PLASTIC OMNIUM

2014

REGISTRATION DOCUMENT

2014 REGISTRATION DOCUMENT

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

In accordance with its general regulation, particularly Article 212-13, the French Financial Market Authority (*Autorité des Marchés Financiers* - AMF) registered this Registration Document on 07/07/15 under number R. 15-058. This document can only be used to support a financial transaction if it is supplemented by an "issue note" approved by the AMF. It was drafted by the issuer and is binding for its signatories.

In accordance with Article L. 621-8-1-I of the French Monetary and Financial Code, the document was registered once the AMF had checked *"it for completeness and clarity, as well as for consistency of information"*. This does not include authentication by the AMF of the accounting and financial information provided.

In accordance with Article 28 of European Commission Regulation No. 809/2004, the following information is included in this Registration Document for reference purposes:

– the consolidated and Company financial statements for the year ended December 31, 2012 and the corresponding audit reports appearing on pages 56 to 152 (inclusive) of the annual financial report for the year ended December 31, 2012, filed with the AMF on April 3, 2013;

– the consolidated and Company financial statements for the year ended December 31, 2013 and the corresponding audit reports appearing on pages 59 to 146 (inclusive) of the annual financial report for the year ended December 31, 2013, filed with the AMF on March 31, 2014.

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PRESENTATION OF THE GROUP

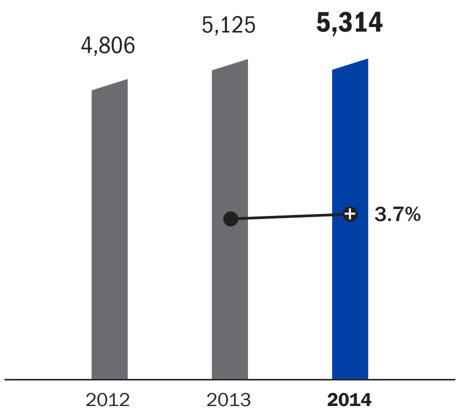
1.1 — KEY FIGURES

1.1.1 Key figures taken from the management accounts

(See the preamble to the consolidated financial statements for reconciliation between IFRS and management accounts).

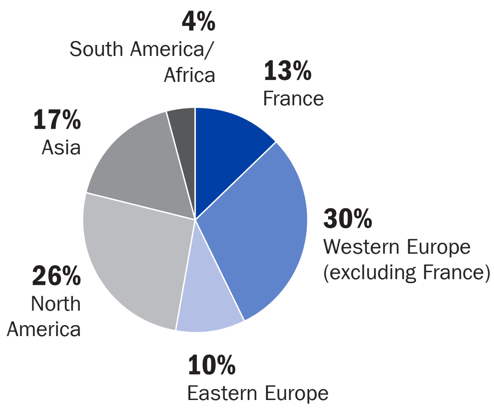
CHANGE IN REVENUE

in € millions



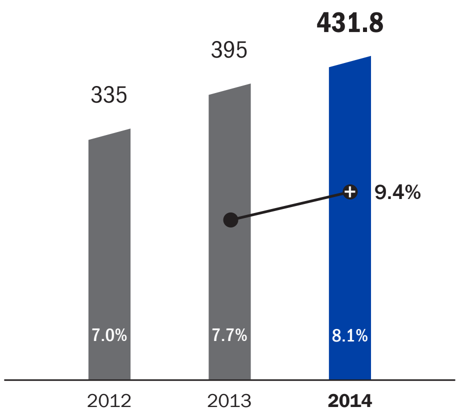
REVENUE

by region



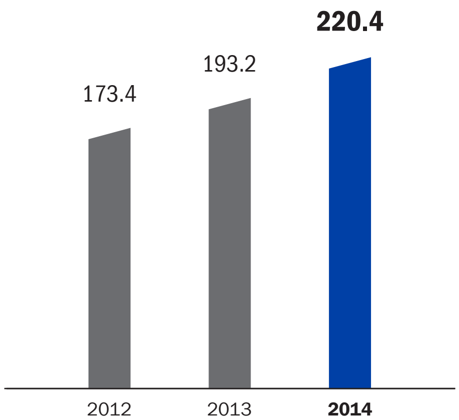
OPERATING MARGIN

In € millions and as % of revenue



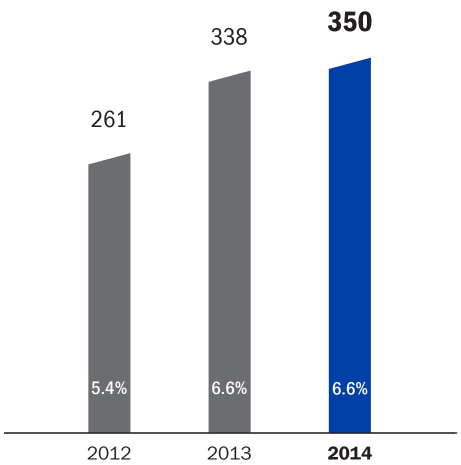
NET PROFIT, GROUP SHARE

in € millions



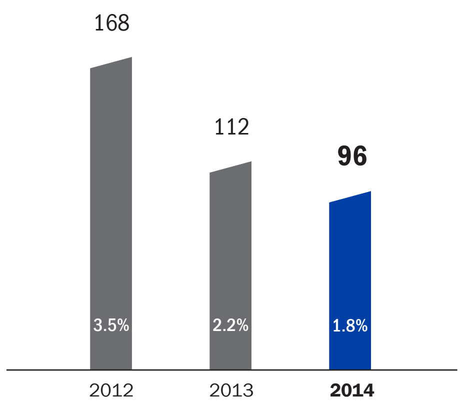
CAPITAL EXPENDITURES

In € millions and as % of revenue



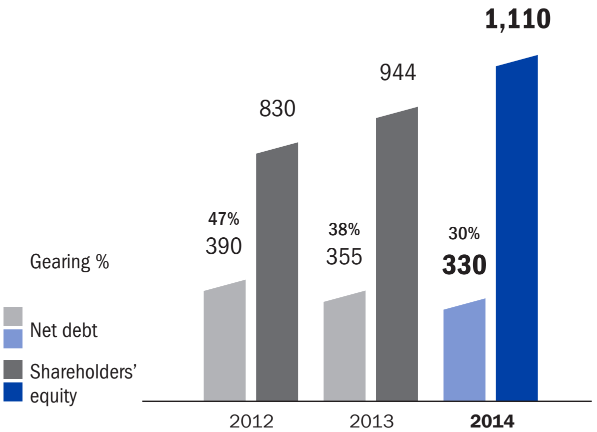
FREE CASH FLOW

In € millions and as % of revenue



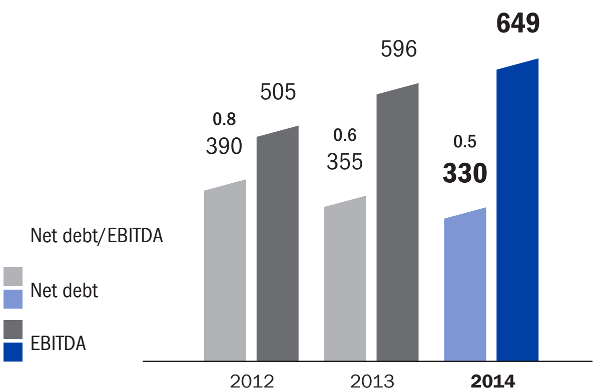
NET DEBT/SHAREHOLDERS' EQUITY

in € millions



NET DEBT/EBITDA

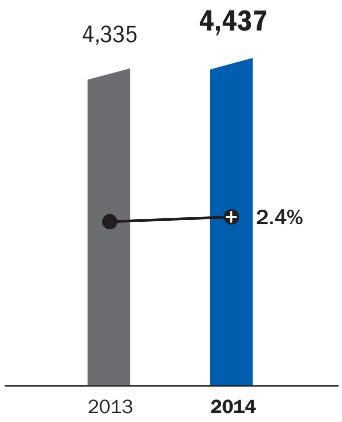
in € millions



1.1.2 Key figures taken from IFRS accounts

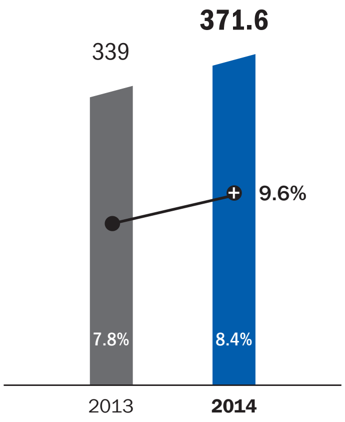
CHANGE IN REVENUE

in € millions



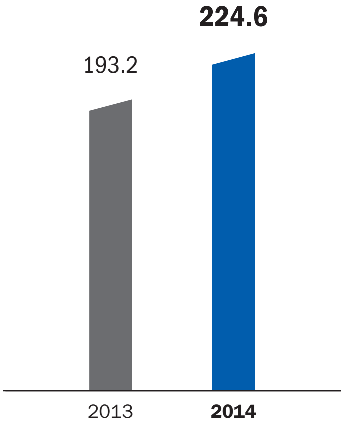
OPERATING MARGIN

In € millions and as % of revenue



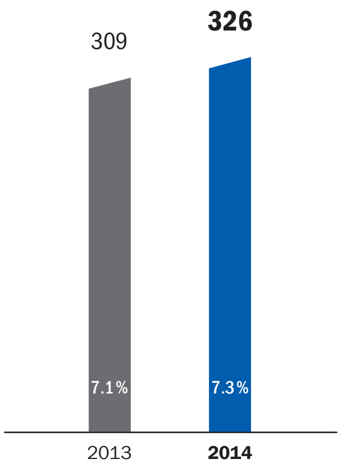
NET PROFIT, GROUP SHARE

in € millions



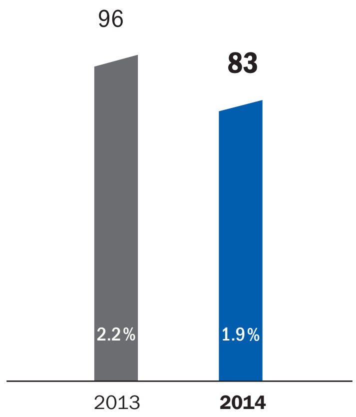
INDUSTRIAL AND PROJECT INVESTMENTS

in € millions and as % of revenue



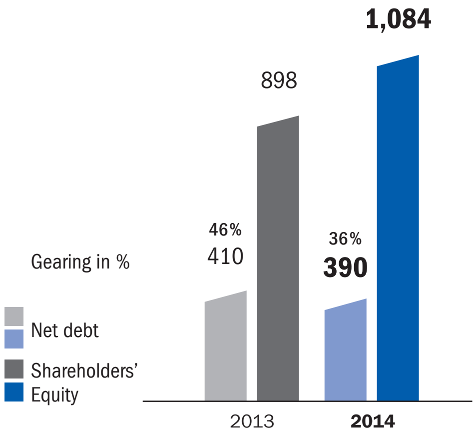
FREE CASH-FLOW

in € millions and as % of revenue



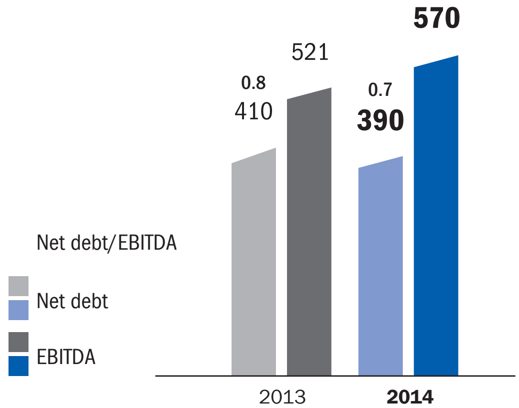
NET DEBT/SHAREHOLDERS' EQUITY

in € millions



NET DEBT/EBITDA

in € millions



Capital Expenditure refers to acquisitions of property, plant and equipment and intangible fixed assets net of disposals, the net change in advances to suppliers of fixed assets and investment subsidies received (see the statement of cash flows and Note I.5 to the consolidated financial statements, line E: "Net cash from operational investing activities").

Free cash flow refers to operating cash flow less expenditures on tangible and intangible assets net of disposals, net disbursements for taxes and financial interest +/- change in net working capital (see Statement of Cash flows and Note I.5 to the consolidated financial statements, line "Net cash generated by operating activities").

Net debt equals all non-current financial liabilities, current loans and bank overdrafts less loans and other non-current financial assets, and cash and cash equivalents (see Notes 5.2.7 and III.2.3 to the consolidated financial statements).

Shareholders'equity includes operating grants.

EBITDA refers to operating margin before depreciation, amortization and operating provision expense (see Notes 4.2 and II.2 to the consolidated financial statements).

1.2 — HISTORY

The Company's origins stretch back to 1946, when Plasticomnium set up business in rue du Louvre in Paris. The Company then had three employees and Pierre Burelle was the Chairman and Chief Executive Officer. Its first products were pipe fittings, dehydrator spark plugs, and other plastic automotive parts (Jaeger).

At this time, injection molding machines were characterized by the weight of the part produced. In 1949, the Company had five molds, with the biggest able to produce a 250-gram part.

1952

The Company moved to rue du Parc in Levallois-Perret.

1954

The Company borrowed, to buy a mold capable of making 1,200-gram parts, a big challenge for a company of this size.

1963

New premises in Langres (Haute-Marne) were built to keep pace with the significant growth in business.

1965

Plasticomnium took control of UMDP (Union Mutuelle Des Propriétaires Lyonnais), a company listed on the Lyon stock exchange. The two companies merged and Pierre Burelle became Chairman and Chief Executive Officer of the new entity. Plasticomnium's stock market listing dates back to this merger.

UMDP was a septic tank cleaning and sanitation company. Pierre Émile Burelle, a civil engineer and graduate of the École des Mines in Paris, took over its management in 1877 at the age of 29.

Under his leadership, the Company installed an extensive pipeline network to carry sludge from the La Mouche plant in Lyon to local farmland and market gardens. The 55 km network led to the creation of La Culture par l'Épandage.

After 1914, with the development of sewer systems, Pierre Émile Burelle refocused the business on waste bucket rentals. He died in 1926. Two of his sons were involved in the management of UMDP: Jean, who died in the war in 1915, and Charles, who headed the Company until 1965. In that year, Pierre Burelle, Jean Burelle's son and the grandson of Pierre Émile Burelle, acquired a majority stake in UMDP on the Lyon stock exchange.

UMDP's waste bucket business was the starting point for the development of a range of products and services by Pierre Burelle, Chairman and Chief Executive Officer of Plasticomnium, including waste container rental, maintenance and cleaning. This is now the backbone of the Environment Division. Over the following two years, Pierre Burelle simplified the two companies' product ranges by selling off certain businesses. UMDP's La Mouche plant in Lyon became the waste container management center for the Lyon area and the starting point of the current Environment Division.

1966

The current corporate identity was adopted, with a new logo designed by Raymond Loewy and with Plastic Omnium written as two words.

1968

Plastic Omnium acquired Gachot's fluorinated resin department and set up a plant in Langres dedicated to this activity, which became the 3P Division.

The 1970s

The 1970s saw the start of the Company's international expansion with the creation of one subsidiary a year, including Spain in 1970, Germany in 1972, the United Kingdom in 1973, and the United States in 1977.

1974

A Group holding company was set up, Compagnie Plastic Omnium.

In 1974, the Company acquired a 2,500-tonne injection-molding machine, followed in 1982 by a 10,000-tonne machine, both records in terms of power for the time.

1983

New headquarters were built on Avenue Jules Carteret in Lyon, and the Berges du Rhône development was built in Lyon on the site of the former La Mouche plant.

1984

- the Ludoparc playground and public garden equipment concept was launched;
- Metroplast, a rotational casting subsidiary, was set up in Chalon-sur-Saône.

1986

Plastic Omnium's acquisition of the Landry group and Techniplaste Industrie led to the creation of the Fuel System Division that now operates under the name of Inergy Automotive Systems.

1987

Jean Burelle took over as Chairman and Chief Executive Officer of Compagnie Plastic Omnium, while Pierre Burelle became Honorary Chairman and remained on the Board.

In the 1990s, the Company continued to extend its geographic reach with the creation of new subsidiaries and with new acquisitions:

- Zarn in the United States, which operated four container plants was acquired in 1991, and then sold on in 2001;
- Vasam, a fuel tank manufacturer based in Madrid and Vigo, was acquired in 1994;
- Reydel, a dashboard and door panel specialist with operations in France, Spain, Italy and the United Kingdom, was acquired in 1996 and formed the basis of the PO Auto Interior Division that was sold on to Visteon in 1999.

In the 2000s

The Company continued to grow with a targeted acquisition and partnership strategy, and established a presence in Asia. It also stepped up its spending on R&D.

2000

Saw the creation of Inergy Automotive Systems, a 50/50 joint venture with Solvay that became the world's largest fuel systems manufacturer.

2001

Laurent Burelle became Chairman and Chief Executive Officer of Compagnie Plastic Omnium.

2002

- ∑-Sigmatech, the Company's global research & development center for exterior automotive components, was inaugurated in the Lyon area;
- the 3P Division's pipe fitting business was sold.

2003

Saw the acquisition of Beauvais Diffusion, a selective waste collection company in France.

2004

The Company acquired waste container specialist Temaco in France from Groupe Sita and sold Plastic Omnium Medical.

2005

Plastic Omnium and two German automotive equipment manufacturers, Hella and Mahle-Behr, set up a joint venture named HBPO, the global leader in complex front-end automotive module design, development, assembly and logistics.

2006

The Company acquired control of Inoplast, a manufacturer of components and products made with composite materials and thermoplastics for cars and trucks.

2007

- The Company celebrated its 60th anniversary with a gathering of 1,000 people in La Défense (Paris);
- auto exterior joint ventures were launched in China, with Yanfeng Visteon;
- majority-owned auto exterior joint venture was launched in India, with Varroc; The Group took full control in 2012;
- also during the year, the Company acquired German-based Sulo, Europe's second largest waste container group;
- lastly, 2007 saw the acquisition of Compagnie Signature, the European leader in road signage and markings, from the Burelle SA parent company, and a launch of a partnership with Eurovia (Vinci) in the same segment.

2008

The Performance Plastics Products (3P) Division was sold.

2010

The Company bought out Solvay's 50% stake in the Inergy Automotive Systems joint venture.

Since 2010, the Company has continued to expand in fast growing regions, through a combination of organic growth and acquisitions.

2011

The Company acquired Ford's fuel system production assets in the United States, and the Polish auto exterior plants of its competitor Plastal.

2012

Saw the creation of two majority-owned fuel system joint ventures, one in China with BAIC, and the other in Russia with DSK.

Sale of Signature's German and French operations to Eurovia, as well as the unwinding of cross shareholdings.

2013

The Group added to its presence in high growth regions with the opening of five new plants in China, bringing the number of industrial facilities in this country to 19.

2014

Continued development in China with four new plants opened. Nine additional plants were also being built in North America (United States, Mexico), China and Russia to fulfill all the orders in the Automotive Division.

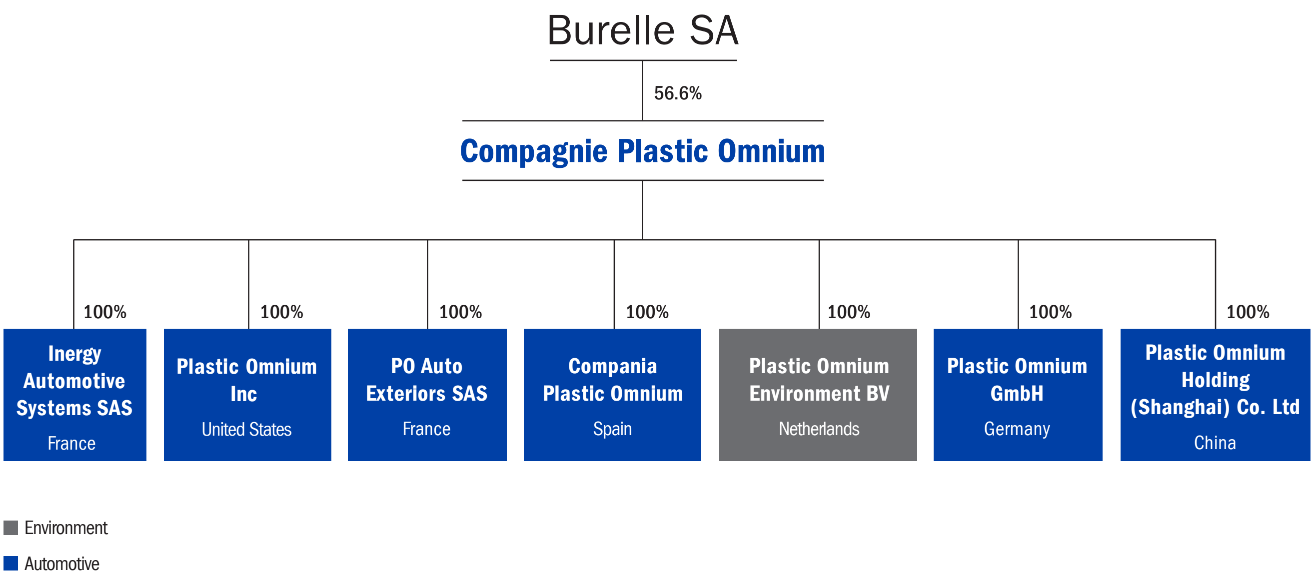
R&D activities were strengthened with the opening of α-Alphatech, the Auto Inergy Division's global R&D center in Compiègne, France.

Sale of its highway signage business in Switzerland, Signal AG, by the Environment Division.

Late 2014

The Plastic Omnium Group was present on four continents with 111 plants and 22,000 employees.

Simplified Organization Chart at May 31, 2015



1.3 — ORGANIZATION CHART

Compagnie Plastic Omnium has two core businesses, Automotive and Environment.

The Automotive Division manufactures and sells automotive body components and modules, and automotive fuel systems through its worldwide network of plants. Its customers are exclusively carmakers.

The Environment Division manufactures and sells a complete range of products and services in the waste containerization and urban design segments. Its main clients are either local authorities or waste collection companies.

All Group companies are directly or indirectly wholly owned and controlled by Compagnie Plastic Omnium, with the exception of the following companies, which are owned jointly with partners:

HBPO: owned in equal proportions by Plastic Omnium, Hella and Mahle-Behr. The world leader in front-end modules, HBPO contributed revenue of €537 million in 2014 (Plastic Omnium's share), through its network of 17 assembly plants.

YFPO: this 49.95%-owned joint venture is China's leading manufacturer of auto exterior components. Its revenue contribution stood at €213 million in 2014 (Plastic Omnium's share). YFPO employs some 1,500 people in its development center and 15 plants in China.

1.4 — BUSINESS AND STRATEGY

Plastic Omnium is a manufacturing and services company that partners carmakers and local authorities through its two businesses – Automotive equipment and Environment.

This is a group operating global businesses and with a presence on four continents (see comments on the management accounts, p. 70 for breakdown of revenue by region).

The **Automotive Division**, which accounted for 92% of 2014 revenue, holds leadership positions in two business segments. The key market is global automobile manufacturing, which amounted to 85.6 million vehicles in 2014, up 3.3% from the 82.8 million in 2013 (Source: IHS).

The **Auto Exterior Division** is ranked number one worldwide in exterior components and modules*, manufactured mainly from injected polypropylene and composite materials. The Division designs and delivers a wide array of parts and modules including bumpers and energy absorption systems, front-end modules, and products made from composite materials, especially tailgates. In 2014, Auto Exterior delivered nearly 18 million painted bumpers, representing 10% of the global market. This market share was 8% in 2010 and has risen due the expansion of the division in high growth regions, especially China, where Auto Exterior had an 18% share of the market in 2014. Its two main competitors are the Canadian Magna group, which has a 9% market share, and the French automotive equipment manufacturer Faurecia, which has 5%. Thirty-three percent of bumper production worldwide is undertaken by the automakers themselves. Active in the decorative component segment, Plastic Omnium Auto Exterior

* In-house analysis using IHS data.

designs customized, high value-added, multi-material solutions that integrate both functionality and safety performance, making vehicles lighter and reducing carbon emissions.

The **Auto Inergy Division** is the world's leading manufacturer of blow-molded polyethylene fuel systems*. Combining integrated safety and emissions-control, fuel systems must serve a number of functions: refueling, storage, ventilation, engine supply and fuel level gauge systems. In 2014 Auto Inergy produced 18 million systems for a 21% share of the global market. Its three main competitors are the US group Kautex, a Textron subsidiary, the Chinese group YAPP and the TI group, which have market shares of 14%, 10% and 9% respectively. Metal fuel tanks still account for 25% of the global market, offering substantial growth potential for the replacement of metal with plastic, particularly for safety and weight reasons. Plastic Omnium Auto Inergy's market share growth, which went from 16% in 2010 to 21% in 2014, is due partly to increases in this type of substitution but is also attributable to the heavy capital expenditures made to locate the business in high-growth regions.

The two businesses are present across four continents through a network of 100 local plants. Just-in-time deliveries, the large size of components and – in the case of bumpers painted the same color as the bodywork – their fragility, means production must take place close to the carmakers' plants. However, as they do not use the same production techniques or raw materials, each business has to have its own plants.

Plastic Omnium's Automotive Division employed 19,625 people in 2014 and supplied nearly all of the world's carmakers. German carmakers accounted for 33% of Automotive revenues in 2014, ahead of the American (25%), French (20%) and Asian (18%) carmakers.

The **Environment Division** accounts for 8% of consolidated revenue, or €432 million in 2014 (see comments on the management accounts, p.70), and employs over 2,000 people.

With 11 plants in Europe (France, Germany, the United Kingdom, and Spain) and one R&D center in France, Plastic Omnium Environment is the world leader in waste containerization, through its three main businesses:

- containers: production and sale of household waste receptacles, containers, composters, and underground and semi-underground containers;
- associated services, from maintenance and cleaning to incentive-based invoicing systems to incentivize local authorities to manage waste more cost effectively and efficiently;
- urban equipment: the Division offers a wide range of urban equipment for communal areas such as waste disposal locations, schoolyards, play areas, parks and train stations. It also has an in-house styling unit, which has developed "Your City, Your Design", a unique offer that allows municipalities to personalize equipment to suit their specific environment.

Plastic Omnium Environment's share of the market in Europe is estimated by the Group at 30%. Its main competitors are German groups ESE and Schaefer, which have market shares of 20% and 17% respectively.

The Company has two fundamental strategic objectives: to increase production capacity in fast-growing markets and step up investment in research and development in order to meet market demand for lighter vehicles and reduced emissions and waste.

Both of the Company's core businesses operate in growing markets.

In the Automotive Division's market, production by the world's carmakers is forecast to increase by an average of over 3% a year in the next four years. By 2018, global vehicle production is set to reach 99.3 million units, compared with 85.6 million in 2014. China will account for 47%, or 6.5 million, of these 13.7 million additional vehicles, as well as representing 28% of global car production by 2018. 1.9 million of these additional vehicles will be produced in North America. Accordingly, the first strand of Plastic Omnium's development strategy is to support this growth with targeted investment in new plants. This is leading to changes in the location of the Company's main production centers. At the end of 2014, nearly two-thirds of the Group's 100 automotive equipment plants were in America (15 plants), Asia (33 plants) and Eastern Europe (13 plants).

For the Environment Division, rising living standards in emerging markets will generate an increase in waste produced, and consequently a growing demand for waste containerization solutions, a trend that will help to drive expansion in Plastic Omnium's business.

Alongside volume growth in Plastic Omnium's global markets, there will be an increase in the demand for more environmentally friendly products, driven by new regulations especially in mature markets in Europe and North America. The second strategic objective is therefore to increase research and development resources to respond to this demand.

1.5 — RESEARCH AND DEVELOPMENT (R&D)

An integral part of the Group's long-term strategy, innovation supports the Compagnie Plastic Omnium's performance and its reputation as a leader in automotive equipment and services for local authorities.

In 2014, a total of €271 million was allocated for research and development, equivalent to 5.1% of revenue.

More than 2,000 engineers and technicians – 9% of the workforce – are employed worldwide in 21 R&D centers and engineering facilities that develop support locally for carmaker projects in their various markets.

The Company manages a portfolio of 3,121 patents, of which 137 were filed in 2014.

In its Automotive businesses, Plastic Omnium focuses its research on solutions that reduce carbon dioxide (CO_2) and nitrogen oxide (NOx) emissions and helps carmakers to build the clean cars of tomorrow by activating three main levers:

- solutions that make vehicles lighter and more aerodynamic;

* In-house analysis using IHS data.

- emission-control systems;
- support for new hybrid and electric powertrains.

Lighter and more aerodynamic vehicles play an important role in helping to meet the carbon emission thresholds set by the European Union and governments in various Plastic Omnium Group host countries. These thresholds call for a weighted average of 130 grams of CO_2 per kilometer for all vehicles sold by carmakers registered in the European Union in one year beginning in 2015 and are backed by financial penalties on excess emissions for manufacturers who fail to comply.

A world leader in the market for exterior parts, Plastic Omnium Auto Exterior makes over 70,000 pieces of plastic body parts per day (bumpers, fenders, tailgates, spoilers, floor modules and body protectors). These injected plastic exterior parts are 35% lighter than steel parts. On some vehicles these plastic panels make up 50% of the painted surface of the body.

As the vehicle's first contact with air flow, the front bumpers are key to reducing aerodynamic drag. Plastic Omnium offers active systems to direct airflow around the car:

- Active grille shutters that open completely or partially depending on engine speed and temperature;
- Active front spoiler that lowers at above 60 km/h, optimizing the vehicle's aerodynamic shape;
- Active side shutters on the rear bumpers that open at 60 km/h to capture air flow.

These active systems all use electronic and mechanical systems (sensors, engine) that will enhance the performance of bumpers.

In 2014, a **full range of light tailgates** was developed. Auto Exterior has developed and produced tailgates since 1996. In 2010, the Company launched the first composite/thermoplastic hybrid tailgate, Higate, for the Peugeot 508 SW, followed by the Range Rover Evoque in 2011, the Jaguar XF and the new Range Rover. The first composite hybrid tailgate is currently under production in China for the Roewe E50 electric vehicle. This hybrid tailgate has an inner structure made of thermoset SMC to ensure good mechanical performance and dimensional stability, while the outer skin is injected with thermoplastic to give it the look of a Class A paint finish and offer greater freedom in design options. In 2013 Auto Exterior introduced a new technology to the market: hybrid thermoplastic, which is found on the Peugeot 308. This technology uses fiberglass-loaded polypropylene thermoplastic for the structural frame and is applied to the tailgate, which weighs under 12 kg, or 25% less than the same product made of steel. These two technologies, hybrid and all-thermoplastic, offer a wide range of applications, from large dimension doors to higher production volumes of smaller doors, while delivering a weight advantage of 4 to 10 kg per vehicle. In addition to greater freedom in design and a weight advantage, the composite tailgates make it possible to incorporate a wide variety of functions. An impact-resistant fuse panel, tail lights, antennas and automatic door motor can be built in at optimal cost.

Plastic Omnium Auto Exterior produced over one million tailgates in 2014 and 12 are being developed.

With its long-standing expertise in processing composite materials and its subsidiary specialized in manufacturing these materials, MCR, the Auto Exterior Division has expanded its range of innovative products with high-performance composites to significantly reduce mass. It now aims to meet two challenges – optimizing the cost of materials and the cycle times – which underpin an ambitious innovation plan. MCR makes compounding prototypes using different fibers (glass, carbon, etc.) and weaves (one direction, woven, weft, cut, etc.). These materials are then tested on the ∑-Sigmatech composite press. High-performance composites will enjoy broad applications in structural elements of vehicles between now and 2020. They are already used to make body parts, such as the all-thermoplastic tailgate of the Peugeot 308, which has a structural panel with reinforcements in high-performance composites. After winning an initial order in 2013, the Group will deliver its first structural part in carbon fiber composites in 2015.

Plastic Omnium also focuses its research on recycling plastics – polypropylene, composite materials – studying development options for recycled thermoplastic composite materials and uses for recycled carbon fibers.

Auto Inergy has also stepped up the development of **systems that control and reduce emissions of hydrocarbons, NOx, and CO_2,** with its SCR-DINOx and TSBM solutions.

A plastic fuel tank made by extrusion blow-molding gives a weight advantage of some 20-30% compared to an equivalent metal tank, which significantly helps reduce CO_2 emissions. Moreover, a range of manufacturing techniques allows plastic tanks to meet the strictest standards in terms of evaporative emissions. Finally, the flexibility of its shape makes it possible to optimize the vehicle's available space, allowing complex designs and the integration of a great many functions and components. Plastic fuel tank systems therefore improve the filling operation and are anti-corrosive and compatible with all types of fuel including biodiesels and bio-ethanols.

Selective Catalytic Reduction (SCR) is a highly effective emissions control technology for diesel vehicles. An aqueous solution of urea, known as AdBlue®, is injected upstream of a catalytic converter in the exhaust pipe. When it makes contact with the warm gases it is transformed by hydrolysis into ammonia, which then reacts with the nitrogen oxides (NOx) so that finally only nitrogen, which makes up 80% of our air, and water vapor are emitted. Building on its experience with handling on-board technical fluids, since 2006 Auto Inergy has developed AdBlue® storage and distribution systems for light commercial vehicles. Currently in its second generation, DINOx Premium, the SCR system eliminates 95% of a diesel vehicle's NOx emissions and up to 8% of its CO_2 emissions. Optimized in terms of size and performance, the system meets future emissions and fuel consumption standards, including the EURO 6 standard which took effect in Europe from 2014. In early 2012, a major order was received from Germany's Audi, which chose Plastic Omnium Auto Energy to supply most of the SCR systems for its diesel vehicles, beginning in 2015. Orders have also been placed by six other carmakers. In total, the SCR system is expected to generate revenue of more than €400 million in 2018.

The Plastic Omnium Group's weight-saving solutions for **hybrid and electric vehicles** are especially important in that they offset battery weight while optimizing vehicle range. For hybrids, Auto Inergy has developed the INBaffle, range of noise reduction systems that attenuate the sloshing noise caused by the movement of fuel in the tank when the vehicle comes to a halt and these sounds are no longer covered by the noise of the engine. For future plug-in hybrids, whose batteries can be recharged via a regular electrical outlet, Auto Inergy is developing appropriate fuel storage solutions. For gasoline versions, fuel vapors cannot be treated when the car is operating in all-electric mode or when it is at a standstill. To remedy this situation, Auto Inergy has developed reinforced plastic fuel systems that safely store hydrocarbon vapor without deforming the system, until the internal combustion engine is restarted and the vapor is purged. TSBM technology, which helps reduce hydrocarbon emissions by integrating a large number of components into the fuel tank during the blow molding stage instead of welding them once the tank has been manufactured, is particularly adapted. Two of these tanks are currently being developed.

In the Environment business, research programs focus on materials. The Environment Division has gradually increased the percentage of recycled polyethylene in its worldwide production of bins from 20% in 2007 to 58% in 2014. In addition, the Division is now offering a line of 100% recycled 4-wheeled bins. These are made from regenerated materials from a variety of sources: used bins, manufacturing rejects, polyethylene flakes and bottles, etc. Finally, Plastic Omnium Environment sells a “Green Made” line of HDPE manufactured from non-food grade sugar cane.

Research also focuses on optimizing existing products. A new 180-liter wheeled trash bin was launched in 2014, featuring a more lightweight, redesigned hinged lid for a more silent close. Its wheels are in softer recycled rubber powder to better absorb vibrations. New fixtures also reduce the rolling noise by softening the impact of shocks. All of these technical advances help substantially reduce the noise caused by moving and handling trash bins during waste collection.

The final strand of the Environment Division’s research and development consists of services, primarily assistance to local authorities to improve the effectiveness of their sorting and recycling so that ultimately the fraction of non-reusable waste is reduced. Plastic Omnium is the only player to offer integrated data management services, based on efficient hardware and software computer systems. These include RFID chips to track equipment, access control and telemetry systems to measure container fill levels, embedded weighing system on collection trucks, etc. The systems collect and send the data safely to the Plastic Omnium Customer Service Center, local authorities or collection companies, where it is processed to improve waste container management, analyze sorting performance or optimize collection routes in real time. Plastic Omnium can use the data to help local authorities set up incentive-based invoicing and cut costs.

1.6 — RISK FACTORS

Compagnie Plastic Omnium has reviewed the risks that could have a material adverse effect on its business, financial position, or results, and considers that there are no significant risks other than those listed below.

Operational Risks

Risk related to automotive programs

Identification of risk

Each automotive program has risks which could reduce its profitability from that initially expected. The risk in particular affects programs incorporating innovations, which could necessitate higher levels of investment and/or expenses by Compagnie Plastic Omnium than initially forecast, in order to reach the level of quality required. In addition, each automotive program is subject to risks in terms of manufacturing volumes, which depend on a wide range of factors, some of which are regional in nature, such as economic activity, carmaker production strategy, consumer access to credit and the regulatory environment, but also on factors specific to each vehicle, such as the attractiveness of its design.

Risk management

Compagnie Plastic Omnium’s commitment to diversifying its businesses and increasing the number of automotive programs represents a key component of its strategic vision that significantly reduces exposure to geographic and other risks. The Automotive Division has more than 30 customers in 40 countries, comprising nearly all of the world’s major carmakers and serving different market segments and two distinct product families. This Division has continued to diversify its exposure to global automobile manufacturing markets with the launch of 102 new programs in production in 2014. In particular, Western Europe only accounted for 39% of Automotive revenue in 2014.

In terms of commitments, all new projects are subject to a highly detailed approval process. The largest projects must be authorized by Compagnie Plastic Omnium’s senior management. Once a project has been accepted, a structured operational and financial monitoring system is set up to track it.

Information technology risk

Identification of risk

The day-to-day activities of Compagnie Plastic Omnium’s business lines and support services could be affected by the unavailability of critical IT systems, mainly due to system breakdown, network failure, damage to infrastructure or internal or external malicious acts.

Risk management

The Information Systems department, with the support of senior management, has placed increased emphasis on systems standardization and consolidation and continues to upgrade IT and network production infrastructures, business applications and workstation services. Management pays special attention to the incorporation of new technologies and to the availability and integrity of Company data.

The security of technical systems, applications and networks is addressed at the outset of strategic projects and followed up by regular audits and self-assessment programs.

Industrial and Environmental Risks

Health, Safety and Environment Risk

Identification of risks

Like any industrial activity, Compagnie Plastic Omnium's sites are exposed to risks such as workplace accidents, occupational illnesses, environmental damage (pollution), non-compliance or the tightening of regulatory requirements applicable in the area of HSE. Such events may generate additional costs or investment expenses for Compagnie Plastic Omnium in order to remedy the situation, comply or in respect of any sanctions.

Risk Management

With regard to health, safety and the environment, Compagnie Plastic Omnium has introduced a policy that is described in the Sustainable Development section of its Annual Report. Rolled out worldwide, this policy is based on a shared vision, a structured management system, regular reporting and an ongoing certification program.

It is managed by Compagnie Plastic Omnium's Executive Committee, which examines individual subsidiaries' performance every month, via the specific reporting system set up to help drive continuous improvement.

A dedicated organization comprised of front-line Health, Safety and Environment (HSE) facilitators is responsible for supporting and coordinating its deployment. This network of experts is led by Compagnie Plastic Omnium's HSE Department, backed by central HSE managers at the Division level. Final responsibility for managing health, safety and environment risks lies with the Division senior management.

Ongoing corrective and improvement action plans have been introduced and included in the programs to obtain ISO 14001 and OHSAS 18001 certification for industrial facilities. These plans foster wider adoption of best practices. They include training on ergonomics, the man-machine interface and the tools of the in-house program Top Safety, along with compliance for machinery and equipment.

Compagnie Plastic Omnium also has its own management system. Promoted by the Executive Committee, the system is based on five management road-maps: leadership, motivation, competence, the search for excellence and working conditions. A specialized Group Health, Safety & Environment (HSE) committee comprised of several Executive Committee members is overseeing its implementation.

In 2014, OHSAS 18001 certification was upheld for Compagnie Plastic Omnium's system for centrally managing the safety of people and property.

Lastly, since 2013, the HSE information published in the Annual Report is subject to an audit by an external organization.

Credit and/or Counterparty Risk

Customer risk

Identification of risk

Compagnie Plastic Omnium cannot rule out the fact that one of its customers could find itself in financial difficulty that prevents it from respecting certain commitments.

Risk management

A balanced division of revenues by carmaker was maintained. In 2014, this breakdown was as follows:

- German carmakers: 33% of Automotive revenue;
- American carmakers: 25% of Automotive revenue;
- French carmakers: 20% of Automotive revenue;
- Asian carmakers: 18% of Automotive revenue;
- other carmakers: 4% of Automotive revenue.

The breakdown of the customer base is shown in Note 3.1.4.2 to the consolidated financial statements.

A Credit Manager is responsible for implementing structured customer risk monitoring and outstanding collection procedures within the Divisions. The DSO ratio was 51 days in 2014. Receivables over six months past due amounted to €10 million net of provisions. Lastly, in all businesses, review procedures are carried out before the results of bids are issued, in particular to ensure a balanced portfolio of customer receivables, in line with a target profile defined and continually monitored by Compagnie Plastic Omnium senior management.

At December 31, 2014 the risk of non-recovery was low and involved only a non-material amount of receivables more than twelve months past due (see Note 6.3.1 to the consolidated financial statements).

Supplier risk

Identification of risk

Default by a major supplier, in particular a supplier of specific components for which rapid substitution is difficult, given the work and time necessary to accredit a new supplier, could entail a change in production for Compagnie Plastic Omnium or generate additional costs impacting Compagnie Plastic Omnium's operating margin.

Risk management

Consequently, all automotive suppliers must be accredited according to meticulously defined operational, financial and regional criteria.

For approved suppliers, these criteria are then regularly monitored by the purchasing and quality assurance departments, with the help of specialized agencies. At risk suppliers are subject to special monitoring and when necessary safety stocks are put in place.

The Environment Division has more than one supplier for the most important materials. It also constantly monitors a number of major suppliers with support from corporate units and, as needed, from outside agencies.

Lastly, operating units are especially vigilant in this area. They focus on effectively anticipating and managing breakdowns in the supply chain that, while infrequent, can ultimately develop rapidly.

In 2014, Compagnie Plastic Omnium had no major supplier failures with negative consequences for logistics processes.

Liquidity Risk

Identification of risk

Compagnie Plastic Omnium must have 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 developments.

Risk management

After two successful market financings in 2012, one a €250 million "EuroPP" private bond issue maturing in December 2018 and the other a €119 million "Schuldschein" private placement maturing in June 2017, Compagnie Plastic Omnium issued €500 million in bonds to institutional investors in 2013, maturing in May 2020.

In addition, Compagnie Plastic Omnium and some of its subsidiaries have unsecured confirmed medium-term bank lines of credit that are not subject to any financial covenants. At December 31, 2014, the average maturity of these lines of credit was 4.5 years. Compagnie Plastic Omnium also has programs of receivables sales with an average maturity of one year.

At December 31, 2014, available medium-term facilities covered Compagnie Plastic Omnium's financing needs through December 31, 2019. Lastly, Compagnie Plastic Omnium has a commercial paper program. All of the medium-term and short-term lines of credit are with leading banking institutions.

The breakdown of financial assets and liabilities is shown in Note 6.4.2 to the consolidated financial statements.

The cash positions of Compagnie Plastic Omnium and its Divisions are monitored daily and a report is submitted once a week to the Chairman and Chief Executive Officer and the Chief Operating Officers.

Compagnie Plastic Omnium has performed a specific review of its liquidity risk and considers that it is in a position to meet its upcoming debt maturities.

Market Risks

Disclosures about market risks are also provided in Notes 6.2, 6.5 and 6.6 to the consolidated financial statements.

Compagnie Plastic Omnium centrally manages the treasury of its subsidiaries through Plastic Omnium Finance, which manages liquidity, currency and interest rate risks on their behalf. The market risk hedging strategy, which involves entering into on- and off-balance sheet commitments, is approved every quarter by the Chairman and Chief Executive Officer.

Currency risk

Identification of risk

Compagnie Plastic Omnium is exposed to exchange rate fluctuations, in particular where its manufacturing sites purchase raw materials and components or sell their production in currencies other than their accounting currency.

Risk management

Compagnie Plastic Omnium's activities are based for the most part on local plants. By producing locally what is sold locally, the Group has little exposure to currency fluctuations, aside from currency translation adjustments for the financial statements.

Compagnie Plastic Omnium's policy is to minimize the currency risk on transactions involving a future inflow or outflow of funds. Nonetheless, if a transaction does give rise to a material currency risk, it is hedged by a forward currency contract. The subsidiary involved places this hedge with the central treasury or, with the latter's approval, locally.

Interest rate risk

Identification of risk

Interest rate risk is due to fluctuations in interest rates, in particular those applicable to that part of debt financed at floating rates, and could result in an increase in the cost of finance.

Risk management

At December 31, 2014, following the fixed-rate bonds issued in 2012 and 2013, 80% of the Group's debt was financed at fixed rates.

To eliminate or limit the impact on its income statement of a rise in interest expense from variable-rate instruments, Compagnie Plastic Omnium used interest rate hedges such as swaps and caps. Note 5.2.8.1 to the consolidated financial statements lists these hedges.

At December 31, 2014, unhedged interest rate risk was accordingly not significant.

Raw materials price risk

Identification of risk

Compagnie Plastic Omnium's operations use large quantities of plastic, steel, paint and other raw materials which are subject to price changes that could have an impact on its operating margin.

Risk management

To limit the impact of price fluctuations, Plastic Omnium has negotiated price indexation clauses with most of its automotive customers or, failing that, regularly renegotiates selling prices.

The Environment Division, as part of its proactive sustainability policy, manufactures its products using over 50% recycled plastic, which by nature is scarcely affected by price swings. For the remainder, the division negotiates annual price contracts with its suppliers. Lastly, inventories are managed to reduce the price impact as much as possible.

Taking these measures together, Compagnie Plastic Omnium considers that raw material price changes do not have a material impact on its operating margin.

Legal Risks

Compagnie Plastic Omnium's Legal Affairs Department is supported, as needed, by local advisors and a network of correspondents in the main countries. The Department helps operating and corporate units, in all their on-going and exceptional operations, to prevent, anticipate and manage legal risks relating to the business, as well as being responsible for claims and litigation.

At the date of this report, there is no dispute or lawsuit and no governmental, legal or arbitration proceeding (including all proceedings of which Compagnie Plastic Omnium is aware, which are pending or with which the Group is threatened) that might have, or has had during the past twelve months, a material effect on the financial position or profitability of Compagnie Plastic Omnium.

Intellectual property risk

Identification of risk

Compagnie Plastic Omnium is mainly exposed to a risk of misappropriation of know-how, as both a victim and an offender, which could give rise to disputes.

Risk management

Research and Innovation are major priorities for Compagnie Plastic Omnium, in both the Automotive and Environment Divisions. A policy of actively monitoring and investigating prior claims enables the Company to manage and protect its intellectual property rights. Extensive policies have been established in respect of patent filings for the innovations that result from research and development. Despite the measures taken, including research into prior claims, Compagnie Plastic Omnium cannot rule out the possibility of prior intellectual property claims and of the risks of litigation that might result.

Risks related to the quality of products and services sold

Identification of risk

Compagnie Plastic Omnium is exposed to the risk of warranty and liability claims from customers in respect of the products it sells and services it provides. Compagnie Plastic Omnium is also exposed to the risk of third-party product liability claims.

Risk Management

With regard to product and process quality, the Divisions have implemented dedicated organizations and reliable processes whose robustness and effectiveness are systematically tested by certification procedures ISO/TS 16949 for the Automotive Division and ISO 9001 for the Environment Division. These organizations and processes have been widely used in industry for many years, especially in the automotive sector.

These risks fall into the area of contractual liability and are covered by specific insurance policies.

Competition risk

Identification of risk

Non-compliance with competition law regulations by one of its employees could expose Compagnie Plastic Omnium to penalties that could be imposed by the competition authorities.

Risk management

Compagnie Plastic Omnium introduced a code of conduct in 2010 to ensure compliance with competition law, making sure that all employees who work in sales and purchasing were trained when it was introduced. Compagnie Plastic Omnium has since maintained its training efforts every year, with training sessions organized regularly in various geographical regions where the Group operates. All sales and purchasing employees have been invited every year since 2013 to participate in these e-learning sessions concerning the Group's code of conduct.

Other Risks

Tax risk

The complex, international structure of Compagnie Plastic Omnium means comprehensive monitoring is needed to keep abreast of tax requirements, issues and risks.

As a result, the Tax Affairs Department of Compagnie Plastic Omnium works very closely with other units, in particular the Accounting, Legal Affairs and Finance Departments. Comprising three separate units in charge of tax affairs at entity, division and Group level, it is supported by a network of tax experts at headquarters and in the main countries as well as by corporate and local advisors. The Department ensures that subsidiaries fulfill their tax obligations in compliance with local laws and regulations and provides them with the support and expertise they need to carry out all recurring and non-recurring operations related to tax issues.

A regular tax reporting system allows current and deferred taxes from all of the tax entities controlled by Compagnie Plastic Omnium to be monitored and managed, and helps to ensure that the consolidated financial statements are prepared rapidly and to a high standard. A transfer pricing documentation system ensures that transfer prices within Compagnie Plastic Omnium are effectively monitored and managed, and contributes to the quality of fiscal management and reducing potential risks in this field. These two information systems and management processes are supplemented by other country-specific tools and provide necessary information to users.

This set of means and resources enables the corporate Tax Affairs Department to provide assurance to senior management that all tax obligations, issues and risks inherent in the complex international structure of an expanding business group are closely monitored.

Insurance and Risk Coverage

Compagnie Plastic Omnium has put in place a global program of insurance benefitting all of its subsidiaries. This program is coupled with local coverage in all countries where the Company is located. The program is intended to cover the main risks that can affect its operations, results or assets and includes:

- property, casualty and business interruption insurance;
- operating and product liability insurance;
- environmental liability insurance; and
- insurance against specific risks such as shipping, travel, vehicles, etc.

The levels of cover and the insured amounts are appropriate for the types of risk insured and take into account conditions in the insurance market.

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CORPORATE GOVERNANCE

Corporate governance and ethics

Compagnie Plastic Omnium remains committed to the rules laid down by the AFEP and MEDEF, and refers to the Corporate Governance Code issued by these organizations, available at the Company's headquarters and on the MEDEF website, www.medef.com.

Compagnie Plastic Omnium's Internal Procedures and bylaws set out the rules governing the organization of the Board of Directors.

The Internal Procedures set out directors' obligation to act in the Company's best interest, to exercise independent judgment and act professionally, to avoid conflicts of interest and to demonstrate commitment. They also specify the obligations incumbent on each director. They reflect Compagnie Plastic Omnium's commitment to complying with the regulations governing trading by corporate officers in the Company's securities, reminding them of the prohibition of insider trading and their obligation to disclose transactions made by corporate officers, senior managers and persons closely associated with them.

2.1 — REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

This report, prepared by the Chairman of the Board of Directors pursuant to Article L. 225-37 of the French Commercial Code, includes information in respect of fiscal 2014 on the composition of the Board of Directors and the application of the principle of balanced representation of men and women, the preparation and organization of the work of the Board of Directors, and the internal control and risk management procedures implemented within the Company.

This report was presented to the Audit Committee for information purposes and then approved by the Board of Directors at its meeting on February 24, 2015.

2.1.1 Composition and Independence of the Board of Directors

Composition of the Board of Directors

Pursuant to Article 11 of the Company's bylaws and Article L. 225-17 of the French Commercial Code, the Board of Directors of Compagnie Plastic Omnium is composed of up to 18 members.

Directors are elected by the Shareholders' Meeting for three-year terms expiring at the close of the Shareholders' Meeting called during the year in which their term expires to approve the accounts for the previous financial year.

In 2014, the directorships of Anne Asensio and Vincent Labruyère expired at the Shareholders' Meeting of April 30, and were renewed.

At December 31, 2014, the Board of Directors had 13 members: the Chairman and CEO, two Chief Operating Officers and ten directors.

Directors as of December 31, 2014

	First appointed	Start of current term	End of current term
Laurent Burelle (65) *Chairman and CEO*	06/18/1981	04/26/2012	2015
Paul Henry Lemarié (68) *Chief Operating Officer*	06/26/1987	04/26/2012	2015
Jean-Michel Szczerba (54) *Chief Operating Officer*	04/26/2012	/	2015
Burelle SA (Éliane Lemarié – 69)	06/26/1987	04/26/2012	2015
Jean Burelle (76) *Honorary Chairman*	01/01/1970	04/26/2012	2015
Anne Asensio* (52)	04/28/2011	04/30/2014	2017
Anne-Marie Couderc* (65)	07/20/2010	04/26/2012	2015
Jean-Pierre Ergas (75)	07/26/1990	04/26/2012	2015
Jérôme Gallot* (55)	12/15/2006	04/26/2012	2015
Bernd Gottschalk* (71)	04/28/2009	04/26/2012	2015
Vincent Labruyère (64)	05/16/2002	04/30/2014	2017
Alain Mérieux (76)	06/23/1993	04/26/2012	2015
Amélie Oudea-Castera* (36)	04/25/2013 (effective as from 01/01/2014)	/	2016

* Independent directors.

Directorships and other positions held by serving directors as of December 31, 2014

Laurent Burelle, born October 6, 1949, French

Laurent Burelle is a graduate of the Federal Institute of Technology (ETH) in Zurich, and holds a Master of Science in Chemical Engineering from Massachusetts Institute of Technology (MIT).

He began his career with the Plastic Omnium Group as a production engineer and assistant to the director of the Langres plant. In 1977, he was appointed Chief Executive Officer of Plastic Omnium SA in Valencia (Spain), going on to become Chairman and Chief Executive Officer. From 1981 to 1988, he served as Head of the Environment-Urban Systems Division, before becoming Vice Chairman and Chief Executive Officer of Compagnie Plastic Omnium in 1988. He has been Chairman and Chief Executive Officer of Compagnie Plastic Omnium since July 2001.

He is a director of Pernod-Ricard, Wendel, Lyonnaise de Banque – CIC, Labruyère-Eberlé, Fondation Jacques Chirac pour l'Enfance Handicapée, and the AFEP and Vice Chairman of the Institut de l'Entreprise.

Laurent Burelle is a Commandeur de la Légion d'Honneur.

Directorships and other positions held within the Company Number of shares held	Directorships and other positions held in other companies in 2014
Chairman and Chief Executive Officer since July 1, 2001 and director since June 18, 1981 **Number of Compagnie Plastic Omnium shares held: 3,000**	Chief Operating Officer and Director of Burelle SA*, Chief Executive Officer of SOGEC 2, Legal manager of Compagnie Financière de la Cascade *(France)* Chairman and member of the Supervisory Committee of Sofiparc SAS and Plastic Omnium Environnement SAS** *(France)* Director of Burelle Participations SA *(France)* Chairman and Chief Executive Officer of Compania Plastic Omnium** *(Spain)* Chairman of Plastic Omnium Auto Exteriors SAS**, Inergy Automotive Systems SAS** *(France)* Chairman of Plastic Omnium Holding (Shanghai) Co. Ltd *(China)* Chairman of Plastic Omnium International BV** *(Netherlands)* Chairman of Plastic Omnium Inc.** *(United States)* Director of Lyonnaise de Banque and Pernod-Ricard SA* *(France)* Member of the Supervisory Board of Labruyère-Eberlé and Wendel SA* *(France)* Legal manager of Plastic Omnium GmbH** *(Germany)* (until July 14, 2014) Director of Signal AG*** *(Switzerland)* (until December 2, 2014) Director of the AFEP and Vice Chairman of the Institut de l'Entreprise *(France)*

* Listed company.
** Member of the Plastic Omnium Group.
*** Company divested in 2014.

Paul Henry Lemarié, born January 1, 1947, French

Paul Henry Lemarié holds a doctorate in physics from University of Paris-Orsay and a post-graduate degree (DEA) in Management and Finance from University of Paris-Dauphine.

After completing a doctorate in physics at CEA, he began his career in the Finance Department of Paribas bank in 1973. He then joined SOFRESID, an engineering group (steel, mining, offshore), before moving to Plastic Omnium Group in 1980 as Head of the 3P (Performance Plastics Products) Division. In 1985, he became Chairman of the Automotive Division. He was appointed Deputy Chief Executive Officer of Compagnie Plastic Omnium in 1987 and Chief Executive Officer in 1988. Appointed Chief Executive Officer of Burelle SA in April 1989, he became Chief Operating Officer of Burelle SA and Compagnie Plastic Omnium on May 15, 2001.

Directorships and other positions held within the Company Number of shares held	Directorships and other positions held in other companies in 2014
Chief Operating Officer since May 15, 2001 and director since June 26, 1987 **Number of Compagnie Plastic Omnium shares held: 900**	Chief Operating Officer and director of Burelle SA* and Burelle Participations SA *(France)* Member of the Supervisory Committee of Sofiparc SAS and Plastic Omnium Environnement SAS** *(France)* Director of Compania Plastic Omnium** *(Spain)*

* Listed company.
** Member of the Plastic Omnium Group.

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Jean-Michel Szczerba, born April 18, 1960, French

After graduating from ESSEC business school in 1982, Jean-Michel Szczerba joined Banque Vernes & Commerciale de Paris as a financial analyst. He moved to Plastic Omnium in 1985, where he was successively Financial Controller, Finance Department Manager, and Chief Financial Officer, before becoming Deputy Chief Executive Officer in 2001. He was appointed Chief Operating Officer of Compagnie Plastic Omnium in 2010, and director in 2012.

Mr. Szczerba is a Chevalier de la Légion d'Honneur and a Chevalier de l'Ordre National du Mérite.

Directorships and other positions held within the Company Number of shares held	Directorships and other positions held in other companies in 2014
Chief Operating Officer since March 16, 2010, director since April 26, 2012 **Number of Compagnie Plastic Omnium shares held: 900**	Chief Executive Officer and member of the Supervisory Committee of Plastic Omnium Environnement SAS** *(France)* Legal manager of Plastic Omnium GmbH *(Germany)* Director of Hella Behr Plastic Omnium GmbH** *(Germany)* Director of Yanfeng Plastic Omnium Automotive Exterior Systems Co. Ltd **, Plastic Omnium Holding *(Shanghai)* Co. Ltd** and Chairman of Plastic Omnium Inergy *(Shanghai)* Consulting Co. Ltd** *(China)* Director of Plastic Omnium Inc.** *(United States)* and Compania Plastic Omnium** *(Spain)* Director of Burelle Participations SA, Legal Manager of Plastic Omnium Finance SNC** and Plastic Omnium Gestion SNC** *(France)* Chairman of Plastic Omnium International SAS**, Groupe Progrès SA, Plastic Omnium Management 1 SAS **, Plastic Omnium Management 2 SAS**, Plastic Omnium Environnement Holding SAS** *(France)* Legal Manager of Plastic Omnium Auto Exteriors Spzoo** and Plastic Omnium Auto Spzoo** *(Poland)* Chairman and director of Plastic Omnium Automotive NV** *(Belgium)* Director of Plastic Omnium Automotive Ltd** *(United Kingdom)* Director of Plastic Omnium Auto Exteriors *(India)* Pvt Ltd** *(India)* Director of DSK Plastic Omnium BV ** *(Netherlands)* Director of B-Plas Plastic Omnium Otomotiv AS** *(Turkey)* Chairman of DSK Plastic Omnium Inergy LLC** *(Russia)* Member of the Supervisory Committee of Inergy Automotive Systems Industries SAS ** until April 15, 2014, of Plastic Omnium Auto Exteriors Industries SAS** until June 30, 2014 (*France)*

** Member of the Compagnie Plastic Omnium Group.

Éliane Lemarié, born August 18, 1945, French

After earning a master's degree in English from University of Paris-Sorbonne and graduating from Sciences Po, Éliane Lemarié devoted her professional career to the corporate information and communication sector.

She began her career as a journalist and copy editor in various written press publications as part of the Permanent Assembly of Chambers of Commerce and Industry (APCCI) from 1969 to 1975.

In 1976, she was hired by SOGEC to set up and develop a Public Relations, Media Relations and Publishing Department, a position she held until 1983.

In 1983, she founded and developed Irma Communication, a corporate communications consultancy with a client list of French and international companies listed in Paris, New York and Mumbai, serving as Chairman and Chief Executive Officer until 2010.

Directorships and other positions held within the Company Number of shares held	Directorships and other positions held in other companies in 2014
Permanent representative of Burelle SA on the Board of Compagnie Plastic Omnium since April 28, 2009, member of the Appointments Committee since July 23, 2014 **Number of Compagnie Plastic Omnium shares held: 395,996**	Director of Burelle SA* and Chief Executive Officer of SOGEC 2 *(France)* Member of the Supervisory Committee of Sofiparc SAS *(France)* Chairman of the Supervisory Board of Union Industrielle *(France)*

* Listed company.

Jean Burelle, born January 29, 1939, French

Jean Burelle is a graduate of the Federal Institute of Technology (ETH) in Zurich, and holds an MBA from Harvard Business School.

He began his career in 1966 at L'Oréal, before joining Compagnie Plastic Omnium in 1967 as Department Manager. In 1987, he was appointed Chairman and Chief Executive Officer, a position he held until 2001. Since then, he has been Chairman and Chief Executive Officer of Burelle SA, the majority shareholder of Compagnie Plastic Omnium.

Jean Burelle is director of Compagnie Plastic Omnium and is also Chairman of MEDEF International.

Mr. Burelle is an Officier de la Légion d'Honneur and an Officier de l'Ordre National du Mérite.

Directorships and other positions held within the Company Number of shares held	Directorships and other positions held in other companies in 2014
Director since July 1, 1970 and Honorary Chairman since September 20, 2001 **Number of Compagnie Plastic Omnium shares held: 396,378**	Chairman and Chief Executive Officer of Burelle SA *, Chief Executive Officer of SOGEC 2 (France) Chairman and Chief Executive Officer of Burelle Participations SA (France) Member of the Supervisory Committee of Sofiparc SAS and Plastic Omnium Environnement SAS** *(France)* Permanent representative of Burelle Participations SA on the Board of Sycovest 1 *(France)* Director of Compania Plastic Omnium SA** *(Spain)* Member of the Supervisory Committee of Soparexo SCA Member of the Supervisory Board and the Compensation Committee of Banque Hottinguer SA *(France)* Chairman of MEDEF International *(France)* Director of Signal AG*** *(Switzerland)* (until December 2, 2014)

* Listed company.

** Member of the Compagnie Plastic Omnium Group.

*** Company divested in 2014.

Anne Asensio, born July 13, 1962, French

Holder of a master's degree in transport design from the Center for Creative Studies in Detroit, as well as a degree in industrial design from École Nationale Supérieure des Arts Appliqués in Paris, Anne Asensio began her career with Renault in 1987, where she was notably charged with the design of the Twingo, Clio and Mégane (Scenic) ranges.

She then held several management positions with General Motors, leading the development of a number of concept cars.

She joined Dassault Systèmes in November 2007 as Vice President for Design, in charge of design and corporate identity.

Ms. Asensio is also a Chevalier de la Légion d'Honneur.

Directorships and other positions held within the Company Number of shares held	Directorships and other positions held in other companies in 2014
Director since April 28, 2011, Chairman of the Audit Committee since February 24, 2015 and member of the Audit Committee since February 26, 2013 **Number of Compagnie Plastic Omnium shares held: 900**	Vice President for Design Experience, Dassault Systèmes* Director of Agence de la Promotion de la Création Industrielle, Web School Factory, Strate College *(France)* Member of the Strategic Council of the Umeå Institute of Design *(Sweden)* Founder member of Design Code Member of the Global Advisory Council, Design Innovation of the World Economic Forum Member of the college of designers for the "Design and competitiveness of new industrial France" Mission of the Ministry for Productive Recovery until November 6, 2014

* Listed company.

Anne-Marie Couderc, born February 13, 1950, French

After beginning her professional career in 1973 as a lawyer in Paris, Anne-Marie Couderc joined the Hachette Group in 1982 as Deputy Corporate Secretary, becoming Deputy Chief Executive Officer in 1993.

A Paris city councilor, then Deputy Mayor, and Member of Parliament for Paris, she was appointed Secretary of State for Employment in 1995, and then Minister Attached to the Ministry of Labor and Social Affairs with responsibility for Employment until 1997.

At the end of 1997, Anne-Marie Couderc was appointed Chief Executive Officer and member of the Editorial Committee of Hachette Filipacchi Medias, and director of several publications.

She became Corporate Secretary of Lagardère Active in 2007, before joining Presstalis as Chief Executive Officer in August 2010, subsequently becoming Chairman of the Board of Directors.

Ms. Couderc is an Officier de la Légion d'Honneur and an Officier de l'Ordre National du Mérite.

Directorships and other positions held within the Company Number of shares held	Directorships and other positions held in other companies in 2014
Director since July 20, 2010, member and Chairman of the Compensation Committee since December 13, 2013 and member and Chairman of the Appointments Committee since July 23, 2014 **Number of Compagnie Plastic Omnium shares held: 1,350**	Chairman of the Board of Directors of Presstalis SAS *(France)* Director and Chairman of the Compensation and Appointments Committee of Transdev *(France)* Director and Chairman of the Compensation Committee and member of the Audit Committee of Générale de Santé Member of the Supervisory Committee of Alma Consulting Director of the Fondation Veolia Environnement and the Fondation Elle *(France)*

Jean-Pierre Ergas, born July 9, 1939, dual French and US national

A graduate of the Institut d'Études Politiques de Paris and holder of a Master in Business Administration from Harvard University, Jean-Pierre Ergas had headed up various industrial manufacturing groups in the metallurgy and packaging sectors in Europe and the United States for over 30 years.

Chief Executive Officer of Cebal and then Cégédur Pechiney, Chairman of the Chambre Syndicale de l'Aluminium, he was appointed Deputy Chief Executive Officer of Pechiney Group in 1986.

Jean-Pierre Ergas has lived in Chicago (USA) since 1989 and was Chairman and Chief Executive Officer of American National Can in 1990. He served as Chairman and Chief Executive Officer of Alcan Europe from 1995 to 2000 and subsequently became Chief Executive Officer of BWAY Corporation (NYSE) in 2000, a company he sold in 2010.

Jean-Pierre Ergas is a director of Dover Corporation (NYSE), and Managing Partner of Ergas Ventures LLP and Sagre LP.

Jean-Pierre Ergas is a Chevalier de la Légion d'Honneur.

Directorships and other positions held within the Company Number of shares held	Directorships and other positions held in other companies in 2014
Director since July 26, 1990 and member of the Audit Committee from November 27, 1996 to December 11, 2014 **Number of Compagnie Plastic Omnium shares held: 10,800**	Director of FIBI-Aplix SA *(France)* Director of Dover Corporation, Sagre Group LP and Ergas Ventures LLC *(United States)*

Jérôme Gallot, born October 25, 1959, French

Jérôme Gallot began his career at the French Court of Auditors in 1985, before moving to the Ministry of Finance, where he was Director General in charge of Competition, Consumer Affairs and Prevention of Fraud (1997-2003).

He then joined the Executive Committee of Caisse des Dépôts, where he was responsible for Pension and Employee Benefit Financing and International Operations, before becoming Executive Chairman of CDC Entreprises, CDC's private equity arm. When France created a Strategic Investment Fund, he was appointed to its Executive Committee.

In 2011, Jérome Gallot was appointed Chief Executive Officer of Veolia Transdev and acted as Advisor to the Chairman until February 2014. He is also a director of Nexans and Caixa Seguros, and a non-voting director of NRJ Group.

Directorships and other positions held within the Company Number of shares held	Directorships and other positions held in other companies in 2014
Director since December 15, 2006, member of the Audit Committee, acting as Chairman from July 17, 2011 to February 24, 2015, member of the Appointments Committee since July 23, 2014 **Number of Compagnie Plastic Omnium shares held: 5,400**	Legal Manager of JGC *(France)* Director of Abivax SA and member of the Supervisory Board of Acerde SAS *(France)* Director of Nexans SA* *(France)* Non-voting director of NRJ Group *(France)* Director of Caixa Seguros SA *(Brazil)* Advisor to the Chairman and Chief Executive Officer of Veolia Environment *(France)* until February 2014

* Listed company.

Bernd Gottschalk, born June 10, 1943, German

Bernd Gottschalk holds a doctorate in economics from the University of Hamburg, and a degree from Stanford University in California. He began his career at Daimler-Benz as Communications Director, before becoming Chairman of the Brazilian subsidiary.

In 1992, he was appointed to the Board of Management of the Daimler-Benz Group, Global Vice President of the Commercial Vehicles Division. In 1997, he was appointed Chairman of the Federation of German Automobile Industry (VDA), and in 2007 created AutoValue GmbH, an automotive consultancy that he has headed since that date.

Directorships and other positions held within the Company Number of shares held	Directorships and other positions held in other companies in 2014
Director since April 28, 2009 and member of the Compensation Committee since December 13, 2013 **Number of Compagnie Plastic Omnium shares held: 900**	Member of Serafin Group München *(Germany)* Managing Partner of AutoValue GmbH Director of Schaeffler GmbH, Jost Groupe, Voith AG *(Germany)* Chairman of the Board of Directors of Joh Hay GmbH & Co. KG and Facton GmbH *(Germany)* Chairman of the Board of Woco Group *(Germany)*

Vincent Labruyère, born June 3, 1950, French

A graduate of the Federal Institute of Technology (ETH) in Zurich, Vincent Labruyère began his career in 1976 at Éts Bergeaud Mâcon, a subsidiary of Rexnord Inc., a U.S.-based manufacturer of materials preparation equipment.

In 1981, he became head of Imprimerie Perroux, a printer of checks and bank forms, which he diversified in 1985 by creating DCP Technologies, a subsidiary specializing in credit card manufacture and encoding.

In 1989, he founded the SPEOS Group, specialized in desktop publishing and electronic archiving of management documents and the manufacture of means of payment, which he sold to the Belgian Post Office in 2001.

He then joined Labruyère Eberlé as Chief Executive Officer and then Chairman of the Management Board. Labruyère Eberlé is a family-owned company operating vineyards in France and the United States, which also operates supermarkets and invests growth capital in France and abroad.

Vincent Labruyère is a director of Banque Martin Maurel, Slota, Mathon Développement and Imprimerie Perroux.

Directorships and other positions held within the Company Number of shares held	Directorships and other positions held in other companies in 2014
Director and member of the Audit Committee since May 16, 2002 **Number of Compagnie Plastic Omnium shares held: 9,705**	Chairman of Société Financière du Centre SAS *(France)* Chairman of the Management Board of Labruyère Eberlé SAS *(France)* Member of the Management Board of Société Commerciale de Bioux SAS *(France)* Director of X. Perroux et fils, Martin Maurel and Slota SA *(France)* Member of the Supervisory Board of SNPI SCA *(France)* Permanent representative of Labruyère Eberlé on the board of Pige SA *(France)*

Alain Mérieux, born July 10, 1938, French

Alain Mérieux is Chairman of Institut Mérieux, a family-owned holding company for three industrial biology companies dedicated to serving public health worldwide: bioMérieux (in vitro diagnostics), Transgène (immunotherapy to treat cancer and infectious diseases) and Mérieux NutriSciences (food safety, environment, nutrition). Institut Mérieux also comprises ABL, a research company, Mérieux Développement, an investment company operating in healthcare, and Imaccess, a not-for-profit company dedicated to diagnostics in developing countries. Institut Mérieux currently has over 12,000 employees in more than 40 countries worldwide.

Alain Mérieux is Chairman of the Fondation Mérieux, an independent family foundation registered as a public charity. He is Honorary Chairman and director of Fondation Christophe et Rodolphe Mérieux, which operates under the aegis of the Institut de France. These two foundations are dedicated to the fight against infectious diseases in developing countries.

Alain Mérieux is also Chairman of Fondation pour l'université de Lyon and the Institut de Recherche Technologique en infectologie, BioAster.

He is a Member of the Ordre National du Mérite and a Grand Officier de la Légion d'Honneur.

Directorships and other positions held within the Company Number of shares held	Directorships and other positions held in other companies in 2014
Director since June 23, 1993 **Number of Compagnie Plastic Omnium shares held: 6,318**	Chairman and Chief Executive Officer of Institut Mérieux *(France)* Chairman of the Board of Directors and director of Fondation Mérieux *(France)* Honorary Chairman and director of Fondation Christophe et Rodolphe Mérieux – Institut de France Chairman of Fondation pour l'université de Lyon *(France)* Director of bioMérieux SA*, Fondation Pierre Fabre, Fondation Pierre Vérots, Transgène SA and CIC Lyonnaise de Banque *(France)* Director of bioMérieux Italia SpA *(Italy)* Director of Mérieux NutriSciences *(United States)* Chairman of Institut de Recherche Technologique BioAster until March 2014

* Listed company

Amélie Oudéa-Castera, born April 9, 1978, French

After a career as a professional tennis player, Amélie Oudéa-Castera opted for academia rather than high-level sport. A graduate of IEP Paris and ESSEC, while at the same time obtaining a master's degree in law, she won a place at ENA, graduating in April 2004 and taking up a position as auditor with the French Court of Auditors, acting as Legal Advisor and Rapporteur of the public report on the situation and outlook of the public finances.

In 2008, Amélie Oudéa-Castera joined the AXA Group, where she performed cross-cutting assignments for the Group CFO. In 2010, she became Director of Strategic Planning for the AXA Group. In 2011, she was appointed Director of Marketing, Brand and Services at AXA France. In September 2012, her scope of responsibility was extended to digital activities at AXA France, where she was appointed Director of Marketing, Services and Digital.

Directorships and other positions held within the Company Number of shares held	Directorships and other positions held in other companies in 2014
Director and member of the Compensation Committee since January 1, 2014 **Number of Compagnie Plastic Omnium shares held: 900**	Deputy Chief Executive Officer of AXA Particuliers Professionnels & Director of Marketing, Services and Digital of AXA France Member of the Management Committee of AXA Seed Factory *(France)* Director of Groupement d'Intérêt Économique AXA *(France)* Member of the Strategic Council of the digital division of La Poste Group Advisor at the Court of Auditors

Directorships expiring in 2015

The directorships of Laurent Burelle, Paul Henry Lemarié, Jean-Michel Szczerba, Burelle SA represented by Eliane Lemarié, Jean Burelle, Anne-Marie Couderc, Jean-Pierre Ergas, Jérôme Gallot, Bernd Gottschalk and Alain Mérieux will expire at the close of the Shareholders' Meeting on April 30, 2015. Based on the proposal by the Appointments Committee, the Board of Directors will ask the Shareholders' Meeting to reappoint all of these directors for another three-year term, until the Shareholders' Meeting held to approve the financial statements for the year ending 2017.

Representation of men and women in accordance with the law of January 27, 2011

Out of a total of 13 directors, four women sit on the Board of Directors of Compagnie Plastic Omnium, representing 30.7%. The Board of Directors therefore complies with the law of January 27, 2011 on the balanced representation of men and women, which requires at least 20% of directors to be women as of 2014.

The Appointments Committee is developing proposals to submit to the Board of Directors on the next steps to be taken to comply with the law, which requires at least 40% of directors to be women by 2017.

Directors' independence

Directors have a duty of care, and enjoy complete freedom of judgment.

With regard to the independence criteria set out in the AFEP-MEDEF Code, members of the Board are deemed independent when they have no relationship of any kind with the Company, its Group or its management that could compromise the exercise of their freedom of judgment. The criteria laid down in the AFEP-MEDEF Corporate Governance Code are:

- not to be an employee or corporate officer of the Company, or an employee or director of the parent or a consolidated company, and not having been so in the previous five years;
- not to be a corporate officer of a company in which the Company directly or indirectly holds a directorship, or in which a directorship is held by an employee designated as such or corporate officer of the Company (currently or within the previous five years);
- not to be a customer, supplier, investment banker or corporate banker:
  - of significant importance for the Company or the Group, or
  - for which the Company or its Group represents a significant part of its activity;
- not to have close family ties with a corporate officer;
- not to have been an auditor of the Company during the previous five years;
- not to have been a director of the Company for more than twelve years.

The process of assessing the independence of each director was reviewed by the Appointments Committee at its meeting held on November 24, 2014 and by the Board of Directors on February 24, 2015. Basing its review on the AFEP-MEDEF recommendations available on the website www.medef.fr, the Board established the following conclusions :

- As Laurent Burelle, Paul Henry Lemarié, Éliane Burelle and Jean Burelle have family ties, they are not independent directors.
- Jean-Michel Szczerba had been employed by the Group since 1985 before being appointed member of the Board of Directors of Compagnie Plastic Omnium and is therefore not deemed independent.
- Anne Asensio, Anne-Marie Couderc, Jérôme Gallot, Bernd Gottschalk and Amélie Oudéa-Castera qualify as independent directors.
- Jean-Pierre Ergas, Vincent Labruyère and Alain Mérieux have been members of the Board of Directors for over twelve years and are no longer considered independent.

The Board of Directors of Compagnie Plastic Omnium noted that the individual situation of each Chairman of the Board's Committees meet the criteria to be considered independent.

As a result, five out of the thirteen members of the Board of Directors qualify as independent.

The proportion of independent directors is accordingly more than one-third, in compliance with AFEP-MEDEF recommendations.

Pursuant to the provisions of Article 11 of the bylaws, each director must own at least 900 shares of the Company. The Board's Internal Procedures include provisions relating to the director's duty to act in the Company's best interest, to comply with the law and the Company's bylaws, to act independently and to raise any issues of concern, to avoid conflicts of interest, to act professionally and to devote sufficient time to the business of the Board.

Conflicts of interest

To Compagnie Plastic Omnium's knowledge, there are no conflicts of interests between the duties of the directors to the Company and their private interests and/or other duties.

Among the members of the Board of Directors, Laurent Burelle, Jean Burelle, Paul Henry Lemarié and Éliane Lemarié are related. There are no family ties between the other members of the Board of Directors of Compagnie Plastic Omnium.

