2009
Financial report

Contents

Management's **Discussion** *and Analysis*

As presented by the Board of Directors of Compagnie Plastic Omnium to shareholders at the Annual Meeting of 29 April 2010

Description of businesses

Plastic Omnium is a manufacturing and services company that partners with carmakers and local communities through its two core businesses – Automotive Equipment and Environment.

In **Automotive Equipment**, which accounted for 82% of 2009 revenue, the Company holds leadership positions in two business segments.
Plastic Omnium Auto Exterior is the world leader in exterior components and modules. It designs and produces a wide range of parts and modules, including bumpers and energy absorption systems, fender modules, front-end assemblies and rear-closure modules. The Division designs customized solutions made from high value-added materials that deliver a greater number of functions, while enhancing the car's safety performance and making it more attractive.
Inergy Automotive Systems, in which Compagnie Plastic Omnium holds a 50% stake, is the world's leading producer of plastic fuel systems. A fuel system is an integrated, multi-functional safety module that includes the car's filler, storage, ventilation, engine supply and fuel level gauge systems.
Both businesses operate worldwide, with 77 industrial facilities on five continents and nearly 11,000 employees, and work with practically all global carmakers.

The **Environment business** accounts for 18% of consolidated revenue. It pools the expert capabilities of Plastic Omnium Urban Systems, Sulo and Compagnie Signature with a comprehensive, integrated portfolio of products and services that provide cities with the equipment they need, enhance the living environment, and make roads and highways safer. These solutions include waste containers, incentive-based invoicing systems, and static and dynamic vertical road signage.
The business operates mainly in Europe, with nearly 2,700 employees and 17 plants.

Research and development

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

In 2009, a total of €110 million was allocated for research and development, equivalent to 4.5% of revenue.
In all, 700 engineers and technicians – 5% of the workforce – are employed worldwide in 13 R&D centers located near carmaker decision-making centers.
The Company manages a portfolio of 688 patents, of which 43 were filed in 2009.

In Automotive Equipment, Plastic Omnium focuses its research on solutions that reduce the carbon footprint of vehicles throughout their entire lifecycle. These solutions involve using lightweight plastics and composites, and recycled or biotechnology-based materials; optimizing component design by integrating new functions that reduce carbon emissions; and designing automotive parts that can be easily disassembled and recycled at the end of their useful lives. This focus has led to the development of new product lines, such as composite hatchbacks and floors for electric vehicles that can house batteries.
Another major research priority for Plastic Omnium Auto Exterior is to reduce the risk of injury to the head, hips and legs in the event of accidents involving pedestrians.

Inergy Automotive Systems has stepped up its efforts to reduce hydrocarbon and diesel engine emissions with the series production of two innovations:

- TSBM™: this technology 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. Already fitted on the BMW 7 Series and the Audi A8, this solution can also be used for gasoline-powered engines on hybrid vehicles as it is capable of withstanding greater internal pressure;

- the Selective Catalyst Reduction (SCR) system, which reduces nitrous oxide emissions from diesel engines, thanks to a urea storage tank installed on the vehicle. When the urea comes in contact with hot exhaust fumes, it reacts with nitrous oxides to create water and non-polluting nitrogen. The SCR solution has been fitted on the Audi Q7, Q5 and A4 and the General Motors Epsilon.

In the Environment business, innovation capabilities were significantly strengthened in 2009 when the number of employees in the R&D department was tripled. A team of 30 engineers, most of them from the Automotive Division and with multidisciplinary skills, is creating new products and services, enhancing product design and personalization, deploying new data management services and searching for new ways to use recycled materials. In all, the Division filed 19 patents in 2009.

Year in Review

Ongoing deployment of the worldwide "PO 2009" cost-reduction plan

In April 2008, Plastic Omnium launched a worldwide cost-reduction plan called "PO 2009", intended to drive down overheads, operating costs and indirect production costs. The plan, which met its initial objectives in September 2008, was significantly strengthened in late 2008 and 2009 in response to the severity of the global auto industry crisis.

In 2009, it generated total cost savings, excluding raw material purchases, of nearly €200 million compared with 2007.

The number of employees and permanent subcontractors was reduced by 2,260 in two years, resulting in a 14% decline in the workforce, or 21% excluding new hires in fast-growing emerging markets (China, India, Brazil and Argentina). Permanent employees accounted for 70% of the reduction. The automotive plants in Saint-Romain-de-Colbosc and Nucourt, France were closed in mid-2009. Additional voluntary separation plans were introduced in France, North America, the United Kingdom and Germany.

Most of the plan's €68 million in costs and provisions were booked in 2008, with an additional €14 million booked in 2009.

Actively managing the worldwide customer base

Compagnie Plastic Omnium actively managed its relations with General Motors and Chrysler, which represented respectively 9% (in North America) and 4% of automotive revenue in 2008. Both companies filed for bankruptcy protection in second-quarter 2009 and emerged in the third quarter.
Business generated in North America by both customers saw a substantial 27% structural reduction in 2009, when they accounted for a combined 10% of North American revenue.
Overall, the bankruptcy filings of General Motors and Chrysler had a negative impact of €6.6 million on the Company's 2009 accounts, corresponding to losses on new model development projects that were abandoned as part of their restructuring efforts.

During the year, Compagnie Plastic Omnium also strengthened its cash management, reducing risks related to new development projects for carmakers either by requiring upfront payment or by obtaining a firm commitment for progress payment.

Ongoing operations in fast-growing automobile-producing regions

Pursuing its strategy of supporting carmakers, the Automotive Equipment Division continued to develop in emerging markets, which will account for the majority of growth in automobile markets in the coming years:

- **in China**, YFPO, an exterior components manufacturer that is 49.95%-owned by Plastic Omnium, launched construction of two new plants in partnership with Faway, an FAW subsidiary and equipment supplier, and Guangzhou Zongxin, a subsidiary of Toyota and Honda. Inergy Automotive Systems built a new plant in Beijing that will begin delivering fuel systems to Hyundai in 2010 and General Motors in 2011. The Automotive Division now has 12 facilities in China;
- **in India**, the Plastic Omnium Varroc plant in Pune has been delivering bumpers for General Motors' low-cost Beat since late 2009 and has five programs in the pipeline for Mahindra. Inergy will begin producing fuel systems for a low-cost Toyota vehicle in second-half 2010.

Significant order intake

The addition of automobile manufacturers to the customer portfolio will optimize the use of production resources around the world. New customers include Fiat, for front and rear bumpers for the Fiat 500 to be produced in Mexico, Daimler Trucks with a ten-year contract representing annual revenue of €40 million for exterior components to be delivered by Inoplast beginning in 2012, Suzuki in both Europe (impact absorption system for the Swift) and Asia (bumpers for the SX4), Mitsubishi in Argentina, and Mahindra&Mahindra in India.

Accounting principles and methods

Accounting principles and methods are described in the appendices to the parent company and consolidated financial statements.

Risk Management

Operational risks

> Risk related to automobile programs

The automotive business depends 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. Moreover, each automobile program is unique (brand, design, launch date, possibility a model not to be renewed, etc.). As a result, investment in a given program includes additional risk that can affect sales.

The Company's commitment to diversifying its businesses and increasing the number of automobile programs represents a key component of its strategic vision that significantly reduces exposure to geographic and other risks.
The Automotive Division has more than 20 customers in 25 countries, comprising nearly all global carmakers and serving different market segments with two distinct product families.
In terms of commitments, all new projects are subject to a highly detailed approval process. The largest projects must be authorized by the Company's Executive Management team. Once a project has been accepted, a structured operational and financial monitoring system is set up to track it.

> Supplier risk

Auto industry performance is based on an outstandingly efficient, tightly managed supply chain involving closely interdependent partners. Supplier accreditation for a given program is a lengthy process, making it difficult to change partners quickly in the event of an unexpected breakdown in the chain. For this reason, partner selection and monitoring are key success factors.
Consequently, all automotive suppliers must be accredited according to meticulously defined operational, financial and regional criteria.

In the Auto Exterior Division, a panel of chosen suppliers is monitored each quarter on a recurring basis by the Purchasing Department, with the support of specialized agencies.

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 quickly become a problem.

> Information technology risk

In 2009, Plastic Omnium introduced a centralized organization for the secure standards-based monitoring and upgrading of information systems. For 2010, the IT System Department plans to introduce a roadmap to review system access and supervised automatic alignment with outside risks. It will also provide financial services with more effective means for controlling and segregating tasks for high-risk processes.

Industrial and environmental risks

> Health, Safety and Environment Risk

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

It is managed by the Company's Executive Committee, which every month examines subsidiaries' performance based on data transmitted *via* the 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 promoting and coordinating deployment. This network of experts is led by the Company's Safety and Environment Department, supported by safety and environment managers at Division level. However, overall responsibility for managing safety and environment risks lies with the Division senior executives.

Ongoing corrective and improvement action plans have been introduced and included in the programs to obtain ISO 14001 and OHSAS 18001 certification for the Company's production facilities. These action plans promote the wider use of best practices. They integrate training programs on REACH regulations, ergonomics, man-machine interface, tools in the in-house Top safety program, and equipment compliance.
To support the more effective deployment of its HSE policy, the Company introduced a special management system in 2008. Promoted by the Executive Committee, the system is based on four management roadmaps: leadership, motivation, competence and the search for excellence. Its deployment is overseen by a specialized Environmental Safety Committee comprised of several Executive Committee members.
In 2009, OHSAS 18001 certification was renewed for the Company's system that centrally manages the safety of people and property.

> Quality Risk

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 9001 for the Environment Division and ISO/TS 16949 for the Automotive Division. These organizations and processes are aligned with systems that have been widely used in industry for many years, especially in the automotive sector.

Market risks

Compagnie Plastic Omnium operates a cash pooling system for subsidiaries organized around 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 Operating Officer.

> Liquidity risk

The Group needs to 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.

To meet this need, Compagnie Plastic Omnium and some of its subsidiaries have medium-term financial resources in the form of confirmed bank lines of credit that are not subject to any financial covenants. At 31 December 2009, the average maturity of these lines of credit was approximately three years. The Company also has programs of receivables sales with an average maturity of more than one year. At 31 December 2009, available medium-term facilities covered the Company's financing needs through 2011. Lastly, the Company has short-term lines of credit and a commercial paper program. All of the medium-term and short-term lines of credit are with leading banking institutions.

The consolidated cash position and the cash positions of the divisions are monitored daily and a report is submitted once a week to the Chairman and Chief Executive Officer and the Chief Operating Officer.

> Currency risk

Plastic Omnium operates mainly through plants that are located near its customers. As a result, exposure to currency risk is limited, except for the translation of the financial statements of foreign subsidiaries. While these risks may have an impact on certain importing subsidiaries, the amounts involved are not material in relation to the consolidated financial statements.
The Company's policy is to avoid any currency risk related to transactions involving a future payment or revenue. Nonetheless, if a transaction does give rise to a currency risk, it will be hedged by a forward currency contract. The hedge is set up by the subsidiary in question with Corporate Treasury, which in turn hedges the position with its banks.

> Interest rate risk

Interest rate hedges used in 2009 included swaps, caps and collars. Their purpose is to hedge variable rate debt against increases in the Euribor and Libor in order to keep interest costs down.
At 31 December 2009, 72% of borrowings in euros and 60% of borrowings in US dollars were hedged respectively until July 2014 and April 2010, using non-speculative financial instruments.

> Raw material price risk

To meet its production needs, Plastic Omnium must purchase large amounts of plastic, steel, paint and other raw materials.
Changes in raw material prices impact the Company's operating margin.
To limit the risks of price fluctuations, Plastic Omnium negotiates price indexation clauses with customers or, failing that, regularly renegotiates selling prices.

In addition, annual price commitments are included in contracts with suppliers. Lastly, inventories are managed to reduce the price impact of as much as possible.

Legal risks

The Corporate Legal Affairs Department is supported as needed by local committees and a network of correspondents in the main countries. The Department helps operating and corporate units to prevent, anticipate and manage recurring and non-recurring business-related legal risks as well as claims and litigation.

> Intellectual property risk

Research and innovation underpin both the Automotive and Environment Divisions. To protect the Company against any appropriation of an invention or brand by a third party, the Legal Affairs Department, with the assistance of outside advisors and the support of the Research and Development Departments, is responsible for filing, managing and defending the Company's intellectual property interests.

> Risks related to products and services sold by the Company

The Company is exposed to the risk of warranty and liability claims from customers in respect of the products it sells and services it provides. These risks fall into the area of contractual liability and are covered by special insurance policies.
The Company is also exposed to the risk of third-party product liability claims. These risks fall into the area of criminal liability and are covered by special insurance policies.
Given the Company's quality standards, product-related risks are considered as being effectively covered.

Other risks

> Customer credit risk

No customers defaulted on payment in 2009. Credit risk related to General Motors and Chrysler improved significantly and continues to be monitored closely.

A number of late payments were recorded for contracts with local authorities, especially in Spain. However, initiatives were launched to reduce overdue customer receivables and the risk is minor given the diversity and nature of the customer base.

In January 2008, a Credit Manager was hired to implement structured credit and collection procedures within the Divisions. Days sales outstanding stood at 48 in 2009. Senior management receives a detailed receivables ageing report for each subsidiary once a week. Receivables that are over six months past due amounted to €5.8 million, or approximately 0.24% of revenue.

In all our businesses, review procedures are carried out before bids are submitted, in particular to ensure a balanced portfolio of customer receivables, according to a target profile defined and monitored by Senior Management.

> Tax risk

The Corporate Tax Affairs Department is supported as needed by local committees and a network of correspondents in the main countries. The Department helps the various companies to meet their tax obligations and to carry out all recurring and non-recurring operations in which tax advice is needed.

A Group-wide tax reporting system was introduced in 2006 in order to centralize management of all deferred tax information and help speed up preparation of the consolidated financial statements. By providing the Corporate Tax Affairs Department with actual and estimated tax data, the system gives Senior Management the assurance that tax risks are closely monitored and appropriate tax planning strategies are applied.

Insurance and risk coverage

Compagnie Plastic Omnium has set up a worldwide insurance program for the benefit of all Group companies, supported by local insurance policies taken out in the host countries. 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.

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.

Remarks on consolidated results

For the year ended 31 December 2009, Compagnie Plastic Omnium's **consolidated revenue** totaled €2,458.6 million, compared with €2,696.5 million in 2008.

The currency effect had a negative €12.2-million impact for the year.

Although down 16.4% for the first nine months of 2009, revenue rose 16.8% in the fourth quarter alone to limit the full-year decline to 8.8%.

(in € millions, by business)	Year 2008	Year 2009	Change
Plastic Omnium Automotive	2,171.5	2,014.5	-7.2%
Plastic Omnium Environment	525.0	444.1	-15.4%
CONSOLIDATED REVENUE	**2,696.5**	**2,458.6**	**-8.8%**

(in € millions and as a % of revenue by region)	Year 2008	Year 2009	Change
France	702.2	729.8	+3.9%
	26%	*30%*	
Rest of Europe	1,151.8	971.3	-15.7%
	43%	*40%*	
North America	540.8	420.3	-22.3%
	20%	*17%*	
Asia	188.2	233.5	+24.1%
	7%	*9%*	
South America / Africa	113.5	103.7	-8.6%
	4%	*4%*	
CONSOLIDATED REVENUE	**2,696.5**	**2,458.6**	**-8.8%**
	100%	*100%*	

Revenue from **Plastic Omnium Automotive**, which declined 7.2% for the year, held up well to the sharp drop in worldwide automobile production, which fell by an estimated 13%, or 23% excluding Brazil, India and China. The fourth quarter saw a clear rebound in automobile markets, which were supported by scrapping schemes (mainly in Europe) and faster growth in emerging markets, where revenue from automotive operations rose by 24% in the last three months of the year. However, automotive revenue was down nearly 7 points compared with late 2007-early 2008.

Impacted in the first half by local government budget restrictions in Germany, Spain and the United Kingdom, **Plastic Omnium Environment** saw a recovery in the second half, as revenue increased by 8% compared with the first six months of the year. Over the full year, Division revenue was down 15.4%. It rose by 2% in France, which accounted for 42% of the Division total, compared with 35% in 2008.

Revenue continued to increase in Asia, led by the Automotive Division's capital projects launched in 2007 in China, which became the world's largest automobile market in 2009. With 12 plants in the country, Plastic Omnium doubled its revenue in China to €100 million, representing 5% of total automotive revenue.

PSA Peugeot Citroën is Plastic Omnium's largest automotive customer, generating 25% of revenue, followed by Renault (17%) and General Motors (15%, of which 10% for GM and 5% for Opel/Vauxhall). German manufacturers Volkswagen/Porsche and BMW account for 12% of automotive revenue each.

Despite the €238-million decline in revenue, **consolidated gross margin** rose by €18 million to €329.1 million, or 13.4% of revenue, versus €310.6 million and 11.5% in 2008. The increase was due in large part to cost-savings generated by the PO 2009 plan and the decline in raw material prices.

Operating expenses excluding the cost of sales declined by €13 million to €227 million, from €240 million in 2008, and represented 9.2% of revenue in 2009, versus 8.9% the year before.

Research and development costs came to a net €44.2 million, or 1.8% of revenue, compared with €45.9 million and 1.7% of revenue in 2008. Gross R&D costs (*i.e.* before deducting amounts re-invoiced to customers) declined by 22% to €109.6 million, from €139.8 million in the previous year.

Administrative and distribution expenses contracted by € 11.1 million to €182.8 million, from €193.9 million in 2008.

Operating margin rose by 44% to €102.1 million – on a par with 2007, the last year before the crisis – and stood at 4.2% of revenue, compared with 3.8% in 2007.

(in € millions)	2008	**2009**
Plastic Omnium Automotive	42.2	78.1
% of Division revenue	*1.9%*	*3.9%*
Plastic Omnium Environment	28.5	24.0
% of Division revenue	*5.4%*	*5.4%*
TOTAL	**70.7**	**102.1**
% of total revenue	*2.6%*	*4.2%*

The "PO 2009" cost-reduction plan, which in the first half helped to offset the decline in business and generate an operating margin of €35.5 million (3% of revenue), made a greater impact in the second half thanks to resurgent demand. Second-half operating margin amounted to €66.6 million, representing 5.2% of revenue, and improved in both core businesses, Automotive and Environment. For the full year, operating margin came to €78.1 million in the Automotive Division (3.9% of revenue, compared with 1.9% in 2008) and €24 million in the Environment Division (5.4% of revenue).

Other expenses totaled €33.4 million, versus €72.6 million in 2008. Additional cost-cutting measures were introduced in 2009 in anticipation of a decline in volumes in second-half 2010.

Financial cost, net was reduced by half to €25.1 million, or 1% of revenue, led by a €154-million reduction in debt and a decline in average borrowing costs (3.3%, compared with 5.6% in 2008).

Plastic Omnium recorded a **tax expense** of €8.2 million in 2009, compared with an expense of €5.8 million the year before, for an effective tax rate of 19%.

The **net loss from discontinued operations** of €3.4 million corresponds to the profits or losses of companies divested in 2009 up to the date of their sale and the profit or loss on disposal.

Plastic Omnium reported a **net profit** of €31 million in 2009, compared with a net loss of €63.2 million in the previous year.

Earnings per share stood at €1.74, compared with a loss per share of €3.87 in 2008.

Balance sheet

Funds from operations rose by 45% to €254 million, (10.3% of revenue) from €175 million (6.5% of revenue) in 2008.
In line with objectives, working capital requirement was reduced by €53 million, of which €34 million in inventory draw-downs. Routine and project capex was limited to 3.4% of revenue or €84 million, of which €49 million in net capital expenditure (versus €105 million in 2008, a 53% decline) and €35 million in capitalized research and development costs (compared with €59 million in 2008, down 41%).

Overall, **free cash flow** totaled €181 million in 2009, or 7.4% of revenue, helping to drive a €154-million reduction in **net debt** to €406 million, compared with €560 million at 31 December 2008 and €440 million at 30 June 2009. Gearing stood at 92% while net debt was 1.5 times EBITDA.

Outlook for 2010

Plastic Omnium is pursuing its development in emerging markets, bringing two new facilities on stream in China in 2010, ramping up production at two plants in India and commissioning a third plant – in New Delhi – in partnership with Suzuki-Maruti. The Company is also strengthening its strategic focus on environmental innovations in order to reaffirm its role as a global, independent leader in both automotive equipment and waste management.

Business in early 2010 has been on a par with late 2009. Production volumes are still underpinned by automobile scrapping incentives in Europe and growth in emerging markets. As a result, first-half 2010 operating margin should be comparable to second-half 2009.
For the full year, Plastic Omnium, which expects to see declining demand in Western Europe in the second half and growth in the rest of the world, forecasts a modest increase in revenue and positive free cash flow.

Subsequent events

To the best of management's knowledge, no events have occurred since the year-end that would be likely to have a negative impact on the Group's business, financial position, results or assets.

Environmental and social information provided in compliance with article L. 225-102-1 of the Commerce code

(decree no. 2002-221 of 20 February 2002 and ministerial order of 30 April 2002)

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

The environmental and social information below has been prepared based on the scope of consolidation used for the consolidated financial statements, with the same rules for consolidating subsidiaries. Because environmental data requires that a subsidiary be at least 50% owned, HBPO, which is proportionately consolidated at 33.33%, is not included.

Compared to 2008, the scope of consolidation for 2009 includes two new industrial facilities: one additional Plastic Omnium Auto Exterior plant in China and an INERGY plant in Russia.

Three automotive plants in France closed in 2009.

Moreover, only safety information from the Plastic Omnium Auto Exterior plants in China was fully integrated in 2009, since environmental data could not be collected for three of the six sites (except for the use of recycled plastic, the amount of recycled waste, the cost of waste processing and VOC emissions).

Environmental information

Plastic Omnium pursued the formalization of its environmental management system begun in 2001.

Environmental data management and reporting is based on the empowerment of everyone involved in the process of applying 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 general process.

The active involvement of senior management and the deployment of a safety and Environmental Issues organization in 2002 led to further improvements in a number of indicators in 2009:

- the percentage of ultimate waste was reduced to 2.1% of processed material in 2009, from 2.8% in 2008, an improvement of 25%;
- in the area of safety, the year saw a further 17% improvement in the accident frequency rate with lost time (including temporary workers), which declined to 5.67 from 6.83 in 2008. The accident frequency rate with or without lost time (including temporary workers) improved by 23% to 13.78 from 18.06 in 2008.

  In real terms, this means one fewer accident a day in 2009, compared with the previous year;
- the accident severity rate (including temporary workers) worsened to 0.43 from 0.18 in 2008 due to the addition of 6,000 days of accident-related lost time to take into account a fatal accident at a plant in Poland in May 2009.

The decline in business in 2009 because of the global crisis, combined with the inclusion in the scope of reporting of three automotive plants in China, led to a temporary worsening of the following indicators:

- energy consumed per unit of processed material:
  - electricity: 2.034 kWh/kg of material processed in 2009 versus 1.740 in 2008, an increase of 17%,
  - gas: 0.897 kWh/kg of material processed in 2009 versus 0.853 in 2008, an increase of 5%;
- the ratio of greenhouse gas emissions to the volume of material processed: 0.889 kg CO_2/kg of material processed in 2009, *versus* 0.706 in 2008, an increase of 26%.

