUM WUHAN AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd		*			EM_Ifrs_2014	49,95	49,95	EM_Ifrs_2014	49,95	49,95	EM_Ifrs_2014	49,95	49,95	
NINGBO PLASTIC OMNIUM AUTO INERGY Co. Ltd		*			FC	100	100	FC	100	100	FC	100	100	
HBPO CHINA BEIJING Co. Ltd		*			EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	
YANFENG PLASTIC OMNIUM HARBIN AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd		*			EM_Ifrs_2014	49,95	49,95	EM_Ifrs_2014	49,95	49,95	EM_Ifrs_2014	49,95	49,95	
CHONGQING PLASTIC OMNIUM AUTO INERGY Co. Ltd		*			FC	100	100	FC	100	100	FC	100	100	
CHANGCHUN HUAZHONG YANFENG PLASTIC OMNIUM AUTOMOTIVE EXTERIORS Co. Ltd	b2017	*			EM_Ifrs_2014	24,98	24,98	EM_Ifrs_2014	24,98	24,98	EM_Ifrs_2014	24,98	24,98	
YANFENG PLASTIC OMNIUM HANGZHOU AUTO EXTERIOR SYSTEMS Co. Ltd	b2017	*			EM_Ifrs_2014	49,95	49,95	EM_Ifrs_2014	49,95	49,95	EM_Ifrs_2014	49,95	49,95	
South Korea														
SHB AUTOMOTIVE MODULES		*			EM_Ifrs_2014	16,67	16,67	EM_Ifrs_2014	16,67	16,67	EM_Ifrs_2014	16,67	16,67	
HBPO KOREA Ltd		*			EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	
PLASTIC OMNIUM Co. Ltd		*			FC	100	100	FC	100	100	FC	100	100	
HBPO PYEONGTAEK Ltd		*			EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	
HBPO ASIA HQ Ltd		*			EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	

Legal name	Reportable segment			June 30, 2018			December 31, 2017			June 30, 2017			
	Auto-motive	Environ-ment	Un-allocated	Method of Consolidation	% control	% interest	Method of Consolidation	% control	% interest	Method of Consolidation	% control	% interest	Tax group
Spain													
COMPANIA PLASTIC OMNIUM SA			*	FC	100	100	FC	100	100	FC	100	100	3
PLASTIC OMNIUM EQUIPAMIENTOS EXTERIORES SA	*			FC	100	100	FC	100	100	FC	100	100	3
PLASTIC OMNIUM SISTEMAS URBANOS SA g2018[IFRS 5]		*		FC	100	100	FC	100	100	FC	100	100	3
PLASTIC OMNIUM AUTO INERGY SPAIN SA	*			FC	100	100	FC	100	100	FC	100	100	3
PLASTIC OMNIUM COMPOSITES ESPANA SA	*			FC	100	100	FC	100	100	FC	100	100	3
HBPO AUTOMOTIVE SPAIN SL	*			EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	
PLASTIC OMNIUM COMPONENTES EXTERIORES SL	*			FC	100	100	FC	100	100	FC	100	100	3
PLASTIC OMNIUM AUTOMOTIVE ESPANA	*			FC	100	100	FC	100	100	FC	100	100	3i
United States													
PLASTIC OMNIUM AUTO EXTERIORS LLC	*			FC	100	100	FC	100	100	FC	100	100	4
PLASTIC OMNIUM Inc.			*	FC	100	100	FC	100	100	FC	100	100	4
PLASTIC OMNIUM INDUSTRIES Inc.			*	FC	100	100	FC	100	100	FC	100	100	4
PLASTIC OMNIUM AUTO INERGY (USA) LLC	*			FC	100	100	FC	100	100	FC	100	100	4
HBPO NORTH AMERICA Inc.	*			EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	
AUTOMOTIVE EXTERIORS LLC	*			FC	100	100	FC	100	100	FC	100	100	4
Hungary													
HBPO MANUFACTURING HUNGARY Kft	*			EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	
HBPO AUTOMOTIVE HUNGARIA Kft	*			EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	
India													
PLASTIC OMNIUM AUTO EXTERIORS (INDIA) PVT Ltd	*			FC	100	100	FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO INERGY INDIA PVT Ltd	*			FC	100	100	FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO INERGY MANUFACTURING INDIA PVT Ltd	*			FC	55	55	FC	55	55	FC	55	55	
Israel													
POCellTech f2017	*			EM_Ifrs_2014	50	23	EM_Ifrs_2014	50	23	FC	100	100	
Japan													
PLASTIC OMNIUM KK	*			FC	100	100	FC	100	100	FC	100	100	
HBPO JAPAN KK	*			EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	