To the Company's knowledge, none of its directors has been convicted of fraud, none has been involved as a corporate officer in a bankruptcy, receivership or liquidation in the past five years, and none has been the subject of any official charges or public sanctions pronounced by a statutory or regulatory authority. None of the members of the Board of Directors has been disqualified by a court from acting as a member of a governing, administrative or supervisory body of an issuer, or from taking part in the management or business of an issuer during the past five years.

Further, no loans or guarantees have been given or set aside in favor of members of the Company's administrative or management bodies.

2.1.2 Preparation and Organization of the Work of the Board of Directors

Responsibilities of the Board of Directors

Pursuant to legal and regulatory provisions and Article 11 of the Company's bylaws, the Board of Directors determines the Company's business strategy and oversees its implementation. With the exception of powers expressly granted to shareholders, and, within the limits of the corporate purpose, it considers all matters concerning the smooth running of the Company, and resolves, through its discussions, all matters of concern to it. The Board of Directors performs any checks and controls it deems necessary.

In addition to the issues governed by the Board in accordance with the legal and regulatory provisions, the Chairman and CEO and the Chief Operating Officers must obtain, in application of the Internal Procedures, prior authorization from the Board of Directors for decisions involving major deals that could affect Group strategy or significantly change its financial position or consolidation scope. These decisions include:

- acquisitions, mergers, disposals, investments and withdrawals that could substantially affect the Group's financial structure;
- global investments.

Each year, the Board of Directors authorizes the Chairman and Chief Executive Officer to issue sureties, endorsements and guarantees in an amount determined by it.

It also examines, at least once a year, the Group's budget, its industrial and financial strategies, and its research and development policy.

Organization and work of the Board of Directors

The work of the Board is set out in Article 12 of the bylaws, and its organization is described in Article 1 of the Internal Procedures of the Board of Directors. The Internal Procedures may be amended by the Board of Directors in response to changes in laws and regulations, but also to changes in its own organization.

The Board of Directors meets as often as the interests of the Company require and, pursuant to the Internal Procedures, at least four times per year. Board meetings may be held by any means of videoconferencing or telecommunication allowing the identification of directors and ensuring their effective participation in accordance with the terms and conditions laid down in the Internal Procedures.

The Chairman of the Board of Directors directs the proceedings and ensures compliance with the provisions of the Internal Procedures. He seeks to ensure the quality of discussions and to promote collective decision-making. He also ensures that the Board devotes sufficient time to its discussions, giving each item on the agenda time proportionate to the importance it represents for the Company.

The Secretary of the Board of Directors establishes the minutes of meetings of the Board of Directors.

The Board conducts an annual review of its composition, its organization and its work. Based on a summary of individual questionnaires, the Board of Directors considers possible avenues of progress, and makes improvements where it deems necessary. This assessment is carried out within the framework of the implementation of the AFEP-MEDEF Code, to which the Board of Directors refers.

The directors once again exercised total freedom of judgment in 2014. This freedom of judgment allowed them to take part with full independence in the work and collective decisions of the Board of Directors, and, for those concerned, the preparatory work and the proposals of the Audit Committee, Compensation Committee and the Appointments Committee.

Preparing and holding meetings of the Board of Directors and its Committees requires an increasing amount of time and involvement from directors.

The directors of Compagnie Plastic Omnium are informed of all Group activities and its performance in a very competitive environment. The Committees prepare the discussions and proceedings of the Board.

With their expertise coming from outside and freedom of judgment, the directors jointly ensure the measures adopted contribute to implementing the strategy of the Plastic Omnium Group. The Board debates issues transparently and in detail.

Activity of the Board of Directors

In 2014, the Board of Directors met four times, with an attendance rate of 95%. Four meetings have been scheduled for 2015, one of which had already been held in 2015 at the time of writing this report (February 24, 2015).

The directors are appointed by the shareholders to monitor the Group's economic and financial management and help define its strategy. They examine and approve the major strategies laid down by senior management, which implements them.

In 2014, the Board of Directors examined and discussed the following main topics: the Group's trading environment and strategy, the effectiveness of the Group's internal control and risk management systems, the annual 2013 financial statements, the closing of the interim 2014 financial statements, 2015 budget estimates, the review of available banking reserves to meet Company operations, the review of directors' independence, review of the Board, the convening of the Shareholders' Meeting, the review and mapping of Group risks, renewal of the authorization to issue sureties, endorsements and guarantees, management planning documents, changes in the share capital due to the cancellation of treasury shares, and the research and innovation policy.

The Board of Directors meeting in December 2014 was held at the Group's Chinese registered office in Shanghai. This gave directors the opportunity to meet local teams and visit Chinese industrial sites.

Directors' fees

The breakdown of directors' fees, based on the attendance of each director at Board meetings and its Committee meetings, is provided in the section Compensation of corporate officers on page 32.

The Board applies the AFEP-MEDEF Code recommendations and retains a majority variable share based on compensating attendance at Committee and Board meetings.

To take into account the appointment of a new director in early 2014 and the set-up of the Appointments Committee, the Board will propose at the Shareholders' Meeting of April 30, 2015 an increase in the maximum total directors' fees from €340,000 to €400,000 in 2014.

2.1.3 Committees of the Board of Directors

The Board of Directors set up permanent committees from among its members to assist in making decisions. These committees were set up in application of the provisions of the Internal Procedures, to examine all Company issues that the Board or Chairman submit to them for review, prepare the work of the Board and report their conclusions to the Board in the form of minutes, proposals, opinions, information or recommendations. These committees fulfill their duties overseen by the Board of Directors, but have no decision-making power. The Board of Directors, acting on the proposal of the Chairman and after deliberation, appointed the members of the committees and their Chairman based on the expertise, experience and the availability of directors.

Three committees assist the Board of Directors of Compagnie Plastic Omnium: Audit Committee, Compensation Committee and Appointments Committee. The Corporate Secretary also acts as secretary for the Board committees.

Audit Committee

Composition of the Audit Committee

The Audit Committee was formed of four directors until December 11, 2014: Anne Asensio, Jean-Pierre Ergas, Jérôme Gallot and Vincent Labruyère. It is chaired by Jérôme Gallot.

With two out of four of its directors being independent (50%), its composition was no longer comprised of at least 66% independent directors in accordance with the AFEP-MEDEF Code recommendations.

To comply with the AFEP-MEDEF Code, Jean-Pierre Ergas stepped down from the Audit Committee. As a result, since December 11, 2014, two out of three of the Audit Committee members are now independent (66%), and its composition complies with the AFEP-MEDEF Code recommendations.

Role of the Audit Committee

Article 7 of the Internal Procedures of the Board of Directors sets out the rules and procedures of the Audit Committee, in accordance with the prevailing regulations and changes thereto. The Audit Committee has three main missions. First, the Audit Committee examines in detail the draft financial statements, the relevance and consistency in applying the accounting policies and principles and the content of public documents. Part of this mission includes monitoring the review of the consolidated and annual financial statements performed by the Statutory Auditors. Second, the Audit Committee reviews the internal and external control procedures to ensure that they suitably cover risks. Third, the Audit Committee regularly examines the Group's financial position, cash position, commitments, significant risks, risk management policy and risk assessment procedures.

Activity of the Audit Committee in 2014

The Audit Committee met three times in 2014. The participation rate at its meetings was 100%. The Statutory Auditors attended all meetings. The Committee did not seek advice from external experts. Three meetings have been scheduled for 2015, one of which had already been held at the time of writing this report.

In 2014, the Committee analyzed the following items: 2014 budget forecasts, forecasts and estimates for the close of fiscal 2013, the close of the statutory and consolidated accounts at December 31, 2013, estimates and options for the half-year close, the close of the interim statutory and consolidated accounts at June 30, 2014, assumptions and options for the close of fiscal 2014, renewal of authorizations to issue guarantees, the 2014 audit schedule, the independence of internal audits and the review of the Group's internal control procedures. The Committee was informed of the map of identified risks based on in-depth identification and analysis methodology, in application of AMF regulations and recommendations.

As part of the Statutory Auditors' review of the financial statements, the Committee took note of their verifications, recommendations and the follow-up measures taken. The Committee reviewed the breakdown of fees invoiced by the Statutory Auditors between the auditing services in the strict sense, related services and all other services.

Compensation Committee

Composition of the Compensation Committee

The Compensation Committee is comprised of three independent directors: Anne-Marie Couderc, Amélie Oudéa-Castera and Bernd Gottschalk. The Compensation Committee is chaired by Anne-Marie Couderc.

As all of its members are independent, the composition of the Compensation Committee complies with AFEP-MEDEF Code recommendations which advise at least 50% independent members.

Role of the Compensation Committee

Article 8 of the Internal Procedures of the Board of Directors sets out the rules and procedures of the Compensation Committee, in accordance with the prevailing regulations and changes thereto.

Its main purpose is to make recommendations to the Board of Directors on the fixed and variable compensation of executive corporate officers, the pension plan and death/disability insurance plan, benefits in kind and all pecuniary rights conferred upon them, directors' fees and their distribution to be put to the Shareholders' Meeting, and the implementation of long-term incentive plans.

Activity of the Compensation Committee in 2014

The Compensation Committee met once in 2014. The participation rate at its meeting was 100%. One meeting had been scheduled for 2015 and had already been held at the time of writing this report.

The Compensation Committee reviewed the components of compensation of the three executive corporate officers in light of the Company's performance over the period. Its independent, documented analysis and its proposals have led to recent Board decisions. The shareholders were specifically and fully informed of these decisions and will be asked to vote on a resolution relating to this issue at the Shareholders' Meeting.

Appointments Committee

Composition of the Appointments Committee

The Appointments Committee, formed by the Board of Directors at its meeting of October 21, 2014, is comprised of three directors: Anne-Marie Couderc, Éliane Lemarié and Jérôme Gallot. The Appointments Committee is chaired by Anne-Marie Couderc.

As two out of three of the Appointments Committee members are independent (66%), its composition is in line with the AFEP-MEDEF Code, which advises that at least 50% of members be independent.

Role of the Appointments Committee

Article 9 of the Internal Procedures of the Board of Directors sets out the rules and procedures of the Appointments Committee.

Its main purpose is to examine and make recommendations to the Board of Directors on all the nominations for directors to be submitted for approval by the Shareholders' Meeting and for Committee members and Chairmen, to discuss qualification for independent directors – which are reviewed every year by the Board of Directors before the publication of the Annual Report – and to ensure that Compagnie Plastic Omnium applies its guideline Corporate Governance Code.

The Appointments Committee also ensures that Compagnie Plastic Omnium has succession plans in place for its three executive corporate officers.

Activity of the Appointments Committee in 2014

The Appointments Committee met for the first time on November 24, 2014.

It reviewed each director's compliance with the independence criteria listed in the AFEP-MEDEF Corporate Governance Code. The Appointments Committee submitted proposals for reappointments, as mentioned in section 2.1.1 – Directorships expiring in 2015. It also reviewed the composition of each of the Board Committees with regard to the AFEP-MEDEF Code recommendations.

The Appointments Committee assessed changes in the composition of the Board of Directors in order to comply with the law of January 27, 2011, which requires balanced representation of men and women by 2017.

2.1.4 Internal Control and Risk Management System

Objectives of the Company's internal control and risk management system

Definition and objectives of internal control and risk management

Internal control and risk management are the responsibility of senior management, and require the involvement of all stakeholders in the Company, in accordance with the tasks assigned to them. Compagnie Plastic Omnium's internal control and risk management systems are designed to ensure:

- compliance with applicable laws and regulations;
- effective and controlled implementation of guidelines and objectives set by senior management, particularly with regard to risk;
- the smooth running of Compagnie Plastic Omnium's internal processes, particularly those relating to the safeguarding of the assets of the Group in the broadest sense;
- the reliability of financial information;
- the commitment of Company employees to shared values and a shared vision of the risks they are helping to control.

Internal control and risk management systems play a critical role in Compagnie Plastic Omnium's management. However, they cannot provide an absolute assurance that the Company's objectives will be achieved or that all risks will be eliminated.

Compagnie Plastic Omnium is actively working to reinforce its internal control and risk management systems as part of a continuous improvement process that relies in large part on the Implementation Guide to the Reference Framework for Risk Management and Internal Control Systems of the Autorité des Marchés Financiers (AMF).

Scope of this report

This report describes the internal control system of Compagnie Plastic Omnium, the parent company of the Plastic Omnium Group. It therefore focuses on the procedures intended to guarantee (i) the reliability of the consolidated financial statements and (ii) the Company's control over entities in which it has a majority interest.

Compagnie Plastic Omnium regularly reviews and assesses the operations of significant investments over which it exercises joint control, and uses all of its influence to ensure that these entities comply with its internal control requirements.

Summary description of the internal control and risk management system

Organization

Compagnie Plastic Omnium is built around two Divisions:

- **Automotive** (Auto Exterior and Auto Inergy Divisions);
- **Environment** (Environment Division)**.**

Under the supervision and control of Compagnie Plastic Omnium's senior management, these two autonomous divisions are each responsible for implementing the means and resources necessary to achieve the financial targets set in their annual budgets approved by senior management.

Organization of the internal control and risk management system

The internal control and risk management system deployed within the Group is based on the rules and principles of its internal control framework and the implementation of processes aimed at continuously improving the management of the main risks to which it may be exposed.

The organization of the system involves all Company employees. However, its oversight and controls are performed by the following seven key functions:

- Senior management, the Risk Management Department and the Internal Control Committee, which monitor the system;
- the operational management teams of each division, corporate departments and the Internal Audit Department, which represent three distinct levels of control;
- the Board of Directors.

The senior management of Compagnie Plastic Omnium sets the guidelines for organizing and running the internal control and risk management system.

They are assisted in this task by the **Executive Committee,** which has management and decision-making powers with regard to the Company's business. It comprises the Chairman and Chief Executive Officer, the Chief Operating Officers, the Director of Planning and Mergers & Acquisitions, the Chief Financial Officer, the Corporate Secretary and General Counsel, the Head of Human Resources, the Deputy Head of Human Resources and the CEOs of each division. It meets once a month to review the Group's business performance and recent developments, and to discuss its outlook. It addresses cross-business issues such as sales and marketing, organization, investment, legal and human resources issues, safety and the environment, research and development, mergers and acquisitions, and financing. Each month, it analyzes the results and balance sheets of all divisions and subsidiaries, including trends in respect of capital expenditure and working capital compared with the situation of the prior year and monthly budget projections. It also reviews three-month forecasts for the consolidated income statement and balance sheet, and plays a pro-active role in steering the Company's management. It also validates updates of current-year forecasts. Every June, it analyzes the strategic five-year plans for each division and the Group. These plans are then used in preparing the budget, which is definitively adopted in December each year.

The Internal Control Framework

The cornerstone of Compagnie Plastic Omnium's internal control system is its Internal Control Framework, which sets out the rules and principles applicable to the companies it controls. It comprises a **Code of Conduct,** Internal Control **Rules** and **Procedures** and an **Accounting and Financial Procedures Handbook.**

- **The Code of Conduct:** in addition to its economic responsibilities, Compagnie Plastic Omnium attaches great importance to human rights and sustainable development. Compagnie Plastic Omnium is a signatory of the UN Global Compact, a set of principles that stand alongside the Plastic Omnium Code of Conduct to exemplify the spirit of responsibility that has always informed the Group's commitment. Together, these texts highlight the values governing individual and collective conduct that Compagnie Plastic Omnium aims to promote, and which determine the fundamental principles in which the rules and procedures of its internal control system are rooted. In 2010, Compagnie Plastic Omnium adopted a Code of Conduct on practices governed by competition law, which has been circulated throughout the Group as part of a compliance program.

  The Code of Conduct applies to Compagnie Plastic Omnium and to all the affiliates in which it holds a majority stake. Plastic Omnium does everything in its power to encourage other affiliates to establish rules of conduct consistent with the provisions of the Code. It is the responsibility of senior management, members of the Executive Committee, divisional CEOs and plant managers to ensure that all employees are aware of the contents of the Code, and that they have sufficient resources to comply with its provisions. In return, the Code requires individual employees to behave in a way that demonstrates a personal and ongoing commitment to complying with the prevailing laws and regulations, and with the ethical rules it lays down.

- **Group Internal Control Rules and Procedures:** Compagnie Plastic Omnium has a set of rules that define the roles and responsibilities of the senior management, the corporate departments of Compagnie Plastic Omnium and the operational departments of its divisions and subsidiaries in the following areas:
  - Legal affairs and corporate governance;
  - Human resources;

- Treasury (financing and routine transactions);
- Sales;
- Purchasing (operations and capital expenditure);
- Inventory and supply chain;
- Automotive projects;
- Accounting and taxation;
- Production and quality;
- Real estate;
- Information systems;
- Health, safety and the environment.

The rules cover routine and non-routine business operations alike. They are a single and comprehensive reference framework designed to ensure that the internal control procedures implemented by the Group are both consistent and appropriate. In a number of cases, they include procedures that describe their application.

- **The Accounting and Financial Procedures Handbook:** Compagnie Plastic Omnium has an Accounting and Financial Procedures Handbook prepared in accordance with IFRS. These accounting procedures are applicable to all consolidated companies.

  As part of a process of continuous improvement in terms of internal control, the Internal Control Framework is subject to additions, and is updated regularly to reflect established practices, as well as changes in organization and the applicable regulations.

Risk Management

The main risks to which Compagnie Plastic Omnium is exposed are described in the "Risk Management" section of the Management Report. This section also describes the key measures and processes used to effectively prevent and manage these risks.

The risk management system incorporates, as part of the organizational framework presented in this report, a process of mapping and analyzing the main risks facing the Company, the purpose of which is to verify the pertinence of approaches implemented at Group level and to take action to strengthen or complement existing approaches. At Group level, this process is led by the Risk Management Department in conjunction with the operational management teams and corporate departments.

The system is overseen by senior management.

Control activities

Compagnie Plastic Omnium seeks to combine accountability and independence of judgment at the three levels responsible for controlling its operations and its risk management system: operational management teams, corporate departments and internal audit.

The **operational management teams** implement the structures and resources necessary for the satisfactory implementation of the rules and principles governing internal control in their respective activities. They are tasked in particular with assessing the pertinence of corrective measures implemented as a result of assignments undertaken by Internal Audit. They are also responsible for identifying the risks inherent to their own activity and for taking reasonable steps to control them.

The **corporate departments,** namely Human Resources and Sustainable Development, Corporate Finance and Information Systems, and Legal Affairs, have the broadest powers in their areas of expertise, and under the supervision of senior management, to establish rules and procedures applying within Compagnie Plastic Omnium. They are tasked with coordinating and monitoring the activities of their functional networks with a view to protecting the interests of the Group and all its stakeholders.

In the particular area of internal control and risk management, they are responsible for analyzing the risks inherent to their activities and for defining the appropriate structures and systems to ensure their smooth running. They prepare and update the Internal Control Framework and cross-business approaches to risk management. In doing so, they are required to ensure the adequacy of the Internal Control Framework in respect of prevailing standards, regulations and laws, and to implement the appropriate means for relaying the information they produce.

Compagnie Plastic Omnium has a centralized **Internal Audit Department** that is part of the Corporate Risk Management Department and reports to the Corporate Secretary. It also reports regularly to the Internal Control Committee, which is responsible for overseeing internal control procedures. It conducts assessments of the general system, and ensures the efficiency of its implementation.

The Internal Audit Department conducts audits on a scope covering all subsidiaries, whether or not Compagnie Plastic Omnium exercises control. At the conclusion of each audit, it makes recommendations to the audited units, which respond with appropriate action plans subject to systematic monitoring by divisional management teams. The annual internal audit plan is based on criteria relating to how often audits are performed and to each entity's risk and control environment. None of the audits performed in 2014 revealed any serious weaknesses in the internal control and risk management system.

The Internal Audit Department also oversees annual internal control **self-assessment** campaigns, launched in 2006. The questionnaire design is based on the Implementation Guide to the AMF Framework. It is both an effective assessment tool and a means of raising the awareness of local organizations. Lastly, it is a useful tool for the Internal Audit Department in preparing its audit work.

Note that the application of international safety, environmental and quality assurance standards, in addition to the audit of our insurance companies and our customers, gives rise to regular specialized audits conducted by independent bodies. As of December 31, 2014, 89% of the eligible facilities that were at least 50%-owned had earned ISO 14001 certification and 84% were OHSAS 18001-certified.

Information and communication

The internal control rules and procedures are available to employees on the home page of the Group's intranet portal. However, the internal control system is deployed largely through formal documents, awareness raising, training programs and reporting processes conducted by the corporate departments. These activities, which include the self-assessment referred to above, allow local management teams to appreciate senior management's profound commitment to internal control processes.

Finally, the relaying of information on the preparation of financial and accounting data is subject to specific processes described later in this report.

Oversight

Senior management, assisted by the Risk Management Department, is responsible for the overall oversight of the Company's internal control and risk management processes.

The Risk Management Department exercises a critical oversight role concerning the internal control system as part of its specific remit. It reports its analysis and recommendations to senior management, to which it reports directly, as well as the Internal Control Committee. It is also responsible for the process of identifying business risks undertaken at Group level, and coordinates the preparation of the ensuing risk management plan.

The **Internal Control Committee** coordinates the internal control system, and ensures that it runs smoothly. It is chaired by the Compagnie Plastic Omnium Corporate Secretary. Its other members include the Head of Human Resources, the Assistant Head of Human Resources, the Chief Financial Officer, the Head of Risk Management and Internal Audit, the Chief Executive Officers and the Chief Financial Officers of the Divisions. It is tasked with ensuring the quality and effectiveness of the system. It relays the decisions and recommendations of the Chairman and Chief Executive Officer, to whom it reports its findings. Its composition gives it the authority to coordinate the efforts of all actors involved in internal control and risk management in each division or corporate function.

Lastly, **the Board of Directors** reviews all of the major assumptions and strategies laid down for Compagnie Plastic Omnium by senior management. It reviews the broad outlines of the internal control and risk management system and acquires an understanding of the various procedures involved in the preparation and processing of overall and financial information.

Internal control relating to the preparation of financial and accounting information

Basis of preparation of the Group's financial information

The Finance Department is responsible for ensuring that the preparation of the Group's financial information is consistent. As such, it is tasked with:

- laying down financial and accounting standards for the Group, in accordance with international standards;
- determining the policy in respect of the preparation of financial information;
- coordinating information systems used for the preparation of financial and accounting data;
- reviewing subsidiaries' financial information;
- preparing financial information for the Group's consolidated financial statements.

The consistency of the Group's financial statements is guaranteed by the use of the same accounting standards and a single chart of accounts by all Group entities. The standards and chart of accounts take into account the specific characteristics of the subsidiaries' various businesses. They are laid down by the Accounting Standards and Principles Department, which is part of the Accounting and Tax Department and is the sole entity with authority to change them.

Consistency is further ensured by the coordinated management of information systems that contribute to the preparation of the financial information of each subsidiary: the use of a single software application guarantees that reporting and consolidation processes are standardized and applied consistently; moreover, based on a software package recommended by the Group, the various divisions have developed integrated management systems and rolled them out across the majority of their plants, thereby helping to ensure that the information used in the preparation of the financial statements is properly controlled.

Consolidated financial information is prepared for the following key processes:

- weekly cash reporting;
- monthly reporting;
- interim and annual consolidated reporting;
- annual budget.

These four processes apply to all subsidiaries controlled directly and indirectly by Compagnie Plastic Omnium.

Financial reporting and control procedures

Each subsidiary is responsible for producing its own accounts. First-tier controls and analyses of subsidiaries' financial statements are performed locally. Second-tier controls are performed centrally in each division. Third-tier controls are performed by the Finance Department.

Monthly reporting is submitted to senior management one week after the close of the monthly accounts, and is reviewed by the Executive Committee. The reporting package comprises an income statement broken down by function, with an analysis of production costs, overheads, and research and development expenditure. It also includes a full cash flow statement, business forecasts for the subsequent three months and a set of environmental and safety indicators. The information is prepared at Group, division and subsidiary level. It provides comparisons between the various items – monthly actual, year-to-date actual, prior-year actual and current-year budget – together with an analysis of material differences.

The budget process begins in September each year, when the subsidiaries prepare their figures, which are consolidated at division level. Budgets are then submitted to senior management in November and validated in December, before being presented to Compagnie Plastic Omnium's Board of Directors. The budget package comprises an income statement, cash flow statement and data concerning return on capital employed for each subsidiary and division for the subsequent year, plus the main income statement data projected over a two-year period.

Revised forecasts are regularly produced to allow corrective measures to be made with a view to ensuring that initial budget targets are met. They also allow senior management to report reliably on changes in the situation.

The budget is based on the rolling four-year business plan approved in July of each year by senior Management, which includes income statement and balance sheet projections prepared on the basis of the sales, industrial and financial strategies of the Group and the divisions.

Compagnie Plastic Omnium is responsible for managing the medium-term financing requirements of all the subsidiaries controlled by the Group, while Plastic Omnium Finance covers short-term financing. Through Plastic Omnium Finance, the Group has set up a global cash pooling and netting system for all Group subsidiaries in all countries where local rules allow this practice. In addition, intragroup receivables and payables are netted monthly. In this way, it manages funding streams and verifies cash positions on a daily basis.

In general, subsidiaries cannot negotiate external financing arrangements without the prior authorization of the Group's Central Treasury.

Plastic Omnium Finance is also responsible for controlling all currency and interest rate hedging transactions.

Cash reports are sent to the Chairman and Chief Executive Officer and the Chief Operating Officers on a weekly basis. They provide an analysis of the cash position of each division, and of the Group as a whole, together with comparisons with the prior year and the budget for the current year.

No material incidents or significant changes occurred in 2014 that could have compromised the effectiveness of the internal control system described above.

Work planned in 2015

As part of a process of continuous improvement of its internal control system, Compagnie Plastic Omnium plans to upgrade a number of procedures in order to enhance their pertinence and encourage operational staff to appropriate them. This approach, in which the Risk Management Department is playing an important role, covers internal control procedures, accounting and financial, and risk management procedures.

The Internal Audit Department will conduct 38 audits in 2015, compared with 36 in 2014, 35 in 2013, 34 in 2012 and 21 in 2011.

To improve the internal control and risk management system, the Company will continue to apply the procedure for tracking progress on implementing recommendations issued by the Internal Audit Department.

2.2 — COMPENSATION OF CORPORATE OFFICERS

In accordance with the provisions of Article L. 225-102.1 of the French Commercial Code and the AFEP-MEDEF Corporate Governance Code, the total compensation and benefits in kind paid to each corporate officer is presented in the tables below.

Gross compensation paid and stock options and performance shares awarded to each executive corporate officer

Laurent Burelle **Chairman and Chief Executive Officer**	**Year 2013**	**FY 2014**
Compensation due in respect of the year *(see details below)*	3,869,394	4,234,744
Value of stock options awarded during the year	497,400	0
TOTAL	**4,366,794**	**4,234,744**

Paul Henry Lemarié **Director and Chief Operating Officer**	**Year 2013**	**FY 2014**
Compensation due in respect of the year *(see details below)*	1,936,100	2,120,342
Value of stock options awarded during the year	165,800	0
TOTAL	**2,101,900**	**2,120,342**

Jean-Michel Szczerba **Director and Chief Operating Officer**	**Year 2013**	**FY 2014**
Compensation due in respect of the year *(see details below)*	1,227,107	1,295,873
Value of stock options awarded during the year	331,600	0
TOTAL	**1,558,707**	**1,295,873**

Gross compensation paid to each executive corporate officer

Laurent Burelle **Chairman and Chief Executive Officer**	**Year 2013**		**FY 2014**	
	Totals due	**Totals paid**	**Totals due**	**Totals paid**
• Fixed salary(1)	85,637	85,637	86,573	86,573
• Bonus(1)(2)	3,540,588	3,259,086	3,905,604	3,774,709
• Exceptional compensation	0	0	0	0
• Directors' fees	243,169	243,169	242,567	242,567
• Benefits in kind	Company car		Company car	
TOTAL	**3,869,394**	**3,587,892**	**4,234,744**	**4,103,849**

Paul Henry Lemarié **Director and Chief Operating Officer**	**Year 2013**		**FY 2014**	
	Totals due	**Totals paid**	**Totals due**	**Totals paid**
• Fixed salary(1)	85,637	85,637	86,573	86,573
• Bonus(1)(2)	1,770,294	1,629,543	1,952,802	1,887,355
• Exceptional compensation	0	0	0	0
• Directors' fees	80,169	80,169	80,967	80,967
• Benefits in kind	Company car		Company car	
TOTAL	**1,936,100**	**1,795,349**	**2,120,342**	**2,054,895**

(1) Paid by Burelle SA. This fixed compensation equals 120% of the highest coefficient in the collective bargaining agreement in the Plastics industry (coefficient of 940).

(2) Burelle SA pays gross compensation to executive corporate officers for their management services, which is then billed to Compagnie Plastic Omnium and its subsidiaries, calculated on the basis of the estimated time spent by each director on business relating to the Plastic Omnium Group. Directors' bonuses are paid by Burelle SA, and are determined on the basis of the Burelle Group's consolidated operating cash flow. This calculation is based on consolidated operating cash flow after tax and interest expense, including all fully consolidated companies and joint ventures in which Plastic Omnium has significant influence reflected by operational management statements monitored by the Burelle SA Group. Operating cash flow is calculated using operational accounts reviewed by the Statutory Auditors.

Jean-Michel Szczerba **Director and Chief Operating Officer**	**Year 2013**		**FY 2014**	
	Totals due	**Totals paid**	**Totals due**	**Totals paid**
• Fixed salary	775,215	775,215	830,929	830,929
• Bonus(1)	350,000	350,000	363,829	363,829
• Exceptional compensation	0	0	0	0
• Directors' fees	101,892	101,892	101,115	101,115
• Benefits in kind	Company car		Company car	
TOTAL	**1,227,107**	**1,227,107**	**1,295,873**	**1,295,873**

(1) Calculated on individual objectives and financial performance (operating margin and debt).

In accordance with article L. 225-102-1 of the French Commercial Code, the compensation paid by Burelle SA to Compagnie Plastic Omnium's corporate officers in 2014 and the portion billed to Compagnie Plastic Omnium for management services are presented in the table below:

	Gross compensation paid by Burelle SA in 2014	**O/w bonus**	**Amount billed to the Plastic Omnium Group in 2014**	**O/w bonus**
Laurent Burelle	3,887,134	3,774,709	2,934,574	2,868,778
Paul Henry Lemarié	1,999,780	1,887,355	986,964	943,677
Jean-Michel Szczerba	0	0	0	0
Jean Burelle	2,012,305	1,887,355	375,046	358,597

Directors' fees

Paid by Compagnie Plastic Omnium

Members of the Board	Directors' fees paid in 2013	Directors' fees paid in 2014
Laurent Burelle	30,892	29,715
Paul Henry Lemarié	23,892	24,115
Jean-Michel Szczerba	23,892	24,115
Éliane Lemarié	23,892	25,415
Jean Burelle	23,892	24,115
Anne Asensio	15,635	26,715
Anne-Marie Couderc	23,892	28,315
Jean-Pierre Ergas	23,013	26,715
Jérôme Gallot	30,192	31,715
Bernd Gottschalk	19,113	24,115
Vincent Labruyère	27,792	28,015
Alain Mérieux	15,000	12,058
Amélie Oudéa-Castera	NA	25,415
TOTAL	**281,097**	**330,538**

At its meeting of December 13, 2013, the Board of Directors allocated directors' fees for 2014 as follows:

- Chairman: €2,700 per Board meeting;
- Directors: €1,300 per Board meeting;
- Committee Chairman: €2,100 per Committee meeting;
- Committee Member: €1,300 per Committee meeting;
- Balance allocated proportionately among all Board members in line with actual attendance at meetings.

Total directors' fees paid (by Compagnie Plastic Omnium, other controlled companies and Burelle SA)

Corporate officer	Directors' fees paid in 2013	Directors' fees paid in 2014
Laurent Burelle	243,169	242,567
Paul Henry Lemarié	80,169	80,967
Jean-Michel Szczerba	101,892	101,115
Jean Burelle	117,253	118,492
TOTAL	**542,483**	**543,141**

Stock options awarded during the year to each executive corporate officer

Name and position of the corporate officer	Number of options awarded during the year	Value of options using the method applied in the consolidated financial statements	Exercise price	Exercise period
Laurent Burelle *Chairman and Chief Executive Officer*	0	–	–	–
Paul Henry Lemarié *Director and Chief Operating Officer*	0	–	–	–
Jean-Michel Szczerba *Director and Chief Operating Officer*	0	–	–	–

In accordance with the AFEP-MEDEF Code recommendations:

- The exercise of stock options granted in 2013 is subject to two performance conditions related to the outperformance over the vesting period of the options (2013-2017) in respect of:
  - (i) the share price relative to the SBF 120 index;
  - (ii) the Company's operating margin compared with its main competitors.
- Each director must retain 10% of the shares resulting from the exercise of options in registered form until the end of his or her term of office.

Stock options exercised during the year by each executive corporate officer

Name and position of the corporate officer	Plan date	Number of options exercised during the year	Exercise price
Laurent Burelle *Chairman and Chief Executive Officer*	2007 Plan 2008 Plan 2010 Plan	0 486,000 0	€4.37 €2.94 €2.84
Paul Henry Lemarié *Director and Chief Operating Officer*	2007 Plan 2008 Plan 2010 Plan	0 60,000 0	€4.37 €2.94 €2.84
Jean-Michel Szczerba *Director and Chief Operating Officer*	2007 Plan 2008 Plan 2010 Plan	0 10,000 360,000	€4.37 €2.94 €2.84

Performance shares awarded to each executive corporate officer

Name and position of the corporate officer	Performance shares awarded during the year to each executive corporate officer by the issuer or any Group company	Plan date	Number of shares awarded during the year	Value of shares using the method applied in the consolidated financial statements	Vesting date	End of vesting period
Laurent Burelle *Chairman and Chief Executive Officer*	0	–	–	–	–	–
Paul Henry Lemarié *Director and Chief Operating Officer*	0	–	–	–	–	–
Jean-Michel Szczerba *Director and Chief Operating Officer*	0	–	–	–	–	–

Performance shares that vested during the year for each executive corporate officer

Name and position of the corporate officer	Performance shares that vested during the year for executive corporate officers	Plan date	Number of shares that vested during the year	Vesting conditions
Laurent Burelle *Chairman and Chief Executive Officer*	0	–	–	–
Paul Henry Lemarié *Director and Chief Operating Officer*	0	–	–	–
Jean-Michel Szczerba *Director and Chief Operating Officer*	0	–	–	–

Supplementary pension plans

In 2003, the Board of Directors of Compagnie Plastic Omnium decided to introduce a supplementary pension plan for the Executive Committee members of Compagnie Plastic Omnium. The plan guarantees these employees defined-benefit retirement compensation, provided they are still employed by the Group when they retire at age 65, under the following terms:

	Plastic Omnium Plan	Recommendations of the AFEP-MEDEF Code
Required length of service	7 years	At least 2 years
Actual length of service	The length of service of the three executive corporate officer is: Laurent Burelle, 40 years – Paul Henry Lemarié, 35 years – Jean-Michel Szczerba, 30 years	
Reference compensation	Average of the average total annual compensation for the five years prior to retirement	Several years
Annual amount paid (% of the reference compensation)	1%	5% maximum
Ceilings	10% of the reference compensation, or 8 times the Social Security ceiling, if lower	45% of compensation

The Board of Directors of Burelle SA approved a similar plan for corporate officers in 2003. The portion of the annual cost in respect of this plan billed by Burelle SA to Compagnie Plastic Omnium and its controlled companies was 886 thousand of euros in 2014. The other pension plans for senior management are the same as those in place for the Group's managerial employees.

Employment contracts – termination benefits

In accordance with the AFEP-MEDEF Code recommendations, Laurent Burelle and Paul Henry Lemarié are no longer under an employment contract. Jean-Michel Szczerba's employment contract was suspended.

The Company has no commitment to pay the corporate officers any compensation for loss or change of office or due to a non-competition clause.

2.3 — STATUTORY AUDITORS' REPORT

Statutory Auditors' report in accordance with article L. 225-235 of French Commercial Code *(Code de commerce)* on the report prepared by the Chairman of the Board of Directors of Compagnie Plastic Omnium

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users.This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

Year ended December 31, 2014

To the Shareholders,

As Statutory Auditors of Compagnie Plastic Omnium and in accordance with the article L. 225-235 of French Commercial Code *(Code de commerce)*, we hereby present our report on the Chairman of the Board of Directors report in compliance with the article L. 225 37 of French Commercial Code regarding fiscal year ending 31 December 2014.

It is the Chairman's responsibility to establish and submit for the Board of Directors' approval a report on internal control and risk management procedures implemented by the company and to provide the other information required by article L. 225-37 of the French Commercial Code *(Code de commerce)* relating to matters such as corporate governance.

It is our responsibility to:

- report on any matters as to the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information;
- confirm that the report also includes the other information required by article L. 225-37 of the French Commercial Code *(Code de commerce).* It should be noted that our role is not to verify the fairness of this other information.

We conducted our work in accordance with professional standards applicable in France.

Information on internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consist mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and of the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our work are properly disclosed in the Chairman's report.

On the basis of our work, we have no matters to report on the information relating to the company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the Chairman of the Board of Directors in accordance with article L. 225-37 of the French Commercial Code *(Code de commerce)*.

Other information

We confirm that the report prepared by the Chairman of the Board of Directors also contains the other information required by article L. 225-37 of the French Commercial Code *(Code de commerce)*.

Paris-la Défense, on February 25, 2015

The Statutory Auditors

MAZARS	ERNST & YOUNG et Autres
French Original signed by	*French Original signed by*
Jean-Luc Barlet	Gilles Rabier

2.4 — AFEP-MEDEF CODE

The table below, prepared in the context of the Registration Document, indicates the recommendations not followed and the related explanations.

AFEP-MEDEF Code recommendations disregarded	Compagnie Plastic Omnium practice and justifications
Publication of internal procedures **Article 1.3:** The Board's internal procedures must be published, in whole or in part, on the Company's website or in the Registration Document.	The Board of Directors' internal procedures are not published on the website but are widely referred to in the Company's Annual Report. The Board of Directors' internal procedures will be put onto the Group's website in 2015.
Staggering terms of office **Article 14:** Terms of office must be staggered so as to prevent reappointment en masse and foster a balanced reappointment of board members.	The Board of Directors currently has thirteen members: ten members whose term of office is due to expire at the end of the 2018 Shareholders' Meeting, two members whose term of office is due to expire at the end of the 2017 Shareholders' Meeting and one member whose term of office is due to expire at the end of the 2016 Shareholders' Meeting. The Company wished to prioritize a frequent election principle for board members by stipulating a three-year term of office.
Bonus **Article 23.2.3:** Shareholders must be able to understand how bonuses are calculated and the annual report must contain clear and exhaustive information on bonuses. Bonuses must be subject to the attainment of specific, pre-determined targets. Quantitative criteria must be simple, relevant, objective, measurable and in line with Company strategy. Qualitative criteria must be specifically defined. Where qualitative criteria are used to calculate bonuses, a cap must be set for the qualitative component whilst still allowing for exceptional circumstances to be taken into consideration, where appropriate. Bonuses must be of an order of magnitude commensurate with the fixed component. They consist of a maximum percentage of the fixed component, adapted to the business conducted by the enterprise and pre-determined by the Board.	With regard to Laurent Burelle and Paul Henry Lemarié: Laurent Burelle (Chairman and Chief Executive Officer) and Paul Henry Lemarié (Director and Chief Operating Officer) are members of the Burelle family which owns 56% of the Company's share capital. They receive a voluntarily low fixed salary based on the French Plastics Industry Federation minimum salary classification of coefficient 940. Most of their salary is made up of a variable component linked to Company performance. Directors' bonuses are determined on the basis of the Burelle Group's consolidated operating cash flow and that of its joint ventures. This system guarantees a high level of involvement on the part of its senior managers and may result in bonuses not being paid in the event of losses. Given the very low percentage of Directors' compensation constituted by the fixed component, it is not possible, as laid down by the AFEP-MEDEF Code, to calculate the bonus as a «maximum percentage of the fixed component, adapted to the business conducted by the enterprise». With regard to Jean-Michel Szczerba: Jean-Michel Szczerba (Director and Chief Operating Officer) has spent his entire career within the Company, which he joined in 1985 as Financial Controller, then going on to be Chief Financial Officer and then Deputy Chief Executive Officer. He was appointed as Chief Operating Officer in 2010 and Director in 2012. Given this Director's profile as a non-member of the «shareholder family», his compensation structure is naturally different to that of Laurent Burelle and Paul Henry Lemarié. His bonus, which accounted for approximately 45% of his fixed salary in 2014, is approved by the Board of Directors on an annual basis, after consultation with the Compensation Committee in relation to personal and financial targets (operating margin and debt). In accordance with AFEP-MEDEF recommendations and in application of the Say on Pay principle, the Shareholders' Meeting of April 30, 2015 approved Laurent Burelle's compensation by a 90.44% majority of the votes cast, whilst Paul Henry Lemarié's compensation was approved by a 90.31% majority and that of Jean-Michel Szczerba by a 90.45% majority.

3

SUSTAINABLE DEVELOPMENT

3.1 — CHALLENGES

Sustainable development is an integral part of the strategy implemented by Compagnie Plastic Omnium, which operates under a commitment to reconcile growth, support for employees, environmental stewardship, and – more broadly – the principles laid down in the UN Global Compact.

In addition to developing products to make vehicles lighter, reduce polluting emissions, and cut down on waste, Compagnie Plastic Omnium aims to promote eco-design and to reduce the environmental impact and energy consumption of its operations.

Compagnie Plastic Omnium also sees safety management as a top priority, and its Health, Safety and Environment (HSE) program is an integral part of its strategy and management.

At a time when Compagnie Plastic Omnium is strengthening its international operations and diversifying its businesses, the need to attract talent and develop the "PO Way" program represents two priorities for the future.

Compagnie Plastic Omnium, which is listed on NYSE Euronext Paris, is a holding company that has no industrial operations or employees.

The CSR indicators are collected separately by the HSE and Human Resources Departments from all sites, and are subject to consistency checks during the central data consolidation.

In the absence of public and recognized standards relevant to the operations of Compagnie Plastic Omnium, a protocol specific to the HSE and HR Departments has been prepared. It provides the definitions of the indicators identified in a single document. The CSR procedure and the consolidated results of the CSR data are subject to a review by senior management.

This information has been audited by an external organization.

The conclusions of the CSR information audit report are included at the end of the chapter and show no reservations.

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ENVIRONMENTAL AND SOCIAL INFORMATION
UNDER ARTICLES L. 225-102-1
AND L. 225-105-1 OF THE FRENCH COMMERCIAL CODE

3.2 — HSE INFORMATION

The Health, Safety and Environment (HSE) information provided below have been prepared based on the scope of consolidation used for the management accounts, with the same rules for consolidating subsidiaries, subject to a minimum ownership level of 50%. HBPO, which is proportionately consolidated at 33.33%, is not included.

The environmental data reporting scope includes all the industrial sites of Compagnie Plastic Omnium and the headquarters building in Levallois. Only one point of service of the Environment Division is included, as the environmental impact of the other points of service is not considered to be material. The water and energy consumption of the Supply-in-line sequence facilities (SILS) managed by the Auto Exterior Division and the Auto Inergy Division are also taken into account, together with their CO_2 emissions.

The safety data reporting scope covers all Compagnie Plastic Omnium's entities, including non-industrial sites.

Compared with 2013, the reporting scope now includes seven new industrial sites: four additional plants in the United States and China for the Auto Exterior Division, together with two plants in China and a Technical Centre in France for the Auto Inergy Division.

Conversely, one site in China (Auto Exterior Division) and two sites in Europe (Environment Division) have been removed from the scope.

The environmental data collected covers the first eleven months of 2014 (from January through November), and is extrapolated over twelve months.

The safety data covers the twelve months of 2014.

The HR Department provides the working hours used to calculate workplace accident frequency and severity rates to the HSE Department. This information can vary from one site to another depending on the method used to account for absences. Efforts will be made in 2015 to ensure the consistency of working hours provided by the HR Department in respect of absences.

Three indicators were not used, as they were considered irrelevant to Compagnie Plastic Omnium at present, due to the nature of its business:

- "land use";
- "adaptation to the impacts of climate change"; and
- "measures taken to preserve or develop biodiversity".

Nevertheless, these exclusions are reviewed every year in line with changes to regulations, geographic coverage and "processes".

Compagnie Plastic Omnium continues to formalize its environmental management system launched in 2001.

The Group's environmental management and reporting is based on the involvement of all players through the ISO 14001 standards, with responsibilities decentralized to each unit. Only the general strategy and the consolidation of raw site data are centralized.

Partners and suppliers are gradually being integrated into this comprehensive approach.

The active involvement of senior management and the implementation of a safety and environmental management system since 2002 are reflected in sustained improvements to the majority of indicators in 2014, with the exception of the amount of electricity used and greenhouse gas emissions:

- energy consumption ratios based on the volume of material processed:
  - electricity: 1.8 kWh/kg of material processed in 2014, compared with 1.677 kWh/kg of material processed in 2013 (an increase of 7.3%),

- gas: 0.556 kWh/kg of material processed in 2014, compared with 0.594 kWh/kg of material processed in 2013 (a reduction of 6.4%);

- likewise, the water consumption ratio based on the volume of material processed amounted to 4.805 l/kg of material processed in 2014, compared with 4.887 l/kg of material processed in 2013 (a decrease of 1.7%);
- however, the ratio of greenhouse gas emissions to the volume of material processed amounted to 0.897 kg CO_2/kg of material processed in 2014, compared with 0.831 kg CO_2/kg of material processed in 2013, representing an increase of 7.9% due to the type of electricity generation in the countries where Compagnie Plastic Omnium is experiencing strong growth;
- in order to control energy consumption, the Top Planet program was strengthened:
  - creation of best practice flyers on reducing energy consumption,
  - implementation of electricity consumption diagnostic methodology in the Auto Exterior Division and the Environment Division based on the initiative taken by the Auto Inergy Division,
  - obtaining ISO 50001 Energy Management certification for six sites in 2014, which brings the total to eight certified sites;
- in the area of safety, the year saw a 26% improvement in the workplace accidents with lost time frequency rate (temporary staff included), which came to 2.88, compared with 3.89 in 2013, while the workplace accident with and without lost time frequency rate (temporary staff included) came to 5.15, compared with 7.70 in 2013, an improvement of 33%;
- the severity rate of accidents (temporary staff included) amounted to 0.09, compared with 0.24 in 2013. This strong improvement is explained by the absence of fatal accidents in 2014, unlike in 2013, where a fatal accident at one of our facilities in Thailand led to the inclusion of 6,000 days of lost time in the severity rate calculations.

Furthermore, the ISO 14001 certification program was continued in 2014, with 90 out of 101 sites currently certified, representing 89% of the scope of certification, versus 85 out of 102 sites at year-end 2013.

At the same time, an OHSAS 18001 certification program was launched in late 2005. As at December 31, 2014, a total of 84 sites out of 100 had been certified, representing 84% of the scope of certification, versus 76 out of 100 sites at year-end 2013.

Initially obtained in December 2006, OHSAS 18001 certification for Compagnie Plastic Omnium's system that centrally manages the safety of people and property was renewed in November 2014, after a follow-up audit detected no instances of non-compliance.

As part of the initiative to develop individual and collective behavior in terms of safety, the Group organized a world safety day on October 15, 2014, involving more than 20,000 employees across 29 countries and implemented in the 17 languages spoken in-house. This initiative raised awareness among all employees of the safety challenges facing them on a daily basis. Several entities took this opportunity to develop the concept of educational stands, thereby enabling people to understand the risks related to our activities in practical terms. All Compagnie Plastic Omnium leaders were actively involved in this initiative. A multiplex facility enabled the Management Committee to discuss the event's smooth running simultaneously from sites in Asia, America and Europe.

HSE Data

Environmental impacts

Consumption of water, electricity, gas and fuel oil in 2014

		2012	2013	2014
Water in m^3(*)	Annual consumption	2,262,108	2,336,671(1)	2,246,764
	Percentage of revenue covered	*100%*	*100%*	*100%*
Electricity in kWh	Annual consumption	787,638,534	801,959,452(2)	841,492,141
	Percentage of revenue covered	*100%*	*100%*	*100%*
Gas in kWh	Annual consumption	292,912,446(3)	284,082,620(3)	260,025,512
	Percentage of revenue covered	*100%*	*100%*	*100%*
Fuel oil in m^3	Annual consumption	1,296(4)	1,178(4)	1,794
	Percentage of revenue covered	*100%*	*100%*	*100%*

(*) Sources of water supply: of 95% of the water consumed in 2014, 97% came from urban water and 3% from groundwater.
(1) The 2013 water consumption was corrected after inaccurate data was identified in two facilities.
(2) The 2013 electricity consumption was corrected after inaccurate data was identified in two facilities.
(3) The 2012 and 2013 gas consumption was corrected after inaccurate data was identified in four facilities.
(4) The 2012 and 2013 fuel oil consumption was corrected after inaccurate data was identified in three facilities.
Furthermore, over 87% of our sites have a water consumption reduction plan to improve their energy efficiency.

Consumption of plastics in 2014

Plastics comprise the main raw material used by the Compagnie Plastic Omnium's three divisions: Auto Exterior, Auto Inergy and Environment.

In metric tons		2012	2013	2014
New plastics	Annual consumption	339,085	352,529(1)	356,282
	Percentage of revenue covered	*100%*	*100%*	*100%*
Recycled plastics	Annual consumption	52,294	47,885	47,168
	Percentage of revenue covered	*100%*	*100%*	*100%*
Biosourced plastics	Annual consumption	2,783	467	1,623
	Percentage of revenue covered	*100%*	*100%*	*100%*
Total plastics	**Annual consumption**	**394,162**	**400,880(1)**	**405,074**
	Percentage of revenue covered	*100%*	*100%*	*100%*

(1) The 2013 new plastics consumption was corrected after inaccurate data was identified in two facilities.

Measures taken to improve the efficient use of plastics

The Plastic Omnium Group promotes the use of recycled and biosourced plastics:

- consumption of recycled plastics in 2014: 47,168 metric tons;
- consumption of bio-sourced plastics in 2014: 1,623 metric tons;
- furthermore, Plastic Recycling, a subsidiary owned jointly by Plastic Omnium and Derichebourg, regenerated 3,365 metric tons of plastic during the year.

Consumption of paint and solvents in 2014

Paint and solvents are used primarily by the Auto Exterior Division in automotive body components and modules.

In metric tons		2012	2013	2014
Paint	Annual consumption	8,161(1)	7,535(1)	7,977
	Percentage of revenue covered	*100%*	*100%*	*100%*
Solvents	Annual consumption	5,203(1)	6,601(1)	7,438
	Percentage of revenue covered	*100%*	*100%*	*100%*
Paint and solvents	**Annual consumption**	**13,364(1)**	**14,137(1)**	**15,415**
	Percentage of revenue covered	*100%*	*100%*	*100%*

(1) The 2012 and 2013 paint and solvent consumption was corrected after inaccurate data was identified in two facilities.

Consumption of other raw materials in 2014: wood, steel and aluminum

These raw materials are used primarily by the Environment Division.

In metric tons		2012	2013	2014
Wood	Annual consumption	74	93	72
	Percentage of revenue covered	*100%*	*100%*	*100%*
Steel	Annual consumption	57,676(1)	62,235(1)	46,325
	Percentage of revenue covered	*100%*	*100%*	*100%*
Aluminum	Annual consumption	260	790	699
	Percentage of revenue covered	*100%*	*100%*	*100%*

(1) The 2012 and 2013 steel consumption was corrected after inaccurate data was identified in one facility.

Discharges into the air in 2014

Volatile organic compounds (VOCs)

In metric tons	2012	2013	2014
VOCs	1,482	2,156(1)	2,054
Percentage of revenue covered by sites in question	*100%*	*100%*	*100 %*

(1) The 2013 VOC emissions were corrected after inaccurate data was identified in one facility.

VOC emissions are primarily attributable to the painting operations of the Auto Exterior Division.

Most of our paint lines are fitted with VOC destruction systems.

Greenhouse gases (GHG) in 2014

In metric tons of CO_2 equivalent	2012	2013	2014
CO_2*	368,583(1)	396,900(1)	419,423
Percentage of revenue covered by sites in question	*100%*	*100%*	*100%*
N_2O	0(1)	0(1)	0
Percentage of revenue covered by sites in question	*100%*	*100%*	*100%*
CH_4	4	12(2)	16
Percentage of revenue covered by sites in question	*100%*	*100%*	*100%*
HFCs	1,247	601	390
Percentage of revenue covered by sites in question	*100%*	*100%*	*100%*
PFCs	0	0	0
Percentage of revenue covered by sites in question	*100%*	*100%*	*100%*
SF_6	0	0	0
Percentage of revenue covered by sites in question	*100%*	*100%*	*100%*
Total GHG (in equivalent metric tons of CO_2)	**369,834(1)**	**397,513(1)**	**419,829**
Percentage of revenue covered by sites in question	*100%*	*100%*	*100%*

* These figures correspond to CO_2 emissions from energy consumed in industrial facilities.
Source: French Environment and Energy Management Agency (ADEME), 2012 data.
(1) The 2012 and 2013 CO_2 and N_2O emissions, together with the total amount of GHG over the same period, were corrected after inaccurate data was identified on several sites.
(2) The 2013 CH_4 emissions were corrected after inaccurate data was identified in one facility.

More than 85% of our sites have put in place measures to prevent, reduce, and/or remedy air, water and ground emissions that are harmful to the environment.

Examples:

- air: VOC destruction systems, use of hydrosoluble paint, etc.;
- water: use of closed circuits, paint sludge treatment, etc.;
- ground: areas for storing liquids (paint, solvents, oils, etc.), preliminary “phase 1” and “phase 2” studies in the event of acquisitions, etc.

Waste generated in 2014

In metric tons		2012	2013	2014
Recycled waste	Annual waste	40,387	42,279(1)	42,817
	Percentage of revenue covered	*100%*	*100%*	*100%*
Recovered waste	Annual waste	9,165	10,195	12,466
	Percentage of revenue covered	*100%*	*100%*	*100%*
Final waste	Annual waste	7,735	10,354(1)	8,841
	Percentage of revenue covered	*100%*	*100%*	*100%*
Total waste	**Annual waste**	**57,287**	**62,828(1)**	**64,124**
	Percentage of revenue covered	*100%*	*100%*	*100%*

(1) The recycled waste and final waste in 2013 was corrected after inaccurate data was identified in three facilities.

- Total cost of waste treatment: €4.9 million *(100% of revenue covered).*
- Income generated by the sale of recyclable waste by facilities: €7.3 million *(100% of revenue covered).*

Noise pollution and odors

- Several preventive and corrective initiatives have been implemented to reduce employees’ exposure to noise and odors.
- Mapping of noise exposure levels across all our sites.
- Employees are required to wear personal hearing protection (ear plugs) above regulatory thresholds.
- For example:
  - acoustic study conducted by a recognized authority at the Auto Inergy Division;
  - ambient air quality studies (fumes and dust) conducted by specialized firms in the Compagnie Plastic Omnium’s three divisions.

Physical strain

90% of the workstations at the Auto Inergy Division were assessed based on a method for rating physical strain.

Similar processes have been implemented in the other two divisions.

Chemical risk management

- Continuation of the CMR-free process within Compagnie Plastic Omnium.
- Monthly report on the monitoring of all substances used within the Group with substitutions implemented for all CMR & SVHC substances.
- Management of the database of substances used in the company, performed by a third-party partner who provides updates on developments in scientific knowledge.
- Implementation of an electronic management system for all safety data sheets (SDS).
- Multiple analyses (dust, fibers, odors, etc.) to ensure employees are not exposed to potentially hazardous substances that exceed regulatory thresholds.
- Study conducted by an external body on the health/safety challenges related to the composite activity (air installation systems in the buildings, workstation extraction flows, various exposure measurements, etc.).

Certification

The scope of certification covers all production sites in which Compagnie Plastic Omnium holds at least a 50% share.

Supply-in-line sequence facilities (SILS) are included in the certification of the production sites to which they belong.

ISO 14001

90 of 101 sites are now certified to ISO 14001 standards. This represents 89% of the scope of certification.

Compagnie Plastic Omnium regularly acquires and/or builds new plants. As a result, the objective of 91% certification for 2014 was almost achieved. The new plants are, however, committed to this process.

The objective for 2015 is 86% (because of a larger scope of certification in 2015).

OHSAS 18001

In all, 84 of 100 sites are now certified to OHSAS 18001 standards. This represents 84% of the scope of certification.

For the same reasons as for ISO 14001 certification, the objective of 87% set for 2014 was not fully achieved. However, all sites are committed to this process.

The objective for 2015 is 82% (because of a larger scope of certification in 2015).

Moreover, OHSAS 18001 certification for the Compagnie Plastic Omnium system that centrally manages the safety of people and property (initially obtained in December 2006) was renewed in November 2014 after a follow-up audit detected no instances of non-compliance.

Organization

The Health, Safety and Environmental management organization launched in 2001 is supported by:

- a Group HSE Department, which implements the HSE strategy defined by the Executive Committee and leads and coordinates action plans related to the safety management system;
- a HSE network composed of dedicated correspondents in each division;
- the integration of safety performance goals in individual objectives;
- monthly reporting of the main Safety and Environmental indicators, which are discussed, along with financial indicators, at each Group Executive Committee meeting;
- three Group HSE Committees held per year, with Executive Committee participation.

Safety and environmental training

- Information/awareness raising: 112,435 hours of information/awareness-raising sessions were provided to 55,872 participants in 2014 *(100% of revenue covered)*.
- Training: 125,865 hours of training were provided to 24,577 participants in 2014 *(100% of revenue covered)*.
- Deployment of the Top Safety training program was accelerated in 2014, with 40 training sessions offered in Europe, the United States, Mexico, South America and Asia. Introduced in 2005, the training program is designed to instill a culture of safety that, over the long term, will help the Company create an accident-free workplace.

270 managers were trained in 2014, which brings the total number of managers trained since the launch of the Top Safety program to 1,701. In addition, 286 technicians followed the “Top Safety Maintenance” training launched in 2014 for their attention.

Moreover, awareness was raised among 1,374 people in 2014, which brings the total number of people informed by the Top Safety program since 2005 to 13,621.

Development of HSE leadership

- The HSE plan introduced by the Executive Committee in 2012 is based on five pillars that reflect Compagnie Plastic Omnium’s commitment to continue to strengthen the safety of people and property, and to minimize the environmental impact of its operations. The plan’s implementation improved by 6 percentage points in 2014 (74% of objectives reached in 2014 versus 68% in 2013). This plan aims to support all employees in developing their HSE behavior.
- One of the factors involved in the HSE plan’s success lies in the strict application of the “6 non-negotiables”, distributed in the 17 languages spoken in Compagnie Plastic Omnium facilities:
  - pedestrian circulation;
  - personal protective equipment;
  - forklifts;
  - suspended loads;
  - LOTO procedure;
  - working at heights.
- During the annual meeting of the top 100 Compagnie Plastic Omnium managers (Top 100), the participants spent half a day following an HSE course comprising seven educational stands. These illustrated the issues that would result from the failure to comply with the “6 non-negotiables”.

Environment- and safety-related spending and investments

- Research and Development: €271 million, equivalent to 5.1% of consolidated revenue.
- Safety and Environmental spending: €12.6 million *(100% of revenue covered)*.
- Capital expenditure and projects: €350 million.
- Specific Safety and Environmental spending: €4.6 million *(100% of revenue covered)*.
- Environmental risk provisions: €8.9 million *(100% of revenue covered)*.
- No products are manufactured using asbestos.

It should be noted, however, that changes in the scope of consolidation, the allocation base and the response rate between 2013 and 2014 had a slight influence on changes in indicators.

Health and safety information

Occupational illnesses

	2012	2013	2014
Number of occupational illnesses declared	26	19	23
Number of occupational illnesses recognized	24	18	26

Occupational illnesses reported in the seven categories listed by the World Health Organization.

Safety indicators (including temporary staff)

	2012	2013	2014
Number of first aid cases	1,980	1,854	1,980
Number of workplace accidents without lost time	185	170	103
Number of workplace accidents with lost time	173	174	131
Number of days of workplace accident-related lost time	4,371	10,644*	4,235

* Includes 6,000 days of lost time due to a fatal accident at a Group facility in Thailand in April 2013.

Accident frequency and severity rates (temporary staff included)

	2012	2013	2014
Frequency rate of workplace accidents with lost time *in number of accidents per million hours worked*	4.07	3.89	2.88
Frequency rate of workplace accidents with and without lost time *in number of accidents per million hours worked*	8.43	7.70	5.15
Severity rate of workplace accidents *in number of days lost for accidents with lost time per thousand hours worked*	0.10	0.24*	0.09

* Includes 6,000 days of lost time due to a fatal accident at a Group facility in Thailand in April 2013.

Accident frequency and severity rates (excluding temporary staff)

	2012	2013	2014
Frequency rate of workplace accidents with lost time *in number of accidents per million hours worked*	3.83	3.93	2.82
Frequency rate of workplace accidents with and without lost time *in number of accidents per million hours worked*	8.43	8.03	5.30
Severity rate of workplace accidents *in number of days lost for accidents with lost time per thousand hours worked*	0.12	0.29*	0.11

* Includes 6,000 days of lost time due to a fatal accident at a Group facility in Thailand in April 2013.

These figures directly reflect the impact of actions undertaken over the past twelve years to improve workplace safety.

Agreements on health and safety at work

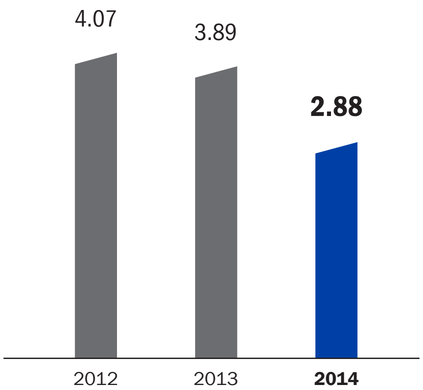
31 agreements on health and safety at work applied in 2014.

In France, agreements related to physical strain at work laid emphasis on ergonomics in the workplace.

For example, the Auto Inergy Division has performed an ergonomic assessment of 90% of its workstations using a method to rate physical strain.

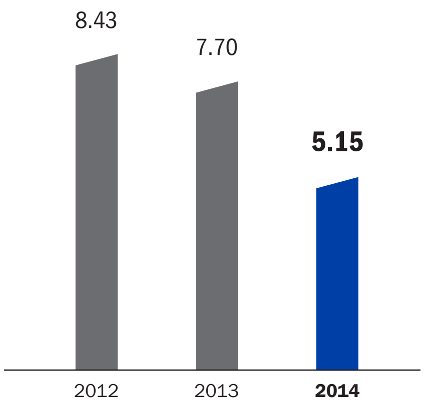
CSR PERFORMANCE

FREQUENCY RATE OF WORKPLACE ACCIDENTS WITH LOST TIME*



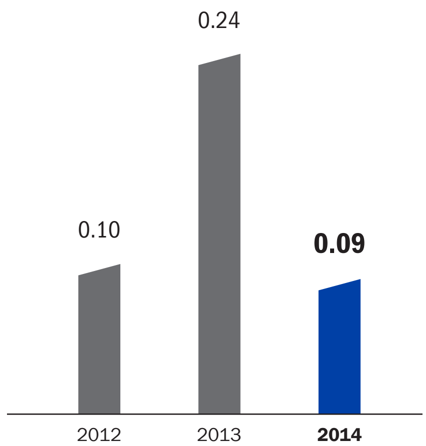
* In number of accidents per million hours worked.

FREQUENCY RATE OF WORKPLACE ACCIDENTS WITH AND WITHOUT LOST TIME*



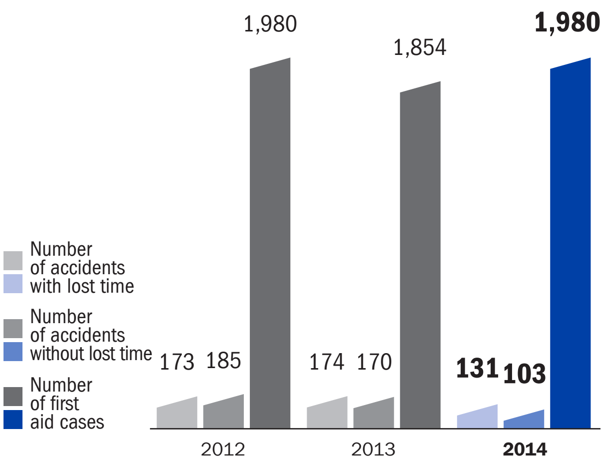
* In number of accidents per million hours worked.

SEVERITY RATE OF WORKPLACE ACCIDENTS*



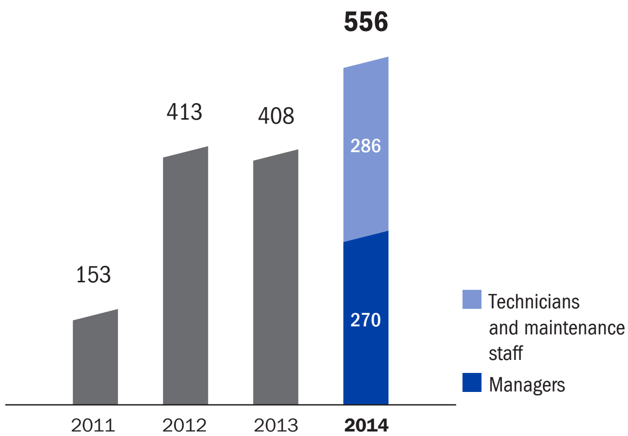
* In number of days of accident-related lost time per thousand hours worked.

ACCIDENTAL EVENTS (WORKPLACE ACCIDENTS WITH LOST TIME, WORKPLACE ACCIDENTS WITHOUT LOST TIME, FIRST AID)

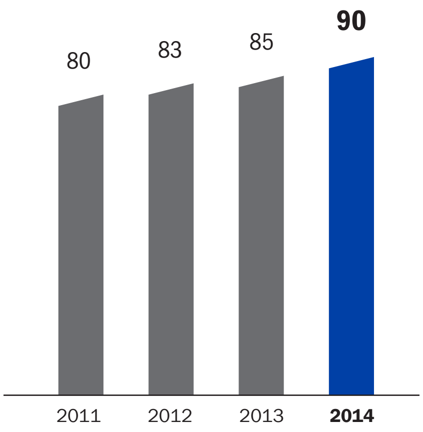


The indicators provided concern Compagnie Plastic Omnium employees and temporary employees.

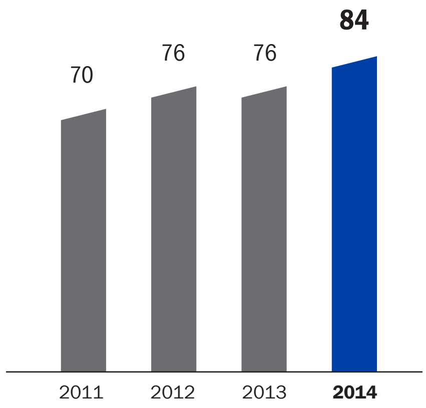
NUMBER OF MANAGERS HAVING RECEIVED TOP SAFETY TRAINING



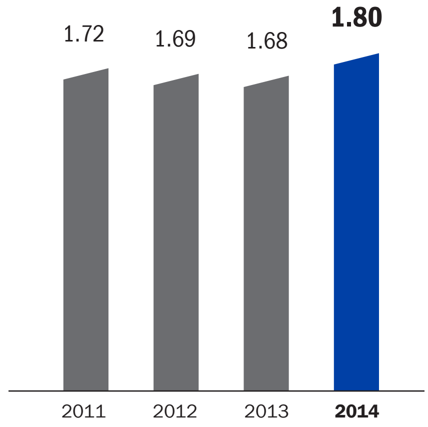
NUMBER OF SITES CERTIFIED TO ISO 14001 STANDARDS



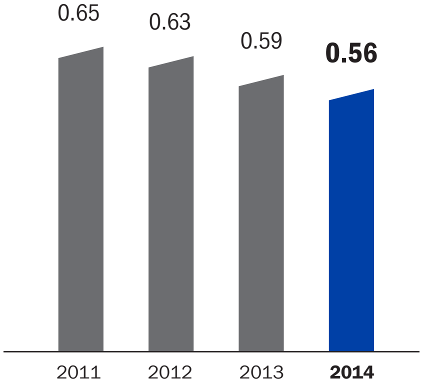
NUMBER OF SITES CERTIFIED TO OHSAS 18001 STANDARDS



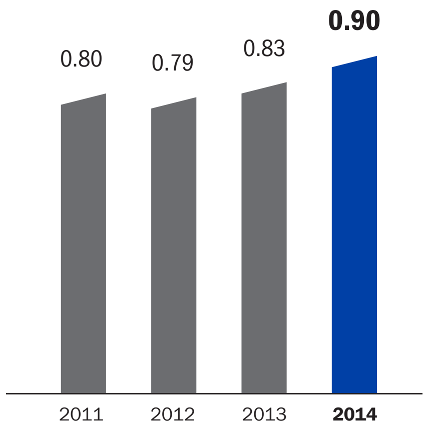
ELECTRICITY CONSUMPTION IN KWH PER KG OF MATERIAL PROCESSED



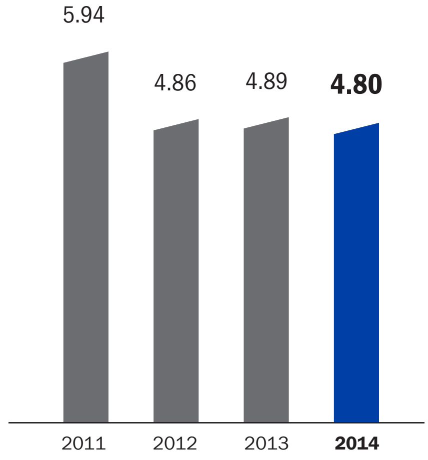
GAS CONSUMPTION IN KWH PER KG OF MATERIAL PROCESSED



GREENHOUSE GAS EMISSIONS IN KG OF CO_2 PER KG OF MATERIAL PROCESSED



WATER CONSUMPTION IN LITERS PER KG OF MATERIAL PROCESSED



Review of initiatives in 2014 and outlook

A signatory of the UN Global Compact in 2003, Compagnie Plastic Omnium reports its achievements and progress every year.

This information is published on www.unglobalcompact.org and www.pactemondial.org.

Industrial processes and management: the five pillars of Plastic Omnium's HSE program

Pillar	Theme	Results for 2014	Outlook
01 MACHINES AND MATERIALS	**Chemical risk management**	→ Continuation of the CMR-free process within Compagnie Plastic Omnium. → Monthly report on the monitoring of all substances used within the Group with substitutions implemented for all CMR & SVHC substances. → Management of the database of substances used in the Company, performed by a third-party partner that provides updates of developments in scientific knowledge. → Implementation of an electronic management system for all safety data sheets (SDS). → Multiple analyses (dust, fibers, odors, etc.) to ensure employees are not exposed to potentially hazardous substances that exceed regulatory thresholds. → Study conducted by an external body on the health/safety challenges related to the composite activity (air installation systems in the buildings, workstation extraction flows, various exposure measurements, etc.). → 84 people trained to use database management software.	→ Continuation of the substitution process to obtain CMR-free status across all divisions of Compagnie Plastic Omnium. → Inclusion of new sites in the chemical risk management process. → Studies on the development of global regulations with a law firm on potentially hazardous substances: styrene, carbon fiber, fiberglass, etc. → Audits of compliance with the REACH requirements and internal standards. → Benchmark visit on HSE challenges at the premises of a carbon-fiber producer.
	Compliance of equipment	→ All new sites and acquisitions have been included in the program to manage non-compliant equipment. → Systematic approval of all new equipment by an external body. → Organization of 12 training sessions on equipment compliance for all maintenance and design staff within Compagnie Plastic Omnium. → Global tender bid to identify a partner able to support the Group in the equipment compliance program, based on criteria of geographic location, consistent risk assessment, the inclusion of the specific features of each division in the audited standards, and connected knowledge-sharing tools.	→ Continued implementation of training modules on equipment compliance for all maintenance and design staff within Compagnie Plastic Omnium (seven sessions planned for 2015). → Implementation of the framework agreement with the partner chosen in accordance with the bid specifications. → Inclusion of new sites in the equipment compliance process.
	Lockout-tagout (loto) procedure	→ All divisions have strengthened the proper application of their lockout-tagout (LOTO) standard. → Creation of several educational demonstrators on the issues of LOTO within the Auto Inergy Division in order to raise employee awareness in a practical manner. → Implementation, together with a third party, of 20 training sessions in 10 countries for staff working on equipment.	→ Implementation of educational demonstrators on LOTO challenges within three divisions. → Continued implementation, together with a third party, of 25 training sessions in 14 countries for staff working on equipment.

Pillar	Theme	Results for 2014	Outlook
02 STAFF AND LEADERSHIP	**Essential rules**	→ Strict application of the six non-negotiables: • pedestrian circulation; • personal protective equipment; • forklifts; • suspended loads; • LOTO procedure; • working at heights. → During the annual meeting of the top 100 Compagnie Plastic Omnium managers (Top 100), an HSE training initiative spanning half a day included seven educational stands to convey the issues linked to failure to comply with the six non-negotiables. → Distribution of the six non-negotiables to all employees in pocket-sized format and in 17 languages. → Deployment of behavioral training aimed at all technicians and maintenance staff.	→ Creation of mobile educational stands conveying the issues linked to non-compliance with the six non-negotiables intended to be used during new employee integration seminars and by the teams responsible for R&D. → Development of the concept of educational stands across all the Company's entities.
	Behavioral training	→ Holding of a world safety day on October 15, 2014, involving more than 20,000 employees across 29 countries, implemented in the 17 languages spoken in-house. This initiative raised awareness among all employees of the safety challenges facing them on a daily basis. Several entities took this opportunity to develop the concept of educational stands, thereby enabling people to understand the risks related to our activities in practical terms. All Compagnie Plastic Omnium leaders were actively involved in this initiative. A multiplex facility enabled the Executive Committee to discuss the event's smooth running simultaneously from sites in Asia, America and Europe. → 270 managers from 8 countries were trained in the Top Safety modules through 20 sessions organized in Germany, China, Spain, the United States, France, the United Kingdom, Mexico and Slovakia. → 286 technicians and maintenance staff from 10 countries were trained in the Top Safety modules through 20 sessions organized in Germany, Argentina, Brazil, China, Spain, the United States, France, the United Kingdom, Mexico and Thailand.	→ Renewal of the principle of a world safety day. → Approximately 120 managers from 5 countries will be trained in the Top Safety modules through eight sessions during 2015. → More than 300 technicians and maintenance staff from 14 countries will be trained in the Top Safety modules through 25 sessions during 2015. → Development of the skills of the HSE network during the next Annual Convention: behavioral approach, definition of individual profiles, delegation, positive communication, etc.
	HR & HSE Processes	→ 33,857 Top Safety visits were made across all Compagnie Plastic Omnium sites (the number of visits per employee and per year increased from 1.28 in 2013 to 1.51 in 2014). → All managers have individual safety objectives. → Assessment of HSE staff competency performed as necessary. → Presentation of safety awards to sites meeting the pre-determined criteria during the Top 100. → Implementation of the HSE training offer (on-site training and e-learning) on the HR training management platform. → Global HSE convention bringing together 80 participants from 23 countries.	→ Approximately 30,000 Top Safety visits planned for the year, with the target of 1.30 visits per employee and per year. → Continuation of main HSE initiatives: • safety awards; • global HSE convention; • training, etc. → Each company employee is given an individual safety objective. → Inclusion of HR and HSE measures into a more comprehensive corporate social responsibility (CSR) approach.

Pillar	Theme	Results for 2014	Outlook
03 SITES AND PROJECTS	**Fire prevention/ protection**	→ One additional site obtained the HPR label awarded by our insurers based on criteria standardized by the profession. → Our insurers and broker worked on some 20 industrial projects to control prevention/ protection issues. → Overhaul of the fire prevention/protection standards through new procedures available on the Compagnie Plastic Omnium intranet: “new constructions”, “paint lines”, “injection presses”, “protection of IT rooms” and “air-conditioning”.	→ Guaranteeing that all Compagnie Plastic Omnium sites audited by insurers have an above-average prevention/protection rating. → Nine additional HPR-labeled sites in the year. → Continued involvement of insurers and broker in the preparation of industrial projects. → The building of any new sites must obtain the HPR label.
	Mergers & acquisitions	→ Environmental assessment carried out on all newly built or acquired sites: soil contamination, environmental impact, compliance, etc.	→ Improvement of knowledge of environmental challenges for all our sites.
	Controlling our energy consumption: Top Planet program	→ Creation of best practice flyers on reducing energy consumption. → Implementation of electricity consumption diagnostic methodology in the Auto Exterior Division and the Environment Division, following the example of the Auto Inergy Division. → Obtaining ISO 50001 Energy Management certification for the following sites: AI Pfastatt, AE Vernon & Fontaine, Environnement SULO Herford Bins, Herford Drums & POE GmbH.	→ Implementation of new best practice flyers on reducing energy consumption. → Grant of Top Planet Awards to sites meeting predetermined criteria and taking into account the challenges of the ISO 50001 process. → ISO 50001 Energy Management certification for new sites in the Auto Exterior and Auto Inergy Divisions. → Continued implementation of electricity consumption diagnostic methodology in all three divisions. → By December 2015, performance of energy audits, as a minimum, at European sites which meet regulatory levels and have not yet received ISO 50001 certification. → By end-2015, assessment of greenhouse gas emissions, as a minimum, at French sites.
04 PROCEDURES AND MANAGEMENT	**HSE Reporting**	→ Frequency rate of workplace accidents with lost time, including temporary staff = 2.88 versus 3.89 in 2013: 26% improvement. → Frequency rate of workplace accidents with and without lost time, including temporary staff = 5.15 versus 7.70 in 2013: 33% improvement. → Severity rate of workplace accidents, including temporary staff = 0.09 versus 0.24 in 2013. → Safety management system based on five pillars: machines and materials, staff and leadership, sites and projects, procedures and management, and working conditions. Achievement of the five pillars of the HSE plan = 74%. → 90 sites certified to ISO 14001 standards (89%) versus 85 sites in 2013 (83%). → 84 sites certified to OHSAS 18001 standards (84%) versus 76 sites in 2013 (76%). → Audit of our non-financial indicators by an external body. → Centralized reporting of all instances of first aid and near-accidents.	→ Frequency rate of workplace accidents with lost time, including temporary staff = 2.50 in 2015. → Frequency rate of workplace accidents with and without lost time, including temporary staff = 4.50 in 2015. → 75% achievement of the five pillars of the HSE plan. → 96 sites certified to ISO 14001 standards in 2015, i.e. 86% of the new consolidation scope (larger scope). → 90 sites certified to OHSAS standards in 2015, i.e. 82% of the new consolidation scope (larger scope). → Audit of our non-financial indicators by an external body. → Implementation of a tool enabling qualitative reporting of accidental events.