The ISO 14001 certification program continued in 2009. At present, 72 facilities out of 80 are certified (90% of the scope of certification), *versus* 74 out of 81 at year-end 2008, with the closing of two certified plants in France and the opening of a new uncertified plant in Russia.

An OHSAS 18001 certification program was launched in late 2005. As of 31 December 2009, a total of 59 facilities out of 77 had been certified, representing 77% of the scope of certification, compared with 50 out of 78 at year-end 2008.

In December 2009, OHSAS 18001 certification – originally obtained in December 2006 – was renewed for the Company's system that centrally manages the safety of people and property.

> Environmental Data

Environmental impacts

Consumption of water, electricity and gas

		2007	2008	2009
Water in cu.m	Annual consumption	2,294,136	2,028,424	1,764,298
	Response rate in % of revenue covered	*99%*	*98%*	*99%*
Electricity in kWh	Annual consumption	551,391,816	527,360,631	501,563,316
	Response rate in % of revenue covered	*99%*	*98%*	*99%*
Gas in kWh	Annual consumption	260,430,353	258,698,971	221,199,377
	Response rate in % of revenue covered	*99%*	*98%*	*99%*

Consumption of plastics

		2007	2008	2009
New plastic *(in tonnes)*	Annual consumption	214,949	214,705	169,133
	Response rate in % of revenue covered	*99%*	*98%*	*99%*
Recycled plastic *(in tonnes)*	Annual consumption	21,635	24,831	26,911
	Response rate in % of revenue covered	*99%*	*98%*	*96%*
Total plastic *(in tonnes)*	Annual consumption	236,584	239,536	196,044
	Response rate in % of revenue covered	*99%*	*98%*	*99%*

Consumption of paints and solvents

		2007	2008	2009
Paints *(in tonnes)*	Annual consumption	3,830	4,588	5,017
	Response rate in % of revenue covered	*99%*	*98%*	*99%*
Solvents *(in tonnes)*	Annual consumption	7,889	4,997	3,764
	Response rate in % of revenue covered	*99%*	*98%*	*99%*
Paints and solvents *(in tonnes)*	Annual consumption	11,719	9,585	8,781
	Response rate in % of revenue covered	*99%*	*98%*	*99%*

Atmospheric releases

Volatile organic compounds (VOCs)

	2007	2008	2009
VOCs *(in tonnes of carbon equivalent)*	1,953	1,855	1,274
% of revenue covered by concerned facilities	*97%*	*98%*	*96%*

Greenhouse gases

	2007	2008	2009
Greenhouse gases *(in tonnes)*	208,169(1)	214,080(1)	219,158
% of revenue covered by concerned facilities	*98%*	*98%*	*99%*

(1) Emissions for 2007 and 2008 were recalculated using re-updated emissions factors (source: International Energy Agency data, 2007).

These figures correspond to CO_2 emissions from energy consumed in industrial facilities.

Waste

		2007	2008	2009
Recycled *(in tonnes)*	Volume of waste	15,690	16,105	21,103
	Response rate in % of revenue covered	*99%*	*98%*	*96%*
Reused *(in tonnes)*	Volume of waste	11,430	11,618 (1)	7,975
	Response rate in % of revenue covered	*99%*	*98%*	*99%*
Ultimate waste *(in tonnes)*	Volume of waste	10,153	8,553	5,253
	Response rate in % of revenue covered	*99%*	*98%*	*99%*
Total *(in tonnes)*	Volume of waste	37,274	36,276 (1)	34,331
	Response rate in % of revenue covered	*99%*	*98%*	*99%*

(1) Reused waste for 2008 has been corrected because of erroneous data.

- Total cost of waste processing: €2.7 million (on sites that contribute 96% of consolidated revenue).
- Income generated by the sale of waste for recycling: €2.2 million (on sites that contribute 96% of consolidated revenue).

Used of recycled material in 2009

- Consumption of recycled plastic: 26,911 tonnes.
- Plastic Recycling, a subsidiary equally owned with CFF Recycling, regenerated 8,124 tonnes of plastic during the year.

Certification

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

Forward supplier facilities are included in the certification of the production sites to which they belong.

- ISO 14001:

  72 of 80 sites are now certified to ISO 14001 standards. This represents 90% of the scope of certification.

  Plastic Omnium regularly acquires and or builds new plants. As a result, the objective of 95% certification for 2009 could not be achieved. The new facilities are, however, engaged in this process.

  The target for 2010 is to obtain certification for 94% of all sites.

- OHSAS 18001:

  59 of 77 sites are now certified to ISO 18001 standards. This represents 77% of the scope of certification.

  The goal of certifying 91% of sites in 2009 could not be achieved for the same reasons as for ISO 14001 certification. However, all sites are now engaged in the process.

  The target for 2010 is to obtain certification for 87% of all sites.

  OHSAS 18001 certification – originally obtained in December 2006 – was renewed in December 2009 for the Company's system that centrally manages the safety of people and property, in accordance with the 2007 version of the standard.

Organization

The Safety and Environmental Issues organization created in 2001 is supported by:

- a Group Safety Issues Director, who implements the HSE strategy defined by the Executive Committee and leads and coordinates action plans related to the Safety Management System;
- an Environmental network and a safety network with dedicated correspondents in each operating unit;
- 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 Executive Committee meeting.

Safety and Environmental Training

- Information/awareness: 10,129 hours for 6,932 participants (on sites that contribute 99% of consolidated revenue).
- Training: 25,119 hours for 6,813 participants (on sites that contribute 99% of consolidated revenue).
- Deployment of the Top safety training program continued in 2009. Introduced in 2005, the program is designed to instill a culture of safety that, over the long term, will help the Company create an accident-free workplace.

  Personnel from industrial facilities in Europe, the United States, Mexico and South America participated in various programs. In all, 409 managers received training and 6,988 people took part in information/awareness sessions.

- In 2008, Plastic Omnium introduced an ambitious HSE plan to be completed in 2012. This four-year action plan reflects the Company's commitment to strengthening protection of people and property and to minimizing the environmental impact of its operations.

Environmental spending and investment

- Research and development: €110 million, or 4.5% of consolidated revenue.
- Environmental and safety spending: €3.4 million (on sites that contribute 99% of consolidated revenue).
- Net capital expenditure: €49 million.

- Dedicated Environmental and safety investments: €4.5 million (on sites that contribute 99% of consolidated revenue).
- Provisions for environmental risks: €0.7 million (on sites that contribute 99% of consolidated revenue).
- No products are made using asbestos.

Differences in the number of sites, the allocation base and the response rate between 2008 and 2009 had a slight influence on changes in indicators.

In addition, certain data from previous years (carbon emissions in 2007 and 2008 and reused waste in 2008) have been adjusted retroactively. The tables above were prepared using adjusted data for all years.

Safety Data

Safety indicators (including temporary workers)

	2007	2008	2009
Number of first aid cases	2,926	2,548	1,658
Number of accidents without lost time	430	360	220
Number of accidents with lost time	263	219	154
Number of days of accident-related lost time	7,443	5,806	11,554(1)

(1) Including 6,000 days of accident-related lost time to take into account a fatal accident at a plant in Poland in May 2009.

Accident frequency and severity (including temporary workers)

	2007	2008	2009
Accident frequency rate with lost time *Number of accidents per million hours worked*	8.48	6.83	5.67
Accident frequency rate with and without lost time *Number of accidents per million hours worked*	22.71	18.06	13.78
Accident severity rate *Number of days of accident-related lost time per 1,000 hours worked*	0.24	0.18	0.43

Accident frequency and severity (excluding temporary workers)

	2007	2008	2009
Accident frequency rate with lost time *Number of accidents per million hours worked*	6.87	5.90	5.31
Accident frequency rate with and without lost time *Number of accidents per million hours worked*	19.59	16.27	13.17
Accident severity rate *Number of days of accident-related lost time per 1,000 hours worked*	0.25	0.19	0.46

Social information

Plastic Omnium is committed to hiring the best people in all its businesses and to deploying efficient management processes to secure their loyalty and personal fulfillment.

The organization is driven largely by management-by-project techniques, both in development activities and in each plant's self-managing production units.

While consistently maintaining an international corporate culture, Plastic Omnium encourages local management and the resolution of problems at the level where they arise. The Group complies with local legislation and seeks to reach consensual agreements with employee representatives, who are present at all operating levels.

At year-end 2009, Plastic Omnium had 13,738 employees, of which 64% outside France.

> Social information

2009 consolidated financial data

(in € millions)	2008	2009
Wages, salaries and benefits	387.5	354.5
Employer payroll taxes	115.1	105.6
Statutory profit sharing	3.7	8.5
Pension obligations	(2.1)	(2.6)
Share-based compensation	2.1	2.1
Other personnel expenses	9.8	10.7
Personnel expenses excl. temporary workers	**516.1**	**478.8**
Temporary worker salaries and payroll taxes	44.5	25.5
TOTAL	**560.6**	**504.3**

Other 2009 data

The following information includes all Company businesses.

In the following tables, the 1,835 employees of the HBPO joint-venture and the Chinese subsidiaries XieNO, YFPO and INERGY China are included only in the figures concerning employees at 31 December 2009.

	2007	2008	2009
Employees at 31 December	**14,196**	**13,099**	**12,433**
Permanent employment contracts	13,102	12,038	11,317
Fixed-term employment contracts	1,094	1,061	1,116
Men	10,796	10,085	9,618
Women	3,400	3,014	2,815
Operators	7,684	6,946	6,903
Employees, engineers and supervisors	3,942	3,923	3,433
Managers	2,570	2,230	2,097
Terminations during the year			
Redundancies	298	472	815
Terminations for other reasons	662	420	283
Total terminations	960	892	1,098
Overtime			
Hours worked per week: 35 to 48 depending on the country Overtime (full-time equivalent)	301	231	239
Temporary workers			
Temporary workers, full-time equivalent	2,367	1,656	998
Temporary workers at year-end	2,073	738	1,305
Employees working in shifts			
Total employees working in shifts	6,945	6,478	5,817
Of which employees working only nights	790	997	630
Of which employees working only weekends	85	57	29
Part-time employees	357	327	293
Absenteeism and reasons *(% of hours worked)*			
Absenteeism rate due to industrial accidents	0.19%	0.16%	0.14%
Absenteeism rate due to other causes	2.88%	2.71%	2.86%
Total absenteeism rate	3.07%	2.87%	3.00%
Gender equality			
Number of women managers at 31 December	433	395	366
Number of women managers hired during the year	76	54	28
Employee relations			
Number of works councils	152	150	138
Other committees (training/suggestions)	53	42	39
Number of unions represented	33	31	29
Number of agreements signed during the year	104	95	121
Training			
Number of employees who received training	31,592	28,382	15,491
Number of sessions per employee per year	2.5	2.26	1.28
Total expenditure on outside training *(in € thousands)*	3,524	3,158	2,010
Total training hours	268,100	231,366	183,277
Training hours per year per employee	20.8	18.4	14.73
Disabled employees			
Number of disabled workers	211	230	192
Employee welfare programs (France only)			
Total contribution to works council employee welfare programs *(in € thousands)*	1,669	1,557	1,417

Financial review of Compagnie Plastic Omnium

Earnings performance

Compagnie Plastic Omnium reported total operating revenue of €16.3 million in 2009, versus €18.2 million the previous year. The 2009 figure consisted mainly of:

- €12 million in trademark license fees received from subsidiaries;
- €4.3 million in billings to subsidiaries of costs incurred on their behalf.

The Company ended the year with overall operating income of €1.2 million, compared with €1.1 million in 2008.

Net interest income came to €76.8 million compared with €26.5 million in 2008, reflecting the net impact of:

- €36.9 million in net reversals of provisions for impairment and financial risks on shares in subsidiaries and affiliates, versus a €10.3 million net charge the previous year;
- €42.9 million in dividends received from subsidiaries, up from €41.4 million in 2008;
- a €2.6 million foreign exchange loss, versus €1.3 million the year before;
- €1.8 million in net interest expense on borrowings compared with €3.9 million in 2008;
- €1.3 million in other financial income, against €0.5 million the previous year.

Taking into account net non-operating income of €1.2 million – corresponding to a €1 million gain on the sale of Plastic Omnium Automotive NV shares to Plastic Omnium Auto Exteriors and a €0.2 million gain arising on the cancellation and sale of treasury shares – income before tax amounted to €79.2 million *versus* €12.4 million in 2008.

The Company recorded a net income tax benefit of €11.7 million in 2009 compared with €5.4 million the previous year. The 2009 figure included a €0.5 million reversal of provisions for statute-barred tax risks.

As a result, net income for the year came to €90.9 million *versus* €17.8 million in 2008.

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

Balance sheet structure

Compagnie Plastic Omnium ended 2009 with net cash of €6.2 million compared with net debt of €43.7 million a year earlier. This positive swing primarily reflects (i) the €1.5 million year-on-year increase in dividends received from subsidiaries, to €42.9 million, (ii) the sale of Plastic Omnium Automotive NV shares for €5 million and (iii) a €2.7 million gain arising on the liquidation of Plastic Omnium International AG.

Certain information has been omitted from the "Subsidiaries and Affiliates" table, for reasons of confidentiality.

Corporate officers' compensation

In accordance with article L. 225-102.1 of the French Commercial Code and the AFEP-MEDEF recommendations issued on 6 October 2008 relating to the compensation of executive directors of listed companies, the total compensation and benefits in kind paid to each of Plastic Omnium's corporate officers in 2009 is presented in the tables below.

1. Gross compensation and the stock options and performance shares allocated to each executive director

Laurent Burelle Chairman and Chief Executive Officer *(in euros)*	2008	2009
Compensation due in respect of the year *(see details in table 2 below)*	1,398,805	1,830,703
Value of stock options granted during the year *(see details in table 4 below)*	253,200	0
Value of performance shares granted during the year *(see details in table 6 below)*	0	0
TOTAL	**1,652,005**	**1,830,703**

Paul Henry Lemarié Chief Operating Officer *(in euros)*	2008	2009
Compensation due in respect of the year *(see details in table 2 below)*	904,053	1,167,386
Value of stock options granted during the year *(see details in table 4 below)*	126,600	0
Value of performance shares granted during the year *(see details in table 6 below)*	0	0
TOTAL	**1,030,653**	**1,167,386**

2. Gross compensation of each executive director

Laurent Burelle Chairman and Chief Executive Officer *(in euros)*	2008		2009	
	Amount due	Amount paid	Amount due	Amount paid
• Salary(1)	78,546	78,546	78,446	78,446
• Bonus(1) (2)	1,201,665	986,876	1,613,826(3)	1,612,591
• Exceptional compensation	0	0	0	0
• Directors' fees	118,594	118,594	138,431	138,431
• Benefits in kind	Company car		Company car	
TOTAL	**1,398,805**	**1,184,016**	**1,830,703**	**1,829,468**

Paul Henry Lemarié Chief Operating Officer *(in euros)*	2008		2009	
	Amount due	Amount paid	Amount due	Amount paid
• Salary(1)	78,462	78,462	78,446	78,446
• Bonus(1) (2)	757,069	629,133	1,006,375(3)	1,005,604
• Exceptional compensation	0	0	0	0
• Directors' fees	68,522	68,522	82,565	82,565
• Benefits in kind	Company car		Company car	
TOTAL	**904,053**	**776,117**	**1,167,386**	**1,166,615**

(1) Paid by Burelle SA.

(2) Burelle SA pays gross compensation to executive directors for their management services, which is billed on to Compagnie Plastic Omnium and its subsidiaries and calculated based on the estimated time spent by each director on business relating to the Plastic Omnium Group. Directors' bonuses are paid by Burelle SA and determined based on the Burelle Group's operating cash flow (after interest and tax).

(3) Subject to approval by the Board of Directors of Burelle SA.

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 2009 as well as the portion billed on to Compagnie Plastic Omnium for management services are presented in the table below:

(in euros)	Gross compensation paid by Burelle SA in 2009	O/w bonus	Amount billed on to the Plastic Omnium Group in 2009	O/w bonus
Laurent Burelle	1,691,036	1,612,591	1,285,186	1,225,569
Paul Henry Lemarié	1,084,042	1,005,604	542,021	502,802
Jean Burelle	1,084,050	1,005,604	271,013	251,401

3. Directors' fees

> 3.1. Directors' fees paid by Compagnie Plastic Omnium

Director *(in euros)*	Directors' fees paid in 2008	**Directors' fees paid in 2009**
Laurent Burelle	24,827	21,969
Paul Henry Lemarié	19,227	16,369
Jean Burelle	19,227	16,369
Éliane Lemarié	-	15,069
Pierre Burelle	14,027	11,169
Laurence Danon	21,827	18,969
Jean-Pierre Ergas	21,827	18,969
Thierry de la Tour d'Artaise	17,927	15,069
Jérôme Gallot	19,227	16,369
Francis Gavois	22,627	18,969
Vincent Labruyère	22,627	20,569
Alain Mérieux	16,627	15,069
Bernd Gottschalk	-	15,069
TOTAL	**220,000**	**220,000**

At its 11 March 2008 meeting, the Board allocated the aggregate amount of directors' fees as follows:

- Chairman of the Board: €2,700 per Board meeting;
- Directors: €1,300 per Board meeting;
- Chairman of the Audit Committee: €2,100 per Committee meeting;
- Member of the Audit Committee: €1,300 per Committee meeting;
- Balance allocated proportionately between all of the directors.

> 3.2. Directors' fees paid by Compagnie Plastic Omnium subsidiaries and Burelle SA

Director *(in euros)*	Directors' fees paid in 2008	**Directors' fees paid in 2009**
Laurent Burelle	93,767	116,462
Paul Henry Lemarié	49,295	66,196
Jean Burelle	69,517	86,612
Pierre Burelle	41,195	0
TOTAL	**253,774**	**269,270**

4. Stock options granted to executive directors during the year

Name and position	Number of options granted during the year	Plan date	Type of options (new or existing shares)	Value of options using the method applied in the consolidated financial statements	Exercise price	Exercise period
Laurent Burelle Chairman and Chief Executive Officer	0	-	-	0	0	-
Paul Henry Lemarié Chief Operating Officer	0	-	-	0	0	-

5. Stock options exercised by executive directors during the year

Name and position	Plan date	Number of options exercised	Exercise price
Laurent Burelle Chairman and Chief Executive Officer	-	None	0
Paul Henry Lemarié Chief Operating Officer	-	None	0

6. Performance shares granted to executive directors

Name and position	Performance shares granted during the year by the issuer and any other Group company	Plan date	Number of shares granted during the year	Value of the shares using the method applied in the consolidated financial statements	Vesting date	End of lock-up period
Laurent Burelle Chairman and Chief Executive Officer	0	-	0	0	-	-
Paul Henry Lemarié Chief Operating Officer	0	-	0	0	-	-

7. Performance shares granted to executive directors that vested during the year

Name and position	Performance shares which vested during the year for executive directors	Plan date	Number of shares that vested during the year	Vesting conditions
Laurent Burelle Chairman and Chief Executive Officer	0	-	0	-
Paul Henry Lemarié Chief Operating Officer	0	-	0	-

In 2003, the Board of Directors of Compagnie Plastic Omnium decided to set up a supplementary pension plan for the members of the Company's Executive Committee. Under this plan, beneficiaries receive a guaranteed pension equal to 1% of the average of the compensation paid to them during the five years preceding their retirement, for every year worked with the company, subject to a ceiling of 10% of their current salary. The entitlement to this pension is conditional on the beneficiary having at least seven years' seniority within the Group. The Board of Directors of Burelle SA approved a similar plan in the same year for its executive directors. The total cost of this plan for Burelle SA in 2009 was €210,110, of which it billed €93,361 on to Compagnie Plastic Omnium and its subsidiaries. The other retirement schemes for executive directors are the same as those for the Group's other managerial employees.

Share capital

At 31 December 2009, the Company's share capital amounted to €8,822,299.50, represented by 17,644,599 common shares with a par value of €0.50 each, compared with 18,146,794 shares with a par value of €0.50 at 31 December 2008. This decrease is due to (i) the cancellation of 502,195 shares held in treasury, which reduced the Company's capital by €251,097.50. The shares were cancelled by the Board of Directors on 15 October 2009 using the authorization given at the Extraordinary Shareholders' Meeting of 24 April 2007.

Ownership structure

At 31 December 2009, 54.74% of the capital of Compagnie Plastic Omnium was held by Burelle SA. To the best of the Company's knowledge, no other shareholder owns 5% or more of the share capital.

Stock option plans

Compagnie Plastic Omnium has set up a number of stock option plans, whose characteristics were as follows at 31 December 2009:

Shareholders' Meeting / Board of Directors meeting	Type of options	Original exercise price *(in €)*	Number of grantees	Number of options granted	After the six-for-one stock split: Exercise price *(in €)*	After the six-for-one stock split: Number of options granted	**Options exercised in 2009**
16 May 2002	Purchase of existing shares	81.18	15	60,000	13.53	360,000	-
14 May 2003							
22 April 2004	Purchase of existing shares	42.30	54	118,500	21.15	237,000	-
11 March 2005							
28 April 2005	Purchase of existing shares	34.90	11	267,000	34.90	267,000	-
25 April 2006							
24 July 2007	Purchase of existing shares	39.38	65	330,000	39.38	330,000	-
24 April 2007							
22 July 2008	Purchase of existing shares	25.61	39	350,000	25.61	350,000	-
24 April 2008							

These options were granted to employees and officers of Compagnie Plastic Omnium and its subsidiaries and affiliates. They may not be exercised until the end of a minimum holding period, as required under French tax rules. The exercise prices were set in accordance with articles L. 225-177 and L. 225-179 of the French Commercial Code, without any discount.

Double voting rights

Other than the double voting rights described below no other preferential rights are attached to any particular class of shares or category of shareholders.

All fully paid-up shares registered in the name of the same holder for at least two years carry double voting rights. Double voting rights are not lost and the two-year qualifying period continues to run if the shares are transferred (i) as part of the intestate estate of a deceased shareholder, or (ii) in connection with an *inter vivos* gift to a spouse or a relative in the direct line of succession.

In the event of a bonus share issue paid up by capitalizing retained earnings, income or additional paid-in capital, the bonus shares allotted in respect of registered shares carrying double voting rights will also carry double voting rights as from the date of issue.

The double voting rights cease if the shares are converted to bearer shares or transferred to another shareholder, except in the case of inheritance or an *inter vivos* gift to a spouse or other person of an eligible degree of relationship.

At 31 December 2009, 8,660,132 of the Company's shares carried double voting rights, excluding treasury shares.

Agreements concerning a change in control of the Company

At the date of filing, to the best of Compagnie Plastic Omnium's knowledge, none of the capital of any member of the Group is under option or agreed conditionally or unconditionally to be put under option, and there are no agreements in force that could lead to a change in control of the Company.

Share buyback program

At 31 December 2009, Compagnie Plastic Omnium held 1,644,960 of its own shares, representing 9.32% of the Company's capital. During the year, (i) 1,340,881 shares were acquired at an average price of €15.58, (ii) 422,685 shares were sold at an average price of €11.54, and (iii) 502,195 shares were cancelled by the Board of Directors on 15 October to reduce the Company's capital, using the authorization granted at the Extraordinary Shareholders' Meeting of 24 April 2007. The stock purchases and sales were carried out for the following purposes:

- maintaining a liquid market for the Company's shares under a liquidity contract with an investment firm that complies with the Code of Ethics issued by the French Association of Investment Firms (AFEI);
- buying back shares for cancellation in order to increase earnings per share;
- purchasing shares for allocation on exercise of employee and management stock options;
- purchasing shares for allocation under stock grants made to Group employees or officers;
- purchasing shares to be held in treasury for subsequent delivery in exchange or payment for stock in another company in connection with external growth transactions.