Legal name		Reportable segment: Auto-motive	Environ-ment	Un-allocated	June 30, 2018: Method of Consolidation	% control	% interest	December 31, 2017: Method of Consolidation	% control	% interest	June 30, 2017: Method of Consolidation	% control	% interest	Tax group
Malaysia														
HICOM HBPO SDN BHD		*			EM	13,33	13,33	EM	13,33	13,33	EM	13,33	13,33	
Morocco														
PLASTIC OMNIUM AUTO INERGY (MOROCCO) SARL		*			FC	100	100	FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO EXTERIEUR	a2017f	*			FC	100	100	FC	100	100	-	-	-	
Mexico														
PLASTIC OMNIUM INDUSTRIAL AUTO EXTERIORES RAMOS ARIZPE SA DE CV		*			FC	100	100	FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO INERGY MEXICO SA DE CV		*			FC	100	100	FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO EXTERIORES SA DE CV	c2017	*			FC	100	100	FC	100	100	FC	100	100	
PLASTIC OMNIUM SISTEMAS URBANOS SA DE CV	g2018[IFRS 5]		*		FC	100	100	FC	100	100	FC	100	100	
HBPO MEXICO SA DE CV		*			EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	
PLASTIC OMNIUM MEDIO AMBIENTE SA DE CV	g2018[IFRS 5]		*		FC	100	100	FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO INDUSTRIAL SRL DE CV		*			FC	100	100	FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO INERGY INDUSTRIAL SA DE CV		*			FC	100	100	FC	100	100	FC	100	100	
HBPO SERVICES MEXICO SA DE CV		*			EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	
HBPO MANAGEMENT SERVICES MEXICO SA DE CV		*			EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	
Netherlands														
PLASTIC OMNIUM BV	g2018[IFRS 5]		*		FC	100	100	FC	100	100	FC	100	100	5
PLASTIC OMNIUM ENVIRONMENT BV	g2018[IFRS 5]		*		FC	100	100	FC	100	100	FC	100	100	5
DSK PLASTIC OMNIUM BV		*			FC	51	51	FC	51	51	FC	51	51	
PLASTIC OMNIUM AUTO INERGY NETHERLANDS HOLDING BV		*			FC	100	100	FC	100	100	FC	100	100	
Poland														
PLASTIC OMNIUM AUTO INERGY POLAND Sp Z.O.O		*			FC	100	100	FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO EXTERIORS Sp Z.O.O		*			FC	100	100	FC	100	100	FC	100	100	
SULO Sp Z.O.O	g2018[IFRS 5]		*		FC	100	100	FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO Sp Z.O.O		*			FC	100	100	FC	100	100	FC	100	100	

Legal name		Reportable segment: Auto-motive	Reportable segment: Environ-ment	Reportable segment: Un-allocated	June 30, 2018: Method of Consolidation	June 30, 2018: % control	June 30, 2018: % interest	December 31, 2017: Method of Consolidation	December 31, 2017: % control	December 31, 2017: % interest	June 30, 2017: Method of Consolidation	June 30, 2017: % control	June 30, 2017: % interest	Tax group
Czech republic														
HBPO CZECH S.R.O.		*			EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	
SULO S.R.O.	g2018[IFRS 5]		*		FC	100	100	FC	100	100	FC	100	100	
Romania														
PLASTIC OMNIUM AUTO INERGY ROMANIA SRL		*			FC	100	100	FC	100	100	FC	100	100	
United Kingdom														
PLASTIC OMNIUM AUTOMOTIVE Ltd		*			FC	100	100	FC	100	100	FC	100	100	6
PLASTIC OMNIUM URBAN SYSTEMS Ltd	g2018[IFRS 5]		*		FC	100	100	FC	100	100	FC	100	100	6
SULO MGB Ltd	g2018[IFRS 5]		*		FC	100	100	FC	100	100	FC	100	100	6
HBPO UK Ltd		*			EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	
Russia														
OOO STRAVROVO AUTOMOTIVE SYSTEMS		*			FC	100	100	FC	100	100	FC	100	100	
DSK PLASTIC OMNIUM INERGY		*			FC	51	51	FC	51	51	FC	51	51	
Singapore														
SULO ENVIRONMENTAL SYSTEMS PTE Ltd	g2018[IFRS 5]		*		FC	100	100	FC	100	100	FC	100	100	
Slovakia														
PLASTIC OMNIUM AUTO EXTERIORS S.R.O.		*			FC	100	100	FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO INERGY SLOVAKIA S.R.O.		*			FC	100	100	FC	100	100	FC	100	100	
HBPO SLOVAKIA S.R.O.		*			EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	EM_Ifrs_2014	33,33	33,33	
PLASTIC OMNIUM AUTOMOTIVE SLOVAKIA S.R.O	d2017	*			FC	100	100	FC	100	100	FC	100	100	
Sweden														
PLASTIC OMNIUM AB	g2018[IFRS 5]		*		FC	100	100	FC	100	100	FC	100	100	
Switzerland														
PLASTIC OMNIUM AG	g2018[IFRS 5]		*		FC	100	100	FC	100	100	FC	100	100	
PLASTIC OMNIUM RE AG				*	FC	100	100	FC	100	100	FC	100	100	
SWISS HYDROGEN	b2017	*			FC	100	100	FC	100	100	-	-	-	
Thailand														
PLASTIC OMNIUM AUTO INERGY THAILAND Co. Ltd		*			FC	100	100	FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTOMOTIVE Co. Ltd		*			FC	100	100	FC	100	100	FC	100	100	
Turkey														
B.P.O. AS		*			EM_Ifrs_2014	50	49,98	EM_Ifrs_2014	50	49,98	EM_Ifrs_2014	50	49,98	