Pillar	Theme	Results for 2014	Outlook
	HSE Management	→ Retention of OHSAS 18001 certification for the system which centrally manages the safety of people and property. → Monthly HSE review at Group Executive Committee meetings. → Three Group HSE Committees held in the year, with Executive Committee participation. → HSE review performed systematically with the Internal Audit teams while completing their assignments. → Integration of the monitoring of the implementation of critical HSE recommendations within the Internal Audit Department's risk management system. Follow-up in Group HSE Committees.	→ Retention of existing management processes. → External benchmarks established with the HSE network and foremost HSE companies to define a vision for 2016-2018.
	Outsourcing and suppliers	→ General purchasing conditions take social, societal and environmental criteria into consideration. → The supplier audit form includes CSR questions. → Several supplier audits were carried out on HSE and CSR criteria.	→ Inclusion of the supply-chain approach in the CSR process (audit standards, number of audits, etc.).
05 WORKING CONDITIONS	**Ergonomics**	→ Each division has developed corrective methodology to analyze workstations and improve ergonomics. → Creation of a virtual reality room to develop ergonomic design within the Auto Inergy Division. → Gradual rollout of three e-learning modules dedicated to ergonomics. → Taking into account of ergonomic tools and standards in the different stages of designing our industrial projects. → Several ad hoc initiatives implemented on-site with ergonomists, osteopaths, etc. → Study carried out within the Auto Exterior Division on the inclusion of ergonomics in the organization.	→ Encouraging possible synergies with the virtual reality room among the three divisions. → Recruitment of an ergonomist within the Auto Exterior Division. → Continuation of all initiatives: • corrective ergonomics; • design ergonomics; • on-site training and e-learning, etc.
	Noise levels/ environmental noise	→ Mapping carried out across all company sites. → Wearing of hearing protection compulsory in all danger zones.	→ Hearing tests with audiograms performed for operators. → Action plans implemented to lower the noise level of all our machines below 87dB.
	Occupational illnesses	→ Monthly reporting on declared and recognized occupational illnesses.	→ Performing 8D analyses for each occupational illness.

Products and services

Pillar	Theme	Results for 2014	Outlook
01 PEDESTRIAN PROTECTION	**Pedestrian safety**	→ Proposed architecture combining thermoplastics and composites. → More widespread use of low-level supports providing maximum leg protection. On the European market, all bumpers designed and manufactured by Plastic Omnium comply with European regulations. → Proposal for a hybrid metal/composite hood providing head protection.	→ Continuing progress in this area, with solutions that also help to make vehicles lighter. → Developing a full range of solutions for pedestrian protection.
02 CLEAN MOBILITY	**Lighter vehicles and emissions control systems**	→ Continuation of the program with solutions for lighter and more aerodynamic vehicles, to reduce CO_2 emissions. → Extension of the range of tailgates providing increasing weight savings. → Work and developments under way on structural parts in high-performance composite materials. → Development of a new emissions control system for NO_x, $DINO_x$ Enhanced, which supplements the Plastic Omnium range in this area.	→ Continuing Innovation programs on high-performance composites for applications in body parts, together with semi-structural and structural applications. → Continuing work on alternative propulsion systems such as hybrids developed using water or hydrogen, and improving expertise in electronics and control systems for storing, measuring and distributing fluids: fuel or urea (AdBlue®).
03 MANAGEMENT OF HOUSEHOLD WASTE	**Sorting and recycling**	→ Launch of new underground container stations and crane lifts that supplement the range of public waste receptacles. → Implementation of waste management plans to increase their sorting and recycling.	→ Continuing rollout of Data Management services which help local authorities to hit their waste recycling targets and to stay within budget.
04 SAVING FOSSIL FUELS	**Eco-design and recycling**	→ Continuation of research projects conducted within the Research Cluster: Research in Eco-design & Recycling (CREER), of which Plastic Omnium is a founding member. → Finalization of the VALEEE and TRIPTIC projects regarding (i) the recovery of polypropylene in waste from electrical and electronic equipment and (ii) the optimized sorting of crushed materials. → Marketing of a series of product innovations for 120, 140 and 180 liter wheeled bins. → 47,168 metric tons of recycled material processed in the Group's plants.	→ Continuing these initiatives to reduce the carbon footprint of vehicles and waste containerization equipment. → Fostering the development of recycling processes for end-of-life automotive parts and end-of-life vehicles (ELV) to reach the 2015 recycling and recovery objectives. → Continuing research to increase the share of recycled material in manufacturing wheeled bins for waste collection.
05 "GREEN" MATERIALS	**Reducing the carbon footprint**	→ Manufacture and marketing of two- and four-wheeled bins in 100% plant-based polyethylene derived from sugar cane.	→ Use of 100% plant-based materials for the manufacture of other equipment, such as crane lifts for public waste receptacles.

3.3 — SOCIAL INFORMATION

Social information

Committed to a sustainable development policy and mindful of meeting its obligations, Plastic Omnium has developed a solid and efficient foundation to guarantee an ambitious corporate social responsibility (CSR) policy.

To accomplish this, Plastic Omnium has staffed a team to consolidate data and in a pre-existing reporting software program configured to meet CSR needs. This tool disseminates the relevant indicators consistently and worldwide. Data consolidation and a centralized control method were improved to ensure greater reporting reliability. A specific protocol for the Health, Safety, Environment and Human Resources Departments was developed and provides definitions for the indicators identified, in a single document. The CSR procedure and the consolidated results of the CSR data are reviewed by senior management.

1. Scope of the report

1.1 The workforce by type of contract and temporary employees at December 31 includes all of the legal entities in the management account scope of consolidation from the time they are fully or proportionately consolidated, in accordance with the percentage at which the entities are consolidated. In particular, HBPO and YFPO are therefore included.

1.2 Likewise, registered employees are divided up by men/women, by operators/employees/managers, as well as by age group, and temporary employees are included from all of the legal entities in the scope of consolidation from the time they are fully or proportionately consolidated, in accordance with the percentage at which the entities are consolidated.

1.3 Other HR data excludes HBPO from this scope since it is not available at this level of detail.

2. Indicator calculation methods

Indicators were approved on December 31, except for the following indicators:

2.1 The indicators approved on November 30 and extrapolated to December 31 based on the ratio of employees at December/employees at November: gender breakdown, breakdown by operators/employees/managers, employees working in shifts or part-time, number of women managers.

2.2 The indicators approved on November 30 and extrapolated to December 31 based on the 12/11 ratio: internal and external training hours, invoices from training organizations, number of interns, number of employees trained since January 1.

2.3 The indicators approved on November 30 and considered to be valid for the entire year: hours worked per week, percentage of employees covered under a collective agreement, percentage of employees trained throughout the year, number of disabled workers, workstations adapted for disabled workers.

2.4 The indicators approved on October 31 and considered to be valid for the entire year: number of incidents of discrimination, number of measures taken following incidents of discrimination, committees, other commissions, number of labor unions represented, agreements on health and safety at work.

2.5 HBPO's employee indicators for gender breakdown and the breakdown by operators/employees/managers were distributed proportionally to the information on actuals provided, excluding YFPO.

3. Employees

3.1 Breakdown of total staff by category at December 31

	2012	2013	2014
Registered employees	18,341	17,971	17,541
Permanent employment contracts	16,143	16,500	16,080
Fixed-term employment contracts	2,198	1,471	1,461
Men	14,206	13,914	13,599
Women	4,135	4,057	3,942
Manufactoring workers	10,042	9,423	8,820
Administrative staff, technicians and supervisors	4,975	5,046	4,676
Managers	3,324	3,502	4,045
Temporary staff	2,693	4,096	4,283
Total employees (registered + temporary)	21,034	22,067	21,824
Temporary workers average (full-time equivalent)	2,898	3,741	4,201

At the end of 2014, the Group had 21,824 employees.

Total staff numbers have remained very stable (–1%) compared to end-2013, which illustrates Plastic Omnium's high-quality staff management and cost control.

The increase in the number of managers (+16%) corresponds to an increase in business, and also better integration of management staff from Chinese subsidiaries into our reporting.

Operations have remained strong, as shown by overtime levels (converted into full-time equivalents: 1,033 in 2014) and the 12% increase in the number of temporary workers compared to 2013. This is also related to new project launches and the creation of 12 new entities (see table below).

The creation of a new research center called Auto Inergy Alphatech in Picardy also falls under this vision and demonstrates the Group's desire to invest in R&D.

	Division	Country	Companies	Total employees at December 31, 2014
New companies	**Auto Exterior**	China	HBPO China BJ	5
			YFPO Changsha	17
			YFPO Changshu	18
			YFPO Wuhan	17
		Germany	HBPO Regensburg	9
		Japan	HBPO Japan	2
		Korea	HBPO Korea KR_HQ	2
			HBPO Pyongtaek	4
		USA	Chattanooga	26
	Auto Inergy	Brazil	São Paulo	10
		China	Ningbo	24
		France	α-Alphatech	460
		Russia	DIPO Saint Petersburg	6
Total				**599**

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At the same time, Plastic Omnium has continued its restructuring efforts, which have primarily affected the Auto Inergy Laval site with the closure of their Technical Department and the transfer of operations to the Auto Inergy Alphatech site in August 2014.

Consequently, 147 employees were affected by the plan.

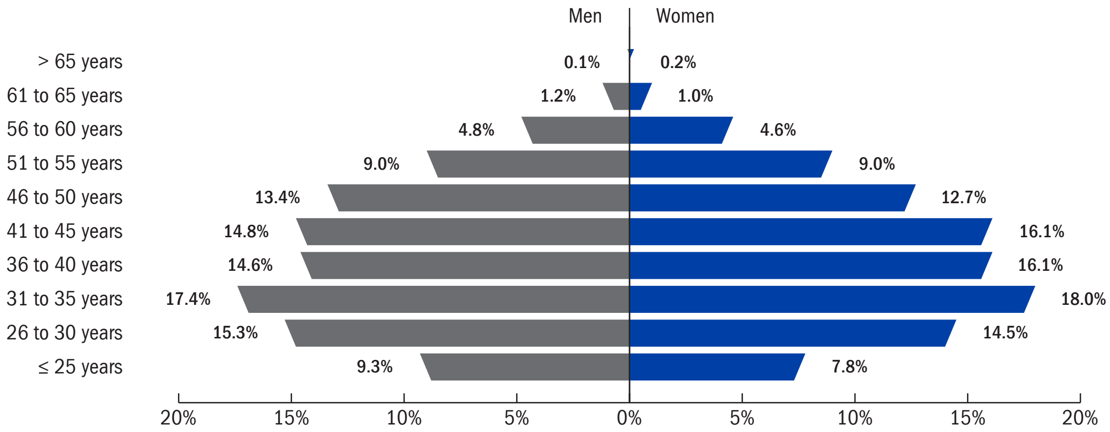
Lastly, closures, deconsolidations and the disposal of several sites were carried out across the Group (see table below). On a like-for-like basis, staff numbers would have grown by 198 people.

	Division	Country	Companies	Total employees at December 31, 2014
Closed sites	**Auto Exterior**	China	Changchun	34
		Germany	Eisenach	14
	Environment	Czech Republic	Sulo UT CZ Republik	4
	Auto Inergy	Inde	Sanand	1
Disposed site	**Environment**	Switzerland	SG Signal AG	215
Closure/Disposal total				**268**
Deconsolidated sites	**Auto Exterior**	China	JV Chengdu YFPO	91
			JV Wuhan YFPO	28
		Korea	HBPO JV SAMLIP Korea	54
Total deconsolidation				**173**
Total				**441**
Balance less closure/disposal and deconsolidation				**(243)[1]**
Balance including closure, disposal and deconsolidation				**198**

(1) 243 is the difference between December 2013 and December 2014 headcount.

3.2 Gender breakdown

The trend at Plastic Omnium confirms that of the automotive sector in that there is a large majority of men: 80% versus 20% women (among our registered employees).

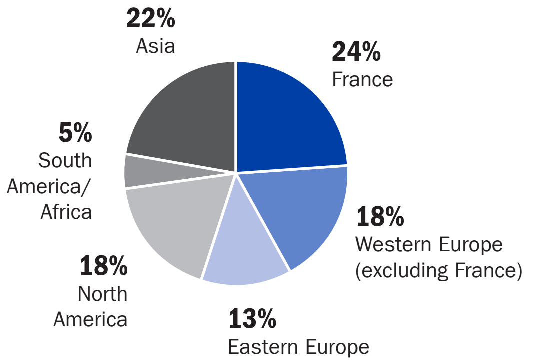


3.3 Breakdown of the population by region

EMPLOYEES BY REGION

	Permanent employment contract	Fixed-term employment contract	Total registered employees	Temporary staff	Total
France	4,474	33	4,507	726	5,233
Western Europe excluding France	3,006	177	3,183	769	3,952
Eastern Europe	1,743	511	2,254	498	2,752
North America	2,556	687	3,243	577	3,820
South America + Africa	1,107	22	1,129	66	1,195
Asia	3,194	31	3,225	1,647	4,872
Total	**16,080**	**1,461**	**17,541**	**4,283**	**21,824**

EMPLOYEES AT DECEMBER 31, 2014



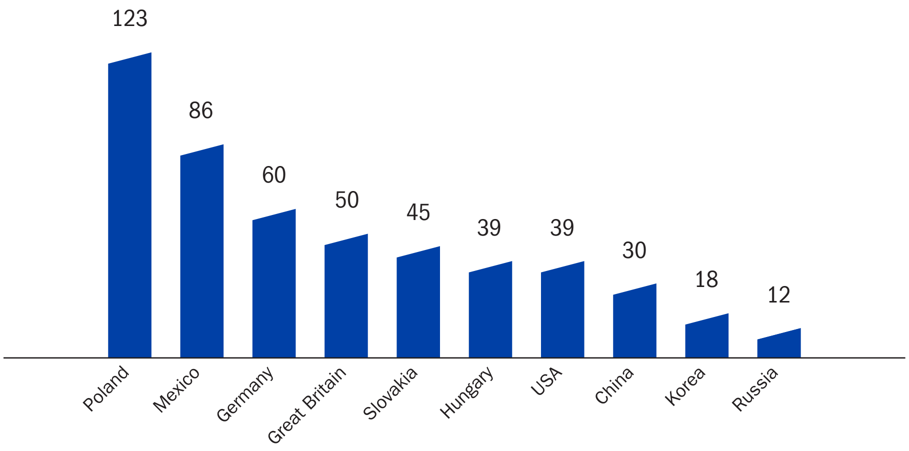
The percentage of employees outside France accounted for 76% of the Group's employees in 2014.

Plastic Omnium is located close to our customers, which explains why a substantial portion of our employees is in high growth countries. Plant openings confirm this trend, notably in Asia, where employees represent 22% of all employees.

24% of employees are located in France, 18% in Western Europe and 13% in Eastern Europe. Poland is the country that has experienced the most growth, particularly with the SCR project (see chart below).

Employees in the United States grew 1 point, a trend that will become more pronounced with the opening of plants in Chattanooga and Fairfax. In contrast, the decline in business in Latin America made their percentage of employees drop by 0.8 point.

POSITIVE VARIATIONS BETWEEN 2013 AND 2014



3.4 Mobility for managers

The Group's talent policy and growth offers more career opportunities for our managers.

13% of managers have experienced a career move in 2014, compared with 9% in 2013.

Internal mobility and internal promotions thus allowed us to fill more than 90% of vacant key positions in 2014.

We particularly emphasize talent management and key resources externally, through our strong employer brand, and internally, through accelerated manager development. A mobility management tool enables each employee to indicate their desires in terms of mobility and to complete their internal résumé. It also allows them to consult internal job postings and submit an application.

Conscious of future challenges, Plastic Omnium is adopting an ambitious and modern skills management outlook.

3.5 New hires and departures

NUMBER OF EMPLOYEES HIRED DURING THE YEAR

	2012	2013	2014
Managers hired		429	634
Non-managers hired		2,711	2,338

NUMBER OF EMPLOYEE TERMINATIONS DURING THE YEAR

	2012	2013	2014
Redundancies	87	388	367
Terminations for other reasons	473	744	718
Total terminations	560	1,132	1,085

In 2014, 2,972 people were hired, 634 of whom were managers. Plastic Omnium is thus continuing an active recruitment policy, notably in high-growth countries, and is putting in place partnerships with the most prestigious engineering schools. This is especially true in China, with the Centrale School in Beijing.

At the same time, an active integration program for international corporate experience (VIE) is in place and enables young talented individuals to obtain experience abroad. These young people in the VIE program constitute a substantial source of young talent for future hires. VIE submissions have doubled in one year.

Our expatriation policy is also gaining strength for the most committed managers, with more than 30% of assignment missions for which ones home country is not France.

Lastly, Plastic Omnium is developing new recruitment tools to better meet the needs of an ever-changing market. The goal is to increase Plastic Omnium's appeal by offering a modern careers website and offering new recruitment methods by using digital tools to their full capacity (professional social networks, specialized recruitment websites).

At the same time, Plastic Omnium faces increasing pressure in the global jobs marketplace. The number of departures increased 38% among managers, and resignations accounted for nearly half of them. In order to retain our talented employees, Plastic Omnium has implemented several initiatives in addition to our manager mobility policy:

- an annual career interview to retain talented employees;
- an automatic exit interview for departures: this is in the form of a single, computerized questionnaire rolled out to Group entities. The questionnaire is then regularly analyzed to identify the main causes of departure;
- the 2013 satisfaction survey rolled out internationally to all employees made Management aware of and highlighted areas of improvement. Corrective actions have also been implemented in most sites;
- lastly, an orientation seminar enables us to welcome new managers and create genuine cohesion between employees by passing on the Group's values.

Redundancies have declined slightly.

4. Organization of working hours

OVERTIME

	2012	2013	2014
Hours worked per week	35 to 48 hours	35 to 48 hours	35 to 48 hours
Overtime (full-time equivalent)(1)	1,026	1,179	1,033

(1) Overtime is processed excluding subsidiaries in which the Company has a minority stake.

TOTAL NUMBER OF EMPLOYEES WORKING IN SHIFTS

	2012	2013	2014
Employees working in shifts	10,034	9,564	9,716
Of which employees working only nights	1,157	987	1,026
Of which employees working only weekends	118	121	63
Part-time employees	366	338	291

5. Absenteeism in the year (% of hours worked)

	2012	2013	2014
Absenteeism rate due to workplace accidents	0.07%	0.10%	0.10%
Absenteeism rate due to other causes	2.61%	2.74%	2.57%
Total absenteeism rate	2.69%	2.84%	2.67%

6. Anti-Discrimination Policy

The Group's Code of Conduct confirms Compagnie Plastic Omnium's commitment to maintaining a professional environment where employees are treated with respect and where they are not subject to any verbal or physical harassment, or to any racial, religious, sexual or other discrimination.

Additionally, across all its countries of operation, the Group complies with the fundamental principles of the ILO charter in its human resources policy regarding: freedom of association and the right to collective bargaining, elimination of discrimination in terms of employment and occupation, elimination of forced or compulsory labor, as well as the abolition of child labor.

Plastic Omnium signed the UN Global Compact and renews its commitment every year via a letter signed by the Chairman.

6.1 Incidents of discrimination

	2012	2013	2014
Number of incidents of discrimination	–	0	0
Number of measures taken following incidents of discrimination	–	0	0

6.2 Gender Equality

	2012	2013	2014
Number of women managers at December 31	649	654	811
Number of women managers hired during the year	149	95	126

Through its Code of Conduct and membership in the UN Global Compact, Plastic Omnium has undertaken not to practice any discrimination either on hiring employees or during their professional careers. Every year, comparative analyses of compensation for men and women are carried out in the different countries. In France, Plastic Omnium has partnered with an association striving to promote engineering and technician professions among women, and to encourage women to choose these careers.

6.3 Disabled Employees

	2012	2013	2014
Number of disabled workers	301	285	311
Workstations adapted for disabled workers	–	48	42
Number of disabled workers recruited in the year	–	5	20

Plastic Omnium has a policy of non-discriminatory recruitment and a policy of retaining disabled workers in employment. It is within this context that 20 disabled employees were hired at the end of December 2014.

For example:

- the Plastic Omnium Group outsources work to workshops promoting the occupational integration of people with disabilities whenever possible (catering, reprography, etc.);
- lastly, the Bort-les-Orges site (Environment) called upon a service provider to further the professional integration of disabled workers.

7. Employee Relations

	2012	2013	2014
Existing committees	156	157	157
Of which Works Councils		60	60
Other committees (training/ideas)	77	71	71
Number of trade unions represented	32	30	31
Number of Company agreements signed during the year	114	147	126(1)
Percentage of employees covered by a collective agreement	–	57%	59%

(1) The number of agreements signed during the year decreased due to a clarification of the definition: when an agreement has been signed at the Economic and Social Unit (a grouping of distinct legal entities) level, this agreement is recorded at that level and not in each of the sites where it is applicable.

Plastic Omnium has an employee relations policy which aims to develop dialog and cooperation in the countries where it operates.

For this purpose, 59% of employees around the world are covered under a collective agreement and 126 agreements have been signed this year.

As part of the proactive approach toward health, safety and the environment, the Group now has 31 agreements in effect related to health and safety at work, versus 18 in 2013.

The number of labor unions represented is relatively stable (+1).

Since 1996, the European Cooperation Committee holds one meeting per year. This consultative committee comprises of 31 employees representing eight countries.

This year, in preparation for the inter-generational agreements signed by French entities entering into effect, 13 information sessions on retirement have been organized for 288 people.

8. Training

	2012	2013	2014
Training commissions	–	29	33
Number of employees who received training	37,683	38,533(1)	94,205(2)
Number of training sessions per employee per year	2.24	2.29	5.50
Total expenditure on external training bodies (in € thousands)	4,364	4,211(3)	4,578
Total training hours	392,892	404,436(4)	418,288
Training hours per year per employee	23.41	24.04(5)	24.44

(1) Corrections made following the identification of erroneous data.

(2) All training hours, independent of their duration, are now recorded in the number of interims.

(3) Corrections made following the identification of erroneous data.

(4) Corrections made following the identification of erroneous data.

(5) Corrections made following the identification of erroneous data.

In 2013, Plastic Omnium introduced a comprehensive training management tool aimed at strengthening the acquisition and development of knowledge and/or skills, at defining individual training paths and at diversifying learning paths (e-learning, on-site training, virtual classrooms, mixed Learning, etc.). The e-learning content was launched at the end of 2013 with training on the Group's Code of Conduct and HSE policy, in particular.

As a result, in 2014, our training management platform is now available to 9,590 of our employees.

E-learning currently accounts for 10% training modules(1) created.

The Group also implemented new development programs in order to ensure high-quality management and to develop our employees' leadership skills. Managerial and leadership abilities are essential to guarantee Plastic Omnium's continued growth and profitability.

The implementation of new leadership development programs aims to supplement employees' skills development program. Initially, the Starter program was launched in China and North America. This program aims to develop managers' leadership skills during the early years of their career as well as strengthen their understanding of Plastic Omnium's culture and history. Its rollout will be expanded to other countries and regions by 2015.

In order to enable managers to improve annual interviews, and thus better support the Company's performance, the Group's Human Resources Department developed and organized workshops. This initiative, which has been rolled out worldwide, involved more than 750 managers, thereby significantly helping to improve the quality of our teams' performance management.

In order to fortify the leadership skills of experienced managers and ensure that Plastic Omnium's culture is passed on to teams that are constantly being enriched with the arrival of new employees in the Group, an additional leadership development program called "Booster" will be introduced in 2015.

(1) Training in the catalog, whether given or not.

9. Employee Welfare (France only)

	2012	2013	2014
Total contribution to works council employee welfare programs (in € thousands)	1,608	1,517	1,439

10. Group Stock Ownership Plan France

In France, at December 31, 2014, the **1,464** employee members of the Group stock ownership plan held **1,857,204** Compagnie Plastic Omnium shares purchased on the market, representing 1.21% of share capital. Employees do not hold other shares in respect of shareholding as provided for by articles L. 225-129 and L. 225-138 of the French Commercial Code, nor in respect of company profit-sharing.

11. Employee benefit expense

In thousands of euros	2013	2014
Wages and salaries	(576,133)	(587,135)
Payroll taxes	(165,250)	(159,115)
Non-discretionary profit-sharing	(10,753)	(11,307)
Pension and other post-employment benefit costs	(994)	(1,077)
Share-based compensation	(2,060)	(2,354)
Other employee benefits expenses	(23,485)	(29,030)
Total employee benefit expenses excluding temporary staff costs	**(778,675)**	**(790,018)**
Temporary staff costs	(77,453)	(95,430)
Total employee benefit expenses including temporary staff	**(856,128)**	**(885,448)**

As part of our wage policy, Plastic Omnium is keeping a close watch on changes in our costs, while being sensitive to changes in our buying power, motivation and staff involvement.

3.4 — SOCIETAL INFORMATION

Societal issues

In 2003, the Plastic Omnium Group developed a set of fundamental business ethics rules with a Code of Conduct.

This document is distributed to any new managers joining the Group. It is available in seven languages and can be consulted on the Group intranet.

Regularly updated, it was supplemented in 2010 by the “Competition” Code of Conduct on the behavior and rules to be followed in the area of competition law.

In 2014, the “Competition” Code of Conduct e-learning module was translated into 13 languages. 410 employees passed this module.

In 2003, Compagnie Plastic Omnium subscribed to the principles laid down in the UN Global Compact.

Through its signature, Compagnie Plastic Omnium restated its clear commitment to the fundamental principles regarding human rights, workplace standards, the environment and the fight against corruption.

Since 2010, the General Purchasing Conditions defining relations with suppliers confirm the obligation to respect the fundamental rules and regulations pertaining to safety, health, child labor, concealed work and respect for human rights.

Moreover, suppliers undertake to respect the European REACH (Registration, Evaluation, Authorization and restriction of CHemicals) regulations and confirm that their supplies contain no CMR substances (carcinogenic, mutagenic or reprotoxic).

Territorial, economic and social impact of the Plastic Omnium Group’s business in terms of employment and regional development

The Plastic Omnium Group is an industrial group with 111 plants and 21 R&D centers located in 30 countries. It manufactures automotive body components and modules, automotive fuel systems, and waste containers intended for local authorities and companies. Plastic Omnium strives to be close to our customers, and in particular for our Automotive Division, by promoting policy of local production in local plants. Compagnie Plastic Omnium also strives to develop a local supplier base.

Accordingly, the expansion of Plastic Omnium’s markets worldwide goes hand-in-hand with the development of local employment and contributes to regional development.

Territorial, economic and social impact of the Company’s business on local populations and residents

The Group’s Code of Conduct confirms Compagnie Plastic Omnium’s commitment to conduct an active policy to reduce its environmental impact wherever it operates. This policy is based on an ISO 14001 certification process, which aims to guarantee the application of international standards across all the Group’s plants. At December 31, 2014, 90 out of 101 sites within the environmental scope of certification had obtained this certification.

Relations with the people or organizations concerned by the Plastic Omnium Group’s businesses, in particular occupational integration associations, teaching institutions, environmental associations, consumer associations and local residents

Conditions for dialog with these people or organizations, and partnership and sponsorship actions:

The Plastic Omnium Group acts locally in cooperation with associations.

In 2014, management at the Anderson site (United States) supported several charities including helping underprivileged children (food, toys, school supplies, school recreation area renovations, etc.), and working to collect and provide blankets to the homeless.

In Switzerland and the United Kingdom, Environment Division sites collected funds for the McMillan Cancer Trust.

In Spain, at the Redondela site, employees supported associations such as “Banco de Alimentos” (Food Bank) by collecting food, and “Solidarity Caps” by funding initiatives for sick or needy children.

The Auto Inergy Department in China made donations to the Red Cross and to orphanages.

In Argentina, the Auto Inergy site supported the “Equidad” foundation, whose purpose is to provide technological products and services to promote equal opportunities, social inclusion, and environmental protection, notably by training underprivileged people in it skills to enable them to better integrate into work life.

Several sites have developed partnerships with schools and universities in order to attract young graduates: in Ramos Mexico, in Lublin and Gliwice, Poland, in Anderson, United States, in Spain, China, Russia, and Brazil.

For example, the Auto Inergy Division in Brazil sponsored a competition between the engineering schools in Brazil to make a vehicle with a height of 1.90 meters and weighing 113 kg. This prototype had to be reliable, easy to transport and with simple maintenance. It also needed to be capable of driving on different surfaces and withstand all types of weather conditions.

Outsourcing and suppliers

Taking social and environmental challenges into account in the purchasing policy.

Importance of outsourcing and taking the social and environmental responsibility of suppliers and subcontractors into account.

The Plastic Omnium Group's position among the leading automotive suppliers means the Group's Automotive Division has clear responsibility towards the stakeholders involved in its activities and, in particular, its suppliers.

The centralized process for selecting suppliers and awarding contracts involves the analysis of various criteria. Naturally, these criteria include economic and operational data, in addition to risk criteria (financial, environmental and social).

In accepting the Plastic Omnium Group companies' General Purchasing Conditions, suppliers undertake to respect all applicable laws and regulations, in particular, the provisions regarding health, safety, the environment and labor. Suppliers also undertake to respect international law and the applicable standards and regulations in terms of health, safety, child labor, illegal, forced or concealed work, discrimination and human rights.

Environmental and social issues are included in the standards applied by the Plastic Omnium Group to supplier audits conducted prior to their inclusion in the supplier panel, and for audits to monitor suppliers already included in the panel: 138 supplier audits were thus conducted in 2014.

The Plastic Omnium Group also conducts safety-specific audits on its suppliers: accordingly, 167 audits were conducted in 2014.

Lastly, the Group does everything in its power to encourage suppliers to commit to an environmental approach aiming at ISO 14001 certification. In 2014, 574 of its suppliers had already obtained this certification.

Fair practices

• Actions undertaken to prevent corruption

The Code of Conduct implemented by the Group includes a certain number of provisions aimed at preventing and fighting corruption. In particular, it includes the rules to be respected when dealing with customers, suppliers and administration officers regarding offers of money, gifts and invitations.

The Code of Conduct is provided to each new manager hired. It is also available in seven languages on the Group's intranet. In 2014, 971 people were trained to apply this code through an e-learning module.

The Code of Conduct is part of the Group's Internal control framework. Employees' knowledge and understanding of the code is systematically checked during internal audits.

Lastly, to prevent the risk of corruption in its suppliers' practices, the Plastic Omnium Group's companies have included anti-corruption clauses in their General Purchasing Conditions.

• Measures taken in favor of consumer health and safety

Solutions that make vehicles lighter are one of the Plastic Omnium Group's priority goals in terms of research and innovation. Accordingly, the Group directly supports automotive manufacturers' goals for reducing CO_2 emissions.

Furthermore, with our SCR (Selective Catalytic Reduction) systems, Plastic Omnium offers carmakers a suitable solution that enables them to comply with new regulations in terms of reducing nitrogen oxide emissions (NO_x).

Lastly, a significant portion of the Plastic Omnium Group's developments under way in fuel systems in Asia and Russia concerns the replacement of metal tanks with plastic tanks, which offer vehicle passengers a greater degree of safety.

• Other actions carried out in favor of human rights

Compagnie Plastic Omnium is a signatory of the UN Global Compact and the Group's Code of Conduct confirms its commitment to maintaining a professional environment where employees are treated with respect and where they are not subject to any verbal or physical harassment or to any discrimination, in particular of a racial, religious or sexual nature.

3.5 — INDEPENDENT THIRD-PARTY REPORT ON CONSOLIDATED SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION PUBLISHED IN THE MANAGEMENT REPORT OF PLASTIC OMNIUM

This is a free translation into English of the original report issued in French, and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and is construed in accordance with French law and professional auditing standards applicable in France.

Financial year ended December 31, 2014

To the Shareholders,

As independent third-party, members of Mazars' network, statutory auditor's of Plastic Omnium, whose accreditation was accepted by Cofrac under the number 3-1058, we hereby present our report on the consolidated social, environmental and societal information provided in the management report prepared for the year ended December 31, 2014, (hereinafter referred to as "CSR Information"), pursuant to article L. 225-102-1 of the French Commercial Code *(Code de commerce)*.

Responsibility of the company

The Board of Directors of Plastic Omnium is responsible for preparing a management report including the CSR Information required under article R. 225-105-1 of the French Commercial Code, in accordance with the indicators reporting protocol and KPI definitions of the company (hereafter the "Reporting Criteria") and available on request to the society headquarter.

Independence and quality control

Our independence is defined by regulatory texts, the profession's Code of Ethics and by the provisions of article L. 822-11 of the French Commercial Code. Furthermore, we have set up a quality control system that includes documented policies and procedures designed to ensure compliance with deontological rules, professional standards and applicable legal texts and regulations.

Responsibility of the Independent Third-Party

Based on our work, our role is to:

- attest that the required CSR Information is disclosed in the management report or, that an explanation has been provided if any information has been omitted, in accordance with the third paragraph of article R. 225-105 of the French Commercial Code (Attestation of completeness of the CSR Information);
- provide limited assurance that, on the whole, the CSR Information is fairly presented, in all material respects, in accordance with the adopted Reporting Criteria (Fairness report regarding CSR Information).

Our work was carried out by a team of eight people between September 22, 2014 and February 25, 2015, during eight weeks.

We conducted the work described below in accordance with the professional standards applicable in France and the legal order dated May 13, 2013 determining the methodology according to which the independent third-party body conducts its mission[(1)] and, on the reasoned opinion, in accordance with ISAE 3000[(2)].

I – Attestation of completeness of the CSR Information

We got acquainted with the direction that the Group is taking, in terms of sustainability, with regard to the social and environmental, consequences of the company's business and its societal commitments and, where appropriate, the actions or programs that stemmed from it.

We compared the CSR Information presented in the management report to the list set forth in article R. 225-105-1 of the French Commercial Code.

In the event of omission of some consolidated information, we checked that explanations were provided in accordance with the third paragraph of the article R. 225-105 of the French Commercial Code.

We checked that the CSR Information covers the consolidated scope, which includes the company and its subsidiaries within the meaning of article L. 233-1 of the French Commercial Code *(Code de commerce)* and the companies that it controls within the meaning of article L. 233-3 of the French Commercial Code *(Code de commerce)*, subject to the limits set forth in the methodological note presented in the management report (Part 3 "Sustainable Development").

Based on our work, and taking into account the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report.

(1) Decree of May 13, 2013 establishing the methodology according to which the independent third-party conducts its mission.
(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical information.

II – Fairness report with respect to CSR Information

Nature and scope of procedures

We conducted the interviews that we deemed necessary with thirty persons responsible for the preparation of CSR Information from the departments in charge of the process of gathering information and, where appropriate, responsible of the internal control and risk management to:

- assess the appropriateness of the Reporting Criteria in terms of relevance, completeness, neutrality, clarity and reliability, by taking into consideration, when relevant, the sector's best practices;
- verify the set-up within the Group of a process to collect, compile, process and check the CSR Information with regard to its completeness and consistency. We familiarized ourselves with the internal control and risk management procedures relating to the compilation of the CSR Information.

We determined the nature and extent of tests and controls depending on the nature and importance of CSR Information in relation to the characteristics of the Company, the social and environmental issues of its operations, its strategic priorities in relation to sustainable development, and the industry best practices.

Concerning the CSR information that we considered to be most significant(3):

- at Group level (HR and HSE Directions), we consulted source documents and conducted interviews to corroborate the qualitative information (organization, policies, actions); we implemented analytical procedures on the quantitative and verified, on the basis of sampling techniques, the calculations and consolidation of the information and we verified its consistency with the other information contained in the management report;
- at the level of a representative sample of Business Units(4) selected based on their activity, their contribution to consolidated indicators, their location and a risk analysis, we conducted interviews to verify the proper application of procedures and conducted substantive tests, using sampling basis, to verify the calculations performed and reconciled data with supporting evidence. The selected sites contribution to Group data equals to 15% of headcount and between 13% to 46% of the quantitative environmental information tested.

Regarding the other CSR consolidated Information, we assessed its fairness and consistency based on our knowledge of the Group.

Finally, we assessed the relevance of the explanations relating to, where necessary, the omission of certain information.

We deem that the sampling methods and sample sizes we have learned by exercising our professional judgment allow us to formulate a conclusion providing limited assurance; a higher level of assurance would have required more extensive work. Because of the use of sampling techniques, and because of other limits inherent to any information and internal control systems, the risk of not detecting a material misstatement in the CSR Information cannot be completely eliminated.

Conclusion

Based on our work, we did not identify any material misstatements that would lead us to believe that the CSR Information, taken as a whole, has not been fairly presented, in all material respects, in accordance with the Reporting Criteria.

Paris-la Défense, February 25, 2015

The Independent third-party,

Mazars SAS

Jean-Luc Barlet
Partner

Emmanuelle Rigaudias
Sustainable Development Partner

(3) Social information: workforce and breakdown by geographic region, by age group, by gender and by contract, number of trainings hours.
Environmental information: electricity consumption, gas consumption, water consumed, recycled and recovered waste, Greenhouse gases (GHG).
Societal information: number of supplier CSR audit, number of people trained to Code of Conduct.

(4) For all social and environmental information mentioned above: IN Adrian, IN Pfastatt, IN Vigo (Soufflage et Métal), AE Redondela, AE Edison Road, AE Fontaine, POE SULO Emballagen Herford, IN Herentals.
For workforce, electricity consumption, gas consumption, recycled and recovered waste, Greenhouse gases (GHG): AE Bratislava and AE Ruitz.
For workforce and water consumption: AE Saint-Désirat.
For societal information: centrally and to the HR Directions and Supplier Quality Directions.

4

REVIEW OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

The data shown and discussed below are management data incorporating joint ventures according to their influence. The reconciliation with the consolidated financial statements is presented in the preamble to the consolidated financial statements, on page 75 of this document. Comments on fiscal year 2012 and 2013 are incorporated, for reference purposes, in this Registration Document.

4.1 — SIGNIFICANT EVENTS IN 2014

Strengthening of our industrial footprint in China and Russia

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

In China, four new plants became operational in 2014: the Yantai and Changshu sites for exterior body parts, and the Shenyang and Ningbo facilities for fuel systems. These plants will be expanded in 2015-2016 to include four additional plants: three for the Auto Exterior Division (Wuhan, Changshu and Beijing for front-end modules) and one for the Auto Inergy Division (Chongqing). In 2016, the Group will have 25 plants in China, the leading automotive manufacturer worldwide.

In Russia, construction of the Saint Petersburg plant continued. It will become operational during the first half of 2015, with the aim of providing fuel systems to Nissan, Ford and Toyota. It will increase the number of industrial sites in Russia to three. Russia is currently benefiting from the strong substitution of metal fuel tanks by plastic fuel tanks (66% of Russian fuel tanks were made of plastic in 2014, with this percentage set to increase to 77% in 2018).

Income from operating activities in Russia was positive in 2014.

Market share gains in North America and England

In 2014, Plastic Omnium won new orders in the United States: one for exterior body parts for Volkswagen, and the other for fuel systems for General Motors. These new orders require two new plants to be built, representing a total investment of $70 million. The exterior body parts plant will be located in Chattanooga, Tennessee, and will deliver to the Volkswagen plant located nearby. The plant dedicated to producing fuel systems will be located in Fairfax, Kansas, near its customer General Motors. The Chattanooga and Fairfax sites will be commissioned during the second half of 2015.

These sites will expand Plastic Omnium's total number of industrial plants in North America, which currently has 15 plants (six in the United States, eight in Mexico and one in Canada).

Lastly, in England, the Auto Exterior Division was given the task of producing bumpers for two additional Land Rover models, thereby becoming the exclusive automotive equipment manufacturer of these parts for Land Rover in this region. Construction of the plant required for this production is already under way. It should be operational in mid-2016.

Continuing investment in R&D

With capital expenditure in high-growth regions, innovation is the Group's other driver of growth. Plastic Omnium is strengthening its research and development. After opening two development centers in Slovakia and China in 2013 for exterior body parts, the Group opened the new international research and development center for its Auto Inergy Division, α-Alphatech, on September 1, 2014.

The center required total investment of €65 million and employs 450 people.

Technological innovations contribute greatly to the Group's growth: they are supported by legislation, which is becoming increasingly stringent worldwide in terms of polluting emissions (CO_2 and nitrogen oxide, NOx). Plastic Omnium is developing solutions to reduce these emissions through two main levers: making vehicles lighter and more aerodynamic, and emissions control systems.

To make vehicles lighter, Plastic Omnium is currently developing 12 plastic and composite tailgates, and the first composite floor has already been delivered to the PSA Peugeot Citroën group.

Emissions control systems are based on the SCR system, which enables diesel vehicles to eliminate 95% of their NOx emissions and up to 8% of their CO_2 emissions. The Auto Inergy Division secured orders for this system in 2014 from two new customers (American and Japanese), bringing the total number of customers having opted for Plastic Omnium technology to seven.

Disposal of the Environment Division's highway signage business in Switzerland

The disposal of the 50% stake in Signal AG, a Swiss company specialized in highway signage and markings, was concluded at the end of December 2014.

This company, held jointly with a Swiss partner, achieved revenue of approximately CHF 50 million (€42 million) in 2014. The 50% stake was transferred to the partner for CHF 20 million.

Accordingly, the Environment Division is continuing to refocus on the business of waste containerization, which it aims to develop.

Strengthening the majority shareholder's control

During its meeting of October 24, 2014, and in accordance with the delegation of authority granted by the Shareholders' Meeting of April 30, 2014, the Board of Directors of Compagnie Plastic Omnium decided on October 29, 2014 to cancel 1,400,301 treasury shares, i.e. 0.9% of the share capital. Following this cancellation, the share capital of Compagnie Plastic Omnium amounted to 153,576,720 shares with par value of €0.06, representing a total value of €9,214,603.20.

Accordingly, the stake held by the controlling holding company, Burelle SA, increased from 56.1% to 56.6% of the share capital.

4.2 — FINANCIAL REVIEW

4.2.1 Comments on the management accounts

Revenue amounted to €5,314.1 million, an increase of 3.7% and 4.8% at constant scope and exchange rates compared with 2013.

The adverse currency effect over the year amounted to €58 million, including €30 million against the Argentine peso and €13 million against the Turkish lira. After an adverse currency effect of €90 million in the first half of the year, the weaker euro in the second half led to a positive currency effect of €32 million over this period.

There is no consolidation scope effect.

Business growth is driven mainly by the Automotive business, in Asia and Western Europe.

In millions of euros and in % of revenue	Year		% change	At constant scope and exchange rates
By business segment	**2013**	**2014**		
Plastic Omnium Automotive	4,655.2	4,882.4	+4.9%	+6.1%
Plastic Omnium Environment	469.3	431.7	–8.0%	–8.1%
Revenue	**5,124.5**	**5,314.1**	**+3.7%**	**+4.8%**

In millions of euros and in % of revenue	Year		% change	At constant scope and exchange rates
By region	**2013**	**2014**		
France	727.9	670.5	–7.9%	–7.9%
	14%	*13%*		
Western Europe excluding France	1,437.9	1,621.9	+12.8%	+11.7%
	28%	*31%*		
Eastern Europe	511.4	514.9	+0.7%	+2.6%
	10%	*10%*		
North America	1,376.1	1,400.9	+1.8%	+2.1%
	27%	*26%*		
South America, Africa	266.1	232.3	–12.7%	+4.2%
	5%	*4%*		
Asia	805.1	873.6	+8.5%	+10.3%
	16%	*16%*		
Revenue	**5,124.5**	**5,314.1**	**+3.7%**	**+4.8%**
	100%	*100%*		

Automotive revenue

In 2014, revenue from the Automotive Division amounted to €4,882.4 million, up 4.9% and 6.1% at constant scope and exchange rates, to be compared with growth of 3.3% in global automobile manufacturing. This figure demonstrates Plastic Omnium's ability to grow in all regions worldwide through technology and the installation of new industrial facilities in the fastest-growing regions.

Revenue in Europe increased by 7.4%. The Automotive Division enjoyed strong business in England and Germany, thanks in particular to the launch of innovative offers in terms of reducing vehicle weight and emissions (tailgates, SCR emissions control system, etc.).

In North America, Plastic Omnium recorded moderate growth in sales (+2% at constant exchange rates), similar to that of the passenger cars segment. This region will benefit from the start-up of two new plants in the United States for Volkswagen and General Motors in the second half of 2015, and from a new plant in Mexico in 2017.

In China, where production increased by 9.4% in 2014, the Group recorded growth in revenue of 23% to nearly €430 million, thanks to the ramp-up of five plants opened in 2013 and the commissioning of four new plants in 2014.

In terms of customers, Plastic Omnium is gaining strength with the Volkswagen group (16% of Automotive revenue), which becomes the Group's leading customer, ahead of the General Motors group (15%) and the PSA Peugeot Citroën group (12%).

In 2014, German carmakers strengthened their position as the top contributors to Automotive revenue with 33% of the business (versus 30% in 2013), ahead of American carmakers (25%), French carmakers (20%) and Asian carmakers (18%).

Environment revenue

Revenue for the Environment Division amounted to €431.7 million, down 8%. The business was adversely affected by the election period in France, which represents nearly 40% of the division's revenue. However, market share was strengthened by new orders in the year (Bordeaux, Prague, Hamburg, etc.).

Consolidated gross profit was €836.2 million, versus €780.7 million in 2013. It represented 15.7% of revenue, up from 15.2% in 2013.

Gross research and development spending totaled €270.7 million, up 9%. The net R&D spend, after deduction of capitalized development costs and amounts re-invoiced to customers, was €118.8 million (2.2% of revenue), compared with €120.7 million (2.3% of revenue) in 2013.

Selling costs were €64.5 million, 1.2% of revenue, a proportion unchanged from 2013.

Administrative expenses rose from €204 million in 2013 to €221.1 million in 2014, accounting for 4.2% of revenue (versus 4.0% in 2013).

Operating margin before amortization of purchased intangible assets was €431.8 million, a 9.4% increase on 2013. It represented a record 8.1% of revenue.

Operating margin for the Automotive Division amounted to €401.7 million in 2014, i.e. 8.2% of revenue compared with €369.9 million in 2013. The Automotive Division benefited from a high utilization rate of its production capacity worldwide. The improved operating margin was also supported by the operational excellence of the 102 new programs launched during the year (58 of which in Asia), together with strict cost control.

In the Environment Division, the results of the restructuring and cost reduction plan rolled out in the first half of 2013, targeting savings of €15 million over a full year, are currently very positive. Operating margin amounted to €30.1 million and accounted for 7% of revenue (as announced), versus 5.3% in 2013.

Revenue and operating margin by business Management aggregates expressed in millions of euros			**2013**			**2014**
	Revenue	**Operating margin**	**%**	**Revenue**	**Operating margin**	**%**
Plastic Omnium Automotive	4,655.2	369.9	7.9%	4,882.4	401.7	8.2%
Plastic Omnium Environment	469.3	24.7	5.3%	431.7	30.1	7.0%
Total	**5,124.5**	**394.6**	**7.7%**	**5,314.1**	**431.8**	**8.1%**

Amortization of purchased intangible assets amounted to an expense of €18.3 million in 2014.

Other operating income and expense resulted in a net expense of –€43.4 million. Once again, this included €23 million in restructuring costs for the Automotive and Environment divisions.

Net finance costs amounted to €62.2 million, versus €57.7 million in 2013. These costs account for 1.1% of revenue.

In 2014, the Group recorded income tax expense of €73.9 million, versus €69.2 million in 2013, an effective tax rate of 24% (25% in 2013).

Net profit increased by 14% to €237.4 million, versus €208 million in 2013. It accounted for 4.5% of revenue.

Earnings per share amounted to €1.49 versus €1.32 in 2013 (+13%).

Cash flow and capital

EBITDA amounted to €649 million (12.2% of revenue), up 9%, and cash flow from operations amounted to €607 million (11.4% of revenue, +13%).

2014 saw the implementation of a policy of substantial investments totaling €350 million, i.e. 6.6% of revenue.

Details can be found on page 68 of this document (Significant events in 2014 – strengthening of our industrial footprint, market share gains and continuing investment in R&D). These investments form part of the Group's ambitious growth program for 2014-2018 announced during the innovation day held on December 2, 2014 (see Investment 2014–2018 below).

Of these investments, €47 million is devoted to the real estate program for the Lyon-Gerland offices.

Free cash flow, after taking into account €21 million in increased working capital requirements, amounted to €96 million. Recurring free cash flow (excluding Lyon-Gerland) was €143 million, i.e. 2.7% of revenue.

It reduced debt even further to €330 million (€355 million at end-2013), after €72 million in dividends and the purchase of treasury shares.

Group net debt/equity was 30% at end-2014 (38% at end-2013) and net debt/EBITDA was 0.5.

4.2.2 Comments on the IFRS accounts

IFRS revenue amounted to €4,437.2 million, an increase of 2.4% compared with 2013.

Comments on management revenue are contained in 4.2.1. Please find below the reconciliation between IFRS revenue and management revenue.

In millions of euros and in % of revenue	Year		% change
By business segment	**2013**	**2014**	
Plastic Omnium Automotive	3,906.5	4,047.8	+3.6%
Plastic Omnium Environment	428.7	389.4	– 9.2%
IFRS Revenue	**4,335.2**	**4,437.2**	**+2.4%**
Adjustments	**789,396**	**876,886**	
Management Revenue	**5,124.5**	**5,314.1**	

IFRS gross profit was €732.2 million, versus €686.5 million in 2013. It represented 16.5% of revenue, up from 15.8% in 2013.

IFRS gross research and development spending totaled €256.8 million, up 9%. The net R&D spend, after deduction of capitalized development costs and amounts re-invoiced to customers, was €104 million (2.4% of revenue), compared with €107.7 million (2.5% of revenue).

As in 2013, IFRS selling costs were €57.3 million, i.e. 1.3% of revenue, a proportion unchanged from 2013.

IFRS administrative expenses rose from €185.8 million in 2013 to €199.3 million in 2014, accounting for 4.5% of revenue (versus 4.3% in 2013).

IFRS operating margin before amortization of purchased intangible assets was €371.6 million, a 9.7% increase on 2013. It represented a record 8.4% of revenue.

Operating margin for the Automotive Division amounted to €344.4 million in 2014, i.e. 8.5% of revenue compared with €316.3 million in 2013. The Automotive Division benefited from a high utilization rate of its production capacity worldwide. The improved operating income was also supported by the operational excellence of the new programs launched during the year, together with strict cost control.

In the Environment Division, the results of the restructuring and cost reduction plan rolled out in the first half of 2013, targeting savings of €15 million over a full year, are currently very positive. Operating margin amounted to €27.2 million and accounted for 7% of revenue, versus 5.2% in 2013.

Revenue and operating margin by business IFRS aggregates expressed in millions of euros			**2013**			**2014**
	Revenue	**Operating margin**	**%**	**Revenue**	**Operating margin**	**%**
Plastic Omnium Automotive	3,906.5	316.3	8.1%	4,047.8	344.4	8.5%
Plastic Omnium Environment	428.7	22.3	5.2%	389.4	27.2	7.0%
Total	**4,335.2**	**338.6**	**7.8%**	**4,437.2**	**371.6**	**8.4%**

IFRS amortization of purchased intangible assets amounted to an expense of €18.3 million in 2014.

IFRS other operating income and expense resulted in a net expense of -€34.6 million. Once again, this included €23 million in restructuring costs for the Automotive and Environment divisions.

IFRS net finance costs amounted to €64.3 million, versus €58.8 million in 2013. These costs account for 1.4% of IFRS revenue.

In 2014, the Group recorded **IFRS income tax expense** of €64.2 million, versus €56.9 million in 2013, an effective tax rate of 25.2% (25.5% in 2013).

IFRS net profit increased by 16% to €229.5 million, versus €197.5 million in 2013. It accounted for 5.2% of revenue.

IFRS earnings per share amounted to €1.52 versus €1.32 in 2013 (+15%).

Cash flow and capital

IFRS EBITDA amounted to €570 million (12.8% of revenue), up 9.4%, and cash flow from operations amounted to €555 million (12.4% of revenue, +15%).

IFRS free cash flow, after taking into account €17 million in increased working capital requirements, amounted to €83 million. Recurring free cash flow (excluding Lyon-Gerland) was €130 million, i.e. 2.9% of IFRS revenue.

It reduced debt even further to €390 million (€410 million at end-2013), after €72 million in dividends and the purchase of treasury shares.

Group net IFRS debt/equity was 36% (46% at end-2013) and IFRS net debt/IFRS EBITDA was 0.7.

4.2.3 Investment 2014-2018

This €1.7 billion five-year investment program is intended to strengthen the Group's presence in high-growth regions and to speed up innovation with new product lines that will account for revenue of €1 billion in 2018. It breaks down over the period as follows:

- €900 million in new industrial facilities: 20 new plants, 5 in North America, 3 in Europe and 12 in Asia, 8 of which in China and for which firm orders have already been taken;
- €200 million in maintaining existing facilities;
- €600 million in R&D.

4.3 — COMMENTS ON THE COMPANY FINANCIAL STATEMENTS

Balance Sheet

The main changes in the balance sheet were as follows:

Compagnie Plastic Omnium continued to inject a total of €35 million into its financial investment policy, generated mainly from the capitalization of its subsidiaries Plastic Omnium Holding (Shanghai) Co. Ltd (€15 million) and Plastic Omnium GmbH (€20 million).

On January 9, 2014, Compagnie Plastic Omnium decided to change the method of financing its subsidiaries by transforming current account advances into medium- and long-term loans.

At December 31, 2014, a total of €672.3 million in loans had been granted to the subsidiaries. At December 31, 2013, loans stood at €17 million and current accounts at €587 million.

Compagnie Plastic Omnium ended 2014 with net cash of €174.6 million, including the medium- and long-term loans issued in January 2014. At the end of 2013, net cash amounted to €109.4 million.

These changes were mainly as a result of:

- dividends received from subsidiaries of €176.7 million;
- payment of a €48.7 million dividend;
- building costs of €47 million related to the ongoing construction of an office building in Lyon;
- a €15 million capital injection to Plastic Omnium Holding (Shanghai) Co. Ltd and a €20 million capital injection to Plastic Omnium GmbH;
- buybacks of treasury stock, recognized as long-term investments, totaling €21.8 million.

Earnings Performance

Compagnie Plastic Omnium posted operating revenue of €40.5 million in 2014, versus €27.6 million the previous year. This revenue can be broken down as follows :

- €22.6 million in trademark license fees from subsidiaries;
- €1.9 million in costs re-invoiced to Group subsidiaries and €1 million in rents;
- changes in inventory due to the fittings requested by the future main tenant of the office buildings located in the Gerland district of Lyon, totaling €13.8 million.

Net operating loss came to €0.1 million in 2014, compared with a loss of €3.2 million in 2013.

Net financial income for Compagnie Plastic Omnium was €182.9 million, versus €221.9 million in 2013. The change was largely due to:

- dividends from subsidiaries of €176.7 million, versus €180.3 million in 2013;
- the absence in 2014 of the net surplus of €49.6 million achieved in 2013;
- revenue from interest on loans granted to the subsidiaries, totaling €30.1 million, versus €0.3 million in 2013;
- net interest gain of €7.3 million in 2014, versus net interest expense of €8.6 million in 2013;
- net currency loss of €0.8 million in 2014, versus a net currency loss of €2.7 million in 2013.

After factoring in €2.7 million in non-operating income due to the net gain on the disposal of treasury shares, income before tax amounted to €185.8 million, versus €213.3 million in 2013.

A net income tax charge of €1.4 million was recorded in 2014, compared with a tax benefit of €9.2 million the previous year.

As a result, net income for the year was €184.3 million, compared with €222.5 million in 2013.

No non-deductible overhead expenses were added back to taxable income during 2014, in application of articles 223 quater and 223 quinquies of the French General Tax Code.

4.4 — OUTLOOK AND POST-BALANCE SHEET EVENTS

The global automotive market is expected to grow by 3% per year between 2014 and 2018. In accordance with the strategic plan presented in early December, Plastic Omnium confirms its ambition to grow twice as fast as the market over this period, to achieve revenue of €7 billion in 2018.

This growth is reflected in the installation of new industrial facilities, especially in China and North America. It is also backed by new product lines (SCR for the elimination of NOx, lighter tailgates, etc.) driven by global regulations that are increasingly favorable to innovative offers providing lighter vehicles and emissions control systems.

With the automotive market expected to grow by 2-3% in 2015, Plastic Omnium will see a further increase in revenue and income, driven by the optimization of its industrial capacity utilization rates and ongoing strict cost control regarding production expenses and overheads.

No event likely to have a material impact on the Group's business, financial position, earnings or assets and liabilities at December 31, 2014 has occurred since the balance sheet date. The press release on revenue for the first quarter of 2015 appears in Chapter 9.

PREAMBLE TO THE CONSOLIDATED FINANCIAL STATEMENTS

PREAMBLE TO THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and related interpretations adopted for use in the European Union at December 31, 2014, which are available at *http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission*. IFRS includes the International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) and interpretations published by the International Financial Reporting Interpretations Committee (IFRIC).

The Group uses Management accounts and information for its operational management and in relation to its financial communication. The consolidation accounting methods applied to these Management accounts do not differ from the accounting principles applicable to the consolidated financial statements at December 31, 2014, except for the joint venture consolidation method, in particular regarding HBPO, Yanfeng Plastic Omnium, B.P.O AS and Signal AG. These companies are not consolidated via the equity method in the Management accounts, in contrast to the consolidated financial statements, due to the new IFRS consolidation standards applicable at January 1, 2014.

For purposes of clarity, a reconciliation of the Balance Sheet, Income Statement and Statement of Cash Flows is presented in the following pages. The related management accounts and explanatory notes are presented in Note 3 "Segment information".

The "**restated** [(ρ)]" indicator applied to statements prior to January 1, 2014, indicates that the statements were restated in compliance with new consolidation standards requiring retrospective application at January 1, 2013.

Reconciliation of the Consolidated Balance Sheet – Management Balance Sheet

In thousands of euros	December 31, 2014 Consolidated Financial Statements	December 31, 2014 Joint ventures	December 31, 2014 Management accounts
Assets			
Goodwill	284,570	24,586	309,156
Assets (property, plant, equipment and intangible assets excluding goodwill)	1,449,013	90,524	1,539,537
Investments in associates and joint ventures	144,793	(133,808)	10,985
Other non-current financial assets	46,988	365	47,353
Deferred tax assets	78,067	6,462	84,529
Current assets	1,009,359	214,597	1,223,956
Finance receivables	31,213	–	31,213
Current financial assets (including financial instruments)	8,478	(987)	7,491
Cash and cash equivalents	535,412	69,413	604,825
Total assets	**3,587,893**	**271,152**	**3,859,045**
Equity and liabilities			
Equity (excluding income) attributable to owners of the parent	829,686	7,733	837,419
Profit for the period attributable to owners of the parent	224,553	(4,188)	220,365
Equity attributable to owners of the parent	**1,054,239**	**3,545**	**1,057,784**
Attributable to non-controlling interests	17,749	23,392	41,141
Total equity	**1,071,988**	**26,937**	**1,098,925**
Non-current debt	901,649	31	901,680
Government grants and provisions	178,572	4,316	182,888
Deferred tax liabilities	47,778	220	47,998
Current debt	88,688	8,834	97,522
Current liabilities	1,278,396	230,814	1,509,209
Current financial liabilities (including financial instruments)	16,675	–	16,675
Bank overdrafts	4,148	–	4,148
Total equity and liabilities	**3,587,893**	**271,152**	**3,859,045**

In thousands of euros	December 31, 2013 Consolidated Financial Statements restated[(µ)]	December 31, 2013 Joint ventures	December 31, 2013 Management accounts
Assets			
Goodwill	281,521	52,921	334,442
Assets (property, plant, equipment and intangible assets excluding goodwill)	1,263,466	82,973	1,346,439
Investments in associates and joint ventures	136,607	(128,931)	7,676
Other non-current financial assets	60,293	260	60,553
Deferred tax assets	66,975	4,748	71,723
Current assets	912,803	176,479	1,089,282
Finance receivables	36,496	–	36,496
Current financial assets (including financial instruments)	4,870	(822)	4,048
Cash and cash equivalents	489,042	60,078	549,120
Total assets	**3,252,073**	**247,706**	**3,499,779**
Equity and liabilities			
Equity (excluding income) attributable to owners of the parent	677,147	21,987	699,134
Profit for the period attributable to owners of the parent	193,211	–	193,211
Equity attributable to owners of the parent	**870,358**	**21,987**	**892,345**
Attributable to non-controlling interests	15,570	24,348	39,918
Total equity	**885,928**	**46,335**	**932,263**
Non-current borrowings	901,087	832	901,919
Government grants and provisions	134,620	8,053	142,673
Deferred tax liabilities	52,768	1,409	54,177
Current borrowings	82,384	4,476	86,860
Current liabilities	1,178,791	186,737	1,365,528
Current financial liabilities (including financial instruments)	10,283	(140)	10,143
Bank overdrafts	6,212	4	6,216
Total equity and liabilities	**3,252,073**	**247,706**	**3,499,779**

Reconciliation of the Consolidated Income Statement - Management Income Statement

In thousands of euros	2014 Consolidated Financial Statements	%	2014 Joint ventures	%	2014 Management accounts	%
Revenue	**4,437,205**	**100.0%**	**876,886**	**100.0%**	**5,314,091**	**100.0%**
Gross profit	**732,164**	**16.5%**	**104,058**	**11.9%**	**836,222**	**15.7%**
Operating margin before amortization of intangible assets acquired in business combinations*	**371,557**	**8.4%**	**60,273**	**6.9%**	**431,830**	**8.1%**
Amortization of intangible assets acquired in business combinations*	(18,297)	-0.4%	–	–	(18,297)	-0.3%
Operating margin after amortization of intangible assets acquired in business combinations*	**353,260**	**8.0%**	**60,273**	**6.9%**	**413,533**	**7.8%**
Other operating income	3,373	0.1%	671	0.1%	4,044	0.1%
Other operating expenses	(38,010)	-0.9%	(9,486)	-1.1%	(47,496)	-0.9%
Finance costs, net	(51,244)	-1.2%	1,921	0.2%	(49,323)	-0.9%
Other financial income and expense, net	(13,050)	-0.3%	150	0.0%	(12,900)	-0.2%
Share of profit/(loss) of associates and joint ventures	39,321	0.9%	(35,846)	-4.1%	3,475	0.1%
Profit from continuing operations before income tax and after share of associates and joint ventures	**293,650**	**6.6%**	**17,683**	**2.0%**	**311,333**	**5.9%**
Income tax	(64,168)	-1.4%	(9,760)	-1.1%	(73,928)	-1.4%
Net profit	**229,482**	**5.2%**	**7,923**	**0.9%**	**237,405**	**4.5%**
Net profit attributable to non-controlling interests	4,929	0.1%	12,111	1.4%	17,040	0.3%
Net profit attributable to owners of the parent******	**224,553**	**5.1%**	**(4,188)**	**-0.5%**	**220,365**	**4.1%**
Earnings per share attributable to owners of the parent						
• Basic (in euros)**	1.52		(0.03)		1.49	
• Diluted (in euros)***	1.49		(0.03)		1.46	

* Intangible assets acquired in business combinations.

** 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.

*** Diluted earnings per share takes into consideration the average number of treasury shares deducted from equity and shares which might be issued under stock option programs

**** The –4,188 K€ difference is due to the result on disposal of Signal AG, which is different in the consolidated financial statements and the management accounts (see Note 2.4 to the consolidated financial statements). This difference is due to the allocation to this company of a percentage of the goodwill from the Signature division, a division belonging to Signal AG: In the consolidated financial statements, when this company was consolidated via the equity method, the allocation was made pro rata to the net assets of the company and of those of the division. In the management accounts, since this company was fully consolidated, the allocation was made at the time of the disposal, pro rata to the value of the company and the business activities retained.

In thousands of euros	2013 Consolidated Financial Statements restated (µ)	%	2013 Joint ventures	%	2013 Management accounts	%
Revenue	**4,335,151**	**100.0%**	**789,396**	**100.0%**	**5,124,547**	**100.0%**
Gross profit	**686,547**	**15.8%**	**94,110**	**11.9%**	**780,657**	**15.2%**
Operating margin before amortization of intangible assets acquired in business combinations*	**338,567**	**7.8%**	**56,071**	**7.1%**	**394,638**	**7.7%**
Amortization of intangible assets acquired in business combinations*	(18,698)	-0.4%	–	–	(18,698)	-0.4%
Operating margin after amortization of intangible assets acquired in business combinations*	**319,869**	**7.4%**	**56,071**	**7.1%**	**375,940**	**7.3%**
Other operating income	773	0.0%	29	0.0%	802	0.0%
Other operating expenses	(38,566)	-0.9%	(4,183)	-0.5%	(42,749)	-0.8%
Finance costs, net	(49,001)	-1.1%	914	0.1%	(48,087)	-0.9%
Other financial income and expense, net	(9,817)	-0.2%	254	0.0%	(9,563)	-0.2%
Share of profit/(loss) of associates and joint ventures	31,173	0.7%	(30,291)	-3.8%	882	0.0%
Profit from continuing operations before income tax and after share of associates and joint ventures	**254,431**	**5.9%**	**22,795**	**2.9%**	**277,226**	**5.4%**
Income tax	(56,918)	-1.3%	(12,304)	-1.6%	(69,222)	-1.4%
Net profit	**197,513**	**4.6%**	**10,491**	**1.3%**	**208,004**	**4.1%**
Net profit attributable to non-controlling interests	4,302	0.1%	10,491	1.3%	14,793	0.3%
Net profit attributable to owners of the parent	**193,211**	**4.5%**	**–**	**–**	**193,211**	**3.8%**
Earnings per share attributable to owners of the parent						
• Basic (in euros)**	1.32		–		1.32	
• Diluted (in euros)***	1.28		–		1.28	

* Intangible assets acquired in business combinations.

** 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.

*** Diluted earnings per share takes into consideration the average number of treasury shares deducted from equity and shares which might be issued under stock option programs

Reconciliation of the Consolidated Statement of Cash Flows – Management Statement of Cash Flows

In thousands of euros	Consolidated Financial Statements	Joint ventures	Management accounts
	2014	**2014**	**2014**
I – Cash flows from operating activities			
Net income	229,482	7,923	237,405
Dividends received from associates	22,685	(21,490)	1,195
Non-cash items	302,589	66,135	368,724
Funds from operations (A)	**554,756**	**52,568**	**607,324**
Change in working capital (B)	**(16,969)**	**(4,154)**	**(21,123)**
Taxes paid (C)	**(80,990)**	**(13,302)**	**(94,292)**
Net interest paid (D)	**(47,540)**	**1,927**	**(45,612)**
Net cash generated by operating activities (A+B+C+D)	**409,257**	**37,040**	**446,297**
II – Net cash used in operations-related investing activities (E)	**(325,807)**	**(24,220)**	**(350,027)**
Free cash flow (A+B+C+D+E)	**83,450**	**12,820**	**96,270**
Net cash used in financial investing activities (F)	**16,402**	**(3,786)**	**12,616**
Net cash used in investing activities (E+F)	**(309,405)**	**(28,006)**	**(337,411)**
III – Net cash provided by (used in) financing activities (G)	**(56,538)**	**(2,419)**	**(58,957)**
Effect of exchange rate changes (H)	5,119	2,725	7,844
Net change in cash and cash equivalents (A+B+C+D+E+F+G+H)	**48,433**	**9,340**	**57,773**
Net cash and cash equivalents at beginning of period	482,831	60,073	542,904
Net cash and cash equivalents at end of period	**531,264**	**69,413**	**600,677**

BRIDGE

In thousands of euros	Consolidated Financial Statements restated (µ)	Joint ventures	Management accounts
	2013	**2013**	**2013**
I – Cash flows from operating activities			
Net income	197,513	10,491	208,004
Dividends received from associates	17,302	(17,302)	–
Non-cash items	267,576	61,494	329,070
Funds from operations (A)	**482,391**	**54,683**	**537,074**
Change in working capital (B)	**24,646**	**3,663**	**28,309**
Taxes paid (C)	**(63,445)**	**(13,286)**	**(76,731)**
Net interest paid (D)	**(39,140)**	**930**	**(38,209)**
Net cash generated by operating activities (A+B+C+D)	**404,452**	**45,990**	**450,443**
II – Net cash used in operations-related investing activities (E)	**(308,076)**	**(29,898)**	**(337,974)**
Free cash flow (A+B+C+D+E)	**96,376**	**16,092**	**112,469**
Net cash used in financial investing activities (F)	**205**	**(577)**	**(372)**
Net cash used in investing activities (E+F)	**(307,871)**	**(30,475)**	**(338,346)**
III – Net cash provided by (used in) financing activities (G)	**130,891**	**(6,059)**	**124,832**
Effect of exchange rate changes (H)	(13,057)	(2,194)	(15,251)
Net change in cash and cash equivalents (A+B+C+D+E+F+G+H)	**214,416**	**7,262**	**221,678**
Net cash and cash equivalents at beginning of period	268,415	52,810	321,225
Net cash and cash equivalents at end of period	**482,831**	**60,073**	**542,904**

5

CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2014

5.1 — BALANCE SHEET – CONSOLIDATED FINANCIAL STATEMENTS

Assets

In thousands of euros	Notes	December 31, 2014	December 31, 2013 restated(µ)	January 1, 2013 restated(µ)
Goodwill	3.1.2 – 3.2 – 5.1.1 – 5.1.2	284,570	281,521	282,468
Other intangible assets	3.1.2 – 3.2 – 5.1.2	351,718	330,271	340,650
Property, plant and equipment	3.1.2 – 3.2 – 3.3 – 5.1.3	1,008,470	891,142	834,880
Investment property	3.1.2 – 3.2 – 5.1.4	88,825	42,053	15,200
Investments in associates and joint ventures	5.1.5	144,793	136,607	125,810
Available-for-sale financial assets*#	5.1.6 – 6.4.2 – 6.7	1,841	1,803	2,634
Other non-current financial assets*	5.1.7 – 5.2.7.4	45,147	58,490	60,248
Deferred tax assets	5.1.11	78,067	66,975	70,011
Total non-current assets		**2,003,431**	**1,808,862**	**1,731,901**
Inventories	3.1.2 – 5.1.8	313,476	262,950	250,698
Finance receivables – current portion*	5.1.9 – 5.2.7.4	31,213	36,496	40,036
Trade receivables	3.1.2 – 5.1.10.2 – 5.1.10.4 – 6.3.1 – 6.4.2 – 6.7	501,602	495,705	482,692
Other receivables	3.1.2 – 5.1.10.3 – 5.1.10.4	194,281	154,148	162,206
Other short-term financial receivables*	5.1.9 – 5.2.7.4 – 6.4.2 – 6.7	8,104	3,678	2,303
Hedging instruments*	3.1.2	374	1,192	314
Cash and cash equivalents*	3.1.2 – 5.1.12.1 – 5.1.12.2 – 6.4.2 – 6.7	535,412	489,042	275,279
Total current assets		**1,584,462**	**1,443,211**	**1,213,528**
Assets held for sale		**–**	**–**	**1,210**
Total assets		**3,587,893**	**3,252,073**	**2,946,639**

Equity and liabilities

In thousands of euros	Notes	December 31, 2014	December 31, 2013 restated(µ)	January 1, 2013 restated(µ)
Capital	5.2.1.1	9,215	9,299	8,782
Treasury stock		(33,948)	(44,348)	(28,556)
Additional paid-in capital		38,637	65,913	65,913
Retained earnings and revaluation reserve		815,782	646,283	706,931
Net income for the period		224,553	193,211	–
Equity attributable to owners of the parent		**1,054,239**	**870,358**	**753,070**
Attributable to non-controlling interests		17,749	15,570	21,116
Total equity		**1,071,988**	**885,928**	**774,186**
Current and non-current debt*	3.1.2 – 5.2.7.4	901,649	901,087	604,173
Provisions for pensions and other post-employment benefits	5.2.5 – 5.2.6.5	93,165	65,347	75,395
Provisions	5.2.5	24,451	13,170	9,819
Current government grants	5.2.4	11,287	11,883	13,195
Deferred tax liabilities	5.1.11	47,778	52,768	55,190
Total non-current liabilities		**1,078,330**	**1,044,255**	**757,772**
Bank overdrafts*	3.1.2 – 5.2.7.4 – 6.4.2 – 6.7	4,148	6,212	6,864
Current and non-current debt*	3.1.2 – 5.2.7.4	88,688	82,384	181,447
Other short-term debt*	3.1.2 – 5.2.7.4 – 6.4.2 – 6.7	17	303	3,784
Hedging instruments*	3.1.2 – 5.2.7.4 – 5.2.8.1 – 6.4.2 – 6.7	16,658	9,980	20,420
Provisions	5.2.5	49,395	43,957	51,218
Current government grants	5.2.4	273	263	276
Trade payables	5.2.9.1 – 5.2.9.3 – 6.4.2 – 6.7	803,993	782,596	729,853
Other operating liabilities	5.2.9.2 – 5.2.9.3	474,403	396,195	420,819
Total current liabilities		**1,437,575**	**1,321,890**	**1,414,681**
Liabilities related to assets held for sale		**–**	**–**	**–**
Total equity and liabilities		**3,587,893**	**3,252,073**	**2,946,639**

µ The new consolidation standards mentioned in Note 1.1 “Basis of preparation” provide for retrospective application as of January 1, 2013.

* Net debt stood at €389.5 million at December 31, 2014 compared with €409.5 million at December 31, 2013 (see Note 5.2.7.4).

Of which €1,372 thousand at December 31, 2014 and €1,524 thousand at December 31, 2013, corresponding to contributions to France’s Tier 2 Automotive OEM Modernization Fund (FMEA 2), which were included in the calculation of net debt at those dates (see Note 5.1.6).

IFRS

5.2 — INCOME STATEMENT – CONSOLIDATED FINANCIAL STATEMENTS

In thousands of euros	Notes	2014	%	2013 restated(µ)	%
Revenue	**3.1.1 – 3.1.4.1 – 3.1.4.2**	**4,437,205**	**100.0%**	**4,335,151**	**100.0%**
Cost of goods and services sold	4.2	(3,705,041)	–83.5%	(3,648,604)	–84.2%
Gross profit		**732,164**	**16.5%**	**686,547**	**15.8%**
Net research and development costs	4.1 – 4.2	(104,035)	–2.3%	(107,664)	–2.5%
Selling costs	4.2	(57,297)	–1.3%	(54,553)	–1.3%
Administrative expenses	4.2	(199,276)	–4.5%	(185,763)	–4.3%
Operating margin before amortization of intangible assets acquired in business combinations*	**3.1.1**	**371,557**	**8.4%**	**338,567**	**7.8%**
Amortization of intangible assets acquired in business combinations*	3.1.1 – 4.4	(18,297)	–0.4%	(18,698)	–0.4%
Operating margin after amortization of intangible assets acquired in business combinations*	**3.1.1**	**353,260**	**8.0%**	**319,869**	**7.4%**
Other operating income	3.1.1 – 4.5	3,373	0.1%	773	0.0%
Other operating expenses	3.1.1 – 4.5	(38,010)	–0.9%	(38,566)	–0.9%
Finance costs, net	3.1.1 – 4.6	(51,244)	–1.2%	(49,001)	–1.1%
Other financial income and expense, net	3.1.1 – 4.6	(13,050)	–0.3%	(9,817)	–0.2%
Share of profit/(loss) of associates and joint ventures	3.1.1 – 4.7	39,321	0.9%	31,173	0.7%
Profit from continuing operations before income tax and after share of associates and joint ventures	**3.1.1**	**293,650**	**6.6%**	**254,431**	**5.9%**
Income tax	3.1.1 – 4.8.1	(64,168)	–1.4%	(56,918)	–1.3%
Net profit	**3.1.1**	**229,482**	**5.2%**	**197,513**	**4.6%**
Net profit attributable to non-controlling interests	4.9	4,929	0.1%	4,302	0.1%
Net profit attributable to owners of the parent		**224,553**	**5.1%**	**193,211**	**4.5%**
Earnings per share attributable to owners of the parent	4.10				
• Basic earnings per share (in euros)**		1.52		1.32	
• Diluted earnings per share (in euros)***		1.49		1.28	

µ The new consolidation standards mentioned in Note 1.1 “Basis of preparation” provide for retrospective application as of January 1, 2013.

* Intangible assets acquired in business combinations.