Except for the shares acquired for allocation on exercise of stock options, the share transactions were carried out using the authorization given at the Annual Shareholders' Meeting of 24 April 2008, in application of article 225-209 of the French Commercial Code.

Company shares held at 31 December 2009 break down as follows, taking into account the stock splits carried out in 2003 and 2005:

Purpose	Number of shares held	Number of options outstanding
Allocation on exercise of the 14 May 2003 stock option plan	46,500	46,500
Allocation on exercise of the 11 March 2005 stock option plan	211,400	211,400
Allocation on exercise of the 25 April 2006 stock option plan	247,000	247,000
Allocation on exercise of the 24 July 2007 stock option plan	304,000	304,000
Allocation on exercise of the 22 July 2008 stock option plan	337,999	337,999
Stabilizing the share price	30,105	-
Allocation on exercise of future stock option plans	467,956	-

At 31 December 2009, the 1,425 members of the employee stock ownership plan set up in January 1997 held 427,826 Compagnie Plastic Omnium shares purchased on the market, representing 2.42% of the Company's capital. Employees do not hold any other shares under the employee stock ownership provisions of articles L. 225-129 and L. 225-138 of the French Commercial Code. In addition, no employee profit shares have been reinvested in Company stock.

Recommended income appropriation

Compagnie Plastic Omnium ended the year with net income of €90,910,627.

Income available for distribution totaled €243,453,790, as follows:

- retained earnings brought forward from prior year: €152,543,163
- net income for the period: €90,910,627

= €243,453,790

The Board is recommending payment of a total dividend of €12,351,219, representing a dividend per share of €0.70. If approved, this dividend will be paid on a total of 17,644,599 shares, corresponding to the Company's total issued capital. All of the dividends will be eligible for the 40% tax relief provided for in article 158-3-2 of the French General Tax Code.

The balance of income available for distribution (€231,102,571) will, subject to shareholder approval, be credited to retained earnings.

Compagnie Plastic Omnium shares held in treasury or otherwise by the Company are stripped of dividend rights and the related dividends will be credited to retained earnings.

Dividends paid over the last three years, net of dividends not paid on shares held by the Company, were as follows:

	2006	2007	2008
Number of shares carrying dividend rights	17,442,938	17,385,100	16,940,234
Dividends paid*	0.66	0.70	0.35

* *Fully eligible for the tax relief provided for in article 158.3.2 of the French General Tax Code.*

Other information

1. Approval of the Company financial statements, net income appropriation and related-party agreements (first, second, third, fourth and fifth resolutions)

After considering the reports of the Board of Directors and the Statutory Auditors, shareholders will be asked to approve the financial statements of the Company and the Group as presented and to give discharge to the directors for the performance of their functions during 2009.

2. Authorization to trade in the Company's shares (sixth resolution)

In 2009 the Board of Directors pursued its strategy of buying back Company shares for cancellation. During the year 1,340,881 shares were purchased at an average price of €15.58, 502,195 shares were cancelled and 422,685 shares were sold.

As the previous authorization to trade in the Company's shares was due to expire in October 2009, on 28 April 2009 the Company's shareholders authorized the Board of Directors to continue its share buyback program based on market opportunities.

The new authorization was given for a period of 18 months expiring in October 2010 and the maximum authorized purchase price is €35 per share. The number of shares that may be acquired may not exceed 5% of the shares making up the Company's issued capital, the total amount that the Company may invest to buy back the shares may not exceed €63,513,800 and the use of the authorization may not have the effect of increasing the number of Compagnie Plastic Omnium shares held by the Company to more than 10% of its total capital at any time.

Further details of the transactions carried out under shareholder-approved buyback programs are provided in the "Ownership Structure" section above.

3. Appointment/re-appointment of Statutory Auditors (seventh to tenth resolutions)

Shareholders will be asked to re-appoint Mazars as a joint Statutory Auditor, for a further six-year term. They will also be asked to appoint the following Auditors for six-year terms:

- ERNST & YOUNG et Autres (joint Statutory Auditor);
- Gilles Rainaut (Substitute Auditor);
- Auditex (Substitute Auditor).

4. Directors' fees (eleventh resolution)

Shareholders will be asked to raise the amount of fees allocated to directors to €240,000 as from 1 January 2010.

5. Five-year financial summary

A summary of the Company's results for the last five years is provided on page 192 and forms an integral part of this Management's Discussion and Analysis.

6. Information on settlement periods for payables

(in euros)	Trade payables – France		
Type of payable	Due and past-due	Not yet due	Total
Intragroup payables		996,884	996,884
External payables	176,975	116,642	293,617
TOTAL	**176,975**	**1,113,526**	**1,290,501**

(in euros)	Payment dates for payables not yet due		
	January 2010	February 2010	Total
Intragroup payables	131,712	865,171	996,883
External payables	33,722	82,920	116,642
TOTAL	**165,434**	**948,091**	**1,113,525**

Report of the **Chairman of the Board of Directors** *for the year ended 31 December 2009*

The report below has been prepared in accordance with article L. 225-37 of the French Commercial Code to provide shareholders with information on (i) the preparation and organization of the work of the Board of Directors of Compagnie Plastic Omnium (also referred to as the "Company") during 2009, and (ii) the internal control and risk management procedures in place within the Company.

The report was drafted by the Company's Corporate Secretariat and Risk Management Department. It was presented by the Chairman and Chief Executive Officer to the Board of Directors, which approved it on 16 March 2010.

1. Preparation and organization of the work of the Board of Directors

1.1. Corporate governance

> Adoption of the AFEP-MEDEF Corporate Governance Code

The Board uses the December 2008 AFEP-MEDEF Corporate Governance Code for listed companies as its benchmark framework for corporate governance procedures and the Company complies with almost all of the recommendations of this Code. However, instead of having an Appointments or Compensation Committee as recommended in the Code, the Board itself carries out the work generally performed by this type of committee.

> Board of Directors' Internal Rules

In 2004, the Board of Directors adopted a set of Internal Rules describing its organization and procedures and setting out the obligations of directors. These internal rules add to the provisions of the law and the Company bylaws.

> Combining the roles of Chairman and Chief Executive Officer

On 11 September 2002, the Board of Directors decided not to separate the functions of Chairman of the Board of Directors and Chief Executive Officer. Both of these functions are performed by Laurent Burelle in his capacity as Chairman and Chief Executive Officer.

1.2. Membership of the Board of Directors

The AFEP-MEDEF Corporate Governance Code states that in companies that have a controlling shareholder, as is the case with Compagnie Plastic Omnium, independent directors should account for at least a third of the Board's members.

The Company's Internal Rules stipulate that at least half of the members of the Board of Directors must be independent, *i.e.* have no ties with the Company, the Group or its management that could prevent them from freely exercising their judgment.

As at 31 December 2009, Compagnie Plastic Omnium's Board comprised twelve directors, of whom four represent the majority shareholder. The eight others meet the independence criteria set out in the AFEP-MEDEF Corporate Governance Code although three have been directors of the Company for more than twelve years. The members of the Board combine a broad range of outstanding managerial, industrial and financial expertise.

Directors are elected by the Annual Shareholders' Meeting based on the recommendation of the Board of Directors for renewable three-year terms of office, up to the age of 80. All directors are required to hold 100 qualifying shares throughout their term on the Board.

A list of the Board members is provided on pages 16 and 17 above.

A list of the directorships and other functions held in 2009 by each of the Company's directors is provided on page 100 to 105 below.

1.3. Roles and responsibilities

The Board's Internal Rules state that the main roles and responsibilities of the Board of Directors, in line with the law and the Company's bylaws, are to:

- examine and discuss any issues that concern the way the business is run;
- carry out any reviews or controls that it considers appropriate, and verify the overall consistency of the Company's financial statements and accounting policies;
- approve the audited financial statements of the Company and the Group presented by the Chairman of the Board, after hearing the Statutory Auditors' comments. These financial statements are then certified by the Statutory Auditors before being presented to the Annual Shareholders' Meeting;
- approve the interim financial statements;
- ensure that the financial information reported to shareholders and the financial markets is accurate;
- define the key business strategies for Compagnie Plastic Omnium and monitor their application;
- set the Company's main strategic goals as presented by the Chairman of the Board of Directors and ensure that adequate financial resources are made available to achieve them.

1.4. Board procedures and practices

The Board of Directors meets as often as required in the interests of the Company, and at least four times a year.

To enable the Board to effectively fulfill its roles and responsibilities, under the internal rules the Chairman is required to report regularly to the Board on the following matters:

- earnings forecasts;
- changes in debt and the Company's financial position;
- the management report, financial statements and internal control report;
- changes in environmental and workplace safety indicators.

Also in accordance with the Board's Internal Rules, transactions that the Chairman believes might impact the Group's strategy or considerably modify its financial position or business base – such as acquisitions, mergers, divestments or demergers – must be submitted to the Board of Directors for prior approval.

1.5. Board of Directors' self-assessment

The Board's Internal Rules specify that the Board must perform an annual assessment of its own work, based on directors' replies to a questionnaire on the Board's procedures and practices over the past year, including:

- the appropriateness of matters addressed by the Board and the manner in which they were dealt with;
- the frequency and length of Board meetings;
- the quality of information provided to the Board and to each of its members, as well as the timeliness of the information provided prior to meetings;
- the operating procedures and membership of the Audit Committee.

The replies to the 2009 questionnaire showed that directors were fully satisfied with the Board's procedures and practices for the year.

Board members expressed appreciation of the quality of information provided, especially with regard to corporate strategy, the organization of discussions at meetings and the timely provision of information prior to meetings. The questionnaire results also underlined the directors' appreciation of the quality of the Audit Committee's overall work and its presentations to the Board.

1.6. Activities of the Board in 2009

The Board met four times in 2009 with an average attendance rate of 95%. Each meeting lasted an average of three hours.

At each meeting, a detailed analysis of the Group's financial results was presented to the Board, which reviewed the 2008 full-year financial statements at its meeting on 12 March and the 2009 interim financial statements at its 21 July meeting.

Also at each meeting, the Board reviewed the Company's cash and liquidity position and verified that its corporate strategy was being effectively implemented.

1.7. Audit Committee

> Creation – Membership

The Audit Committee assists the Board of Directors in fulfilling its responsibilities. Set up by the Board in 1996, it comprises four independent directors. A new Chairman is appointed every three years on a rotating basis.

> Roles and responsibilities

The roles and responsibilities assigned to the Audit Committee are to:

- review the annual and interim financial statements prepared and presented by the Chairman of the Board of Directors and audited or reviewed by the Statutory Auditors, hear the Statutory Auditors' comments and examine certain items in detail before submitting the financial statements to the Board of Directors;
- examine the accounting policies and rules used to prepare the financial statements;
- ensure that accounting rules are correctly applied;
- express an opinion on the Chairman and Chief Executive Officer's choice of candidates for appointment or re-appointment as Statutory Auditors;
- analyze the findings and recommendations of the Statutory Auditors, and monitor the implementation of these recommendations;
- ensure that regulations relating to the independence of the Statutory Auditors are complied with and that the Auditors are given all necessary information on a timely basis;
- review, if it deems necessary, the Company's internal control procedures;
- examine any issues that may have a material impact on the Group's accounts and financial position.

The Audit Committee meets as often as necessary, particularly in advance of Board meetings where accounting matters are to be discussed. At least two meetings are held each year, before the Board meetings called to approve the interim and annual financial statements.

> Activities of the Audit Committee in 2009

The Committee met twice in 2009, to review the 2008 full-year financial statements and the 2009 interim financial statements. Both of these meetings were attended by all of the Committee members as well as by the Chief Operating Officer, the Vice-President Finance, the Head of the Risk Management Department and the Statutory Auditors. The Committee reported to the Board on its work during the year.

1.8. Corporate officers' compensation

The rules and procedures applied by the Board to determine the compensation and benefits of corporate officers are described on pages 83 to 86, above.

1.9. Additional information

- This report will be presented at the Annual Shareholders' Meeting to be held on 29 April 2010. The conditions applicable for shareholders to participate in this meeting are described in article 16 of the Company's bylaws and can also be viewed on Plastic Omnium's website at www.plasticomnium.com.
- Information required under article L. 225-100-3 of the French Commercial Code regarding items that could have a bearing on a public offer is provided in the Management's Discussion and Analysis section of this document as well as in the Company's bylaws.
- The AFEP-MEDEF Corporate Governance Code is available for consultation at the Company's administrative headquarters or on www.plasticomnium.com.

2. Internal control and risk management procedures

2.1. Internal control and risk management objectives

> Definition and objectives of internal control and risk management

Compagnie Plastic Omnium's internal control and risk management system is designed to ensure:

- compliance with applicable legislation and regulations;
- efficient, controlled application of guidelines and objectives set by Executive Management;
- the smooth functioning of the Company's internal processes, particularly those involving the security of its assets;
- the reliability of financial information.

The internal control system plays a key role in the management of Compagnie Plastic Omnium's business. However, it cannot provide absolute assurance that every objective will be met or that every risk will be prevented.

Compagnie Plastic Omnium is actively developing its internal control system as part of a continuous improvement process, based on the Application Guide for Internal Control Procedures published with the AMF's Internal Control Reference Framework.

> Scope of this report

This report describes the internal control system in effect at Compagnie Plastic Omnium, the parent company of the Plastic Omnium Group. It is therefore focused on the procedures intended to guarantee (i) the reliability of the consolidated financial statements and (ii) the Company's control over its majority-owned entities.

For entities in which it has significant equity interests but exercises control jointly with another party, the Company regularly reviews and assesses how these entities operate and uses all of its influence to ensure that they comply with its internal control requirements.

2.2. Summary description of the internal control and risk management system

> Organization

The Plastic Omnium Group is made up of two Divisions:

- **the Automotive Division** (Plastic Omnium Auto Exterior and Inergy Automotive Systems);
- **the Environment Division**.

Under the supervision and control of Compagnie Plastic Omnium's Senior Management team, these two independently managed Divisions are responsible for deploying the resources required to meet the financial targets set in their annual budgets approved by Senior Management.

> Structure of the internal control and risk management system

The Group's internal control and risk management system is underpinned by (i) the rules and procedures set out in its Internal Control Framework, and (ii) processes aimed at continuously improving the management of the main risks to which the Group may be exposed.

Every employee has a role to play in ensuring that the system operates smoothly. Oversight and controls are performed by the following seven key functions:

- the Chairman and the Senior Management team, the Risk Management Department and the Internal Control Committee, which monitor the system;
- the Operations Management of each Division, the Corporate Departments and the Internal Audit Department, which represent three separate levels of control;
- the Board of Directors.

The Chairman and Senior Management team define the overall strategy for organizing and operating 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 Executive Vice-President – Corporate Planning and M&A, the Vice-President Finance, the Corporate Secretary – Vice-President, Legal Affairs, the Executive Vice-President – Human Resources, and the Division Presidents. It meets once a month to review the Group's business performance and recent developments and discuss its outlook. During this process, it addresses cross-business issues such as sales and marketing, organizational structure, capital expenditure, legal affairs and human resources, safety and environmental performance, R&D, mergers and acquisitions, and financing. Each month, it examines results and balance sheet ratios, notably capital expenditure and working capital, for each Division and each subsidiary, compared with prior-year figures and the monthly budget. It also reviews rolling 3-month forecasts of the consolidated income statement and balance sheet and plays a pro-active role in directing the Group's management. At the end of each quarter, it approves the revised forecasts for the current year. Every June, the Executive Committee reviews each Division's 3-to-5-year business plan, which is then used in preparing the budget, whose final version is approved in December.

> The Internal Control Framework

The cornerstone of Compagnie Plastic Omnium's internal control system is the Company's Internal Control Framework, which sets out all the rules and procedures applicable within its majority-controlled companies. It comprises a **Code of Conduct**, the Group's **Internal Control Rules and Procedures**, and an **Accounting and Financial Procedures Manual**.

- **The Code of Conduct:**

In addition to its business responsibilities, Compagnie Plastic Omnium places great importance on respecting human rights and complying with sustainable development principles. The Company's long-standing commitment to corporate social responsibility is demonstrated in the Plastic Omnium **Code of Conduct** and its pledge to support the UN **Global Compact**. The Code of Conduct sets out the Company's values as well as the individual and collective conduct expected from members of the Group. It also provides the underlying principles for internal control rules and procedures.

The Code of Conduct applies to the Company and to all of its majority-owned subsidiaries and affiliates. Plastic Omnium does everything in its power to encourage the other subsidiaries and affiliates to adopt processes and practices that reflect the provisions of the Code. Group management, members of the Executive Committee, Division Presidents and facility managers are all responsible for ensuring that employees are fully aware of the contents of the Code and have access to the necessary resources to comply with its provisions. In return, each employee must behave in a way that demonstrates his or her constant personal commitment to respecting the laws and regulations of the country where he or she works, as well as the ethical rules defined in the Code.

- **Group Internal Control Rules and Procedures:**

Compagnie Plastic Omnium has a set of Internal Control Rules and Internal Control Procedures that define the roles and responsibilities of Senior Management, the Corporate Departments, and the Operations Management of the Divisions and subsidiaries. It addresses the following issues:

- Legal affairs and corporate governance;
- Human resources;
- Treasury (financing);
- Sales;
- Purchases (operations and capital expenditure);
- Real estate;
- Information systems.

The Internal Control Rules, which cover both routine and non-recurring business operations, constitute a single global reference point aimed at ensuring that the Internal Control Procedures are both consistent and appropriate. The Internal Control Procedures specify how the rules should be applied.

- The **Accounting and Financial Procedures Manual:** Compagnie Plastic Omnium has also prepared an Accounting and Financial Procedures Manual that complies with IFRS. These procedures are applicable to all of the consolidated companies.

As part of a continuous internal control improvement process, both the Internal Control Framework and the Accounting and Financial Procedures Manual are regularly amended and updated to reflect changes in practices, regulations and organization.

> Risk management

The main risks to which Compagnie Plastic Omnium is exposed are described in the "Risk Management" section of the Management's Discussion and Analysis (page 73). This section also explains the principal measures and processes used to effectively prevent and manage these risks.

In 2009, the Group updated its corporate risk map, which is used as a basis for verifying whether the Group's risk management processes are appropriate and for taking measures to improve or expand existing processes where required. The update was carried out at Group level by the Risk Management Department in conjunction with the Operations Management teams and the Corporate Departments.

> Control activities

The risk management process is shaped by a commitment to both accountability and independent judgment, as demonstrated at the three levels – Operations Management, the Corporate Departments and Internal Audit – that are responsible for overseeing operations and risk management procedures.

Operations Management sets up the appropriate organizational structures and allocates the necessary resources to ensure that the Group's internal control principles and rules are applied in a satisfactory manner in each of its businesses. Operations managers are tasked with ensuring that corrective measures recommended following audits carried out by the Internal Audit Department are properly undertaken. They are also responsible for identifying the risks specific to the business area for which they are responsible and implementing reasonable measures to control such risks.

The **Corporate Departments** – *i.e.* Human Resources, Sustainable Development, Corporate Finance, Information Systems and Legal Affairs – have the broadest powers to define the Company's rules and procedures in the areas falling within their remit. They coordinate and oversee the activities of their specialized networks with a view to protecting the interests of the Group and all of its stakeholders.

In the particular area of internal control and risk management, the Corporate Departments are responsible for analyzing the risks specific to the activities within their remit and for defining the necessary structures and systems to ensure that these activities operate smoothly.

They prepare and update the Internal Control Framework and the cross-business risk management procedures and are required to ensure that the Framework complies with applicable standards, law and regulations. Their duties also entail putting in place the requisite resources for appropriately relaying the information they produce.

Compagnie Plastic Omnium has a central **Internal Audit Department** that forms part of the Group Risk Management Department and reports to Senior Management. The Internal Audit Department also regularly reports on its work to the Internal Control Committee, which is responsible for overseeing the Group's internal control procedures. The Internal Audit Department carries out analyses of the overall internal control system and ensures that the procedures are properly implemented.

The Internal Audit Department performs audit assignments in all of the subsidiaries that are either wholly or jointly-controlled by Compagnie Plastic Omnium. At the end of each audit, it issues recommendations to the audited units, which prepare corrective action plans whose implementation is systematically monitored by Division management. 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 2009 revealed any serious weaknesses.

The Internal Audit Department also oversees the annual internal control **self-assessment processes** that were launched in 2006. A portion of the self-assessment questionnaire is based on the Application Guide published with the AMF's Internal Control Framework. This process is an effective means of both assessing the internal control system and raising awareness of internal control issues within the Group's local units. At the same time, it is a useful tool for the Internal Audit Department when preparing their audit work.

In addition, special audits are regularly performed by independent organizations to verify (i) compliance with international health, safety and environmental standards, (ii) the Group's quality assurance performance, and (iii) compliance with the requirements of insurance companies and customers. At 31 December 2009, 96%, 90% and 77% of the eligible facilities that were at least 50%-owned had respectively earned ISO-TS16949 (or ISO 9001), ISO 14001 or OHSAS 18001 certification.

> Information and communication

Employees can access internal control rules and procedures *via* the home page of the Group's intranet. However, the internal control system is primarily deployed through formal documents, awareness-raising sessions, training programs and reporting processes carried out by the Corporate Departments. All of these measures, which include the self-assessment procedure described above, demonstrate to local units Senior Management's deep commitment to internal control processes.

The dissemination of information on the preparation of financial and accounting data is covered by separate procedures, described below.

> Oversight

Senior Management, assisted by the Risk Management Department, is responsible for the overall oversight of the Group'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 on its analyses and issues recommendations to Senior Management and the Internal Control Committee. The Risk Management Department is also responsible for identifying business-related risks at Group level and leading the preparation of the corresponding risk management plans.

The **Internal Control Committee** coordinates the internal control system and ensures that it functions effectively. It is chaired by the Corporate Secretary and its other members include the Chief Operating Officer, the Executive Vice-President – Human Resources, the Vice-President Finance, four members of the Executive Committees of the two core businesses, the Head of the Risk Management Department and the Head of Internal Audit. The Committee is responsible for ensuring the overall quality and effectiveness of the internal control system and for relaying the comments and recommendations of the Chairman and Chief Executive Officer, to whom it reports. It has the authority to issue any instructions it deems necessary and to coordinate the measures undertaken by all players involved in the Group's internal control and risk management processes.

Lastly, the **Board of Directors** examines all of the main assumptions and strategies defined for the Company by Senior Management.

2.3. Internal controls relating to the preparation of financial and accounting information

> Principles applicable for the preparation of the Group's financial information

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

- defining the Group's financial and accounting standards in line with the applicable international standards;
- defining the policy for preparing financial information;
- coordinating the information systems used to produce financial and accounting data;
- verifying the financial information provided by the subsidiaries;

- preparing the financial information required for the consolidated financial statements.

A single accounting plan is used by all Group units in order to ensure that data in the consolidated financial statements are consistent. The plan, which takes into account the specific characteristics of the various businesses, was developed by the Standards and Accounting Policies Department. This department reports to the Corporate Accounting and Tax Department, which has sole authority to make any changes to the plan.