Consolidation method and special features:

G:	Full consolidation
EM:	Companies that were already consolidated by the equity method before the application of the new consolidation standards at January 1’ 2014.
EM_IFRS_2014:	Companies consolidated by the equity method since the application of the new consolidation standards at January 1, 2014

Movements for the period:

Creation of companies:

a2018	Companies created during the first half of 2018
a2017f	2017 training companies established in 2018
a2017	Companies created in 2017

Acquisition of companies:

b2018	Companies acquired in the first half of 2018
b2017	Companies acquired in 2017

Disposal of companies:

c2018	Companies divested in the first half of 2018
c2017	Companies divested in 2017

Disposal of sites and/or activities decided during the second half of 2017:

ca2017	Disposal of sites and / or activities

Merging of companies:

d2018	Companies merged in the first half of 2018
d2017	Companies merged in 2017

Liquidation of companies:

e2018	Companies liquidated in the first half of 2018

Change in the percentage of Plastic Omnium ownership:

f2017	“Pocelltech” capital increase over the second half of 2017

Companies reclassified under IFRS 5:

g2018[IFRS 5]	“Environment” business classified under “Assets and liabilities held for sale” at June 30, 2018

Activation of companies:

i2018companies activated during the first half of 2018
i2017companies activated during the 2017 fiscal year

Change in company name:

x2018	**Companies whose name was changed during the first half of 2018**
x2017	**Companies whose name was changed in 2017**
x2017e	“ Plastic Omnium Auto Exterior SA ” is the new name of “ Plastic Omnium Vernon SAS ”.
x2017f	“ Plastic Omnium Auto Exterior Holding SA ” is the new name of “ Plastic Omnium Auto Exterior SA ”.

Tax group:

1 - a	Plastic Omnium France
1 - b	Plastic Omnium Environnement Holding
2 - a	Germany Systèmes Urbains
2 - b	Germany Plastic Omnium Gmbh
2 - bi	Companies incorporated in 2017 in the tax group Germany Plastic Omnium Gmbh
2 - c	Germany Plastic Omnium Environnement
3	Spain
3i	Companies incorporated in the tax group in 2017
4	United States
5	Netherlands;
6	United Kingdom.

COMPAGNIE PLASTIC OMNIUM

Statutory Auditors' Review Report on the Half-yearly Financial Information

This is a translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Period from January 1 to June 30, 2018

ERNST & YOUNG et Autres

MAZARS

ERNST & YOUNG et Autres
Tour First
TSA 14444
92037 Paris-La Défense Cedex
S.A.S. à capital variable

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

MAZARS
61, rue Henri Regnault
92075 Paris-La Défense Cedex
S.A. au capital de € 8.320.000

Société Anonyme d'Expertise Comptable
et de Commissariat aux Comptes
à Directoire et Conseil de Surveillance

Compagnie Plastic Omnium
Period from January 1 to June 30, 2018

Statutory auditors' review report on the half-yearly financial information

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Compagnie Plastic Omnium, for the period from January 1 to June 30, 2018,
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are prepared under the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Opinion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

Without qualifying our conclusion, we draw your attention to the matter set out in Notes 2.1.1. and 2.1.2. to the condensed half-yearly consolidated financial statements regarding changes in accounting policies relating to IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments" effective from January 1, 2018.

2.Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris-La Défense, July 19, 2018

The Statutory Auditors
French original signed by

ERNST & YOUNG et Autres	MAZARS
Gilles Puissochet	Juliette Decoux