** 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.

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

5.3 — STATEMENT OF COMPREHENSIVE INCOME – CONSOLIDATED FINANCIAL STATEMENTS

In thousands of euros	2014			2013 restated(µ)		
	Total	Gross	Tax	Total	Gross	Tax
Net profit for the period attributable to owners of the parent*	**224,553**	**287,804**	**(63,251)**	**193,211**	**249,107**	**(55,896)**
Reclassified to the income statement	**37,015**	**37,962**	**(947)**	**(26,066)**	**(23,488)**	**(2,578)**
Reclassified over the period	**3,233**	**4,816**	**(1,583)**	**1,885**	**2,849**	**(964)**
Exchange differences on translating foreign operations – reclassified to the income statement	642	642	–	(44)	(44)	–
Cash flow hedges – Interest rate instruments reclassified to the income statement	2,591	4,174	(1,583)	1,929	2,893	(964)
Reclassified at a later date	**33,782**	**33,146**	**636**	**(27,951)**	**(26,337)**	**(1,614)**
Exchange differences on translating foreign operations	33,682	33,682	–	(31,073)	(31,073)	–
Cash flow hedges	100	(536)	636	3,122	4,736	(1,614)
Gains/(losses) for the period – interest rate instruments	*568*	*218*	*350*	*2,496*	*3,744*	*(1,248)*
Gains/(losses) for the period – currency instruments	*(468)*	*(754)*	*286*	*626*	*992*	*(366)*
Cannot be reclassified to the income statement at a later date	**(14,750)**	**(20,264)**	**5,514**	**8,630**	**12,781**	**(4,151)**
Actuarial gains and losses recognized in equity	(16,180)	(22,570)	6,390	8,630	12,781	(4,151)
Fair value adjustments to property, plant and equipment	1,430	2,306	(876)	–	–	–
Other comprehensive income	**22,265**	**17,698**	**4,567**	**(17,436)**	**(10,707)**	**(6,729)**
Comprehensive income attributable to owners of the parent**	**246,818**	**305,502**	**(58,684)**	**175,775**	**238,400**	**(62,625)**
Net profit for the period attributable to non-controlling interests	**4,929**	**5,845**	**(916)**	**4,303**	**5,325**	**(1,022)**
Reclassified to the income statement	**(679)**	**(679)**	**–**	**(1,148)**	**(1,148)**	**–**
Reclassified over the period	**–**	**–**	**–**	**1,433**	**1,433**	**–**
Exchange differences on translating foreign operations – reclassified to the income statement	–	–	–	1,433	1,433	–
Reclassified at a later date	**(679)**	**(679)**	**–**	**(2,581)**	**(2,581)**	**–**
Exchange differences on translating foreign operations	(679)	(679)	–	(2,581)	(2,581)	–
Cannot be reclassified to the income statement at a later date	**(119)**	**(119)**	**–**	**–**	**–**	**–**
Actuarial gains/(losses) recognized in equity	(119)	(119)	–	–	–	–
Other comprehensive income	**(798)**	**(798)**	**–**	**(1,148)**	**(1,148)**	**–**
Comprehensive income attributable to non-controlling interests	**4,132**	**5,048**	**(916)**	**3,155**	**4,177**	**(1,022)**
Total comprehensive income	**250,949**	**310,550**	**(59,600)**	**178,930**	**242,577**	**(63,647)**

µ The new consolidation standards mentioned in Note 1.1 “Basis of preparation” provide for retrospective application as of January 1, 2013.

* Net profit for the period attributable to owners of the parent amounted to €132,082 thousand in 2014 compared with €114,671 thousand in 2013.

** Total net profit attributable to owners of the parent amounted to €145,178 thousand in 2014 compared with €104,322 thousand in 2013.

5.4 — CHANGES IN EQUITY – CONSOLIDATED FINANCIAL STATEMENTS

In thousands of euros In thousand units for the number of shares	Number of shares	Capital	Additional paid-in-capital	Treasury stock	Other reserves	**	Translation adjust-ment	Net profit for the period	Shareholders' equity		Total equity
									Attributable to owners of the parent	Attributable to non-control-ling interests	
Equity at December 31, 2012	**51,659**	**8,782**	**65,913**	**(28,556)**	**556,007**	**	**(391)**	**173,382**	**775,136**	**41,870**	**817,006**
Effects of the first-time application of the new consolidation standards	–	–	–	–	(22,044)		(22)	–	(22,067)	(20,754)	(42,821)
Equity at January 1, 2013 restated[µ]	**51,659**	**8,782**	**65,913**	**(28,556)**	**533,963**	**	**(413)**	**173,382**	**753,070**	**21,116**	**774,186**
Appropriation of 2012 net profit restated[µ]	–	–	–	–	173,382		–	(173,382)	–	–	–
Net profit at December 31, 2013 restated[µ]	–	–	–	–	–		–	193,211	193,211	4,303	197,514
Other comprehensive income	–	–	–	–	13,637		(31,073)	–	(17,436)	(1,148)	(18,584)
Exchange differences on translating foreign operations	–	–	–	–	*(44)*		*(31,073)*	–	*(31,117)*	*(1,148)*	*(32,265)*
Actuarial gains and losses recognized in equity	–	–	–	–	*8,630*		–	–	*8,630*	–	*8,630*
Cash flow hedges – interest rate instruments	–	–	–	–	*4,425*		–	–	*4,425*	–	*4,425*
Cash flow hedges – currency instruments	–	–	–	–	*626*		–	–	*626*	–	*626*
Comprehensive income restated[µ]	–	–	–	–	**187,019**		**(31,073)**	**19,829**	**175,775**	**3,155**	**178,930**
Treasury stock transactions	–	–	–	(10,335)	–		–	–	(10,335)	–	(10,335)
Capital reduction (cancellation of treasury stock)	103,318	517	–	(5,457)	116		–	–	(4,824)	–	(4,824)
Changes in scope of consolidation***	–	–	–	–	(10,555)		2,495	–	(8,060)	(8,641)	(16,701)
Dividends paid by Compagnie Plastic Omnium	–	–	–	–	(37,276)		–	–	(37,276)	–	(37,276)
Dividends paid by other Group companies	–	–	–	–	(52)		–	–	(52)	(60)	(112)
Stock option costs	–	–	–	–	2,060		–	–	2,060	–	2,060
Equity at December 31, 2013 restated[µ]	**154,977**	**9,299**	**65,913**	**(44,348)**	**675,275**	**	**(28,991)**	**193,211**	**870,358**	**15,570**	**885,928**
Appropriation of 2013 net profit restated[µ]	–	–	–	–	193,211		–	(193,211)	–	–	–
Net income 2014	**–**	**–**	**–**	**–**	**–**		**–**	**224,553**	**224,553**	**4,929**	**229,482**
Other comprehensive income	–	–	–	–	(12,686)		34,951	–	22,265	(798)	21,467
Exchange differences on translating foreign operations	–	–	–	–	*(627)*		*34,951*	–	*34,324*	*(679)*	*33,645*
Actuarial gains and losses recognized in equity	–	–	–	–	*(16,180)*		–	–	*(16,180)*	*(119)*	*(16,299)*
Cash flow hedges – interest rate instruments	–	–	–	–	*3,159*		–	–	*3,159*	–	*3,159*
Cash flow hedges – currency instruments	–	–	–	–	*(468)*		–	–	*(468)*	–	*(468)*
Fair value adjustments to property, plant and equipment	–	–	–	–	*1,430*		–	–	*1,430*	–	*1,430*
Comprehensive income	**–**	**–**	**–**	**–**	**180,525**		**34,951**	**31,342**	**246,818**	**4,132**	**250,949**
Treasury stock transactions	–	–	–	(16,960)	3,038-		–	–	(13,922)	–	(13,922)
Capital reduction (cancellation of treasury stock)	(1,400)	(84)	(27,276)	27,360	–		–	–	–	–	–
Tax effect of treasury stock transactions	–	–	–	–	(1,154)		–	–	(1,154)	–	(1,154)
Changes in scope of consolidation***	–	–	–	–	(221)		(1,248)	–	(1,469)	–	(1,469)
Dividends paid by Compagnie Plastic Omnium	–	–	–	–	(48,746)		–	–	(48,746)	–	(48,746)
Dividends paid by other Group companies	–	–	–	–	–		–	–	–	(1,953)	(1,953)
Stock option costs	–	–	–	–	2,354		–	–	2,354	–	2,354
Equity at December 31, 2014	**153,577**	**9,215**	**38,637**	**(33,948)**	**811,071**	**	**4,712**	**224,553**	**1,054,239**	**17,749**	**1,071,988**

µ The new consolidation standards mentioned in Note 1.1 "Basis of preparation" provide for retrospective application as of January 1, 2013.

* Following a decision made during the Combined Shareholders' Meeting of April 25, 2013, the par value of Plastic Omnium shares was divided by three (€0.06 versus €0.17) with effect from September 10, 2013.

** See Note 5.2.1.2 for details of "Other reserves and retained earnings".

*** See Note 5.2.1.3 for the breakdown of the "Changes in scope".

The dividend per share distributed in 2014 by Compagnie Plastic Omnium in respect of the 2013 fiscal year was €0.33 compared with €0.25 (equivalent to €0.76 before the Compagnie Plastic Omnium share capital split in September 2013) distributed in 2013 in respect of the profits for the 2012 fiscal year (see the note on dividends voted and paid).

5.5 — STATEMENT OF CASH FLOWS – CONSOLIDATED FINANCIAL STATEMENTS

In thousands of euros	Notes	2014	2013 restated(µ)
I – Cash flows from operating activities			
Net income	3.1.1	229,482	197,513
Dividends received from associates		22,685	17,302
Non-cash items		302,589	267,576
Share of profit/(loss) of associates	*4.7*	*(39,321)*	*(31,173)*
Stock option plan expense		*2,354*	*2,060*
Other adjustments		*10,420*	*1,006*
Depreciation and Provisions for impairment of fixed assets	*3.1.3 – 5.1.3*	*122,343*	*114,338*
Depreciation and Provisions for impairment of intangible assets	*3.1.3 – 5.1.2*	*78,138*	*78,049*
Changes in provisions		*16,411*	*(1,597)*
Net (gains)/losses on disposals of non-current assets	*4.5.a*	*1,058*	*4,251*
Proceeds from operating grants recognized in the income statement		*(1,392)*	*(2,232)*
Current and deferred taxes	*4.8.1*	*64,168*	*56,918*
Interest expense		*48,410*	*45,956*
Funds from operations (A)		**554,756**	**482,391**
Change in inventories and work-in-progress – net		(37,253)	(22,806)
Change in trade receivables – net		22,576	(6,874)
Change in trade payables		22,155	50,731
Change in other operating assets and liabilities – net		(24,447)	3,595
Change in working capital (B)		**(16,969)**	**24,646**
Taxes paid (C)		**(80,990)**	**(63,445)**
Interest paid		(53,411)	(44,168)
Interest received		5,871	5,028
Net interest paid (D)		**(47,540)**	**(39,140)**
Net cash generated by operating activities (A+B+C+D)		**409,257**	**404,453**
II – Cash flows from investing activities			
Acquisitions of property, plant and equipment	3.1.3 – 3.2 – 5.1.3	(253,736)	(235,610)
Acquisitions of intangible assets	3.1.3 – 5.1.2	(92,697)	(78,110)
Disposals of property, plant and equipment	4.5.a	8,519	8,678
Disposals of intangible assets	4.5.a	3,559	2,059
Net change in advances to suppliers of fixed assets		7,905	(6,191)
Government grants received		643	1,098
Net cash used in operations-related investing activities (E)		**(325,807)**	**(308,076)**
Free cash flow (A+B+C+D+E)*		**83,450**	**96,377**
Acquisitions of subsidiaries and associates, investments in associates and joint ventures, and related investments	5.1.13.1.a	(208)	87
Proceeds from disposals of shares in subsidiaries and associates	4.5.a	16,610	–
Proceeds from disposals of available-for-sale financial assets	4.5.a	–	86
Impact of changes in scope of consolidation (newly consolidated companies)		–	38
Impact of changes in scope of consolidation – Cash and cash equivalents of companies leaving the scope of consolidation		–	(6)
Net cash used in financial investing activities (F)		**16,402**	**205**
Net cash used in investing activities (E+F)		**(309,405)**	**(307,871)**

IFRS

In thousands of euros	Notes	2014	2013 restated(µ)
III – Cash flows from financing activities			
(Purchases)/sales of treasury stock, net		(13,922)	(15,159)
Dividends paid to Burelle SA#		(28,684)	(22,072)
Dividends paid to other shareholders##		(22,015)	(15,316)
Acquisitions of non-controlling interests	5.1.13.1.b	–	(16,689)
Increase in financial debt		68,394	549,083
Repayment of borrowings		(60,311)	(348,956)
Net cash provided by (used in) financing activities (G)		**(56,538)**	**130,891**
Effect of exchange rate changes (H)		5,119	(13,057)
Net change in cash and cash equivalents (A+B+C+D+E+F+G+H)		**48,433**	**214,416**
Net cash and cash equivalents at beginning of period	5.1.12.2	482,831	268,415
Net cash and cash equivalents at end of period	**5.1.12.2**	**531,264**	**482,831**

µ The new consolidation standards mentioned in Note 1.1 "Basis of preparation" provide for retrospective application as of January 1, 2013.

* The "free cash flow" notion is an essential notion specific to the Plastic Omnium Group. It is used in all of the Group's external financial communication (press releases) and, in particular, for annual and interim results presentations.

In 2014, the Burelle SA dividends were paid in full by Compagnie Plastic Omnium, compared with €22,020 thousand in 2013.

In 2014, the dividend paid to other shareholders amounting to €20,062 thousand (compared with €15,257 in 2013) was paid by Compagnie Plastic Omnium, bringing the total dividends paid by the Company to €48,746 thousand (compared with €37,277 thousand in 2013). See Note 5.2.2 "Dividends voted and paid by Compagnie Plastic Omnium".

5.6 — NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Plastic Omnium Group for the fiscal year ended December 31, 2014 were approved by the Board of Directors of February 24, 2015. They will be submitted to the Combined Shareholders' Meeting of April 30, 2015 for approval.

Presentation of the Group

Compagnie Plastic Omnium, a company governed by French law, was set up in 1946. The articles of incorporation fixed its duration until April 24, 2112, following the adoption of the twelfth resolution put forward at the Shareholders' Meeting of April 25, 2013. The Company is registered in the Lyon Trade and Companies Register under number 955 512 611 and its registered office is at 19, boulevard Jules-Carteret, 69007 Lyon, France.

The terms "Plastic Omnium", "the Group" and "the Plastic Omnium Group" all refer to the group of companies comprising Compagnie Plastic Omnium and its consolidated subsidiaries.

The Plastic Omnium Group is a world leader in the transformation of plastic materials for the automotive market (various items of equipment: body component modules and fuel storage and distribution systems) representing 91.2% of its consolidated revenue (91.9% of its management revenue) and, for local authorities (waste collection containers and highway signage) for the remainder of its revenue.

Plastic Omnium Group shares have been traded on the Paris Stock Exchange since 1965. Listed on Eurolist in compartment A since January 17, 2013, the Group is part of the SBF 120 and the CAC Mid 60 indices. The Group's main shareholder is Burelle SA, which owned 56.60% (of the Group's shares 58.82% excluding treasury stock) at December 31, 2014.

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

The notion of "**restated** [µ]", applied to the financial statements preceding January 1, 2014, means that the statements have been restated according to the new consolidation standards *(see Note 1.1 "Basis of preparation" below)* which provide for retrospective application as of January 1, 2013.

1 Basis of preparation, accounting rules and methods

1.1 Basis of preparation

1.1.1 The basis of preparation not affected by the new consolidation standards

The accounting methods used to prepare the consolidated financial statements are those applied by the Group at December 31, 2013 and described in Note 1 "Basis of preparation, accounting rules and methods" to the 2013 consolidated financial statements, except for the mandatory new standards and amendments applicable from January 1, 2014 (in particular the new consolidation standards). The statement International Financial Reporting Standards (IFRS) and related interpretations adopted for use in the European Union at December 31, 2014, and available at: *http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission*. IFRS includes the International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) and interpretations published by the International Financial Reporting Interpretations Committee (IFRIC).

These principles do not differ from the mandatory standards and interpretations published by the IASB and applicable with effect from December 31, 2014.

Mandatory standards, interpretations and amendments with effect from January 1, 2015:

The Group has not early adopted those standards, interpretations or amendments to standards whose application is optional at December 31, 2014.

1.1.2 New consolidation standards and amendments whose application is mandatory from January 1, 2014

The consolidation standards, IFRS 10, IFRS 11 and IFRS 12, in addition to standards IAS 27 and IAS 28, were published in May 2011 and the amendments to transitional provisions in June 2012. They were adopted by the European Union on December 29, 2012 and their application is mandatory and retrospective as of January 1, 2014 at the latest.

IFRS 10 introduces a unique definition of control, based on three criteria: an investor controls an entity when it has power over the entity, is exposed or entitled to variable returns on account of its relations with the entity, and has the ability to influence these returns through the power it has over the entity.

IFRS 11 defines how the interest in jointly controlled entities should be recognized, according to the type of partnership. It distinguishes between joint ventures and joint operations. In accordance with this standard, joint-venture partnerships must be recognized via the equity method, as the proportional integration method is no longer authorized.

IFRS 12 specifies the information to be provided regarding shares in subsidiaries, partnerships, associates and/or unconsolidated structured entities.

The initial application of these standards led the Group to analyze its shareholdings in order to determine the control exercised on said shareholdings with respect to the new definition of control, and to review its partnerships over the periods presented.

The effect of the initial application of these new consolidation standards is described in Note 7.2 and mainly concerns the equity accounting method for the joint ventures HBPO (33.33%), Yanfeng Plastic Omnium (49.95%), B.P.O AS (50.00%) and Signal AG (50.00%). The Group identified no joint operations.

1.1.3 Other new standards and amendments whose application is mandatory from January 1, 2014

Other standards or amendments whose application is mandatory as of January 1, 2014, such as the amendments to IAS 32 "Financial instruments: Presentation – Offsetting financial assets and financial liabilities", to IAS 39 "Novation of derivatives and continuation of hedge accounting", and to IAS 36 "Impairment of assets – Recoverable amount disclosures for non-financial assets" have no material impact on the Group.

1.1.4 Consolidation principles

Entities in which the Group owns more than 50% of the voting rights are fully consolidated. Entities in which the Group owns less than 50% but that are controlled in substance are also fully consolidated.

The companies over which the Group exercises joint control with other shareholders, regardless of the shareholding percentage, treated as "joint ventures", in addition to the companies over which the Group exercises significant influence, treated as "Investments in associates" (significant influence is assumed when the Group owns more than 20% of voting rights in a company) are recognized using the equity method.

1.1.5 Attributable to non-controlling interests

Non-controlling interests correspond to the share of the Group's equity attributable to outside shareholders. They are presented as a separate item in the income statement and under equity in the consolidated balance sheet, separately from profit and equity attributable to owners of the parent.

Non-controlling interests may be measured either at fair value at the acquisition date (i.e. including a share of goodwill) or at their proportionate share of the fair value of the identifiable net assets acquired. The option is available on a transaction-by-transaction basis.

Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are recognized as equity transactions. Accordingly, when the Group's interest in a controlled entity is increased (or reduced), without control being acquired (or lost), the difference between the acquisition price (or disposal value) and the carrying amount of the share of the net assets acquired (sold) share is recorded in equity.

1.1.6 Segment information

Segment information is presented on the basis of the segments identified in the Group's internal reporting and notified to the management in order to decide on the allocation of resources and for performance analysis.

The Group is managed on the basis of two operational segments:

- "Automotive", which covers activities from design and manufacture to sales of body components and modules, and fuel storage and distribution systems;
- "Environment", which covers activities for local authorities, i.e. products and services for pre-collection and managing waste, and "Signature" for road and highway signage.

1.1.7 Business combinations

Business combinations are recognized by applying the acquisition method. Under this method, assets, liabilities and identifiable contingent liabilities acquired are recognized at their fair value on the acquisition-date.

Goodwill is recognized as the excess of (i) the consideration transferred to the vendor plus (ii) the amount of any non-controlling interest in the company acquired over (iii) the net balance of the identifiable assets and liabilities acquired.

In a business combination carried out in stages, the consideration also includes the acquisition-date fair value of the acquirer's previously held equity interest in the acquired company. The previously held equity interest is measured at fair value through profit or loss.

Acquisition-related costs are recorded as expenses.

The fair value adjustments of assets and liabilities acquired are offset against goodwill adjustments for a period of twelve months after the acquisition date. After that date, any changes in value are recognized in profit or loss, including any changes in tax assets.

1.1.8 Translation of the financial statements of foreign subsidiaries

Plastic Omnium Group uses the euro as its presentation currency in the consolidated financial statements. Financial statements of foreign subsidiaries are prepared in their functional currency[1] and translated into the Group's presentation currency as follows:

- balance sheet items, other than equity, are translated at the exchange rate on the balance sheet date;
- income statement items are translated at the average exchange rate for the period;
- differences arising on translation are recognized in consolidated equity under "Translation reserves".

Goodwill arising on business combinations with foreign entities is recognized in the functional currency of the entity acquired and then translated into the presentation currency of the Group at the closing rate, with the translation difference being recognized in equity. On disposal of the entire interest in a foreign operation, the related translation differences initially recognized in equity, are reclassified in profit or loss.

1.1.9 Translation of transactions in foreign currencies

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rate in force on the transaction date. When the accounts are being drawn up, foreign currency monetary items are translated using the rate at the balance sheet date.

The resulting translation difference is recognized in the income statement under "Other operating income and expense" for transactions related to operating activities, and under "Other financial income and expense" for financial transactions.

Borrowings in foreign currencies obtained from the Group by a subsidiary, for which repayment is neither planned nor likely in the foreseeable future are considered as being part of the net investment of the Group in this foreign business. The corresponding translation adjustments are recorded under equity.

1.1.10 Revenue

Revenue from the sale of goods and services is recognized when control and the risks and rewards of ownership are transferred, and it is probable that future economic benefits associated with the transaction will flow to the Group and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of any trade discounts and volume rebates allowed by the Group as well as any sales tax or customs duties.

Sales of goods

Revenue from the sale of goods and from wholesale transactions is recognized when the significant risks and rewards of ownership of the goods are transferred to the buyer, generally on delivery.

Sales of services and tooling

Automotive Division

Revenue generated during the project phase of automotive contracts (development work and production of tooling) is recognized when the main risks and rewards of ownership have been transferred to the customer. A determining factor in the Group's analysis is whether or not the customer has formally agreed to the price.

When a contractual agreement has been signed with the customer concerning the sale price of the tooling, the tooling is considered as having been sold and the related revenue is recognized on the basis of the stage of completion validated by the customer and, at the latest, on the first day of series production of the model concerned.

Similarly, development revenue billed on a time-spent basis is gradually recognized using the stage of completion method.

If the final sale price has not been formally agreed (for example, where the customer finances the project by "development unit", with no volume guarantee), the revenue recognition criteria are not met. In this case, the tooling and/or development time are recognized in property, plant and equipment and/or intangible assets and depreciated or amortized over the life of the contract, with payments from the customer recognized in revenue over the period of series production.

Environment

Most lease-maintenance contracts are operating leases. Revenue from lease-maintenance contracts classified as operating leases is recognized on a straight-line basis over the lease term. Services provided under contracts classified as finance leases are recognized as a sale, for an amount corresponding to the sum of the survey and equipment installation costs and the estimated sale price of the equipment made available.

1.1.11 Receivables

Receivables are initially recognized at fair value. Fair value generally represents the nominal amount of the receivable when the corresponding sale is subject to routine payment terms. Provisions for doubtful accounts are recorded when there is objective evidence that the receivables are impaired. Their amount is determined separately for each customer.

Finance receivables mainly correspond to the lease-financing sales concerning Environment, and sales of developments and tooling with regard to which the Group has signed an agreement enabling customers to pay in installments (for example: "development unit" prices contractually agreed by customers). These latter receivables are originally due in more than one year and may be interest-bearing in the framework of an asset financing agreement with the customer. The corresponding finance income is recognized in revenue. Finance receivables are deducted from the calculation of net debt.

(1) The functional currency is the currency of the economic environment in which an entity operates. It is usually the local currency, except for certain subsidiaries that carry out the majority of their transactions in another currency.

Sold receivables, which are removed from the balance sheet, meet the following criteria:

- the contractual rights to the receivable are transferred to the buyer;
- substantially all the risks and rewards of ownership are transferred to the buyer;

The risks taken into account are:

- credit risk,
- risks related to payment arrears both for the amount and duration,
- interest rate risk, which is transferred in full to the buyer.

1.1.12 Operating margin

Operating margin corresponds to profit from fully consolidated companies, before other operating income and expenses which consist mainly of:

- gains from disposals of property, plant and equipment and intangible assets;
- impairment losses on non-current assets (property, plant and equipment and intangible assets), including goodwill
- translation differences, corresponding to the difference between the exchange rates used to account for operating receivables and payables and the rates used to account for the related settlements
- income and expenses that are unusual in nature, frequency or amount, such as expenses related to changes of scope, the start-up costs of new plants, restructuring costs and downsizing costs.

Amortization of contractual customer relationships acquired in business combinations is recognized as a separate component of operating margin.

Consequently, the Group has an operating margin prior to taking into account amortization of intangible assets related to acquisitions within the framework of combining companies and an operating margin after taking this amortization into account.

The operating margin, before this amortization, is the main performance indicator used by the Group. It is close to the operating margin presented during previous financial years.

1.1.13 Research tax credit

Certain research expenditure by Group subsidiaries qualifies for French tax credits. These credits are included in operating margin as a deduction from "Net research and development costs", see Notes 4.1 "Research and development costs" and 4.2 "Cost of sales, development, selling and administrative costs".

1.1.14 Right to individual training (DIF)

The right to individual training (DIF) was introduced in France by the Act of May 4, 2004, which gives all employees, regardless of their qualifications, the right to a certain number of hours training each year, at their own initiative and subject to employer approval.

In accordance with the statutory provision, each employee has a new right entitling him/her to capitalize a minimum of 20 hours per calendar year up to December 31, 2011, and 25 hours since, with the total of the rights being limited to 120 hours.

To date, no provision has been recognized for individual training rights, as the related costs are expected to generate future economic benefits for the Group. These costs are therefore expensed as incurred.

1.1.15 Intangible assets

1.1.15.1 Research and development costs

Material development costs are recognized as an intangible asset when the entity can demonstrate:

- its intention is to complete the project and the availability of adequate technical and financial resources to do so;
- that the project will generate probable future economic benefits;
- the ability to reliably value the cost of the assets.

Automotive Division development costs

Development costs incurred during projects subject to a contractual payment agreement with the customer are gradually expensed as the costs advance. The revenue recognition policy is described in Note 1.1.10 "Income from ordinary activities".

Costs incurred on orders for specific tooling and molds paid by the customer before production begins are recognized in inventories. Revenue from the developed products is recognized in "Income from ordinary activities" on the date of technical acceptance, based on the percentage of the total cost incurred up to that date, or, at the latest, on the first day of series production. Amounts received prior to these dates are recorded under "Customer prepayments".

Development costs for "development units" not covered by a contractual volume undertaking or payment guarantee from the customer are recognized as intangible assets in progress during the development phase.

Capitalized development costs are amortized when daily output reaches 30% of estimated production and, at the latest, three months after the launch of series production.

Amortization is calculated on a straight-line basis over the estimated period of series production, which averages three years.

Other research and development costs

Other research and development costs are recognized as an expense for the period in which they are incurred.

1.1.15.2 Other intangible assets

Other intangible assets are measured at cost less accumulated amortization and impairment losses. They are amortized on a straight-line basis over their estimated useful lives.

They mainly include "Plastic Omnium Auto Inergy" and "Ford Milan" contractual customer relationships.

These assets are tested for impairment whenever there is objective evidence that they are impaired.

1.1.16 Start-up costs

Costs corresponding to start-up phases, including organization costs, are included in expenses in accordance with the pace at which they are incurred. They correspond to the use of new production capacities or techniques.

1.1.17 Goodwill and impairment testing

Plastic Omnium Group goodwill is not amortized but is tested for impairment at least once a year, at the year-end, and on the interim balance sheet date if there is objective evidence of impairment.

Impairment tests are carried out at the level of each cash generating unit (CGU) or groups of units generating cash and cash equivalents, which are:

- "Automotive";
- "Environment" excluding "Signature";
- "Signature".

The Group has two reportable segments – Automotive and Environment (see Note 3 "Segment information") – and information on goodwill is presented on the same basis (see Note 5.1.1 "Goodwill").

The carrying amount of each CGU's assets (including goodwill) is compared with its recoverable amount. Recoverable amount is the higher of fair value less costs to sell and value in use, determined by the discounted cash flow method.

Future cash flows are estimated based on the Group's four-year business plan, revised where necessary to take into account the most recent market conditions. The terminal value is calculated by capitalizing projected cash flows for the last year covered by the business plan, using a long-term growth rate that reflects the outlook for the market concerned. The cash flow projections are then discounted.

For 2014, the following assumptions were used for the various operating segments:

- Automotive: a 1.5% perpetual growth rate and a 9.0% after-tax discount rate;
- Environment: a 1.5% perpetual growth rate and a 7.5% after-tax discount rate.

These assumptions are unchanged from 2013.

The assumptions used to determine the discount rates have factored in:

- an industry risk premium;
- a spread of segment financing for the valuation of the cost of debt;
- rates used by comparable companies in the segment concerned.

At December 31, 2014, the tests conducted did not lead to the recording of any impairment in respect of the Group's goodwill. A 0.5% increase in the discount rate or a reduction of 0.5% in the long-term growth rate or a reduction of 0.5% in the operating margin rate would not have any impact on the test results. Concerning the three CGUs, only unreasonable assumptions might jeopardize the test results. Unreasonable assumptions means a zero growth rate (for "Signature") or negative for the other CGUs combined with a discount rate increased by more than two points.

Negative goodwill is recorded in the income statement during the year of acquisition.

Goodwill is measured annually at cost, less any accumulated impairment losses. Impairment losses recognized on goodwill are irreversible.

1.1.18 Property, plant and equipment

Gross

Property, plant and equipment are initially recorded at acquisition cost, or production cost for assets manufactured by the Group (or by a subcontractor) for its own use, or at fair value in the case of assets acquired without consideration.

Gains and losses on intra-group sales or acquisitions of property, plant and equipment are eliminated in the consolidated financial statements.

Property, plant and equipment are subsequently recognized at their cost less accumulated amortization and accumulated impairment losses.

After initial recognition, property and industrial buildings are measured at depreciated cost. Maintenance and repair costs to restore or maintain the future economic benefits expected based on the asset's estimated level of performance at the time of acquisition are recognized as an expense as incurred.

Assets acquired under finance leases are recognized in property, plant and equipment at the lower of their fair value and the present value of future minimum lease payments. They are depreciated at the same rate as assets that are owned outright. Contracts classified as finance leases primarily concern industrial buildings, major functional assemblies such as paint lines and presses, and containers leased by Plastic Omnium Environment.

Accumulated depreciation

Property, plant and equipment are depreciated by the straight-line method over the following estimated useful lives:

Buildings and fixtures	20-40 years
Presses, blow-molding and transformation	7-12 years
Machining, finishing and other equipment	3-7 years
Containers (Plastic Omnium Environment)	8 years

Each significant part of a property asset or major functional assembly, such as a paint line, press or blow-molding machine, is depreciated separately over its specific estimated useful life.

Impairment of property, plant and equipment

Property, plant and equipment are tested for impairment when the decision is made to cease production, to withdraw a product manufactured using the assets concerned or to close a facility.

1.1.19 Investment property

The elements in the "Investment property" section of the assets on the Group's balance sheet are not included in ordinary operations. These assets, which belong to the Group, may correspond to real estate as follows:

- properties that are not occupied on the balance sheet date and whose use has yet to be decided; or
- properties held for their long-term appreciation, which are leased to third parties under operating leases.

The Group may select to use all or part of a property whose use has yet to be decided (in which case the relevant part is reclassified as owner-occupied property) or to lease it under one or more operating leases.

Properties or parts of properties previously classified under investment property and reclassified as owner-occupied property when the Group decides to use them for its own occupation, are recognized at their carrying amount on the transfer date.

When properties are moved from the "Property, plant and equipment" category to the "Investment property" category, any difference between their carrying amount and their fair value on that date is accounted for as a revaluation.

Investment property is measured at fair value at the balance sheet date, with changes in fair value recognized in profit or loss. The same accounting treatment is applied to the land on which the property is constructed. The land and buildings are valued at regular intervals as part of the year-end closing process by an independent valuer. Between two valuations, the Group is kept informed by the valuer if the real estate market undergoes any significant changes. The fair value determined by the valuer is calculated by direct reference to observable prices in an active market (fair value level 2).

1.1.20 Inventories

1.1.20.1 Raw materials and supplies

Raw materials and supplies are measured at the lower of cost and net realizable value.

A provision for impairment is recorded when the estimated selling price of the related finished products in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale, is less than the carrying amount of the raw materials or supplies.

1.1.20.2 Finished and semi-finished products

Finished and semi-finished products are measured at standard production cost, adjusted annually. Cost includes raw materials and direct and indirect production costs. It does not include any administrative overheads or IT costs that are unrelated to production or any research and development or distribution costs. In addition, it does not include the cost of any below normal capacity utilization.

At each balance sheet date, the gross value of finished and semi-finished products is compared to their net realizable value, determined as explained above, and a provision for impairment is recorded when necessary.

1.1.21 Current and non-current debt

Current and non-current debt are valued using the amortized cost method and the effective interest rate.

1.1.22 Provisions

Provisions for contingencies and charges are recorded when the Group has a present obligation to a third party involving a likely outflow of resources in favor of the third party, and no equivalent benefit is expected to be received by the Group. Losses identified on onerous contracts, i.e. contracts where the unavoidable costs of meeting the obligations under the contract exceed the expected economic gains from said contracts, are recognized as provisions. These provisions for contingencies and charges are recognized in current or non-current liabilities according to whether they are short- or medium-long term in nature.

The cost of downsizing plans is recognized in the period in which a detailed plan is drawn up and announced to the employees concerned or their representatives.

1.1.23 Provisions for pensions and other post-employment benefits

All Group employees are covered by pension and other long-term post-employment benefit plans. Pension plans comprise both defined contribution and defined benefit plans.

1.1.23.1 Defined contribution plans

The cost of defined contribution plans, corresponding to salary-based contributions to government-sponsored pension and death/disability insurance plans made in accordance with local laws and practices in each country is recognized in operating expense. The Group has no legal or constructive obligation to pay any additional contributions or any future benefits. Consequently, no benefit obligation is recognized in respect of these defined contribution plans.

1.1.23.2 Defined benefit plans

The Group's defined benefit plans are mainly post-employment benefit plans, consisting of length-of-service awards payable to employees of the French companies in the Group and:

- other pension and supplementary pension plans, mainly in the United States and France;
- plans for the payment of healthcare costs, in the United States.

Provisions for defined benefit pension plans are calculated on an actuarial basis by the projected unit credit method.

The calculations take into account:

- retirement age assumptions based on legislation and, in particular for French employees, voluntary retirement when full benefit rights have been acquired;
- mortality assumptions;
- the probability of active employees leaving the Group before retirement age;
- estimated salary increases up to retirement;
- discounting and inflation rates assumptions.

In the case of funded defined benefit plans, the obligation is calculated each year by independent actuaries and deducted from the fair value of plan assets at the year-end. This valuation builds in long-term profitability assumptions of invested assets calculated on the basis of the discount rate used to value Company commitments.

Changes in provisions for defined benefit obligations are recognized over the benefit vesting period, under "Operating expenses" in the income statement, except for:

- the effect of discounting the commitments, which is recognized in financial expense;
- actuarial gains and losses on post-employment benefit obligations, which are recognized in equity.

1.1.23.3 Other long-term benefits

Other long-term benefits mainly correspond to long-service awards payable to employees of French companies in the Group.

Actuarial gains and losses on "Other long-term benefit plans" (mainly long-service awards) are recognized immediately in profit or loss.

1.1.24 Current government grants

Government grants are recognized as a liability in the balance sheet and correspond to grants to finance investments in new facilities, production equipment or research and development programs.

They are reclassified in gross profit over the periods and in the proportions in which the acquired assets are depreciated.

1.1.25 Treasury stock

Treasury stock is recorded as a deduction from equity, regardless of the purpose for which the shares are being held.

The proceeds from sales of treasury stock are recorded directly in equity and gains or losses on the sales therefore have no impact on profit for the year.

1.1.26 Stock option plans

Employee stock options are measured at their fair value at the date of grant by the Board of Directors, using the Black & Scholes option pricing model.

The fair value is recognized in "Employee benefits expense" on a straight-line basis over the option vesting period, with a corresponding adjustment to reserves.

1.1.27 Financial assets (other than derivatives)

Financial assets include equity interests in companies that are not consolidated because they are not controlled by the Group (either alone or jointly with a partner) or because the Group does not exercise significant influence over their management, as well as loans and securities.

Financial assets are classified as non-current assets, except for assets maturing within twelve months of the balance sheet date which are recorded under current assets or cash equivalents, as appropriate.

1.1.27.1 Available-for-sale financial assets

Equity interests in companies over which the Group does not exercise control or significant influence are classified as available-for-sale financial assets. They are measured at their fair value at the closing date. Changes in fair value are directly recorded in equity. An impairment is recorded in the income statement when there is objective evidence that these securities have lost value. A significant or prolonged drop in the fair value with reference to the acquisition value is objective evidence of a loss in value. This impairment cannot be written back.

1.1.27.2 Other non-current financial assets

Other financial assets comprise loans, security deposits and surety bonds. They are measured at amortized cost. Whenever there is any objective evidence of impairment – i.e. the carrying amount is lower than the recoverable amount – an impairment provision is recognized through profit or loss. These provisions may be reversed if the recoverable amount subsequently increases.

1.1.28 Derivative instruments and hedge accounting

In order to manage its interest rate risk, the Group uses over the counter derivatives. These hedging instruments are recognized and measured in the balance sheet at fair value.

Changes in the fair value of instruments described as "Cash flow hedges" are recorded under "Other comprehensive income" (equity) for the efficient parts and under "Net financial income" for the inefficient parts.

Changes in the fair value of instruments that do not qualify for hedge accounting are recognized directly in profit or loss.

1.1.29 Cash and cash equivalents

Cash and cash equivalents presented in the statement of cash flows are short-term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of change in value. Cash comprises cash at bank and in hand, short-term deposits and bank balances in credit, except for funds used to cover short- or medium-term cash needs arising in the ordinary course of business. The latter are considered to represent sources of financing and, as such, are excluded from cash and cash equivalents. Cash equivalents correspond to the temporary investment of surplus cash in instruments with short maturities (money market mutual funds, negotiable debt securities, etc.). Changes in their fair value are recognized in profit or loss.

1.1.30 Assets held for sale and discontinued operations

The following items are classified as "Assets held for sale":

- the value of assets that are being held pending their sale;
- the value of assets or groups of assets that are being held pending their sale rather than for continuing use (disposal groups); and
- the value of businesses and entities acquired with a view to their subsequent sale.

Liabilities related to these assets, disposal groups, activities or entities are also presented as a separate item under liabilities in the balance sheet: "Liabilities directly related to assets held for sale."

Assets (or disposal groups) classified as held for sale are no longer depreciated. They are measured at the lower of their carrying amount and estimated disposal price, less costs to sell. Any impairment losses are recognized by the Group in "Other operating expense".

In the balance sheet, prior year data are not adjusted to reflect the reclassification of assets held for sale.

In the income statement, the results of business operations or entities that meet the definition of a discontinued operation are reported as a separate line item entitled "Net income from discontinued operations" in each of the years presented.

1.1.31 Income tax

Deferred taxes recognized on temporary differences between the carrying amount of assets and liabilities on the balance sheet and their tax base are not discounted.

Deferred taxes are calculated using the liability method based on the most recent enacted tax rate at the balance sheet date that is expected to apply to the period in which the temporary differences reverse.

Tax credits and deferred tax assets on tax loss carryforwards and other temporary differences are recognized when it is probable that sufficient taxable earnings will be generated to permit their utilization.

1.2 Use of estimates

In order to prepare its financial statements, the Plastic Omnium Group uses estimates and assumptions to value certain assets, liabilities, income, expenses and commitments. These estimates and assumptions are reviewed by senior management at regular intervals. The amounts shown in the future financial statements of the Group may reflect changes in these estimates or assumptions in consideration of experience or changes in circumstances or economic conditions.

As a general rule, estimates and assumptions used during the fiscal year are based on the latest available information on the balance sheet date. Estimates may be revised depending on developments in the underlying assumptions. The assumptions used mainly concern:

- deferred taxes:

  the recognition of deferred tax assets depends on the probability of sufficient taxable earnings being generated to permit their utilization. The Group makes regular estimates of future taxable earnings, mainly in its medium-term business plans. These estimates take account of the recurring or non-recurring nature of certain losses and expenses;
- provisions for pensions and other post-employment benefits:

  the Group, assisted by independent actuaries, adopts assumptions for actuarial valuations in respect of its defined benefit pension plans (see Notes 1.1.23, 5.2.6 "Provisions for pensions and other post-employment benefits") concerning:

  - discount rates for pension and other long-term benefit plans,
  - healthcare cost trends in the United States,
  - expected employee turnover and future salary increases;
- asset impairment tests:

  asset impairment tests are conducted notably on goodwill and on development costs on automotive projects recognized as intangible assets. Within the framework of these tests, in order to determine the recoverable value, the concepts of fair value net of disposal costs and value in use obtained by the discounted cash flow method are used. These tests are based on assumptions concerning future flows of operational cash and cash equivalents and the discount rate. Assumptions that could significantly impact the accounts concern the discount rate and growth rates.

2 Significant events of the period

2.1 Investments in Research and Development Center

The international Research and Development Center, α-Alphatech, of the Plastic Omnium Auto Inergy Division for fuel systems, is located at Compiègne in the Oise department and became operational on September 1, 2014. It accommodates Group employees from various sites (Venette in the Oise department; Laval in the Mayenne, and Brussels in Belgium). The α-Alphatech center, which covers a surface area of 23,000 sq.m., is built on an eight-hectare site belonging to the Group. At December 31, 2014, the work carried out amounted to nearly €65 million.

2.2 Investments in production capacity

The Group has launched the construction of a plant at Chattanooga, in the state of Tennessee: it will be intended for the production of auto exterior components for Volkswagen. The construction begun in 2014 will end in the second half of 2015. Investments amounted to €14.7 million (US$19.6 million) at December 31, 2014.

2.3 Investments in an office construction project

The Group's project to build a 33,000 sq.m. office building on its land in Lyon Gerland, which was begun in 2013, is still ongoing. The structural work and facilities have been completed, together with the facades and green spaces. Only the interior fittings are being finalized. The delivery date, set for the first quarter of 2015, remains in line with initial estimates as there have been no delays in the project. The opening is scheduled for March 30, 2015. The amount of investments (excluding the value of the land) for 2014 came to €46.8 million, bringing the investment to €73.6 million at December 31, 2014.

2.4 Disposal of the Group's stake in Signal AG

The Group sold its 50% stake in Signal AG to its partner Integra Holding AG on December 23, 2014, for an amount of CHF20 million (equivalent to €16.6 million at December 31, 2014). This company, incorporated into the Environment Division, is specialized in road markings and signage. Under this transaction, an expense of €0.7 million was recorded in the consolidated financial statements for equity attributable to owners of the parent of €17.3 million (and an expense of €4.9 million for €21.5 million in equity in the Management accounts). Following this transaction, Plastic Omnium Group no longer holds any stake in Signal AG.

3 Segment information

The presentation of the note on segment information is broken down as follows:

- the transition from Management Accounts to Consolidated Accounts: Notes 3.1, 3.2 and 3.3;
- notes setting out the Management data only: Note 3.4.

3.1 Reconciliation of management accounts and consolidated financial statements

The Group is divided into two operational sectors: Automotive and Environment. The Management Committee relies on the operating database (which reflects the Group's economic and managerial reality) to assess each sector's performance and to steer and manage the Group.

Accordingly, HBPO, YFPO, BPO AS and Signal AG in particular are fully consolidated, or consolidated under the proportional integration method in the Management accounts.

As mentioned in Note 1.1.2, these companies are consolidated using the equity method in the consolidated financial statements.

The segment information presented below is based on the operational management statements and reconciled with the consolidated financial statements.

The notion of "Adjustments" is used to distinguish between management information and the consolidated financial statements, and concerns the effects of the application of the new consolidation standards.

The columns in the tables below show the amounts for each segment. The "Unallocated items" column groups together inter-segment eliminations and amounts that are not allocated to a specific segment (e.g. holding company activities) so as to reconcile segment information to the Group's financial statements. Financial results, taxes and the share of profit/(loss) of associates are monitored by the Group and not allocated to the sectors. Inter-segment transactions are carried out on an arm's length basis.

3.1.1 Consolidated income statement by reportable segment

In thousands of euros	2014					
	Management accounts				Adjustments	Consolidated Financial Statements
	Automotive	Environment	Unallocated items*	Total		
Sales to third parties	4,882,452	431,981	(342)	5,314,091	(876,886)	4,437,205
Sales between segments	(86)	(256)	342	–	–	–
Revenue	**4,882,366**	**431,725**	**–**	**5,314,091**	**(876,886)**	**4,437,205**
% of segment revenue	*91.9%*	*8.1%*		*100.0%*	*–*	*100.0%*
Operating margin before amortization of intangible assets acquired in business combinations	**401,769**	**30,061**	**–**	**431,830**	**(60,273)**	**371,557**
% of segment revenue	*8.2%*	*7.0%*		*8.1%*	*–*	*8.4%*
Amortization of intangible assets acquired in business combinations	(18,297)	–	–	(18,297)	–	(18,297)
Operating margin after amortization of intangible assets acquired in business combinations	**383,472**	**30,061**	**–**	**413,533**	**(60,273)**	**353,260**
% of segment revenue	*7.9%*	*7.0%*		*7.8%*	*–*	*8.0%*
Other operating income	**3,449**	**595**	**–**	**4,044**	**(671)**	**3,373**
Other operating expenses	**(34,269)**	**(13,227)**	**–**	**(47,496)**	**9,486**	**(38,010)**
% of segment revenue	*–0.6%*	*–2.9%*		*–0.8%*	*–*	*–0.8%*
Finance costs, net				(49,323)	(1,921)	(51,244)
Other financial income and expense, net				(12,900)	(150)	(13,050)
Share of profit/(loss) of associates and joint ventures				3,475	35,846	39,321
Profit from continuing operations before income tax and after share of associates and joint ventures				**311,333**	**(17,683)**	**293,650**
Income tax				(73,928)	9,760	(64,168)
Net profit				**237,405**	**(7,923)**	**229,482**

In thousands of euros	2013					
	Management accounts				Adjustments	Consolidated Financial Statements
	Automotive	**Environment**	**Unallocated items***	**Total recorded**		**Restated(µ)**
Sales to third parties	4,655,735	469,462	(650)	5,124,547	(789,396)	4,335,151
Sales between segments	(504)	(146)	650	–	–	–
Revenue	**4,655,231**	**469,316**	**–**	**5,124,547**	**(789,396)**	**4,335,151**
% of segment revenue	*90.8%*	*9.2%*		*100.0%*	*–*	*100.0%*
Operating margin before amortization of intangible assets acquired in business combinations	**369,938**	**24,700**	**–**	**394,638**	**(56,071)**	**338,567**
% of segment revenue	*7.9%*	*5.3%*		*7.7%*	*–*	*7.81%*
Amortization of intangible assets acquired in business combinations	(18,698)	–	–	(18,698)	–	(18,698)
Operating margin after amortization of intangible assets acquired in business combinations	**351,240**	**24,700**	**–**	**375,940**	**(56,071)**	**319,869**
% of segment revenue	*7.5%*	*5.3%*		*7.3%*	*–*	*7.4%*
Other operating income	**773**	**29**	**–**	**802**	**(29)**	**773**
Other operating expenses	**(33,041)**	**(9,708)**	**–**	**(42,749)**	**4,183**	**(38,566)**
% of segment revenue	*-0.7%*	*-2.1%*		*-0.8%*	*–*	*-0.9%*
Finance costs, net				(48,087)	(914)	(49,001)
Other financial income and expense, net				(9,563)	(254)	(9,817)
Share of profit/(loss) of associates and joint ventures				882	30,291	31,173
Profit from continuing operations before income tax and after share of associates and joint ventures				**277,225**	**(22,795)**	**254,430**
Income tax				(69,222)	12,304	(56,918)
Net profit				**208,003**	**(10,491)**	**197,513**

* "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.

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3.1.2 Consolidated balance sheet data by reportable segment

In thousands of euros Net amounts	Management accounts				Adjustments	Consolidated Financial Statements
	Automotive	Environment	Unallocated items	Total		
December 31, 2014						
Goodwill	188,169	120,987	–	309,156	(24,586)	284,570
Intangible assets	330,493	17,319	10,855	358,667	(6,949)	351,718
Property, plant and equipment	976,338	68,327	47,380	1,092,045	(83,575)	1,008,470
Investment property	–	–	88,825	88,825	–	88,825
Inventories	276,181	41,850	13,829	331,860	(18,384)	313,476
Trade receivables	554,085	43,356	15,010	612,451	(110,849)	501,602
Other	237,237	9,126	33,282	279,645	(85,364)	194,281
Finance receivables* (C)	56,034	5,619	–	61,653	–	61,653
Current accounts and other financial assets (D)	(326,932)	636	348,486	22,190	621	22,811
Available-for-sale financial assets – FMEA 2 (F)	–	–	1,372	1,372	–	1,372
Hedging instruments (E)	–	–	374	374	–	374
Net cash and cash equivalents** (A)	202,327	6,536	391,814	600,677	(69,413)	531,264
Total segment assets	**2,493,932**	**313,756**	**951,227**	**3,758,915**	**(398,498)**	**3,360,417**
Borrowings (B)	95,571	6,450	913,856	1,015,877	(8,865)	1,007,012
Segment liabilities	**95,571**	**6,450**	**913,856**	**1,015,877**	**(8,865)**	**1,007,012**
Segment net debt = (B–A–C–D–E–F)***	**164,142**	**(6,341)**	**171,811**	**329,612**	**59,926**	**389,537**
Equity (including non-current government grants)				**1,110,212**	**(26,936)**	**1,083,276**

December 31, 2013				Reported	Adjustments	Restated(µ)
Goodwill	184,785	149,657	–	334,442	(52,921)	281,521
Intangible assets	310,788	19,282	12,534	342,604	(12,333)	330,271
Property, plant and equipment	839,087	74,318	48,377	961,782	(70,640)	891,142
Investment property	–	–	42,053	42,053	–	42,053
Inventories	231,644	50,492	–	282,136	(19,186)	262,950
Trade receivables	518,837	68,994	3,148	590,979	(95,274)	495,705
Other	185,558	9,657	20,952	216,167	(62,019)	154,148
Finance receivables* (C)	65,013	7,191	–	72,204	–	72,204
Current accounts and other financial assets (D)	(305,751)	13,330	318,319	25,898	561	26,459
Available-for-sale financial assets – FMEA 2 (F)	–	–	1,524	1,524	–	1,524
Hedging instruments (E)	–	–	1,192	1,192	–	1,192
Net cash and cash equivalents** (A)	196,571	10,638	335,695	542,904	(60,073)	482,831
Total segment assets	**2,226,532**	**403,559**	**783,794**	**3,413,885**	**(371,884)**	**3,042,000**
Borrowings (B)	83,248	10,156	905,517	998,921	(5,166)	993,755
Segment liabilities	**83,248**	**10,156**	**905,517**	**998,921**	**(5,166)**	**993,755**
Segment net debt = (B–A–C–D–E–F)***	**127,415**	**(21,003)**	**248,787**	**355,199**	**54,345**	**409,545**
Equity (including non-current government grants)				**944,146**	**(46,335)**	**897,811**

* At December 31, 2014, "Finance receivables" included €30,440 thousand reported in the balance sheet under "Other non-current financial assets" against €35,708 thousand at December 31, 2013, and €31,213 thousand reported under "Finance receivables – current portion" against €36,496 thousand at December 31, 2013.

** Net cash and cash equivalents as reported in the statement of cash flows. See also Note 5.1.12.2 "Net cash and cash equivalents at end of period".

*** See Note 5.2.7.1 concerning the net debt indicator used by the Group and Note 5.2.7.4 concerning the reconciliation of gross and net debt.

3.1.3 Other consolidated information by reportable segment

In thousands of euros	Management accounts				Adjustments	Consolidated Financial Statements
	Automotive	Environment	Unallocated items	Total		
2014						
Acquisitions of intangible assets	95,704	671	1,406	97,781	(5,084)	92,697
Capital expenditure (including acquisitions of investment property)#	214,249	14,016	49,261	277,526	(23,790)	253,736
Depreciation and amortization expense*	(199,018)	(17,500)	(6,128)	(222,646)	22,165	(200,481)

In thousands of euros	Management accounts				Adjustments	Restated(µ)
	Automotive	Environment	Unallocated items	Total		
2013						
Acquisitions of intangible assets	78,641	2,868	2,794	84,303	(6,193)	78,110
Capital expenditure (including acquisitions of investment property)#	219,236	11,585	28,833	259,654	(24,044)	235,610
Depreciation and amortization expense*	(184,612)	(17,822)	(5,270)	(207,704)	15,317	(192,387)

* This item corresponds to depreciation, amortization and impairments of property, plant and equipment and intangible assets, including the amortization of intangible assets (brands and client contracts) acquired in business combinations.

\# See Note 5.1.4 on investment property.

3.1.4 Revenue – Information by geographic region and by country of sales

The following table shows revenue generated by the Group's subsidiaries in the regions or countries of sales indicated below:

3.1.4.1 Information by sales region

2014		
In thousands of euros	Amounts	%
France	670,474	12.6%
North America	1,400,946	26.4%
Europe excluding France	2,136,831	40.2%
South America	178,880	3.4%
Africa	53,368	1.0%
Asia	873,592	16.4%
Revenue – Management accounts	**5,314,091**	**100%**
Adjustments	**(876,886)**	
Revenue – Consolidated Financial Statements	**4,437,205**	

2013 restated(µ)		
In thousands of euros	Amounts	%
France	727,930	14.2%
North America	1,376,136	26.9%
Europe excluding France	1,949,281	38.0%
South America	219,408	4.3%
Africa	46,712	0.9%
Asia	805,080	15.7%
Revenue – Management accounts	**5,124,547**	**100%**
Adjustments	**(789,396)**	
Revenue – Consolidated Financial Statements	**4,335,151**	

3.1.4.2 Information on the ten countries that are the largest contributors to revenue

2014			2013 restated(µ)		
In thousands of euros	**Amounts**	**%**	In thousands of euros	**Amounts**	**%**
United States	947,803	17.8%	United States	957,548	18.7%
Germany	694,029	13.1%	France	727,930	14.2%
France	670,477	12.6%	Germany	607,718	11.9%
China	428,904	8.1%	Mexico	351,296	6.9%
Mexico	380,933	7.2%	Spain	351,292	6.9%
Spain	369,467	7.0%	China	349,370	6.8%
United Kingdom	351,288	6.6%	United Kingdom	282,611	5.5%
Slovakia	207,332	3.9%	Slovakia	231,390	4.5%
South Korea	200,115	3.8%	South Korea	179,256	3.5%
Brazil	106,060	2.0%	Brazil	126,873	2.5%
Other	957,683	18.0%	Other	959,263	18.7%
Revenue – Management accounts	**5,314,091**	**100.0%**	**Revenue – Management accounts**	**5,124,547**	**100%**
Adjustments	**(876,886)**		**Adjustments**	**(789,396)**	
Revenue – Consolidated Financial Statements	**4,437,205**		**Revenue – Consolidated Financial Statements**	**4,335,151**	

3.1.4.3 Information by automotive manufacturer

2014			2013 restated(µ)		
In thousands of euros			In thousands of euros		
Automotive manufacturers			**Automotive manufacturers**		
	Totals	**% of total Automotive revenue**		**Totals**	**% of total Automotive revenue**
Volkswagen – Porsche	787,975	16.1%	General Motors	762,377	16.4%
General Motors	747,506	15.3%	Volkswagen – Porsche	700,117	15.0%
PSA Peugeot Citroën	601,534	12.3%	PSA Peugeot Citroën	637,021	13.7%
Renault/Nissan	510,762	10.5%	Renault/Nissan	489,449	10.5%
BMW	491,368	10.1%	BMW	450,045	9.7%
Total – main manufacturers	**3,139,145**	**64.3%**	**Total – main manufacturers**	**3,039,010**	**65.3%**
Other automotive manufacturers	1,743,221	35.7%	Other automotive manufacturers	1,616,221	34.7%
Total Automotive Revenue – Management Accounts	**4,882,366**	**100%**	**Total Automotive Revenue – Management Accounts**	**4,655,231**	**100%**
Adjustments on/Total Automotive Revenue	**(834,302)**	**-17.1%**	**Adjustments on/Total Automotive Revenue**	**(748,656)**	**-16.1%**
Total Automotive Revenue – Consolidated Financial Statements	**4,048,064**	**82.9%**	**Total Automotive Revenue – Consolidated Financial Statements restated(µ)**	**3,906,575**	**83.9%**

3.2 Non-current assets by country

In thousands of euros	Management accounts							Adjustments	Consolidated Financial Statements
	France	Europe excluding France	North America	Asia	South America	Other*	Total		
December 31, 2014									
Goodwill	158,285	121,664	24,664	4,543	–	–	309,156	(24,586)	284,570
Intangible assets	108,919	134,994	76,665	32,202	4,188	1,699	358,667	(6,949)	351,718
Property, plant and equipment	253,759	312,690	248,391	235,725	32,673	8,807	1,092,045	(83,575)	1,008,470
including capital expenditure for the year	*73,311*	*61,070*	*46,587*	*43,761*	*5,492*	*533*	*230,754*	*(23,790)*	*206,964*
Investment property	88,825	–	–	–	–	–	88,825	–	88,825
Of which property investments	*46,772*	–	–	–	–	–	*46,772*	–	*46,772*
Total non-current assets – Management Accounts	**609,788**	**569,348**	**349,720**	**272,470**	**36,861**	**10,506**	**1,848,693**		
Adjustments	**(9,289)**	**(30,710)**	**(1,774)**	**(73,337)**	**–**	**–**		**(115,110)**	
Total non-current assets – Consolidated Financial Statements	**600,499**	**538,637**	**347,946**	**199,133**	**36,861**	**10,507**			**1,733,583**

In thousands of euros	Management accounts							Adjustments	Consolidated Financial Statements
	France	Europe excluding France	North America	Asia	South America	Other*	Total		
December 31, 2013 restated(µ)									
Goodwill	201,112	107,506	21,723	4,101	–	–	334,442	(52,921)	281,521
Intangible assets	132,816	107,062	65,227	33,135	2,400	1,964	342,604	(12,333)	330,271
Property, plant and equipment	213,850	309,241	204,214	193,171	31,772	9,534	961,782	(70,640)	891,142
including capital expenditure for the year	*67,266*	*46,290*	*53,579*	*54,387*	*11,549*	*726*	*233,797*	*(24,044)*	*209,753*
Investment property	42,053	–	–	–	–	–	42,053	–	42,053
Of which property investments	*25,857*	–	–	–	–	–	*25,857*	–	*25,857*
Total non-current assets – Management Accounts	**589,831**	**523,809**	**291,164**	**230,407**	**34,172**	**11,498**	**1,680,881**		
Adjustments	**(52,309)**	**(18,903)**	**(1,118)**	**(63,564)**	**–**	**–**		**(135,894)**	
Total non-current assets – Consolidated Financial Statements	**537,522**	**504,906**	**290,046**	**166,843**	**34,172**	**11,498**			**1,544,987**

* Since December 31, 2013, South Africa and Morocco are grouped under the “Others” region.

3.3 Property, plant and equipment by category (excluding Investment property

Property, plant and equipment by category In thousands of euros	Management accounts				Adjustments	Consolidated Financial Statements
	Cost	Depreciation	Impairment	Carrying amount		
2014						
Property, plant and equipment owned outright	2,492,575	(1,434,068)	(104)	1,058,405	(83,575)	974,830
Owned property, plant and equipment leased under operating leases where the Group is lessor*	53,248	(39,987)	(20)	13,241	–	13,241
Property, plant and equipment leased under finance leases where the Group is lessee#	40,335	(25,566)	–	14,768	–	14,768
Property, plant and equipment leased under finance leases where the Group is lessee that has been sub-let to third parties under operating leases where the Group is lessor*#	10,957	(5,325)	–	5,632	–	5,632
Total Property, plant and equipment (excluding Investment property) – Management Accounts	**2,597,115**	**(1,504,946)**	**(124)**	**1,092,045**		
Adjustments	**(165,366)**	**81,785**	**6**		**(83,575)**	
Total Property, plant and equipment (excluding Investment property) – Consolidated Financial Statements	**2,431,749**	**(1,423,161)**	**(118)**			**1,008,470**

Property, plant and equipment by category In thousands of euros	Management accounts				Adjustments	Consolidated Financial Statements
	Cost	Depreciation	Impairment	Carrying amount		
2013 – restated[(µ)]						
Property, plant and equipment owned outright	2,221,886	(1,292,800)	(128)	928,958	(70,640)	858,318
Owned property, plant and equipment leased under operating leases where the Group is lessor*	39,051	(30,073)	(40)	8,938	–	8,938
Property, plant and equipment leased under finance leases where the Group is lessee#	36,217	(22,222)	–	13,995	–	13,995
Property, plant and equipment leased under finance leases where the Group is lessee that has been sub-let to third parties under operating leases where the Group is lessor*#	24,542	(14,651)	–	9,891	–	9,891
Total Property, plant and equipment (excluding Investment property) – Management Accounts	**2,321,696**	**(1,359,746)**	**(168)**	**961,782**		
Adjustments	**(135,319)**	**64,679**	**–**		**(70,640)**	
Total Property, plant and equipment (excluding Investment property) – Consolidated Financial Statements	**2,186,377**	**(1,295,067)**	**(168)**			**891,142**

* The sum of “Owned property, plant and equipment leased under operating leases where the Group is lessor” and “Property, plant and equipment leased under finance leases where the Group is lessee that has been sub-let to third parties under operating leases where the Group is lessor” corresponds to the value of “Property, plant and equipment leased under operating leases where the Group is lessor” (see corresponding sub-section of Note 5.1.3).

\# See sub-section “Property, plant and equipment leased under finance leases where the Group is lessee” in Note 5.1.3.

In thousands of euros	Management accounts				Adjustments	Consolidated Financial Statements
	Automotive	Environment	Unallocated items	Total		
2014						
Property, plant and equipment owned outright – carrying amount	961,570	49,455	47,380	1,058,405	(83,575)	974,830
Owned property, plant and equipment leased under operating leases where the Group is lessor – carrying amount	–	13,241	–	13,241	–	13,241
Property, plant and equipment leased under finance leases where the Group is lessee – carrying amount	14,768	–	–	14,768	–	14,768
Property, plant and equipment leased under finance leases where the Group is lessee that has been sub-let to third parties under operating leases where the Group is lessor – carrying amount	–	5,632	–	5,632	–	5,632
Total Property, plant and equipment (excluding Investment property) – Management Accounts	**976,338**	**68,327**	**47,380**	**1,092,045**		
Adjustments	**(83,575)**	**–**	**–**		**(83,575)**	
Total Property, plant and equipment (excluding Investment property) – Consolidated Financial Statements	**892,763**	**68,327**	**47,380**			**1,008,470**

In thousands of euros	Management accounts				Adjustments	Consolidated Financial Statements
	Automotive	Environment	Unallocated items	Total		
2013 – restated[µ]						
Property, plant and equipment owned outright – carrying amount	825,092	55,489	48,377	928,958	(70,640)	858,318
Owned property, plant and equipment leased under operating leases where the Group is lessor – carrying amount	–	8,938	–	8,938	–	8,938
Property, plant and equipment leased under finance leases where the Group is lessee – carrying amount	13,995	–	–	13,995	–	13,995
Property, plant and equipment leased under finance leases where the Group is lessee that has been sub-let to third parties under operating leases where the Group is lessor – carrying amount	–	9,891	–	9,891	–	9,891
Total Property, plant and equipment (excluding Investment property) – Management Accounts	**839,087**	**74,318**	**48,377**	**961,782**		
Adjustments	**(65,697)**	**(4,943)**	**–**		**(70,640)**	
Total Property, plant and equipment (excluding Investment property) – Consolidated Financial Statements	**773,390**	**69,375**	**48,377**			**891,142**

3.4 Notes to the Management Accounts

I Summary statements of the Management Accounts

I.1 Balance sheet – Management Accounts

Assets

In thousands of euros	Notes	December 31, 2014	December 31, 2013
Goodwill	III.1.1 – III.1.2	309,156	334,442
Other intangible assets	III.1.2	358,667	342,604
Property, plant and equipment	III.1.3	1,092,045	961,782
Investment property		88,825	42,053
Investments in associates	III.1.4	10,985	7,676
Available-for-sale financial assets*#	IV.3	1,841	1,803
Other non-current financial assets*	III.2.3	45,512	58,750
Deferred tax assets		84,529	71,723
Total non-current assets		**1,991,560**	**1,820,833**
Inventories	III.1.5	331,860	282,136
Finance receivables – current portion*	III.2.3	31,213	36,496
Trade receivables	III.1.6.2 – IV.2.1 – IV.3	612,451	590,979
Other receivables	III.1.6.1 – III.1.6.2	279,645	216,167
Other short-term financial receivables*	III.2.3 – IV.3	7,117	2,856
Hedging instruments*	III.2.3 – IV.3	374	1,192
Cash and cash equivalents*	III.1.7.1 – III.1.7.2 – IV.3	604,825	549,120
Total current assets		**1,867,485**	**1,678,946**
Total assets		**3,859,045**	**3,499,779**

Equity and liabilities

In thousands of euros	Notes	December 31, 2014	December 31, 2013
Capital	III.2.1.1	9,215	9,299
Treasury stock		(33,948)	(44,348)
Additional paid-in capital		38,637	65,913
Retained earnings and revaluation reserve		823,515	668,270
Profit for the period		220,365	193,211
Equity attributable to owners of the parent		**1,057,784**	**892,345**
Attributable to non-controlling interests		41,141	39,918
Total equity		**1,098,925**	**932,263**
Current and non-current debt	III.2.3	901,680	901,919
Provisions for pensions and other post-employment benefits	III.2.2	95,472	66,506
Provisions	III.2.2	24,748	17,668
Current government grants		11,287	11,883
Deferred tax liabilities		47,998	54,177
Total non-current liabilities		**1,081,185**	**1,052,153**
Bank overdrafts*	III.2.3 – IV.3	4,148	6,216
Current and non-current debt*	III.2.3	97,522	86,860
Other short-term debt*	III.2.3 – IV.3	17	163
Hedging instruments*	III.2.3 – IV.3	16,658	9,980
Provisions	III.2.2	51,108	46,354
Current government grants		273	263
Trade payables	III.2.4.1 – III.2.4.3 – IV.3	916,101	865,099
Other operating liabilities	III.2.4.2 – III.2.4.3	593,108	500,428
Total current liabilities		**1,678,935**	**1,515,363**
Total equity and liabilities		**3,859,045**	**3,499,779**

* Net debt stood at €329.6 million at December 31, 2014 compared with €355.2 million at December 31, 2013 (see Note 5.2.7.4).

\# Of which €1,372 thousand at December 31, 2014 and €1,524 thousand at December 31, 2013, corresponding to contributions to France's Tier 2 Automotive OEM Modernization Fund (FMEA 2), which were included in the calculation of net debt.

I.2 Income statement – Management Accounts

In thousands of euros	Notes	2014	%	2013	%
Revenue		**5,314,091**	**100.0%**	**5,124,547**	**100.0%**
Cost of goods and services sold	II.2	(4,477,869)	–84.3%	(4,343,890)	–84.8%
Gross profit		**836,222**	**15.7%**	**780,657**	**15.2%**
Net research and development costs	II.1 – II.2	(118,764)	–2.2%	(120,683)	–2.4%
Selling costs	II.2	(64,548)	–1.2%	(61,385)	–1.2%
Administrative expenses	II.2	(221,080)	–4.2%	(203,950)	–4.0%
Operating margin before amortization of intangible assets acquired in business combinations*		**431,830**	**8.1%**	**394,638**	**7.7%**
Amortization of intangible assets acquired in business combinations*		(18,297)	–0.3%	(18,698)	–0.4%
Operating margin after amortization of intangible assets acquired in business combinations*		**413,533**	**7.8%**	**375,940**	**7.3%**
Other operating income	II.4	4,044	0.1%	802	0.0%
Other operating expenses	II.4	(47,496)	–0.9%	(42,749)	–0.8%
Finance costs, net	II.5	(49,323)	–0.9%	(48,087)	–0.9%
Other financial income and expense, net	II.5	(12,900)	–0.2%	(9,563)	–0.2%
Share of profit/(loss) of associates	II.6 – III.1.4	3,475	0.1%	882	0.0%
Profit from continuing operations before income tax		**311,333**	**5.9%**	**277,226**	**5.4%**
Income tax	II.7.1	(73,928)	–1.4%	(69,222)	–1.4%
Net profit		**237,405**	**4.5%**	**208,004**	**4.1%**
Net profit attributable to non-controlling interests	II.8	17,040	0.3%	14,793	0.3%
Net profit attributable to owners of the parent		**220,365**	**4.1%**	**193,211**	**3.8%**
Earnings per share attributable to owners of the parent					
• Basic earnings per share (in euros)**		1.49		1.32	
• Diluted earnings per share (in euros)***		1.46		1.28	

* Intangible assets acquired in business combinations.

** Basic earnings per share are calculated using the weighted average number of shares outstanding less the average number of shares held in treasury stock.

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

I.3 Statement of Comprehensive Income – Management Accounts

In thousands of euros	2014			2013		
	Total	**Gross**	**Tax**	**Total**	**Gross**	**Tax**
Net profit for the period attributable to owners of the parent*	**220,365**	**290,833**	**(70,468)**	**193,211**	**258,476**	**(65,265)**
Reclassified to the income statement	**37,260**	**38,207**	**(947)**	**(26,141)**	**(23,563)**	**(2,578)**
Reclassified over the period	**3,233**	**4,816**	**(1,583)**	**1,885**	**2,849**	**(964)**
Exchange differences on translating foreign operations – reclassified to the income statement	642	642	–	(44)	(44)	–
Cash flow hedges – Interest rate instruments reclassified to the income statement	2,591	4,174	(1,583)	1,929	2,893	(964)
Reclassified at a later date	**34,027**	**33,391**	**636**	**(28,026)**	**(26,412)**	**(1,614)**
Exchange differences on translating foreign operations	33,927	33,927	–	(31,148)	(31,148)	–
Cash flow hedges	100	(536)	636	3,122	4,736	(1,614)
Gains/(losses) for the period – Interest rate instruments	*568*	*218*	*350*	*2,496*	*3,744*	*(1,248)*
Gains/(losses) for the period – Currency instruments	*(468)*	*(754)*	*286*	*626*	*992*	*(366)*
Cannot be reclassified to the income statement at a later date	**(14,750)**	**(20,264)**	**5,514**	**8,630**	**12,781**	**(4,151)**
Actuarial gains and losses recognized in equity	(16,180)	(22,570)	6,390	8,630	12,781	(4,151)
Fair value adjustments to property, plant and equipment	1,430	2,306	(876)	–	–	–
Other comprehensive income	**22,510**	**17,943**	**4,567**	**(17,511)**	**(10,782)**	**(6,729)**
Comprehensive income attributable to owners of the parent*	**242,875**	**308,776**	**(65,901)**	**175,700**	**247,694**	**(71,994)**
Net profit for the period attributable to non-controlling interests	**17,040**	**20,500**	**(3,460)**	**14,793**	**18,751**	**(3,958)**
Reclassified to the income statement	**587**	**587**	**–**	**(4,473)**	**(4,473)**	**–**
Reclassified over the period	**–**	**–**	**–**	**1,433**	**1,433**	**–**
Exchange differences on translating foreign operations – reclassified to the income statement	–	–	–	1,433	1,433	–
Reclassified at a later date	**587**	**587**	**–**	**(5,906)**	**(5,906)**	**–**
Exchange differences on translating foreign operations	587	587	–	(5,906)	(5,906)	–
Cannot be reclassified to the income statement at a later date	**(119)**	**(119)**	**–**	**1,437**	**1,844**	**(407)**
Actuarial gains and losses recognized in equity	(119)	(119)	–	1,437	1,844	(407)
Other comprehensive income	**468**	**468**	**–**	**(3,036)**	**(2,629)**	**(407)**
Comprehensive income attributable to non-controlling interests	**17,508**	**20,968**	**(3,460)**	**11,757**	**16,122**	**(4,365)**
Total comprehensive income	**260,383**	**329,744**	**(69,361)**	**187,457**	**263,816**	**(76,359)**

* Net profit attributable to owners of the parent amounted to €129,619 thousand in 2014 compared with €114,671 thousand in 2013.

** Total net profit attributable to owners of the parent amounted to €142,859 thousand in 2014 compared with €104,278 thousand in 2013.

I.4 Changes in Equity – Management Accounts

In thousands of euros In thousand units for the number of shares	Number of shares	Capital	Additional paid-in-capital	Treasury stock	Other Reserves	**	Translation adjustment	Net profit for the period	Shareholders' equity		Total equity
									Attributable to owners of the parent	Attributable to non-controlling interests	
Equity at December 31, 2012	**51,659**	**8,782**	**65,913**	**(28,556)**	**556,007**	**	**(391)**	**173,382**	**775,136**	**41,870**	**817,006**
Appropriation of 2012 net profit	–	–	–	–	173,382		–	(173,382)	–	–	–
2013 net profit	–	–	–	–	–		–	193,211	193,211	14,793	208,004
Other comprehensive income	–	–	–	–	13,637		(31,148)	–	(17,511)	(3,036)	(20,547)
Exchange differences on translating foreign operations	–	–	–	–	*(44)*		*(31,148)*	–	*(31,192)*	*(4,473)*	*(35,665)*
Actuarial gains and losses recognized in equity	–	–	–	–	*8,630*		–	–	*8,630*	*1,437*	*10,067*
Cash flow hedges – Interest rate instruments	–	–	–	–	*4,425*		–	–	*4,425*	–	*4,425*
Cash flow hedges – currency instruments	–	–	–	–	*626*		–	–	*626*	–	*626*
Comprehensive income	**–**	**–**	**–**	**–**	**187,019**		**(31,148)**	**19,829**	**175,700**	**11,757**	**187,457**
Treasury stock transactions	–	–	–	(15,159)	–		–	–	(15,159)	–	(15,159)
Share capital split*	103,318	517	–	(633)	116		–	–	–	–	–
Changes in scope of consolidation***	–	–	–	–	(10,516)		2,452	–	(8,064)	(8,641)	(16,705)
Dividends paid by Compagnie Plastic Omnium	–	–	–	–	(37,276)		–	–	(37,276)	–	(37,276)
Dividends paid by other Group companies	–	–	–	–	(52)		–	–	(52)	(5,068)	(5,120)
Stock option costs	–	–	–	–	2,060		–	–	2,060	–	2,060
Equity at December 31, 2013	**154,977**	**9,299**	**65,913**	**(44,348)**	**697,358**	**	**(29,087)**	**193,211**	**892,345**	**39,918**	**932,263**
Appropriation of 2013 net profit	–	–	–	–	193,211		–	(193,211)	–	–	–
2014 net profit	–	–	–	–	–		–	220,365	220,365	17,040	237,405
Other comprehensive income	–	–	–	–	(12,686)		35,196	–	22,510	468	22,978
Exchange differences on translating foreign operations	–	–	–	–	*(627)*		*35,196*	–	*34,569*	*587*	*35,156*
Actuarial gains and losses recognized in equity	–	–	–	–	*(16,180)*		–	–	*(16,180)*	*(119)*	*(16,299)*
Cash flow hedges – Interest rate instruments	–	–	–	–	*3,159*		–	–	*3,159*	–	*3,159*
Cash flow hedges – currency instruments	–	–	–	–	*(468)*		–	–	*(468)*	–	*(468)*
Fair value adjustments to property, plant and equipment	–	–	–	–	*1 430*		–	–	*1 430*	–	*1 430*
Comprehensive income	**–**	**–**	**–**	**–**	**180,525**		**35,196**	**27,154**	**242,875**	**17,508**	**260,383**
Treasury stock transactions	–	–	–	(16,960)	3,038		–	–	(13,922)	–	(13,922)
Capital reduction (cancellation of treasury stock)	(1,400)	(84)	(27,276)	27,360	–		–	–	–	–	–
Tax effect of treasury stock transactions	–	–	–	–	(1,154)		–	–	(1,154)	–	(1,154)
Changes in scope of consolidation***	–	–	–	–	(14,720)		(1,249)	–	(15,969)	(7,013)	(22,982)
Dividends paid by Compagnie Plastic Omnium	–	–	–	–	(48,746)		–	–	(48,746)	–	(48,746)
Dividends paid by other Group companies	–	–	–	–	–		–	–	–	(9,273)	(9,273)
Stock option costs	–	–	–	–	2,354		–	–	2,354	–	2,354
Equity at December 31, 2014	**153,576**	**9,215**	**38,637**	**(33,948)**	**818,655**	**	**4,861**	**220,365**	**1,057,785**	**41,141**	**1,098,925**

* Following a decision made during the Combined Shareholders' Meeting of April 25, 2013, the par value of Plastic Omnium shares was divided by three (€0.06 versus €0.17) with effect from September 10, 2013.

** See Note III.2.1.2 for the analysis of "Other reserves and retained earnings".

*** See Note III.2.1.3 for the analysis of "Changes in scope of consolidation".

The dividend per share distributed in 2014 by Compagnie Plastic Omnium in respect of the 2013 fiscal year was €0.33 versus €0.25 (equivalent to €0.76 before the three-for-one stock split of Compagnie Plastic Omnium in September 2013) distributed in 2013 in respect of the profits for the 2012 fiscal year.