As a further guarantee of consistency, the financial information systems used by the subsidiaries are also centrally managed by Corporate Finance. The use of a single software application guarantees that all of the reporting and consolidation processes are standardized and applied consistently across the Group. The Divisions have also developed integrated management systems, based on commercial software recommended by the Group. These systems have been rolled out to the majority of the Divisions' manufacturing sites, helping to ensure that the information required for preparing the financial statements is properly controlled.

Group financial information is prepared for the following key processes:

- monthly reporting;
- interim and annual consolidation;
- the annual budget

These three processes apply to all of the 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 the subsidiaries' financial statements are performed at local level and second-tier controls are performed at Division level. Third-tier controls are performed by Corporate Finance.

Monthly reporting data are submitted to Senior Management eight days after the monthly close and are discussed at the Executive Committee meeting. The reporting package includes a detailed income statement presented by function, as well as an analysis of production costs, overheads and employee benefits expense. It also includes a full cash flow statement, forecasts for the next three months and environmental and safety indicators. The information is prepared at Group, Division and subsidiary level. Four sets of figures are provided – monthly actual, year-to-date actual, prior-year actual and current year budget – together with an analysis of material variances.

The budget process begins in September, when the subsidiaries prepare their figures, which are consolidated at Division level. The budgets are then submitted to Senior Management in November and validated in December prior to being presented to Compagnie Plastic Omnium's Board of Directors. The budget package includes an income statement, cash flow statement and data concerning return on capital employed for each subsidiary and Division for year y+1 plus the main income statement data for y+2 and y+3.

Revised forecasts are regularly produced which enable operations staff to take corrective measures with a view to ensuring that initial budget targets are met. They also help Senior Management to reliably report on the Group's developments.

The budget is based on the rolling three/five-year business plan approved in July of each year by Senior Management. The plan comprises income statement and balance sheet projections prepared on the basis of the sales, manufacturing and financial strategies of the Group and the Divisions.

Plastic Omnium Finance, the "Group bank", is responsible for managing the financing of all of the subsidiaries that the Group controls. Through Plastic Omnium Finance, Compagnie Plastic Omnium has set up a global cash pooling and netting system, with daily calculation of the consolidated cash position of all Group subsidiaries, except in countries where local laws prohibit this practice.

In general, Group companies cannot negotiate external financing arrangements without the prior authorization of Senior Management. Subsidiaries that are directly financed by Plastic Omnium Finance are allocated a monthly credit facility, whose amount is set during the budget process and is approved by Senior Management. When 95% of the credit facility has been used, additional financing from any further drawdowns is released only on the basis of a formal request made by the subsidiary's Senior Executive or the President of the Division to the Group Chairman and Chief Executive Officer.

Plastic Omnium Finance is also responsible for centralizing the Group's hedging transactions for both currency and interest rate risks. Cash reports are sent to the Chairman and Chief Executive Officer, the Chief Operating Officers on a weekly basis, providing an analysis of the cash position of each Division, and of the Group as a whole, together with comparisons with the previous year and with the budget for the current year.

In 2008, an audit of the Group's cash management procedures and financial transactions was performed by a leading international firm, which concluded that the Group's cash transactions were appropriately controlled.

No material incidents or significant changes occurred during 2009 that could have compromised the effectiveness of the internal control system described above.

2.4. 2010 action plan

As part of the commitment to continuously improve the internal control system, Compagnie Plastic Omnium intends to enhance a number of procedures in 2010, based on the rules defined and published in 2008 and 2009, in order to make them more effective and user-friendly. The Risk Management Department plays a key role in this continuous improvement process, which covers internal control, accounting, financial and risk management procedures.

In addition, the Internal Audit Department plans to introduce a number of new systems in order to improve its performance and strengthen the processes used to track proper implementation of its recommendations.

Statutory Auditors' report on the report of the Chairman of the Board of Directors

Report of the Statutory Auditors prepared in application of article L. 225-235 of the French Commercial Code on the report of the Chairman of the Board of Directors of Compagnie Plastic Omnium

This is a free translation into English of the original Statutory Auditors' report issued in the French language and is provided solely for the convenience of English-speaking readers. 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 our capacity as Statutory Auditors of Compagnie Plastic Omnium and in application of article L. 225-235 of the French Commercial Code, we present below our report on the report prepared by the Chairman of Compagnie Plastic Omnium in accordance with article L. 225-37 of the French Commercial Code for the year ended 31 December 2009.

The Chairman of the Board of Directors is required to draw up and submit to the Board for approval a report that (i) describes the internal control and risk management procedures set up within the Company and (ii) discloses the other information required under article L. 225-37 of the French Commercial Code, notably regarding corporate governance principles.

Our responsibility is to:

- report to you our comments on the information contained in the Chairman's report concerning the internal control and risk management procedures related to the preparation and processing of accounting and financial information; and
- provide a statement confirming that the Chairman's report includes the other information required under article L. 225-37 of the French Commercial Code, although we are not responsible for verifying the accuracy of said information.

We performed our procedures in accordance with the professional standards applicable in France.

Information concerning internal control and risk management procedures related to the preparation and processing of financial and accounting information

The professional auditing standards applicable in France require us to perform procedures to assess the fairness of the information set out in the Chairman's report about internal control and risk management procedures relating to the preparation and processing of accounting and financial information. These procedures included:

- examining the internal control and risk management procedures related to the preparation and processing of accounting and financial data underlying the information presented in the Chairman's report, as well as existing documentation;
- acquiring an understanding of the work performed in order to prepare this information and existing documentation;
- determining whether any major internal control weaknesses concerning the preparation and processing of accounting and financial information that we may have identified as part of our audit are appropriately disclosed in the Chairman's report.

Based on our work, we have no matters to report concerning the information about the Company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information, as contained in the report of the Chairman of the Board of Directors prepared in accordance with article L. 225-37 of the French Commercial Code.

Other information

We confirm that the report of the Chairman of the Board of Directors contains the other information required under article L. 225-3 of the French Commercial Code.

Paris-La Défense and Courbevoie, 31 March 2010

The Statutory Auditors

ERNST & YOUNG Audit	MAZARS
François Villard	Thierry Colin

Directorships and **functions** *held by the Directors of the Company in 2009*

Directorships and functions held by Laurent Burelle

Country	Company	Function
Germany	PLASTIC OMNIUM GmbH	Legal Manager
Spain	COMPAÑIA PLASTIC OMNIUM SA	Chairman and Managing Director
United States	PERFORMANCE PLASTICS PRODUCTS – 3P Inc.	Chairman
	EPSCO INTERNATIONAL Inc.	Chairman
	PLASTIC OMNIUM AUTO EXTERIORS LLC	Chairman
	PLASTIC OMNIUM Inc.	Chairman
	PLASTIC OMNIUM AUTOMOTIVE SERVICES Inc.	Chairman
	PLASTIC OMNIUM INDUSTRIES Inc.	Chairman
	INERGY AUTOMOTIVE SYSTEMS LLC	Director
France	BURELLE SA	Chief Operating Officer, Director
	SOGEC 2 SA	Chief Operating Officer, Director
	BURELLE PARTICIPATIONS SA	Director
	SOFIPARC SAS	Chairman of the Supervisory Committee
	COMPAGNIE PLASTIC OMNIUM SA	Chairman and Chief Executive Officer
	PLASTIC OMNIUM ENVIRONNEMENT SAS (1)	Chairman of the Supervisory Committee
	PLASTIC OMNIUM AUTO SAS	Chairman
	VALEO PLASTIC OMNIUM SNC	Co-Managing Partner (SNC) Legal representative of PLASTIC OMNIUM AUTO EXTERIORS
	PLASTIC OMNIUM AUTO EXTERIORS SAS	Chairman
	COMPAGNIE SIGNATURE SAS	Chairman
	LA LYONNAISE DE BANQUE	Director
	CIE FINANCIÈRE DE LA CASCADE SAS	Chairman
	LABRUYÈRE ÉBERLÉ SAS	Member of the Supervisory Board since 22 June 2009
United Kingdom	PLASTIC OMNIUM Ltd	Chairman
Netherlands	PLASTIC OMNIUM INTERNATIONAL BV	Chairman
Switzerland	SIGNAL AG	Director
	PLASTIC OMNIUM AG	Director

(1) Formerly Plastic Omnium Systèmes Urbains Holding SAS.

Directorships and functions held by Paul Henry Lemarié

Country	Company	Function
Germany	PLASTIC OMNIUM GmbH	Member of the Board
Spain	COMPAÑIA PLASTIC OMNIUM SA	Director
United States	INERGY AUTOMOTIVE SYSTEMS HOLDING Inc.	Director
	INERGY AUTOMOTIVE SYSTEMS LLC	Director
France	BURELLE SA	Chief Operating Officer, Director
	BURELLE PARTICIPATIONS SA	Chief Operating Officer, Director
	SOFIPARC SAS	Member of the Supervisory Committee
	COMPAGNIE PLASTIC OMNIUM SA	Chief Operating Officer, Director
	PLASTIC OMNIUM ENVIRONNEMENT SAS (1)	Member of the Supervisory Committee
	INERGY AUTOMOTIVE SYSTEMS SA	Director
	INOPART SA governed by a Management Board and Supervisory Board	Member of the Supervisory Board

(1) Formerly Plastic Omnium Systèmes Urbains Holding SAS.

Directorships and functions held by Éliane Lemarié

Country	Company	Function
France	BURELLE SA	Director
	SOFIPARC SAS	Member of the Supervisory Committee
	SOGEC 2 SA	Chief Operating Officer – Director
	COMPAGNIE PLASTIC OMNIUM SA	Permanent representative of BURELLE SA
	UNION INDUSTRIELLE	Chairman of the Supervisory Board
	IRMA COMMUNICATION SARL	Legal Manager

Directorships and functions held by Pierre Burelle

Country	Company	Function
France	COMPAGNIE PLASTIC OMNIUM SA	Permanent representative of BURELLE SA, Director until 28 April 2009

Directorships and functions held by Jean Burelle

Country	Company	Function
France	BURELLE SA	Chairman and Chief Executive Officer
	BURELLE PARTICIPATIONS SA	Chairman and Chief Executive Officer
	COMPAGNIE PLASTIC OMNIUM SA	Honorary Chairman, Director
	SOGEC 2 SA	Chairman and Chief Executive Officer
	SOFIPARC SAS	Member of the Supervisory Committee
	ESSILOR INTERNATIONAL	Director and Chairman of the Remunerations Committee until 15 May 2009
	SYCOVEST 1 (SICAV)	Permanent representative of Burelle Participations, Director
	RÉMY COINTREAU	Director and member of the Appointments and Compensation Committee
	SOPAREXO (SCA)	Member of the Supervisory Board
	BANQUE JEAN-PHILIPPE HOTTINGUER (SCA)	Member of the Supervisory Board
	MEDEF INTERNATIONAL (ASSOCIATION)	Chairman
	HARVARD BUSINESS SCHOOL CLUB DE FRANCE (ASSOCIATION)	Chairman
Spain	COMPAÑIA PLASTIC OMNIUM SA	Director
Switzerland	SIGNAL AG	Director

Directorships and functions held by Laurence Danon

Country	Company	Function
France	COMPAGNIE PLASTIC OMNIUM SA	Director
		Member of the Audit Committee
	EDMOND DE ROTHSCHILD CORPORATE FINANCE	Chairman of the Management Board
	RHODIA	Member of the Board of Directors
	BPCE SA governed by a Management Board and Supervisory Board	Member of the Supervisory Board
		Chairman of the Compensation Committee
United Kingdom	DIAGEO plc	Member of the Board of Directors
		Member of the Audit and Compensation Committee
	EXPERIAN GROUPE LIMITED	Director
		Member of the Audit and Compensation Committee until 31 December 2009

Directorships and functions held by Jean-Pierre Ergas

Country	Company	Function
France	COMPAGNIE PLASTIC OMNIUM SA	Director
		Member of the Audit Committee
	APLIX SA	Director
	FINANCIÈRE VIVALDI	Member of the Supervisory Committee
United States	BWAY CORPORATION	Chairman and Chief Executive Officer
	DOVER CORPORATION	Director
	GENERAL MOLY Inc	Director

Directorships and functions held by Jérôme Gallot

Country	Company	Function
France	CDC ENTREPRISES SAS	Chairman
	CDC ENTREPRISES PORTEFEUILLE SAS	Chairman
	CDC ENTREPRISES ELAN PME SAS	Chairman
	AVENIR ENTREPRISES SA	Chairman of the Board of Directors
	COMPAGNIE PLASTIC OMNIUM SA	Director
	CAISSE DES DÉPÔTS	Member of the Group Executive Committee
	ICADE SA	Director
	CNP ASSURANCES SA	Director
	NEXANS SA	Director
	NRJ GROUP SA	Non-voting director
	SCHNEIDER ELECTRIC SA	Member of the Supervisory Board
	OSEO (EPIC)	Non-voting director
Brazil	CAIXA SEGUROS SA	Director

Directorships and functions held by Francis Gavois

Country	Company	Function
France	COMPAGNIE PLASTIC OMNIUM SA	Director
		Member of the Audit Committee
	CONSORTIUM DE REALISATION (CDR)	Director
Netherlands	STH	Member of the Supervisory Board

Directorships and functions held by Bernd Gottschalk

Country	Company	Function
Germany	ROCHE DEUTSCHLAND HOLDING GmbH	Member of the Supervisory Board
	ROCHE DIAGNOSTICS GmbH	Member of the Supervisory Board
	ROTHSCHILD GmbH	Member of the Advisory Council until 14 September 2009
	HYMER AG	Chairman of the Supervisory Board
	VOITH AG	Member of the Supervisory Board
	THYSSENKRUPP STEEL AG	Member of the Supervisory Board until 30 September 2009
	FUCHS PETROLUB AG	Member of the Supervisory Board and Member of the Audit Committee
	ALLIANZ AG	Member of the Advisory Council
United Kingdom	MACQUARIE CAPITAL (EUROPE) Ltd	Chairman
	SCHAEFFLER GROUP	Member of the Advisory Council
	WOCO GRUPPE	Member of the Advisory Council

Directorships and functions held by Vincent Labruyère

Country	Company	Function
France	SOCIÉTÉ COMMERCIALE DE BIOUX SAS	Member of the Management Board
	GRANDS MAGASINS LABRUYÈRE SAS	Member of the Executive Committee
	SOCIÉTÉ FINANCIÈRE DU CENTRE SAS	Chairman
	COMPAGNIE PLASTIC OMNIUM SA	Director
		Chairman of the Audit Committee
	LABRUYÈRE ÉBERLÉ SAS	Chief Executive Officer
		Member of the Management Board
	CLARANOR SA	Permanent representative of SAS FINANCIÈRE DU CENTRE, Member of the Supervisory Board until 18 December 2009
	SA PERROUX et Fils	Director
	PIGE SA	Permanent representative of Labruyère Éberlé, Director
	MARTIN MAUREL SA	Director

Directorships and functions held by Alain Mérieux

Country	Company	Function
France	INSTITUT MÉRIEUX (1)	Chairman and Chief Executive Officer
	BIOMÉRIEUX SA	Chairman and Chief Executive Officer
	FONDATION MÉRIEUX	Chairman of the Board of Directors
	FONDATION CHRISTOPHE ET RODOLPHE MÉRIEUX – Institut de France	Honorary Chairman and Director
	FONDATION PIERRE FABRE	Director
	FONDATION PIERRE VEROTS	Director
	COMPAGNIE PLASTIC OMNIUM SA	Director
	TRANSGÈNE	Director
	SYNERGIE LYON CANCER	Director
	SHANTHA	Director
	ÉCOLE VÉTÉRINAIRE DE LYON	Chairman
	FONDATION CENTAURE	Director
	CIC LYONNAISE DE BANQUE	Director
Italy	BIOMÉRIEUX ITALIA SPA	Director
Greece	BIOMÉRIEUX HELLAS	Chairman of the Board of Directors
United States	SILLIKER GROUP CORPORATION	Director

(1) Formerly Mérieux Alliance SA.

Directorships and functions held by Thierry de La Tour d'Artaise

Country	Company	Function
France	COMPAGNIE PLASTIC OMNIUM SA	Director
	SEB SA	Chairman and Chief Executive Officer
	SEB INTERNATIONALE SAS	Chairman
	CLUB MÉDITERRANÉE SA	Director
	LYONNAISE DE BANQUE	Permanent representative of SOFINACTION
	LEGRAND	Director
China	ZHEJIANG SUPOR	Director

Consolidated financial statements

Balance sheet

Assets

(in thousands of euros)	Note	31 December 2009	31 December 2008
Goodwill	3.1.2 – 3.2.2 – 5.1.1.1	289,931	291,238
Intangible assets	3.1.2 – 3.2.2 – 5.1.1.2	106,932	167,430
Property, plant and equipment	3.1.2 – 3.2.2 – 5.1.2	526,968	572,802
Investment property	3.1.2 – 3.2.2 – 5.1.3	17,502	17,273
Investments in associates	5.1.4.a	12,271	13,454
Available-for-sale financial assets	5.1.5	2,083	998
Other financial assets *	5.1.6 – 5.2.5.a	83,264	14,836
Deferred tax assets	5.1.10	75,732	80,718
Total non-current assets		**1,114,682**	**1,158,749**
Inventories	3.1.2 – 5.1.7	206,049	295,022
Finance receivables *	5.1.9.2	47,670	4,885
Trade receivables	3.1.2 – 5.1.8.a and c	262,032	278,897
Other receivables	5.1.8.b and c	119,306	126,367
Other short-term financial receivables *	5.1.9 – 5.2.5.a	3,624	22,535
Hedging instruments *	5.2.5.a – 6.7	-	2,140
Cash and cash equivalents *	5.1.11 – 5.1.12.d	134,987	123,585
Total current assets		**773,668**	**853,431**
Assets held for sale	**2.2.3**	**5,695**	**9,301**
TOTAL ASSETS		**1,894,045**	**2,021,481**

Equity and liabilities

(in thousands of euros)	Note	31 December 2009	31 December 2008
Share capital	5.2.1	8,822	9,073
Treasury stock		(39,404)	(32,213)
Additional paid-in capital		89,459	97,917
Other reserves and retained earnings		287,950	362,613
Profit/(loss) for the period		27,887	(65,399)
Equity attributable to equity holders of the parent		**374,714**	**371,991**
Minority interests		54,856	51,720
Total equity		**429,570**	**423,711**
Long-term borrowings *	5.2.5.a – 7.4	532,530	565,414
Provisions for pensions and other post-employment benefits	5.2.7 – 5.2.8	33,120	31,901
Long-term provisions for liabilities and charges	5.2.7	7,259	5,060
Long-term government grants	5.2.4	10,847	14,427
Deferred tax liabilities	5.1.10	24,234	33,187
Total non-current liabilities		**607,989**	**649,989**
Bank overdrafts *	5.1.12.d – 5.2.5.a – 7.4	33,977	47,872
Short-term borrowings *	5.2.5.a – 7.4	100,447	95,648
Other short-term debt *	5.2.5.a – 7.4	2,746	12,414
Hedging instruments *	5.2.5.a – 7.4	5,516	6,569
Short-term provisions for liabilities and charges	5.2.7	41,553	39,363
Short-term government grants	5.2.4	275	245
Trade payables	5.2.6.a and c	387,137	439,368
Other operating liabilities	5.2.6.b and c	284,836	306,188
Total current liabilities		**856,486**	**947,667**
Liabilities related to assets held for sale	**2.2.3**	**-**	**114**
TOTAL EQUITY AND LIABILITIES		**1,894,045**	**2,021,481**

* *Net debt totaled €405.7 million at 31 December 2009 versus €559.9 million at 31 December 2008.*

Income statement

(in thousands of euros)	Note	2009	%	2008	%
Revenue	**3.1.1 – 3.2.1**	**2,458,639**	**100%**	**2,696,539**	**100%**
Cost of sales	4.2	(2,129,525)	-86.6%	(2,385,405)	-88.5%
Gross profit		**329,114**	**13.4%**	**311,133**	**11.5%**
Net research and development costs	4.1 – 4.2	(44,227)	-1.8%	(45,999)	-1.7%
Distribution costs	4.2	(52,979)	-2.2%	(53,427)	-2.0%
Administrative expenses	4.2	(129,802)	-5.3%	(140,982)	-5.2%
Operating margin	3.1.1	**102,106**	**4.2%**	**70,724**	**2.6%**
Other operating income	4.5	43,724	1.8%	10,597	0.4%
Other operating expenses	4.5	(77,135)	-3.1%	(83,196)	-3.1%
Finance costs – net	4.7	(24,295)	-1.0%	(46,981)	-1.7%
Financial income	4.7	3,390	0.1%	842	-
Other financial expenses	4.7	(4,151)	-0.2%	(4,350)	-0.2%
Share of profit/(loss) of associates	4.6	(993)	-	(209)	-
Profit/(loss) from continuing operations before income tax	3.1.1	**42,646**	**1.7%**	**(52,572)**	**-1.9%**
Income tax	4.8	(8,212)	-0.3%	(5,764)	-0.2%
Net profit/(loss) from continuing operations	3.1.1	**34,434**	**1.4%**	**(58,336)**	**-2.2%**
Net loss from discontinued operations	2.2.1 – 2.2.2	(3,408)	-0.1%	(4,884)	-0.2%
Net profit/(loss)	3.1.1	**31,025**	**1.3%**	**(63,219)**	**-2.3%**
Net profit attributable to minority interests	4.9	3,138	0.1%	2,180	0.1%
Net profit/(loss) attributable to equity holders of the parent		**27,887**	**1.1%**	**(65,399)**	**-2.4%**
Earnings/(loss) per share attributable to equity holders of the parent					
Basic earnings/(loss) per share *(in euros)* *	4.10	1.74		(3.87)	
Diluted earnings/(loss) per share *(in euros)* **	4.10	1.74		(3.87)	
Earnings/(loss) per share of discontinued operations attributable to equity holders of the parent					
Basic earnings/(loss) per share *(in euros)* *	4.10	1.96		(3.58)	
Diluted earnings/(loss) per share *(in euros)* **	4.10	1.96		(3.58)	

* *Basic earnings/(loss) per share have been calculated based on the number of shares outstanding less treasury stock deducted from equity.*
** *Diluted earnings/(loss) per share are determined after excluding treasury stock deducted from equity and including shares to be issued on exercise of stock options.*

Statement of comprehensive income

	2009			2008		
(in thousands of euros)	Total	Gross	Tax	Total	Gross	Tax
Profit/(loss) for the period attributable to equity holders	**27,887**	**35,256**	**(7,369)**	**(65,399)**	**(60,585)**	**(4,814)**
Exchange differences on translating foreign operations	(3,005)	(3,005)	-	1,442	1,442	-
Actuarial gains/(losses) recognized in equity	(1,198)	(1,058)	(140)	883	1,336	(453)
Cash flow hedges	(865)	(2,069)	1,204	(5,831)	(5,831)	-
Gains/losses for the period	*(3,897)*	*(6,030)*	*2,133*	*(9,492)*	*(9,492)*	-
Reclassified to the income statement	*3,032*	*3,961*	*(929)*	*3,661*	*3,661*	-
Fair value adjustments to property, plant and equipment	-	-	-	2,495	2,495	-
Other comprehensive income	**(5,068)**	**(6,132)**	**1,064**	**(1,011)**	**(558)**	**(453)**
Comprehensive income attributable to equity holders	**22,819**	**29,124**	**(6,305)**	**(66,410)**	**(61,143)**	**(5,267)**
Profit/(loss) for the period attributable to minority interests	**3,138**	**3,981**	**(843)**	**2,180**	**3,130**	**(950)**
Exchange differences on translating foreign operations	32	32	-	471	471	-
Actuarial gains/(losses) recognized in equity	(304)	(304)	-	25	34	(9)
Other comprehensive income	**(272)**	**(272)**	**-**	**496**	**505**	**(9)**
Comprehensive income attributable to minority interests	**2,866**	**3,709**	**(843)**	**2,676**	**3,635**	**(959)**
TOTAL COMPREHENSIVE INCOME	**25,685**	**32,833**	**(7,148)**	**(63,734)**	**(57,508)**	**(6,226)**