I.5 Statement of Cash Flows – Management Accounts

In thousands of euros	Notes	2014	2013
I – Cash flows from operating activities			
Net income	I.2	237,405	208,004
Dividends received from associates		1,195	–
Non-cash items		368,724	329,070
Share of profit/(loss) of associates	II.6 – III.1.4	(3,475)	(882)
Stock option plan expense		2,354	2,060
Other adjustments		10,420	1,008
Depreciation and provisions for impairment of fixed assets	III.1.3	139,967	126,047
Depreciation and provisions for impairment of intangible assets	III.1.2	82,679	81,657
Changes in provisions		12,339	2,707
Net (gains)/losses on disposals of non-current assets		5,422	4,458
Proceeds from operating grants recognized in the income statement		(1,392)	(2,232)
Current and deferred taxes	II.7.1	73,928	69,222
Interest expense		46,482	45,026
Funds from operations (A)		**607,324**	**537,074**
Change in inventories and work-in-progress – net		(38,385)	(22,199)
Change in trade receivables – net		(17,446)	(38,725)
Change in trade payables		46,756	89,073
Change in other operating assets and liabilities – net		(12,048)	160
Change in working capital (B)		**(21,123)**	**28,309**
Taxes paid (C)		**(94,292)**	**(76,731)**
Interest paid		(53,909)	(44,587)
Interest received		8,297	6,378
Net interest paid (D)		**(45,612)**	**(38,209)**
Net cash generated by operating activities (A+B+C+D)		**446,297**	**450,443**
II – Cash flows from investing activities			
Acquisitions of property, plant and equipment	III.1.3	(277,526)	(259,654)
Acquisitions of intangible assets	III.1.2	(97,781)	(84,303)
Disposals of property, plant and equipment		9,073	9,044
Disposals of intangible assets		3,559	2,059
Net change in advances to suppliers of fixed assets		12,005	(6,218)
Government grants received		643	1,098
Net cash used in operations-related investing activities (E)		**(350,027)**	**(337,974)**
Free cash flow (A+B+C+D+E)*		**96,270**	**112,469**
Acquisitions of subsidiaries and associates investments in associates and related investments		(208)	(490)
Proceeds from disposals of shares in subsidiaries and associates		16,610	86
Impact of changes in scope of consolidation (newly consolidated companies)		–	38
Impact of changes in scope of consolidation – Cash and cash equivalents of companies leaving the scope of consolidation		(3,786)	(6)
Net cash used in financial investing activities (F)		**12,616**	**(372)**
Net cash used in investing activities (E+F)		**(337,411)**	**(338,346)**
III – Cash flows from financing activities			
(Purchases)/sales of treasury stock, net		(13,922)	(15,159)
Dividends paid to Burelle SA#		(28,684)	(22,072)
Dividends paid to other shareholders##		(29,333)	(20,324)
Acquisitions of non-controlling interests		–	(16,689)
Increase in financial debt		76,732	548,118
Repayment of borrowings		(63,750)	(349,042)
Net cash provided by (used in) financing activities (G)		**(58,957)**	**124,832**
Effect of exchange rate changes (H)		7,844	(15,250)
Net change in cash and cash equivalents (A+B+C+D+E+F+G+H)		**57,773**	**221,679**
Net cash and cash equivalents at beginning of period	III.1.7.2	542,904	321,225
Net cash and cash equivalents at end of period	**III.1.7.2**	**600,677**	**542,904**

* The "free cash flow" notion is an essential notion specific to the Plastic Omnium Group. It is used in all of the Group's external financial communication (press releases) and, in particular, for annual and interim results presentations.

\# In 2014 and 2013, the Burelle SA dividends were paid in full by Compagnie Plastic Omnium, compared with €22,020 thousand in 2013.

\## In 2014, the dividend paid to other shareholders amounting to €20,062 thousand (compared with €15,257 thousand in 2013) was paid by Compagnie Plastic Omnium, bringing the total dividends paid by the Company to €48,746 thousand (compared with €37,277 thousand in 2013). See Note 5.2.2 "Dividends voted and paid by Compagnie Plastic Omnium" in the IFRS financial statements.

II Notes to the Income Statement – Management accounts

II.1 Research and development costs

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

	Management accounts			
In thousands of euros	2014	%	2013	%
Research and development costs	(270,693)	– 5.1%	(247,399)	– 4.8%
Of which capitalized development costs and research and development costs billed to customers	151,929	2.9%	126,716	2.5%
Net research and development costs	**(118,764)**	**– 2.2%**	**(120,683)**	**– 2.3%**

II.2 Cost of sales, development, selling and administrative costs

	Management accounts	
In thousands of euros	2014	2013
Cost of sales includes:		
Raw materials (purchases and changes in inventory)*	(3,431,550)	(3,320,546)
Direct production outsourcing	(10,899)	(11,691)
Utilities and fluids	(87,846)	(89,959)
Employee benefits expense	(493,068)	(494,693)
Other production costs	(309,455)	(298,137)
Proceeds from waste containers leased to customers under operating leases	998	2,111
Carrying amount of waste containers leased to customers under operating leases	(732)	(1,801)
Accumulated depreciation	(132,847)	(121,497)
Provisions	(12,470)	(7,677)
Total	**(4,477,869)**	**(4,343,890)**
Research and development costs include:		
Employee benefits expense	(134,295)	(127,277)
Amortization of capitalized development costs	(58,922)	(59,485)
Other	74,453	66,079
Total	**(118,764)**	**(120,683)**
Selling costs include:		
Employee benefits expense	(41,806)	(40,774)
Depreciation, amortization and provisions	(453)	(1,048)
Other	(22,289)	(19,563)
Total	**(64,548)**	**(61,385)**
Administrative costs include:		
Employee benefits expense	(120,848)	(115,929)
Other administrative expenses	(88,614)	(79,569)
Accumulated depreciation	(11,013)	(7,987)
Provisions	(605)	(465)
Total	**(221,080)**	**(203,950)**

* Of which charges, reversals and provisions for impairment on inventories amounting to:
- -€1,118 thousand in 2014;
- -€3,445 thousand in 2013.

II.3 Employee benefit expense

In thousands of euros	Management accounts	
	2014	2013
Wages and salaries	(587,135)	(576,133)
Payroll taxes	(159,115)	(165,250)
Non-discretionary profit-sharing	(11,307)	(10,753)
Pension and other post-employment benefit costs	(1,077)	(994)
Share-based compensation	(2,354)	(2,060)
Other employee benefits expenses	(29,030)	(23,483)
Total employee benefits expense excluding temporary staff costs	**(790,018)**	**(778,673)**
Temporary staff costs	(95,429)	(77,453)
Total employee benefits expenses	**(885,447)**	**(856,126)**

II.4 Other operating income and expenses

In thousands of euros	Management accounts	
	2014	2013
Gains/(losses) on disposals of non-current assets	(5,688)	(4,767)
Pre-start-up costs at new plants	(4,130)	(4,553)
Employee downsizing plans	(22,468)	(17,669)
Impairment of non-current assets	(1,381)	(102)
Provisions for charges	(1,525)	(277)
Litigation	64	(481)
Foreign exchange gains/(losses) on operating activities	(7,607)	(9,301)
Impact of acquisitions: related fees and expenses	46	(689)
Asset revaluations	59	–
Other	(822)	(4,108)
Total operating income and expenses	**(43,452)**	**(41,947)**
• *of which total other operating income*	*4,044*	*802*
• *of which total other operating expense*	*(47,496)*	*(42,749)*

II.5 Net financial income

In thousands of euros	Management accounts	
	2014	2013
Finance costs	(37,325)	(36,436)
Interest cost – post-employment benefit obligations	(2,435)	(2,718)
Financing fees and commissions	(9,563)	(8,933)
Finance costs	**(49,323)**	**(48,087)**
Exchange gains or losses on financing activities	3,224	(3,374)
Gains or losses on interest rate and currency hedges	(15,062)	(6,141)
Other	(1,062)	(48)
Other financial income and expense, net	**(12,900)**	**(9,563)**
Total	**(62,223)**	**(57,650)**

II.6 Share of profit/(loss) of associates

In thousands of euros	Management accounts		
	% consolidation	2014	2013
Chengdu Faway Yanfeng Plastic Omnium Co. Ltd	24.48%	2,191	1,499
Dongfeng Plastic Omnium Automotive Exterior Systems Co. Ltd	24.98%	1,266	(583)
Hicom HBPO Sdn. Bhd.	13.33%	18	(34)
Total share of profit/(loss) of associates		**3,475**	**882**

II.7 Income tax

II.7.1 Income tax recorded in the income statement

Income tax expense breaks down as follows:

In thousands of euros	Management accounts	
	2014	**2013**
Current taxes	**(91,283)**	**(76,426)**
Current income tax (expense)/benefit	(85,695)	(75,511)
Tax (expense)/benefit on non-recurring items	(5,588)	(915)
Deferred taxes	**17,355**	**7,204**
Deferred tax (expense)/benefits on timing differences arising or reversing during the period	17,103	3,638
Effect of changes in tax rates or the introduction of new taxes	252	3,566
Income tax recorded in the consolidated income statement	**(73,928)**	**(69,222)**

II.7.2 Analysis of Income tax expense – Tax proof

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

		Management accounts	
Tax proof		**2014**	**2013**
Consolidated profit before tax and share of profit/(loss) of associates (A)	In thousands of euros	307,858	276,344
Actual income tax expense reported in the income statement (B)	In thousands of euros	(73,928)	(69,222)
Effective tax rate (C) = (B)/(A)	(as a %)	**24.01%**	**25.05%**
French standard tax rate (D)	(as a %)	38%	38%
Theoretical income tax expense (E) = (A)(D)	In thousands of euros	(116,986)	(105,011)
Difference (F) = Net actual cost of income tax (B) – Theoretical cost of income tax (E)	In thousands of euros	**43,058**	**35,789**

Analysis of the difference between actual and theoretical income tax expense (F)	**Amount**	**%**	**Amount**	**%**
Tax credits and other tax savings	23,916	7.8%	16,478	6.0%
Permanent differences between recorded profits and taxable profits	(6,354)	−2.1%	(3,935)	−1.4%
Recognition and/or utilization of tax loss carryforwards and other deferred taxes	(5,781)	−1.9%	(7,601)	−2.7%
Impact on opening deferred taxes of a tax rate change	252	0.1%	5,621	2.0%
Impact of differences in foreign tax rates	28,711	9.3%	22,720	8.2%
Other	2,314	0.8%	2,506	0.9%
Total difference (F)	**43,058**	**14%**	**35,789**	**13%**

At December 31, 2014, the actual income tax expense was €74 million (versus €69 million in 2013) compared with a theoretical tax expense of €117 million (versus €105 million in 2013) based on a tax rate of 38% in 2014 (unchanged compared with 2013).

The difference between actual income tax expense and theoretical income tax expense is accounted for by:

- €29 million (€23 million in 2013) from the impact of lower foreign tax rates in certain locations where the Group operates, particularly in Asia (China, Thailand, Turkey) and Europe (Spain, the United Kingdom, Slovakia, Poland);
- €24 million from the use of specific tax reductions or credits, mainly in North America, Asia and France (€16 million in 2013). Tax incentives in respect of research are included in these measures;
- the -€6 million impact of unrecognized deferred tax assets generated during the year, net of those previously impaired but used or recognized during the year (-€8 million in 2013).

II.8 Net profit attributable to non-controlling interests

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

In thousands of euros	Management accounts	
	2014	**2013**
B.P.O AS	10,039	9,181
Signal AG	1,158	863
Plastic Omnium Composites Jiangsu Co. Ltd	–	(138)
Inergy Automotive Systems Manufacturing (Beijing) Co. Ltd	4,175	3,444
Inergy Automotive Systems Manufacturing India Pvt Ltd	559	332
Chongqing Yanfeng Plastic Omnium Auto Exterior Faway Co. Ltd	616	260
Guangzhou Zhongxin Yanfeng Plastic Omnium Automotive Exterior TRIM Co. Ltd	298	187
RMS Rotherm Maschinenbau GmbH	195	152
DSK Plastic Omnium Inergy	86	558
DSK Plastic Omnium BV	(86)	(46)
Total attributable to non-controlling interests	**17,040**	**14,793**

III Notes to the balance sheet – Management accounts

III.1 Assets – Management accounts

III.1.1 Goodwill

Goodwill in the “Management Accounts” is in line with the consolidated financial statements published at December 31, 2013. It is not affected by the application of new consolidation standards (IFRS 10, 11 and 12) and was subject to no new allocations with respect to the first-time application of these new standards at January 1, 2014, as is the case in the “Consolidated Financial Statements” report.

Goodwill In thousands of euros	Management accounts		
	Cost	**Impairment**	**Carrying amount**
Value at January 1, 2013	**345,525**	**(10,000)**	**335,525**
Pulidos de Juarez SA de CV goodwill[#]	80	–	80
Adjustment to the DSK Plastic Omnium BV control premium goodwill[##]	(18)	–	(18)
Translation adjustment	(1,145)	–	(1,145)
At December 31, 2013	**344,442**	**(10,000)**	**334,442**
Offsetting of prior impairment losses	(10,000)	10,000	–
Disposal of Signal AG[###]	(29,000)	–	(29,000)
Translation adjustment	3,714	–	3,714
Value at December 31, 2014	**309,156**	**–**	**309,156**

[#] See Note 2.2 of the 2013 consolidated financial statements “Acquisition of Pulidos Juarez SA de CV”.

[##] See Note 2.5 of the 2013 consolidated financial statements “Effect of acquisitions completed in 2012” on the Detalstroykonstruktsiya partnership agreement.

[###] See Note 2.4 on the disposal of the Group’s stake in Signal AG. The Group had recognized full goodwill on this company.

Goodwill by reportable segment:

Goodwill by reporting sector In thousands of euros	Management accounts		
	Cost	**Impairment**	**Carrying amount**
Automotive	188,169	–	188,169
Environment	120,987	–	120,987
Value at December 31, 2014	**309,156**	**–**	**309,156**
Automotive	184,785	–	184,785
Environment	159,657	(10,000)	149,657
At December 31, 2013	**344,442**	**(10,000)**	**334,442**

III.1.2 Goodwill and intangible assets

In thousands of euros	Management accounts						
	Goodwill	Patents and licenses	Software	Development costs	Contractual customer relationships	Other	Total
Carrying amount at January 1, 2014	**334,442**	**27,158**	**18,104**	**220,278**	**72,132**	**4,932**	**677,046**
Increases	–	100	6,071	90,232	–	1,378	97,781
Disposals – net	–	(6)	445	(4,402)	–	–	(3,963)
Changes in scope of consolidation (exits)*	(29,000)	–	–	–	–	–	(29,000)
Reclassifications	–	(2,818)	1,822	(4,317)	–	(1,592)	(6,905)
Depreciation for the period	–	(1,606)	(9,094)	(51,406)	(17,947)	(2,506)	(82,559)
Impairments recognized and reversed	–	(120)	–	–	–	–	(120)
Translation adjustment	3,714	(319)	103	9,753	1,878	414	15,543
Carrying amount at December 31, 2014	**309,156**	**22,389**	**17,451**	**260,138**	**56,063**	**2,626**	**667,823**

In thousands of euros	Management accounts						
	Goodwill	Patents and licenses	Software	Development costs	Contractual customer relationships	Other	Total
Carrying amount at January 1, 2013	**335,525**	**27,345**	**12,634**	**215,100**	**91,203**	**3,963**	**685,770**
Increases	–	1,198	10,952	69,662	–	2,491	84,303
Disposals – net	–	(8)	(5)	(2,277)	–	–	(2,290)
Changes in scope of consolidation (entries)**	62	–	–	–	–	–	62
Reclassifications	–	796	1,869	(5,497)	–	718	(2,114)
Depreciation for the period	–	(1,964)	(7,178)	(51,879)	(18,348)	(2,167)	(81,536)
Impairments recognized and reversed	–	(120)	–	–	–	–	(120)
Translation adjustment	(1,145)	(89)	(168)	(4,831)	(723)	(73)	(7,029)
Carrying amount at December 31, 2013	**334,442**	**27,158**	**18,104**	**220,278**	**72,132**	**4,932**	**677,046**

* This relates to the complete exit of the entire amount of goodwill of Signal AG following its disposal.

** See Note 5.1.1 of the 2013 consolidated financial statements "Goodwill":
DSK Plastic Omnium BV: adjustment up to one year after the first closing for -€18 thousand.
Pulidos Juarez SA de CV: €80 thousand in goodwill recorded.

The significant changes under the sub-section "Goodwill and intangible assets" during the two periods 2014 and 2013 correspond essentially to: increased Automotive Division development assets.

In thousands of euros	Management accounts						
	Goodwill	Patents and licenses	Software	Development costs	Contractual customer relationships	Other	Total
Analysis of carrying amount at December 31, 2014							
Cost	309,156	35,736	105,397	541,330	132,799	9,374	1,133,792
Accumulated amortization	–	(12,982)	(87,946)	(281,192)	(76,736)	(6,748)	(465,604)
Accumulated impairment (losses)	–	(365)	–	–	–	–	(365)
Carrying amount at December 31, 2014	**309,156**	**22,389**	**17,451**	**260,138**	**56,063**	**2,626**	**667,823**

In thousands of euros	Management accounts						
	Goodwill	Patents and licenses	Software	Development costs	Contractual customer relationships	Other	Total
Analysis of carrying amount at December 31, 2013							
Cost	344,442	42,336	98,140	462,003	129,831	13,458	1,090,210
Accumulated amortization	–	(14,933)	(80,036)	(241,725)	(57,699)	(8,526)	(402,919)
Accumulated impairment (losses)	(10,000)	(245)	–	–	–	–	(10,245)
Carrying amount at December 31, 2013	**334,442**	**27,158**	**18,104**	**220,278**	**72,132**	**4,932**	**677,046**

III.1.3 Property, plant and equipment excluding investment property

Property, plant and equipment owned or leased by the Group mainly pertain to factories and research and development centers.

These factories and development centers break down as follows by region:

Number of factories and research and development centers	Management accounts	
In units	December 31, 2014	December 31, 2013
Western Europe	52	56
Eastern Europe	15	15
North America	17	18
Asia	39	34
South America	7	7
Africa	2	2
Total	**132**	**132**

In thousands of euros	Management accounts							
	Land	Buildings	Revalued buildings	Tech. eq. & tool	Assets under construction		Other	Total
					Transferred to "Investment property"	Transferred to "Operating assets"		
Carrying amount at January 1, 2014	**70,437**	**251,499**	**13,745**	**348,893**	**(996)**	**159,273**	**118,931**	**961,782**
Acquisitions*	739	51,730	–	34,830	–	117,112	26,343	230,754
Disposals	–	(168)	–	(4,145)	–	–	(4,804)	(9,117)
Changes in scope of consolidation (exits)	(441)	(924)	–	(2,101)	–	–	(1,316)	(4,782)
Reclassifications**	8,195	38,330	2,496	48,872	996	(116,323)	24,339	6,905#
Fair value adjustments	–	2,306	–	–	–	–	–	2,306
Impairments recognized and reversed	–	–	–	34	–	(7)	18	45
Depreciation for the period***	(822)	(18,338)	(1,505)	(76,894)	–	–	(42,453)	(140,012)
Translation adjustment	1,068	11,464	–	18,797	–	8,790	4,045	44,164
Carrying amount at December 31, 2014	**79,176**	**335,899**	**14,736**	**368,286**	**–**	**168,845**	**125,103**	**1,092,045**

In thousands of euros	Management accounts							
	Land	Buildings	Revalued buildings	Tech. eq. & tool	Assets under construction		Other	Total
					Transferred to "Investment property"	Transferred to "Operating assets"		
Carrying amount at January 1, 2013	**60,418**	**252,389**	**13,745**	**303,485**	**–**	**152,243**	**114,846**	**897,126**
Acquisitions*	9,187	16,798	–	42,646	–	131,308	33,858	233,797
Disposals	(176)	(1,637)	–	(7,493)	–	–	(2,703)	(12,009)
Changes in scope of consolidation	–	–	–	–	–	–	–	–
Reclassifications#	3,717	9,416	–	94,479	(996)	(118,457)	12,957	1,116#
Impairments recognized and reversed	(6)	535	–	135	–	–	23	687
Depreciation for the period	(654)	(18,049)	–	(73,579)	–	–	(34,452)	(126,734)
Translation adjustment	(2,049)	(7,953)	–	(10,780)	–	(5,821)	(5,598)	(32,201)
Carrying amount at December 31, 2013	**70,437**	**251,499**	**13,745**	**348,893**	**(996)**	**159,273**	**118,931**	**961,782**

"Tech. eq. & tool.": technical equipment and tooling.

"Assets": non-current assets.

* Acquisitions of property, plant and equipment reported in the "Statement of cash flows" correspond to acquisitions of property, plant and equipment excluding investment property for €230,754 thousand at December 31, 2014, against €233,797 thousand at December 31, 2013.

** Including a reclassification of "buildings" as "revalued buildings" for €2,119 thousand in 2013.

*** Including a reclassification of depreciation of "buildings" to depreciation of "revalued buildings" for €745 thousand in 2013.

\# At December 31, 2014, the net balance of an amount of €6,905 thousand is due to reclassifications under "Intangible assets".
At December 31, 2013, the net balance of €1,116 thousand broke down as follows:
- a loss of €996 thousand reclassified as "Investment property"; and
- €2,112 thousand reposted to "Intangible assets".

In thousands of euros	Management accounts					
	Land	Buildings	Tech. eq. & tool	Assets under construction	Other	Total
Analysis of carrying amount at December 31, 2014						
Cost	86,442	568,301	1,318,739	168,852	454,781	2,597,115
Accumulated depreciation	(7,259)	(217,666)	(950,365)	–	(329,656)	(1,504,946)
Accumulated impairment (losses)	(7)	–	(88)	(7)	(22)	(124)
Carrying amount at December 31, 2014	**79,176**	**350,635**	**368,286**	**168,845**	**125,103**	**1,092,045**

In thousands of euros	Management accounts					
	Land	Buildings	Tech. eq. & tool	Assets under construction	Other	Total
Analysis of carrying amount at December 31, 2013						
Cost	76,826	450,066	1,211,068	158,277	425,459	2,321,696
Accumulated depreciation	(6,383)	(184,822)	(862,052)	–	(306,489)	(1,359,746)
Accumulated impairment (losses)	(6)	–	(123)	–	(39)	(168)
Carrying amount at December 31, 2013	**70,437**	**265,244**	**348,893**	**158,277**	**118,931**	**961,782**

"Tech. eq. & tool.": Technical equipment and tooling.

"Assets": non-current assets

III.1.4 Investments in associates

In the "Management Accounts", interests in associates correspond to the profit/(loss) of the three sub-subsidiaries owned by Yanfeng Plastic Omnium and HBPO with the following positions at December 31, 2014:

In thousands of euros	Management accounts		
	% consolidation	December 31, 2014	December 31, 2013
Interest in Chengdu Faway Yanfeng Plastic Omnium Co. Ltd	24.48%	7,682	5,957
Interest in Dongfeng Plastic Omnium Automotive Exterior Systems Co. Ltd	24.98%	3,225	1,662
Hicom HBPO Sdn. Bhd.	13.33%	78	57
Total investments in associates		**10,985**	**7,676**

The tables below provide summary balance sheet and income statement data for all of the associates.

Balance sheet and income statement data on a 100% basis for associates consolidated under the equity method:

	Management accounts	
In thousands of euros	December 31, 2014	December 31, 2013
Non-current assets	40,641	29,806
Current assets	75,980	49,488
Total assets	**116,621**	**79,294**
Equity – Yanfeng and Faway's interest in Chengdu Yanfeng Plastic Omnium	23,698	18,376
Equity – Yanfeng and Hongtai's interest in Dongfeng Plastic Omnium Automotive Exterior Systems Co. Ltd	9,680	4,999
Equity attributable to Hicom HBPO Sdn. Bhd.	511	369
Equity attributable to the Plastic Omnium Group	10,982	7,675
Non-current liabilities	1,308	1,218
Current liabilities	70,442	46,655
Total equity and liabilities	**116,621**	**79,294**
Revenue	129,748	77,589
Profit/Loss – Yanfeng and Faway's share of the profit (loss) of Chengdu Yanfeng Plastic Omnium	6,760	4,624
Profit/Loss – Yanfeng and Hongtai's share of the profit (loss) of Dongfeng Plastic Omnium Automotive Exterior Systems Co. Ltd	3,804	(1,753)
Profit/Loss attributable to Hicom HBPO Sdn. Bhd.	115	(222)
Profit/Loss attributable to the Plastic Omnium Group	3,475	882

III.1.5 Inventories

In thousands of euros		Management accounts	
		December 31, 2014	December 31, 2013
Raw materials and supplies			
	At cost	*116,983*	*106,114*
	Net realizable value	109,179	99,905
Molds, tooling and engineering			
	At cost	*104,149*	*84,075*
	Net realizable value	104,060	83,984
Other work and other production inventories in progress			
	At cost	*13,940*	*146*
	Net realizable value	13,847	146
Maintenance inventories			
	At cost	*37,203*	*32,396*
	Net realizable value	30,228	26,400
Goods			
	At cost	*9,104*	*9,438*
	Net realizable value	8,335	8,529
Semi-finished products			
	At cost	*30,487*	*24,862*
	Net realizable value	28,929	23,507
Finished products			
	At cost	*40,238*	*43,580*
	Net realizable value	37,282	39,665
Total, net		**331,860**	**282,136**

III.1.6 Trade and other receivables

III.1.6.1 Other

In thousands of euros	Management accounts	
	December 31, 2014	December 31, 2013
Sundry receivables	70,252	66,697
Prepayments to suppliers of tooling and prepaid development costs	74,929	57,838
Prepaid and recoverable income taxes	65,516	41,096
Other prepaid and recoverable taxes	62,322	36,064
Employee advances	3,386	1,697
Prepayments to suppliers of non-current assets	3,240	12,775
Other	**279,645**	**216,167**

III.1.6.2 Trade and other receivables by currency

In thousands of currency units		Management accounts					
		Receivables at December 31, 2014			Receivables at December 31, 2013		
		Local currency	Euro	%	Local currency	Euro	%
EUR	Euro	406,523	406,523	46%	452,780	452,780	56%
CNY	Chinese yuan	1,348,866	178,994	20%	984,292	117,892	15%
USD	US dollar	189,980	156,478	18%	148,277	107,517	13%
GBP	Pound sterling	24,145	30,999	3%	15,457	18,540	2%
CHF	Swiss franc	–	–	–	16,296	13,275	2%
Other	Other currencies		119,102	13%		97,142	12%
Total			**892,096**	**100%**		**807,146**	**100%**
Of which:							
• *Trade receivables*			*612,451*	*69%*		*590,979*	*73%*
• *Other receivables*			*279,645*	*31%*		*216,167*	*27%*

The sensitivity of trade payables to changes in exchange rates is not analyzed, as:

- at December 31, 2014, nearly half of trade receivables are in euros;
- the Group's net currency exposure (trade receivables – trade payables, see Note III.2.4.3) is not material.

III.1.7 Cash and cash equivalents

III.1.7.1 Gross cash and cash equivalents

In thousands of euros	Management accounts	
	December 31, 2014	December 31, 2013
Cash at bank and in hand	251,734	231,818
Short-term deposits	353,091	317,302
Total cash and cash equivalents on the balance sheet	**604,825**	**549,120**

Cash and cash equivalents break down as follows:

In thousands of euros	Management accounts	
	December 31, 2014	December 31, 2013
Cash and cash equivalents of joint ventures	43,724	46,775
Cash and cash equivalents of the Group's captive reinsurance company	45,613	43,602
Cash and cash equivalents in countries with exchange controls on remittances and transfers*	85,225	83,998
Unrestricted cash and cash equivalents	430,263	374,745
Total cash and cash equivalents on the balance sheet	**604,825**	**549,120**

* The "countries with exchange controls on remittances and transfers" are Brazil, China, India, Chile and Argentina.

The above amounts are presented in the balance sheet as current assets as they are not subject to any general restrictions.

III.1.7.2 Net cash and cash equivalents at end of period

In thousands of euros	Management accounts	
	December 31, 2014	December 31, 2013
Cash and cash equivalents	604,825	549,120
Short-term bank loans and overdrafts	(4,148)	(6,216)
Net cash and cash equivalents at end of period in the statement of cash flows	**600,677**	**542,904**

III.2 Liabilities – Management accounts

III.2.1 Equity attributable to owners of the parent

III.2.1.1 Share capital of Compagnie Plastic Omnium

In euros	Management accounts	
	December 31, 2014	**December 31, 2013**
Share capital at January 1	9,298,621	8,782,031
Increase in equity through the incorporation of reserves after three-for-one share split	–	516,590
Capital reduction during the year	(84,018)	–
Share capital at end of period (ordinary shares with a par value of €0.06) over the two periods	9,214,603	9,298,621
Treasury stock	347,417	511,690
Total share capital net of treasury stock	**8,867,186**	**8,786,931**

Shares registered in the name of the same holder for at least two years carry double voting rights.

Structure of capital at December 31, 2014

At December 31, 2014, Compagnie Plastic Omnium held 5,790,280 of treasury stock, i.e. 3.77% of the share capital, against 8,528,162 or 5.50% of the share capital at December 31, 2013.

The Board of Directors' meeting of October 24, 2014 decided to reduce the share capital of Compagnie Plastic Omnium by €84,018.06, as authorized by the twelfth resolution of the Combined Shareholders' Meeting of April 30, 2014. The capital reduction was done by cancelling 1,400,301 shares with a par value of €0.06, thus reducing the capital to €9,214,603.20 for 153,576,720 shares, versus €9,298,621.26 for 154,977,021 shares before the transaction.

Structure of capital at December 31, 2013

The Combined Shareholders' Meeting of April 25 had voted to divide the par value of Plastic Omnium shares by three, effective as of September 10, 2013, bringing the par value of the share down from €0.17 to €0.06. The stock split made it necessary to carry out a capital increase of €516,590.07 of Compagnie Plastic Omnium through the incorporation of reserves, increasing equity from €8,782,031.19 to €9,298,621.26 representing 154,977,021 shares in total.

III.2.1.2 Analysis of "Other reserves" of the "Group consolidated statement of changes in equity" table

In thousands of euros	Management accounts					
	Actuarial gains and losses recognized in equity	**Cash flow hedges – interest rate instruments**	**Cash flow hedges – currency instruments**	**Fair value adjustments to property, plant and equipment**	**Retained earnings and other reserves**	**Attributable to owners of the parent**
At December, 31 2012	**(31,394)**	**(13,430)**	**(207)**	**16,726**	**584,312**	**556,007**
Movements for 2013	8,630	6,127	626	–	125,968	141,351
At December 31, 2013	**(22,764)**	**(7,303)**	**419**	**16,726**	**710,280**	**697,358**
Movements for 2014	(16,180)	3,159	(468)	1,430	133,357	121,298
At December 31, 2014	**(38,944)**	**(4,144)**	**(49)**	**18,156**	**843,637**	**818,656**

III.2.1.3 Analysis of "Changes in scope of consolidation" of the "Group consolidated statement of changes in equity" table

In thousands of euros	Management accounts		
	Shareholders' equity		Total equity
	Attributable to owners of the parent	Attributable to non-controlling interests	
Acquisition by Plastic Omnium of Xietong's 40% interest in subsidiary Plastic Omnium Composites Jiangsu Co. Ltd	(8,074)	(8,615)	(16,689)
Earn-out payment for the acquisition of shares in subsidiary HBPO Germany GmbH	(25)	–	(25)
Disposal of Inergy Vla Plastiran in the Middle East (this company was not wholly owned)	30	(30)	–
DSK Plastic Omnium BV capital increase (subscription to a capital increase)	–	9	9
Other changes	5	(5)	–
Changes in scope of consolidation at December 31, 2013	**(8,064)**	**(8,641)**	**(16,705)**
Adjustment of the opening balance sheet for the Ford fuel tank business acquired in the United States in 2011	(1,469)	–	(1,469)
Disposal of Plastic Omnium's 50% stake in the Swiss company, Signal AG	(14,500)	(7,013)	(21,513)
Changes in scope of consolidation at December 31, 2014	**(15,969)**	**(7,013)**	**(22,982)**

III.2.2 Provisions

In thousands of euros	Management accounts								
	December 31, 2013	Charges	Utilizations	Releases of surplus provisions	Reclassifi-cations	Actuarial loss	Changes in scope	Translation adjustment	December 31, 2014
Customer warranties	10,579	11,316	(7,512)	(3,352)	(1,302)	–	–	66	9,796
Reorganization plans*	16,750	12,720	(11,859)	(299)	–	–	–	(15)	17,297
Taxes and tax risks	6,465	1,856	(2,161)	(32)	–	–	–	(11)	6,117
Contract risks***	14,325	33,118	(6,661)	(9,094)	1,536	–	–	17	33,241
Claims and litigation	5,135	508	(913)	(172)	–	–	–	164	4,722
Other**	10,768	6,048	(10,231)	(1,081)	(234)	–	(694)	106	4,683
Provisions for liabilities and charges	**64,022**	**65,566**	**(39,336)**	**(14,030)**	**–**	**–**	**(694)**	**327**	**75,856**
Provisions for pensions and other post-employment benefits****	66,506	5,748	(3,490)	–	–	22,689	631	3,386	95,472
Total	**130,528**	**71,315**	**(42,826)**	**(14,030)**	**–**	**22,689**	**(63)**	**3,713**	**171,328**

* Charges for the period concern mainly the Automotive Division for the Compiègne-Laval site in France, for which the reorganization plans (started last year) are still ongoing, and the Saint-Désirat site in France.

** Charges for the period concern mainly the risks related to onerous contracts, losses on completion of development contracts and various contract risks on Automotive Division contracts.

*** The sub-section "Other" is made up of non-material individual amounts.

**** The actuarial loss corresponds to the fall in interest rates in the Euro zone and the United States, as well as changes to the mortality table in the United States.

In thousands of euros	Management accounts							
	December 31, 2012	Charges	Utilizations	Releases of surplus provisions	Reclassifi-cations	Actuarial loss	Translation adjustment	December 31, 2013
Customer warranties	9,962	7,864	(3,809)	(4,522)	1,144	–	(60)	10,579
Reorganization plans*	27,911	16,183	(21,314)	(6,349)	414	–	(95)	16,750
Taxes and tax risks	4,249	3,119	(504)	–	(132)	–	(267)	6,465
Contract risks	4,850	14,562	(5,729)	(786)	1,428	–	–	14,325
Claims and litigation	8,342	1,680	(2,109)	(1,167)	(1,298)	–	(313)	5,135
Other**	9,893	8,154	(3,235)	(2,338)	(1,556)	–	(150)	10,768
Provisions for liabilities and charges	**65,207**	**51,562**	**(36,700)**	**(15,162)**	**–**	**–**	**(885)**	**64,022**
Provisions for pensions and other post-employment benefits	80,352	6,149	(3,595)	–	–	(14,626)	(1,774)	66,506
Total	**145,559**	**57,711**	**(40,295)**	**(15,162)**	**–**	**(14,626)**	**(2,659)**	**130,528**

* Non-current provisions concerned mainly the following Automotive Division sites: Eisenach-Thuringe in Germany, Compiègne-Laval and Saint-Désirat in France, and Herentals in Belgium.

** The sub-section "Other" was made up of non-material individual amounts.

III.2.3 Reconciliation of gross and net debt

In thousands of euros	Management accounts					
	December 31, 2014			December 31, 2013		
	Total	Income before non-operating items	Non-current portion	Total	Income before non-operating items	Non-current portion
Finance lease liabilities	8,681	3,191	5,490	13,222	6,518	6,704
Bonds and bank loans	990,521	94,331	896,190	975,557	80,342	895,215
of which bond issue in 2013	*503,187*	*8,507*	*494,680*	*502,297*	*8,507*	*493,790*
of which "EuroPP" private placement notes issue	*248,281*	*504*	*247,777*	*247,774*	*504*	*247,270*
of which Schuldschein private placement notes issue	*119,000*	*–*	*119,000*	*119,000*	*–*	*119,000*
of which bank lines of credit	*120,053*	*85,320*	*34,733*	*106,486*	*71,331*	*35,155*
Current and non-current debt	999,202	97,522	901,680	988,779	86,860	901,919
Other current debt	17	17		163	163	
Hedging instruments – liabilities	16,658	16,658		9,980	9,980	
Total borrowings (B)	**1,015,877**	**114,197**	**901,680**	**998,922**	**97,003**	**901,919**
Available-for-sale financial assets – FMEA 2 fund	(1,372)		(1,372)	(1,524)		(1,524)
Other non-current financial assets	(76,725)	(31,213)	(45,512)	(95,246)	(36,496)	(58,750)
of which non-current financial receivables	*(15,073)*		*(15,073)*	*(23,042)*		*(23,042)*
of which finance receivables	*(61,653)*	*(31,213)*	*(30,440)*	*(72,204)*	*(36,496)*	*(35,708)*
Other current financial receivables	(7,117)	(7,117)		(2,856)	(2,856)	
Hedging instruments – assets	(374)	(374)		(1,192)	(1,192)	
Total financial receivables (C)	**(85,588)**	**(38,704)**	**(46,884)**	**(100,819)**	**(40,544)**	**(60,274)**
Gross debt (D) = (B)+(C)	**930,289**	**75,493**	**854,796**	**898,103**	**56,459**	**841,645**
Cash and cash equivalents	604,825	604,825		549,120	549,120	
Short-term bank loans and overdrafts	(4,148)	(4,148)		(6,216)	(6,216)	
Net cash and cash equivalents as recorded in the statement of cash flows (A)	**(600,677)**	**(600,677)**		**(542,904)**	**(542,904)**	
NET DEBT (E) = (D)+(A)	**329,612**	**(525,184)**	**854,796**	**355,199**	**(486,445)**	**841,645**

III.2.4 Operating and other liabilities

III.2.4.1 Trade payables

In thousands of euros	Management accounts	
	December 31, 2014	December 31, 2013
Trade payables	841,657	802,071
Due to suppliers of fixed assets	74,444	63,028
Total	**916,101**	**865,099**

III.2.4.2 Other operating liabilities

In thousands of euros	Management accounts	
	December 31, 2014	December 31, 2013
Accrued employee benefits expense	127,370	119,166
Accrued income taxes	31,378	22,728
Other accrued taxes	57,695	41,760
Other payables	146,308	126,852
Customer prepayments	230,357	189,922
Total	**593,108**	**500,428**

III.2.4.3 Trade payables and other operating liabilities by currency

In thousands of currency units		Management accounts					
		Liabilities at December 31, 2014			Liabilities at December 31, 2013		
		Local currency	Euro	%	Local currency	Euro	%
EUR	Euro	679,492	679,492	45%	725,511	725,511	53%
USD	US dollar	383,876	316,182	21%	350,649	254,259	19%
CNY	Chinese yuan	1,660,796	220,387	15%	1,363,500	163,311	12%
GBP	Pound sterling	72,839	93,515	6%	44,620	53,520	4%
BRL	Brazilian real	90,831	28,202	2%	80,059	24,576	2%
Other	Other currencies		171,431	11%		144,351	10%
Total			**1,509,209**	**100%**		**1,365,528**	**100%**
Of which:							
• *Trade payables*			*916,101*	*61%*		*865,099*	*63%*
• *Other operating liabilities*			*593,108*	*39%*		*500,428*	*37%*

The Group does not analyze sensitivity to changes in exchange rates since:

- at December 31, 2104, nearly half of these payables are in euros;
- the Group's net exposure by currency (trade receivables – trade payables) is not material. For "Trade receivables", see Note III.1.6.2.

IV. Capital management and market risk management – Management accounts

IV.1 Capital management

At December 31, 2014 and December 31, 2013, the gearing ratio stood at:

In thousands of euros	Management accounts	
	December 31, 2014	December 31, 2013
Net debt*	329,612	355,199
Equity (including non-current government grants)	1,110,212	944,145
Gearing ratio	**29.69%**	**37.62%**

* See Note III.2.3 "Reconciliation of gross and net debt".

IV.2 Credit risk

Credit risk covers customer credit risk and bank counterparty risk.

IV.2.1 Customer credit risk

At December 31, 2014, 7% of trade receivables were past due, unchanged from December 31, 2013. Trade receivables break down as follows:

Ageing analysis of receivables

December 31, 2014 In thousands of euros	Management accounts								
	Total outstanding	Not yet due	Due and past-due	Less than 1 month	1-2 months	2-4 months	4-6 months	6-12 months	More than 12 months
Automotive	554,085	521,760	32,325	16,821	3,218	4,120	595	6,178	1,393
Environment	43,356	32,632	10,724	5,362	1,521	712	267	367	2,495
Unallocated items	15,010	14,880	130	108	–	–	–	–	22*
Total	**612,451**	**569,272**	**43,179**	**22,291**	**4,739**	**4,832**	**862**	**6,545**	**3,910**

December 31, 2013 In thousands of euros	Management accounts								
	Total outstanding	Not yet due	Due and past-due	Less than 1 month	1-2 months	2-4 months	4-6 months	6-12 months	More than 12 months
Automotive	518,837	494,142	24,695	11,658	4,029	1,452	2,041	2,479	3,036
Environment	68,994	52,241	16,753	7,527	4,570	1,348	586	397	2,325
Unallocated items	3,148	3,107	41	–	–	–	–	–	41*
Total	**590,979**	**549,490**	**41,489**	**19,185**	**8,599**	**2,800**	**2,627**	**2,876**	**5,402**

* This item corresponds to receivables regarding disposed entities and definitively recognized as receivables with regard to external third parties.

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

IV.2.2 Bank counterparty risk

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

IV.3 Liquidity risk by maturity

Liquidity risk by maturity is calculated on the basis of the undiscounted contractual cash flows of financial assets and liabilities. An analysis of liquidity risk yields the following:

At December 31, 2014

In thousands of euros	Management accounts			
	December 31, 2014	**Less than 1 year**	**1 to 5 years**	**More than 5 years**
Financial assets				
Available-for-sale financial assets	1,841	–	1,841	–
Other non-current financial assets	15,072	–	15,048	24
Finance receivables*	63,264	31,456	31,387	421
Trade receivables**	612,451	608,541	3,910	–
Other current financial receivables	7,207	7,207	–	–
Hedging instruments	374	374	–	–
Cash and cash equivalents	604,825	604,825	–	–
Total financial assets	**1,305,034**	**1,252,403**	**52,186**	**445**
Financial liabilities				
Non-current borrowings***	1,045,106	27,668	505,359	512,080
Bank overdrafts	4,148	4,148	–	–
Current borrowings****	101,295	101,295	–	–
Other short-term debt	17	17	–	–
Hedging instruments	16,658	16,658	–	–
Trade payables	916,101	916,101	–	–
Total Financial liabilities	**2,083,326**	**1,065,887**	**505,359**	**512,080**
Financial assets and financial liabilities – net	**(778,292)**	**186,516**	**(453,173)**	**(511,635)**

At December 31, 2013

In thousands of euros	Management accounts			
	December 31, 2013	**Less than 1 year**	**1 to 5 years**	**More than 5 years**
Financial assets				
Available-for-sale financial assets	1,803	–	1,803	–
Other non-current financial assets*	23,407	–	23,388	19
Finance receivables*	75,038	36,816	37,427	795
Trade receivables**	590,979	585,577	5,402	–
Other current financial receivables	2,856	2,856	–	–
Hedging instruments	1,192	1,192	–	–
Cash and cash equivalents	549,120	549,120	–	–
Total financial assets	**1,244,395**	**1,175,561**	**68,020**	**814**
Financial liabilities				
Non-current borrowings***	1,076,285	28,189	521,567	526,529
Bank overdrafts	6,216	6,216	–	–
Current borrowings****	90,023	90,023	–	–
Other short-term debt	163	163	–	–
Hedging instruments	9,980	9,980	–	–
Trade payables	865,099	865,099	–	–
Total financial liabilities	**2,047,766**	**999,670**	**521,567**	**526,529**
Financial assets and financial liabilities – net	**(803 371)**	**175 891**	**(453 547)**	**(525 715)**

* Sub-sections presented as their non-discounted amounts.

** The item “Trade accounts receivable and related receivables” includes €43,179 thousand past due at December 31, 2014, against €41,489 thousand at December 31, 2013. See Note IV.2.1 on “Customer risk”.

*** Non-current borrowings include the amounts reported in the balance sheet and interest payable over the remaining life of the debt.

**** Current borrowings include the amounts reported in the balance sheet and interest due within one year.

V Additional information – Management accounts

V.1 Number of employees at year-end

Employees	Management accounts						
	December 2014			December 2013			
	Excluding temporary staff	Temporary staff	Total	Excluding temporary staff	Temporary staff	Total	Total changes
France	4,507	726	5,233	4,692	742	5,434	–4%
%	*25.7%*	*17.0%*	*24.0%*	*26.1%*	*18.1%*	*24.6%*	
Europe excluding France	5,437	1,267	6,704	5,439	1,231	6,670	1%
%	*31.0%*	*29.6%*	*30.7%*	*30.3%*	*30.1%*	*30.2%*	
North America	3,243	577	3,820	3,129	525	3,654	5%
%	*18.5%*	*13.5%*	*17.5%*	*17.4%*	*12.8%*	*16.6%*	
Asia and South America*	4,354	1,713	6,067	4,711	1,598	6,309	–4%
%	*24.8%*	*40.0%*	*27.8%*	*26.2%*	*39.0%*	*28.6%*	
Total	**17,541**	**4,283**	**21,824**	**17,971**	**4,096**	**22,067**	**–1%**

* The “Asia and South America” region includes Turkey, South Africa and Morocco.

4 Notes to the income statement

4.1 Research and development costs

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

In thousands of euros	2014	%	2013 restated(µ)	%
Research and development costs	(256,763)	–5.8%	(235,345)	– 5.4%
Of which capitalized development costs and research and development costs billed to customers	152,728	3.4%	127,681	2.9%
Net research and development costs	**(104,035)**	**–2.4%**	**(107,664)**	**–2.5%**

4.2 Cost of sales, development, selling and administrative costs

In thousands of euros	2014	2013 restated(µ)
Cost of sales includes:		
Raw materials (purchases and changes in inventory)*	(2,747,510)	(2,710,470)
Direct production outsourcing	(10,899)	(11,691)
Utilities and fluids	(78,781)	(81,317)
Employee benefits expense	(452,607)	(456,018)
Other production costs	(282,890)	(274,154)
Proceeds from the sale during the period of waste containers leased to customers under operating leases**	998	2,111
Carrying amount of waste containers leased to customers under operating leases that were sold during the period**	(732)	(1,801)
Accumulated depreciation	(115,983)	(109,824)
Provisions	(16,637)	(5,440)
Total	**(3,705,041)**	**(3,648,604)**
Research and development costs include:		
Employee benefits expense	(125,391)	(120,344)
Amortization of capitalized development costs	(56,013)	(57,005)
Other	77,369	69,685
Total	**(104,035)**	**(107,664)**
Selling costs include:		
Employee benefits expense	(36,976)	(35,848)
Depreciation, amortization and provisions	(274)	(773)
Other	(20,047)	(17,932)
Total	**(57,297)**	**(54,553)**
Administrative costs include:		
Employee benefits expense	(110,286)	(106,367)
Other administrative expenses	(79,579)	(72,010)
Accumulated depreciation	(8,806)	(7,076)
Provisions	(605)	(310)
Total	**(199,276)**	**(185,763)**

* Of which charges, reversals and provisions for impairment on inventories amounting to:
- -€1,078 thousand in 2014;
- -€2,727 thousand in 2013.

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

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4.3 Employee benefits expense

In thousands of euros	2014	2013 restated(µ)
Wages and salaries	(536,711)	(529,511)
Payroll taxes	(149,722)	(155,509)
Non-discretionary profit-sharing	(10,052)	(9,959)
Share-based compensation	(2,354)	(2,060)
Pension and other post-employment benefit costs	(661)	(625)
Other employee benefits expenses	(25,759)	(20,914)
Total employee benefits expense excluding temporary staff costs	**(725,259)**	**(718,578)**
Temporary staff costs	(87,231)	(71,613)
Total employee benefits expenses	**(812,490)**	**(790,191)**

4.4 Amortization of intangible assets acquired in business combinations

This sub-section corresponds to the recurring effects related to recognition of the acquisition price of 50% of Inergy Automotive Systems (acquisition 2010) and Ford fuel tank activities in the United States (acquisition 2011).

In thousands of euros	2014	2013 restated(µ)
Brands	(350)	(350)
Contractual customer relationships	(17,947)	(18,348)
Total amortization of intangible assets acquired in business combinations	**(18,297)**	**(18,698)**

4.5 Other operating income and expenses

In thousands of euros	2014	2013 restated(µ)
Gains/(losses) on disposals of non-current assets(a)	(1,325)	(4,560)
Pre-start-up costs at new plants	(623)	(1,506)
Employee downsizing plans(1)	(22,418)	(17,587)
Impairment of non-current assets(2)	(1,322)	(103)
Provisions for charges	(1,525)	(277)
Litigation(3)	64	(481)
Foreign exchange gains and losses on operating activities(4)	(6,695)	(9,199)
Impact of acquisitions: related fees and expenses(5)	46	(689)
Other(6)	(839)	(3,391)
Total operating income and expenses	**(34,637)**	**(37,793)**
• of which total other operating income	3,373	773
• of which total other operating expense	(38,010)	(38,566)

2014:

(1) Employee downsizing plans: these concerned mainly: Automotive Division for the Compiègne-Laval site in France for which reorganization started last year continues; and the Environment Division for the Neustadt site in Germany.

(2) Foreign exchange gains and losses on operating activities: in 2014, foreign exchange losses concerned the “Fuel Systems” Division of the Automotive sector for 90% and the “Auto Exterior” Division of the Automotive sector for 10%. They were related to export transactions. See Note 6.5 on “Currency risks”, which points out that Group subsidiaries must use hedges by means of forward currency contracts (either locally or with Group treasury).

(3) Other: in includes various non-material amounts.

2013 – restated (µ):

(1) Employee downsizing plans: the amount under this sub-section corresponds to the net cost (expenses and provisions for liabilities in 2013) of reversing provisions previously set aside for site closures. The costs mainly relate to the Automotive Division sites of Herentals in Belgium, Eisenach-Thuringe in Germany, and Compiègne-Laval and Saint-Désirat in France.

(2) Impairment of non-current assets: various non-material amounts in 2013.

(3) Litigation: various non-material amounts in 2013.

(4) Foreign exchange gains and losses on operating activities: in 2013, foreign exchange losses concerned the “Fuel Systems” Division of the Automotive sector for 67% and the “Auto Exterior” Division of the Automotive sector for 32%. They were related to export transactions. See Note 6.5 on “Currency risks”, which points out that Group subsidiaries must use hedges by means of forward currency contracts (either locally or with Group Treasury).

(5) Impact of acquisitions: none in 2013.

(6) Other: this mainly included: asset transfer costs of closed sites amounting to -€2,588 thousand; doubtful accounts amounting to -€2,814 thousand; and compensation received for the illegal use of a patent belonging to Plastic Omnium (blow-molding technology) amounting to +€2,065 thousand.

(a) Gains/losses on disposals of non-current assets

Proceeds from disposals of property, plant and equipment and intangible assets in the statement of cash flows include proceeds from disposals of assets reported under "Other operating income and expenses" and proceeds from waste containers leased to customers under operating leases reported under "Cost of sales" (see Note 4.2).

Net (gains)/losses on disposals of non-current assets in the statement of cash flows include gains and losses from disposals of property, plant and equipment and intangible assets reported under "Other operating income and expenses" and gains and losses from waste containers leased to customers under operating leases (see Note 4.2). Details below:

In thousands of euros	2014		2013 restated(µ)	
	Disposal proceeds	Gain/loss	Disposal proceeds	Gain/loss
Sales of waste containers included in operating margin	998	266	2,111	310
Total amount of waste containers included in operating margin *(see Note 4.2)*	**998**	**266**	**2,111**	**310**
Disposals of intangible assets	3,559	(113)	2,059	(40)
Disposals of property, plant and equipment*	7,521	(425)	5,325	(4,450)
Disposals of available-for-sale financial assets**	–	–	1,242	(12)
Total disposals of non-current assets excluding investments *(see table above)*	**11,080**	**(538)**	**8,626**	**(4,502)**
Disposals of non-current financial assets***	16,610	(786)	86	(58)
Total proceeds from disposal of non-current financial assets *(see table above)*	**16,610**	**(786)**	**86**	**(58)**
Total	**28,688**	**(1,058)**	**10,823**	**(4,250)**

2014:

*** The entire income from the disposal of non-current financial assets corresponds to the proceeds from the disposal of the 50% stake in Signal AG.

2013:

* Net income from disposals of property, plant and equipment corresponded to losses from disposals and scrapped assets, amounting to:
- -€2,365 thousand to dismantle the Herentals site in Belgium;
- -€1,783 thousand to dismantle the Eisenach-Thuringe site in Germany.

** See Note 2.6 "Assets held for sale/liabilities related to assets held for sale" to the 2013 consolidated financial statements regarding the disposal of the Blenheim site belonging to Inergy Automotive Systems Canada Inc. in the Automotive Division.

4.6 Net financial income

In thousands of euros	2014	2013 restated(µ)
Finance costs	(39,252)	(37,370)
Interest cost – post-employment benefit obligations*	(2,429)	(2,702)
Financing fees and commissions	(9,563)	(8,929)
Finance costs	**(51,244)**	**(49,001)**
Exchange gains or losses on financing activities	3,074	(3,628)
Gains or losses on interest rate and currency hedges**	(15,062)	(6,141)
Other	(1,062)	(48)
Other financial income and expense, net	**(13,050)**	**(9,817)**
Total	**(64,294)**	**(58,818)**

* See Note 5.2.6.5 on the "Net interest cost on post-employment plan obligations".

** See Note 5.2.8.1.3 "Impact of hedging on the income statement".

4.7 Share of profit/(loss) of associates and joint ventures

In thousands of euros	% consolidation	2014	2013 restated(µ)
JV HBPO GmbH and its subsidiaries and sub-subsidiaries	33.33%	10,999	10,386
JV Yanfeng Plastic Omnium and its subsidiaries	49.95%	17,398	11,242
BPO AS	49.98%	10,030	9,173
Signal AG	50.00%	1,158	863
JV Valeo Plastic Omnium (SNC and SL)	50.00%	(8)	(43)
Plastic Recycling	50.00%	(256)	(448)
Total share of profit/(loss) of associates and joint ventures		**39,321**	**31,173**

4.8 Income tax

4.8.1 Income tax recorded in the income statement

Income tax expense breaks down as follows:

In thousands of euros	2014	2013 restated(µ)
Current taxes	**(80,390)**	**(63,824)**
Current income tax (expense)/benefit	(74,802)	(62,648)
Tax (expense)/benefit on non-recurring items	(5,588)	(1,176)
Deferred taxes	**16,222**	**6,906**
Deferred tax (expense)/benefits on timing differences arising or reversing during the period	15,950	3,340
Effect of changes in tax rates or the introduction of new taxes	272	3,566
Income tax recorded in the consolidated income statement	**(64,168)**	**(56,918)**

4.8.2 Analysis of Income tax expense – Tax proof

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

Tax proof		2014	2013 restated(µ)
Consolidated profit before tax and share of profit/(loss) of associates and joint ventures (A)	*in thousands of euros*	254,328	223,258
Actual income tax expense reported in the income statement (B)	*in thousands of euros*	(64,168)	(56,918)
Effective tax rate (C) = (B)/(A)	***as a %***	**25.2%**	**25.5%**
French standard tax rate (D)	*as a %*	38%	38%
Theoretical income tax expense (E) = (A)(D)	*in thousands of euros*	96,645	(84,838)
Difference (F) = Net actual cost of income tax (B) – Theoretical cost of income tax (E)	*in thousands of euros*	**32,477**	**27,920**

Analysis of the difference between actual and theoretical income tax expense (F)	Amount	%	Amount	%
Tax credits and other tax savings	22,636	8.9%	15,283	6.8%
Permanent differences between recorded profits and taxable profits	(4,651)	–1.8%	(3,590)	–1.6%
Recognition and/or utilization of tax loss carryforwards and other deferred taxes	(6,046)	–2.4%	(7,379)	–3.3%
Impact on opening deferred taxes of a tax rate change	272	0.1%	5,651	2.5%
Impact of differences in foreign tax rates	18,407	7.2%	14,494	6.5%
Other	1,859	0.7%	3,461	1.5%
Total difference (F)	**32,477**	**12.8%**	**27,920**	**12.5%**

The effective tax rate levied on the Group for 2014 was 25.23% (against 25.5% for 2013). Other than the effect of the increase in the French tax rate from 35% to 38% in 2013, the factors determining this tax rate have remained relatively stable.

At December 31, 2014, the actual income tax expense was €64 million (versus €57 million in 2013) compared with a theoretical tax expense of €97 million (versus €85 million in 2013) based on a tax rate of 38% in 2014 (unchanged from 2013).

The difference between actual income tax expense and theoretical income tax expense is accounted for by:

- €18 million (€15 million in 2013) to the impact of lower foreign tax rates, particularly in Europe (Spain, the United Kingdom, Slovakia and Poland) and Asia (China, Thailand);
- €23 million (€15 million in 2013) to the use of specific tax reductions or credits, mainly in the United States, Asia and France; and
- the -€6 million impact (-€7 million in 2013) of unrecognized deferred tax assets for tax loss carryforwards and other items generated during the year, less unrecognized deferred tax assets generated in prior years and used or recognized during the year.

4.9 Net profit attributable to non-controlling interests

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

In thousands of euros	2014	2013 restated(μ)
Plastic Omnium Composites Jiangsu Co. Ltd	–	(138)
Inergy Automotive Systems Manufacturing (Beijing) Co. Ltd	4,175	3,444
Inergy Automotive Systems Manufacturing India Pvt Ltd	559	331
RMS Rotherm Maschinenbau GmbH	195	152
DSK Plastic Omnium Inergy	86	558
DSK Plastic Omnium BV	(86)	(46)
Total attributable to non-controlling interests	**4,929**	**4,302**

4.10 Earnings per share and diluted earnings per share

Earnings per share attributable to owners of the parent	2014	2013 restated(μ)
Basic earnings per share (in euros)	**1.52**	**1.32**
Diluted earnings per share (in euros)	**1.49**	**1.28**
Weighted average number of ordinary shares outstanding	**154,731,489**	**154,977,021**
Treasury stock	(7,158,328)	(8,420,245)
Weighted average number of ordinary shares, undiluted	**147,573,161**	**146,556,776**
Impact of dilutive instruments (stock options)	3,092,705	4,433,717
Weighted average number of ordinary shares, diluted	**150,665,866**	**150,990,493**
Weighted average price of the Plastic Omnium share during the period		
Weighted average share price	**21.52**	**15.25**

5 Notes to the balance sheet

5.1 Assets

5.1.1 Goodwill

Owing to the first-time application of the new consolidation standards at January 1, 2014, the Group allocated goodwill to each equity affiliate entity at January 1, 2013, based on the net assets of the entities. The amount allocated to the equity affiliates was €43,057 thousand, of which €22,433 thousand to the entities in the Automotive sector and €20,624 thousand to the Environment sector.

Impairment tests were conducted on the residual goodwill of those two sectors. Thus, on January 1, 2013, the Group recorded impairment losses of €10 million under goodwill in the Environment sector (CGU Signature).

The transition table is shown below:

Goodwill by reporting sector In thousands of euros	**Consolidated financial statements as of december 31, 2012**			**Adjustments**		**Consolidated financial statements at January 1, 2013(µ)**		
	Cost	**Impairment losses in the period**	**Carrying amount**	**Cost**	**Impairment losses**	**Cost**	**Impairment losses – first-time application of the new consolidation standards**	**Carrying amount**
Automotive	185,376	–	185,376	(22,433)	–	162,943	–	162,943
Environment	157,188	(10,000)	147,188	(20,624)	(10,000)	136,564	(20,000)	116,564
Unallocated	2,960	–	2,960	–	–	2,960	–	2,960
Value at January 1, 2013	**345,525**	**(10,000)**	**335,525**	**(43,057)**	**(10,000)**	**302,468**	**(20,000)**	**282,468**

Goodwill In thousands of euros	**Cost**	**Impairment**	**Carrying amount**
At January 1, 2013 restated(µ)	**302,468**	**(20,000)**	**282,468**
Pulidos de Juarez SA de CV goodwill#	80	–	80
Adjustment to the DSK Plastic Omnium BV control premium goodwill##	(18)	–	(18)
Translation adjustment	(1,009)	–	(1,009)
At December 31, 2013 restated(µ)	**301,521**	**(20,000)**	**281,521**
Offsetting of prior impairment losses	(20,000)	20,000	–
Translation adjustment	3,049	–	3,049
At December 31, 2014	**284,570**	**–**	**284,570**

\# See Note 2.2 of the 2013 consolidated financial statements “Acquisition of Pulidos Juarez SA de CV”.

\#\# See Note 2.5 of the 2013 consolidated financial statements “Effect of acquisitions completed in 2012” on the Detalstroykonstruktsiya partnership agreement.

Goodwill by reportable segment

Goodwill by reporting sector In thousands of euros	**Cost**	**Impairment**	**Carrying amount**
Automotive	165,377	–	165,377
Environment	119,193	–	119,193
Value at December 31, 2014	**284,570**	**–**	**284,570**
Automotive	162,413	–	162,413
Environment	139,108	(20,000)	119,108
Value at December 31, 2013 restated(µ)	**301,521**	**(20,000)**	**281,521**

5.1.2 Goodwill and intangible assets

In thousands of euros	Goodwill	Patents and licenses	Software	Development costs	Contractual customer relationships	Other	Total
Carrying amount at January 1, 2014 restated(μ)	**281,521**	**26,774**	**17,623**	**212,625**	**72,132**	**1,117**	**611,792**
Increases	–	71	5,353	86,639	–	634	92,697
Disposals – net	–	–	487	(4,250)	–	–	(3,763)
Changes in scope of consolidation (exits)	–	–	–	–	–	–	–
Reclassifications	–	1,203	1,679	(4,184)	–	119	(1,183)
Depreciation for the period	–	(1,767)	(8,252)	(49,269)	(17,947)	(783)	(78,018)
Impairments recognized and reversed	–	(120)	–	–	–	–	(120)
Translation adjustment	3,049	(7)	99	9,649	1,878	215	14,883
Carrying amount at December 31, 2014	**284,570**	**26,154**	**16,989**	**251,210**	**56,063**	**1,302**	**636,288**

In thousands of euros	Goodwill	Patents and licenses	Software	Development costs	Contractual customer relationships	Other	Total
Carrying amount at January 1, 2013 restated(μ)	**282,468**	**26,804**	**11,953**	**208,840**	**91,204**	**1,849**	**623,118**
Increases	–	1,021	10,722	66,259	–	108	78,110
Disposals – net	–	(8)	–	(2,091)	–	–	(2,099)
Changes in scope of consolidation (entries)*	62	–	–	–	–	–	62
Reclassifications	–	797	1,869	(5,582)	–	331	(2,585)
Depreciation for the period	–	(1,711)	(6,758)	(49,994)	(18,348)	(1,118)	(77,929)
Impairments recognized and reversed	–	(120)	–	–	–	–	(120)
Translation adjustment	(1,009)	(9)	(163)	(4,807)	(724)	(53)	(6,765)
Carrying amount at December 31, 2013 restated(μ)	**281,521**	**26,774**	**17,623**	**212,625**	**72,132**	**1,117**	**611,792**

* See Note 5.1.1 of the 2013 consolidated financial statements “Goodwill”:
DSK Plastic Omnium BV adjustment up to one year after the first closing for -€18 thousand.
Pulidos Juarez SA de CV: €80 thousand in goodwill recorded.

The significant changes under the sub-section "Goodwill and intangible assets" during the two periods 2014 and 2013 correspond essentially to increased Automotive Division development assets.

In thousands of euros	Goodwill	Patents and licenses	Software	Development costs	Contractual customer relationships	Other	Total
Analysis of carrying amount at January 1, 2014 restated[(μ)]							
Cost	301,521	38,410	93,935	444,419	129,832	6,837	1,014,954
Accumulated amortization	–	(11,391)	(76,312)	(231,794)	(57,700)	(5,720)	(382,917)
Accumulated impairment (losses)	(20,000)	(245)	–	–	–	–	(20,245)
Carrying amount at January 1, 2014 restated[(μ)]	**281,521**	**26,774**	**17,623**	**212,625**	**72,132**	**1,117**	**611,792**
Analysis of carrying amount at December 31, 2014							**–**
Cost	284,570	39,677	100,409	519,839	132,799	6,772	1,084,066
Accumulated amortization	–	(13,158)	(83,420)	(268,629)	(76,736)	(5,470)	(447,413)
Accumulated impairment (losses)	–	(365)	–	–	–	–	(365)
Carrying amount at December 31, 2014	**284,570**	**26,154**	**16,989**	**251,210**	**56,063**	**1,302**	**636,288**

In thousands of euros	Goodwill	Patents and licenses	Software	Development costs	Contractual customer relationships	Other	Total
Analysis of carrying amount at January 1, 2013							
Cost	302,468	36,850	82,798	413,955	130,819	7,078	973,968
Accumulated amortization	–	(9,921)	(70,845)	(205,115)	(39,615)	(5,229)	(330,725)
Accumulated impairment (losses)	(20,000)	(125)	–	–	–	–	(20,125)
Carrying amount at January 1, 2013 restated[(μ)]	**282,468**	**26,804**	**11,953**	**208,840**	**91,204**	**1,849**	**623,118**
Analysis of carrying amount at December 31, 2013							**–**
Cost	301,521	38,410	93,935	444,419	129,832	6,837	1,014,954
Accumulated amortization	–	(11,391)	(76,312)	(231,794)	(57,700)	(5,720)	(382,917)
Accumulated impairment (losses)	(20,000)	(245)	–	–	–	–	(20,245)
Carrying amount at December 31, 2013 restated[(μ)]	**281,521**	**26,774**	**17,623**	**212,625**	**72,132**	**1,117**	**611,792**

5.1.3 Property, plant and equipment excluding investment property

Property, plant and equipment owned or leased by the Group mainly pertain to factories and research and development centers.

These factories and development centers break down as follows by number and region:

Number of factories and research and development centers In units	**December 31, 2014**	**December 31, 2013**
Western Europe	52	56
Eastern Europe	15	15
North America	17	18
Asia	39	34
South America	7	7
Africa	2	2
Total	**132**	**132**
Of which total factories managed under joint ventures	**33**	**31**

Asset breakdowns over the two periods are such that no factory site represents a material portion of the total property, plant and equipment over each period.

In thousands of euros	Land	Buildings	Revalued buildings	Tech. eq. & tool	Assets under construction		Other	Total
					Transferred to "Investment property"	Transferred to "Operating assets"		
Carrying amount at January 1, 2014 restated(µ)	**68,068**	**245,908**	**13,745**	**304,879**	**(996)**	**149,692**	**109,846**	**891,142**
Acquisitions*	697	50,722	–	26,456	–	110,133	18,956	206,964
Disposals	–	(167)	–	(3,700)	–	–	(4,720)	(8,587)
Reclassifications**	8,195	38,247	2,496	48,796	996	(113,199)	15,652	1,183#
Fair value adjustment	–	2,306	–	–	–	–	–	2,306
Impairments recognized and reversed	–	–	–	34	–	–	18	52
Depreciation for the period***	(820)	(17,876)	(1,505)	(67,062)	–	–	(35,132)	(122,395)
Translation adjustment	977	11,336	–	14,980	–	7,552	2,960	37,805
Carrying amount at December 31, 2014	**77,117**	**330,476**	**14,736**	**324,383**	**–**	**154,178**	**107,580**	**1,008,470**

In thousands of euros	Land	Buildings	Revalued buildings	Tech. eq. & tool	Assets under construction		Other	Total
					Transferred to "Investment property"	Transferred to "Operating assets"		
Carrying amount at January 1, 2013 restated(µ)	**57 596**	**246 410**	**13 745**	**269 960**	**–**	**139 915**	**107 254**	**834 880**
Acquisitions*	9,146	16,282	–	29,719	–	126,250	28,356	209,753
Disposals	(176)	(1,530)	–	(7,292)	–	–	(2,630)	(11,628)
Changes in scope of consolidation	–	–	–	–	–	–	–	–
Reclassifications	3,717	9,045	–	87,444	(996)	(110,988)	13,364	1,586#
Revaluations	–	–	–	–	–	–	–	–
Impairments recognized and reversed	(6)	535	–	135	–	–	23	687
Depreciation for the period	(652)	(17,567)	–	(65,607)	–	–	(31,198)	(115,024)
Translation adjustment	(1,557)	(7,267)	–	(9,480)	–	(5,485)	(5,323)	(29,112)
Carrying amount at December 31, 2013 restated(µ)	**68,068**	**245,908**	**13,745**	**304,879**	**(996)**	**149,692**	**109,846**	**891,142**

"Tech. eq. & tool.": technical equipment and tooling.

"Assets": non-current assets.

* At December 31, 2014, acquisitions of property, plant and equipment reported in the "Statement of cash flows" correspond to acquisitions of property, plant and equipment excluding investment property for €206,964 thousand, against €209,753 thousand at December 31, 2013.

** Including a reclassification of "buildings" as "revalued buildings" for €2,119 thousand in 2013.

*** Including a reclassification of depreciation of "buildings" to depreciation of "revalued buildings" for €745 thousand in 2013.

At December 31, 2014, the net balance of an amount of €1,183 thousand is due to reclassifications under "Intangible assets". At December 31, 2013, the net balance of €1,586 thousand broke down as follows:

- -€996 thousand reclassified as "Investment property";
- and €2,582 thousand reposted to "Intangible assets".

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In thousands of euros	Land	Buildings	Tech. eq. & tool	Assets under construction	Other	Total
Analysis of carrying amount at January 1, 2014 restated(µ)						
Cost	74,445	438,312	1,128,789	148,696	396,135	2,186,377
Accumulated depreciation	(6,371)	(178,659)	(823,788)	–	(286,249)	(1,295,067)
Accumulated impairment (losses)	(6)	–	(122)	–	(40)	(168)
Carrying amount at January 1, 2014 restated(µ)	**68,068**	**259,653**	**304,879**	**148,696**	**109,846**	**891,142**
Analysis of carrying amount at December 31, 2014						
Cost	84,369	557,961	1,223,536	154,178	411,705	2,431,749
Accumulated depreciation	(7,245)	(212,749)	(899,065)	–	(304,102)	(1,423,161)
Accumulated impairment (losses)	(7)	–	(88)	–	(23)	(118)
Carrying amount at December 31, 2014	**77,117**	**345,212**	**324,383**	**154,178**	**107,580**	**1,008,470**

In thousands of euros	Land	Buildings	Tech. eq. & tool	Assets under construction	Other	Total
Analysis of carrying amount at January 1, 2013 restated(µ)						
Cost	63,529	427,317	1,072,902	139,915	407,727	2,111,390
Accumulated depreciation	(5,933)	(166,606)	(801,653)	–	(300,228)	(1,274,420)
Accumulated impairment (losses)	–	(556)	(1,289)	–	(245)	(2,090)
Carrying amount at January 1, 2013 restated(µ)	**57,596**	**260,155**	**269,960**	**139,915**	**107,254**	**834,880**
Analysis of carrying amount at December 31, 2013 restated(µ)	-	-	-	-	-	
Cost	74,445	438,312	1,128,789	148,696	396,135	2,186,377
Accumulated depreciation	(6,371)	(178,659)	(823,788)	–	(286,249)	(1,295,067)
Accumulated impairment (losses)	(6)	–	(122)	–	(40)	(168)
Carrying amount at December 31, 2013 restated(µ)	**68,068**	**259,653**	**304,879**	**148,696**	**109,846**	**891,142**

"Tech. eq. & tool": technical equipment and tooling.
"Assets": non-current assets.

Property, plant and equipment leased under operating leases where the Group is lessor

In thousands of euros	December 31, 2014	December 31, 2013 restated(µ)
Cost	64,205	63,593
Accumulated depreciation	(45,312)	(44,724)
Accumulated impairment	(20)	(40)
Of which depreciation for the year	*(4,666)*	*(4,952)*
Of which impairment for the year	*20*	*(40)*
Accumulated net depreciation and impairment	**18,873**	**18,829**

The above figures correspond to waste containers leased to customers by the Environment Division under contracts that do not qualify as finance leases.

Minimum lease payments receivable under non-cancelable operating leases and/or lease-maintenance contracts

In thousands of euros	December 31, 2014	December 31, 2013 restated(µ)
Due within one year	56,772	57,416
Due in one to five years	115,722	136,956
Due beyond five years	69,290	67,745
Total	**241,784**	**262,117**

Property, plant and equipment under finance leases where the Group is lessee

These assets, which are included in the tables above on property, plant and equipment, correspond to plants, research and development centers and production equipment.

Changes in carrying amounts

In thousands of euros	Land and buildings	Technical equipment and tooling	Total
Cost at December 31, 2014	36,412	14,880	51,292
Accumulated depreciation and impairment and provisions at December 31, 2014	(24,513)	(6,379)	(30,892)
Carrying amount at December 31, 2014*	**11,899**	**8,501**	**20,400**
Cost at December 31, 2013 restated(µ)	34,460	26,299	60,759
Accumulated depreciation and impairment and provisions at December 31, 2013 restated(µ)	(21,355)	(15,518)	(36,873)
Carrying amount at December 31, 2013 restated(µ)*	**13,105**	**10,781**	**23,886**

* See Note 3.3. “Property, plant and equipment by category” (excluding investment property).

Changes in lease payments and present values:

In thousands of euros	Minimum payments at December 31, 2014	Discounted value at December 31, 2014
Due within one year	3,039	3,191
Due in one to five years	5,333	5,490
Carrying amount at December 31, 2014*	**8,372**	**8,681**

In thousands of euros	Minimum payments at December 31, 2013 restated(µ)	Discounted value at December 31, 2013 restated(µ)
Due within one year	5,497	6,518
Due in one to five years	7,111	6,704
Carrying amount at December 31, 2013 restated(µ)*	**12,608**	**13,222**

* See Note 5.2.7.4 “Reconciliation of gross and net debt”.

5.1.4 Investment property

The item “Investment property” saw the following movements over the past two years:

In thousands of euros	Total	Land	Buildings
Fair value at December 31, 2013 restated(µ)	42,053	15,200	26,853
Buildings under construction in Lyon Gerland	46,772	–	46,772
Fair value at December 31, 2014	**88,825**	**15,200**	**73,625**

In thousands of euros	Total	Land	Buildings
Fair value at December 31, 2012 restated(µ)	15,200	15,200	–
Buildings under construction in Lyon Gerland	25,857	–	25,857
Lyon Gerland building under construction – Transfer of property, plant and equipment*	996	–	996
Fair value at December 31, 2013 restated(µ)*	**42,053**	**15,200**	**26,853**

* See reclassification of construction work in progress in Note 5.1.3 “Property, plant and equipment excluding investment property” to the December 2013 consolidated financial statements.

These cumulative movements break down as follows:

In financial years 2013 and 2014

In thousands of euros	Land	Buildings	Total
Nanterre site in Île-de-France in Hauts-de-Seine	2,500	–	2,500
Lyon Gerland site	12,700	73,625	86,325
Fair value at December 31, 2014	**15,200**	**73,625**	**88,825**

In thousands of euros	Land	Buildings	Total
Nanterre site in Île-de-France in Hauts-de-Seine	2,500	–	2,500
Lyon Gerland site	12,700	26,853	39,553
Fair value at December 31, 2013 restated[µ]	**15,200**	**26,853**	**42,053**

At December 31, 2014, the balance of investment property covered the following components:

- Lyon Gerland construction project: the Lyon Gerland real estate project concerns the construction of a 33,000 sq.m. office building that will be rented out. Initial investment amounting to €996 thousand was made in 2012, with a further €25,857 thousand in 2013. On January 29, 2013, Sanofi group signed a twelve-year lease on two-thirds of the planned building space;
- the Group continued its investment in the amount of €46,772 thousand, raising the total real estate amount (including land) to €86,325 thousand at December 31, 2014. The delivery date in the first quarter of 2015 and the date on which two-thirds of the surface area will be made available to the tenant remain in line with initial estimates, as there have been no delays to the project;
- land attached to the Nanterre site in Île-de-France in Hauts-de-Seine: no sign of impairment losses was identified at the closing of the 2013 or 2014 accounts.

5.1.5 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	% consolidation	December 31, 2014	December 31, 2013 restated[µ]
JV HBPO GmbH and its subsidiaries and sub-subsidiaries – joint venture	33.33%	30,446	28,874
JV Yanfeng Plastic Omnium and its subsidiaries – joint venture	49.95%	93,995	74,397
B.P.O. AS – joint venture	49.98%	20,292	15,721
Signal AG – joint venture	50.00%	–	16,919
JV Valeo Plastic Omnium (SNC and SL) – joint venture	50.00%	(30)	348
Plastic Recycling – joint venture	50.00%	90	349
Total investments in associates and joint ventures		**144,793**	**136,607**

Investments in these entities include goodwill by sector in the following amounts:

In thousands of euros	December 31, 2014	December 31, 2013 restated[µ]
Goodwill of associates and joint ventures – Automotive	21,044	20,626
Goodwill of associates and joint ventures – Environment	–	10,312
Total goodwill in associates and joint ventures	**21,044**	**30,938**

The tables below provide summary balance sheet and income statement data for all of the associates and joint ventures.

The associates Chengdu Faway YFPO, Dongfeng PO AE and Hicom HBPO are included in the YFPO and HBPO joint ventures respectively.

The following presentation covers 100% of the data from the consolidated balance sheet and income statement before elimination of internal operations:

In thousands of euros	December 31, 2014	December 31, 2013 restated(µ)
Non-current assets	406,940	376,798
Current assets	999,619	774,092
Total assets	**1,406,559**	**1,150,890**
Shareholders' equity	464,981	402,497
Non-current liabilities	6,300	38,116
Current liabilities	935,278	710,277
Total equity and liabilities	**1,406,559**	**1,150,890**
Revenue	2,631,984	2,302,343
Net income	162,242	152,873

5.1.6 Available-for-sale financial assets

In thousands of euros	December 31, 2014	December 31, 2013 restated(µ)
Shell companies and dormant companies	469	279
Contribution to the "FMEA 2" fund*	1,372	1,524
Available-for-sale financial assets	**1,841**	**1,803**

* Contributions to the "FMEA" 2 fund are listed with long-term financial receivables in Note 5.2.7.4 "Reconciliation of gross and net debt".

5.1.7 Other non-current financial assets

In thousands of euros	December 31, 2014	December 31, 2013 restated(µ)
Loans	228	29
Deposits and bonds	14,436	16,714
Other	43	6,039
Non-current financial receivables (see Note 5.2.7.4)	**14,707**	**22,782**
Finance receivables related to Environment finance leases (see Note 6.4.1)	4,064	5,578
Finance receivables related to Automotive contracts (see Note 6.4.1)	26,376	30,130
Non-current financial receivables (see Note 5.2.7.4)	**30,440**	**35,708**
Total	**45,147**	**58,490**

Deposits and bonds correspond mainly to guarantee deposits on leased offices and sold receivables sales programs.

Finance receivables mainly concern work in progress on automotive projects for which the Group has received a firm commitment on the selling price of developments and/or tooling. These receivables are discounted.

5.1.8 Inventories

In thousands of euros		December 31, 2014	December 31, 2013 restated(μ)
Raw materials and supplies			
	At cost	*103,953*	*95,374*
	Net realizable value	96,788	89,881
Molds, tooling and engineering			
	At cost	*102,933*	*80,696*
	Net realizable value	102,844	80,604
Other work in progress			
	At cost	*13,940*	*146*
	Net realizable value	13,847	146
Maintenance inventories			
	At cost	*36,144*	*31,697*
	Net realizable value	29,168	25,701
Goods			
	At cost	*9,104*	*9,438*
	Net realizable value	8,335	8,529
Semi-finished products			
	At cost	*30,468*	*24,788*
	Net realizable value	28,910	23,433
Finished products			
	At cost	*36,286*	*37,827*
	Net realizable value	33,584	34,656
Total, net		**313,476**	**262,950**

5.1.9 Short-term financial receivables

In thousands of euros	December 31, 2014		December 31, 2013 restated(μ)	
	Undiscounted values	Carrying amount	Undiscounted values	Carrying amount
Current financial receivables (see Note 5.2.7.4)	**31,456**	**31,213**	**36,816**	**36,496**
Of which Environment Division finance lease receivables	*1,791*	*1,555*	*1,912*	*1,613*
Of which Automotive Division finance receivables	*29,665*	*29,658*	*34,904*	*34,883*
Current financial receivables (see Note 5.2.7.4)	**8,194**	**8,104**	**3,678**	**3,678**
Of which current accounts	*1,934*	*1,934*	*1,943*	*1,943*
Of which other	*6,260*	*6,170*	*1,735*	*1,735*
Total current financial receivables	**39,650**	**39,317**	**40,494**	**40,174**

5.1.10 Trade and other receivables

5.1.10.1 Sales 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 are due within more than two years on average:

- Nearly all of these non-recourse programs transfer substantially all the risks and rewards of ownership to the buyer, with only the non-material dilution risk retained by the Group, and the sold receivables are therefore derecognized.

Receivables sold under these programs, and which are therefore no longer included on the balance sheet, totaled €235 million at December 31, 2014, against €230 million at December 31, 2013.

- One program does not transfer substantially all the risks and rewards of ownership to the buyer and the sold receivables therefore continue to be carried in the balance sheet for €0.2 million at December 31, 2014, versus €3 million at December 31, 2013.

5.1.10.2 Trade receivables – Cost, impairment and carrying amounts

In thousands of euros	December 31, 2014			December 31, 2013 restated(µ)		
	Cost	Impairment	Carrying amount	Cost	Impairment	Carrying amount
Trade receivables	**506,713**	**(5,111)**	**501,602**	**500,647**	**(4,942)**	**495,705**

The Group has not identified any significant unfunded customer credit risk over the two periods.

5.1.10.3 Other

In thousands of euros	December 31, 2014	December 31, 2013 restated(µ)
Sundry receivables	53,656	49,014
Prepayments to suppliers of tooling and prepaid development costs	12,890	19,801
Prepaid and recoverable income taxes	60,656	37,791
Other prepaid and recoverable taxes	60,470	33,084
Employee advances	3,369	1,683
Prepayments to suppliers of non-current assets	3,240	12,775
Other	**194,281**	**154,148**

5.4.10.4 Trade and other receivables by currency

In thousands of currency units		Receivables at December 31, 2014			Receivables at December 31, 2013 restated(µ)		
		Local currency	Euro	%	Local currency	Euro	%
EUR	Euro	373,648	373,648	54%	428,930	428,930	66%
USD	US dollar	187,162	154,157	22%	145,989	105,858	16%
CNY	Chinese yuan	441,297	58,560	8%	307,117	36,784	6%
GBP	Pound sterling	24,145	30,999	4%	15,458	18,541	3%
Other	Other currencies		78,519	11%		59,738	9%
Total			**695,883**	**100%**		**649,851**	**100%**
Of which:							
• *Trade receivables*			*501,602*	*72%*		*495,705*	*76%*
• *Other receivables*			*194,281*	*28%*		*154,148*	*24%*

The Group does not carry out any sensitivity testing to changes in exchange rates since:

- over half of trade receivables are in euros;
- the net exposure per currency (Trade receivables minus Trade payables, see Note 5.2.9.3) is not material.

5.1.11 Deferred taxes

As explained in Note 1.1.31 to the accounting rules and methods above, deferred tax assets corresponding to tax loss carryforwards, deductible temporary differences and tax credits are measured based on the probability of sufficient taxable earnings being generated to permit their utilization. Given the prevailing economic environment, new estimates were made at the year-end based on a prudent assessment of probable future earnings in the short to medium term.

Recognized deferred taxes relate to the following items:

In thousands of euros	December 31, 2014	December 31, 2013 restated(μ)
Property, plant and equipment	(42,697)	(38,900)
Post-employment benefit obligations	31,435	23,961
Provisions	31,192	29,396
Financial instruments	7,311	5,226
Tax loss carryforwards and tax credits	91,199	92,588
Other	(11,843)	(21,424)
Impairment of deferred tax assets	(76,308)	(76,640)
Total	**30,289**	**14,207**
Of which:		
Deferred tax assets	*78,067*	*66,975*
Deferred tax liabilities	*47,778*	*52,768*

Unrecognized deferred tax assets on tax loss carryforwards amounted to €58 million at December 31, 2014 against €59 million at December 31, 2013, as follows:

In thousands of euros	December 31, 2014	December 31, 2013 restated(μ)
Evergreen tax loss carryforwards	50,115	52,894
Tax loss carryforwards available for more than 5 years	3,290	3,326
Tax loss carryforwards available for up to 5 years	2,613	1,101
Tax loss carryforwards available for up to 4 years	1,240	107
Tax loss carryforwards available for up to 3 years	605	920
Tax loss carryforwards available for less than 3 years	–	530
Total	**57,863**	**58,878**

Movements over the year were mainly due to provisions set aside for losses, especially in France.

5.1.12 Cash and cash equivalents

5.1.12.1 Gross cash and cash equivalents

In thousands of euros	December 31, 2014	December 31, 2013 restated(μ)
Cash at bank and in hand	182,972	177,492
Short-term deposits	352,440	311,551
Total cash and cash equivalents on the balance sheet	**535,412**	**489,042**

Cash and cash equivalents break down as follows:

In thousands of euros	December 31, 2014	December 31, 2013 restated(μ)
Cash and cash equivalents of the Group's captive reinsurance company	45,613	43,602
Cash and cash equivalents in countries with exchange controls on remittances and transfers*	85,225	83,998
Unrestricted cash and cash equivalents	404,574	361,443
Total cash and cash equivalents on the balance sheet	**535,412**	**489,042**

* The "countries with exchange controls on remittances and transfers" are Brazil, China, India, Chile and Argentina.

The above amounts are presented in the balance sheet as current assets as they are not subject to any general restrictions.

5.1.12.2 Net cash and cash equivalents at end of period

In thousands of euros	December 31, 2014	December 31, 2013 restated(μ)
Cash and cash equivalents	535,412	489,042
Short-term bank loans and overdrafts	(4,148)	(6,212)
Net cash and cash equivalents at end of period in the statement of cash flows	**531,264**	**482,831**

5.1.13 Statement of cash flows – Acquisitions and disposals of non-current financial assets and non-controlling interests

5.1.13.1 Acquisitions of shares in subsidiaries and associates and non-controlling interests

Financial acquisitions made by the Group are broken down into the following two categories:

a – Acquisitions of shares in subsidiaries and associates, investments leading to a change in control, equity investments in associates, joint ventures and related investments

These are recorded under "Cash flows from investments" in the Consolidated statement of cash flows.

Acquisitions of interests in non-consolidated companies totaled €208 thousand in 2014, compared with €87 thousand in 2013. None of the transactions were individually significant.

b – Acquisitions of non-controlling interests

These are recorded under "Cash flows from investments" in the consolidated statement of cash flows.

2014

The Group did not acquire any non-controlling interests in the 2014 fiscal year.

2013

The Group had purchased from its partner, Xietong, a €16,689 thousand investment (40%) in Chinoise Jiangsu Xieno Automotive Components Co. Ltd.

5.1.13.2 Disposals of shares in subsidiaries and associates and non-controlling interests

a – Disposals of shares in subsidiaries and associates

The proceeds from disposals of shares in subsidiaries and associates are recorded under "Cash flows from investments" in the consolidated statement of cash flows.

2014

In 2014, the Group dispose of its 50% interest in Signal AG for €16.6 million (see Note 2.4 "Disposal of the Group's stake in Signal AG").

2013

The Group disposed of its interest in Inergy Vla Plastiran, a company in the Middle East, for the symbolic amount of €1.

5.2 Equity and liabilities

5.2.1 Equity attributable to owners of the parent

5.2.1.1 Share capital of Compagnie Plastic Omnium

In euros	December 31, 2014	December 31, 2013
Share capital at January 1	**9,298,621**	**8,782,031**
Increase in equity through the incorporation of reserves after three-for-one share split	–	516,590
Capital reduction during the year	(84,018)	–
Share capital at end of period (ordinary shares with a par value of €0.06) over the two periods	**9,214,603**	**9,298,621**
Treasury stock	347,417	511,690
Total share capital net of treasury stock	**8,867,186**	**8,786,931**

Shares registered in the name of the same holder for at least two years carry double voting rights.

Structure of capital at December 31, 2014

At December 31, 2014, Compagnie Plastic Omnium held 5,790,280 of treasury stock, i.e. 3.77% of the share capital, against 8,528,162 or 5.50% of the share capital at December 31, 2013.

The Board of Directors' meeting of October 24, 2014 decided to reduce the share capital of Compagnie Plastic Omnium by €84,018.06, as authorized by the twelfth resolution of the Combined Shareholders' Meeting of April 30, 2014. The capital reduction was done by cancelling 1,400,301 shares with a par value of €0.06, thus reducing the capital to €9,214,603.20 for 153,576,720 shares, versus €9,298,621.26 for 154,977,021 shares before the transaction.

Structure of capital at December 31, 2013

The Combined Shareholders' Meeting of April 25 had voted to divide the par value of Plastic Omnium shares by three. This operation took place on September 10, 2013, bringing the par value down from €0.17 to €0.06. The stock split made it necessary to carry out to a capital increase of €516,590.07 of Compagnie Plastic Omnium through the incorporation of reserves, increasing equity from €8,782,031.19 to €9,298,621.26 representing 154,977,021 shares in total.

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

In thousands of euros	Actuarial gains and losses recognized in equity	Cash flow hedges – interest rate instruments	Cash flow hedges – currency instruments	Fair value adjustments to property, plant and equipment	Retained earnings and other reserves	Attributable to owners of the parent
December 31, 2012 – reported	**(31,394)**	**(13,430)**	**(207)**	**16,726**	**584,312**	**556,007**
Effects of the first-time application of the new consolidation standards	–	–	–	–	(22,044)	(22,044)
At January 1, 2013 restated[µ]	**(31,394)**	**(13,430)**	**(207)**	**16,726**	**562,268**	**533,963**
Movements in 2013 restated[µ]	8,630	6,127	626	–	125,929	141,312
At December 31, 2013 restated[µ]	**(22,764)**	**(7,303)**	**419**	**16,726**	**688,197**	**675,275**
Movements for 2014	(16,180)	3,159	(468)	1,430	147,855	135,796
At December 31, 2014	**(38,944)**	**(4,144)**	**(49)**	**18,156**	**836,052**	**811,071**

5.2.1.3 Details of "Changes in scope of consolidation" in the consolidated statement of changes in equity

In thousands of euros	Shareholders' equity		Total equity
	Attributable to owners of the parent	Attributable to non-controlling interests	
Acquisition by the Plastic Omnium Group of Xietong's 40% interest in subsidiary Plastic Omnium Composites Jiangsu Co. Ltd	(8,074)	(8,615)	(16,689)
Earn-out payment for the acquisition of shares in subsidiary HBPO Germany GmbH	(25)	–	(25)
Disposal of Inergy Vla Plastiran in the Middle East (this company was not wholly owned)	30	(30)	–
DSK Plastic Omnium BV capital increase (subscription to a capital increase)	(1)	9	8
Other changes	10	(5)	5
Changes in scope of consolidation at December 31, 2013	**(8,060)**	**(8,641)**	**(16,701)**
Adjustment of the consolidated balance sheet for the addition of Ford fuel tank business acquired in the United States in 2011	(1,469)	–	(1,469)
Other changes in scope of consolidation at December 31, 2014	**(1,469)**	**–**	**(1,469)**

5.2.2 Dividends voted and paid by Compagnie Plastic Omnium

Amounts in thousands of euros Dividend per share in euros Number of shares, in units	December 31, 2014		December 31, 2013 restated[(µ)¤]		December 31, 2013 reported	
	Number of shares in 2013	Dividend	Number of shares in 2012	Dividend	Number of shares in 2012	Dividend
Dividend per share (in euros)		**0.33**[**]		**0.25**[*]		**0.76**[**]
Total number of shares outstanding at the end of the previous year	154,977,021		154,977,021[#]		51,659,007[#]	
Total number of shares held in treasury on the ex-dividend date	7,262,537[**]		7,831,761[**]		2,610,587[**]	
Total number of shares held in treasury at the year-end (for information)	8,528,162[**]		9,283,785[**]		3,094,595[**]	
Dividends on ordinary shares		51,142		39,261		39,261
Dividends on treasury stock (unpaid)		(2,396)[**]		(1,984)[**]		(1,984)[**]
Total net dividend		**48,746**		**37,277**		**37,277**

¤ On April 25, 2013, the Combined Shareholders' Meeting of Compagnie Plastic Omnium voted to divide the par value of its shares by three. This operation took place on September 10, 2013, reducing the share par value from €0.17 to €0.06. At December 31, 2013, this same Note on dividends was presented based on the share capital before restructuring. The "restated" column shows the data from December 31, 2013 after the division by three of the par value of the share.

The 51,659,007 shares comprising the share capital of Compagnie Plastic Omnium in 2012 rose to 154,977,021 shares after the division by three of the par value of the Compagnie Plastic Omnium share on September 10, 2013.

* In 2014, Compagnie Plastic Omnium paid a dividend of €0.33 per share on profits from 2013, against €0.76 in 2013 on profits from 2012 (€0.25 after taking into account the division by three of the par value of the Plastic Omnium share in 2013).

** December 31, 2014: the number of treasury shares taken into account for the determination of the provisional total dividend was 8,528,162 at December 31, 2013. On the ex-dividend date, there were only 7,262,537 shares in treasury, reducing the dividends attached to those shares from €2,814 thousand to €2,396 thousand.

December 31, 2013: the number of treasury shares taken into account for the determination of the provisional total dividend was 3,094,595 (9,283,785 after division by three of the par value of the share) at December 31, 2012. On the ex-dividend date, there were only 2,610,587 shares in treasury (7,831,761 shares after division by three of the par value of the share), reducing the dividends attached to those shares from €2,352 thousand to €1,984 thousand.

The recommended dividend in respect of 2014, to be proposed to the Combined Shareholder's Meeting of April 30, 2015, amounts to €0.37 per share, representing a total payout of €56,823 thousand based on the 153,576,720 shares outstanding at December 31, 2014 before deducting treasury stock.

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5.2.3 Share-based payments

No new stock option plans were opened in 2014.

Outstanding stock option plans

Grant date	Options exercisable for	Grantees	Vesting conditions	Maximum number of options available under the plan	Multiplier following the division by three of the par value of the share on May 10, 2011	Maximum number of options available under the plan as adjusted for the stock split¤	Multiplier following the division by three of the par value of the share on September 10, 2014	Maximum number of options available under the plan as adjusted for the stock split¤¤
July 24, 2007	Stock options	65	Employment contract in force on the option exercise date, except in the case of transfer by the employer, early retirement or retirement	330,000	3	990,000	3	2,970,000
July 22, 2008	Stock options	39		350,000	3	1,050,000	3	3,150,000
April 1, 2010	Stock options	124		375,000	3	1,125,000	3	3,375,000
March 21, 2012	Stock options	208		N/A	N/A	889,500	3	2,668,500
August 7, 2013	Stock options	184		N/A	N/A	424,000	3	1,272,000

¤ On April 28, 2011, the Extraordinary Shareholders' Meeting of Compagnie Plastic Omnium voted to divide the par value of its shares by three, with effect as from May 10, 2011. The share price went from €0.50 to €0.17. Since all of the plans outstanding at December 31, 2011 preceded that decision, as of that date, the number of options granted to each employee in each plan was multiplied by three and the exercise price divided by three.

¤¤ On April 25, 2013, the Combined Shareholders' Meeting of Compagnie Plastic Omnium voted to divide the par value of its shares by three, with effect as from September 10, 2013. The share price went from €0.17 to €0.06. The number of stock options for every employee in every plan preceding that decision was multiplied by three and the exercise price divided by three.

Successive effects of the division by three of the par value of the Compagnie Plastic Omnium share	Plan of July 24, 2007	Plan of July 22, 2008	Plan of April 1, 2010	Plan of March 21, 2012	Plan of August 7, 2013
Effects of division by three of the par value of the share					
Voted by the Extraordinary Shareholders' Meeting of April 28, 2011					
Effective as from May 10, 2011					
Number of stock options at January 1, 2011 before division by three of the par value of the share	298,000	340,800	371,500	N/A	N/A
Number of stock options at May 10, 2011 after division by three of the par value of the share	894,000	1,022,400	1,114,500	N/A	N/A
Effects of division by three of the par value of the share					
Voted by the Shareholders' Meeting of April 25, 2013					
Effective as from September 10, 2013 following the meeting of the Board of Directors on July 23, 2013					
Number of stock options before division by three of the par value of the share in 2013	270,488	773,422	1,030,500	842,000	424,000
Number of stock options on September 10, 2013 after division by three of the par value of the share*	811,464	2,320,266	3,091,500	2,526,000	1,272,000

* The number of stock options was multiplied by three following the division by three of the par value of the Compagnie Plastic Omnium share on September 10, 2013.

Outstanding options at the year-end and cost for the period related to the stock option plans

The vesting period for each plan is four years.

Outstanding options In euros In units for the number of options	Options outstanding at January 1, 2014	Revaluations/ adjustments	Increases	Decreases			Cost for the period	Options outstanding at December 31, 2014	
			Options granted during the period	Options forfeited during the period	Options that expired during the period	Options exercised during the period		Total	Of which, options exercisable at December 31, 2014
July 24, 2007 plan									
Number of options	133,650					(133,650)		–	
Share price at the grant date	4.37							–	
Exercise price	4.37							–	
Term	7 years							–	
Unrecognized cost at period-end	–							–	
Remaining life	–							–	

Outstanding options In euros In units for the number of options	Options outstanding at January 1, 2014	Revaluations/ adjustments	Increases	Decreases			Cost for the period	Options outstanding at December 31, 2014	
			Options granted during the period	Options forfeited during the period	Options that expired during the period	Options exercised during the period		Total	Of which, options exercisable at December 31, 2014
July 22, 2008 plan									
Number of options	917,300					(773,300)		144,000	144,000
Share price at the grant date	1.99							1.99	
Exercise price	2.95							2.95	
Term	7 years							7 years	
Unrecognized cost at period-end	–							–	
Remaining life	1 year							–	

Outstanding options In euros In units for the number of options	**Options outstanding at January 1, 2014**	**Revaluations/ adjustments**	**Increases**	**Decreases**			**Cost for the period**	**Options outstanding at December 31, 2014**	
			Options granted during the period	**Options forfeited during the period**	**Options that expired during the period**	**Options exercised during the period**		**Total**	**Of which, options exercisable at December 31, 2014**
April 1, 2010 plan									
Number of options	3,028,500			(31,500)		(1,486,000)		1,511,000	1,511,000
Share price at the grant date	3.2							3.2	
Exercise price	2.84							2.84	
Term	7 years							7 years	
Unrecognized cost at period-end	160,691	(62,358)		(98,333)				–	
Remaining life	3.5 years							2.5 years	

Outstanding options In euros In units for the number of options	**Options outstanding at January 1, 2014**	**Revaluations/ adjustments**	**Increases**	**Decreases**			**Cost for the period**	**Options outstanding at December 31, 2014**	
			Options granted during the period	**Options forfeited during the period**	**Options that expired during the period**	**Options exercised during the period**		**Total**	**Of which, options exercisable at December 31, 2014**
March 21, 2012 plan									
Number of options	2,479,500			(78,000)				2,401,500	None
Share price at the grant date	7.3							7.3	
Exercise price	7.38							7.38	
Term	7 years							7 years	
Unrecognized cost at period-end	2,346,142	(94,320)		(158,214)			(942,253)	1,151,355	
Remaining life	5.25 years							4.25 years	

Outstanding options In euros In units for the number of options	**Options outstanding at January 1, 2014**	**Revaluations/ adjustments**	**Increases**	**Decreases**			**Cost for the period**	**Options outstanding at December 31, 2014**	
			Options granted during the period	**Options forfeited during the period**	**Options that expired during the period**	**Options exercised during the period**		**Total**	**Of which, options exercisable at December 31, 2014**
August 7, 2013 plan									
Number of options	1,272,000			(39,000)				1,233,000	None
Share price at the grant date	17.71							17.71	
Exercise price	16.17							16.17	
Term	7 years							7 years	
Unrecognized cost at period-end	5,335,228	409		(248,677)			(1,411,970)	3,674,990	
Remaining life	6.6 years							5.6 years	
Total cost for the year							**(2,354,223)**		

At December 31, 2014, the shares intended for grant but not yet allocated amounted to 189,000 shares against 40,500 shares at December 31, 2013.

5.2.4 Government grants

In thousands of euros	December 31, 2014	December 31, 2013 restated(µ)
Investment grants	11,287	11,883
Total government grants recognized in non-current liabilities	**11,287**	**11,883**
Current government grants	273	263
Total government grants recognized in current liabilities	**273**	**263**
Total government grants recognized as liabilities	**11,560**	**12,146**

5.2.5 Provisions

In thousands of euros	December 31, 2013 restated(µ)	Charges	Utilizations	Releases of surplus provisions	Reclassifi-cations	Actuarial gain	Translation adjustment	December 31, 2014
Customer warranties	8,714	9,869	(7,512)	(1,950)	(1,302)	–	21	7,840
Reorganization plans*	16,201	12,660	(11,389)	(299)	–	–	(20)	17,153
Taxes and tax risks	6,465	1,856	(2,161)	(32)	–	–	(11)	6,117
Contract risks**	14,325	33,118	(6,661)	(9,094)	1,536	–	17	33,241
Claims and litigation	5,117	507	(913)	(167)	–	–	164	4,708
Other***	6,305	2,383	(3,003)	(711)	(234)	–	47	4,787
Provisions for liabilities and charges	**57,127**	**60,393**	**(31,639)**	**(12,253)**	**–**	**–**	**218**	**73,846**
Provisions for pensions and other post-employment benefits****	65,347	5,147	(3,311)	–	–	22,685	3,297	93,165
Total	**122,474**	**65,540**	**(34,950)**	**(12,253)**	**–**	**22,685**	**3,515**	**167,011**

* Charges for the period mainly concern the Automotive Division for the Compiègne-Laval site in France, for which the reorganization plans (started last year) are still ongoing, and the Saint-Désirat site in France.

** Charges for the period concern mainly the risks related to onerous contracts, losses on completion of development contracts and various contract risks on Automotive Division contracts.

*** The sub-section "Other" is made up of non-material individual amounts.

**** The actuarial loss corresponds to the fall in interest rates in the Euro zone and the United States, as well as changes to the mortality table in the United States.

In thousands of euros	December 31, 2012 restated(µ)	Charges	Utilizations	Releases of surplus provisions	Reclassifi-cations	Actuarial loss	Translation adjustment	December 31, 2013 restated(µ)
Customer warranties	9,732	7,698	(3,809)	(4,522)	(346)	–	(39)	8,714
Reorganization plans*	27,430	15,941	(21,152)	(6,349)	414	–	(83)	16,201
Taxes and tax risks	4,249	3,119	(504)	–	(132)	–	(267)	6,465
Contract risks	4,850	14,562	(5,729)	(786)	1,428	–	–	14,325
Claims and litigation	8,328	1,675	(2,109)	(1,167)	(1,298)	–	(312)	5,117
Other**	6,448	3,462	(2,552)	(931)	(66)	–	(57)	6,305
Provisions for liabilities and charges	**61,037**	**46,457**	**(35,855)**	**(13,755)**	**–**	**–**	**(758)**	**57,127**
Provisions for pensions and other post-employment benefits***	75,395	5,688	(3,519)	–	–	(10,932)	(1,285)	65,347
Total	**136,432**	**52,145**	**(39,374)**	**(13,755)**	**–**	**(10,932)**	**(2,043)**	**122,474**

* Non-current provisions concerned mainly the following Automotive Division sites: Eisenach-Thuringe in Germany, Compiègne-Laval and Saint-Désirat in France and Herentals in Belgium (see Note 4.5 on "Employee downsizing costs").

** The sub-section "Other" was made up of non-material individual amounts.

*** For the actuarial gain (loss) over the period, see Note 5.2.6.8 "Impact of the amendment to IAS 19" (IAS 19R) in the 2012 Annual Report. It relates to the impact of the first-time application of IAS 19R. As the amounts were not very material (the Group did not use the corridor approach), the impacts were recognized directly in the income statement.

The actuarial gain (loss) includes the impact of applying IAS 19R, amounting to €2,764 thousand at the end of 2013 in the consolidated management accounts.

5.2.6 Provisions for pensions and other post-employment benefits

Post-employment benefit plans

The generic term “post-employment benefits” is used to refer to both pension benefits and other employee benefits.

Provisions for pensions

Provisions for pensions mainly cover:

- benefits payable to employees on retirement;
- supplementary pension plans; and
- plans for the payment of healthcare costs of retired employees.

In France, supplementary pension plans only concern executive corporate officers and consist of termination benefits. In other countries, any supplementary pension plans concern all employees.

Plans for the payment of healthcare costs of retired employees mainly concern the North America region (United States).

Other long-term benefit plans

Other long-term benefits concern other length-of-service awards.

Post-employment benefit plans are set up in accordance with the regulations applicable in each of the Group’s host countries. Consequently, the costs recorded in the accounts are not a function of the number of employees in each country.

The countries identified and presented are those for which consistent actuarial assumptions apply, allowing data to be aggregated. Where no such aggregation is possible, no reference actuarial rates are provided as the differences in parameters are too great to allow an average rate to be calculated. Similarly, sensitivity tests are performed on country data that can be reliably aggregated.

5.2.6.1 Actuarial assumptions

The main actuarial assumptions used to measure post-employment and other long-term benefit obligations are as follows:

	2014		2013 restated[µ]	
	France	United States	France	United States
	Managers and non-managers		Managers and non-managers	
Minimum age for receiving a full pension	60 to 62 years	65 years	60 to 62 years	62 years
Age from which no reduction applies	65 to 67 years		65 to 67 years	
Discount rate – post-employment benefits	1.75%	4.30%	3.50%	5.00%
Discount rate – length-of-service awards	1.60%		3.00%	
Inflation rate	1.70%		2.00%	
Rate of future salary increases	1.7% to 4.7%	3.25%	2% to 5%	3.25%
Rate of growth in healthcare costs[1]		7.50%		8.00%
Expected long-term rate of return on pension plan assets	1.75%	4.30%	3.50%	5.00%

(1) In the United States, rates are expected to decline by 0.5% per year to 5% in 2019.

Discount rates – post-employment benefits

The Group uses as a reference the bond rates issued by good quality (AA) industrial and commercial companies with maturity equal to the estimated commitment.

Inflation rates

In France, benefits are indexed to inflation, whereas in the United States, the impact of inflation is not material.

Average rate of future salary increases

The average rates of future salary increases are weighted between “managers” and “other employees” and on employees’ ages.

Estimated long-term return on pension plan assets

These rates are based on long-term market forecasts and take account of each plan’s asset allocation.

Note: for other foreign subsidiaries, rate differentials are determined based on local conditions.

5.2.6.2 Changes in balance sheet commitments and benefit costs corresponding to the defined benefit plans

The amounts reported in the balance sheet for defined benefit plans are as follows:

In thousands of euros	Post-employment benefit plans			Other long-term benefits			Total		
	2014	**2013 restated(µ)**	**2012 restated(µ)**	**2014**	**2013 restated(µ)**	**2012 restated(µ)**	**2014**	**2013 restated(µ)**	**2012 restated(µ)**
Projected benefit obligation at January 1	**86,910**	**89,593**	**68,935**	**7,056**	**7,241**	**7,344**	**93,966**	**96,834**	**76,279**
Service cost	6,212	6,337	5,256	316	309	352	6,529	6,646	5,607
Interest cost	3,700	3,457	3,511	169	150	223	3,869	3,607	3,735
Curtailments, settlements and other	(244)	488	(655)	(82)	110	(320)	(326)	598	(975)
Actuarial gains and losses	25,152	(7,999)	17,001	(205)	(434)	(143)	24,948	(8,433)	16,858
Of which, experience adjustments	*221*	*374*	*3,522*	*(180)*	*(413)*	*(726)*	*41*	*(39)*	*2,796*
Benefits paid from plan assets	8	(256)	(1,777)	6	6	–	14	(250)	(1,777)
Benefits paid by the Company	(2,903)	(2,429)	(1,535)	(342)	(300)	(205)	(3,246)	(2,729)	(1,740)
Translation adjustment	6,898	(2,282)	(1,144)	71	(25)	(10)	6,968	(2,307)	(1,154)
Projected benefit obligation at December 31	**125,733**	**86,910**	**89,593**	**6,989**	**7,056**	**7,241**	**132,722**	**93,966**	**96,834**
Change in projected benefit obligation	*38,823*	*(2,683)*	*20,658*	*(68)*	*(185)*	*(103)*	*38,756*	*(2,868)*	*20,555*
Fair value of plan assets at January 1	**28,619**	**21,439**	**17,967**	**-**	**-**	**-**	**28,619**	**21,439**	**17,967**
Return on plan assets	1,440	901	1,358	–	–	–	1,440	901	1,358
Employer contributions	4,005	5,209	4,547	–	–	–	4,005	5,209	4,547
Actuarial gains and losses	2,406	2,933	658	–	–	–	2,406	2,933	658
Benefit payments funded by plan assets	77	(260)	(1,776)	–	–	–	77	(260)	(1,776)
Curtailments, settlements and other	(660)	(581)	(927)	–	–	–	(660)	(581)	(927)
Translation adjustment	3,670	(1,022)	(387)	–	–	–	3,670	(1,022)	(387)
Fair value of plan assets at December 31	**39,557**	**28,619**	**21,439**	**-**	**-**	**-**	**39,557**	**28,619**	**21,439**
Change in fair value of plan assets	*10,937*	*7,180*	*3,472*	*–*	*–*	*–*	*10,937*	*7,180*	*3,472*
Excess of projected benefit obligation over plan assets = provision recorded in the balance sheet	**86,176**	**58,290**	**68,151**	**6,989**	**7,056**	**7,241**	**93,165**	**65,347**	**75,394**
• of which France	44,860	36,603	33,160	4,162	3,815	3,732	49,022	40,418	36,892
• of which Europe excluding France and Switzerland	9,998	5,054	5,200	445	887	1,366	10,442	5,941	6,566
• of which United States	26,742	14,203	26,971	383	474	442	27,125	14,677	27,413
• of which other regions	4,576	2,431	2,820	1,999	1,879	1,701	6,575	4,310	4,520

The present value of partially funded obligations was €74,092 thousand at December 31, 2014, including €8,068 thousand for French plans and €59,326 thousand for US plans. The present value of partially funded obligations was €47,483 thousand at December 31, 2013, including €5,567 thousand for French plans and €38,198 thousand for US plans.

5.2.6.3 Net projected benefit obligation by country

The following table shows the net projected benefit obligation by country:

In thousands of euros	2014				2013 restated[µ]			
	France	**Europe excluding France**	**United States**	**Other**	**France**	**Europe excluding France**	**United States**	**Other**
Post-employment benefit plans								
Length-of-service awards payable on retirement	43,985	6,775	2,951	4,575	36,599	3,283	2,411	2,429
Supplementary pension plans	875	3,223	23,315	–	4	1,771	11,318	–
Healthcare plans			476	–			474	–
Total post-employment benefit obligations	**44,860**	**9,998**	**26,742**	**4,575**	**36,603**	**5,054**	**14,203**	**2,429**
Other long-term benefits	4,162	445	383	1,999	3,815	887	474	1,882
Total other post-employment benefit obligations	**4,162**	**445**	**383**	**1,999**	**3,815**	**887**	**474**	**1,882**
Net obligations recognized in the balance sheet	**49,022**	**10,442**	**27,125**	**6,575**	**40,418**	**5,941**	**14,677**	**4,311**

		2014		2013 restated[µ]	
		France	**United States**	**France**	**United States**
Average maturity of obligations	(in years)	13	21	12	20
Total obligations	(in thousands of euros)	53,150	58,444	43,743	38,196
Pension obligations		–	4,851	–	3,170
Deferred obligations		–	8,357	–	5,462
Asset obligations		53,150	45,236	43,743	29,564

5.2.6.4 Sensitivity tests – retirement obligations

For retirement obligations, the results of sensitivity tests on the main external variable – discount rates – at December 31, 2014 and December 31, 2013 were as follows:

In thousands of euros	2014					2013 restated[µ]				
	Basis	**Increase**		**Decrease**		**Basis**	**Increase**		**Decrease**	
		+0.25%		**–0.25%**			**+0.25%**		**–0.25%**	
		Amount	%	**Amount**	%		**Amount**	%	**Amount**	%
France										
Effect on service cost and interest cost	5,096	5,083	– 0.27%	5,109	0.23%	4,151	4,127	– 0.57%	4,177	0.62%
Effect on projected benefit obligation	58,442	56,791	– 2.83%	60,159	2.94%	44,687	43,360	– 2.97%	46,061	3.07%
United States										
Effect on service cost and interest cost	5,699	5,550	– 2.61%	5,848	2.61%	4,722	4,509	– 4.51%	4,946	4.74%
Effect on projected benefit obligation	59,324	56,268	– 5.15%	62,330	5.07%	38,196	36,434	– 4.73%	40,148	4.98%

5.2.6.5 Changes in net balance sheet amounts

Changes in net balance sheet amounts for defined benefit plans are as follows:

In thousands of euros	Post-employment benefit plans			Other long-term benefits			Total		
	2014	**2013 restated[µ]**	**2012 restated[µ]**	**2014**	**2013 restated[µ]**	**2012 restated[µ]**	**2014**	**2013 restated[µ]**	**2012 restated[µ]**
Net projected benefit obligation at January 1	**58,290**	**68,151**	**50,968**	**7,056**	**7,241**	**7,344**	**65,347**	**75,394**	**58,312**
Expense/income for the year									
Service cost	6,210	6,337	5,254	317	309	352	6,527	6,646	5,607
Curtailments, settlements and other	420	1,070	272	(76)	110	(320)	344	1,180	(48)
Benefits paid by the Company	(2,904)	(2,429)	(1,535)	(342)	(299)	(205)	(3,246)	(2,728)	(1,740)
Actuarial gains and losses	–	–	–	(143)	(434)	(143)	(143)	(434)	(143)
Benefit payments funded by plan assets	(69)	4	–	–	6	–	(69)	10	–
Employer contributions	(4,005)	(5,209)	(4,547)	–	–	–	(4,005)	(5,209)	(4,547)
Net non-recurring post-employment benefit plan costs recorded in operating expense**	**(347)**	**(227)**	**(557)**	**(245)**	**(308)**	**(316)**	**(593)**	**(535)**	**(871)**
Interest cost	3,700	3,454	3,507	169	150	223	3,869	3,604	3,731
Expected return on plan assets	(1,440)	(901)	(1,358)	–	–	–	(1,440)	(901)	(1,358)
Interest costs of post-employment benefit obligations*	**2,259**	**2,552**	**2,149**	**169**	**150**	**223**	**2,429**	**2,702**	**2,372**
Balance sheet impact									
Actuarial gains and losses	22,746	(10,932)	16,344	(61)	–	–	22,685	(10,932)	16,344
Reclassification as discontinued operations	–	–	–	–	–	–	–	–	–
Translation adjustment	3,227	(1,257)	(753)	71	(26)	(10)	3,297	(1,283)	(763)
Balance sheet impact	**25,972**	**(12,188)**	**15,591**	**9**	**(26)**	**(10)**	**25,982**	**(12,214)**	**15,581**
Net projected benefit obligation at December 31	**86,176**	**58,290**	**68,151**	**6,989**	**7,056**	**7,241**	**93,165**	**65,347**	**75,394**

* See “Interest cost – post-employment benefit obligations” in Note 4.6 on “Net financial income”.

** Including €1,254 thousand recorded as non-current assets for 2014 versus €1,160 thousand for 2013.

5.2.6.6 Healthcare cost sensitivity tests in the United States

The following table shows the impact of a 1-point change in the healthcare cost trend rate in the United States:

	December 31, 2014		December 31, 2013 restated[µ]	
In thousands of euros	**Increase**	**Decrease**	**Increase**	**Decrease**
Effect on provisions for post-employment benefit obligations	448	(569)	339	(284)

5.2.6.7 Breakdown of plan assets by investment category

The funded plan assets at fair value – mainly in the United States – broke down as follows by investment category:

In thousands of euros	December 31, 2014	December 31, 2013 restated[µ]
Equities	26,146	15,248
Bonds	9,793	11,209
Real estate	206	–
Other	3,412	2,162
Total	**39,557**	**28,619**

5.2.6.8 Defined contribution plans

Contributions paid in respect of defined contribution plans amounted to €3,960 thousand in 2013.

5.2.7 Current and non-current debt

5.2.7.1 Net debt indicator used by the Group

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

- long-term borrowings:
  - drawdowns on lines of credit;
  - private placement notes;
  - bonds.
- less loans and other non-current financial assets;
- plus short-term debt;
- plus overdraft facilities;
- less cash and cash equivalents.

5.2.7.2 Borrowings: private placement notes

The history of the Group's private placement notes and bonds is as follows:

Bond issue of €500 million in 2013

On May 21, 2013, the Group issued bonds to the value of €500 million on the European market, without "covenants" or "ratings", as described below:

Bond issue		Issued in 2013
Bond issue – Fixed rate	(in euros)	500,000,000
Maturity		29 May 2020
Interest rate		2.875%
Listed		Euronext Paris

Private placement notes "Euro PP" of €250 million

"EuroPP" private bond placement of €250 million without financial "covenant" or "rating" with French banks, as described below:

Private placement Notes		Euro PP
Bond issue – Fixed rate	(in euros)	250,000,000
Maturity		12 December 2018
Interest rate		3.875%
Listed		Euronext Paris

"Schuldschein" private placement for €119 million

A €119 million "Schuldschein" private placement notes issue placed mainly with foreign private investors (Asian, German, Canadian and Belgian) but also with French investors, with the following characteristics:

Private placement Schuldschein		Amount	Interest rate
Bond issue – Fixed rate	(in euros)	45,000,000	3.72%
Bond issue – Variable rate	(in euros)	74,000,000	6-month Euribor +240 bps
Maturity			27 June 2017

5.2.7.3 Utilization of medium-term credit lines

At December 31, 2014, the Group had access to several confirmed bank lines of credit with an average maturity of four and a half years. These confirmed bank lines of credit exceeded the Group's requirements. At December 31, 2014, they amounted to €1,197 million, against €1,043 million at December 31, 2013.

5.2.7.4 Reconciliation of gross and net debt

In thousands of euros	December 31, 2014			December 31, 2013 restated[µ]		
	Total	**Income before non-operating items**	**Non-current portion**	**Total**	**Income before non-operating items**	**Non-current portion**
Finance lease liabilities	8,681	3,191	5,490	13,222	6,518	6,704
Bonds and bank loans	981,656	85,497	896,159	970,249	75,866	894,383
of which bond issue in 2013	*503,187*	*8,507*	*494,680*	*502,297*	*8,507*	*493,790*
of which EuroPP private placement notes issue	*248,281*	*504*	*247,777*	*247,774*	*504*	*247,270*
of which Schuldschein private placement notes issue	*119,000*	*–*	*119,000*	*119,000*	*–*	*119,000*
of which bank lines of credit	*111,188*	*76,486*	*34,702*	*101,178*	*66,855*	*34,323*
Non-current and current borrowings (+)	990,337	88,688	901,649	983,471	82,384	901,087
Other current debt (+)	17	17		303	303	
Hedging instruments – liabilities (+)[#]	16,658	16,658		9,980	9,980	
Total borrowings (B)	**1,007,012**	**105,363**	**901,649**	**993,754**	**92,667**	**901,087**
Available-for-sale financial assets – FMEA 2 fund (–)[##]	(1,372)		(1,372)	(1,524)		(1,524)
Other financial assets (–)	(76,360)	(31,213)	(45,147)	(94,985)	(36,496)	(58,489)
of which non-current financial receivables[###]	*(14,707)*		*(14,707)*	*(22,781)*		*(22,781)*
of which finance receivables[###]	*(61,653)*	*(31,213)*	*(30,440)*	*(72,204)*	*(36,496)*	*(35,708)*
Other short-term financial receivables (–)	(8,104)	(8,104)		(3,678)	(3,678)	
Hedging instruments – assets (–)[#]	(374)	(374)		(1,192)	(1,192)	
Total financial receivables (C)	**(86,210)**	**(39,691)**	**(46,519)**	**(101,379)**	**(41,366)**	**(60,013)**
Gross debt (D) = (B) + (C)	**920,801**	**65,672**	**855,129**	**892,375**	**51,301**	**841,074**
Cash and cash equivalents (–)[*]	535,412	535,412		(489,042)	489,042	
Short-term bank loans and overdrafts (+)	(4,148)	(4,148)		(6,212)	(6,212)	
Net cash and cash equivalents as recorded in the statement of cash flows (A)[**]	**(531,264)**	**(531,264)**		**(482,831)**	**(482,831)**	
NET DEBT (E) = (D) + (A)	**389,537**	**(465,592)**	**855,129**	**409,545**	**(431,530)**	**841,074**

[#] See Note 5.2.8.1 "Interest rate and foreign exchange hedges".
[##] See Note 5.1.6 "Available-for-sale financial assets".
[###] See Note 5.1.7 on "Other non-current financial assets – Long-term financial receivables".
[*] See Note 5.1.12.1 on "Cash and cash equivalents – gross".
[**] See Note 5.1.12.2 on "Cash and cash equivalents at December 31 – net".

5.2.7.5 Analysis of debt by currency

As a % of total debt	December 31, 2014	December 31, 2013 restated[µ]
Euro	89%	90%
US dollar	4%	4%
Chinese yuan	3%	2%
Pound sterling	2%	2%
Brazilian real	1%	1%
Other currencies	1%	1%
Total	**100%**	**100%**

5.2.7.6 Analysis of debt by type of interest rate

As a % of total debt	December 31, 2014	December 31, 2013 restated[µ]
Hedged variable rates	18%	20%
Unhedged variable rates	0%	0%
Fixed rates	82%	80%
Total	**100%**	**100%**

5.2.8 Interest rate and currency hedges

In thousands of euros	December 31, 2014		December 31, 2013 restated(µ)	
	Assets	Liabilities And Shareholders' Equity	Assets	Liabilities And Shareholders' Equity
Interest rate derivatives	10	(11,911)	438	(9,980)
Interest rate derivatives	364	(4,747)	754	–
Total balance sheet	**374**	**(16,658)**	**1,192**	**(9,980)**

5.2.8.1 Interest rate hedges

Interest rate hedges used in first-half 2013 included swaps and caps. Their purpose is to hedge variable rate debt against increases in interest rates.

The total notional amount of derivative instruments used to manage interest rate risks was €355 million at December 31, 2014, unchanged from December 31, 2013.

The nominal value of cash-flow hedges as per IAS 39 amounted to €135 million at December 31, 2014, unchanged from December 31, 2013. Non-hedging instruments nonetheless form part of the Group's interest rate hedging strategy, as it obtains financing at variable rates of interest, in particular under the framework of its sales of receivables.

The derivatives are recognized in the balance sheet at fair value under "Hedging instruments" in assets or in liabilities.

For derivatives that qualify for hedge accounting under IFRS:

- the effective portion of the gain or loss on the hedging instrument is recognized in equity (in "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 profit or loss.

5.2.8.1.1 Derivative portfolios

In thousands of euros	December 31, 2014			December 31, 2013 restated(µ)		
	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)	(11,901)	10	(11,911)	(9,542)	438	(9,980)
Outstanding premiums	(1,717)	–	(1,717)	(2,403)	–	(2,403)
Total fair value and outstanding premiums		**10**	**(13,628)**		**438**	**(12,383)**

Composition of interest rate derivatives portfolio

In thousands of euros	December 31, 2014								
	Fair value	Recorded in assets	Recorded in liabilities	Effective portion included in OCI*	Nominal	Maturity	Reference interest rate	Outstanding premiums**	Nature of derivative
Caps	7	7	–	–	60,000	May 2017	2-month Euribor	(715)	CFH
Caps	3	3	–	–	90,000	June 2017	1-month Euribor	(1,002)	Not considered
Swaps	(1,414)	–	(1,414)	(1,414)	75,000	June 2015	6-month Euribor	N/A	CFH
Swaps	(261)	–	(261)	–	25,000	August 2015	1-month Euribor	N/A	Not considered
Swaps	(10,236)	–	(10,236)	–	105,000	February 2019	1-month Euribor	N/A	Not considered
Total	**(11,901)**	**10**	**(11,911)**	**(1,414)**	**355,000**			**(1,717)**	

IFRS

In thousands of euros	December 31, 2013 restated(µ)								
	Fair value	Recorded in assets	Recorded in liabilities	Effective portion included in OCI*	Nominal	Maturity	Reference interest rate	Outstanding premiums**	Nature of derivative
Caps	185	185	–	–	60,000	May 2017	2-month Euribor	(988)	CFH
Caps	253	253	–	–	90,000	June 2017	1-month Euribor	(1,415)	Not considered
Swaps	(1,630)	–	(1,630)	(1,630)	75,000	June 2015	6-month Euribor	N/A	CFH
Swaps	(552)	–	(552)	–	25,000	August 2015	1-month Euribor	N/A	Not considered
Swaps	(7,798)	–	(7,798)	–	105,000	February 2019	1-month Euribor	N/A	Not considered
Total	**(9,542)**	**438**	**(9,980)**	**(1,630)**	**355,000**			**(2,403)**	

* OCI: "Other comprehensive income" or "Statement of comprehensive income".

** 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 debt" and "Current debt".

CFH: "Cash flow hedges".

In 2014, no interest rate derivatives were set up, settled or restructured.

5.2.8.1.2 Amounts recognized in equity under "Other comprehensive income"

In thousands of euros	Balance before tax recorded in "Other comprehensive income" at December 31, 2013 restated(µ)	Transactions in the period	Change in fair value of derivatives	Fair value adjustments reclassified in profit or loss	Balance before tax recorded in "Other comprehensive income" at December 31, 2014
Effective portion of gains and losses on derivatives in the portfolio	(1,630)	–	216	–	(1,414)
Effect of August 2010 and February 2012** restructuring of the derivatives portfolio	3,258	–	–	45	3,303
Effect of June 2013 restructuring of the derivatives portfolio	(12,582)	–	–	4,129	(8,453)
Total	**(10,954)**	**–**	**216**	**4,174**	**(6,564)**

In thousands of euros	Balance before tax recorded in "Other comprehensive income" at December 31, 2012 restated(µ)	Transactions in the period	Change in fair value of derivatives	Fair value adjustments reclassified in profit or loss	Balance before tax recorded in "Other comprehensive income" at December 31, 2013 restated(µ)
Effective portion of gains and losses on derivatives in the portfolio	(20,110)	14,808	3,672	–	(1,630)
Effect of August 2010 and February 2012** restructuring of the derivatives portfolio	2,591	–	–	667	3,258
Effect of June 2013 restructuring of the derivatives portfolio	–	(14,808)	–	2,226	(12,582)
Total	**(17,519)**	**–**	**3,672**	**2,893**	**(10,954)**

* OCI: "Other comprehensive income" or "Statement of comprehensive income".

** Restructuring of derivatives portfolio with no impact on cash flow, so as to extend maturity of hedging instruments.

5.2.8.1.3 Impact of hedging of interest rates on the income statement

In thousands of euros	December 31, 2014	December 31, 2013 restated[µ]
Effective component of hedging instruments related to derivatives portfolio *(hedging of interest rates accruing over the period)*	(4,643)	(5,131)
Reclassification in profit or loss of accumulated gains and losses following past restructurings*	(4,174)	(2,893)
Time value of caps	256	161
Changes in fair value of instruments that do not qualify for hedge accounting	(2,118)	1,722
Total**	**(10,679)**	**(6,141)**

* See Note 5.2.8.1.2 "Reclassified in profit or loss".

** See "Losses on interest rate instruments" in Note 4.6 "Finance costs and other financial income and expenses, net".
See also the impact of currency hedges in Note 5.2.8.2.

5.2.8.2 Currency hedges

The Group uses derivatives to hedge its exposure to currency risks. Changes in fair value of derivatives recognized as hedges were recorded under "Other comprehensive income" until December 2013. Changes in the fair value of instruments, whether recognized as hedges or not, are recorded in profit or loss since January 1, 2014.

5.2.8.2.1 Currency hedge portfolio

	December 31, 2014				December 31, 2013 restated[µ]			
	Fair value in thousands of euros	**Notional amount** in thousands of currency units	**Medium-term exchange rate**	**Exchange rate at December 31, 2014**	**Fair value** in thousands of euros	**Notional amount** in thousands of currency units	**Medium-term exchange rate**	**Exchange rate at December 31, 2013**
			Currency/Euro	Currency/Euro			Currency/Euro	Currency/Euro
Net sell position (if < 0, net buy position)								
USD – Forward exchange contract	(147)	(6,347)	1.2557	1.2141	+592	+13,315	1.3311	1.3791
GBP – Forward exchange contract	–	–	–	–	+7	+5,631	0.8368	0.8337
HUF – Forward exchange contract	+5	(54,035)	306.6140	315.5400	+36	+906,916	294.80	297.04
PLN – Forward exchange contract	+15	+12,000	4.3074	4.2732	–	–	–	–
USD – Currency swap	(4,776)	(180,000)	1.2553	1.2141	+162	(60,800)	1.377	1.3791
GBP – Currency swap	+19	+7,800	0.7804	0.7789	(7)	+4 200	0.8324	0.8337
CZK – Currency swap	+15	(71,531)	27.5830	27.7350	(21)	(63,304)	27.655	27.427
PLN – Currency swap	+14	(4,112)	4.2493	4.2732	(15)	(7,719)	4.186	4.1543
RUB – Currency swap	+471	(700,000)	72.2350	72.337	–	–	–	–
SEK – Currency swap	+1	+436	9.4435	9.3930	–	–	–	–
Total	**(4,383)**				**+ 754**			

5.2.8.2.2 Impact of unsettled foreign exchange hedges on income:

In thousands of euros	December 31, 2014	December 31, 2013 restated[µ]
Value of unsettled currency hedges	(4,383)	N/A
Total*	**(4,383)**	–

* See "Losses on interest rate instruments" in Note 4.6 "Finance costs and other financial income and expenses, net".
Until December 31, 2013, changes in fair value of instruments that do not qualify for hedge accounting were recognized in "Other comprehensive income".
See also Note 5.2.8.1.3 "Impact of hedging on the income statement".

IFRS

5.2.9 Operating and other liabilities

5.2.9.1 Trade payables

In thousands of euros	December 31, 2014	December 31, 2013 restated(μ)
Trade payables	734,023	719,588
Due to suppliers of fixed assets	69,970	63,008
Total	**803,993**	**782,596**

5.2.9.2 Other operating liabilities

In thousands of euros	December 31, 2014	December 31, 2013 restated(μ)
Accrued employee benefits expense	111,941	112,164
Accrued income taxes	25,167	15,536
Other accrued taxes	53,290	38,307
Other payables	125,890	92,135
Customer prepayments	158,115	138,053
Total	**474,403**	**396,195**

5.2.9.3 Trade payables and other operating liabilities by currency

In thousands of currency units		Liabilities at December 31, 2014			Liabilities at December 31, 2013 restated(μ)		
		Local currency	Euro	%	Local currency	Euro	%
EUR	Euro	629,548	629,548	49%	685,599	685,599	58%
USD	US dollar	374,742	308,658	24%	341,517	247,637	21%
CNY	Chinese yuan	643,506	85,393	7%	550,384	65,921	6%
GBP	Pound sterling	72,839	93,515	7%	44,621	53,522	5%
BRL	Brazilian real	90,831	28,202	2%	80,059	24,576	2%
Other	Other currencies		133,080	11%		101,536	8%
Total			**1,278,396**	**100%**		**1,178,791**	**100%**
Of which:							
• *Trade payables*			*803,993*	*63%*		*782,596*	*66%*
• *Other operating liabilities*			*474,403*	*37%*		*396,195*	*34%*

The sensitivity of trade payables to changes in exchange rates is not analyzed, as:

- at December 31, 2014, nearly half of these payables are in euros;
- the Group's net exposure by currency (Trade receivables - Trade payables) is not material. Trade receivables are analyzed by currency in Note 5.1.10.4.

6 Capital management and market risks

Compagnie Plastic Omnium has set up 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 risks strategy, which may involve entering into balance sheet and off-balance sheet commitments, is approved every quarter by the Chairman and Chief Executive Officer.

6.1 Capital management

Plastic Omnium raises equity and debt capital on the markets to meet its objective of maintaining ready access to sufficient financial resources to carry out its business operations, fund the investments required to drive growth and respond to exceptional circumstances.

It seeks funding from the capital markets, leading to capital and financial liabilities management.

Under its capital management, the Group pays dividends to its shareholders and may adjust its strategy in line with changes in economic conditions.

The capital structure may also be adjusted by paying ordinary or special dividends, buying back and canceling Company shares, returning a portion of the share capital to shareholders or issuing new shares and/or securities carrying rights to shares.

The Group uses the gearing ratio – corresponding to the ratio of consolidated net debt to equity – as an indicator of its financial condition. Net debt includes all of the Group's interest-bearing financial liabilities (other than operating payables) less cash and cash equivalents and other financial assets (other than operating receivables), such as loans and marketable securities. At December 31, 2014 and December 31, 2013, the gearing ratio stood at:

In thousands of euros	**December 31, 2014**	**December 31, 2013 restated(µ)**
Net debt*	389,537	409,545
Equity (including non-current government grants)	1,083,275	897,811
Gearing ratio	**35.96%**	**45.62%**

* See Note 5.2.7.4 "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.

A liquidity contract has been set up to support the capital management strategy:

- at December 31, 2014, the liquidity account held the following positions:
  - 0 Compagnie Plastic Omnium share,
  - and €1,393,432 in cash; and
- at December 31, 2013, the liquidity account held the following positions:
  - 45,000 Compagnie Plastic Omnium shares,
  - and €603,102 in cash.

6.2 Commodities risk – Exposure to plastics risk

Plastic Omnium's operations use large quantities of plastic, steel, paint and other raw materials which are subject to price changes that could have an impact on the Company's operating margin.

To limit the risks of price fluctuations, Plastic Omnium has negotiated price indexation clauses with most of its automotive customers or, failing that, regularly renegotiates selling prices.

The Environment Division, as part of its proactive sustainability policy, manufactures its products using over 50% recycled plastic, which by nature is scarcely affected by price swings. For the remainder, the division negotiates annual price contracts with its suppliers. Lastly, inventories are managed to reduce the price impact as much as possible.

Taking these measures together, the Group considers that raw material price changes do not have a material impact on its operating margin.

6.3 Credit risk

Credit risk covers customer credit risk and bank counterparty risk

6.3.1 Customer credit risk

At December 31, 2014, 8% of trade receivables were past due, against 7% at December 31, 2013. Trade receivables break down as follows:

Ageing analysis of receivables

December 31, 2014 In thousands of euros	Total outstanding	Not yet due	Due and past-due	Less than 1 month	1-2 months	2-4 months	4-6 months	6-12 months	More than 12 months
Automotive	443,221	413,546	29,675	15,418	2,611	3,797	366	6,175	1,308
Environment	43,365	32,641	10,724	5,362	1,521	712	267	367	2,495
Unallocated items	15,016	14,886	130	108	–	–	–	–	22*
Total	**501,602**	**461,073**	**40,529**	**20,888**	**4,132**	**4,509**	**633**	**6,542**	**3,825**

December 31, 2013 In thousands of euros	Total outstanding	Not yet due	Due and past-due	Less than 1 month	1-2 months	2- months	4-6 months	6-12 months	More than 12 months
Automotive	435,387	414,753	20,634	10,845	2,479	1,271	1,581	2,433	2,025
Environment	57,165	42,466	14,699	5,938	4,345	1,108	586	397	2,325
Unallocated items	3,153	3,112	41	–	–	–	–	–	41*
Total restated[µ]	**495,705**	**460,331**	**35,374**	**16,783**	**6,824**	**2,379**	**2,167**	**2,830**	**4,391**

* This item corresponds to receivables regarding disposed entities and definitively recognized as receivables with regard to external third parties.

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

6.3.2 Bank counterparty risk

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

6.4 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.

6.4.1 Other long-term financial receivables – carrying amounts and undiscounted values

Undiscounted values can be reconciled to the information listed in the table in Note 6.4.2 on “Financial assets and liabilities”.

In thousands of euros	December 31, 2014		December 31, 2013 restated[µ]	
	Undiscounted finance receivables	Carrying amount	Undiscounted finance receivables	Carrying amount
Due in one to five years	**31,406**	**30,107**	**43,811**	**41,024**
Other (see Note 5.1.7)	19	19	6,384	6,019
Finance receivables related to Environment finance leases (see Note 5.1.7)	4,119	3,712	5,485	4,875
Automotive Division finance receivables	27,268	26,376	31,942	30,130
Due beyond five years	**445**	**376**	**814**	**722**
Other (see Note 5.1.7)	24	24	19	19
Finance receivables related to Environment finance leases (see Note 5.1.7)	421	352	795	703
Total	**31,851**	**30,483**	**44,625**	**41,746**

6.4.2 Liquidity risk by maturity

Liquidity risk by maturity is calculated on the basis of the undiscounted contractual cash flows of financial assets and liabilities. An analysis of liquidity risk yields the following:

At December 31, 2014

In thousands of euros	December 31, 2014	Less than 1 year	1 to 5 years	More than 5 years
Financial assets				
Available-for-sale financial assets	1,841	–	1,841	–
Other non-current financial assets	14,707	–	14,683	24
Finance receivables*	63,264	31,456	31,387	421
Trade receivables**	501,602	497,777	3,825	–
Other current financial receivables	8,194	8,194	–	–
Hedging instruments	374	374	–	–
Cash and cash equivalents	535,412	535,412	–	–
Total financial assets	**1,125,394**	**1,073,213**	**51,736**	**445**
Financial liabilities				
Non-current borrowings***	1,045,442	27,667	505,659	512,115
Bank overdrafts	4,148	4,148	–	–
Current borrowings****	92,215	92,215	–	–
Other short-term debt	17	17	–	–
Hedging instruments	16,658	16,658	–	–
Trade payables	803,993	803,993	–	–
Total Financial liabilities	**1,962,473**	**944,699**	**505,659**	**512,115**
Financial assets and financial liabilities – net#	**(837,079)**	**128,514**	**(453,923)**	**(511,670)**

At December 31, 2013

In thousands of euros	December 31, 2013 restated(µ)	Less than 1 year	1 to 5 years	More than 5 years
Financial assets				
Available-for-sale financial assets	1,803	–	1,803	–
Other non-current financial assets	23,147	–	23,128	19
Finance receivables*	75,038	36,816	37,427	795
Trade receivables**	495,705	491,314	4,391	–
Other current financial receivables	3,678	3,678	–	–
Hedging instruments	1,192	1,192	–	–
Cash and cash equivalents	489,042	489,042	–	–
Total financial assets	**1,089,605**	**1,022,042**	**66,749**	**814**
Financial liabilities				
Non-current borrowings***	1,075,459	28,189	520,720	526,550
Bank overdrafts	6,212	6,212	–	–
Current borrowings****	85,414	85,414	–	–
Other short-term debt	303	303	–	–
Hedging instruments	9,980	9,980	–	–
Trade payables	782,596	782,596	–	–
Total Financial liabilities	**1,959,964**	**912,694**	**520,720**	**526,550**
Financial assets and financial liabilities – net#	**(870,359)**	**109,348**	**(453,971)**	**(525,736)**

* Undiscounted amounts (see Notes 5.1.9 and 6.4.1).

** "Trade receivables" includes €40,529 thousand past due at December 31, 2014, against €35,374 thousand at December 31, 2013. See Note 6.3.1 on "Customer risk".

*** Long-term borrowings include the amounts reported in the balance sheet and interest payable over the remaining life of the debt.

**** Short-term borrowings include the amounts reported in the balance sheet and interest due within one year.

\# See Note 5.2.7.3 on confirmed medium-term credit lines and drawdowns: in 2014 and 2013, confirmed and undrawn bank lines of credit comfortably covered the Group's medium-term cumulative financing needs.

6.5 Currency risk

Plastic Omnium's activities are based for the most part on local plants. By producing locally what is sold locally, the Group has little exposure to currency fluctuations, aside from currency translation adjustments for the financial statements.

The Company's policy is to minimize the currency risk on transactions involving a future inflow or outflow of funds. Nonetheless, if a transaction does give rise to a material currency risk, it is hedged by a forward currency contract. The subsidiary involved places this hedge with the central treasury or, with the latter's approval, locally.

6.6 Interest rate risk

Interest rate risk relates to the effect of possible increases in variable rates on variable rate debt, which would have a negative impact on net financial income. Interest rate risk on debt is managed by the Group with the prime objective of keeping debt financing costs relatively low so as not to threaten profits.

At December 31, 2014, as at December 31, 2013, most of the Group's financing was at fixed rates (see Note 5.2.7.6 "Analysis of debt by type of interest rate" and Note 5.2.8.1 "Interest rate hedges").

Financial transactions, particularly interest rate hedges, are carried out with a number of leading financial institutions. A competitive bidding approach is used for all material transactions, with one of the selection criteria being satisfactory resource and counterparty diversification.

At December 31, 2014, all interest rate debt denominated in euros was hedged for periods ranging from six months to five years by means of non-speculative hedging instruments, as at December 31, 2013.

Sensitivity to interest rate changes

At December 31, 2014, a 100-bps rise in interest rates on the Group's variable rate debt would have led to an increase in interest expense after the impact of hedging of €1.5 million in 2014, unchanged from 2013.

A 100-bps fall in interest rates on the Group's variable rate debt would have led to a decrease in interest expense after the impact of hedging of €0.04 million in 2014 and €0.3 million in 2013.

6.7 Additional information about financial assets and liabilities

Most of the derivatives are traded over-the-counter on which there are no listed prices. Accordingly, they are valued based on models commonly used by traders to evaluate financial instruments (future discounted cash flow models or option valuation models).

Financial assets and liabilities by category and fair value break down as follows:

Assets	**2014**								
	At amortized cost	**At fair value**			**Total carrying amount**	**Valued at cost**	**Instrument listed on an active market (level 1)**	**Valuations based on observable market data (level 2)**	**Valuations based on unobservable market data (level 3)**
		Through the income statement	**Through shareholders' equity (AFS)****	**Through shareholders' equity (CFH hedge)*****					
Available-for-sale financial assets	–	–	1,841	–	**1,841**	1,841	–	–	–
Other non-current financial assets	45,147	–	–	–	**45,147**	–	–	–	–
Finance receivables	31,213	–	–	–	**31,213**	–	–	–	–
Trade receivables	501,602	–	–	–	**501,602**	–	–	–	–
Other current financial receivables	8,104	–	–	–	**8,104**	–	–	–	–
Hedging instruments	–	374	–	–	**374**	–	–	374	–
Cash and cash equivalents	–	535,412	–	–	**535,412**	–	310,977	224,435	–

Liabilities	**At amortized cost**	**At fair value**			**Total carrying amount**	**Valued at cost**	**Instrument listed on an active market (level 1)**	**Valuations based on observable market data (level 2)**	**Valuations based on unobservable market data (level 3)**
		Through the income statement	**Through shareholders' equity (AFS)****	**Through shareholders' equity (CFH hedge)*****					
Non-current borrowings*	901,649	–		–	**901,649**	–	–	–	–
Bank overdrafts	4,148	–		–	**4,148**	–	–	–	–
Current borrowings	88,688	–		–	**88,688**	–	–	–	–
Other short-term debt	17	–		–	**17**	–	–	–	–
Hedging instruments	–	–		16,658	**16,658**	–	–	16,658	–
Trade payables	803,993	–		–	**803,993**	–	–	–	–

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Assets	2013 restated(1)								
	At amortized cost	At fair value			Total carrying amount	Valued at cost	Instrument listed on an active market (level 1)	Valuations based on observable market data (level 2)	Valuations based on unobservable market data (level 3)
		Through the income statement	Through shareholders' equity (AFS)**	Through shareholders' equity (CFH hedge)***					
Available-for-sale financial assets	–	–	1,803	–	**1,803**	1,803	–	–	–
Other non-current financial assets	58,490	–	–	–	**58,490**	–	–	–	–
Finance receivables	36,496	–	–	–	**36,496**	–	–	–	–
Trade receivables	495,705	–	–	–	**495,705**	–	–	–	–
Other current financial receivables	3,678	–	–	–	**3,678**	–	–	–	–
Hedging instruments	–	1,192	–	–	**1,192**	–	–	1,192	–
Cash and cash equivalents	–	489,042	–	–	**489,042**	–	270,455	278,665	–

Liabilities	At amortized cost	At fair value			Total carrying amount	Valued at cost	Instrument listed on an active market (level 1)	Valuations based on observable market data (level 2)	Valuations based on unobservable market data (level 3)
		Through the income statement	Through shareholders' equity (AFS)**	Through shareholders' equity (CFH hedge)***					
Non-current borrowings*	901,087	–		–	**901,087**	–	–	–	–
Bank overdrafts	6,212	–		–	**6,212**	–	–	–	–
Current borrowings	82,384	–		–	**82,384**	–	–	–	–
Other short-term debt	303	–		–	**303**	–	–	–	–
Hedging instruments	–	–		9,980	**9,980**	–	–	9,980	–
Trade payables	782,596	–		–	**782,596**	–	–	–	–

* See Note 5.2.7.4 "Reconciliation of gross and net debt". This includes "Finance lease liabilities" and "Bonds and bank loans".

** AFS: "Available for sale".

*** CFH: "Cash flow hedges".

There were no transfers between fair value levels in 2014, as in 2013.

The fair value of financial assets and liabilities at amortized cost was close to the carrying amount, except for current and non-current debt.

In thousands of euros	Balance sheet values at December 31, 2014			Fair value at December 31, 2014		
	Total	**Income before non-operating items**	**Non-current portion**	**Total**	**Income before non-operating items**	**Non-current portion**
Bonds and bank loans	981,656	85,497	896,159	997,126	85,354	911,773

In thousands of euros	Balance sheet values at December 31, 2013 restated(µ)			Fair value at December 31, 2013 restated(µ)		
	Total	**Income before non-operating items**	**Non-current portion**	**Total**	**Income before non-operating items**	**Non-current portion**
Bonds and bank loans	970,249	75,866	894,383	985,711	75,723	909,989

Means of measuring fair value:

- the fair value of listed bonds is determined on the basis of listed prices (level 1). The fair value of other borrowings is determined in each case by discounting future cash flows at a rate corresponding to the Euribor yield curve at year-end, corrected for the Group's credit risk (level 2);
- the fair value of monetary and non-monetary UCITS is measured according to their last known liquidity value (level 1). The fair value of interest rate products (certificates of deposits, time-deposit accounts, negotiable medium term notes, etc.) is based on discounted future cash flows (nominal and interest) for the remaining duration of the product at year-end (level 2). The discount rate used is the market rate matching the product's maturity and characteristics;
- other non-current financial assets and finance receivables: items consisting mainly of finance receivables recorded based on a discounted value when their maturity is more than one year;
- most of the derivatives are traded over-the-counter on which there are no listed prices. Accordingly, they are valued based on models commonly used by traders to evaluate financial instruments using future discounted cash flow models or option valuation models (level 2).

7 Other information

7.1 Number of employees at year-end

Employees	December 2014			December 2013 restated(µ)			
	Excluding temporary staff	Temporary staff	Total	Excluding temporary staff	Temporary staff	Total	Total changes
France	4,500	723	5,223	4,683	741	5,424	–4%
%	*27.9%*	*22.8%*	*27.1%*	*28.6%*	*24.4%*	*27.9%*	
Europe excluding France	5,109	1,215	6,324	4,942	1,184	6,126	3%
%	*31.7%*	*38.4%*	*32.8%*	*30.2%*	*39.1%*	*31.6%*	
North America	3,161	526	3,687	3,059	479	3,538	4%
%	*19.6%*	*16.6%*	*19.1%*	*18.7%*	*15.8%*	*18.2%*	
Asia and South America*	3,334	704	4,038	3,693	628	4,321	–7%
%	*20.7%*	*22.2%*	*21.0%*	*22.5%*	*20.7%*	*22.3%*	
Total	**16,104**	**3,168**	**19,272**	**16,377**	**3,032**	**19,409**	**–1%**

(*) The "Asia and South America" region includes Turkey, South Africa and Morocco.

7.2 Off-balance sheet commitments

7.2.1 Commitments given and received

At December 31, 2014

In thousands of euros	Total	Intangible assets	Property, plant and equipment	Financial assets and liabilities	Other non-financial current assets/liabilities
Surety bonds given	(17,526)	–	(865)	(5,695)	(10,966)
Commitments to purchase assets	(59,633)	–	(59,633)	–	–
Debt collateral (mortgages)	(4,589)	–	(4,589)	–	–
Other off-balance sheet commitments	(2,284)	–	–	(1,000)	(1,284)
Total commitments given	**(84,032)**	**–**	**(65,087)**	**(6,695)**	**(12,250)**
Surety bonds received	1,359	–	1,097	–	262
Other commitments received	310	–	310	–	–
Total commitments received	**1,669**	**–**	**1,407**	**–**	**262**
Total commitments – net	**(82,363)**	**–**	**(63,680)**	**(6,695)**	**(11,988)**

At December 31, 2013 restated(µ)

In thousands of euros	Total	Intangible assets	Property, plant and equipment	Financial assets and liabilities	Other non-financial current assets/liabilities
Surety bonds given	(14,710)	(580)	(447)	(1,219)	(12,464)
Commitments to purchase assets	(27,682)	–	(27,682)	–	–
Debt collateral (mortgages)	(5,010)	–	(5,010)	–	–
Other off-balance sheet commitments	(2,869)	–	–	(1,500)	(1,369)
Total commitments given	**(50,271)**	**(580)**	**(33,139)**	**(2,719)**	**(13,833)**
Surety bonds received	5,334	–	338	–	4,996
Other commitments received	262	33	229	–	–
Total commitments received	**5,596**	**33**	**567**	**–**	**4,996**
Total commitments – net	**(44,675)**	**(547)**	**(32,572)**	**(2,719)**	**(8,837)**

The increase in commitments given on the acquisition of assets is related to the investments made:

- in the United States for the Anderson and Huron sites in particular (€7 million); and
- in the United Kingdom for the Warrington site (€22 million).

At the time of the Group's acquisition of 50% of Inergy in 2010, the vendors provided a five-year warranty covering any recalls of products manufactured or sold in the period before the acquisition.

7.2.2 Operating leases where the Group is lessee

In thousands of euros	December 31, 2014	December 31, 2013 restated(µ)
Minimum lease payments under non cancelable operating leases		
Due within one year	33,510	29,401
Due in one to five years	76,715	67,604
Due beyond five years	8,987	12,344
Total	**119,212**	**109,349**

7.2.3 Right to individual training (DIF)

The total number of training hours accumulated but not used by the Group's employees based in France was as follows:

Number of hours	December 31, 2014	December 31, 2013 restated(µ)
2004 to 2013		488,455
2004 to 2014	471,245	

As explained in Note 1.1.14, no provision is recorded for the cost of these training hours.

7.3 Related party transactions

7.3.1 Compensation paid to senior executives and corporate officers

Senior executives and corporate officers are the "persons having authority and responsibility for planning, directing and controlling the activities" of Compagnie Plastic Omnium and its subsidiaries, as defined in IAS 24.

No Compagnie Plastic Omnium stock options were granted during financial year 2014 to senior executives or corporate officers.

In thousands of euros	Paid or payable by	2014	2013
Directors' fees	Paid by Compagnie Plastic Omnium	102	103
Directors' fees	Paid by companies controlled by Compagnie Plastic Omnium (excl. Compagnie Plastic Omnium) and by Burelle SA	543	542
Gross compensation	Payable by the Plastic Omnium Group	5,620	5,146
Supplementary pension plans	Payable by the Plastic Omnium Group	886	1,826
Cost of stock option plans	Payable by the Plastic Omnium Group	718	702
	Cost spread over the vesting period	*718*	*403*
	Social contributions related to the new plan over the period	*–*	*299*
Total compensation		**7,869**	**8,319**

December 31, 2014

As no new stock option plans were granted by the Group in 2014, no social contributions were recorded in respect thereof.

December 31, 2013

The rate of social contributions for stock option plans was 30% in 2013.

The table below shows the share of contributions to the stock options of Executive Corporate Officers only in 2013:

Amounts In thousands of euros In units for the number of options	New plan in 2014	Plan of August 7, 2013
Rate of contribution of payroll taxes on stock option plans		*30.00%*
Total number of options forming part of the basis on which contributions are calculated		993,000
Total amount of contributions	None	**1,319**
Number of share options of Executive Corporate Officers		360,000
Social contributions on stock options of Executive Corporate Officers		**299**

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7.3.2 Transactions with Sofiparc SAS, Burelle SA and Burelle Participations SA

At December 31, 2014

In thousands of euros	Direct and indirect costs	Royalties and management fees	Financial income and expenses	Current accounts	Deposits	Trade payables	Trade receivables	Other receivables	Long- and short-term debt
Sofiparc SAS	(549)	(4,705)	10	2	1,058	48	2	–	–
Burelle SA	–	(7,794)	7	6	–	1,930	6	18	–
Burelle Participations SA	–	–	6	–	–	–	–	–	–

At December 31, 2013 restated[µ]

In thousands of euros	Direct and indirect costs	Royalties and management fees	Financial income and expenses	Current accounts	Deposits	Trade payables	Trade receivables	Other receivables	Long-term borrowings*
Sofiparc SAS	(599)	(4,055)	(875)	11	913	108	2	–	–
Burelle SA	–	(7,000)	(92)	22	–	2,760	6	18	–
Burelle Participations SA	–	–	6	–	–	–	6	–	–

* On August 30, 2013, the Group repaid the €40,000 thousand it had borrowed from Sofiparc SAS, with interest.

7.4 Fees paid to the Statutory Auditors

In thousands of euros	2014		
	Mazars	**Ernst & Young**	**Total**
Audit services	**(1,629)**	**(1,695)**	**(3,324)**
Of which:			
*Compagnie Plastic Omnium**	*(384)*	*(357)*	*(741)*
Subsidiaries	*(1,245)*	*(1,338)*	*(2,583)*
Other fees and services related directly to the duties of the Statutory Auditor	**(213)**	**(183)**	**(396)**
Of which:			
Compagnie Plastic Omnium	*(81)*	*(10)*	*(91)*
Subsidiaries	*(132)*	*(173)*	*(305)*
Total	**(1,842)**	**(1,878)**	**(3,720)**

In thousands of euros	2013 restated[µ]		
	Mazars	**Ernst & Young**	**Total**
Audit services	**(1,895)**	**(1,387)**	**(3,282)**
Of which:			
*Compagnie Plastic Omnium**	*(384)*	*(357)*	*(741)*
Subsidiaries	*(1,511)*	*(1,030)*	*(2,541)*
Other fees and services related directly to the duties of the Statutory Auditor	**(106)**	**(28)**	**(134)**
Of which:			
Compagnie Plastic Omnium	*(40)*	*(39)*	*(79)*
Subsidiaries	*(66)*	*11*	*(55)*
Total	**(2,001)**	**(1,415)**	**(3,416)**

* As the engagement letter of "Compagnie Plastic Omnium" was the same for 2014 and 2013, there was no change in fees.