Consolidated statement of changes in equity

(in thousands of euros or thousands of shares, where appropriate)	Number of shares	Capital	Additional paid-in capital	Treasury stock	Other reserves and retained earnings *	Translation differences	Net profit for the period	Equity: Attributable to equity holders of the parent	Equity: Attributable to minority interests	Total equity
Equity at 31 December 2006 after net profit	**18,894**	**9,447**	**105,395**	**(28,080)**	**337,082 ***	**(20,677)**	**47,009**	**450,176**	**12,159**	**462,335**
Dividends paid					(11,624)			(11,624)		(11,624)
Treasury stock transactions	(262)	(131)	(3,980)	4,103	(2,448)			(2,456)		(2,456)
Appropriation of 2006 net profit					47,009		(47,009)	-		-
Issuance of shares	40	20	590					610		610
Buyout of Inoplast minority interests					(7,470)			(7,470)	7,470	-
Change in scope of consolidation					830			830	29,753	30,583
Exchange differences on translating foreign operations						(17,095)		(17,095)	(363)	(17,458)
Net actuarial losses on pension and other post-employment benefit obligations recognized in equity					(1,236)			(1,236)		(1,236)
Cash flow hedges					543			543		543
Fair value adjustments to property, plant & equipment					301			301		301
Stock option costs					1,086			1,086		1,086
Other movements					384			384		384
Equity at 31 December 2007 before net profit	**18,672**	**9,336**	**102,005**	**(23,977)**	**364,457**	**(37,772)**	**-**	**414,049**	**49,019**	**463,068**
2007 net profit							49,349	49,349	1,660	51,009
Equity at 31 December 2007 after net profit	**18,672**	**9,336**	**102,005**	**(23,977)**	**364,457 ***	**(37,772)**	**49,349**	**463,398**	**50,679**	**514,077**

Consolidated statement of changes in equity

(in thousands of euros or thousands of shares, where appropriate)	Number of shares	Capital	Additional paid-in capital	Treasury stock	Other reserves and retained earnings *	Translation differences	Net profit for the period	Equity: Attributable to equity holders of the parent	Equity: Attributable to minority interests	Total equity
Equity at 31 December 2007 after net profit	**18,672**	**9,336**	**102,005**	**(23,977)**	**364,457 ***	**(37,772)**	**49,349**	**463,398**	**50,679**	**514,077**
Dividends paid					(12,184)			(12,184)	(630)	(12,814)
Treasury stock transactions	-			(12,587)				(12,587)		(12,587)
Appropriation of 2007 net profit					49,349		(49,349)	-		-
Capital reduction	(525)	(263)	(4,088)	4,351				-		-
Change in scope of consolidation					(1,097)			(1,097)	(1,005)	(2,102)
Exchange differences on translating foreign operations						1,442		1,442	471	1,913
Net actuarial losses on pension and other post-employment benefit obligations recognized in equity					883			883	25	908
Cash flow hedges					(5,831)			(5,831)		(5,831)
Fair value adjustments to property, plant & equipment					2,495			2,495		2,495
Stock option costs					871			871		871
Other movements								-		-
Equity at 31 December 2008 before net profit	**18,147**	**9,073**	**97,917**	**(32,213)**	**398,943**	**(36,330)**	**-**	**437,390**	**49,540**	**486,930**
2008 net profit							(65,399)	(65,399)	2,180	(63,219)
Equity at 31 December 2008 after net profit	**18,147**	**9,073**	**97,917**	**(32,213)**	**398,943 ***	**(36,330)**	**(65,399)**	**371,991**	**51,720**	**423,711**
Dividends paid					(5,998)			(5,998)	(1,837)	(7,835)
Treasury stock transactions	-		(640)	(15,261)				(15,901)		(15,901)
Appropriation of 2008 net profit					(65,399)		65,399	-		-
Capital reduction	(503)	(252)	(7,818)	8,070				-		-
Change in scope of consolidation					(312)			(312)	2,107	1,795
Exchange differences on translating foreign operations						(3,005)		(3,005)	32	(2,973)
Net actuarial losses on pension and other post-employment benefit obligations recognized in equity					(1,198)			(1,198)	(304)	(1,502)
Cash flow hedges					(865)			(865)		(865)
Fair value adjustments to property, plant & equipment								-		-
Stock option costs					2,114			2,114		2,114
Other movements								-		-
Equity at 31 December 2009 before net profit	**17,644**	**8,822**	**89,459**	**(39,404)**	**327,285 ***	**(39,335)**	**-**	**346,827**	**51,718**	**398,545**
2009 net profit							27,887	27,887	3,138	31,025
EQUITY AT 31 DECEMBER 2009 AFTER NET PROFIT	**17,644**	**8,822**	**89,459**	**(39,404)**	**327,285 ***	**(39,335)**	**27,887**	**374,714**	**54,856**	**429,570**

The dividend per share paid in 2009 by Compagnie Plastic Omnium in respect of 2008 was €0.35 versus €0.70 paid in 2008 in respect of 2007.

* Details of "Other reserves and retained earnings" are provided in note 5.2.2.

Consolidated statement of cash flows

(in thousands of euros)	Note	2009	2008
I – CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit/(loss)	**3.1.1**	**31,025**	**(63,219)**
Adjustments to reconcile net profit/(loss) to funds from operations		**222,840**	**238,017**
Net loss from discontinued operations		3,408	4,884
Share of (profit)/loss of associates		993	209
Stock option expense		2,114	871
Other adjustments		(1,903)	(6,849)
Depreciation and provisions for impairment of property, plant and equipment		106,839	99,786
Amortization and provisions for impairment of intangible assets		65,203	52,592
Changes in provisions for liabilities and charges		2,001	27,554
Net (gains)/losses on disposals of assets		15,658	11,154
Proceeds from operating grants recognized in the income statement		(1,032)	(1,673)
Current and deferred taxes	4.8	8,212	5,764
Interest expense		21,347	43,725
Funds from operations (A)		**253,865**	**174,798**
Change in inventories – net	5.1.12.a	90,919	(6,258)
Change in trade receivables – net		12,846	93,453
Change in trade payables		(62,309)	(94,116)
Change in other operating assets and liabilities – net		11,016	(2,927)
Change in working capital (B)		**52,472**	**(9,848)**
Taxes paid (C)		**(16,451)**	**(23,480)**
Interest paid		(25,425)	(48,703)
Interest received		653	7 349
Net interest paid (D)		**(24,772)**	**(41,354)**
Net cash generated by operating activities (A + B + C + D)		**265,114**	**100,116**
II – CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of property, plant and equipment	3.1.3 – 5.1.2	(68,465)	(95,418)
Acquisitions of intangible assets	3.1.3 – 5.1.1.2 – 5.1.12.b	(34,463)	(74,589)
Proceeds from disposals of property, plant and equipment	4.2 – 4.5	23,260	8,014
Proceeds from disposals of intangible assets	4.2 – 4.5	6,053	3,188
Net change in advances to suppliers of non-current assets		(7,692)	(7,665)
Government grants received		(2,403)	2,641
Net cash used in operations-related investing activities (E)		**(83,710)**	**(163,829)**
Free cash flow (A + B + C + D + E) *		**181,404**	**(63,713)**
Acquisitions of non-current financial assets	5.1.12.c	(2,864)	(5,446)
Proceeds from disposals of non-current financial assets		243	932
Acquisitions of subsidiaries, net of the cash acquired		756	8
Divestments of subsidiaries, net of the cash sold		(109)	77
Net cash used in financial investing activities (F)		**(1,973)**	**(4,429)**

(in thousands of euros)	Note	2009	2008
Net cash used in investing activities (E + F)		**(85,683)**	**(168,258)**
III – CASH FLOWS FROM FINANCING ACTIVITIES			
Capital increase/(reduction)		-	-
Purchases of treasury stock, net		(15,901)	(12,585)
Dividends paid to Burelle SA		(3,423)	(6,759)
Dividends paid to other shareholders		(4,412)	(6,056)
Proceeds from new borrowings		253,878	178,600
Repayment of borrowings		(378,861)	(103,839)
Net cash (used in) provided by financing activities (G)		**(148,720)**	**49,361**
Discontinued operations (H)		(3,559)	(10,631)
Effect of exchange rate changes (I)		(1,855)	2,692
Net change in cash and cash equivalents (A + B + C + D + E + F + G + H + I)		**25,297**	**(26,720)**
Cash and cash equivalents at beginning of year	5.1.12.d	75,713	102,433
CASH AND CASH EQUIVALENTS AT END OF YEAR	**5.1.12.d**	**101,010**	**75,713**

* *"Free cash flow" is an indicator specific to the Plastic Omnium Group and is determined before cash flows from financial investing activities. It is used in all the Group's external financial reporting (press releases) and in its annual and half-yearly results presentations.*

Notes to the consolidated financial statements

Presentation of the Group

Compagnie Plastic Omnium, a company governed by French law, was set up in 1946. Its term ends in 2017 unless further extended. It is registered in the Lyon Companies Register under number 955 512 611 and its registered office is at 19, avenue Jules Carteret, 69007 Lyon.

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

Plastic Omnium is a world leader in plastics with two core businesses – Automotive (auto parts, body modules and fuel systems) and Environment (on-site waste handling and road signage for local authorities) – which account for about 80% and 20% respectively of consolidated revenue.

Plastic Omnium shares have been traded on the Paris Bourse since 1965. They are listed on Eurolist, compartment B, and are part of the SBF 250 and CAC Mid 100 indices. The Group's main shareholder is Burelle SA (see note 8.2).

The financial statements are presented in thousands of euros, rounded to the nearest thousand.

1. Accounting policies

> 1.1. Basis of preparation

Plastic Omnium's consolidated financial statements for the year ended 31 December 2009 were approved for publication by the Board of Directors on 16 March 2010. They will be submitted for approval at the Annual Shareholders' Meeting to be held on 29 April 2010.

The Group adopted International Financial Reporting Standards (IFRS) on 1 January 2004 and applied the specific rules for first-time adopters set out in IFRS 1. The elections made are described in the presentation of the relevant accounting policies in this note 1.

The consolidated financial statements have been prepared in accordance with the international financial reporting standards (IFRSs) and related interpretations adopted by the European Union at 31 December 2009, which are available at http://ec.europa.eu/internal_market/accounting/ias_en.htm#adopted-commission. IFRSs include International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs) and interpretations published by the International Financial Reporting Interpretations Committee (IFRICs).

The accounting policies applied to prepare the 2009 financial statements are the same as those used in 2008, except for the adoption of IAS 1R – *Presentation of Financial Statements* (revised in 2007), which introduces the requirement to present a statement of comprehensive income. As allowed under IAS 1R, Plastic Omnium has elected to present a separate statement of comprehensive income after the consolidated income statement.

The Plastic Omnium Group early adopted IFRS 8 – *Operating Segments* at 31 December 2008. The operating segments under this standard are unchanged from the business segments presented under IAS 14 – *Segment Reporting*. Segment information is provided in note 3.

IAS 23R – *Borrowing Costs* is applicable for annual periods beginning on or after 1 January 2009. This revised standard requires borrowing costs on capital projects to be capitalized as part of the cost of qualifying assets. It had no impact on the 2009 financial statements as the Group already capitalized borrowing costs on qualifying assets in prior years.

The Group has not early adopted those standards, interpretations and amendments that are applicable for annual periods beginning on or after 1 January 2010.

> 1.2. Use of estimates

The preparation of the financial statements requires the use of estimates and assumptions that affect the reported amounts of certain assets, liabilities, income, expenses and commitments. These estimates and assumptions are reviewed by senior management at regular intervals. Actual results may differ from these estimates if the underlying assumptions are changed to reflect experience or changes in circumstances or economic conditions.

In 2009, with the outcome of the financial crisis still uncertain, estimates and assumptions were based on the latest available information on the balance sheet date. These estimates may be revised depending on developments in the underlying assumptions. The assumptions used mainly concerned:

- 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;
- pension and other employee benefit obligations:

  For defined benefit plans, the projected benefit obligation is calculated by independent actuaries using techniques and assumptions (see note 5.2.8.3 and 5.2.8.4) that are based on:
  - discount rates for pension and other long-term benefit plans,
  - estimated long-term yields on plan assets,
  - healthcare cost trends in the United States;
- asset impairment tests:

  Determining the recoverable amount of a cash generating unit (CGU) or group of CGUs involves estimating its fair value less costs to sell and its value in use based on discounted future cash flows. Assumptions about discount rates and future growth in operating cash flows can have a material impact on these estimates.

> 1.3. 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.

Joint ventures, corresponding to jointly controlled entities in which control is shared with one or more partners, are proportionately consolidated, irrespective of the percentage interest held, by incorporating in the Group's financial statements its proportionate share of assets, liabilities, income and expenses.

Associates, corresponding to entities over which the Group has significant influence, are accounted for using the equity method. Significant influence is presumed to exist when the Group owns more than 20% of the voting rights.

> 1.4. Minority interests

Minority interests correspond to the share of the Group's net profit or loss and net assets attributable to outside shareholders. They are presented in the consolidated balance sheet within equity, separately from equity attributable to equity holders of the parent. Minority interests in profit or loss are also disclosed separately.

The Group applies the following accounting treatment to transactions with minority interests that do not result in a change of control:

- for purchases of additional interests in controlled entities from minority shareholders, the difference between the acquisition cost and the acquired share of the carrying amount of the subsidiary's net assets is recorded in equity;
- gains or losses on disposals of interests in controlled entities to minority shareholders are also recorded in equity.

The Group will continue to account for these transactions through equity after the adoption of IAS 27R in 2010.

> 1.5 Segment information

In accordance with IFRS 8 – *Operating Segments*, segment information is presented in a manner consistent with the internal reporting provided to Group Management for allocating resources and assessing performance of the operating segments.

The Group has three main operating segments:

- "Auto Exterior", which covers the design, manufacture and marketing of vehicle body parts;
- "Inergy Automotive Systems", which covers the design, manufacture and marketing of plastic fuel systems;
- "Environment", which covers products and services for local authorities, including Sulo Urban Systems waste collection equipment and waste management services, and Signature for road and highway signage.

In accordance with IFRS 8, Auto Exterior and Inergy Automotive Systems have been combined in a single reportable segment as they have similar economic characteristics and exhibit similar long-term financial performance. The two segments have similar economic characteristics in the following respects:

- customer types: automobile manufacturers;
- products and services: automotive parts;

- production processes: in-house development, outsourced tooling, plastic molding with the addition of accessories;
- distribution networks: production facilities based near automobile production plants with just-in time delivery;
- regulatory environment.

The Group therefore has two reportable segments:

- Automotive, comprising Auto Exterior and Inergy Automotive Systems;
- Environment.

> 1.6. Business combinations

Business combinations are accounted for by the purchase method in accordance with IFRS 3. Under this method, identifiable assets acquired and liabilities and contingent liabilities assumed are recognized at their fair values at the acquisition date, and the difference between the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities and the acquisition price is recorded as goodwill.

> 1.7. Translation of the financial statements of foreign subsidiaries

Plastic Omnium 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 euros as follows:

- assets and liabilities, other than equity, are translated at the exchange rate on the balance sheet date;
- income and expenses are translated at the average exchange rate for the period;
- differences arising on translation are recognized in equity.

Goodwill arising on the acquisition of foreign operations is recognized in the functional currency of the foreign operation and then translated into the presentation currency at the closing rate. The resulting translation difference is recognized in equity. On disposal of a foreign operation, the cumulative translation difference initially recognized in equity is reclassified to the income statement.

> 1.8. Translation of transactions in foreign currencies

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rate on the transaction date. At the balance sheet date, foreign currency monetary items are translated using the closing rate.

The resulting exchange difference is recognized under other operating income or expenses for transactions related to operating activities, and under financial income or expenses for financial transactions.

Borrowings denominated in foreign currency whose settlement is neither planned nor probable in the foreseeable future are considered to form part of the Plastic Omnium Group's net investment in the related foreign operation and any corresponding exchange differences are recognized in equity.

> 1.9. Revenue

Revenue from the sale of goods and services is recognized when the risks and rewards of ownership are transferred, when it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of revenue can be measured reliably.

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

If the customer has given a payment guarantee, tooling and development 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.

If payment is not guaranteed (financing by "development unit" with no volume guarantee), tooling and development revenue is deferred across the life of the series.

(1) The functional currency is generally the local currency, except for certain subsidiaries that carry out the majority of their transactions in another currency.

Most Plastic Omnium Urban Systems 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 immediately as a sale, for an amount corresponding to the sum of the survey and installation costs and the estimated sale price of the leased equipment.

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.

> 1.10. 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. The amount of any provisions is determined separately for each customer.

Finance receivables correspond primarily to Plastic Omnium Environment lease-maintenance contracts classified as finance leases, and to sales of "development units" billed at a specific unit price for which payment is contractually guaranteed by the customer. These latter receivables are originally due in more than one year and are interest-bearing. The corresponding finance income is recognized in revenue. Finance receivables are deducted from the calculation of net debt.

Sold receivables are derecognized in accordance with IAS 39 when they meet the following conditions:

- the contractual rights to the receivable are transferred to the buyer;
- substantially all the risks and rewards of ownership are transferred to the buyer;
- control over the receivable is transferred to the buyer.

The risks taken into account are:

- credit risk;
- risk related to payment arrears (amount and duration);
- interest rate risk, which is transferred in full to the buyer.

> 1.11. Nature and extent of risks arising from financial instruments – receivables and aging analysis

In accordance with IFRS 7, which requires disclosures about the nature and extent of risks arising from financial instruments at the balance sheet date, information is provided in these notes concerning:

- liquidity risk, including the total amount of confirmed bank lines of credit and the undrawn amount;
- market risk, including:
  - details of borrowings at 31 December, by currency and by type of interest rate,
  - details of trade receivables and other receivables at 31 December, by currency,
  - details of trade payables and other payables at 31 December, by currency,
  - an aging analysis of net receivables.

> 1.12. Operating margin

The Group's main performance indicator is operating margin, which corresponds to operating 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 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 those used to account for the related settlements;
- income and expenses that are unusual in nature, frequency or amount, such as expenses related to the start-up of new plants, restructuring costs, downsizing costs and bin write-offs.

> 1.13. Research tax credit

Certain research expenditure by Group subsidiaries qualifies for French tax credits. These credits are included in operating margin under the heading "Net research and development costs" (see notes 4.1 and 4.2).

> 1.14. Right to individual training

The right to individual training was introduced by the Act of 4 May 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.

The law stipulates that each employee may ask for at least 20 hours of training per calendar year, capped at 120 hours.

To date, the Group has not recognized a provision for individual training rights due to the very low take-up by employees and the lack of historical statistics on which to base an estimate of the potential liability.

> 1.15. Research and development costs

In accordance with IAS 38 – *Intangible Assets*, material development costs are recognized as an intangible asset when the entity can demonstrate:

- its intention to complete the project and the availability of adequate technical and financial resources to do so;
- how the project will generate probable future economic benefits; and
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Automotive business development costs

Research and development costs covered by a customer payment guarantee are recognized based on the stage of completion validated by the customer. The recognition policy is described in note 1.9.

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 on the date of technical acceptance, or, at the latest, on the first day of series production. Amounts received in the period prior to technical acceptance are recorded under "Customer prepayments".

Development costs for "development units" not covered by a contractual volume undertaking 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.

> 1.16. Start-up costs

Start-up costs on new production capacity or processes, including the related organizational costs, are recognized as an expense for the period in which they are incurred.

> 1.17. Goodwill and impairment testing

Goodwill represents the excess of the cost of a business combination over the acquirer's interest in the net fair value of the identifiable assets acquired and liabilities and contingent liabilities assumed, at the acquisition date.

In compliance with IFRS, goodwill is not amortized but is tested for impairment at least once a year.

The Group has three operating segments. Each segment comprises cash generating units (CGUs) to which operating assets and any goodwill are allocated.

Impairment tests are carried out on specific asset categories, first at the level of each CGU or group of CGUs and then at the level of each operating segment.

The Group has two reportable segments – Automotive and Environment (see note 1.5). Information on goodwill is presented based on the same segment analysis (see note 5.1.1.1).

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 flows method.

Future cash flows are estimated based on the Group's three-year business plan, as revised to take into account changes in market conditions. The terminal value is calculated by capitalizing projected cash flows for the last year covered by the business plan, using a growth rate that reflects the outlook for the market concerned and applying a discount rate.

For 2009, the following assumptions were used:

- Automotive: a 1.5% perpetual growth and a 9% after-tax discount rate;
- Environment: a 1.5% perpetual growth rate and a 7.5% after-tax discount rate.

The growth rates are in line with those used in the market for the relevant segment. Discount rates are based on:

- rates used by comparable companies in the segment concerned;
- a risk-free interest rate plus the risk premium generally applied to the segment concerned.

Based on impairment testing, no impairment losses were recognized on goodwill at 31 December 2009.

A 150-bps increase in the discount rate or a zero perpetual growth rate for each segment would not have had a material impact on the test results.

Negative goodwill is recorded in the income statement during the acquisition period. Goodwill is measured annually at cost, less any accumulated impairment losses.

> 1.18. Property, plant and equipment

Gross value

Property, plant and equipment are initially recorded at purchase cost, or production cost for assets manufactured by the Group (or a subcontractor) for its own use, or at fair value in the case of assets acquired without consideration.

Unrealized gains and losses on intra-group sales of property, plant and equipment are eliminated in consolidation.

After initial recognition, property, plant and equipment are measured using the cost model, except for buildings that the Group uses as offices and the land on which the buildings are constructed. In these cases, the revaluation model is applied in accordance with the option available under paragraph 31 of IAS 16. The same accounting treatment is applied for the land on which the property is constructed. These buildings and plots of land are valued on a regular basis by an independent valuer. The valuation used in the 2009 financial statements was based on an appraisal carried out in February 2010. Between two valuations the valuer informs the Group if the real estate market has undergone any significant changes. The fair value determined by the valuer is calculated by direct reference to observable prices in an active market.

The value of the Group's industrial buildings and related land is measured using the cost model. Maintenance and repair costs incurred 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.

In accordance with IAS 17 – *Leases*, assets acquired under finance leases are recognized in property, plant and equipment at the lower of their fair value at the inception of the lease 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.

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 machines	$6^{2/3}$-12 years
Machining, finishing and other equipment	3-$6^{2/3}$ years
Containers (Plastic Omnium Environment)	8 years

In accordance with IAS 16 – *Property, Plant and Equipment*, each significant part of property assets and major functional assemblies, such as paint lines, presses and blow-molding machines, 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 has been made to withdraw a product manufactured using the assets concerned.

> 1.19. Investment property

Investment property does not form part of the Group's ordinary business activities. It comprises:

- properties that are not occupied on the balance sheet date and whose use has yet to be decided;
- properties held for their long-term appreciation, that are leased to third parties under operating leases.

The Group may decide to use all or part of an unoccupied property (in which case the relevant part is reclassified as owner-occupied property falling within the scope of IAS 16) or to lease it to third parties under one or more operating leases.

Properties or parts of properties reclassified as owner-occupied property are transferred to property, plant and equipment at their carrying amount on the reclassification date, in accordance with IAS 16, paragraph 31.

Owner-occupied properties or parts of properties reclassified as investment property are transferred at their carrying amount on the reclassification date and are subsequently measured at fair value through profit or loss in accordance with IAS 40.

Property leased to third parties is measured at fair value at the balance sheet date, with changes in fair value recognized in the income statement. The same accounting treatment is applied for the land on which the property is constructed.

> 1.20. Inventories

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.

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 data processing costs that do not contribute to bringing the products to their present location and condition, or any research and development or distribution costs. It does not include the cost of any below normal capacity utilization.

At each balance sheet date, the carrying amount 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.

> 1.21. Provisions for liabilities, and charges

Provisions for liabilities and charges are recorded when the Group has a present obligation, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and no equivalent benefit is expected to be received in return. They are recognized in current liabilities because the obligation is generally expected to be settled within one year.

The cost of downsizing plans is recognized in the period when a detailed plan has been drawn up and announced to the employees concerned or their representatives.

> 1.22. Provisions for pensions and other post-employment benefits

Plan descriptions

All Group employees are covered by pension and other long-term and post-employment benefit plans, which comprise both defined contribution and defined benefit plans.

1.22.1. 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, 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.

1.22.2. Defined benefit plans

Defined benefit plans are post-employment benefit plans, consisting mainly of length-of-service awards payable to employees of the French companies in the Group, and:

- pension and supplementary pension plans, mainly in the United States and France;
- plans for the payment of healthcare costs of retired employees, in the United States.

Provisions recognized for defined benefit plans are calculated using the projected unit credit method (the accrued benefit method pro-rated on service) in accordance with IAS 19 – *Employee Benefits*.

These calculations take into account:

- retirement age assumptions based on local legislation. In France, a retirement age of up to 65 depending on year of birth has been used for managers and 61 for other employees (with retirement at the employees' initiative);
- mortality assumptions;
- the probability of active employees leaving the Group before retirement age;
- estimated salary increases up to retirement;
- discount and inflation rate 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. These valuations factor in assumptions concerning the long-term yield on plan assets.

Changes in provisions for pensions and post-employment benefits are recognized over the benefit vesting period in operating expenses, except for:

- the interest cost, which is recognized in financial expense;
- actuarial gains and losses on post-employment benefit obligations, which are recognized in equity;
- translation adjustments and changes in the scope of consolidation.

Actuarial gains and losses arising on post-employment benefit obligations are recognized immediately in equity, in accordance with the amendments to IAS 19 – *Employee Benefits: Actuarial Gains and Losses, Group Plans and Disclosures*. Actuarial gains and losses arising on other long-term benefits are recognized directly in the income statement.

1.22.3. Other long-term benefit plans

Other long-term benefits mainly correspond to jubilees payable to employees of French companies in the Group.

> 1.23. Short-term government grants

Government grants recognized as a liability in the balance sheet correspond to grants related to investments in new facilities, production equipment or research and development programs.

These grants are:

- reclassified in gross profit, over the periods and in the proportions in which the acquired assets are depreciated, or when the research and development programs are not successful;
- repaid, when the research and development programs are successful.

> 1.24. Treasury stock

Treasury stock is recorded as a deduction from equity, regardless of the purpose for which the shares are being held.

Gains and losses on sales of treasury stock are recorded directly in equity, without affecting profit for the year.

> 1.25. Stock option plans

In accordance with IFRS 2 – *Share-Based Payment*, employee stock options are measured at their fair value at the grant date, using the Black & Scholes option pricing model or a similar 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.

> 1.26. 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. They are measured in accordance with IAS 32 and IAS 39.

They 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.

1.26.1. 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 fair value on the balance sheet date and changes in fair value are recognized directly in equity. An impairment loss is recognized when there is objective evidence that the recoverable amount of the shares is less than their cost. Any such impairment losses may not be reversed.

1.26.2. Other 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.

> 1.27. Derivative instruments and hedge accounting

The Group uses derivative instruments traded on organized markets or over-the-counter to manage its exposure to interest rate risks. In accordance with IAS 39, these hedging instruments are recognized in the balance sheet and measured at fair value on the basis of market prices provided by financial organizations.

The Group has opted to apply cash flow hedge accounting within the meaning of IAS 39. Accordingly, the effective portion of the change in fair value of interest rate hedges is recognized in the statement of changes in equity and the ineffective portion is recognized in financial income or expense.

> 1.28. Cash and cash equivalents

In accordance with IAS 7 – *Cash Flow Statements*, cash and cash equivalents presented in the cash flow statement are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes 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 for routine transactions, as these are considered to represent sources of financing. Cash equivalents correspond to investments with short-term maturities held for the purpose of temporarily investing surplus cash. They include marketable securities, units in money market mutual funds, and money market securities. Cash and cash equivalents are measured at fair value and changes in their fair value are recognized in the income statement.

> 1.29. Assets held for sale and discontinued operations

The following items are classified as assets held for sale:

- assets or groups of assets (disposal group) whose carrying amount will be recovered principally through a sale transaction rather than through continuing use;
- businesses and entities acquired with a view to their subsequent sale.

Liabilities related to assets, disposal groups or business operations held for sale are presented as a separate item in the balance sheet.

Assets classified in this category are no longer depreciated. They are measured at the lower of their carrying amount and estimated sale price less costs to sell. Any impairment losses are recognized through profit or loss.

Assets and operations may be classified in this category for more than a year only if they meet the conditions set out in IFRS 5.

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 and any gain or loss on their disposal are presented as a separate line item entitled "Profit/(loss) from discontinued operations". Prior year income statement and cash flow data are adjusted accordingly.

> 1.30. Income tax

In accordance with IAS 12, deferred taxes recognized on temporary differences between the carrying amount of assets and liabilities 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.

Deferred tax assets corresponding to tax credits, tax loss carryforwards and other temporary differences are recognized based on the probability of sufficient taxable earnings being generated to permit their utilization.

2. Significant events of the year

> 2.1. Changes in scope of consolidation

Changes in scope of consolidation were as follows in 2009:

- Change of percentage interest and consolidation method in 2009:

  The Group's interest in PO Varroc Private Ltd., a joint venture with Varroc Polymers, was increased from 51% to 60% in January 2009. At 31 December 2008, PO Varroc Private Ltd. was proportionately consolidated as management decisions were taken jointly with the partner. As the Group now has exclusive control, PO Varroc Private Ltd. was fully consolidated at 31 December 2009, with the remaining 40% recognized in minority interests.

- The Group increased its interest in its Romanian associate Signature Semnalizare from 18.20% to 34.88%. The associate is still accounted for by the equity method.
- Companies newly-formed and/or in start-up phase in 2009:
  - Plastic Omnium Urban Systems GmbH was created in 2008 and began operations in 2009 as part of a legal restructuring in Germany designed to separate existing operating companies from holding companies. Plastic Omnium Urban Systems GmbH is a holding company. It holds assets transferred from Signature Deutschland GmbH and most of the Sulo Environmental Technology shares acquired in 2007. It is wholly-owned by the Group and fully consolidated.
  - PO Shanghai Business Consulting Co Ltd., a holding company created in 2008, began operations in January 2009. It is wholly-owned by the Group and fully consolidated.
  - Euromark GmbH, a road signage company, is 35%-owned and is accounted for by the equity method, effective from 2009. It is part of the Euromark segment of the Environment division.
  - IAS Manufacturing (Beijing) Co Ltd. is 50%-owned and is proportionately consolidated, effective from the date when it began operations, in August 2009. It forms part of the Inergy segment of the Automotive division.
- Companies acquired in 2009:

  Through its Swiss subsidiary Signal AG, the Group acquired a 60% interest in Segnaletica Mordasini in July 2009. The sale contract provides for the acquisition of a further 20% based on the 2009 audited financial statements and the remaining 20% based on the 2010 audited financial statements. Segnaletica Mordasini is a road marking and signage company based in the Ticino canton of Switzerland.
- Companies liquidated in 2009:

  Plastic Omnium International AG, a Swiss holding company, was wound up in 2009.

  Sulo of America in the Environment segment was liquidated in June 2009.

> 2.2. Assets held for sale and discontinued operations

- Air Duct business:

  In agreement with the Group's fuel systems partner Solvay, the Air Duct business was put up for sale at the end of June 2008. The business, which produces air inlet systems for engine blocks and was previously part of Inergy Automotive Systems SA, has therefore been classified under assets held for sale.
- ATMC:

  On 2 October 2009, the Group sold ATMC along with a property comprising land and buildings in La Rochelle. ATMC, acquired in 2006, was part of the Automotive segment. It manufactures parts mainly for the boat industry (hulls) and also for the railcar and automobile sectors (truck parts).

2.2.1. Loss/(profit) from discontinued operations

The net loss from discontinued operations broke down as follows in 2009 and 2008:

(in thousands of euros)	2009	2008
Revenue	2,637	46,600
Operating margin	(975)	(727)
Operating loss	(1,592)	(3,883)
Finance costs – net	(29)	(149)
Financial income	-	40
Other financial expenses	-	(667)
Income tax	13	(17)
Profit/(loss) reported by discontinued operations	**(1,608)**	**(4,676)**
Capital gains/(losses) on disposal of discontinued operations	(66)	(208)
Fair value adjustment to assets sold or held for sale	(1,734)	-
NET LOSS FROM DISCONTINUED OPERATIONS	**(3,408)**	**(4,884)**

The net loss from discontinued operations in 2009 included:

- the results of the Air Duct business, which was still classified under discontinued operations, and ATMC;
- the loss on disposal of ATMC;
- adjustment to the financial receivable corresponding to the Performance Plastics Products – 3P earn-out.

Performance Plastics Products – 3P's European and Asian subsidiaries were sold on 29 August 2008. The sale contract included an earn-out clause applicable if the subsidiaries are sold on to another buyer. The financial receivable recognized in the consolidated balance sheet for this future earn-out payment may be adjusted annually on the basis of the business plan and earnings forecasts drawn up by the new purchaser.

The total net loss from discontinued operations for 2009 breaks down as follows:

	2009			
(in thousands of euros)	Total 2009	Results of discontinued operations	Loss/ (gain) on disposal	Gain/ (loss) on disposal of properties
Revenue	2,637	2,637		
Operating margin	(975)	(975)		
Operating loss	(1,592)	(1,592)		
Finance costs – net	(29)	(29)		
Financial income	-	-		
Other financial expenses	-	-		
Income tax	13	13		
Profit/(loss) reported by discontinued operations	**(1,608)**	**(1,608)**		
Capital gains/(losses) on disposal of discontinued operations	(66)		(685)	619
Fair value adjustment to assets held for sale	(1,734)		(1,734)	
NET LOSS FROM DISCONTINUED OPERATIONS	**(3,408)**	**(1,608)**	(2,419)	619

In 2008, the net loss from discontinued operations included:

- the results of Performance Plastics Products – 3P, Epsco and Air Duct;
- the gain/(loss) on the sale of 3P and Epsco assets;
- management fees on the properties in Blenheim, Canada which have been classified under assets held for sale since July 2008.

(in thousands of euros)	2008						
	Total 2008	Air Duct	Blenheim	Epsco	3P	Loss on the sale of Epsco assets	Gain on the sale of 3P
Revenue	46,600	1,682	-	10,615	34,303		
Operating margin	(727)	(360)	-	545	(912)		
Operating loss	(3,883)	(360)	(72)	507	(3,958)		
Finance costs – net	(149)	-	-	-	(149)		
Financial income	40	-	-	-	40		
Other financial expenses	(667)	-	-	(31)	(636)		
Income tax	(17)	-	-	-	(17)		
Profit/(loss) reported by discontinued operations	**(4,676)**	**(360)**	**(72)**	**476**	**(4,720)**		
Capital gains/(losses) on disposal of discontinued operations	(208)					(236)	28
Fair value adjustment to assets held for sale	-						
NET LOSS FROM DISCONTINUED OPERATIONS	**(4,884)**	**(360)**	**(72)**	**476**	**(4,720)**	**(236)**	**28**

2.2.2. Loss per share from discontinued operations

(in thousands of euros)	2009	2008
Net loss from discontinued operations	**(3,408)**	**(4,884)**
(in euros)		
Basic loss per share of discontinued operations	(0.22)	(0.29)
Diluted loss per share of discontinued operations	(0.22)	(0.29)
(in units for number of shares)		
Weighted average number of ordinary shares used to calculate basic loss per share	**15,999,639**	**16,917,835**
Dilutive effect * on number of shares	-	-
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES USED TO CALCULATE DILUTED LOSS PER SHARE	**15,999,639**	**16,917,835**

* *The dilutive effect corresponds to outstanding stock options at 31 December.*

The weighted average number of ordinary shares corresponds to the total number of shares outstanding less treasury stock.

2.2.3. Assets held for sale

The table below presents the carrying amounts of assets classified as held for sale and companies classified as discontinued operations at 31 December 2009 and 2008.

At 31 December 2009, the assets of the following companies in the Automotive division were classified as held for sale:

- Plastic Omnium Automotive Ltd. (Telford plant);
- Inergy Automotive Systems SA (Nucourt plant);
- Inergy Automotive Systems Canada Inc. (Blenheim plant).

At 31 December 2008, certain assets of the following companies in the Automotive division were classified as held for sale:

- Plastic Omnium Auto Extérieur SA (Saint-Romain-de-Colbosc plant);
- Plastic Omnium Automotive Ltd;
- Inergy Automotive Systems Canada Inc.

Discontinued operations at 31 December 2009 consisted solely of Inergy Automotive Systems' Air Duct business.

Notes to the consolidated financial statements

(in thousands of euros)	31 December 2009 Total	31 December 2009 Assets held for sale	31 December 2009 Discontinued operations Air Duct	31 December 2008 Total	31 December 2008 Assets held for sale	31 December 2008 Discontinued operations Air Duct
Intangible assets						
Land and land improvements	2,504	2,504		3,335	3,335	
Buildings, building improvements, fixtures and fittings	3,082	3,082		4,992	4,992	
Plant and equipment	104	26	78	428	5	423
Financial assets						
Deferred tax assets						
Inventories	5		5	221		221
Trade and other receivables				325		325
Current accounts						
Cash and cash equivalents						
Assets held for sale	**5,695**	**5,612**	**83**	**9,301**	**8,332**	**969**
Provisions for liabilities and charges						
Deferred tax liabilities						
Current accounts						
Bank overdrafts						
Trade and other payables				114		114
Liabilities related to assets held for sale				**114**	**-**	**114**
NET ASSETS HELD FOR SALE	**5,695**	**5,612**	**83**	**9,187**	**8,332**	**855**

3. Segment information

> 3.1. Information by reportable segment

The following tables present data for each segment, as well as an «Unallocated items» column that includes inter-segment eliminations and amounts that are not allocated on a segment basis (for example, holding activities). The data in this column are presented in order to enable segment information to be reconciled with the Group's financial statements.

3.1.1. Consolidated income statement by reportable segment

	2009			
(in thousands of euros)	Automotive	Environment	Unallocated items *	Consolidated total
Sales to third parties	2,014,174	445,995	(1,530)	2,458,639
Sales between segments	362	(1,892)	1,530	-
Revenue	**2,014,536**	**444,103**	**-**	**2,458,639**
% of revenue	*82.0%*	*18.0%*		*100%*
Operating margin	**78,171**	**23,935**		**102,106**
% of segment revenue	*3.9%*	*5.4%*		*4.1%*
Other operating income	**35,840**	**7,884**		**43,724**
Other operating expenses	**(65,880)**	**(11,255)**		**(77,135)**
% of segment revenue	*-1.5%*	*-0.8%*		*-1.4%*
Finance costs, net				(23,496)
Financial income				2,591
Other financial expenses				(4,151)
Share of loss of associates				(993)
PROFIT FROM CONTINUING OPERATIONS BEFORE INCOME TAX				**42,646**
Income tax				(8,212)
Net profit from continuing operations				**34,434**
Net loss from discontinued operations				(3,408)
NET PROFIT				**31,025**

	2008			
(in thousands of euros)	Automotive	Environment	Unallocated items *	Consolidated total
Sales to third parties	2,169,148	529,250	(1,858)	2,696,539
Sales between segments	2,419	(4,278)	1,859	-
Revenue	**2,171,567**	**524,973**	**-**	**2,696,539**
% of revenue	*81.0%*	*19.0%*		*100%*
Operating margin	**42,201**	**28,524**		**70,724**
% of segment revenue	*1.9%*	*5.4%*		*2.6%*
Other operating income	**8,560**	**2,037**		**10,597**
Other operating expenses	**(60,500)**	**(22,696)**		**(83,196)**
% of segment revenue	*-2.4%*	*-4.0%*		*-2.7%*
Finance costs, net				(46,981)
Financial income				842
Other financial expenses				(4,350)
Share of loss of associates				(209)
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAX				**(52,572)**
Income tax				(5,764)
Net loss from continuing operations				**(58,336)**
Net loss from discontinued operations				(4,884)
NET LOSS				**(63,219)**

* *The "Unallocated items" column includes inter-segment eliminations as well as amounts that are not allocated on a segment basis (for example, holding activities) in order to enable segment information to be reconciled with the Group's financial statement.*

Revenue generated by the Automotive segment breaks down as follows by automobile manufacturer:

(in thousands of euros)	2009			2008		
Automobile manufacturer	Amount	% of total revenue from manufacturers	% of total Automotive revenue	Amount	% of total revenue from manufacturers	% of total Automotive revenue
PSA Peugeot Citroën	496,860	30.89%	24.66%	391,750	24.19%	18.04%
Renault/Nissan	347,625	21.62%	17.26%	363,349	22.44%	16.73%
General Motors	302,195	18.79%	15.00%	327,053	20.19%	15.06%
BMW	234,838	14.60%	11.66%	270,367	16.69%	12.45%
Volkswagen	226,732	14.10%	11.25%	267,044	16.49%	12.30%
Total main manufacturers	**1,608,250**	**100%**	**79.83%**	**1,619,563**	**100%**	**74.58%**
Other	406,286		20.17%	552,004		25.42%
TOTAL AUTOMOTIVE REVENUE	**2,014,536**		**100%**	**2,171,567**		**100%**

3.1.2. Consolidated balance sheet data by reportable segment

Net amounts	31 December 2009			
(in thousands of euros)	Automotive	Environment	Unallocated items	Consolidated total
Goodwill	113,498	173,473	2,960	289,931
Intangible assets	79,773	20,197	6,962	106,932
Property, plant and equipment	406,596	90,298	30,074	526,968
Investment property			17,502	17,502
Inventories	166,263	39,786	-	206,049
Trade receivables	176,915	84,848	270	262,032
Other receivables	95,162	14,363	9,781	119,306
Finance receivables (C)	111,432	4,851	-	116,283
Current accounts and other financial assets (D)	(76,838)	2,246	92,867	18,274
Net cash and cash equivalents * (A)	75,067	11,181	14,761	101,010
Total segment assets	**1,147,868**	**441,242**	**175,178**	**1,764,288**
Short-term borrowings (B)	101,228	16,365	523,645	641,239
Segment liabilities	**101,228**	**16,365**	**523,645**	**641,239**
NET SEGMENT DEBT = (B – A – C – D)	**(8,433)**	**(1,912)**	**416,017**	**405,672**

Net amounts	31 December 2008			
(in thousands of euros)	Automotive	Environment	Unallocated items	Consolidated total
Goodwill	116,549	173,731	958	291,238
Intangible assets	138,792	27,532	1,106	167,430
Property, plant and equipment	442,604	99,471	30,727	572,802
Investment property	-	-	17,273	17,273
Inventories	246,921	48,098	3	295,022
Trade receivables	188,180	88,112	2,605	278,897
Other receivables	93,801	14,807	17,759	126,367
Finance receivables (C)		4,885		4,885
Current accounts and other financial assets (D)	(107,099)	14,444	132,167	39,511
Net cash and cash equivalents * (A)	62,457	13,511	(255)	75,713
Total segment assets	**1,182,205**	**484,591**	**202,343**	**1,869,138**
Short-term borrowings (B)	97,210	8,161	574,674	680,045
Segment liabilities	**97,210**	**8,161**	**574,674**	**680,045**
NET SEGMENT DEBT = (B – A – C – D)	**141,852**	**(24,678)**	**442,762**	**559,936**

* *Net cash and cash equivalents as reported in the statement of cash flows. See also note 5.1.12.d.*

3.1.3. Other consolidated information by reportable segment

(in thousands of euros)	Automotive	Environment	Unallocated items	Consolidated total
31 December 2009				
Acquisitions of intangible assets	30,751	3,203	508	34,463
Capital expenditure	50,667	15,298	2,500	68,465
Depreciation and amortization expense	150,689	22,860	1,338	174,887
31 December 2008				
Acquisitions of intangible assets	68,210	5,004	1,375	74,589
Capital expenditure	70,880	22,604	1,934	95,418
Depreciation and amortization expense	123,408	24,023	758	148,189

> 3.2. Information by geographic region

3.2.1. Revenue by geographic region

The following table shows revenue generated by the Group's subsidiaries in the relevant geographic regions.

(in thousands of euros)	2009	%	2008	%
France	729,771	29.7%	702,192	26.0%
North America	420,250	17.1%	540,803	20.1%
Europe excluding France	971,252	39.5%	1,151,759	42.7%
South America	85,533	3.5%	88,974	3.3%
Africa	18,335	0.7%	24,598	0.9%
Asia	233,499	9.5%	188,215	7.0%
TOTAL	**2,458,639**	**100%**	**2,696,539**	**100%**

3.2.2. Non-current assets by geographic region

	31 December 2009					
(in thousands of euros)	France	North America	Europe excluding France	South America/ Asia	Other *	Total
Goodwill	152,450	26,774	97,823	10,259	2,625	289,931
Intangible assets	35,619	14,813	45,439	10,480	581	106,932
Property, plant and equipment	170,125	86,307	189,459	77,922	3,155	526,968
including capital expenditure for the year	*19,101*	*3,867*	*26,347*	*18,827*	*323*	*68,465*
Investment property	17,502					17,502
TOTAL NON-CURRENT ASSETS	**375,696**	**127,894**	**332,721**	**98,661**	**6,361**	**941,333**

	31 December 2008					
(in thousands of euros)	France	North America	Europe excluding France	South America/ Asia	Other *	Total
Goodwill	152,449	38,187	87,602	10,375	2,625	291,238
Intangible assets	57,122	34,574	65,762	9,408	564	167,430
Property, plant and equipment	205,182	109,151	194,716	61,078	2,675	572,802
including capital expenditure for the year	*24,736*	*15,270*	*33,458*	*21,315*	*639*	*95,418*
Investment property	17,273	-	-	-	-	17,273
TOTAL NON-CURRENT ASSETS	**432,026**	**181,912**	**348,080**	**80,861**	**5,864**	**1,048,743**

* *"Other" includes the Group's South African companies.*

4. Notes to the income statement

> 4.1. Research and development costs

The following table analyzes the amount of research and development expenditure incurred in 2009 and 2008, as well as the percentage of revenue it represents.