7.5 Impact of the first-time application of new consolidation standards on the financial statements

Impact of the first-time application of the new standards on the data already reported is presented below:

a– On the balance sheet

In thousands of euros	December 31, 2014	December 31, 2013 restated[μ]	January 1, 2013 restated[μ]
Goodwill – carrying amount	(24,586)	(52,921)	(53,057)
Investments in associates and joint ventures	133,808	128,931	119,529
Equity attributable to owners of the parent	**(3,545)**	**(21,987)**	**(22,067)**
Attributable to non-controlling interests	(23,392)	(24,348)	(20,754)
Total equity	**(26,937)**	**(46,335)**	**(42,821)**

b– On the income statement

In thousands of euros	December 31, 2014	%	December 31, 2013 restated[μ]	%
Revenue	**(876,886)**	**100%**	**(789,396)**	**100%**
Operating margin before amortization of intangible assets acquired in business combinations	**(60,273)**	**7%**	**(56,071)**	**7.1%**
Other operating income and expenses	8,815	–1.0%	4,154	–0.5%
Net financial income	(2,071)	0.2%	(1,168)	0.1%
Profit from continuing operations before income tax	**(53,529)**	**6%**	**(53,086)**	**6.7%**
Income tax	9,760	–1.1%	12,304	–1.6%
Share of profit/loss of associates and joint ventures	35,846	–4.1%	30,291	–3.8%
Share of profit/loss of associates	**(7,923)**	**1%**	**(10,491)**	**1.3%**

c– On the level of net financial liabilities

In thousands of euros	December 31, 2014	December 31, 2013 restated[μ]
Debt at start of the period	(54,345)	(46,536)
Debt at end of period	(59,926)	(54,345)

d– In the statement of cash flows

In thousands of euros	December 31, 2014	December 31, 2013 restated[μ]
Cash flows		
Net income	(7,923)	(10,491)
Dividends received from associates and joint ventures	21,490	17,302
Non-cash items	(66,135)	(61,494)
Funds from operations	**(52,568)**	**(54,683)**
Net cash generated by operating activities	(37,040)	(45,990)
Net cash from operational investing activities	24,220	29,898
Net cash from financial investing activities	3,786	577
Cash flows from financing activities	2,419	6,059
Effect of exchange rate changes	(2,725)	2,194
Cash and cash equivalents at start of the period	**(60,073)**	**(52,810)**
Cash and cash equivalents at end of period	**(69,413)**	**(60,073)**

7.6 Consolidating entity

Compagnie Plastic Omnium is fully consolidated in the accounts of Burelle SA, which owns 58.82% of its capital, or 56.60% after the impact of canceling treasury stock.

Burelle SA – 19, avenue Jules Carteret
69342 Lyon Cedex 07

7.7 Subsequent events

No event likely to have a material impact on the Group's business, financial position, earnings or assets and liabilities at December 31, 2014 has occurred since the closing date.

List of consolidated companies at December 31, 2014

Legal name		Reportable segments			December 31, 2014			December 31, 2013 restated(µ)			Tax group
		Auto-motive	Environ-ment	Not Unallo-cated	Consolidation method	% control	% interest	Consolidation method	% control	% interest	
France											
COMPAGNIE PLASTIC OMNIUM SA				*	Parent company			Parent company			1 – a
PLASTIC OMNIUM SYSTÈMES URBAINS SAS			*		F	100	100	F	100	100	1 – b
METROPLAST SAS			*		F	100	100	F	100	100	1 – b
LA RÉUNION VILLES PROPRES SAS			*		F	100	100	F	100	100	1 – b
PLASTIC OMNIUM CARAÏBES SAS			*		F	100	100	F	100	100	1 – b
INERGY AUTOMOTIVE SYSTEMS FRANCE SAS		*			F	100	100	F	100	100	1 – a
PLASTIC RECYCLING SAS		*			EM_Ifrs_2014	50	50	EM_Ifrs_2014	50	50	
PLASTIC OMNIUM AUTO EXTÉRIEUR SA		*			F	100	100	F	100	100	1 – a
PLASTIC OMNIUM AUTO EXTÉRIEUR SERVICES SAS		*			F	100	100	F	100	100	1 – a
TRANSIT SAS	e2013		*		–	–	–	F	100	100	1 – a
PLASTIC OMNIUM GESTION SNC				*	F	100	100	F	100	100	1 – a
PLASTIC OMNIUM FINANCE SNC				*	F	100	100	F	100	100	1 – a
LUDOPARC SAS			*		F	100	100	F	100	100	1 – a
PLASTIC OMNIUM AUTO SAS	d2013			*	–	–	–	F	100	100	1 – a
PLASTIC OMNIUM ENVIRONNEMENT SAS			*	*	F	100	100	F	100	100	1 – a
PLASTIC OMNIUM AUTO EXTERIORS SAS		*			F	100	100	F	100	100	1 – a
PLASTIC OMNIUM COMPOSITES HOLDING SAS	d2013	*			–	–	–	F	100	100	1 – a
INERGY AUTOMOTIVE SYSTEMS SAS		*			F	100	100	F	100	100	1 – a
INERGY AUTOMOTIVE SYSTEMS MANAGEMENT SAS		*			F	100	100	F	100	100	1 – a
PLASTIC OMNIUM ENVIRONNEMENT GUYANE SAS	d2013		*		–	–	–	F	100	100	1 – b
VALEO PLASTIC OMNIUM SNC		*			EM_Ifrs_2014	50	50	EM_Ifrs_2014	50	50	
BEAUVAIS DIFFUSION SAS			*		F	100	100	F	100	100	1 – b
PLASTIC OMNIUM VERNON SAS		*			F	100	100	F	100	100	1 – a
TECHNIQUES ET MATÉRIELS DE COLLECTE – "TEMACO" SAS			*		F	100	100	F	100	100	1 – b
PLASTIC OMNIUM COMPOSITES SA		*			F	100	100	F	100	100	1 – a
MIXT COMPOSITES ET RECYCLABLES – MCR SAS		*			F	100	100	F	100	100	1 – a

Legal name		Reportable segments			December 31, 2014			December 31, 2013 restated[µ]			Tax group
		Auto-motive	Environ-ment	Not Unallo-cated	Consolidation method	% control	% interest	Consolidation method	% control	% interest	
PLASTIC OMNIUM ENVIRONNEMENT HOLDING SAS				*	F	100	100	F	100	100	1 – b
SIGNALISATION FRANCE SA				*	F	100	100	F	100	100	1 – b
SULO FRANCE SAS			*		F	100	100	F	100	100	1 – b
PLASTIC OMNIUM AUTO EXTERIORS INDUSTRIES SAS		*			F	100	100	F	100	100	
PLASTIC OMNIUM INTERNATIONAL SAS	a2013	*			F	100	100	F	100	100	
INERGY AUTOMOTIVE SYSTEMS INDUSTRIES SAS	a2013	*			F	100	100	F	100	100	1 – a
South Africa											
INERGY AUTOMOTIVE SYSTEMS SOUTH AFRICA Ltd		*			F	100	100	F	100	100	
Germany											
PLASTIC OMNIUM GmbH				*	F	100	100	F	100	100	2 – b
PLASTIC OMNIUM AUTO COMPONENTS GmbH		*			F	100	100	F	100	100	2 – b
PLASTIC OMNIUM ENTSORGUNGSTECHNIK GmbH			*		F	100	100	F	100	100	
INERGY AUTOMOTIVE SYSTEMS GERMANY GmbH		*			F	100	100	F	100	100	2 – b
HBPO BETEILIGUNGSGESELLSCHAFT GmbH		*			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	
HBPO GERMANY GmbH		*			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	
PLASTIC OMNIUM ENVIRONNEMENT GmbH			*		F	100	100	F	100	100	
ENVICOMP SYSTEMLOGISTIK GmbH			*		F	100	100	F	100	100	2 – a
WESTFALIA INTRALOG GmbH			*		F	100	100	F	100	100	2 – a
SULO EISENWERK STREUBER & LOHMANN GmbH			*		F	100	100	F	100	100	2 – b
SULO UMWELTTECHNIK GmbH			*		F	100	100	F	100	100	2 – b
SULO UMWELTTECHNIK BETEILIGUNGS GmbH			*		F	100	100	F	100	100	
SULO EMBALLAGEN BETEILIGUNGS GmbH			*		F	100	100	F	100	100	2 – b
PLASTIC OMNIUM URBAN SYSTEMS GmbH				*	F	100	100	F	100	100	2 – a
PLASTIC OMNIUM COMPOSITES GmbH		*			F	100	100	F	100	100	2 – b
RMS ROTHERM MASCHINENBAU GmbH			*		F	70	70	F	70	70	
HBPO INGOLSTADT GmbH		*			EM_Ifrs_2014	33.33	33.33	EM_Ifrs_2014	33.33	33.33	
HBPO REGENSBURG GmbH	a2013	*			EM_Ifrs_2014	33.33	33.33	EM_Ifrs_2014	33.33	33.33	
Argentina											
INERGY AUTOMOTIVE SYSTEMS ARGENTINA SA		*			F	100	100	F	100	100	
PLASTIC OMNIUM SA		*			F	100	100	F	100	100	

Legal name		Reportable segments			December 31, 2014			December 31, 2013 restated[µ]			Tax group
		Automotive	Environment	Not Unallocated	Consolidation method	% control	% interest	Consolidation method	% control	% interest	
Belgium											
PLASTIC OMNIUM AUTOMOTIVE NV		*			F	100	100	F	100	100	
PLASTIC OMNIUM NV			*		F	100	100	F	100	100	
INERGY AUTOMOTIVE SYSTEMS RESEARCH NV		*			F	100	100	F	100	100	
INERGY AUTOMOTIVE SYSTEMS BELGIUM SA		*			F	100	100	F	100	100	
SULO NV	d2013		*		–	–	–	F	100	100	
Brazil											
INERGY AUTOMOTIVE SYSTEMS DO BRASIL Ltda		*			F	100	100	F	100	100	
PLASTIC OMNIUM DO BRASIL Ltda		*	*		F	100	100	F	100	100	
Canada											
INERGY AUTOMOTIVE SYSTEMS CANADA Inc.	e2014	*			F	100	100	F	100	100	
HBPO CANADA Inc.		*			EM_Ifrs_2014	33.33	33.33	EM_Ifrs_2014	33.33	33.33	
Chile											
PLASTIC OMNIUM SA			*		F	100	100	F	100	100	
China											
PLASTIC OMNIUM COMPOSITES (JIANGSU) Co. Ltd	f2013, x2013 a	*			F	100	100	F	100	100	
INERGY AUTOMOTIVE SYSTEMS (WUHAN) Co. Ltd		*			F	100	100	F	100	100	
YANFENG PLASTIC OMNIUM AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd		*			EM_Ifrs_2014	49.95	49.95	EM_Ifrs_2014	49.95	49.95	
PLASTIC OMNIUM INERGY (SHANGHAI) CONSULTING Co. Ltd	x2013 b	*			F	100	100	F	100	100	
INERGY AUTOMOTIVE SYSTEMS CONSULTING (BEIJING) Co. Ltd		*			F	100	100	F	100	100	
INERGY AUTOMOTIVE SYSTEMS MANUFACTURING (BEIJING) Co. Ltd		*			F	60	60	F	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	
GUANGZHOU ZHONGXIN YANFENG PLASTIC OMNIUM AUTOMOTIVE EXTERIOR TRIM Co. Ltd		*			EM_Ifrs_2014	49.95	25.47	EM_Ifrs_2014	49.95	25.47	
CHENGDU FAWAY YANFENG PLASTIC OMNIUM Co. Ltd		*			Equity affiliate	24.48	24.48	Equity affiliate	24.48	24.48	
HBPO CHINA Co. Ltd		*			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	
DONGFENG PLASTIC OMNIUM AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd	g2014	*			Equity affiliate	24.98	24.98	Equity affiliate	24.95	24.95	

Legal name		Reportable segments			December 31, 2014			December 31, 2013 restated[μ]			Tax group
		Auto-motive	Environ-ment	Not Unallo-cated	Consolidation method	% control	% interest	Consolidation method	% control	% interest	
INERGY AUTOMOTIVE SYSTEMS GUANGZHOU Co. Ltd		*			F	100	100	F	100	100	
INERGY AUTOMOTIVE SYSTEMS SHENYANG Co. Ltd		*			F	100	100	F	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	
PLASTIC OMNIUM HOLDING (SHANGHAI) Co. Ltd				*	F	100	100	F	100	100	
YANFENG PLASTIC OMNIUM (SHENYANG) AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd	a2013	*			EM_Ifrs_2014	49.95	49.95	EM_Ifrs_2014	49.95	49.95	
YANFENG PLASTIC OMNIUM NINGBO AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd	a2013	*			EM_Ifrs_2014	49.95	49.95	EM_Ifrs_2014	49.95	49.95	
YANFENG PLASTIC OMNIUM WUHAN AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd	a2013	*			EM_Ifrs_2014	49.95	49.95	EM_Ifrs_2014	49.95	49.95	
(NINGBO) PLASTIC OMNIUM AUTO INERGY Co. Ltd	a2013	*			F	100	100	F	100	100	
HBPO CHINA BEIJING Co. Ltd	a2014	*			EM_Ifrs_2014	33.33	33.33	–	–	–	
South Korea											
SHB AUTOMOTIVE MODULES		*			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	
INERGY AUTOMOTIVE SYSTEMS Co. Ltd		*			F	100	100	F	100	100	
HBPO PYEONGTAEK Ltd	a2013	*			EM_Ifrs_2014	33.33	33.33	EM_Ifrs_2014	33.33	33.33	
HBPO ASIA HsQ Ltd	a2014	*			EM_Ifrs_2014	33.33	33.33	–	–	–	
Spain											
COMPAÑIA PLASTIC OMNIUM SA				*	F	100	100	F	100	100	3
PLASTIC OMNIUM EQUIPAMIENTOS EXTERIORES SA		*			F	100	100	F	100	100	3
PLASTIC OMNIUM SISTEMAS URBANOS SA			*		F	100	100	F	100	100	3
INERGY AUTOMOTIVE SYSTEMS VALLADOLID SL	e2014	*			F	100	100	F	100	100	
INERGY AUTOMOTIVE SYSTEMS SPAIN SA (Arevalo/Vigo)		*			F	100	100	F	100	100	
VALEO PLASTIC OMNIUM SL	e2014	*			EM_Ifrs_2014	50	50	EM_Ifrs_2014	50	50	
PLASTIC OMNIUM COMPOSITES ESPAÑA SA		*			F	100	100	F	100	100	3
HBPO IBERIA SL		*			EM_Ifrs_2014	33.33	33.33	EM_Ifrs_2014	33.33	33.33	
SIGNATURE SEÑALIZACIÓN SA			*		F	100	100	F	100	100	
HBPO AUTOMOTIVE SPAIN SL		*			EM_Ifrs_2014	33.33	33.33	EM_Ifrs_2014	33.33	33.33	
PLASTIC OMNIUM COMPONENTES EXTERIORES SL		*			F	100	100	F	100	100	3

Legal name		Reportable segments			December 31, 2014			December 31, 2013 restated[µ]			Tax group
		Automotive	Environment	Not Unallocated	Consolidation method	% control	% interest	Consolidation method	% control	% interest	
United States											
PLASTIC OMNIUM AUTO EXTERIORS LLC		*			F	100	100	F	100	100	4
PLASTIC OMNIUM Inc.				*	F	100	100	F	100	100	4
PLASTIC OMNIUM INDUSTRIES Inc.				*	F	100	100	F	100	100	4
INERGY AUTOMOTIVE SYSTEMS (USA) LLC		*			F	100	100	F	100	100	4
PLASTIC OMNIUM AUTOMOTIVE SERVICES Inc.		*			F	100	100	F	100	100	4
HBPO NORTH AMERICA Inc.		*			EM_Ifrs_2014	33.33	33.33	EM_Ifrs_2014	33.33	33.33	
INERGY AUTOMOTIVE SYSTEMS HOLDING Inc.	d2014	*			F	100	100	F	100	100	
Hungary											
HBPO MANUFACTURING HUNGARY Kft		*			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	
India											
PLASTIC OMNIUM AUTO EXTERIORS (INDIA) PVT Ltd		*			F	100	100	F	100	100	
INERGY AUTOMOTIVE SYSTEMS INDIA PVT Ltd		*			F	100	100	F	100	100	
INERGY AUTOMOTIVE SYSTEMS MANUFACTURING INDIA PVT Ltd		*			F	55	55	F	55	55	
Ireland											
INERGY AUTOMOTIVE SYSTEMS REINSURANCE Ltd	e2013	*			–	–	–	F	100	100	
Japan											
INERGY AUTOMOTIVE SYSTEMS KK		*			F	100	100	F	100	100	
HBPO JAPAN KK	a2014	*			EM_Ifrs_2014	33.33	33.33	–	–	–	
Malaysia											
HICOM HBPO SDN BHD	a2013	*			Equity affiliate	13.33	13.33	Equity affiliate	13.33	13.33	
Morocco											
INERGY AUTOMOTIVE SYSTEMS (MOROCCO) SARL		*			F	100	100	F	100	100	
Mexico											
PLASTIC OMNIUM AUTOMOVIL SA DE CV		*			F	100	100	F	100	100	
PLASTIC OMNIUM AUTO EXTERIORES SA DE CV	d2014*	*			F	100	100	F	100	100	
PLASTIC OMNIUM INDUSTRIAL AUTO EXTERIORES RAMOS ARIZPE SA DE CV		*			F	100	100	F	100	100	
PLASTIC OMNIUM DEL BAJIO SA DE CV		*			F	100	100	F	100	100	
INERGY AUTOMOTIVE SYSTEMS MEXICO SA DE CV		*			F	100	100	F	100	100	

Legal name		Reportable segments			December 31, 2014			December 31, 2013 restated[μ]			Tax group
		Auto-motive	Environ-ment	Not Unallo-cated	Consolidation method	% control	% interest	Consolidation method	% control	% interest	
INERGY AUTOMOTIVE SYSTEMS INDUSTRIAL MEXICO SA DE CV		*			F	100	100	F	100	100	
INOPLAST COMPOSITES SA DE CV		*			F	100	100	F	100	100	
INOPLASTIC OMNIUM INDUSTRIAL SA DE CV		*			F	100	100	F	100	100	
PLASTIC OMNIUM SISTEMAS URBANOS SA DE CV			*		F	100	100	F	100	100	
HBPO MÉXICO SA DE CV		*			EM_Ifrs_2014	33.33	33.33	EM_Ifrs_2014	33.33	33.33	
PLASTIC OMNIUM MEDIO AMBIENTE SA DE CV			*		F	100	100	F	100	100	
PLASTIC OMNIUM TOLUCA SA DE CV		*			F	100	100	F	100	100	
PLASTIC OMNIUM AUTO INDUSTRIAL SRL DE CV	x2013 d	*			F	100	100	F	100	100	
INERGY AUTOMOTIVE INDUSTRIAL SA DE CV	x2013 c	*			F	100	100	F	100	100	
Middle East											
INERGY VLA PLASTIRAN	c2013	*			–	–	–	F	51	51	
Netherlands											
PLASTIC OMNIUM BV	xd2014		*		F	100	100	F	100	100	5
PLASTIC OMNIUM INTERNATIONAL BV				*	F	100	100	F	100	100	5
SULO BV	xd2014		*		F	100	100	F	100	100	5
DSK PLASTIC OMNIUM BV		*			F	51	51	F	51	51	
Poland											
INERGY AUTOMOTIVE SYSTEMS POLAND Sp Z.O.O.		*			F	100	100	F	100	100	
PLASTIC OMNIUM AUTO EXTERIORS Sp Z.O.O.		*			F	100	100	F	100	100	
SULO Sp Z.O.O.			*		F	100	100	F	100	100	
PLASTIC OMNIUM AUTO Sp Z.O.O.		*			F	100	100	F	100	100	
Czech Republic											
HBPO CZECH S.R.O.		*			EM_Ifrs_2014	33.33	33.33	EM_Ifrs_2014	33.33	33.33	
SULO S.R.O.			*		F	100	100	F	100	100	
Romania											
INERGY AUTOMOTIVE SYSTEMS ROMANIA SRL		*			F	100	100	F	100	100	
United Kingdom											
PLASTIC OMNIUM AUTOMOTIVE Ltd		*			F	100	100	F	100	100	6
PLASTIC OMNIUM Ltd	e2013			*	–	–	–	F	100	100	6
PLASTIC OMNIUM URBAN SYSTEMS Ltd			*		F	100	100	F	100	100	6
SIGNATURE Ltd			*		F	100	100	F	100	100	6
SULO MGB Ltd			*		F	100	100	F	100	100	
HBPO UK Ltd		*			EM_Ifrs_2014	33.33	33.33	EM_Ifrs_2014	33.33	33.33	
POST & COLUMN COMPANY Ltd	d2013		*		–	–	–	F	100	100	

Legal name		Reportable segments			December 31, 2014			December 31, 2013 restated(µ)			Tax group
		Automotive	Environment	Not Unallocated	Consolidation method	% control	% interest	Consolidation method	% control	% interest	
Russia											
OOO STAVROVO AUTOMOTIVE SYSTEMS		*			F	100	100	F	100	100	
DSK PLASTIC OMNIUM INERGY		*			F	51	51	F	51	51	
Singapore											
SULO ENVIRONMENTAL SYSTEMS PTE Ltd			*		F	100	100	F	100	100	
Slovakia											
PLASTIC OMNIUM AUTO EXTERIORS S.R.O.		*			F	100	100	F	100	100	
INERGY AUTOMOTIVE SYSTEMS SLOVAKIA S.R.O.		*			F	100	100	F	100	100	
HBPO SLOVAKIA S.R.O.		*			EM_Ifrs_2014	33.33	33.33	EM_Ifrs_2014	33.33	33.33	
Sweden											
PLASTIC OMNIUM AB			*		F	100	100	F	100	100	
Switzerland											
PLASTIC OMNIUM AG			*		F	100	100	F	100	100	
PLASTIC OMNIUM RE AG				*	F	100	100	F	100	100	
SIGNAL AG	c2014		*		EM_Ifrs_2014	50	50	EM_Ifrs_2014	50	50	
Thailand											
INERGY AUTOMOTIVE SYSTEMS (THAILAND) Ltd		*			F	100	100	F	100	100	
PLASTIC OMNIUM AUTOMOTIVE Co. Ltd	a2013	*			F	100	100	F	100	100	
Turkey											
B.P.O. AS		*			EM_Ifrs_2014	50	49.98	EM_Ifrs_2014	49.98	49.98	

Consolidation method and notes:
F: Full consolidation.
Equity affiliate: Entities that were already consolidated by the equity method before the application of the new consolidation standards on January 1, 2014.
EM_Ifrs_2014: Entities consolidated by the equity method since the application of the new consolidation standards on January 1, 2014.

Movements during the period:
Creation of entities:
a2013 Companies newly-formed and/or in start-up phase in 2013.
a2014 Companies newly-formed and/or in start-up phase in 2014.
Disposal of entities:
c2013 Companies divested in 2013.
c2014 Companies divested in 2014.
Merging of entities:
d2013 Companies merged in 2013.
d2014 Companies merged in 2014.
d2014* Company legally absorbed by “Inoplast Composites SA de CV” in 2010 and whose absorption was recorded in June 2014.
xd2014 “Sulo BV” absorbed “Plastic Omnium BV” and took over the “Plastic Omnium BV” company name.
Liquidation of entities:
e2013 Companies liquidated in 2013.
e2014 Companies liquidated in 2014.
Buyout of non-controlling interests:
f2013 Non-controlling interests bought out in 2013. See Note 2.1. of the 2013 consolidated financial statements.

Change in the percentage of Plastic Omnium ownership:
g2014 Capital increase for “Dongfeng Plastic Omnium Automotive Exterior Systems Co. Ltd” fully subscribed by Plastic Omnium.

Change in company name:
x2013 Companies whose name was changed in 2013.
x2013 a The name of “Jiangsu Xieno Automotive Components Co. Ltd” was changed on April 18, 2013 to “Plastic Omnium Composites (Jiangsu) Co. Ltd”.
x2013 b “Plastic Omnium Inergy (Shanghai) Consulting Co. Ltd” is the new name of “Plastic Omnium (Shanghai) Business Consulting Co Ltd”.
x2013 c “Inergy Automotive Industrial SA de CV” is the new name of “Pulidos de Juarez SA de CV”. See Note 2.2 of the 2013 consolidated financial statements.
x2013 d “Plastic Omnium Auto Industrial SRL de CV” is the new name of “Createc de Mexico SRL de CV”.

Tax group:
1 – a Plastic Omnium France
1 – b Plastic Omnium Environnement Holding
2 – a Germany Systèmes Urbains
2 – b Germany Plastic Omnium GmbH
3 Spain
4 United States
5 Netherlands
6 United Kingdom

5.7 — STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2014

This is a free translation into English of the Statutory Auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the Group's management report.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2014, on:

- the audit of the accompanying consolidated financial statements of Compagnie Plastic Omnium;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2013 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to the matter set out in Note 1.1 to the consolidated financial statements regarding new accounting standards applied by the company Compagnie Plastic Omnium.

II Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

- Goodwill has been submitted to impairment tests under rules described in Note 1.1.17 of the financial statements. These tests are based on medium-term plans of the Group. We reviewed implementation methods of these impairment tests, hypothesis used and cash flow forecast retained and checked appropriateness of the information given in the Notes of the financial statements.
- The Note 1.1.15 of the financial statements explains the accounting method of incurred costs at the demand of automotive manufacturers for the development of new car models equipment. These costs are accounted for depending on the financing terms with the customer and the profitability perspectives of the concerned projects. We assessed the adopted approach by the Company for the valuation of the profitability perspectives of these projects on the basis of evidence available to date.
- The Note 1.1.31 of the financial statements specifies that deferred tax assets are comprised taking into consideration the likelihood of future deficits carried forward. We assessed the adopted approach by the Company for the valuation of the recoverable aspect of these fiscal deficits on the basis of the evidence available to date, and, we tested by sampling methods their correct application.
- Regarding risks, litigation and contingent liabilities, we examined the processes put in place by the Group in order to inventory them, evaluate them and enforce their accounting translation. We made sure the main litigation identified are described on an appropriate basis, especially in Note 5.2.5 of the financial statements.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III Specific verification

As required by law we have also verified in accordance with professional standards applicable in France the information presented in the Group's management report.

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

Paris-la Défense, on February 25, 2015

The Statutory Auditors

French original signed by

ERNST & YOUNG et Autres	MAZARS
Gilles Rabier	Jean-Luc Barlet

6

COMPANY FINANCIAL STATEMENTS

6.1 — INCOME STATEMENT

In thousands of euros	Note	2014	2013
Net sales[1]		**2,954**	**2,311**
Production held as inventory		13,829	0
Provision reversals and expense transfers		1,102	2,750
Other operating revenue[1]		22,657	22,544
Total operating revenue	**M**	**40,542**	**27,605**
Purchases and other external charges	N	(36,050)	(24,578)
Taxes other than on income		(226)	(1,028)
Payroll taxes		(51)	0
Depreciation, amortization and provisions	O	(997)	(1,359)
Other expenses		(3,078)	(3,816)
Net operating income (loss)		**140**	**(3,176)**
Net financial income	**P**	**182,902**	**221,857**
Income before non-operating items		**183,042**	**218,681**
Non-operating items	Q	2,734	(5,353)
Income before tax		185,776	213,328
Corporate income tax	R	(1,452)	9,198
Net income		**184,324**	**222,526**
(1) Net sales and other operating revenue		25,611	24,855

6.2 — BALANCE SHEET

Assets

In thousands of euros	Note	2014 Gross	2014 Depreciation, amortization and provisions	2014 Net	2013 Net
Non-current assets					
Intangible assets	A	8,818	897	7,921	7,927
Property, plant and equipment	B	83,855	3,597	80,258	33,097
Investments	C	1,549,335	18,698	1,530,637	845,599
Total non-current assets		**1,642,008**	**23,192**	**1,618,816**	**886,623**
Current assets					
Inventories and goods in process	D	13,829	0	13,829	0
Prepayments to suppliers	E	151	0	151	18
Trade receivables	E	10,553	0	10,553	2,399
Other receivables	E	57,384	2,934	54,450	620,546
Cash and cash equivalents	F	352,048	0	352,048	302,968
Total current assets		**433,965**	**2,934**	**431,031**	**925,931**
Prepaid expenses	G	630	0	630	568
Deferred charges (debt issuance costs)	G	3,313	0	3,313	3,932
Bond redemption premiums	G	4,230	0	4,230	5,007
Translation loss on FX payables and receivables	G	905	0	905	1,302
Total		**2,085,051**	**26,126**	**2,058,925**	**1,823,363**

Liabilities and Shareholders' Equity

In thousands of euros	Note	2014	2013
Shareholders' equity			
Share capital	H	9,215	9,299
Additional paid-in capital	I	38,637	65,913
Other reserves	J	850,117	676,337
Net income for the year		**184,324**	**222,526**
Tax-regulated provisions	K	561	517
Total equity		**1,082,854**	**974,592**
Provisions for contingencies and charges	K	33,851	25,363
Liabilities			
Bonds		759,011	759,011
Bank borrowings		23,479	22,054
Other borrowings		70,051	207
Prepayments from customers		15,781	0
Trade payables		23,285	13,059
Accrued taxes and payroll costs		5,200	1,315
Other liabilities		41,164	24,579
Total liabilities	**L**	**937,971**	**820,225**
Accrued charges and deferred income		4,249	3,183
Total		**2,058,925**	**1,823,363**

Note: Net cash and cash equivalents of Compagnie Plastic Omnium of €174.6 million in 2014 (including medium- and long-term loans) versus €109.4 million of net cash and cash equivalents in 2013.

6.3 — NOTES TO THE COMPANY FINANCIAL STATEMENTS

In thousands of euros	
Financial position	
Capital	9,215
Shareholders' equity	1,082,854
Net financial liabilities	174,641
Net non-current assets	1,618,816
Total assets	**2,058,925**
Results of operations	
Operating revenue	40,542
Net operating income (loss)	140
Income before non-operating items	185,776
Non-operating items	2,734
Net income	**184,324**
Earnings per share (in euros)	**1.20**

Significant events of the year

Development of the real estate portfolio

Compagnie Plastic Omnium owns a number of plots of land in the Gerland neighborhood of Lyon.

The Lyon Gerland construction project concerns the construction of a 33,000 sq.m. office building that will be rented out. The first investments amounting to €996 thousand were carried out in 2012, with €15,857 thousand in 2013. On January 29, 2013, Sanofi group signed a 12-year lease on two-thirds of the planned building space. The Group continued its investment with €52,772 thousand, bringing the amount of the construction to €69,625 thousand at December 31, 2014. The delivery date in the first quarter of 2015 and the date on which two-thirds of the surface area will be made available to the tenant remain in line with initial estimates, as there have been no delays to the project.

The works requested by the future tenant, recognized in inventories, totaled €13.8 million at December 31, 2014.

Organizational chart

Compagnie Plastic Omnium continued its investment program with the capitalization of its subsidiaries Plastic Omnium Holding (Shanghai) Co. Ltd, for €15 million, and Plastic Omnium GmbH for €20 million.

Change in financial structure

On January 9, 2014, Compagnie Plastic Omnium decided to change the method of financing its subsidiaries by transforming current account advances granted by PO Finance into medium- and long-term loans.

Compagnie Plastic Omnium granted loans to the subsidiaries requiring structural financing, consistent with the maturities and terms of external financing, for a total of €672.3 million versus €17 million at December 31, 2013.

Reduction of share capital

On October 24, the Board of Directors of Compagnie Plastic Omnium decided to reduce the share capital by €84,018.06, corresponding to the cancellation of 1,400,301 treasury shares with a par value of €0.06.

Accordingly, the difference between the carrying amount of the canceled shares and their nominal amount was written off against the issue premium for a total of €27,275,732.44.

Following the capital reduction, the share capital totaled €9,214,603.20 at December 31, 2014, consisting of 153,576,720 shares of €0.06 each.

Accounting policies

The financial statements of Compagnie Plastic Omnium have been prepared in accordance with French generally accepted accounting policies (ANC Regulation No. 2014-03 of June 5, 2014).

The accounting policies used to prepare the 2014 financial statements are the same as those used in the previous year. The significant accounting policies applied are described below:

Intangible assets

Intangible assets mainly comprise trademarks and patents, which are not amortized.

However, patent filing fees are recognized as costs in the income statement as incurred.

Property, plant and equipment

Compagnie Plastic Omnium owns a multipurpose office complex in Nanterre, France. The Company decided to use this complex for its own operations from January 1, 2013. It was previously let.

Property, plant and equipment are initially recognized at cost and depreciated on a straight-line basis over their estimated useful lives, as follows:

- Buildings 20-40 years;
- Fixtures and fittings 10 years;
- Office equipment and furniture 5-10 years.

Investments

Investments in subsidiaries and affiliates are initially recognized at cost or transfer value. Where applicable, impairment provisions are taken when the value in use is lower than the carrying amount.

Value in use is based on a proportional share of equity and profit outlook in view of current market conditions as set out in the subsidiaries' medium-term business plans.

Treasury stock

The Company has been authorized by shareholders to purchase its own shares to (i) maintain a liquid market for its shares under a liquidity contract with an investment firm, (ii) reduce the share capital by canceling shares, (iii) cover current or future stock option or stock grant plans for employees and officers of the Group, or (iv) hold in treasury for subsequent delivery in exchange or payment for acquisitions.

The accounting classification of treasury stock depends on its final purpose:

- treasury shares held to pay for acquisitions, reduce share capital or maintain stock liquidity are classified as investments;
- shares held to cover current or future stock option plans are classified as short-term investment securities.

Treasury shares are measured in line with their accounting classification (investments, stock option plans, acquired under liquidity contract) using a FIFO (first in, first out) method.

They are initially recognized at cost and impairment is recorded where the carrying amount is higher than the market value. For shares allocated to covering stock option plans, market value is the lower of the exercise price of the options granted and the stock market price.

For shares otherwise classified, market value is determined on the basis of the average quoted stock market price during the month before the balance sheet date.

Short-term investment securities

The short-term investment securities are valued by securities category (shares held to maintain stock liquidity, unallocated treasury stock, other short-term investment securities), using a FIFO (first in, first out) method.

Foreign currency transactions

Unhedged foreign currency payables and receivables are recorded at the transaction date exchange rate and remeasured on the balance sheet date at the year-end rate.

Resulting gains and losses are recognized as translation losses/gains on FX payables and receivables. Provisions are recorded for unrealized translation losses.

Hedged foreign currency payables and receivables are recorded at the transaction date exchange rate. Gains and losses on foreign exchange derivatives are offset by gains or losses resulting from the revaluation of hedged foreign currency payables and receivables at closing rate, except for derivative swaps, which are spread in financial income/expense over the hedging term.

Long- and short-term debt

Issuance costs and redemption premiums are spread over the life of the bond using the compound interest rate method.

Inventories and goods in process

Inventories and leases are entered according to the percentage-of-completion method. The forecast positive margin will be recognized in 2015 when the premises are occupied by the tenant.

Notes to the balance sheet

A – Intangible assets

In thousands of euros	2013	+	–	2014
Patents, trademarks and licenses	8,818			8,818
Total, gross	**8,818**			**8,818**
Accumulated amortization	891	6		897
Total, net	**7,927**	**(6)**		**7,921**

B – Property, plant and equipment

In thousands of euros	2013	+	–	2014
Land	2,287			2,287
Buildings	4,792	377		5,169
Fixtures and fittings	2,179	3		2,182
Office equipment and furniture	188	78		266
Property, plant and equipment in progress	16,877	53,451	377	69,951
Prepayments to suppliers of non-current assets	10,000		6,000	4,000
Total, gross	**36,323**	**53,909**	**6,377**	**83,855**
Accumulated amortization	3,226	371		3,597
Total, net	**33,097**	**53,538**	**6,377**	**80,258**

The change in buildings corresponding to €377 thousand reflects renovation work on the Nanterre building, used by the Group for its own operations since January 1, 2013.

The increase in property, plant and equipment in progress at December 31, 2014 reflects the ongoing construction of an office complex, which was started in 2013, in Lyon. Completion is expected in the first quarter of 2015. The building in progress amounts to €69.6 million.

A €10 million advance paid to the construction company responsible for the project was brought to €4 million as of December 31, 2014.

C – Investments

In thousands of euros	2013	+	–	2014
Shares in subsidiaries and affiliates	832,333	35,038	403	866,968
Other long-term investments	14,779	1,772	6,684	9,867
Loans	17,185	655,315		672,500
Total, gross	**864,297**	**692,125**	**7,087**	**1,549,335**
Provisions for impairment	18,698			18,698
Total, net	**845,599**	**692,125**	**7,087**	**1,530,637**

The main increases on shareholding securities result from the capital increase of PO GmbH in 2014 for €20 million and the capitalization of Plastic Omnium Holding (Shanghai) Co. Ltd for €15 million. The percentage holding is unchanged, i.e. 100%, for both entities.

The provisions for impairment of shares in subsidiaries and affiliates amounted to €17,993 thousand at December 31, 2014, unchanged over the year.

The other long-term investments include 311,780 treasury shares, carried at €6,099 thousand and allocated to acquisitions.

The change in loans relates to medium- and long-term financing granted to subsidiaries for a total of €628.7 million. Accrued interest on these loans totaled €25.2 million at December 31, 2014.

D – Inventories and goods in process

In thousands of euros	2013	+	–	2014
Inventories and goods in process		13,829		13,829
Total, net		**13,829**		**13,829**

The work requested by the future tenant of the Lyon Gerland building, recognized in inventories, totaled €13.8 million at December 31, 2014.

E – Receivables

In thousands of euros	2014	Maturity date –1 year	Related companies
Prepayments to suppliers	151	151	
Trade receivables	10,553	10,553	4,334
Tax receivables	32,819	11,428	
Short-term loans	7,596	7,596	7,596
Other receivables	14,035	14,035	6,094
Total, net	**65,154**	**43,763**	**18,024**

Trade receivables mainly consist of billing of fitting work for the lessee, Sanofi, amounting to €6,197 thousand and €3,510 thousand accrued income, including €2,887 thousand in royalties and €623 thousand in patent protection costs.

Tax receivables include in particular €24,842 thousand in research tax credits, €2,187 thousand in deductible withholding tax and €1,194 thousand in recoverable VAT.

Short-term loans relate to current accounts made available to Group companies under financing arrangements for subsidiaries.

Other receivables represent:

- an additional payment of a total unchanged from that of 2013 following the disposal of the 3P – Performance Plastic Products business in 2008;
- tax current accounts totaling €5,640 thousand owed by various companies belonging to the tax group headed by Compagnie Plastic Omnium.

F – Cash and cash equivalents

In thousands of euros	2013	+	–	2014
Short-term investment securities	31,797	1,295	5,243	27,849
Other short-term investment securities	270,455	1,641,855	1,601,384	310,926
Cash and cash equivalents	716	12,557		13,273
Total, gross	**302,968**	**1,655,707**	**1,606,627**	**352,048**
Impairment provisions	0			0
Total, net	**302,968**	**1,655,707**	**1,606,627**	**352,048**

Short-term investment securities includes 5,478,500 treasury shares allocated to various stock option plans or intended to cover future plans but not yet allocated. These two categories are valued at €26,384 thousand and €1,465 thousand, respectively.

At December 31, 2014, Compagnie Plastic Omnium held:

- 144,000 treasury shares allocated to the stock option plan set up by the Board of Directors on July 22, 2008, acting on authorization granted at the Extraordinary Shareholders' Meeting of April 24, 2008;
- 1,511,000 treasury shares allocated to the stock option plan set up by the Board of Directors on March 16, 2010, acting on authorization granted at the Extraordinary Shareholders' Meeting of April 28, 2009.
- 2,401,500 treasury shares allocated to the stock option plan set up by the Board of Directors on March 6, 2012, acting on authorization granted at the Extraordinary Shareholders' Meeting of April 28, 2011;
- 1,233,000 treasury shares allocated to the stock option plan set up by the Board of Directors on July 23, 2013, acting on authorization granted at the Extraordinary Shareholders' Meeting of April 25, 2013;
- 189,000 treasury shares held to cover future plans but not yet allocated.

The item "Cash and cash equivalents" totaling €13.3 million consists mainly of an interest-bearing account.

"Other short-term investment securities" totaling €311 million consists exclusively of money market funds.

G - Prepaid expenses and accrued income

In thousands of euros	2013	2014
Prepaid expenses	568	630
Deferred charges (debt issuance costs)	3,932	3,313
Bond redemption premiums	5,007	4,230
Translation loss on FX payables and receivables	1,302	905
Total, net	**10,809**	**9,078**

Issuance costs and the redemption premium on the Euro Bond and Euro PP bonds are spread over the life of the bonds using the compound interest rate method.

Prepaid expenses mainly consist of commitment and other fees on unused credit lines.

H – Share capital

Following the capital reduction carried out on October 24, 2014, the share capital totaled €9,214,603.20 at December 31, 2014, consisting of 153,576,720 shares of €0.06 each.

The number of shares held as treasury shares totals 5,790,280 and represents 3.77% of the Company's capital.

I – Additional paid-in capital

Following the capital reduction carried out on October 24, 2014, the additional paid-in capital amounted to €38,637 thousand at December 31, 2014.

J – Other reserves

In thousands of euros	2013	+	–	2014
Revaluation reserve	245			245
Legal reserve	1,465	36		1,501
Other reserves	41,166			41,166
Retained earnings	633,461	222,526	48,782	807,205
Total	**676,337**	**222,562**	**48,782**	**850,117**

The €173,744 thousand increase in retained earnings results from the appropriation of 2013 net income.

K – Provisions

In thousands of euros				
Tax-regulated provisions	**2013**	**+**	**–**	**2014**
Excess tax depreciation	517	44		561
Total	**517**	**44**		**561**

Provisions for contingencies and charges	2013	+	Utilized	Surplus	2014
Provisions for foreign exchange losses	893	903		893	903
Provisions for other contingencies	720		90	480	150
Provisions for taxes (see Note R)	23,750	9,048			32,798
Total	**25,363**	**9,951**	**90**	**1,373**	**33,851**

L – Liabilities

In thousands of euros	2013	Maturity date –1 year	Related companies	2014	Maturity date –1 year	Related companies
Bonds	759,011	9,011		759,011	9,011	
Bank borrowings	22,054	671		23,479	727	
Other borrowings	207	19	17	70,051	69,850	69,849
Customer prepayments				15,781	15,781	
Trade payables	13,059	13,059	1,445	23,285	23,285	1,090
Accrued taxes and payroll costs	1,315	1,315		5,200	5,200	
Other liabilities	24,579	24,579	24,122	41,164	34,753	33,835
Total	**820,225**	**48,654**	**25,584**	**937,971**	**158,607**	**104,774**

Bonds

The key features of bonds issued are as follows:

Bond issue of May 21, 2013

Bond issue	Euro Bond
Amount in euros	500,000,000
Maturity	May 29, 2020
Annual coupon – Fixed rate	2,875%
Listed	Euronext Paris

Bond issue of October 4, 2012

Private bond placement	Euro PP
Amount in euros	250,000,000
Maturity	December 12, 2018
Annual coupon – Fixed rate	3.875%
Listed	Euronext Paris

The accrued interest payable on bonds totaled €9 million at December 31, 2014.

Bank borrowings consist essentially in a foreign currency loan taken out in 2013 for CNY140 million (€18.5 million) at December 31, 2014 and €4.6 million of medium-term loans.

Other borrowings mainly comprise €69.8 million in current accounts at Group entities.

Prepayments on work concern the Lyon Gerland office complex.

The increase in trade payables is primarily due to the ongoing construction of the Lyon office complex. Liabilities consist mainly of the following:

- €9.9 million in accrued expenses, consisting of €6 million for ongoing work on the Lyon office complex;
- €2.2 million in professional fees, and;
- €0.5 million in trademark license fees.

Accrued taxes and payroll costs correspond to the €4.7 million tax liability of the tax group headed by Compagnie Plastic Omnium.

Other liabilities relates mainly to current accounts corresponding to tax payable by the Company to other members of the tax group for €33.6 million (including €29.7 million relating to various tax credits).

Notes to the income statement

M – Net sales and other operating revenue

Total operating revenue breaks down as follows:

In thousands of euros	2013	2014
By business segment		
• License and service fees	22,544	22,657
• Other[1]	2,311	16,783
Total	**24,855**	**39,440**
By region	**2013**	**2014**
• France[1]	9,449	22,674
• International	15,406	16,766
Total	**24,855**	**39,440**

(1) Of which €13,829 thousand in production held as inventory.

Operating revenue for the year, excluding transferred expenses, breaks down as follows:

- fees from the licensing of Compagnie Plastic Omnium trademarks to operating subsidiaries and affiliates;
- fees from the provision of services;
- expenses and rental payments re-invoiced to these companies or to other related companies;
- production held as inventory for the Lyon Gerland building work.

N – Purchases and other external charges

In thousands of euros	2013	2014
General management services	1,594	1,732
Overheads and headquarters expenses	3,314	3,870
Professional fees	3,324	3,119
Advertising, print collateral and publication	2,844	2,147
Travel and entertainment	1,397	1,809
Bank charges	9,662	6,692
Other	2,443	16,681
Total	**24,578**	**36,050**

The increase in purchases and other external charges is mainly due to the work requested by the future tenant of the office complex under construction, in the amount of €13,829 thousand.

The change in bank charges corresponds to commission on bonds of €2,750 thousand, recognized in 2013.

O – Depreciation, amortization and impairment

In thousands of euros				
On assets	**2013**	**+**	**–**	**2014**
Patents and licenses	891	6		897
Buildings	1,060	285		1,345
Fixtures and fittings	2,108	71		2,179
Office equipment and furniture	58	15		73
Investments	18,698			18,698
Other	3,466		532	2,934
Total	**26,281**	**377**	**532**	**26,126**
On liabilities	**2013**	**+**	**–**	**2014**
Tax-regulated provisions	517	44		561
Provisions for contingencies and charges (see Note R)	25,363	9,058	570	33,851
Total	**25,880**	**9,102**	**570**	**34,412**

Total charges/reversals	10,876	1,102
Of which	**Charges**	**Reversals**
Charges and reversals of provisions for operations(1)	997	1,102
Charges and reversals of financial provisions(2)	787	
Charges and reversals of provisions for non-operating items	44	
Charges and reversals of provisions for taxes (see Note R)	9,048	

(1) Of which deferred bond issuance costs 619
(2) Of which deferred bond issuance costs 777

P – Net financial income

In thousands of euros	2013	2014
Dividend income	180,279	176,661
Other financial income and expenses	49,648	28
Interest income and expense	(8,631)	7,349
Net gain on disposal of short-term investment securities	290	413
Foreign exchange gains and losses	(2,737)	(762)
Provision charges and reversals	3,008	(787)
Total	**221,857**	**182,902**

Dividend income comprises €107,237 thousand in dividends from French subsidiaries and €69,424 thousand from international subsidiaries.

Other financial income and expenses in 2013 relate to a net surplus of €49,648 thousand, following the universal transfer of assets and liabilities (transmission universelle de patrimoine – TUP) of Plastic Omnium Auto SAS.

The increase in interest income and expense is due to medium- and long-term loans granted to subsidiaries in January 2014.

Q – Non-operating items

In thousands of euros	2014		
	Income	**Expenses**	**Net**
On revenue transactions		90	(90)
On capital transactions	3,665	797	2,868
Provision charges and reversals		44	(44)
Total	**3,665**	**931**	**2,734**

This gain results mainly from the net gain on the disposal of treasury shares of €3,040 thousand.

R – Corporate income tax

In thousands of euros	2014 net income		
	Income before non-operating items	Non-operating items	Net
* Income before tax	183,042	2,734	185,776
* Tax adjustments	(164,079)	13	(164,066)
= Tax base	18,963	2,747	21,710
Theoretical tax (38%)	(7,206)	(1,044)	(8,250)
Income after tax at standard rate	**175,836**	**1,690**	**177,526**
Impact of Group relief			14,968
Addition to provisions for taxes			(9,048)
Other impacts			(7,372)
Total corporate income tax			**(1,452)**
Income after tax			**184,324**

Compagnie Plastic Omnium is the parent company of a tax consolidation group comprising 16 entities.

The tax savings for 2014 due to this tax consolidation group amounted to €10 million.

During the year, Compagnie Plastic Omnium recorded a €9.05 million provision for taxes to reflect the use by the tax group of subsidiaries' tax losses that the subsidiaries themselves may wish to use in the future if they return to profit.

The tax group has tax loss carryforwards totaling €18.6 million, equivalent to future tax savings of €6.2 million.

In 2014, €3.2 million of tax loss carryforwards arising since 2000 were used to offset the consolidated taxable profits for the fiscal year.

Unrecognized deferred tax assets and liabilities, calculated at a tax rate of 38%, broke down as follows at December 31, 2014:

Non-deductible provisions and accrued expenses:	€359 thousand
Expenses related to the acquisition of securities:	€28 thousand
Translation gain on FX payables and receivables 2014:	€1,615 thousand
Share in accounting profit/(loss) Plastic Omnium Gestion 2013:	€(248) thousand
Share in taxable profit/(loss) Plastic Omnium Gestion 2014:	€598 thousand
Translation loss on FX payables and receivables 2014:	€(344) thousand
Net deferred tax asset	**€2,008 thousand**

Other disclosures

Off-balance sheet commitments

Commitments given

In thousands of euros	2014
Guarantees(1)	336,241
Collateral	4,589
Total	**340,830**

(1) Guarantees given to banks on behalf of subsidiaries.

Commitments received

Upon the acquisition of 50% of Inergy Automotive Systems SA in 2010, Compagnie Plastic Omnium was given a five-year seller's warranty covering any recalls of products manufactured or sold before the acquisition date.

Information on payment deadlines

In accordance with the provisions of Article L. 441-6-1, paragraph 1 of the French Commercial Code, the balance of trade payables, by maturity, breaks down as follows:

Balance of trade payables in thousands of euros	at 30 days	at 60 days	at 90 days	at 120 days	Accrued invoices	Total
FY 2013	8,451	14	0	744*	3,850	13,059
FY 2014	13,231	26	0	170*	9,858	23,285

* Retention money for work in progress.

Loans and advances to senior executives

No loans or advances were made to senior executives as defined in article L. 225-43 of the French Commercial Code.

Management compensation

The total compensation paid to the Board of Directors in 2014 amounted to €330.538.

Subsequent events

No significant events have occurred since December 31, 2014 that would be likely to have a material impact on the Company's business, financial position, results or assets.

Other

The financial statements of Compagnie Plastic Omnium are consolidated by its parent company Burelle SA – 19, avenue Jules-Carteret – 69342 Lyon Cedex 07, France.

At December 31, 2014, Burelle SA held 56.60% of the capital of Compagnie Plastic Omnium (58.82% excluding treasury stock).

6.4 — FIVE-YEAR FINANCIAL SUMMARY

In thousands of euros	2010	2011	2012	2013	2014
1 – Capital at year-end					
a) Share capital	8,822	8,939	8,782	9,299	9,215
b) Shares outstanding*	158,801,391	157,751,391	154,977,021	154,977,021	153,576,720
c) Convertible bonds outstanding	0	0	0	0	0
2 – Revenue and profit/(loss) for the year					
a) Total operating revenue	22,068	21,244	24,563	27,605	40,541
b) Profit before tax, depreciation, amortization and provisions	75,853	134,290	249,647	211,614	186,503
c) Corporate income tax	15,383	11,046	14,407	11,970	7,595
d) Net income	107,967	134,613	252,587	222,526	184,324
e) Dividends	24,702(1)	36,283(2)	39,261(3)	51,142(4)	56,823(5)
3 – Per share data*					
a) Profit after tax, before depreciation, amortization and provisions	0.57	0.92	1.70	1.44	1.26
b) Earnings per share	0.68	0.85	1.63	1.43	1.20
c) Dividend per share	0.16	0.23	0.25	0.33	0.37
4 – Employees					
a) Number of employees	0	0	0	0	0
b) Total payroll	0	0	0	0	0
c) Social Security and other employee benefits	0	0	0	0	0

* Restated for the three-for-one stock splits in 2011 and 2013.

(1) Including €2,235 thousand in respect of treasury shares that was not paid out as these shares do not carry dividend rights.

(2) Including €2,717 thousand in respect of treasury shares that was not paid out as these shares do not carry dividend rights.

(3) Before deducting dividends in respect of shares held in treasury at the date of the Shareholders' Meeting, which do not carry dividend rights.

(4) Before deducting dividends in respect of shares held in treasury at the date of the Shareholders' Meeting, which do not carry dividend rights.

(5) Before deducting dividends in respect of shares held in treasury at the date of the Shareholders' Meeting, which do not carry dividend rights.

6.5 — SUBSIDIARIES AND AFFILIATES

Subsidiaries	Share capital	% interest
PLASTIC OMNIUM ENVIRONNEMENT SAS	4,900,000	100.0%
19, avenue Jules-Carteret – 69007 Lyon – France	EUR	
PLASTIC OMNIUM AUTO EXTERIORS SAS	65,367,000	100.0%
19, avenue Jules-Carteret – 69007 Lyon – France	EUR	
PLASTIC OMNIUM GESTION SNC	2,011,500	100.0%
19, avenue Jules-Carteret – 69007 Lyon – France	EUR	
PLASTIC OMNIUM VERNON SAS	150,000	100.0%
19, avenue Jules-Carteret – 69007 Lyon – France	EUR	
PLASTIC OMNIUM GmbH	13,500,000	100.0%
Romanstrasse 35 – 80639 Munich – Germany	EUR	
COMPAÑIA PLASTIC OMNIUM SA	30,350,500	100.0%
Calle Pouet de Nasio – Parcela No. 5 – Ribarroja del Turia – Valencia – Spain	EUR	
PLASTIC OMNIUM RE AG	16,167,000	100.0%
Schochenmühlestrasse 2 – 6340 Baar – Switzerland	CHF	
PLASTIC OMNIUM FINANCE SNC	247,500	100.0%
19, avenue Jules-Carteret – 69007 Lyon – France	EUR	
PLASTIC OMNIUM INERGY (SHANGHAI) CONSULTING CO. LTD	250,000	100.0%
Room 2802, Tower B – New Cao He Jing International Business Building No. 391 Guiping Road – Xuhui District – 200233 Shanghai – PR China	EUR	
PO MANAGEMENT 1 SAS	37,500	100.0%
19, avenue Jules-Carteret – 69007 Lyon – France	EUR	
PO MANAGEMENT 2 SAS	37,500	100.0%
19, avenue Jules-Carteret – 69007 Lyon – France	EUR	
PO MANAGEMENT 4 SAS	37,500	100.0%
19, boulevard Jules-Carteret – 69007 Lyon – France	EUR	
INERGY AUTOMOTIVE SYSTEMS SAS	119,796,330	100.0%
19, avenue Jules-Carteret – 69007 Lyon – France	EUR	
PLASTIC OMNIUM HOLDING (Shanghai) CO. LTD	50,000,000	100.0%
RM 3501, F35 Building 2 No. 391 Guiping Road Shanghai – PR China	EUR	
PLASTIC OMNIUM INC.	50,000	100.0%
1209 Orange Street, Wilmington – Delaware 19801 – USA	USD	
Affiliates		
BPO AS	5,000,000	50.0%
Y.Yalova Yolu 8 km, Panayir – Bursa – Turkey	TRL	
PLASTIC RECYCLING SAS	123,000	50.0%
ZA du Monay – Saint-Eusèbe – 71210 Montchanin – France	EUR	

In thousands of euros	Subsidiaries		Affiliates	
	French	International	French	International
Carrying amount of shares held				
• Gross	511,129	348,929	2,753	4,156
• Net	511,129	331,950	1,738	4,156
Loans and advances granted	299,129	125,090	1,934	
Guarantees given				
Dividends received	107,237	63,477		5,947

6.6 — STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

Year ended December 31, 2014

This is a free translation into English of the Statutory Auditors' report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to the shareholders.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2014 on:

- the audit of the accompanying financial statements of Compagnie Plastic Omnium;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I – Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2014 and of the results of its operations for the year then ended in accordance with French accounting principles.

II – Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matter(s):

- Note I to the financial statements describes the accounting policies and methods used to measure shares in subsidiaries and affiliates, and stock options. We verified the appropriateness of the accounting methods applied and reviewed the assumptions used, as well as the resulting values.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III – Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French Commercial Code *(Code de commerce)* relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

As required by law, we have verified that the required information concerning the controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Paris-la Défense, on February 25, 2015

The Statutory Auditors

French orignal signed by

ERNST & YOUNG et Autres	MAZARS
Gilles Rabier	Jean-Luc Barlet

6.7 — STATUTORY AUDITORS' REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

General Meeting of Shareholders to approve the financial statements for the year ended December 31, 2014

Year ended December 31, 2014

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report on certain related party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with article R. 225-31 of the French Commercial Code *(Code de commerce)*, to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code *(Code de commerce)* concerning the implementation, during the year, of the agreements and commitments already approved by the General Meeting of Shareholders.

We performed those procedures which we considered necessary to comply with professional guidance issued by the French National Auditing Body (Compagnie nationale des Commissaires aux Comptes) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

Agreements and commitments submitted for approval by the General Meeting of Shareholders

In accordance with Article L. 225-38 of the French Commercial Code *(Code de commerce)*, we hereby inform you that we have not been advised of any related party agreements or commitments authorized in the course of the year and to be submitted to the General Meeting of Shareholders for approval.

Agreements and commitments already approved by the General Meeting of Shareholders

In accordance with Article R. 225-30 of the French Commercial Code *(Code de Commerce),* we have been advised that the implementation of the following agreements and commitments which were approved by the General Meeting of Shareholders in prior years continued during the year.

Payments for assignment of trademarks paid by companies of the Group

This trademark assignment agreement, signed in 1998 or later reviewed according to changes in the Group's legal structure, provides for payment of an annual fee equal to 0.5% of the non-Group sales of the companies that benefit from this agreement, in return for the use of trademarks owned by Compagnie Plastic Omnium.

Board member concerned: Jean-Michel Szczerba.

During the financial year ended December 31, 2014, your company recognized income of 1,178,901 euros in respect of this agreement signed with Yanfeng Plastic Omnium Automotive Systems Co. Ltd, in which Compagnie Plastic Omnium holds indirectly 49.95% of the voting rights.

License royalties and technical assistance fees

In exchange for the use of Compagnie Plastic Omnium's drawings, models, industrial procedures, know-how and related technical assistance, this agreement, signed in 2001, provides for payment by B.Plas-Plastic Omnium Otomotiv Plastik of an annual fee equal to 1.5% of its net sales of the licensed products.

During the financial year ended December 31, 2014, your Company recognized income of 494,096 euros in respect of this agreement.

Board member concerned: Jean-Michel Szczerba.

Compagnie Plastic Omnium holds 50% of the voting rights in B.Plas-Plastic Omnium Otomotiv Plastik.

Agreement entered into with Burelle SA concerning management services supplied to the Group

In respect of this agreement entered into with Burelle SA, your Company recorded a charge for management services provided to the group for an amount of 1,509,089 euros during the financial year ended December 31, 2014.

People concerned: Jean Burelle, Laurent Burelle, Paul Henry Lemarié and Éliane Lemarié.

Under the supplementary pension plan set up in accordance with the authorizations granted by the Board of Directors of Compagnie Plastic Omnium SA and Burelle SA on December 11, 2003 and December 19, 2003 respectively, corporate officers are eligible for pension benefits representing up to 10% of their current compensation. Part of the related cost paid by Burelle SA is theoretically allocated to Compagnie Plastic Omnium on the basis of the same ratio as that used to calculate its share of management fees.

Payments made by Compagnie Plastic Omnium under this agreement amounted to 185,580 euros during the financial year ended December 31, 2014.

People concerned: Jean Burelle, Laurent Burelle, Paul Henry Lemarié and Éliane Lemarié.

Paris-la Défense, on February 25, 2015

The Statutory Auditors

French original signed by

ERNST & YOUNG et Autres	MAZARS
Gilles Rabier	Jean-Luc Barlet

7

INFORMATION ABOUT THE COMPANY AND ITS SHARE CAPITAL

7.1 — INFORMATION ABOUT THE COMPANY

General information

Company name and registered office

The full company name is Compagnie Plastic Omnium. Its registered office is at 19, boulevard Jules-Carteret, 69007 Lyon, France and its administrative headquarters is at 1, allée Pierre Burelle, 92593 Levallois Cedex, France.

Registration particulars

The Company is registered with the Lyon Trade and Companies Registry under number 955 512 611.

Legal form and governing law

Compagnie Plastic Omnium is a public limited company under French law *(Société Anonyme)* with a Board of Directors. It is governed by the French Commercial Code *(Code de commerce).*

Term

The Company's term ends on April 24, 2112.

Accounting period

The Company's accounting period runs for twelve months, from January 1 to December 31.

Corporate purpose

In accordance with article 3 of the Company's bylaws, the Company's corporate purpose is to:

- process all forms of plastic, metal and other raw materials in order to manufacture all types of products and articles for all uses, particularly industrial;
- manage its property and capital assets;
- acquire, build, lease, develop, improve and exploit any land or buildings;
- acquire any equity or other interest in any company, enterprise or other entity, in France or abroad, irrespective of its corporate purpose (in whatever form and in particular by acquiring or subscribing for any form of security, equity interest or other right in such entities);
- manage its investment portfolio of equity interests and securities;
- carry out all works and services relating to general administration and building maintenance (other than acting as a building manager); and
- in general, make any transaction (commercial, industrial, financial or related to property and capital assets) that is linked, directly or indirectly, to the Company's purpose; or that could be relevant to it; or that could make the purpose easier to achieve.

The Company may, both in France and abroad, create, acquire, use or grant licenses to use all trademarks, brands, commercial names, designs, models, patents and manufacturing processes related to the above purpose.

It may act directly or indirectly, on its own behalf or for a third party, in any country. It may do so either alone or with any other persons or companies in a partnership, joint venture, consortium or company, and may make any transaction within the scope of its corporate purpose.

The role of Compagnie Plastic Omnium in relation to its subsidiaries

Compagnie Plastic Omnium is a holding company with the following role:

- to hold shares in the holding companies for each business line. These holding companies own, directly or indirectly, shares in the operating subsidiaries;
- to finance Group subsidiaries to provide them with optimal market conditions, either directly or via Plastic Omnium Finance (the Group's central corporate treasury); and
- to grant Group subsidiaries the right to use the brands it owns. This is subject to a license fee paid by the licensees (see the Statutory Auditors' report on related-party agreements).

Statutory Auditors

The financial statements of Compagnie Plastic Omnium are audited by two sets of Principal Statutory Auditors, in compliance with article L. 225-228 of the French Commercial Code.

Principal Statutory Auditors

Ernst & Young et Autres

Represented by Gilles Rabier

Tour First

1, place des Saisons

92037 Paris-la Défense Cedex, France

Mazars

Represented by Jean-Luc Barlet

61, rue Henri Régnault

92075 Paris-la Défense Cedex, France

Their mandate was renewed on April 29, 2010 and runs until the end of the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2015.

The Statutory Auditors are members of the Versailles Auditors' Association (Compagnie régionale de Versailles).

Alternate Auditors

AUDITEX

Tour First – 1, place des Saisons, 92037 Paris-la Défense Cedex, France.

Gilles Rainaut

61, rue Henri Régnault, 92075 Paris-la Défense Cedex, France

Agreements entered into by the Company which would change or end if control of the Company changed

The bonds issued in October 2012 and May 2013 are subject to a clause allowing the investor to demand redemption or re-purchase if the control of the Company changes. There is a similar clause in most other Group financing contracts.

Agreements which if implemented could either provoke a change in the control of the Company, or could delay, postpone or prevent such a change

There is currently no bylaw, charter, regulation or provision that could delay, postpone or prevent a change in control.

Factors that could have an impact in the event of a public offer

None.

Material contracts

There are no material contracts (other than those agreed in the normal course of business) that could give any member of the Group a right or an obligation significantly affecting the ability of the Plastic Omnium Group to fulfill obligations to others investors.

The Company's material financial contracts (contracts related to financing) are described in the notes to the consolidated financial statements, page 149.

Dependence

Compagnie Plastic Omnium is not currently dependent on any patents or manufacturing processes owned by third parties or on any special procurement contracts.

In the sector of the automotive industry in which Compagnie Plastic Omnium operates, sub-contractors do not generally define the specifications for sub-contracted parts. When, exceptionally, sub-contractors are capable of doing so, the Group's policy is to define contractually the arrangements for the sub-contractor to transfer the design work, in order that it can then be used with other services.

Documents accessible to the public

Documents that must be made available to the public (Company's bylaws, reports from the Statutory Auditors, reports from the Board of Directors and past financial information relating to Compagnie Plastic Omnium and its subsidiaries, including that included in this Financial Report) may be consulted, while they remain valid, at the Registered Office of Compagnie Plastic Omnium and also at its administrative headquarters (1, allée Pierre Burelle, 92300 Levallois-Perret, France). Some of these documents may also be available in electronic format on the Compagnie Plastic Omnium website (www.plasticomnium.com).

The Compagnie Plastic Omnium Annual Financial Report and the Activity Report are both available in English.

Timetable for financial communication

Publication of the annual results for 2014	February 25, 2015
Publication of revenue for the first quarter of 2015	April 22, 2015
Publication of the interim financial statements for 2015	July 23, 2015
Publication of revenue for the third quarter of 2015	October 22, 2015

Shareholders' timetable

Shareholders' Meeting	April 30, 2015
Dividend payment date	May 12, 2015

Registrar: BNP Paribas Securities Services (tel.: +33 (0) 826 109 119).

N°Vert 0 800 777 889

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7.2 — EQUITY CAPITAL

Share capital

Shares in Compagnie Plastic Omnium are listed on Eurolist of Euronext Paris (compartment A). Plastic Omnium shares are included in the SBF 120 and CAC Mid 60 indices.

During 2014, Compagnie Plastic Omnium performed a capital reduction of €84,018.06 due to the cancellation of 1,400,301 shares with a par value of €0.06.

At December 31, 2014, Compagnie Plastic Omnium's share capital amounted to €9,214,603.20, divided into 153,576,720 fully paid-up shares with a par value of €0.06 each.

Voting rights

Shareholders have the right to vote and speak at Shareholders' Meetings. Each shareholder has one vote per fully paid-up share he or she holds.

Under article 16 of the Company's bylaws, all fully paid-up shares may carry double voting rights. To qualify, shares must be registered for at least two years in the name of the same holder and/or in the name of holders who have either inherited them under the intestacy rules or are a spouse or a relative entitled to inherit the shares and who have received them as an inter vivos gift.

If the equity capital is increased by incorporating reserves, profits or share premiums, the double voting right is also attached to the registered bonus shares linked to the shares with double voting rights already held by the shareholder.

On December 31, 2014, the Company had shares with the same number of voting rights, including 147,786,440 shares with double voting rights and excluding treasury shares, including 88,421,379 shares with double voting rights.

Potential equity capital and securities giving rights to equity capital

At December 31, 2014, there were no securities or rights giving direct or indirect access to the share capital of Compagnie Plastic Omnium.

There were no stock option plans running at December 31, 2014.

Current authorizations relating to capital and securities carrying rights to the allocation of debt securities – use of authorizations

The Company's shareholders have delegated the following powers and financial authorizations to the Board of Directors:

Authorizations and delegations given to the Board of Directors at the Combined Shareholders' Meeting on April 25, 2013

Resolution no.	Type of authorization and delegated power	Duration and expiry date	Maximum amount per authorization or delegated power	Use of the authorization or delegation of power
8	To issue ordinary shares and/or securities giving rights to share capital or the allocation of debt securities, with maintenance of preferential subscription rights	26 months (until June 24, 2015)	€300 million for shares – €150 million for debt securities	None
9	To increase the number of shares or securities to be issued when an issue with maintenance of preferential subscription rights is made under the eighth resolution, up to a maximum of 15% of the initial issue	26 months (until June 24, 2015)	€300 million for shares – €150 million for debt securities	None
10	Authorization to grant stock options to corporate officers and/or employees of the Company and/or Group companies	38 months (until June 24, 2016)	Maximum holding : 2.5% of the equity capital, to be deducted from the 2.5% in the eleventh resolution approved at the Shareholders' Meeting on April 25, 2013	1,291,475 stock options
11	Authorization to allocate free shares to corporate officers and/or employees of the Company and/or Group companies	38 months (until June 24, 2016)	Maximum holding: 2.5% of the equity capital, to be deducted from the 2.5% in the tenth resolution approved at the Shareholders' Meeting on April 25, 2013	None

Authorizations and delegations given to the Board of Directors at the Combined Shareholders' Meeting on April 30, 2014

Resolution no.	Type of authorization	Duration and expiry date	Maximum amount per authorization or delegated power	Use of the authorization or delegation of power
5	To trade in the Company's own shares	18 months (until October 30, 2016)	Maximum purchase price: €60 – Maximum holding: 10% of share capital – Accumulated value of acquisitions: €929,862,120	On December 31, 2014, Compagnie Plastic Omnium held 3.77% of its equity capital
12	To reduce the equity capital by cancelling treasury shares	26 months (until June 30, 2016)	10% of the share capital per 24-month period	Cancellation of 1,400,301 treasury shares on October 31, 2014
13	Delegation to increase the equity capital with cancellation of preferential subscription rights in favor of members of a company savings scheme	26 months (until June 30, 2016)	4,649,310 shares, i.e. €278,958.60	None

Changes in the Company's equity capital over the last five years

Year and type of corporate transaction	Amount of capital increase/reduction		Share capital (in euros)	Number of shares comprising the equity capital	Par value of share (in euros)
	Nominal	Premium			
April 2011 Capital increase resulting from the decision to round up the par value after the three-for-one share split reducing the par value from €0.50 to €0.17	176,455.99	–	8,998,745.49	52,933,797	0.17
November 2011 Reduction in equity capital by cancelling 350,000 treasury shares	59,500	6,490,200	8,939,245.49	52,583,797	0.17
September 2012 Reduction in equity capital by cancelling 924,790 treasury shares	157,214.30	17,055,373.45	8,782,031.19	51,659,007	0.17
September 2013 Capital increase resulting from the decision to round up the par value after the three-for-one share split reducing the par value from €0.17 to €0.06	516,590.07	–	9,298,621.26	154,977,021	0.06
October 2014 Reduction in equity capital by cancelling 1,400,301 treasury shares	84,018.06	27,275,732.44	9,214,603.20	153,576,720	0.06

Purchase of own shares

Percentage of equity capital held directly and indirectly by the Company at December 31, 2014	3.77%
• backing existing stock option plans	3.44%
• intended for cancellation	None
Number of shares cancelled over the past 24 months	1,400,301
Number of securities in the portfolio	5,790,280
Carrying amount of portfolio on December 31, 2014	€33,948,190.37
Market value of portfolio on December 31, 2014	€130,976,133.60

Shares repurchased during the 2014 fiscal year

	Aggregate gross movements		
	Purchases	Sales	Options exercised
Number of securities	1,980,821	925,821	2,541,450
Average transaction price	€20.16	€20.54	–
Average exercise price	–	–	€2.06
Totals	€39,926,633.21	€19,018,797.56	€5,242,815.23

Dealing fees of €71,000 were incurred in buying back shares during the 2014 fiscal year.

The fifth resolution of the Combined Shareholders' Meeting on April 30, 2014 authorized the Company to trade in its own shares, subject to the following conditions:

Maximum purchase price	€60 per share (excluding acquisition costs)
Maximum percentage that may be held	10% of the share capital on the date of the Combined Shareholders' Meeting on April 30, 2014
Maximum value of shares acquired	€929,862,120

A liquidity agreement was made on Euronext Paris with CM-CIC Securities on November 26, 2003. It has a term of one year, renewable automatically, and had an initial value of €0.585 million. Its value was raised to €1.935 million on September 1, 2005. The primary purpose of the agreement is to reduce the volatility of the Plastic Omnium share price, and thus the risk perceived by investors. It complies with the Code of Ethics drawn up by the French Association of Financial Markets (Association Française des Marchés Financiers – AMAFI).

The agreement remained in force until December 31, 2015.

A new liquidity agreement was made with Kepler Capital Markets SA on January 1, 2015. It has a term of one year, re-newable automatically, in accordance with the Code of Ethics drawn up by AMAFI and had an initial value of €3 million.

Information about share repurchases since January 1, 2015

Between January 1 and February 27, 2015, the Company acquired 251,899 shares for a total amount of €6,260,668 (€24.85 per share) under the liquidity agreement. Over the same period, the Company sold 233,584 shares under the liquidity contract for a total amount of €5,849,782, or €25.04 per share.

Between January 1 and February 27, 2015, the Company did not acquire any shares to cover its commitments to those benefiting from options, free shares and company savings schemes.

At February 27, 2015, Compagnie Plastic Omnium held 5,626,095 treasury shares, i.e. 3.66% of the share capital, broken down as follows:

18,315 shares	Liquidity agreement AMAFI
5,296,000 shares	Shares allocated to employees or corporate officers of the Company or of Group companies
311,780 shares	Acquisitions
NONE	Cancellation
NONE	Hedging of securities carrying rights to the allocation of shares

Description of the share repurchase program submitted for approval to the Combined Shareholders' Meeting on April 30, 2015

Under articles 241-1 to 241-6 of the AMF General Regulation (Règlement général de l'Autorité des Marchés Financiers – AMF), this description defines the objectives of the Compagnie Plastic Omnium share repurchase program, and how it will be implemented. The program will be submitted for approval to the Combined Shareholders' Meeting convened for April 30, 2015

Objectives of the share buyback program

Compagnie Plastic Omnium intends to use the share repurchase program to achieve the following objectives:

- to use an investment service provider to maintain the secondary market or the liquidity of Compagnie Plastic Omnium's shares, via a liquidity agreement complying with the AMAFI Code of Ethics accepted by the AMF;
- to potentially cancel the shares purchased, in accordance with the authorization conferred by the Shareholders' Meeting on April 30, 2014 in its twelfth extraordinary resolution;
- to cover stock option plans and/or free share plans (or similar) for Group employees and/or corporate officers, as well as any allocations of shares for a company or group savings scheme (or similar),

in respect of employee profit sharing and/or all other forms of allocation of shares to Group employees and/or corporate officers;

- to retain the shares purchased and offer them later in exchange or payment for external acquisitions, it being noted that shares purchased for this purpose may not exceed 5% of the Company's share capital; and
- To implement all market practices currently accepted or accepted in the future by the market authorities.

Practical implementation

The maximum proportion of the equity capital that may be acquired and the maximum amount payable by Compagnie Plastic Omnium

Compagnie Plastic Omnium is authorized to acquire in total a maximum 10% of its equity capital (on February 27, 2015, 15,357,672 shares each with a par value of €0.06).

Since the Company held 5,790,280 treasury shares on December 31, 2014, the maximum number of shares it could purchase under the share repurchase program is 9,567,392. In the event that the treasury shares already held are cancelled or used, the maximum that the Company can pay out to acquire the 15,357,672 shares is €921,460,320.

Thus the total value of acquisitions (net of costs) may not exceed €921,460,320, based on the maximum purchase price of €60 provided in the fifth resolution to be proposed to the Combined Shareholders' Meeting on April 30, 2015.

Shares may be purchased, sold or transferred using any method, including by purchasing blocks of shares, on the stock market or over the counter. These methods include the use of any derivatives, traded on a regulated market or over the counter, and the setting up of option operations such as the purchase and sale of call and put options. Transactions may be made at any time.

Term of the share repurchase program

The share repurchase program may continue for a period of eighteen months from the approval of the fifth resolution to be voted by shareholders at the Combined Shareholders' Meeting on April 30, 2015, i.e. until October 29, 2016.

Bonds

Details of the bonds issued by the Company in circulation on December 31, 2014 are given below:

Issuer	Currency	Coupon	Initial issue date	Maturity date	Amount outstanding (in millions of euros)	Listing market
Compagnie Plastic Omnium	EUR	3.875%	10/04/2012	12/12/2018	250	Paris
Compagnie Plastic Omnium	EUR	2.875%	05/21/2013	05/29/2020	500	Paris

7.3 — INFORMATION ON THE SHAREHOLDERS

Share price

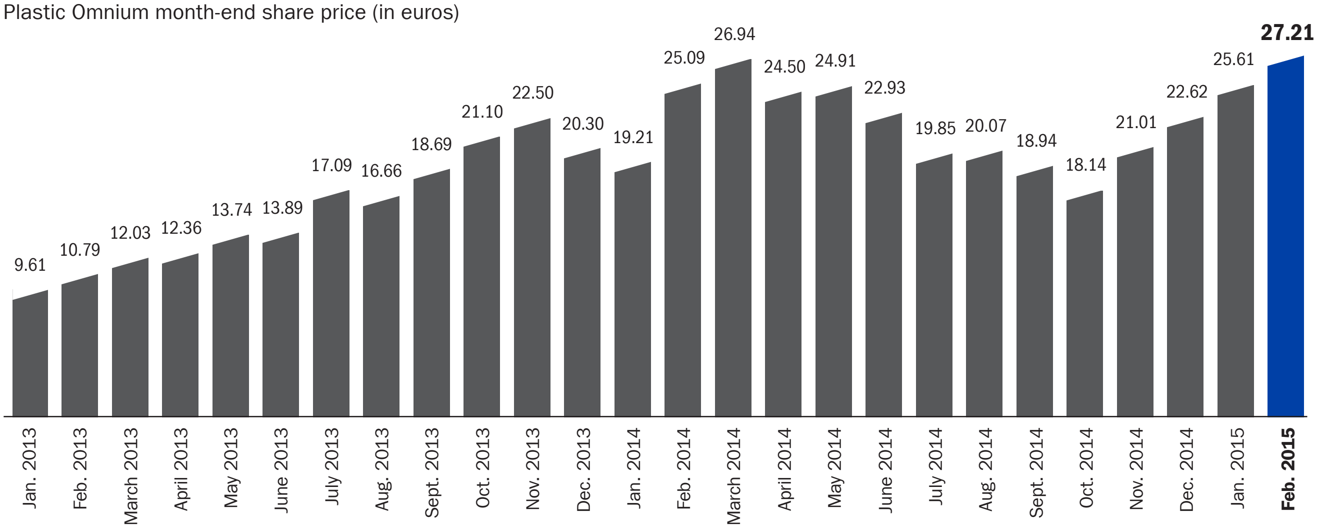
Trends in the price and volume of transactions in Compagnie Plastic Omnium shares

2014	Highest price (in euros)	Lowest price (in euros)	Transaction volume[(1)]
January	21.005	18.71	355,925
February	25.095	18.66	371,267
March	27.21	24.415	311,719
April	27.91	24.025	268,292
May	24.915	22.38	286,540
June	25.40	22.93	179,514
July	23.04	19.955	261,310
August	21.225	18.28	309,526
September	21.095	18.825	197,293
October	19.005	16.32	369,563
November	21.01	18.42	203,965
December	22.615	20.035	211,235

(1) Daily average.

Trends in the Compagnie Plastic Omnium share price

Plastic Omnium month-end share price (in euros)



Equity holdings – changes in shareholder structure

	2012*	2013*	2014
Market capitalization (at December 31, in millions of euros)	1,177	3,146	3,473
Dividend per share (in euros)	**0.25**	**0.33**	**0.37**

* After adjustment to allow for the three-for-one share split on May 10, 2011 and September 10, 2013.

Compagnie Plastic Omnium shareholder structure

Equity holdings at December 31, 2014

153,576,720 shares

	December 31, 2014		December 31, 2013		December 31, 2012	
	% equity capital	% voting rights	% equity capital	% voting rights	% equity capital	% voting rights
Burelle SA	56.6	73.60	56.1	73.99	56.1	73.81
Employee shareholders	1.2	1.2	1.3	1.3	1.5	1.5
Held by Company	3.8	–	5.5	–	5.9	–
Public	38.4	25.2	37.1	24.71	36.4	24.69
	100	**100**	**100**	**100**	**100**	**100**

At December 31, 2014, Burelle SA held 56.6% of the equity capital of Compagnie Plastic Omnium. To the Company's knowledge, no other shareholder owns 5% or more of the share capital.

On December 31, 2014, the company savings scheme had 1,464 members holding 1,857,204 shares in Compagnie Plastic Omnium (1.21% of the equity capital).

Compagnie Plastic Omnium reviewed identifiable bearer securities at December 31, 2014 and concluded that 16,662,046 shares were held by individual investors.

The Company has not been informed of any shareholders' agreement.

Compagnie Plastic Omnium is controlled as described above. The following measures have been taken to ensure that the control will not be abused:

- the Company's Board of Directors comprises 13 members, five of whom fulfill the independence criteria defined in the Board's Internal Procedures;
- all members of the Audit and Compensation Committees are independent Directors;
- the Compensation Committee comprises three Directors, of whom two are considered independent.

Summary of transactions in 2014 by Executive Corporate Officers involving Compagnie Plastic Omnium shares

Name and position of officer	Transaction	Number of securities	Total amount
Laurent Burelle Chairman and Chief Executive Officer	Disposal	486,000	11,576,798
Paul Henry Lemarié Director and Chief Operating Officer	Disposal	60,000	1,205,346
Jean-Michel Szczerba Director and Chief Operating Officer	Disposal	10,000	258,672

Stock option plans

At December 31, 2014, Compagnie Plastic Omnium had several stock option plans; key information about these plans is given below:

Shareholders' Meeting	Board of Directors	Original option price	Number of recipients	Total no. of options in the initial plan	Option price	Number of options	Total number of options exercised or expired at 12/31/2014
04/24/2007	07/24/2007	39.38	65	330,000	4.37	2,970,000	2,970,000
04/24/2008	07/22/2008	26.51	39	350,000	2.94	3,150,000	3,006,000
04/28/2009	03/16/2010	25.60	124	375,000	2.84	3,375,000	1,864,000
04/28/2011	03/06/2012	22.13	208	889,500	7.37	2,668,500	267,000
04/25/2013	07/23/2013	48.50	184	424,000	16.17	1,272,000	39,000

History of allocation of stock options

Information on stock options					
Date of Shareholders' Meeting	Plan 1	Plan 2	Plan 3	Plan 4	Plan 5
Date of Board meeting	07/24/2007	07/22/2008	03/16/2010	03/06/2012	07/23/2013
Total number of shares offered for purchase, and the number open to each of the following:	2,970,000	3,150,000	3,375,000	2,668,500	1,272,000
Corporate officers					
Laurent Burelle Chairman and Chief Executive Officer	450,000	540,000	450,000	360,000	180,000
Paul Henry Lemarié Director and Chief Operating Officer	270,000	270,000	270,000	180,000	60,000
Jean-Michel Szczerba Director and Chief Operating Officer	270,000	360,000	360,000	240,000	120,000
Earliest exercise date	08/10/2011	08/04/2012	04/01/2014	03/21/2016	08/07/2017
Expiry date	08/09/2014	08/03/2015	03/31/2017	03/20/2019	08/06/2020
Purchase price	4.37	2.94	2.84	7.37	16.17
Arrangements for exercise (for plans with several tranches)	–	–	–	–	–
Number of share subscriptions at 12/31/2014	2,970,000	3,006,000	18,000	–	–
Total number of stock options canceled or expired	133,650	773,300	1,517,500	78,000	39,000
Stock options outstanding at the year end	0	144,000	1,511,000	2,401,500	1,233,000

Number of stock options allocated to the ten employees (excluding corporate officers) granted most options; number of options exercised by the ten employees who have accordingly bought or subscribed for the highest number of shares	No. of stock options allocated/ No. of shares purchased	Weighted-average exercise price	Exercise date	Date of Board meeting
Number of options allocated during the period by Compagnie Plastic Omnium and any other company included in the option allocation scope to the ten employees of the issuer, or any company within the above scope, allocated the highest number of options	0	–	–	–
Number of stock options for Compagnie Plastic Omnium shares or shares of companies in the abovementioned scope, exercised during the period by the ten employees of the issuer or qualifying companies who bought or subscribed for the highest number of shares	669,863	–	–	–

8

COMBINED SHAREHOLDERS' MEETING

8.1 — AGENDA

Ordinary resolutions

- First resolution: approval of the Company financial statements for the year ended December 31, 2014
- Second resolution: Appropriation of net income and dividend
- Third resolution: Statutory Auditors' Report on related-party agreements – Record of no new agreement
- Fourth resolution: Approval of the consolidated financial statements for the year ended December 31, 2014
- Fifth resolution: Authorization to be granted to the Board of Directors to trade in the Company's shares pursuant to the provisions of article L. 225-209 of the French Commercial Code; duration of the authorization; purposes; terms; ceiling
- Sixth resolution: Reappointment of Laurent Burelle's directorship
- Seventh resolution: Reappointment of Paul Henry Lemarié's directorship
- Eighth resolution: Reappointment of Jean-Michel Szczerba's directorship
- Ninth resolution: Reappointment of the directorship of the company Burelle SA, represented by Éliane Lemarié
- Tenth resolution: Reappointment of Jean Burelle's directorship
- Eleventh resolution: Reappointment of Anne-Marie Couderc's directorship
- Twelfth resolution: Reappointment of Jean-Pierre Ergas' directorship
- Thirteenth resolution: Reappointment of Jérôme Gallot's directorship
- Fourteenth resolution: Reappointment of Bernd Gottschalk's directorship
- Fifteenth resolution: Reappointment of Alain Mérieux's directorship
- Sixteenth resolution: Amount of directors' fees allocated to members of the Board of Directors
- Seventeenth resolution: Opinion on the components of compensation due or allocated in respect of the year ended December 31, 2014 to Laurent Burelle, Chairman and Chief Executive Officer
- Eighteenth resolution: Opinion on the components of compensation due or allocated in respect of the year ended December 31, 2014 to Paul Henry Lemarié, Chief Operating Officer
- Nineteenth resolution: Opinion on the components of compensation due or allocated in respect of the year ended December 31, 2014 to Jean-Michel Szczerba, Chief Operating Officer

Extraordinary resolutions

- Twentieth resolution: Delegation of authority to be granted to the Board of Directors to decide to issue ordinary shares and/or equity securities providing access to other equity securities, or granting entitlement to the allocation of debt securities and/or investment securities providing access to equity securities to be issued by the Company, with maintenance of preferential subscription rights; duration of the delegation; maximum nominal amount of the capital increase; option to offer unsubscribed securities
- Twenty-first resolution: Delegation of authority to be granted to the Board of Directors to decide to issue ordinary shares and/or equity securities providing access to other equity securities, or granting entitlement to the allocation of debt securities and/or investment securities providing access to equity securities to be issued by the Company through a public offer and/or as consideration for securities as part of a public exchange offer, without preferential subscription rights; duration of the delegation; maximum nominal amount of the capital increase; issue price; option to limit the amount of subscriptions or divide up the unsubscribed securities
- Twenty-second resolution: Delegation of authority to be granted to the Board of Directors to decide to issue ordinary shares and/or equity securities providing access to other equity securities, or granting entitlement to the allocation of debt securities and/or investment securities providing access to equity securities to be issued by the Company, without preferential subscription rights, through an offer referred to in paragraph II of article L. 411-2 of the French Monetary and Financial Code *(Code monétaire et financier)*; duration of the delegation; maximum nominal amount of the capital increase; issue price; option to limit the amount of subscriptions or divide up the unsubscribed securities
- Twenty-third resolution: Delegation of authority to be granted to the Board of Directors to increase the number of securities to be issued when a securities issue with or without preferential subscription rights is made under the 20th to 22nd resolutions, up to a maximum of 15% of the initial issue
- Twenty-fourth resolution: Authorization to be granted to the Board of Directors to freely allocate ordinary Company shares to employees and/or officers of the Company and/or Companies in the Group
- Twenty-fifth resolution: Acknowledgment of the administrative amendment to the Company's registered office address by the Shareholders' Meeting
- Twenty-sixth resolution: Amendment of the bylaws
- Twenty-seventh resolution: Powers of Attorney to carry out formalities.

8.2 — TEXT OF THE RESOLUTIONS SUBMITTED FOR APPROVAL BY THE COMBINED SHAREHOLDERS' MEETING ON APRIL 30, 2015

Ordinary resolutions

First resolution: Approval of the Company financial statements for the year ended December 31, 2014

After having read the Company financial statements for the year ended December 31, 2014, the reports of the Board of Directors, the Chairman of the Board of Directors and the Statutory Auditors' report on the Company financial statements for the year ended December 31, 2014, and voting in accordance with the quorum and majority rules applicable to Ordinary Shareholders' Meetings, the shareholders approve the Company financial statements for the year ended December 31, 2014 as presented, showing net profit of €184,323,647, as well as the transactions reflected in the said financial statements or described in the said reports.

Second resolution: Appropriation of net income and dividend

Noting that the profit for the year ended December 31, 2014 shows a net balance of €184,323,647, that retained earnings totaled €807,204,704 and voting in accordance with the quorum and majority rules applicable to Ordinary Shareholders' Meetings, the sharehol-ders decide to appropriate the net sum of €991,528,351 as proposed by the Board of Directors, namely:

• Dividends on 153,576,720 existing shares as of December 31, 2014	€56,823,386
• Retained earnings	€934,704,965
	€991,528,351

Consequently, the Shareholders' Meeting sets the dividend in respect of 2014 at €0.37 per share. Individual shareholders resident in France for tax purposes will qualify for the 40% tax relief provided for in article 158-3-2 of the French General Tax Code *(Code général des impôts)* on the total dividend.

The ex-dividend date will be May 8, 2015.

The dividend will be paid on the date set by the Board of Directors, i.e. May 12, 2015.

Compagnie Plastic Omnium shares held in treasury on the dividend payment date will be stripped of dividend rights and the related divi-dends will be credited to retained earnings.

In accordance with the law, the Shareholders' Meeting notes that, after deducting dividends not paid on treasury stock, dividends for the last three years were as shown in the table below. The information provided below takes account of the two three-for-one stock splits occurring on May 10, 2011 and September 10, 2013.

Year	Number of shares with dividend rights	Total dividend (in euros)	Net dividend (in euros)
2011*	145,939,311 shares with dividend rights	33,566,042	0.23
2012*	154,977,021 shares with dividend rights	38,744,255	0.25
2013*	147,714,484 shares with dividend rights	48,745,780	0.33

* The dividends in respect of the years ended December 31, 2011, December 31, 2012 and December 31, 2013 were fully eligible for the 40% tax relief for individual shareholders residing in France for tax purposes provided for in article 158-3-2 of the French General Tax Code.

Third resolution: Statutory Auditors' report on related-party agreements – Record of no new agreement

After having read the Statutory Auditors' special report on related-party agreements referred to in article L. 225-38 of the French Commercial Code mentioning the absence of new agreements of the type listed in said article of the French Commercial Code, and voting in accordance with the quorum and majority rules applicable to Ordinary Shareholders' Meetings, the Shareholders' Meeting merely takes note of this.

Fourth resolution: Approval of the consolidated financial statements for the year ended December 31, 2014

After having read the reports of the Board of Directors, the Chairman of the Board of Directors and the Statutory Auditors' report on the consolidated financial statements, and voting in accordance with the quorum and majority rules applicable to Ordinary Shareholders' Meetings, the shareholders approve the consolidated financial statements for the year ended December 31, 2014 as presented, as well as the transactions reflected in the financial statements or summarized in these reports and from which a net Group share profit of €224,553 thousand resulted.

Fifth resolution: Authorization to be granted to the Board of Directors to trade in the Company's shares pursuant to the provisions of article L. 225-209 of the French Commercial Code

After having read the Board of Directors' report, and voting in accordance with the quorum and majority rules applicable to Ordinary Shareholders' Meetings, the Shareholders' Meeting authorizes the Board of Directors to purchase Company shares under the terms and conditions set forth in the provisions of article L. 225-209 et seq. of the French Commercial Code in order:

- to use an investment service provider to maintain the secondary market or the liquidity of Plastic Omnium shares, via a liquidity agreement complying with the AMAFI Code of Ethics approved by the AMF;
- to cover stock option and/or bonus share (or similar) plans awarded to Group employees and/or corporate officers and all allocations of shares as part of a Company or Group savings (or similar) plan, or for purposes of Company profit-sharing and/or any other form of allocation of shares to Group employees and/or corporate officers;
- to retain the shares purchased and offer them later in exchange or payment for external acquisitions, it being specified that shares purchased for this purpose may not exceed 5% of the Company's equity capital;
- to potentially cancel the shares purchased in accordance with the authorization conferred by the Shareholders' Meeting on April 30, 2014 in its twelfth extraordinary resolution;
- to implement all market practices currently accepted, or accepted in the future by market authorities;

and subject to the following terms:

- the maximum number of shares that may be purchased by the Company may not exceed 10% of the Company's share capital on the date of this decision, i.e. a maximum of 15,357,672 shares as of this date;
- the shares may not be repurchased at a price of more than €60 per share. In the event of a transaction affecting capital, in particular, stock splits or reverse stock splits or free share allocations, the aforementioned amount will be adjusted in the same proportion (coefficient of the ratio between the number of shares comprising the equity capital before the transaction and the number of shares after the transaction).

As of December 31, 2014, the Company held 5,790,280 treasury shares. If these shares were canceled or used, the maximum amount that the Company would be allowed invest in the buyback program would be €921,460,320, for the acquisition of 15,357,672 shares.

Shares may be purchased, sold or transferred using any method, including by purchasing blocks of shares, on the stock market or over the counter. These methods include the use of any derivatives, traded on a regulated market or over the counter, and the setting up of option operations such as the purchase and sale of call and put options. Transactions may be made at any time, except during a public offer period concerning the Company.

This authorization takes effect at the end of this Shareholders' Meeting and is valid for a period of eighteen months from today. It cancels and supersedes the authorization granted by the Combined Shareholders' Meeting on April 30, 2014 in its fifth resolution for the unused portion.

Unless it takes this action itself, the Shareholders' Meeting authorizes the Board of Directors to adjust the aforementioned maximum number of shares and maximum purchase price as necessary to take into account the impact on the share price of any change in the par value of the shares or any capital increase by incorporation of reserves and bonus share issue, any stock split or reverse stock split, any return of capital or any other capital transaction, within the aforementioned limits of 10% of equity capital and €921,460,320.

The shareholders grant full powers to the Board of Directors to use this authorization, to conclude any agreements, carry out any filing and other formalities, notably with the Autorité des Marchés Financiers or any other authority that may replace it, and, more generally, take all necessary action.

Sixth resolution: Reappointment of Laurent Burelle's directorship

After having read the Board of Directors' report, and voting in accordance with the quorum and majority rules applicable to Ordinary Shareholders' Meetings, the Shareholders' Meeting renews the directorship of Laurent Burelle for a three-year term. His term will expire at the close of the Shareholders' Meeting to be held in 2018 to approve the 2017 financial statements.

Seventh resolution: Reappointment of Paul Henry Lemarié's directorship

After having read the Board of Directors' report, and voting in accordance with the quorum and majority rules applicable to Ordinary Shareholders' Meetings, the Shareholders' Meeting renews the directorship of Paul Henry Lemarié for a three-year term. His term will expire at the close of the Shareholders' Meeting to be held in 2018 to approve the 2017 financial statements.

Eighth resolution: Reappointment of Jean-Michel Szczerba's directorship

After having read the Board of Directors' report, and voting in accordance with the quorum and majority rules applicable to Ordinary Shareholders' Meetings, the Shareholders' Meeting renews the directorship of Jean-Michel Szczerba for a three-year term. His term will expire at the close of the Shareholders' Meeting to be held in 2018 to approve the 2017 financial statements.

Ninth resolution: Reappointment of the directorship of the company Burelle SA, represented by Éliane Lemarié

After having read the Board of Directors' report, and voting in accordance with the quorum and majority rules applicable to Ordinary Shareholders' Meetings, the Shareholders' Meeting renews the directorship of the company Burelle SA, represented by Éliane Lemarié. Her term will expire at the close of the Shareholders' Meeting to be held in 2018 to approve the 2017 financial statements.

Tenth resolution: Reappointment of Jean Burelle directorship

After having read the Board of Directors' report, and voting in accordance with the quorum and majority rules applicable to Ordinary Shareholders' Meetings, the Shareholders' Meeting renews the directorship of Jean Burelle for a three-year term. His term will expire at the close of the Shareholders' Meeting to be held in 2018 to approve the 2017 financial statements.

Eleventh resolution: Reappointment of Anne-Marie Couderc's directorship

After having read the Board of Directors' report, and voting in accordance with the quorum and majority rules applicable to Ordinary Shareholders' Meetings, the Shareholders' Meeting renews the directorship of Anne-Marie Couderc for a three-year term. Her term will expire at the close of the Shareholders' Meeting to be held in 2018 to approve the 2017 financial statements.

Twelfth resolution: Reappointment of Jean-Pierre Ergas' directorship

After having read the Board of Directors' report, and voting in accordance with the quorum and majority rules applicable to Ordinary Shareholders' Meetings, the Shareholders' Meeting renews the directorship of Jean-Pierre Ergas for a three-year term. His term will expire at the close of the Shareholders' Meeting to be held in 2018 to approve the 2017 financial statements.

Thirteenth resolution: Reappointment of Jérôme Gallot's directorship

After having read the Board of Directors' report, and voting in accordance with the quorum and majority rules applicable to Ordinary Shareholders' Meetings, the Shareholders' Meeting renews the directorship of Jérôme Gallot for a three-year term. His term will expire at the close of the Shareholders' Meeting to be held in 2018 to approve the 2017 financial statements.

Fourteenth resolution: Reappointment of Bernd Gottschalk's directorship

After having read the Board of Directors' report, and voting in accordance with the quorum and majority rules applicable to Ordinary Shareholders' Meetings, the Shareholders' Meeting renews the directorship of Bernd Gottschalk for a three-year term. His term will expire at the close of the Shareholders' Meeting to be held in 2018 to approve the 2017 financial statements.

Fifteenth resolution: Reappointment of Alain Mérieux's directorship

After having read the Board of Directors' report, and voting in accordance with the quorum and majority rules applicable to Ordinary Shareholders' Meetings, the Shareholders' Meeting renews the directorship of Alain Mérieux for a three-year term. His term will expire at the close of the Shareholders' Meeting to be held in 2018 to approve the 2017 financial statements.

Sixteenth resolution: Amount of directors' fees allocated to members of the Board of Directors

The shareholders resolve to increase the aggregate amount of directors' fees allocated to members of the Board of Directors from €340,000 to €400,000.

This decision applies from the current year until a new amount is set.

Seventeenth resolution: Opinion on the components of the compensation due or allocated to Laurent Burelle, Chairman and Chief Executive Officer, in respect of the year ended December 31, 2014

Pursuant to the recommendation in paragraph 24.3 of the AFEP-MEDEF Corporate Governance Code dated June 2013, which serves as the code of reference of Compagnie Plastic Omnium in accordance with article L. 225-37 of the French Commercial Code, the Shareholders' Meeting issues a favorable opinion on the components of compensation due or allocated to Laurent Burelle, Chairman and Chief Executive Officer, in respect of the year ended December 31, 2014, as presented in the annual report on pages 32 et seq.

Eighteenth resolution: Opinion on the components of the compensation due or allocated to Paul Henry Lemarié, Chief Operating Officer, in respect of the year ended December 31, 2014

Pursuant to the recommendation in paragraph 24.3 of the AFEP-MEDEF Corporate Governance Code dated June 2013, which serves as the code of reference of Compagnie Plastic Omnium in accordance with article L. 225-37 of the French Commercial Code, the Shareholders' Meeting issues a favorable opinion on the components of compensation due or allocated to Paul Henry Lemarié, Chief Operating Officer, in respect of the year ended December 31, 2014, as presented in the annual report on pages 32 et seq.

Nineteenth resolution: Opinion on the components of the compensation due or allocated to Jean-Michel Szczerba, Chief Operating Officer, in respect of the year ended December 31, 2014

Pursuant to the recommendation in paragraph 24.3 of the AFEP-MEDEF Corporate Governance Code dated June 2013, which serves as the code of reference of Compagnie Plastic Omnium in accordance with article L. 225-37 of the French Commercial Code, the Shareholders' Meeting issues a favorable opinion on the components of compensation due or allocated to Jean-Michel Szczerba, Chief Operating Officer, in respect of the year ended December 31, 2014, as presented in the annual report on pages 32 et seq.

Extraordinary resolutions

Twentieth resolution: Delegation of authority to be granted to the Board of Directors to decide to issue ordinary shares and/or equity securities providing access to other equity securities, or granting entitlement to the allocation of debt securities and/or investment securities providing access to equity securities to be issued by the Company, with maintenance of preferential subscription rights, term of delegation, maximum nominal amount of capital increase, power to offer un-subscribed shares to the public

Having considered the Board of Directors' report and the Statutory Auditors' report, voting in accordance with the quorum and majority rules applicable to Extraordinary Shareholders' Meetings, and pursuant to the provisions of the of the French Commercial Code, and in particular articles L. 225-127 to L. 225-129-6, L. 225-132, L. 225-134, L. 228-91 and L. 228-92:

1. delegates to the Board of Directors, with the option to subdelegate under the terms and conditions set forth by law, its authority to issue ordinary shares and/or any type of investment securities providing access to the Company's capital by any means, immediately or in the future, issued free of charge or for consideration, on one or more occasions, in the proportions and times that it deems fit, either in euros or in foreign currencies or in any other accounting unit established with reference to several currencies, with maintenance of shareholder preferential subscription rights;
2. sets the limits of issue amounts authorized in the event that the Board of Directors uses this delegation of authority, as follows:
   - the total amount of capital increases liable to be carried out, immediately or in the future, by virtue of this delegation is limited to a nominal amount of €100 million, or the equivalent value of this amount on the date on which the issue is decided on if the issue is in another currency or in an accounting unit established with reference to several currencies, it being specified that the nominal amount of capital increases carried out by virtue of the 21st, 22nd and 23rd resolutions, subject to their adoption by the Shareholders' Meeting, shall be deducted from this amount,
   - this cap shall include, where applicable, the nominal amount of any supplementary shares to be issued in the event of new financial operations to protect the rights of those owning stock options or securities providing access to capital, in accordance with law and with contractual stipulations providing for other adjustments, where applicable,
   - the total amount of debt securities that could result from this delegation shall be limited to a nominal amount of €50 million, or the equivalent value of this amount on the date on which the issue is decided on in foreign currencies, it being specified that the nominal amount of debt securities to be issued by virtue of the 21st, 22nd and 23rd resolutions of this meeting, subject to their adoption by the Shareholders' Meeting, shall be deducted from this amount;
3. sets the validity of this authorization at twenty-six months from the date of this meeting, and notes that this authorization supersedes, from this date, any prior authorization with the same purpose;
4. in the event that the Board of Directors uses this delegation:
   - decides that shareholders may exercise their preferential subscription right under the terms and conditions set forth by law; furthermore, the Board of Directors may institute a reducible subscription right for shareholders, which shall be exercised in proportion to the subscription rights they hold within the limit of their requests,
   - decides that, if the irreducible subscriptions and, where applicable, the reducible subscriptions, have not absorbed all of the share or investment security issue as defined above, the Board of Directors may use, in the order it deems appropriate, each of the options offered by article L. 225-134 of the French Commercial Code, or only some of them,
   - decides that issues of Company share subscription warrants may be carried out through a subscription offer under the terms and conditions described above, but also through a free allocation to the owners of existing shares,
   - notes, as necessary, that the above-mentioned delegation shall automatically entail a waiver by shareholders of their preferential subscription rights to the shares to which these investment securities carry entitlement, in favor of holders of investment securities providing future access to Company shares liable to be issued by virtue of this resolution;
5. decides that the Board of Directors shall have all powers, with the option to subdelegate under the terms and conditions set forth by law, to implement this delegation of authority and, in particular, to set the terms of the issue, subscription and full payment, to record the completion of capital increases resulting therefrom and to make any corresponding changes to the bylaws, and:

- if necessary, to establish the terms of exercise of the rights attached to the shares or investment securities providing access to capital or debt securities to be issued, to determine the terms of exercising the rights, where applicable, notably pertaining to conversion, exchange, redemption, including through the delivery of Company assets such as investment securities already issued by the Company,
- to decide, in the event that debt securities are issued, including investment securities entitling the allocation of debt securities referred to in article L. 228-91 of the French Commercial Code, their subordinated nature or not, and where applicable, their level of subordination in accordance with the provisions of article L. 228-97 of the French Commercial Code, to set their interest rates, particularly fixed or variable or indexed or zero-coupon interest rates, to set the terms under which these securities will provide access to the Company's capital,
- at its own initiative, to deduct the capital increase fees from the related premiums and deduct from this amount the necessary sums to increase the legal reserve to one-tenth of the new capital after each capital increase,
- to set and process any adjustments intended to take into account the impact of transactions on the Company's capital, particularly in the event of a change in the par value of the share, of a capital increase by incorporation of reserves, of free share allocations, of stock splits or reverse stock splits, of distribution of reserves or any other assets, of redemption of capital or any other equity transaction, and to define the terms under which the rights of those who hold investment securities providing access to capital shall be preserved and to make any corresponding modification to the bylaws,
- and, more generally, to enter into any agreement, in particular, to successfully complete the planned issues, take any measures or make any decisions, carry out any formalities useful for the issue, listing and financial servicing of securities issued by virtue of this delegation as well as the exercise of the rights attached thereto or resulting from the capital increases carried out.

Twenty-first resolution: Delegation of authority to be granted to the Board of Directors to decide to issue ordinary shares and/or equity securities providing access to other equity securities or entitling the allocation of debt securities and/or investment securities providing access to equity securities to be issued by the Company, without preferential subscription rights, through a public offer and/or as consideration for securities as part of a public exchange offer during the delegation, maximum nominal amount of capital increase, issue price, option to limit the amount of subscriptions or divide up the unsubscribed shares

Having considered the Board of Directors' report and the Statutory Auditors' report, and voting in accordance with the quorum and majority rules applicable to Extraordinary Shareholders' Meetings, and in accordance with the provisions of the French Commercial Code and in particular articles L. 225-127 to L. 225-129-2, L. 225-129-5 and L. 225-129-6, L. 225-134 to L. 225-148, L. 228-91, and L. 228-92, the Shareholders' Meeting:

1. delegates to the Board of Directors, with the option to subdelegate under the terms and conditions set forth by law, its authority to issue, through a public offer, ordinary shares of the Company and/or any type of investment securities providing access to the Company's capital by any means, immediately or in the future, issued free of charge or for consideration, on one or more occasions, in the proportions and times that it deems fit, either in euros or in foreign currencies or in any other accounting unit established with reference to several currencies, without shareholder preferential subscription rights; public offers decided on by virtue of this resolution may be combined, as part of the same issue or several issues carried out simultaneously, with offers referred to in paragraph II of article L. 411-2 of the French Monetary and Financial Code, decided upon pursuant to the 22nd resolution submitted to this Shareholders' Meeting;
2. sets the limits of issue amounts authorized in the event that the Board of Directors uses this delegation of authority, as follows:
   - the total amount of capital increases liable to be carried out, immediately or in the future, by virtue of this delegation is limited to a nominal amount of €100 million, or the equivalent value of this amount on the date on which the issue is decided on if the issue is in another currency or in an accounting unit established with reference to several currencies, it being specified that the nominal amount of capital increases carried out by virtue of the 20th, 22nd and 23rd resolutions, subject to their adoption by the Shareholders' Meeting, shall be deducted from this amount,
   - this cap shall include, where applicable, the nominal amount of any supplementary shares to be issued in the event of new financial operations to protect the rights of those owning stock options or securities providing access to capital, in accordance with law and with contractual stipulations providing for other adjustments, where applicable,

- the total amount of debt securities that could result from this delegation shall be limited to a nominal amount of €50 million, or the equivalent value of this amount on the date on which the issue is decided on in foreign currencies, it being specified that the nominal amount of debt securities to be issued by virtue of the 20th, 22nd and 23rd resolutions of this meeting, subject to their adoption by the Shareholders' Meeting, shall be deducted from this amount;

3. sets the validity of this authorization at twenty-six months from the date of this meeting, and notes that this authorization supersedes, from this date, any prior authorization with the same purpose;
4. decides to eliminate shareholder preferential subscription rights for shares subject to this resolution by leaving the Board of Directors the option to grant shareholders a priority subscription period for all or part of the issue carried out, not providing for the creation of negotiable rights and which must be exercised proportionally to the number of shares owned by each shareholder and may potentially be supplemented by a reducible subscription, during a time frame and according to the terms that it sets in accordance with applicable legal and regulatory provisions, pursuant to article L. 225-135 paragraph 5 of the French Commercial Code;
5. decides that, if the irreducible subscriptions and, where applicable, the reducible subscriptions, where the Board of Directors has decided to allow this possibility, have not absorbed all of the share or equity security issue as defined above, the Board of Directors may use each of the options offered by article L. 225-134 of the French Commercial Code in the order it deems appropriate;
6. notes, as necessary, that the above-mentioned delegation shall automatically entail a waiver by shareholders of their preferential subscription rights to the shares to which these securities carry entitlement, in favor of holders of investment securities providing future access to Company shares liable to be issued by virtue of this delegation;
7. decides that, in accordance with article L. 225-136 of the French Commercial Code:

- the issue price of the shares shall be at least equal to the minimum set by laws and regulations in force at the time that this delegation is used,
- the issue price of investment securities providing access to capital shall be such that the amount immediately received by the Company, plus any amount likely to be received, where applicable, must be at least equal to the minimum subscription price defined in the previous paragraph, for each share issued as a result of the issuance of these securities,
- the conversion, redemption, or more generally, the conversion into shares of each investment security providing access to capital shall be made in the form of a number of shares, in view of the par value of said investment security, such that the amount received by the Company, for each share, is at least equal to the minimum subscription price as defined by the share issue, in this same resolution;

8. decides, in the event that securities are issued in order to be exchanged for securities tendered as part of a public exchange offer, that the Board of Directors shall have the necessary powers to approve the list of securities tendered, to set the terms of the issue and the exchange ratio, as well as the amount of the cash adjustment to be paid, where appropriate, and to determine the terms of the issue, in accordance with the terms and conditions set forth in article L. 225-148 of the French Commercial Code, and within the limits defined above;
9. decides that the Board of Directors shall have all powers, with the option to subdelegate under the terms and conditions set forth by law, to implement this delegation of authority and, in particular, to set the terms of the issue, subscription and full payment, to record the completion of capital increases resulting therefrom and to make any corresponding changes to the bylaws, and:

- if necessary, to establish the terms of exercise of the rights attached to the shares or investment securities providing access to capital or debt securities to be issued, to determine the terms of exercising the rights, where applicable, notably pertaining to conversion, exchange, redemption, including through the delivery of Company assets such as investment securities already issued by the Company,
- to decide, in the event that debt securities are issued, including investment securities entitling the allocation of debt securities referred to in article L. 228-91 of the French Commercial Code, their subordinated nature or not, and where applicable, their level of subordination in accordance with the provisions of article L. 228-97 of the French Commercial Code, to set their interest rates, particularly fixed or variable or indexed or zero-coupon interest rates, to set the terms under which these securities will provide access to the Company's capital or the capital of companies which it directly or indirectly owns more than half of the capital,
- at its own initiative, to deduct the capital increase fees from the related premiums and deduct from this amount the necessary sums to increase the legal reserve to one-tenth of the new capital after each capital increase,
- to set and process any adjustments intended to take into account the impact of transactions on the Company's capital, particularly in the event of a change in the par value of the share, of a capital increase by incorporation of reserves, of free share allocations, of stock splits or reverse stock splits, of distribution of reserves or any other assets, of redemption of capital or any other equity transaction, and to define the terms under which the rights of those who hold investment securities providing access to capital shall be preserved and to make any corresponding modification to the bylaws,
- and, more generally, to enter into any agreement, in particular, to successfully complete the planned issues, take any measures or make any decisions, carry out any formalities useful for the issue, listing and financial servicing of securities issued by virtue of this delegation as well as the exercise of the rights attached thereto or resulting from the capital increases carried out.

Twenty-second resolution: Delegation of authority to be granted to the Board of Directors to decide to issue ordinary shares and/or equity securities providing access to other equity securities or entitling to the allocation of debt securities and/or investment securities providing access to equity securities to be issued by the Company, without preferential subscription rights, by way of an offer referred to in paragraph II of article L. 411-2 of the French Monetary and Financial Code, term of delegation, maximum nominal amount of capital increase, issue price, option to limit the amount of subscriptions or to divide up the unsubscribed shares

Having considered the Board of Directors' report and the Statutory Auditors' report, voting in accordance with the quorum and majority rules applicable to Extraordinary Shareholders' Meetings, and pursuant to the provisions of the of the French Commercial Code, and in particular articles L. 225-127 to L. 225-129-2, L. 225-129-5 and L. 225-129-6, L. 225-134 to L. 225-148 and L. 228-91 et seq., the Shareholders' Meeting:

1. delegates to the Board of Directors, with the option to subdelegate under the terms and conditions set forth by law, its authority to issue ordinary shares and/or any type of investment securities providing access to the Company's capital by any means, either immediately or in the future, by way of an offer referred to in paragraph II of article L. 411-2 of the French Monetary and Financial Code, issued free of charge or for consideration, on one or more occasions, in the proportions and times that it deems fit, either in euros or in foreign currencies or in any other accounting unit established with reference to several currencies, without shareholder preferential subscription rights. The offers referred to in paragraph II of article 411-2 of the French Monetary and Financial Code, decided upon by virtue of this resolution, may be combined with public offers decided upon by virtue of the 21st resolution submitted to this Shareholders' Meeting, as part of one or several issues carried out simultaneously;
2. the Board of Directors may delegate the authority to decide to carry out the issue as well as to postpone it, under the terms set forth by law;
3. sets the limits of issue amounts authorized in the event that the Board of Directors uses this delegation of authority, as follows:
   - the total nominal amount of capital increases liable to be carried out, by virtue of this delegation is limited to an amount of €100 million, or the equivalent value of this amount on the date on which the issue is decided on if the issue is in another currency or in an accounting unit established with reference to several currencies, it being specified that the nominal amount of capital increases carried out by virtue of the 20th, 21st and 23rd resolutions, subject to their adoption by the Shareholders' Meeting, shall be deducted from this amount,
   - this cap shall include, where applicable, the nominal amount of any supplementary shares to be issued in the event of new financial operations to protect the rights of those owning stock options or securities providing access to capital, in accordance with law and with contractual stipulations providing for other adjustments, where applicable,
   - the total amount of debt securities in respect of this resolution shall be limited to a ceiling of €50 million, or the equivalent value of this amount on the date on which the issue is decided on in foreign currencies, it being specified that the nominal amount of debt securities to be issued by virtue of the 20th, 21st and 23rd resolutions of this meeting, subject to their adoption by the Shareholders' Meeting, shall be deducted from this amount;

   furthermore, in accordance with the provisions of article L. 225-136 of the French Commercial Code, the issue of capital securities will in any event be limited to an annual maximum of 20% of the share capital on the date of issuance;
4. sets the validity of this authorization at twenty-six months from the date of this meeting, and notes that this authorization supersedes, from this date, any prior authorization with the same purpose;
5. decides to eliminate shareholder preferential subscription rights for shares issued under this resolution;
6. notes, as necessary, that this delegation shall automatically entail a waiver by shareholders of their preferential subscription rights to the shares to which these securities carry entitlement, in favor of holders of investment securities providing future access to Company shares;
7. decides that, in accordance with article L. 225-136 of the French Commercial Code:
   - the issue price of the shares shall be at least equal to the minimum set by laws and regulations in force at the time that this delegation is used,
   - the issue price of investment securities providing access to capital shall be such that the amount immediately received by the Company, plus any amount likely to be received, where applicable, must be at least equal to the minimum subscription price defined in the previous paragraph, for each share issued as a result of the issuance of these securities,
   - the conversion, redemption, or more generally, the conversion into shares of each investment security providing access to capital shall be made in the form of a number of shares, in view of the par value of said investment security, such that the amount received by the Company, for each share, is at least equal to the minimum subscription price as defined by the share issue, in this same resolution;
8. decides that if the shareholders' and public's subscriptions have not absorbed all of the investment security issue, the Board of

Directors may use, in the order that it deems appropriate, one or more of the following options:

- limit the issue to the amount of subscriptions, it being specified that in the event of an issue of ordinary shares or investment securities whose primary form is a share, the amount of subscriptions must reach at least three-quarters of the issue decided on for this limitation to be possible,
- freely share all or part of the unsubscribed shares;

9. decides that the Board of Directors shall have all powers, with the option to subdelegate under the terms and conditions set forth by law, to implement this delegation of authority and, in particular, to set the terms of the issue, subscription and full payment, to record the completion of capital increases resulting therefrom and to make any corresponding changes to the bylaws, and:

- if necessary, to establish the terms of exercise of the rights attached to the shares or investment securities providing access to capital or debt securities to be issued, to determine the terms of exercising the rights, where applicable, notably pertaining to conversion, exchange, redemption, including through the delivery of Company assets such as investment securities already issued by the Company,
- to decide, in the event that debt securities are issued, including investment securities entitling the allocation of debt securities referred to in article L. 228-91 of the French Commercial Code, their subordinated nature or not, and where applicable, their level of subordination in accordance with the provisions of article L. 228-97 of the French Commercial Code, to set their interest rates, particularly fixed or variable or indexed or zero-coupon interest rates, to set the terms under which these securities will provide access to the Company's capital or the capital of companies which it directly or indirectly owns more than half of the capital,
- at its own initiative, to deduct the capital increase fees from the related premiums and deduct from this amount the necessary sums to increase the legal reserve to one-tenth of the new capital after each capital increase,
- to set and process any adjustments intended to take into account the impact of transactions on the Company's capital, particularly in the event of a change in the par value of the share, of a capital increase by incorporation of reserves, of free share allocations, of stock splits or reverse stock splits, of distribution of reserves or any other assets, of redemption of capital or any other equity transaction, and to define the terms under which the rights of those who hold investment securities providing access to capital shall be preserved and to make any corresponding modification to the bylaws;

and, more generally, to enter into any agreement, in particular, to successfully complete the planned issues, take any measures or make any decisions, carry out any formalities useful for the issue, listing and financial servicing of securities issued by virtue of this delegation as well as the exercise of the rights attached thereto or resulting from the capital increases carried out.

Twenty-third resolution: Delegation of authority to be granted to the Board of Directors to increase the number of shares to be issued when a share issue with or without preferential subscription rights is made under the 20th to 22nd resolutions, up to a maximum of 15% of the initial issue

Having considered the Board of Directors' report and the Statutory Auditors' report, voting in accordance with the quorum and majority rules applicable to Extraordinary Shareholders' Meetings, and pursuant to the provisions of articles L. 225-135-1 of the French Commercial Code, the Shareholders' Meeting:

1. delegates to the Board of Directors, with the option to subdelegate under the terms and conditions set forth by law, its authority to decide to increase the number of shares or investment securities to issue in the event of a share issue, with or without preferential subscription rights, at the same price as the initial issue, within the time frames and limits defined by applicable regulations on the day of the issue (currently within thirty days of closing the subscription and within a limit of 15% of the initial issue) and subject to the ceilings defined in the resolution pursuant to which the issue is decided upon;
2. sets the validity of this authorization at twenty-six months from the date of this meeting, and notes that this authorization supersedes, from this date, any prior authorization with the same purpose.

Twenty-fourth resolution: Authorization to be granted to the Board of Directors to freely allocate ordinary Company shares to employees and/or officers of the Company and/or companies in the Group

Having considered the Board of Directors' report and the Statutory Auditors' special report, voting in accordance with the quorum and majority rules applicable to Extraordinary Shareholders' Meetings, and pursuant to articles L. 225-197-1 et seq. of the French Commercial Code, the Shareholders' Meeting:

1. authorizes the Board of Directors, with the option to subdelegate under the terms and conditions set forth by law, to carry out, on one or more occasions, free allocations of the Company's existing shares for employees or certain categories of them which it shall determine from among employees and/or corporate officers of companies associated with the Company within the meaning of article L. 225-197-2 of the French Commercial Code;
2. sets the validity of this authorization at thirty-eight months from the date of this meeting and supersedes, for the unused portion, the authorization with the same purpose previously granted by the Combined Shareholders' Meeting on April 25, 2013 in its 11th resolution;
3. decides that the total number of shares that can be allocated free of charge by virtue of this authorization may not exceed 2.5% of the number of ordinary shares comprising the Company's

share capital on the day that the Board of Directors decides on the allocation;

4. decides that the allocation of Company shares to their beneficiaries shall be definitive, at the Board of Directors' discretion:

- either at the end of a minimum two-year vesting period for all or part of the shares allocated, the minimum duration of the beneficiaries' lock-up period for the Company shares thus being set at two years starting from the final allocation of the shares, unless otherwise specified by law,
- or at the end of a minimum four-year vesting period for all or part of the shares allocated, it being specified that, in this case, they would not have a minimum lock-up period;

5. grants all powers to the Board of Directors to implement this authorization, within the limits set above, notably in order:

- to determine the identity of the recipients of the allocations,
- to determine the number of shares granted to each of the recipients,
- to set the terms and, where applicable, the share allocation criteria, in particular, the minimum vesting period and the minimum lock-up period,
- to provide for the option to differentiate the shares' definitive allocation dates and the end of the lock-up period for these shares, for the same duration (so that the date from which it is possible to dispose of the shares is unchanged), where applicable,
- to adjust the share price and the number of shares allocated in the event of transactions on the Company's share capital resulting in modifying the value of the shares comprising the share capital,
- to determine the dates and terms of the allocations and vesting conditions under applicable legal and regulatory provisions, and more generally, take all useful measures and make any agreements to successfully complete the planned allocations.

Twenty-fifth resolution: Acknowledgment of the administrative amendment to the Company's registered office address by the Shareholders' Meeting

After having read the Mayor of Lyon's decision to modify the terminology from "avenue Jules Carteret " to "boulevard Jules Carteret ", and voting in accordance with the quorum and majority rules applicable to Extraordinary Shareholders' Meetings, the Shareholders' Meeting merely takes note of this.

As a result, the first paragraph of article 4 of the Company's bylaws was modified as follows:

"The registered office is located in: Lyon (69007), at 19, boulevard Jules Carteret."

Twenty-sixth resolution: Amendment of the bylaws

After reading the Board of Directors' report, the Shareholders' Meeting decides to amend items 3), 6) and 7) of article 16 "Shareholders' Meetings" of the bylaws with (i) a portion of the provisions of the decree dated December 8, 2014 modifying article R. 225-85 of the French Commercial Code, and (ii) part of the provisions of the law dated March 29, 2014 modifying article L. 225-124 of the French Commercial Code, and to amend accordingly items 3), 6) and 7) of said article as follows, the rest remaining unchanged:

"3) Any owner of shares may participate in meetings, either in person or by proxy, by providing proof of identity and proof that the shares are registered in the securities account in his or her name or in the name of the intermediary registered on his or her behalf, in accordance with the seventh paragraph of article L. 228-1 of the French Commercial Code, by midnight Paris time, two business days preceding the Meeting, either in the registered securities account kept by the Company, or in the bearer securities account kept by an authorized intermediary, registration in the bearer securities account being proven by filing a shareholding certificate within the same time frame and at the same location as mentioned in the meeting notice."

"6) Shareholders may exercise their right to a postal vote under the terms set forth by law. In order to be taken into account, the postal voting form must be received by the Company no later than two days prior to the Meeting date, accompanied by proof of registered shareholding or a certificate of participation as indicated above."

"7) Each member of the Meeting is entitled to exercise one vote for every share held or represented. However, double voting rights with regards to the percentage of capital they represent, are granted to all fully paid-up shares held in registered form for which proof is provided that the shares have been registered under the same shareholder's name for at least two years. In the event of a capital increase by incorporating reserves, profits or share premiums, this right is conferred immediately to registered shares allocated to a shareholder free of charge on the basis of shares already held which bear this entitlement. Any share ownership transfer loses this double voting right; however, transfers due to inheritance, liquidation of property shared between spouses or inter vivos donation between spouses or to a relative entitled to inherit, do not lose this right, nor do they interrupt the two-year waiting period, if it is in progress. A merger of the Company would have no effect on double voting rights, which could be exercised within the beneficiary company or companies, if they benefit from such rights."

Twenty-seventh resolution: Powers of Attorney to carry out formalities

The Shareholders' Meeting grants full powers to the bearer of an original, a copy or an extract of the minutes of the meeting to carry out any and all legal filings and formalities.

8.3 — BOARD OF DIRECTORS' REPORT ON THE RESOLUTIONS PRESENTED TO THE COMBINED SHAREHOLDERS' MEETING ON APRIL 30, 2015

Report of the Board of Directors on the resolutions presented at the Ordinary Shareholders' Meeting

Approval of the 2014 parent company financial statements (1st resolution)

The **first resolution** submits for your approval, the parent company financial statements for the financial year ended December 31, 2014, which result in a profit of **€184,323,647.**

Appropriation of net income and determination of the dividend in respect of 2014 (2nd resolution)

The **second resolution** concerns the proposed appropriation of net income and determination of the dividend for the year ended December 31, 2014.

	In euros
Retained earnings as of December 31, 2014	807,204,704
Net income for the year ended December 31, 2014	184,323,647
Total amount to be appropriated	991,528,351

If the Shareholders' Meeting adopts this resolution, the net dividend in respect of the fiscal year ended December 31, 2014 will amount to €0.37 per share, corresponding to a total distributed dividend of €56,823,386.

Upon payment, the dividend attributable to treasury shares held by the Company will be transferred to "Retained earnings".

Shares will trade ex-dividend from May 8, 2015, and the dividend will be paid on May 12, 2015.

Individual shareholders resident in France for tax purposes will qualify for the 40% tax relief provided for in article 158-3-2 of the French General Tax Code.

As a reminder, the following dividends have been distributed over the past three years. The information provided below takes account of the two three-for-one stock splits occurring on May 10, 2011 and September 10, 2013.

Year	Number of shares with dividend rights	Total dividend (in euros)	Net dividend (in euros)
2011*	145,939,311 shares with dividend rights	33,566,042	0.23
2012*	154,977,021 shares with dividend rights	38,744,255	0.25
2013*	147,714,484 shares with dividend rights	48,745,780	0.33

* The dividends in respect of the years ended December 31, 2011, December 31, 2012 and December 31, 2013 were eligible for the 40% tax relief for individual shareholders resident in France for tax purposes, as provided for in article 158-3-2 of the French General Tax Code.

The Board of Directors recommends that this amount be appropriated as follows:

	In euros
Total net dividend for 2014, to be paid as follows	56,823,386
– from the net income for the year ended, in the amount of	56,823,386
– from retained earnings, in the amount of	0

Statutory Auditors' report on related-party agreements (3rd resolution)

The **third resolution** requests shareholder approval, as required by article L. 225-38 of the French Commercial Code, of the related-party agreements described in the Statutory Auditors' special report and concluded by Compagnie Plastic Omnium or remaining in effect in 2014. It is specified that no new agreement similar to those listed in articles L. 225-38 et seq. of the French Commercial Code are mentioned in it.

Approval of the 2014 consolidated financial statements (4th resolution)

The **fourth resolution** submits for your approval the consolidated financial statements for the financial year ended December 31, 2014, which show a consolidated net profit attributable to owners of the parent of **€224,553 thousand.**

Authorization to the Board of Directors to trade in the Company's shares (5th resolution)

At the Shareholders' Meeting on April 30, 2014, the shareholders authorized the Company to trade in its own shares under the following terms and conditions:

Maximum purchase price	€60 per share
Maximum shares that may be held	10% of share capital
Maximum investment in the buyback program	€929,862,120

Between May 2, 2014 and February 27, 2015, the Company:

- acquired 2,091,602 shares for a total value of €43,477,680, or €20.79 per share, 991,602 of which were shares designated for the liquidity contract and 1,100,000 were shares outside this contract;
- disposed of 973,661 shares as part of this liquidity contract for a total sales value of €21,132,061, or €21.70 per share.

Details of these transactions and a description of the authorization submitted to your vote can be found in the section entitled "Share buyback program" in the management report.

The authorization to trade in the shares of the Company granted by the Shareholders' Meeting on April 30, 2014 expires October 29, 2015.

You are being asked to grant the Board of Directors a new authorization to trade in the shares of the Company for a further period of **eighteen months**.

Share buybacks allow an investment service provider to make a market in the Company's shares under a liquidity contract complying with the Code of Ethics issued by the French Association of Financial Markets (AMAFI), while the subsequent cancellation of shares improves our return on equity and earnings per share.

Shares can also be repurchased to support external growth operations, to cover stock option and bonus share plans for employees or corporate officers, or for delivery in connection with financial transactions involving transfers, sales or exchanges, or for any market practice accepted by stock market authorities.

The Board would not be authorized to use this authorization during the course of a takeover bid for the Company's shares.

We are seeking to renew this authorization on the following terms:

Maximum purchase price	€60 per share
Maximum shares that may be held	10% of share capital
Maximum investment in the buyback program	€921,460,320

Reappointment of directors (6th through 15th resolutions)

At the Shareholders' Meeting, shareholders are being asked to renew the directorships of Laurent Burelle, Paul Henry Lemarié and Jean-Michel Szczerba, the company Burelle SA represented by Éliane Lemarié, Jean Burelle, Anne-Marie Couderc, Jean-Pierre Ergas, Jérôme Gallot, Bernd Gottschalk and Alain Mérieux for the statutory term of three years.

Their terms will expire at the close of the Shareholders' Meeting to be held in 2018 to approve the 2017 financial statements.

The biographical information of the candidates is presented in this Annual Report in paragraph 2.1.1. – Composition of the Board of Directors. After receiving the opinion of the Appointments Committee, the Board of Directors has deemed that Anne-Marie Couderc, Jérôme Gallot and Bernd Gottschalk can be considered independent as defined in the AFEP-MEDEF Code.

Amount of directors' fees (16th resolution)

The **sixteenth resolution** asks the Shareholders' Meeting to increase the amount of directors' fees granted to members of the Board of Directors to €400,000 as from the 2015 fiscal year in order to take into account the creation of the Appointments Committee.

Opinion on the components of compensation due or allocated in respect of 2014 to the Chairman and Chief Executive Officer, and the Chief Operating Officers (17th to 19th resolutions)

The **seventeenth, eighteenth and nineteenth** resolutions ask the Shareholders' Meeting to express an opinion on the components of compensation due or allocated in respect of 2014 to Laurent Burelle, Chairman and Chief Executive Officer, and Paul Henry Lemarié and Jean-Michel Szczerba, Chief Operating Officers, in accordance with the recommendations of the AFEP-MEDEF Code (the "Say on Pay" principle). Details of the proposed compensation can be found on pages 34 et seq. of this report.

Report of the Board of Directors on the extraordinary resolutions presented at the Annual Shareholders' Meeting

Delegation of authority to be granted to the Board of Directors to decide to issue ordinary shares and/or equity securities providing access to other equity securities, or granting entitlement to the allocation of debt securities and/or investment securities providing access to equity securities to be issued by the Company, with maintenance of preferential subscription rights (20th resolution)

The delegation of authority granted to the Board of Directors by the Shareholders' Meeting on April 25, 2013 to issue investment securities with maintenance of shareholder preferential subscription rights expires on June 24, 2015.

The purpose of the **twentieth resolution** is to renew this delegation in order to give the Board of Directors the necessary flexibility, as before, to carry out issues that are as suited to market circumstances as possible.

This delegation of authority involves issues of ordinary shares and/or any type of investment securities giving access to the Company's capital by any means, immediately or in the future, issued free of charge or for consideration, governed by articles L. 228-91 et seq. of the French Commercial Code.

It would be renewed for the same **twenty-six month** duration starting from this Shareholders' Meeting and would consequently supersede any previous delegation with the same purpose starting from this date.

In the event that investment securities providing future access to new shares are issued, the Shareholders' decision would entail a waiver by shareholders of their subscription to shares liable to be obtained from the shares initially issued.

This authorization would be renewed for a maximum nominal amount of capital increases liable to be carried out immediately or in the future by virtue of this delegation of **€100 million,** it being specified that the nominal amount of the capital increases liable to be carried out by virtue of the 21st, 22nd and 23rd resolutions would be deducted from this amount.

This cap would include, where applicable, the nominal amount of any supplementary shares to be issued in the event of new financial operations to protect the rights of those owning stock options or securities providing access to capital, in accordance with law and with contractual stipulations providing for other adjustments, where applicable.

This delegation of authority would also cover the authorization to issue investment securities providing access to debt securities, under the terms and conditions defined above, for a maximum nominal amount of **€50 million,** it being specified that the nominal amount of the debt securities liable to be issued by virtue of the 21st, 22nd and 23rd resolutions shall be deducted from this amount.

On this basis, the Board of Directors would be authorized to carry out issues in the Company and shareholders' best interests, on one or more occasions, and could institute a reducible subscription right for shareholders in accordance with the law.

The Board of Directors would be authorized to carry out issues of Company share warrants through a subscription offer, but also through a free allocation to owners of existing shares.

Lastly, the Board of Directors would have the authority to deduct all issue fees from the share issue carried out by virtue of this resolution from the corresponding capital increase premiums and to deduct from these premiums the amount necessary to fund the statutory reserve.

Delegation of authority to be granted to the Board of Directors to decide to issue ordinary shares and/or equity securities providing access to other equity securities or entitling the allocation of debt securities and/or investment securities providing access to equity securities to be issued by the Company, without preferential subscription rights, through a public offer and/or as consideration for securities as part of a public exchange offer during the delegation (21st resolution)

The **twenty-first resolution** would grant the Board of Directors authority to issue ordinary shares and/or any type of investment securities giving access to the Company's capital by any means, immediately or in the future, issued free of charge or for consideration, on one or more occasions, without preferential subscription rights, through a public offer up to a maximum nominal value of **€100 million,** it being specified that the nominal amount of capital increases liable to be carried out by virtue of the 20th, 22nd and 23rd resolutions shall be deducted from this amount.

This cap would include, where applicable, the nominal amount of any supplementary shares to be issued in the event of new financial operations to protect the rights of those owning stock options or securities providing access to capital, in accordance with law and with contractual stipulations providing for other adjustments, where applicable.

This resolution would also allow the Board of Directors to issue investment securities providing access to debt securities for a maximum nominal amount of **€50 million** under the terms and conditions defined above, it being specified that the nominal amount of debt securities liable to be issued by virtue of the 20th, 22nd and 23rd resolutions would be deducted from this amount.

And according to the same terms and conditions as those provided for in the 20th resolution, subject to the specific characteristics stated below:

- the issue price of shares issued directly shall be at least equal to the minimum defined by applicable regulatory provisions on the day of the issue, either the weighted average stock market price over the last three trading sessions preceding the date on which it was set, in the Euronext Paris stock exchange and less a 5% discount as set forth by law after correcting this average, to take into account the difference between the eligibility dates, if necessary, it being specified that in the event of an issue of share subscription warrants, the amount received by the Company during the warrant subscription shall be taken into account in the calculation;
- the issue price of investment securities providing access to capital shall be such that the amount received immediately by the Company, plus that likely to be received subsequently by it, where applicable, be at least equal to the subscription price defined above for each share issued as a result of the issue of investment securities;
- lastly, the conversion, redemption or more generally, the transformation of any bond that is convertible, redeemable or otherwise transformable into shares shall, taking into account the nominal value of the bond, be carried out in such a way that the amount received by the Company is at least equal to the minimum subscription price defined above for each share issued.

In accordance with these elements, the Board of Directors would have the authority to set the issue price of the shares and, where applicable, the terms of compensation of the debt securities, taking every aspect into consideration in the Company and shareholders' best interests.

The Board of Directors may deduct the capital increase fees from the amount of premiums related to it and make any deductions necessary from the premiums to fund the statutory reserve.

In accordance with article L. 225-135 paragraph 2 of the French Commercial Code, the Board of Directors would have the option to grant shareholders a priority subscription for all or part of the issue carried out, not providing for the creation of negotiable rights and which must be exercised proportionally to the number of shares owned by each shareholder, during a time frame and according to the terms that it sets in accordance with applicable legal and regulatory provisions.

The Meeting's decision would automatically entail a waiver by shareholders of the entitlement to subscribe shares that could be obtained from investment securities providing access to the capital.

In the event that securities are issued in order to be exchanged for securities tendered as part of a public exchange offer, the Board of Directors would have, within the limits fixed above, the powers necessary to approve the list of securities brought to the exchange, to set the terms of the issue, the exchange ratio as well as the amount of the cash adjustment to be paid, where applicable, and to determine the terms of the issue.

This delegation would be valid for a period of **twenty-six months** starting from this Shareholders' Meeting and would consequently supersede any previous delegation with the same purpose, starting from this date.

Delegation of authority to be granted to the Board of Directors to decide to issue ordinary shares and/or equity securities providing access to other equity securities or entitlement to the allocation of debt securities and/or investment securities providing access to equity securities to be issued by the Company, without preferential subscription rights, by way of an offer referred to in paragraph II of article L. 411-2 of the French Monetary and Financial Code (22nd resolution)

The **twenty-second resolution** would grant to the Board of Directors the authority to issue ordinary shares and/or any type of investment securities giving access to the Company's capital by any means, immediately or in the future, issued free of charge or for consideration, on one or more occasions, without preferential subscription rights, by way of an offer referred to in paragraph II of article L. 411-2 of the French Monetary and Financial Code, up to a maximum nominal value of **€100 million,** it being specified that the nominal amount of capital increases liable to be carried out by virtue of the 20th, 21st and 23rd resolutions shall be deducted from this amount.

This cap would include, where applicable, the nominal amount of any supplementary shares to be issued in the event of new financial operations to protect the rights of those owning stock options or securities providing access to capital, in accordance with law and with contractual stipulations providing for other adjustments, where applicable.

This resolution would also allow the Board of Directors to issue investment securities providing access to debt securities for a maximum nominal amount of **€50 million** under the terms and conditions defined above, it being specified that the nominal amount of debt securities liable to be issued by virtue of the 20th, 21st and 23rd resolutions would be deducted from this amount.

And according to the same terms and conditions as those provided for in the 20th resolution, subject to the specific characteristics stated below:

- the issue price of shares issued directly shall be at least equal to the minimum defined by applicable regulatory provisions on the day of the issue, either the weighted average stock market price over the last three trading sessions preceding the date on which it was set, in the Euronext Paris stock exchange and less a 5% discount as set forth by law after correcting this average, to take into account the difference between the eligibility dates, if necessary, it being specified that in the event of an issue of share subscription warrants, the amount received by the Company during the warrant subscription shall be taken into account in the calculation;
- the issue price of investment securities providing access to capital shall be such that the amount received immediately by the Company, plus that likely to be received subsequently by it, where applicable, be at least equal to the subscription price defined above for each share issued as a result of the issue of investment securities;
- lastly, the conversion, redemption or more generally, the transformation of any bond that is convertible, redeemable or otherwise transformable into shares shall, taking into account the nominal value of the bond, be carried out in such a way that the amount received by the Company is at least equal to the minimum subscription price defined above for each share issued.

In accordance with these elements, the Board of Directors would have the authority to set the issue price of the shares and, where applicable, the terms of compensation of the debt securities, taking every aspect into consideration in the Company and shareholders' best interests.

If the subscriptions, including those of the shareholders, where applicable, do not absorb all of the issue, the Board of Directors would be authorized, in the order it determines, (i) to limit the issue to the amount of subscriptions, it being specified that in the event of an issue of ordinary shares or investment securities whose primary form is a share, the amount of subscriptions must reach at least three-quarters of the issue decided on for this limitation to be possible, (ii) to freely share all of part of the unsubscribed shares.

The Board of Directors may deduct the capital increase fees from the amount of premiums related to it and make any deductions necessary from the premiums to fund the statutory reserve.

The Meeting's decision would automatically entail a waiver by shareholders of the entitlement to subscribe shares that could be obtained from investment securities providing access to the capital.

This delegation would be valid for a period of twenty-six months starting from this Shareholders' Meeting and would consequently supersede any previous delegation with the same purpose, starting from this date.

Delegation of authority to grant the Board of Directors to increase the number of shares to be issued when a share issue with or without preferential subscription rights is made under the 20th to 22nd resolutions, up to a maximum of 15% of the initial issue (23rd resolution)

As permitted by law, and with the goal of satisfying excess demand or dealing with market volatility, the **twenty-third resolution** would enable the Board of Directors to decide to increase the number of securities to be issued at the same price used for the initial issue within the context of capital increases with or without preferential subscription rights determined under the terms of the 20th to 22nd resolutions and within the time frames and limits defined by applicable regulations.

This option would allow the Board of Directors to make an additional issue of shares limited to **15%** of the initial issue, within thirty days from the closing date of the initial subscription period, at the same price and staying within the same nominal amount limits defined in the 20th to 22nd resolutions.

This new **twenty-sixth month** authorization starts as from this Shareholders' Meeting, and would renew the previous authorization granted to the Board of Directors by the Shareholders' Meeting on April 25, 2013, which expires in June 2015, and would consequently supersede any previous delegation with the same purpose, as from this same date.

Authorization to be granted to the Board of Directors to freely allocate ordinary Company shares to employees and/or officers of the Company and/or companies in the Group (24th resolution)

The **twenty-fourth resolution** would allow renewal of the Board of Directors' authorization granted during the Shareholders' Meeting on June 25, 2013 in its 11th resolution. It aims to grant the Board of Directors a new authorization to allocate free shares to employees and/or corporate officers of the Company as well as of companies related to it, under the terms and conditions set forth by law and in accordance with the provisions of articles L. 225-197-1 to L. 225-197-3 of the French Commercial Code.

This authorization would allow for the allocation of shares representing a maximum of **2.5%** of share capital on the date that the Board of Directors decides on their allocation. The shares would be shares that already exist.

They would be subject to a vesting period of which the minimum duration would be two years for all or part of the shares allocated and the beneficiaries' minimum lock-up period for the Company shares would be set at two years starting from the definitive allocation of the shares. It is specified that for allocated shares whose minimum vesting period is set at four years, the minimum duration of the share lock-up period may be eliminated to make the shares freely transferable as from their definitive allocation.

The Board of Directors would have the option to determine the beneficiaries of this share allocation, among employees and corporate officers of the Company and of companies or economic interest groups of which the Company holds directly or indirectly at least 10% of capital and voting rights. The Board of Directors would be authorized to set the conditions as well as the criteria for allocating the shares, where applicable. It may use this authorization one or several times.

In accordance with article L. 225-197-4 of the French Commercial Code, a special report shall be created in order to inform the Shareholders' Meeting of transactions made by virtue of this authorization.

The renewal of this authorization would last for a period of **thirty-eight months** starting from this Shareholders' Meeting and accordingly supersedes the previous delegation granted by the Shareholders' Meeting on April 25, 2013, as from this date.

Amendments to the bylaws (25th and 26th resolutions)

The purpose of the **twenty-fifth resolution** is for the Shareholders' Meeting to take note of the administrative change in the Company's registered office address, avenue Jules Carteret having been renamed boulevard Jules Carteret ; article 4 of the Company's bylaws has been amended as a result.

The **twenty-sixth resolution** would allow for the bylaws to be updated with new legal and regulatory provisions: the shortening of the record date from three business days to two business days, as well as an amendment to the consequences resulting from a merger on the double voting rights of the absorbing company. This update would involve an amendment to articles 16.3, 16.6 and 16.7 of the Company's bylaws.

Powers of Attorney to carry out formalities (27th resolution)

The **twenty-seventh resolution** authorizes the bearer of an original, a copy or an extract of the minutes of the Shareholders' Meeting to carry out any and all legal filings and formalities in relation to the execution of the decisions of this Shareholders' Meeting.

8.4 — STATUTORY AUDITORS' REPORT ON THE ISSUE OF SHARES AND VARIOUS MARKETABLE SECURITIES WITH OR WITHOUT CANCELLATION OF PREFERENTIAL SUBSCRIPTION RIGHTS

Ordinary and Extraordinary General Meeting of Shareholders of April 30, 2015

Twentieth, twenty-first, twenty-second and twenty-third resolutions

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in compliance with articles L. 228-92 and L. 225-135 et seq. of the French Commercial Code *(Code de commerce)*, we hereby report to you on the proposed delegation to authorize your Board of Directors to perform various issues of shares and/or marketable securities, operations upon which you are called to vote.

Your Board of Directors proposes, on the basis of its report, that you delegate to it, for a period of twenty-six months as from the date of this Meeting, the authority to decide on the following operations and to set the final conditions for these issues, and proposes:

- the issue, without cancellation of preferential subscription rights (20th resolution), of ordinary shares and/or equity securities giving access to other equity securities or giving entitlement to the allocation of debt securities and/or marketable securities giving access to equity securities to be issued;
- the issue, with cancellation of preferential subscription rights, by means of a public offering (21st resolution), of ordinary shares and/or equity securities giving access to other equity securities or giving entitlement to the allocation of debt securities and/or marketable securities giving access to equity securities to be issued, it being specified that such securities may be issued for the purposes of remunerating securities contributed to the Company within the framework of a public exchange offer for securities meeting the conditions fixed by article L. 225-148 of the French Commercial Code *(Code de commerce)*;
- the issue, with cancellation of preferential subscription rights, by means of offers as provided for in section II of article L. 411-2 of the French Monetary and Financial Code *(Code monétaire et financier)* and within the annual limit of 20% of the share capital (22nd resolution), of ordinary shares and/or equity securities giving access to other equity securities or giving entitlement to the allocation of debt securities and/or marketable securities giving access to equity securities to be issued.

The total nominal amount of the capital increases to be performed immediately or in the future may not exceed €100,000,000 in respect of the 20th, 21st and 22nd resolutions. The total nominal amount of the debt securities to be issued may not exceed €50,000,000 for the 20th, 21st and 22nd resolutions.

These limits take into account the number of additional securities to be created within the context of the implementation of the delegations referred to in the 20th, 21st and 22nd resolutions, in the conditions provided for in article L. 225-135-1 of the French Commercial Code *(Code de commerce)*, if you adopt the 23rd resolution.

It is the responsibility of the Board of Directors to prepare a report in accordance with articles R. 225-113 et seq. of the French Commercial Code *(Code de commerce)*. Our role is to report on the fairness of the financial information taken from the accounts, on the proposed cancellation of preferential subscription rights and on other information relating to these operations and provided in the report.

We have performed those procedures which we considered necessary to comply with the professional guidance issued by the French national auditing body (Compagnie nationale des Commissaires aux Comptes) for this type of engagement. These procedures consisted in verifying the information provided in the Board of Directors' report relating to these operations and the methods used to determine the issue price of the equity securities to be issued.

Subject to a subsequent examination of the conditions for the proposed issues, we have no matters to report as to the methods used to determine the issue price of the equity securities to be issued provided in the Board of Directors' report with respect to the 21st and 22nd resolutions.

Moreover, as this report does not specify the methods used to determine the issue price of the equity securities to be issued within the context of the implementation of the 20th resolution, we cannot give an opinion on the choice of the elements used to calculate this issue price.

As the final conditions for the issues have not yet been determined, we cannot report on these conditions, or, consequently, on the cancellation of preferential subscription rights proposed to you in the 21st and 22nd resolutions.

In accordance with article R. 225-116 of the French Commercial Code *(Code de commerce)*, we will issue a supplementary report, where appropriate, when your Board of Directors has exercised this authorization in the event of the issue of marketable securities that are equity securities giving access to other equity securities or giving entitlement to the allocation of debt securities, in the event of the issue of marketable securities giving access to equity securities to be issued, and in the event of the issue of shares with cancellation of preferential subscription rights.

Paris-la Défense, February 25, 2015

The Statutory Auditors

French original signed by

MAZARS

Jean-Luc Barlet

ERNST & YOUNG et Autres

Gilles Rabier

8.5 — STATUTORY AUDITORS' REPORT ON THE ALLOCATION OF FREE EXISTING SHARES

Extraordinary General Meeting of Shareholders of April 30, 2015

Twenty-Fourth Resolution

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in compliance with article L. 225-197-1 of the French Commercial Code *(Code de commerce),* we hereby report on the proposed authorization to grant free existing shares to the salaried personnel and/or the corporate officers of your Company and companies in which your Company directly or indirectly holds 10% of the capital or voting rights, an operation upon which you are called to vote.

The total number of shares allocated pursuant to this authorization shall not represent more than 2.5% of the share capital as of the date of the Board of Directors' decision to grant them.

Your Board of Directors proposes that on the basis of its report it be authorized, for a period of thirty-eight months as from the date of this Meeting, to grant free existing shares.

It is the responsibility of the Board of Directors to prepare a report on the proposed operation. Our role is to report to you on any matters relating to the information provided to you regarding the proposed operation.

We have performed those procedures which we considered necessary to comply with the professional guidance issued by the French national auditing body *(Compagnie Nationale des Commissaires aux Comptes)* for this type of engagement. These procedures consisted mainly in verifying that the proposed methods described in the Board of Directors' report comply with the legal provisions governing such operations.

We have no matters to report as to the information provided in the Board of Directors' report relating to the proposed authorization to grant free shares.

Done in Paris-la Défense, on February 25, 2015

The Statutory Auditors

French original signed by

ERNST & YOUNG et Autres
Gilles Rabier

MAZARS
Jean-Luc Barlet

8.6 — OUTCOME OF VOTING BY RESOLUTION DURING THE SHAREHOLDERS' MEETING OF APRIL 30, 2015

Resolution no.	Ordinary Shareholders' Meeting resolutions	%
1	Approval of the annual financial statements	100.00%
2	Appropriation of net income and determination of the dividend	100.00%
3	Related-party agreements	89.91%
4	Approval of the Consolidated financial statements	100.00%
5	Authorization to the Board of Directors to trade in the Company's shares	100.00%
6	Reappointment of Laurent Burelle as a director	95.11%
7	Reappointment of Paul Henry Lemarié as a director	99.27%
8	Reappointment of Jean-Michel Szczerba as a director	99.66%
9	Reappointment of Burelle SA as a director, represented by Eliane Lemarié	99.35%
10	Reappointment of Jean Burelle as a director	98.90%
11	Reappointment of Anne-Marie Couderc as a director	99.50%
12	Reappointment of Jean-Pierre Ergas as a director	98.67%
13	Reappointment of Jérôme Gallot as a director	99.91%
14	Reappointment of Bernd Gottschalk as a director	99.89%
15	Reappointment of Alain Mérieux as a director	98.93%
16	Amount of directors' fees	100.00%
17	Opinion on the components of the compensation due or allocated to Laurent Burelle	90.44%
18	Opinion on the components of the compensation due or allocated to Paul Henry Lemarié	90.31%
19	Opinion on the components of the compensation due or allocated to Jean-Michel Szczerba	90.45%
	Extraordinary Shareholders' Meeting resolutions	
20	Delegation of authority to be granted to the Board of Directors to increase the capital by issuing shares with maintenance of preferential subscription rights	88.86%
21	Delegation of authority to be granted to the Board of Directors to increase the capital by issuing shares with cancellation of preferential subscription rights through a public offer	88.54%
22	Delegation of authority to be granted to the Board of Directors to increase the capital by issuing shares with cancellation of preferential subscription rights through a private placement	88.51%
23	Authorization to be given to the Board of Director to increase the number of shares or securities in the event of excess demand for subscription to a capital increase decided on by virtue of the 20th, 21st and 22nd resolutions	88.68%
24	Authorization to be granted to the Board of Directors to allocate ordinary Company shares to employees and/or officers of the Company and/or of the Group free of charge	89.91%
25	Acknowledgment of the administrative amendment of the Company's registered office address	100.00%
26	Amendment of the bylaws	98.74%
27	Powers	100.00%

9

RECENT EVENTS

9.1 — FIRST QUARTER 2015 REVENUE

Compagnie Plastic Omnium's economic revenue(1) for the first quarter of 2015 was €1,462 million, up 12%.

In €m, by business segment	1st quarter 2014	1st quarter 2015	% change	At constant scope and exchange rates
Automotive	1,196.3	1,365.1	+14.1%	+4.6%
Environment	108.6	96.9	–10.8%	–5.1%
Economic revenue(1)	**1,304.9**	**1,462.0**	**+12.0%**	**+3.9%**
Joint ventures	**201.4**	**243.4**	**+20.9%**	
Consolidated revenue(2)	**1,103.5**	**1,218.6**	**+10.4%**	**+1.8%**

In €m and as a % of revenue, by region				
Europe	714.7 55%	756.3 52%	+5.8%	+6.0%
North America	332.7 25%	394.1 27%	+18.5%	–1.8%
South America	54.7 4%	55.6 4%	+1.6%	–2.9%
Asia	202.8 16%	256.0 17%	+26.2%	+7.5%
Economic revenue(1)	**1,304.9** 100%	**1,462.0** 100%	**+12.0%**	**+3.9%**
Joint ventures	**201.4** 100%	**243.4** 100%	**+20.9%**	
Consolidated revenue(2)	**1,103.5** 100%	**1,218.6** 100%	**+10.4%**	**+1.8**

In the Automotive Division, revenue grew by 14.1%, including 4.6% in volume compared to a global automobile manufacturing up by 1.9%. This out-performance was driven by the saturation of existing capacities, new plants in China and the growing popularity of the new product lines.

In the Environment Division, the drop in revenue was attributed both to the sale of the road signage activity in Switzerland at end-2014 as well as to the low activity level during the first quarter, which is now showing signs of recovery. Productivity initiatives and cost-control measures are still being pursued.

By region, revenue growth was as follows:

In Europe, automotive business was strong particularly in France, England and Poland. The new product lines proved to be successful with composite tailgates delivered in France and in England and the ramp up of the NOx-reduction SCR systems. In March 2015, Plastic Omnium was honored at the JEC Composites show for two innovations in composite structural parts. Construction for the plant in Warrington (England) has begun and the plant will be commissioned in 2016 to supply bumpers to the Jaguar Land Rover group.

In Asia, growth remained steady both in China and outside of China (South Korea, Japan and India). In 2014, four plants were commissioned in China and another plant in Wuhan in early 2015 to supply bumpers to SGM. Production at the Changsha plant (bumpers) and Beijing plant (front-end modules) will begin in 2015. New light-weight products (tailgates) and lower emissions products (TSBM) have also begun to break into the Chinese market. In Japan, the Group received the «Superior Quality Performance» Award from Toyota and launched the production of the first SCR systems for this carmaker.

In North America, Plastic Omnium will benefit from the Chattanooga plant (Tennessee, USA), manufacturing of bumpers for Volkswagen to begin this summer, as well as from the Fairfax plant (Kansas, USA), delivering fuel systems to General Motors at year-end.

In South America, Plastic Omnium held up well in a market that shrunk by 18% and its operations remained profitable.

(1) Economic revenue corresponds to revenue, including the contribution from joint ventures according to the influence exercised by the Group (BPO, HBPO and YFPO for Plastic Omnium Automotive and Signal AG for Plastic Omnium Environment only for 2014, the company having been sold at the end of 2014). The figure reflects the operational and managerial realities of the Group.

(2) Consolidated revenue, in application of IFRS 10-11-12, does not include the contribution from companies under joint control, consolidated via the equity method.

Worldwide automobile manufacturing is expected to increase by 2% over full year 2015. **Within this context, the Group confirms that its H1 and full-year 2015 performances will continue to improve.**

The Group is reaffirming its goal of growing twice as fast as the automotive market over 2014-2018 to attain economic revenue of €7 billion in 2018. This out-performance will be bolstered by the increased market share in bumpers and fuel systems as well as by the development of innovative products (tailgates, light-weight parts, NOx-reduction SCR systems). The high new order intake in early 2015 has already confirmed such goal: bumpers for General Motors in Mexico which will be manufactured at a new plant in 2017; fuel systems for a global platform at Mercedes; NOx-reduction SCR systems for Renault and Nissan and hybrid fuel tanks for Volvo.

The H1 2015 financial results will be published on July 23, 2015. As from this date, the Group will use the IFRS consolidated financial statements for its financial reporting. It will continue to break down its revenue on an economic basis reflecting its market share by region and by customer. The share of net profit of companies accounted for by the equity method will be presented at the operating margin level as recommended by the Autorité des Marchés financiers (AMF).

DECLARATION BY THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Laurent Burelle, Chairman and Chief Executive Officer

I declare that, to the best of my knowledge, all reasonable care has been taken to ensure that the information contained in this Annual Report reflects the facts and contains no omission likely to affect its import.

Historical financial information was included in the Statutory Auditors' reports, which contain the observations appearing on page 177 of this Registration Document and page 129 of the 2013 Financial report.

I have received a completion letter from the Statutory Auditors in which they state that they have checked the information relating to the financial position and the financial statements appearing in this document and that they have read through the document in its entirety.

Levallois, July 7, 2015

Laurent Burelle

Chairman and CEO

REGISTRATION DOCUMENT CROSS-REFERENCE TABLE

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