(in thousands of euros)	2009	%	2008	%
Research and development costs – gross	(109,567)	-4.5%	(139,758)	-5.2%
Capitalized and customer-financed R&D costs	65,340	2.7%	93,759	3.5%
NET RESEARCH AND DEVELOPMENT COSTS	**(44,227)**	**-1.8%**	**(45,999)**	**-1.7%**

> 4.2. Cost of sales, development, distribution and administrative costs

(in thousands of euros)	2009	2008
Cost of sales includes:		
Raw materials (purchases and changes in inventory)	(1,387,634)	(1,630,990)
Direct production outsourcing	(27,444)	(44,792)
Utilities and fluids	(48,450)	(54,330)
Employee benefits expense	(297,164)	(324,562)
Other production costs	(217,114)	(209,869)
Proceeds from disposal of waste containers leased under operating leases *	4,359	2,847
Carrying amount of waste containers leased under operating leases *	(2,641)	(2,351)
Depreciation	(147,080)	(119,631)
Provisions	(6,357)	(1,728)
TOTAL	**(2,129,525)**	**(2,385,405)**
Research and development costs include:		
Employee benefits expense	(68,874)	(75,294)
Amortization of capitalized development costs	(20,175)	(17,001)
Other	44,822	46,296
TOTAL	**(44,227)**	**(45,999)**
Distribution costs include:		
Employee benefits expense	(34,266)	(34,580)
Depreciation and provisions	(2,132)	(747)
Other	(16,581)	(18,101)
TOTAL	**(52,979)**	**(53,427)**
Administrative costs include:		
Employee benefits expense	(78,515)	(81,667)
Other administrative expenses	(46,728)	(50,668)
Depreciation	(5,934)	(8,939)
Provisions	1,375	292
TOTAL	**(129,802)**	**(140,982)**

* *See "Gains/losses on disposals of non-current assets" in note 4.5.*

> 4.3. Employee benefits expense

(in thousands of euros)	2009	2008
Wages and salaries	(354,469)	(387,483)
Payroll taxes	(105,556)	(115,057)
Non-discretionary profit-sharing	(8,520)	(3,749)
Pension and other post-employment benefit costs	2,611	2,104
Share-based compensation	(2,128)	(2,130)
Other employee benefits expenses	(10,752)	(9,788)
Total employee benefits expense excluding temporary staff costs	**(478,814)**	**(516,103)**
Temporary staff costs	(25,490)	(44,542)
TOTAL EMPLOYEE BENEFITS EXPENSE INCLUDING TEMPORARY STAFF COSTS	**(504,304)**	**(560,645)**

> 4.4. Fees paid to the Statutory Auditors

	2009			
(in thousands of euros)	Mazars	Ernst & Young	Other	Total
Audit services	(1,101)	(832)	(37)	(1,970)
Of which:				
Compagnie Plastic Omnium	*(273)*	*(253)*	-	*(526)*
Subsidiaries	*(828)*	*(579)*	*(37)*	*(1,444)*
Other fees	(76)	(65)	(380)	(521)
Of which:				
Compagnie Plastic Omnium	-	-	-	-
Subsidiaries	*(76)*	*(65)*	*(380)*	*(521)*
TOTAL	**(1,177)**	**(897)**	**(417)**	**(2,491)**

	2008			
(in thousands of euros)	Mazars	Ernst & Young	Other	Total
Audit services	(1,559)	(1,355)	(62)	(2,976)
Of which:				
Compagnie Plastic Omnium	*(335)*	*(273)*	-	*(608)*
Subsidiaries	*(1,224)*	*(1,082)*	*(62)*	*(2,368)*
Other fees	(166)	(188)	(182)	(536)
Of which:				
Compagnie Plastic Omnium	-	-	-	-
Subsidiaries	*(166)*	*(188)*	*(182)*	*(536)*
REPORTED TOTAL *	**(1,725)**	**(1,543)**	**(244)**	**(3,512)**
Adjustments	355	516	71	942
ADJUSTED TOTAL	**(1,370)**	**(1,027)**	**(173)**	**(2,570)**

* *Fees reported in the 2008 financial statements concern all fully and proportionately consolidated companies. The adjusted total concerns fully consolidated companies only.*

> 4.5. Other operating income and expenses

(in thousands of euros)	2009 Other operating income	2009 Other operating expenses	2008 Other operating income	2008 Other operating expenses
Gains/losses on disposals of non-current assets *	**24,954**	**(42,330)**	**341**	**(1,177)**
Employee downsizing plans	**11,907**	**(25,897)**	**1,535**	**(69,101)**
Of which:				
Automotive segment				
• *France*	8,509	(19,745)	535	(38,356)
• *Europe excluding France*	613	(1,077)	349	(7,092)
• *Americas, Asia and Africa*	2,745	(2,165)	651	(10,026)
Of which:				
Environment segment				
• *France*		(2,008)		(11,724)
• *Europe excluding France*	40	(508)		
• *Americas, Asia and Africa*				(1,903)
Of which:				
Unallocated		(394)		
Other operating expenses	**2,146**	**(8,908)**	**1,046**	**(12,918)**
Of which:				
• *Asset impairment losses*	2,146	(6,147)		(4,418)
• *Adjustments on asset disposals*			1,046	(2,629)
• *Foreign exchange losses on operating activities*				(1,939)
• *Other*		(2,761)		(3,932)
Other operating income	**4,717**		**7,675**	
Of which:				
• *Asset revaluations ***			7,205	
• *Accretion gains on asset sales*				
• *Foreign exchange gains on operating activities*	1,166			
• *Other*	3,551		470	
TOTAL	**43,724**	**(77,135)**	**10,597**	**(83,196)**

* *Proceeds from disposals of property, plant and equipment and intangible assets reported in the statement of cash flows include amounts recognized in "Other operating income and expenses" as well as the proceeds from disposals of waste containers leased under operating leases (see note 4.2).*
Gains or losses on asset disposals reported in the statement of cash flows include amounts reported under "Other operating income and expenses" as well as the gain or loss on disposals of waste containers leased under operating leases (see note 4.2). They break down as follows:

(in thousands of euros)	2009 Disposal proceeds	2009 Loss/(gain) on disposals
Disposals of waste containers reported in "Cost of sales"	4,359	1,718
Disposals of assets reported under "Other operating income and expense"	24,954	(17,376)
TOTAL	**29,313**	**(15,658)**

** *See Note 5.1.3, "Investment property".*

Restructuring operations

Launched in April 2008, the "PO 2009" cost-reduction plan was considerably stepped up in December 2008. Altogether, the Group recorded €14.0 million in employee downsizing costs in 2009, including €8.0 million in an additional provision for the plan and €23.0 million in costs incurred during the period, and a €17.0 million reversal of provisions taken in 2008.

> 4.6. Share of loss/(profit) of associates

This item breaks down as follows:

(in thousands of euros) Operating segment	2009	2008
Environment	(993)	(209)
Share of profit/(loss) of associates	**(993)**	**(209)**

> 4.7. Finance income and expenses

(in thousands of euros)	2009	2008
Finance costs	(21,610)	(45,001)
Interest cost – pension obligations	(2,685)	(1,980)
Finance costs – net	**(24,295)**	**(46,981)**
Exchange losses on financing activities	214	-
Other financial income	799	-
Premiums on caps and interest rate swaps		842
Gains on financial instruments	2,377	
Financial income	**3,390**	**842**
Exchange losses on financing activities		(1,781)
Premiums on caps and interest rate swaps	(4,151)	
Losses on financial instruments		(2,569)
Other financial expenses	**(4,151)**	**(4,350)**
TOTAL	**(25,056)**	**(50,489)**

> 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)	2009	2008
Consolidated income statement		
Current taxes	**(11,063)**	**(12,824)**
Current income tax (expense)/benefit	(9,621)	(9,956)
Tax (expense)/benefit on exceptional items	(1,442)	(2,868)
Deferred taxes	**2,851**	**7,060**
Deferred tax (expense)/benefits on temporary differences arising or reversing during the period	2,675	6,922
Effect of change in tax rates or the introduction of new taxes	176	138
INCOME TAX (EXPENSE)/BENEFIT RECOGNIZED IN THE CONSOLIDATED INCOME STATEMENT	**(8,212)**	**(5,764)**

4.8.2. Tax proof

(in thousands of euros)	2009	2008
Consolidated profit before tax	**42,646**	**(52,572)**
Tax at French standard tax rate	(14,214)	17,522
Impact of differences in foreign tax rates	3,663	138
Effect on opening deferred taxes of changes in tax rates	(176)	(160)
Deferred tax assets recognized in prior periods on tax loss carryforwards	8,941	383
Unrecognized tax loss carryforwards and other tax assets	(5,925)	(25,760)
Tax credits and other tax savings	3,282	3,146
Non-deductible expenses and non-taxable income	(4,166)	(2,850)
Other	382	1,817
Tax at the effective tax rate	**(8,212)**	**(5,764)**
Effective tax rate	*19.3%*	*11.0%*

Reform of French business tax applicable as of 1 January 2010

The Group has elected to recognize the new business tax assessed on added value (CVAE) as an operating expense, as the basis of assessment mainly comprises payroll expenses and depreciation and impairment of plant and equipment used in operations or industrial projects.

> 4.9. Net profit attributable to minority interests

The table below shows minority interests by operating segment:

(in thousands of euros) Operating segment	2009		2008	
	Total net profit/(loss)	Net profit/(loss) attributable to minority interests	Total net profit/(loss)	Net profit/(loss) attributable to minority interests
Environment	4,998	2,491	2,936	1,650
Automotive	1,617	647	1,325	530
NET PROFIT ATTRIBUTABLE TO MINORITY INTERESTS	**6,615**	**3,138**	**4,261**	**2,180**

> 4.10. Earnings/(loss) per share

Earnings/(loss) per share attributable to equity holders	2009	2008
Basic earnings/(loss) per share *(in euros)*	1.74	(3.87)
Diluted earnings/(loss) per share *(in euros)*	1.74	(3.87)
Earnings/(loss) per share from continuing operations, attributable to equity holders		
Basic earnings/(loss) per share from continuing operations *(in euros)*	1.96	(3.58)
Diluted earnings/(loss) per share from continuing operations *(in euros)*	1.96	(3.58)
Weighted average number of ordinary shares used to calculate basic earnings/(loss) per share	**15,999,639**	**16,917,835**
Dilutive effect * on number of shares		
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES USED TO CALCULATE DILUTED EARNINGS/(LOSS) PER SHARE	**15,999,639**	**16,917,835**

* *The dilutive effect corresponds to outstanding stock options at 31 December.*

The weighted average number of ordinary shares corresponds to the total number of shares outstanding less treasury stock.

5. Notes to the balance sheet

> 5.1. Assets

5.1.1. Intangible assets

5.1.1.1. Goodwill

(in thousands of euros)	Gross value	Impairment	Carrying amount
At 1 January 2008	**332,166**	**(43,433)**	**288,733**
Goodwill recognized on acquisitions, minority buyouts, earn-outs	1,057	-	1,057
Impairment losses before disposals	-	(299)	(299)
Goodwill written off on divested and discontinued operations	(4,466)	4,466	-
Translation adjustment and other movements	3,028	(1,281)	1,747
At 31 December 2008	**331,786**	**(40,548)**	**291,238**
Goodwill recognized on acquisitions, minority buyouts, earn-outs			
Goodwill written off on divested and discontinued operations	(318)		(318)
Translation adjustment and other movements	(1,785)	796	(989)
AT 31 DECEMBER 2009	**329,683**	**(39,752)**	**289,931**

Goodwill breaks down as follows by reportable segment:

(in thousands of euros)	Gross value	Impairment	Carrying amount
Automotive	156,102	(39,553)	116,549
Environment	174,726	(995)	173,732
Unallocated *	957	-	957
At 31 December 2008	**331,786**	**(40,548)**	**291,238**
Automotive	152,255	(38,757)	113,498
Environment	174,468	(995)	173,473
Unallocated *	2,960		2,960
AT 31 DECEMBER 2009	**329,683**	**(39,752)**	**289,931**

* *"Unallocated" comprises goodwill on the Group's holding companies.*

5.1.1.2. Goodwill and intangible assets

(in thousands of euros)	Goodwill	Patents and licenses	Software	Development costs	Other intangible assets	Total
Carrying amount at 1 January 2009	**291,238**	**22,938**	**13,597**	**128,898**	**1,997**	**458,668**
Acquisitions		2,077	2,141	29,369	876	34,463
Disposals – net		(1,199)	(2,682)	(11,972)		(15,853)
Companies consolidated for the first time				421		421
Companies removed from the scope of consolidation	(318)		(158)			(476)
Reclassifications		(38)	1,750	(18,070)	1,734	(14,624)
Impairment			2,711			2,711
Amortization for the period		(1,315)	(5,895)	(59,995)	(397)	(67,603)
Translation adjustment	(989)	(45)	67	251	(128)	(845)
CARRYING AMOUNT AT 31 DECEMBER 2009	**289,931**	**22,418**	**11,530**	**68,901**	**4,083**	**396,863**

(in thousands of euros)	Goodwill	Patents and licenses	Software	Development costs	Other	Total
Analysis of carrying amount at 1 January 2009						
Cost	291,238	30,340	63,917	291,488	1,533	678,516
Accumulated amortization	-	(7,402)	(47,616)	(162,590)	465	(217,143)
Accumulated impairment	-	-	(2,706)	-	-	(2,706)
Carrying amount at 1 January 2009	**291,238**	**22,938**	**13,595**	**128,898**	**1,999**	**458,668**
Analysis of carrying amount at 31 December 2009						
Cost	289,931	30,807	62,358	225,009	8,970	617,075
Accumulated amortization		(8,389)	(50,828)	(156,108)	(4,887)	(220,212)
Accumulated impairment						
CARRYING AMOUNT AT 31 DECEMBER 2009	**289,931**	**22,418**	**11,530**	**68,901**	**4,083**	**396,863**

(in thousands of euros)	Goodwill	Patents and licenses	Software	Development costs	Other	Total
Carrying amount at 1 January 2008	**288,733**	**21,107**	**16,310**	**96,091**	**5,936**	**428,178**
Acquisitions	-	3,258	4,270	66,160	901	74,589
Disposals – net	-	(2,752)	(81)	666	-	(2,168)
Fair value adjustments on 2007 acquisitions	1,057	630	-	-	-	1,687
Companies consolidated for the first time	-	-	-	-	-	-
Companies removed from the scope of consolidation	(299)	-	-	-	-	(299)
Reclassifications	-	1,719	2,538	8,125	(4,171)	8,210
Amortization for the period	-	(1,251)	(9,316)	(42,237)	(454)	(53,258)
Translation adjustment	1,747	227	(124)	94	(215)	1,729
CARRYING AMOUNT AT 31 DECEMBER 2008	**291,238**	**22,938**	**13,597**	**128,898**	**1,997**	**458,668**

(in thousands of euros)	Goodwill	Patents and licenses	Software	Development costs	Other	Total
Analysis of carrying amount at 1 January 2008						
Cost	288,733	27,903	57,940	237,202	5,059	616,837
Accumulated amortization	-	(6,796)	(41,630)	(141,111)	877	(188,660)
Accumulated impairment	-	-	-	-	-	-
Carrying amount at 1 January 2008	**288,733**	**21,107**	**16,310**	**96,091**	**5,936**	**428,178**
Analysis of carrying amount at 31 December 2008						
Cost	291,238	30,340	63,917	291,488	1,533	678,516
Accumulated amortization	-	(7,402)	(47,616)	(162,590)	465	(217,143)
Accumulated impairment	-	-	(2,706)	-	-	(2,706)
CARRYING AMOUNT AT 31 DECEMBER 2008	**291,238**	**22,938**	**13,595**	**128,898**	**1,999**	**458,668**

5.1.2. Property, plant and equipment

Property, plant and equipment excluding investment property

(in thousands of euros)	Land at cost	Land revalued periodically	Buildings at cost	Buildings revalued periodically	Technical equipment and tooling	Assets under construction	Other	Total
Carrying amount at 1 January 2009	**46,536**	**229**	**180,270**	**-**	**239,370**	**39,860**	**66,537**	**572,802**
Increases	410		5,035		18,481	15,181	29,358	68,465
Disposals	(819)		(9,936)		(7,872)		(5,206)	(23,832)
Companies consolidated for the first time					273		46	319
Companies removed from the scope of consolidation			(55)		(694)	116	(27)	(659)
Reclassifications	(1,348)	(229)	7,204		18,233	(39,321)	30,565	15,104
Impairment			(1,156)		1,203		87	134
Depreciation for the period	(227)		(11,706)		(53,970)		(41,064)	(106,966)
Translation adjustment	588		28		(452)	738	700	1,601
CARRYING AMOUNT AT 31 DECEMBER 2009	**45,140**	-	**169,685**	-	**214,573**	**16,574**	**80,998**	**526,968**

(in thousands of euros)	Land at cost	Land revalued periodically	Buildings at cost	Buildings revalued periodically	Technical equipment and tooling	Assets under construction	Other	Total
Carrying amount at 1 January 2008	**51,836**	**1,955**	**185,084**	**4,417**	**259,386**	**40,097**	**71,304**	**614,078**
Increases	3,219	-	8,336	-	28,335	37,608	17,920	95,418
Disposals	80	-	12	-	(4,882)	-	(3,531)	(8,321)
Companies consolidated for the first time	148	-	689	-	-	56	-	893
Companies removed from the scope of consolidation	-	-	-	-	(105)	-	-	(105)
Reclassifications	(4,136)	(1,955) *	1,938	(4,311) *	21,160	(37,480)	2,807	(21,975)
Revaluation adjustment	-	-	-	-	153	-	-	153
Impairment	(198)	-	(958)	-	(1,465)	-	(291)	(2,912)
Depreciation for the period	(2,247)	-	(12,719)	(106)	(62,000)	-	(20,924)	(97,996)
Translation adjustment	(1,937)	-	(2,112)	-	(1,212)	(421)	(748)	(6,430)
CARRYING AMOUNT AT 31 DECEMBER 2008	**46,765**	**-**	**180,270**	**-**	**239,370**	**39,860**	**66,537**	**572,802**

* *See Note 5.1.3 for information on investment property.*

(in thousands of euros)	Land at cost	Land revalued periodically	Buildings at cost	Buildings revalued periodically	Technical equipment and tooling	Assets under construction	Other	Total
Analysis of carrying amount at 1 January 2009								
Gross value	49,652	-	292,745	-	855,229	39,939	208,976	1,446,541
Accumulated depreciation and impairment	(2,887)	-	(112,475)	-	(615,859)	(79)	(142,439)	(873,739)
Carrying amount at 1 January 2009	**46,765**	**-**	**180,270**	**-**	**239,370**	**39,860**	**66,537**	**572,802**
Analysis of carrying amount at 31 December 2009								
Gross value	48,127		279,667		794,020	16,574	294,736	1,433,124
Accumulated depreciation and impairment	(2,987)		(109,982)		(579,447)		(213,738)	(906,154)
CARRYING AMOUNT AT 31 DECEMBER 2009	**45,140**		**169,685**		**214,573**	**16,574**	**80,998**	**526,968**

(in thousands of euros)	Land at cost	Land revalued periodically	Buildings at cost	Buildings revalued periodically	Technical equipment and tooling	Assets under construction	Other	Total
Analysis of carrying amount at 1 January 2008								
Gross value	54,417	1,955	297,185	5,456	856,052	40,199	204,849	1,460,113
Accumulated depreciation and impairment	(2,581)	-	(112,101)	(1,039)	(596,666)	(102)	(133,546)	(846,035)
Carrying amount at 1 January 2008	**51,836**	**1,955**	**185,084**	**4,417**	**259,386**	**40,097**	**71,304**	**614,078**
Analysis of carrying amount at 31 December 2008								
Gross value	49,652	-	292,745	-	855,229	39,939	208,976	1,446,541
Accumulated depreciation and impairment	(2,887)	-	(112,475)	-	(615,859)	(79)	(142,439)	(873,739)
CARRYING AMOUNT AT 31 DECEMBER 2008	**46,765**	**-**	**180,270**	**-**	**239,370**	**39,860**	**66,537**	**572,802**

Equipment leased under operating leases where the Group is lessor

(in thousands of euros)	31 December 2009	31 December 2008
Cost	73,435	76,990
Accumulated depreciation	(48,448)	(46,193)
Including depreciation for the period	*(7,944)*	*(8,239)*
CARRYING AMOUNT AT 31 DECEMBER 2009	**24,987**	**30,797**

The above figures correspond to waste containers leased to customers by the Urban Systems division under contracts that do not qualify as finance leases.

(in thousands of euros)	31 December 2009	31 December 2008
Minimum lease payments under non-cancelable operating leases and/or lease-maintenance contracts		
Due within one year	56,062	51,854
Due in one to five years	128,740	101,458
Due beyond five years	62,373	32,620
TOTAL	**247,175**	**185,931**

Property, plant and equipment leased under finance leases where the Group is lessee

These assets, which are included in the tables above on property, plant & equipment, correspond to plants, research and development centers, production equipment and containers acquired for leasing to customers.

Change in carrying amounts:

(in thousands of euros)	Land and buildings	Technical equipment and tooling	Total at 31 December 2009
Cost	37,559	29,492	67,051
Accumulated depreciation	(17,037)	(13,976)	(31,013)
CARRYING AMOUNT	**20,522**	**15,516**	**36,038**

(in thousands of euros)	Land and buildings	Technical equipment and tooling	Total at 31 December 2008
Cost	52,007	18,121	70,128
Accumulated depreciation	(24,551)	(11,553)	(36,104)
CARRYING AMOUNT	**27,456**	**6,568**	**34,024**

Change in lease payments and present values:

(in thousands of euros)	Minimum lease payments at 31 December 2009	Present value at 31 December 2009
Due within one year	6,490	5,103
Due in one to five years	22,182	19,175
Due beyond five years	2,883	2,923
TOTAL	**31,555**	**27,201**

(in thousands of euros)	Minimum lease payments at 31 December 2008	Present value at 31 December 2008
Due within one year	5,214	4,467
Due in one to five years	10,531	8,472
Due beyond five years	4,041	3,881
TOTAL	**19,785**	**16,820**

5.1.3. Investment property

Based on the latest valuation carried out by an independent valuer in February 2010, the fair value of investment property at 31 December 2009 amounted to €17 million.

(in thousands of euros)	Total	Land	Building
Fair value at 31 December 2008	17,273	5,440	11,833
Reclassification of land	-	-	-
Reclassification as investment property *	229	229	-
Fair value adjustment based on independent valuations	-	-	-
FAIR VALUE AT 31 DECEMBER 2009	**17,502**	**5,669**	**11,833**
(in thousands of euros)	Total	Land	Building
Fair value at 31 December 2007	1,520	473	1,047
Reclassification of land	1,955	1,955	-
Reclassification as investment property	4,311	-	4,311
Fair value adjustment based on independent valuations **	9,487	3,012	6,475
FAIR VALUE AT 31 DECEMBER 2008	**17,273**	**5,440**	**11,833**

* *Valuation of the land adjacent to the car park outside the building, which was not previously classified as investment property.*
** *Including €2,282,000 recorded in equity upon the reclassification of an office building from owner-occupied property to investment property.*

If the land and building recognized at fair value had been measured using the cost model, their carrying amount would have been €7,373,000 *versus* €7,250,000 at 31 December 2008.

At 31 December 2009, cumulative fair value adjustments to investment property represented €10,023,000, unchanged from 31 December 2008.

As the investment property was not let during 2009, it did not generate any rental income.

(in thousands of euros)	2009
Rental income from investment property	-
Property operating expenses	(743)

5.1.4. Investments in associates

a. Investments in associates:

At 31 December 2009, investments in associates were exclusively comprised of Plastic Omnium's interest in Euromark (65%-held by Eurovia), corresponding to the Signature Horizontal division. This division is a sub-group headed by Euromark Holding.

(in thousands of euros)	Company	31 December 2009	31 December 2008
Operating segment		Carrying amount	Carrying amount
Environment	Euromark Holding – Signature Horizontal division	12,271	13,409
	SULO	-	45
TOTAL INVESTMENTS IN ASSOCIATES		**12,271**	**13,454**

The tables below provide summary balance sheet and income statement data for all of the investments in associates on the same basis as if they were fully consolidated companies.

b. Summary balance sheet and income statement data for companies accounted for by the equity method

(in thousands of euros)	31 December 2009	31 December 2008
Non-current assets	33,682	29,208
Current assets	70,918	141,174
TOTAL ASSETS	104,600	**170,382**
Equity	9,012	20,805
Non-current liabilities	10,877	6,799
Current liabilities	84,711	142,778
TOTAL EQUITY AND LIABILITIES	104,600	**170,382**
Revenue	129,813	133,683
Net loss/(profit)	(7,312)	(4,525)

5.1.5. Available-for-sale financial assets

At 31 December 2009 and 2008, available-for-sale financial assets consisted of shares in shell or dormant companies.

5.1.6. Other (non-current) financial assets

5.1.6.1. Other (non-current) financial assets – Carrying amounts

(in thousands of euros)	31 December 2009	31 December 2008
Loans	437	330
Deposits and bonds	5,227	3,807
Other receivables (see note 5.1.6.2)	8,986	10,699
Finance receivables related to Environment finance leases ** (see note 5.1.6.2)	2,788	-
Finance receivables related to Automotive contracts *, ** (see note 5.1.6.2)	65,825	-
TOTAL	**83,264**	**14,836**

* *In response to the extremely difficult business environment, Plastic Omnium tightened up its cash management policy in order to preserve its liquidity and financial independence. This was reflected in measures to reduce the Group's exposure to new development projects either by obtaining up-front payments for tooling and development time, or by obtaining a payment guarantee from the manufacturers at the start of the project. The payment guarantee is recognized as a finance receivable on a percentage of completion basis. In the above table, finance receivables related to Automotive contracts correspond to receivables due in more than one year.*

Other receivables and finance receivables related to Environment finance leases and Automotive contracts are discounted.

At 31 December 2009, the decrease in other receivables corresponds to the discounting impact.

Deposits and bonds primarily relate to guarantee deposits on leased offices.

FINANCE RECEIVABLES – NON-CURRENT PORTION

** From 2009, this item comprises the non-current portion of finance receivables related to Environment finance leases and to Automotive contracts covered by a specific customer payment guarantee.

5.1.6.2. Other non-current finance receivables – Carrying amounts and undiscounted values

	31 December 2009		31 December 2008	
(in thousands of euros)	Undiscounted finance receivables	Discounted future minimum lease receivables	Undiscounted finance receivables	Discounted future minimum lease receivables
Due within one year (see note 5.1.9.2)				
Due in one to five years (see note 5.1.6.1)	**82,109**	**77,134**	**10,699**	**10,699**
Other finance receivables	10,720	8,986	10,699	10,699
Finance receivables related to Environment finance leases	2,717	2,464	-	-
Finance receivables related to Automotive contracts	68,672	65,684	-	-
Due beyond five years (see note 5.1.6.1)	**500**	**465**	**-**	**-**
Other finance receivables	-	-		
Finance receivables related to Environment finance leases	354	324	-	-
Finance receivables related to Automotive contracts	146	141	-	-
TOTAL	**82,609**	**77,599**	**10,699**	**10,699**

5.1.7. Inventories

(in thousands of euros)	31 December 2009	31 December 2008
Raw materials and supplies	56,028	79,082
Molds, tooling and engineering	95,011	158,026
Other work in progress	9,388	106
Merchandise		
Cost	*5,579*	*8,519*
Net realizable value	4,591	8,045
Finished products		
Cost	*43,256*	*52,382*
Net realizable value	41,030	49,763
TOTAL INVENTORIES AT THE LOWER OF COST AND NET REALIZABLE VALUE	**206,049**	**295,022**

5.1.8. Trade and other receivables

a. Trade receivables

	31 December 2009			31 December 2008		
(in thousands of euros)	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Trade receivables	269,992	(7,960)	262,032	287,096	(8,199)	278,897
TRADE RECEIVABLES	**269,992**	**(7,960)**	**262,032**	**287,096**	**(8,199)**	**278,897**

b. Other receivables

(in thousands of euros)	31 December 2009	31 December 2008
Sundry receivables	68,545	76,483
Prepayments to suppliers of tooling and prepaid development costs	29,477	24,239
Prepaid and recoverable taxes	20,693	24,404
Prepayments to suppliers of non-current assets	593	1,241
TOTAL OTHER RECEIVABLES	**119,306**	**126,367**

c. Trade and other receivables by currency (net of provisions):

		Receivables at 31 December 2009			Receivables at 31 December 2008		
Foreign currency *(in thousands)*		Local currency	Euro	%	Local currency	Euro	%
EUR	Euro	238,170	238,170	62%	269,520	269,520	67%
USD	US dollar	64,109	44,502	12%	100,951	72,538	18%
GBP	Pound sterling	13,181	14,842	4%	10,716	11,251	3%
CHF	Swiss franc	8,681	5,851	2%	18,193	12,251	3%
CNY	Chinese yuan	384,169	39,061	10%	74,527	7,849	2%
Other	Other currencies	-	38,912	10%	-	31,855	7%
TOTAL			**381,338**	**100%**		**405,264**	**100%**
Of which:	*Trade receivables*		*262,032*	*69%*		*278,897*	*69%*
	Other receivables		*119,306*	*31%*		*126,367*	*31%*

Two-thirds of all trade receivables are in euros and no sensitivity tests to currency fluctuations are therefore carried out.

5.1.9. Financial receivables

5.1.9.1. Other short-term financial receivables

(in thousands of euros)	31 December 2009	31 December 2008
Current accounts	1,452	19,817
Other	2,172	2,718
TOTAL	**3,624**	**22,535**

5.1.9.2. Finance receivables – Current portion – Carrying amounts and undiscounted values

From 2009, this item comprises the current portion of finance receivables related to Environment finance leases and to Automotive contracts covered by a customer payment guarantee. See note 5.1.6 on "Finance receivables related to Automotive contracts – non-current portion".

(in thousands of euros)	Undiscounted finance receivables	Discounted future minimum lease receivables	Undiscounted finance receivables	Discounted future minimum lease receivables
Due within one year	52,695	51,294	4,885	4,832
Other finance receivables (see note 5.1.9.1)	3,624	3,624		
Finance receivables related to Environment finance leases	2,196	2,063	4,885	4,832
Finance receivables related to Automotive contracts	46,875	45,607		
Due in one to five years (see note 5.1.6.2)				
Due beyond five years (see note 5.1.6.2)				
TOTAL	**52,695**	**51,294**	**4,885**	**4,832**

5.1.10. Deferred taxes

As explained in Note 1.30 above, deferred tax assets corresponding to tax loss carryforwards, deductible temporary differences and tax credits are measured based on the probability sufficient taxable earnings being generated to permit their utilization. Given the current 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.

Deferred taxes relate to the following items:

(in thousands of euros)	31 December 2009	31 December 2008
Property, plant and equipment	(23,621)	(32,892)
Post-employment benefit obligations	8,733	7,805
Provisions	6,684	10,253
Financial instruments	1,474	1,578
Tax loss carryforwards and tax credits	110,880	116,410
Other	18,874	18,706
Impairment of deferred tax assets	(71,526)	(74,329)
TOTAL	**51,498**	**47,531**
Of which:		
Deferred tax assets	*75,732*	*80,718*
Deferred tax liabilities	*24,234*	*33,187*

Unrecognized tax assets amounted to €59,791,000 at 31 December 2009 and break down as follows:

(in thousands of euros)	31 December 2009	31 December 2008
Evergreen tax loss carryforwards	38,885	51,079
Tax loss carryforwards available for more than 5 years	16,899	6,357
Tax loss carryforwards available for up to 5 years	1,214	2,127
Tax loss carryforwards available for up to 4 years	1,275	119
Tax loss carryforwards available for up to 3 years	447	120
Tax loss carryforwards available for less than 3 years	1,071	862
TOTAL	**59,791**	**60,664**

5.1.11. Cash and cash equivalents

(in thousands of euros)	31 December 2009	31 December 2008
Cash at bank and in hand	111,117	104,562
Short-term deposits	23,870	19,023
TOTAL	**134,987**	**123,585**

A reconciliation between cash and cash equivalents presented in the balance sheet and those presented in the statement of cash flows is provided in Note 5.1.12.d.

Cash and cash equivalents break down as follows:

(in thousands of euros)	31 December 2009	31 December 2008
Cash and cash equivalents of joint ventures	72,432	46,324
Cash and cash equivalents of the Group's captive reinsurance company	16,136	13,860
Cash and cash equivalents in regions with exchange controls on remittances and transfers	6,360	2,726
Immediately available cash and cash equivalents	40,059	60,675
TOTAL	**134,987**	**123,585**

The above amounts are presented in the balance sheet as current assets as they are not subject to any general restrictions.

5.1.12. Notes to the statement of cash flows

a. Inventories

(in thousands of euros)	2009	2008
Inventories transferred to intangible assets (automobile projects) – cost *	27,851	62,242
Increase in inventories – cost	62,356	(70,047)
Change in inventories – cost	**90,207**	**(7,805)**
Provisions for impairment in value of inventories	712	1,547
Movements in provisions for impairment in value of inventories	**712**	**1,547**
INVENTORIES – NET	**90,919**	**(6,258)**

* *See Note 5.1.12.b for intangible assets transferred from inventories.*

b. Acquisitions of intangible assets

(in thousands of euros)	2009	2008
Intangible assets transferred from inventories (automobile projects) – cost *	(27,851)	(62,242)
Other	(6,612)	(12,347)
TOTAL ACQUISITIONS OF INTANGIBLE ASSETS	**(34,463)**	**(74,589)**

* *See Note 5.1.12.a on inventories transferred to intangible assets.*

c. Acquisitions of non-current financial assets

Acquisitions of financial assets amounted to €2,864,000 in 2009, mainly comprising:

- €1,181,000 for the Group's financial investments in China;
- €700,000 for ATMC's share issue prior to its disposal;
- €512,000 to help underwrite a share issue by non-consolidated company Plastic Omnium KK Japan, which was wound up at 31 December 2009.

d. Net cash and cash equivalents at end of year

(in thousands of euros)	31 December 2009	31 December 2008
Cash and cash equivalents	134,987	123,585
Short term bank loans and overdrafts	(33,977)	(47,872)
NET CASH AND CASH EQUIVALENTS AT END OF YEAR AS REPORTED IN THE STATEMENT OF CASH FLOWS (A)	**101,010**	**75,713**

> 5.2. Equity and liabilities

5.2.1. Share capital

(in euros)	2009	2008
Share capital at 1 January	9,073,397	9,335,666
Shares issued during the year		15,790
Capital reduction during the year	(251,097)	(278,059)
Share capital at 31 December (ordinary shares with a par value of €0.5)	**8,822,300**	**9,073,397**
Treasury stock	(822,480)	(614,479)
TOTAL NET OF TREASURY STOCK	**7,999,820**	**8,458,918**

Shares registered in the name of the same holder for at least two years carry double voting rights.

5.2.2. Breakdown of other reserves and retained earnings

(in thousands of euros)	Recognized actuarial gains and losses	Cash flow hedges	Fair value adjustments to property, plant & equipment	Retained earnings and other reserves	Attributable to equity holders of the parent
At 31 December 2006	**(13,387)**	**730**	**13,898**	**335,841**	**337,082**
Movement during 2007	(1,236)	543		28,068	**27,375**
At 31 December 2007	**(14,623)**	**1,273**	**13,898**	**363,909**	**364,457**
Movement during 2008	883	(5,831)	2,495	36,939	34,486
At 31 December 2008	**(13,740)**	**(4,558)**	**16,393**	**400,848**	**398,943**
Movement during 2009	(1,198)	(865)		(69,595)	(71,658)
AT 31 DECEMBER 2009	**(14,938)**	**(5,423)**	**16,393**	**331,253**	**327,285**

5.2.3. Dividends voted and paid in 2009 and 2008

(in thousands of euros)	2009	2008
Dividends on ordinary shares	6,351	13,070
Dividends on treasury stock (unpaid)	(423)	(902)
NET DIVIDENDS VOTED BY SHAREHOLDERS AND PAID DURING THE YEAR	**5,929**	**12,168**
Dividend per share *(in euro)*	**0.35**	**0.70**

The Group plans to pay a dividend €0.70 per share for 2009 corresponding to a total payout of €12,351,000 based on the 17,644,599 shares outstanding at 31 December 2009 (€0.35 per share in 2008 making a total payout of €6,351,000 for the 18,146,794 shares outstanding at 31 December 2008).

Dividends reported in the statement of cash flows and statement of changes in equity include dividends paid outside the Group by all Group companies, not just Compagnie Plastic Omnium.

5.2.4. Government grants

(in thousands of euros)	31 December 2009	31 December 2008
Grants based on profit	-	-
Grants based on assets	10,847	14,427
Total government grants recognized under non-current liabilities	**10,847**	**14,427**
Short-term government grants	275	245
Total government grants recognized under current liabilities	**275**	**245**
TOTAL	**11,122**	**14,672**

Long-term government grants are recognized under non-current liabilities in the consolidated balance sheet and short-term government grants are included in current liabilities.

5.2.5. Long- and short-term debt

a. Reconciliation of gross and net debt

Net debt (see note 7.1 on the gearing ratio in the section on capital management) 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. An analysis of net debt compared to the drawdown rate on confirmed credit lines gives a picture of the Group's financing capacity in the relatively near-term. Net debt is defined as:

- long-term borrowings;
- less loans and other non-current financial assets;
- plus short-term debt;
- plus overdraft facilities;
- less cash and cash equivalents.

	31 December 2009			31 December 2008		
(in thousands of euros)	Total	Short-term	Long-term	Total	Short-term	Long-term
Finance lease liabilities	28,537	5,854	22,683	18,292	4,775	13,517
Bank borrowings	604,440	94,593	509,847	642,770	90,873	551,897
Other short-term debt	2,746	2,746		12,414	12,414	
Hedging instruments – liabilities	5,516	5,516		6,569	6,569	
Total borrowings (B)	**641,239**	**108,709**	**532,530**	**680,045**	**114,631**	**565,414**
Long-term financial receivables	(14,651)		(14,651)	(14,836)		(14,836)
Finance receivables	(116,283)	(47,670)	(68,613)	(4,885)	(4,885)	-
Other short-term financial receivables	(3,624)	(3,624)		(22,535)	(22,535)	
Hedging instruments – assets	-	-		(2,140)	(2,140)	
Total financial receivables (C)	**(134,558)**	**(51,294)**	**(83,264)**	**(44,396)**	**(29,560)**	**(14,836)**
Gross debt (D) = (B) + (C) **	**506,681**	**57,415**	**449,266**	**635,649**	**85,071**	**550,578**
Net cash and cash equivalents at end of year as recorded in the statement of cash flows (A) *	**(101,010)**	**(101,010)**		**(75,713)**	**(75,713)**	
NET DEBT (E) = (D) + (A)	**405,672**	**(43,594)**	**449,266**	**559,936**	**9,358**	**550,578**

* *See Note 5.1.12.d.*
** *See Note 5.2.5.b (#).*

Borrowings are stated net of financial receivables due to Plastic Omnium Finance by companies that are not consolidated by Compagnie Plastic Omnium.

None of the Group's loan agreements contain acceleration clauses based on compliance with financial ratios.

b. Utilization of medium-term credit lines

At 31 December 2009, the Group had access to several confirmed bank lines of credit with an average maturity of more than three years. The lines had not been fully drawn down at the year-end. They amounted to €898 million at 31 December 2009 *versus* €803 million at 31 December 2008.

c. Analysis of debt by currency

As a % of total debt	December 2009	December 2008
Euro	90%	90%
US dollars	8%	9%
Pound sterling	2%	1%
Other currencies	0%	0%

d. Analysis of debt by type of interest rate

As a % of total debt	December 2009	December 2008
Hedged floating rates	69%	60%
Unhedged floating rates	30%	39%
Fixed rates	1%	1%
TOTAL	**100%**	**100%**

The average borrowing cost was 3.3% in 2009 and 5.6% in 2008.

5.2.6. Operating and other liabilities

a. Trade payables

(in thousands of euros)	31 December 2009	31 December 2008
Trade payables	380,373	423,343
Due to suppliers of fixed assets	6,764	16,025
TOTAL	**387,137**	**439,368**

b. Other operating liabilities

(in thousands of euros)	31 December 2009	31 December 2008
Accrued employee benefits expense	76,470	71,184
Accrued taxes	8,935	18,589
Other payables	100,382	88,846
Customer prepayments	99,049	127,569
TOTAL	**284,836**	**306,188**

c. Trade payables and other operating liabilities by currency

Trade payables and other operating liabilities are presented below by currency.

		Liabilities at 31 December 2009			Liabilities at 31 December 2008		
(Foreign currency, in thousands)		Local currency	Euro	%	Local currency	Euro	%
EUR	Euro	423,947	423,947	63%	524,324	524,324	71%
USD	US dollar	139,486	96,825	14%	154,384	110,931	15%
GBP	Pound sterling	31,550	35,525	5%	27,187	28,542	4%
BRL	Brazilian real	27,018	10,759	2%	52,172	16,085	2%
CNY	Chinese yuan	448,076	45,559	7%	123,997	13,058	1%
Other	Other currencies	-	59,358	9%	-	52,616	7%
TOTAL			**671,973**	**100%**		**745,556**	**100%**
Of which:	*Trade payables*		*387,137*	*58%*		*439,368*	*59%*
	Other current liabilities		*284,836*	*42%*		*306,188*	*41%*

Two-thirds of all trade payables are in euros and no sensitivity tests to currency fluctuations are therefore carried out.

5.2.7. Provisions

(in thousands of euros)	31 December 2008	Charges	Utilizations	Releases of surplus provisions	Reclas-sifica-tions	Actuarial gains and losses	Changes in scope of conso-lidation	Trans-lation adjust-ment	31 December 2009
Customer warranties	1,972	3,856	(1,654)	(36)	1,047			80	5,265
Reorganization plans	32,160	10,925	(14,691)	(4,358)	(873)			(3)	23,160
Tax risks	1,933	42	(1,497)	(273)	264			(2)	467
Contract risks	2,217	2,676	(138)		27				4,782
Extension to container fleet	180	389	(180)						389
Claims and litigation	1,368	1,170	(1,153)	(318)	423			39	1,529
Other	4,593	15,273	(3,486)	(3,124)	(101)			65	13,220
Provisions for liabilities and charges	**44,423**	**34,331**	**(22,799)**	**(8,109)**	**787**			**179**	**48,812**
Provisions for pensions and other post-employment benefits	31,901	2,005	(1,923)			1,375	(105)	(132)	33,121
TOTAL	**76,324**	**36,336**	**(24,722)**	**(8,109)**	**787**	**1,375**	**(105)**	**47**	**81,933**

(in thousands of euros)	31 December 2007	Charges	Utilizations	Releases of surplus provisions	Reclas-sifica-tions	Actuarial gains and losses	Changes in scope of conso-lidation	Trans-lation adjust-ment	31 December 2008
Customer warranties	2,491	883	(1,056)	(599)	293			(40)	1,972
Reorganization plans	4,882	34,188	(4,964)	(1,776)	(47)			(123)	32,160
Tax risks	3,145	513	(603)	(228)	(890)			(4)	1,933
Contract risks	2,330	811	(924)						2,217
Extension to container fleet	451	180	(354)		(97)				180
Claims and litigation	4,058	840	(787)	(189)	(2,461)			(93)	1,368
Other	3,508	2,781	(1,056)	(76)	(810)		285	(39)	4,593
Provisions for liabilities and charges	**20,865**	**40,196**	**(9,744)**	**(2,868)**	**(4,012)**		**285**	**(299)**	**44,423**
Provisions for pensions and other post-employment benefits	33,565	4,999	(5,156)		31	(1,361)	(3)	(174)	31,901
TOTAL	**54,430**	**45,195**	**(14,900)**	**(2,868)**	**(3,981)**	**(1,361)**	**282**	**(473)**	**76,324**

Provisions for reorganization plans amounted to €23.2 million at 31 December 2009 *versus* €32.2 million at 31 December 2008, as follows:

- €21.5 million for the additional measures incorporated into the PO 2009 plan (€28.4 million in 2008);
- €1.7 million for streamlining manufacturing operations, notably outside France (€3.8 million in 2008).

5.2.8. Provisions for pensions and other post-employment benefits

5.2.8.1. Actuarial assumptions

The main actuarial assumptions used to measure post-employment benefits and other long-term benefits are as follows:

- Age at start of career:
  - 24 for managers, 20 for other employees (unchanged from 2008).
- Retirement age of employees of Group companies in France:
  - managers: when full benefit rights has been acquired, unchanged from 2008;
  - 61 for other employees (retirement at the employee's initiative), unchanged from 2008.
- Retirement age of employees of Group companies in the United States:
  - 62 in 2009 (55 and 65 in 2008).
- Discount rate:

  The discount rates used are determined by reference to market yields on high quality corporate bonds with terms consistent with the term of the benefit obligations concerned. The reference rates used at 31 December 2009 were as follows (unchanged from end-2008):
  - 5.25% for length-of-service awards payable to employees of Group companies in France (5.6% in 2008);
  - 4.75% for jubilees payable to employees of Group companies in France (5.1% in 2008);
  - 6.0% for post-employment benefit plans in the United States (6.5% in 2008).
- Annual inflation rate:
  - 2% in France (2.5% in 2008).
- Future salary increases:
  - 2.5% to 5% (2.5% to 5.5% in 2008) in France (average rates depending on age and whether the employer is a manager or not); 3% (3.5% in 2008) for supplementary pension plans;
  - 4.5% in the United States (unchanged from 2008).
- Estimated long-term yield on plan assets:
  - 4.5% in France (unchanged from 2008);
  - 8% in the United States (unchanged from 2008).

For other foreign subsidiaries, rate differentials are determined based on local conditions.

- Growth in healthcare costs in the United States:
  - 9% in 2009, falling by 0.5% a year to 5% in 2019 (9% in 2008).
- Payroll tax rate:
  - between 34% and 46% in France (between 40% and 45% in 2008).

5.2.8.2. Actuarial gains and losses on pensions and other post-employment benefits

Plastic Omnium has elected to recognize actuarial gains and losses on defined benefit plans directly in equity, in accordance with the amendment to IAS 19 – *Actuarial gains and losses, Group Plans and Disclosures*.

However, in accordance with paragraph 129 of IAS 19, actuarial gains and losses on other long-term benefit plans (mainly jubilees) are recognized immediately through profit or loss.

5.2.8.3. Changes in defined benefit obligations and costs

The amounts reported in the balance sheet for defined benefit plans are as follows:

	Post-employment benefit plans			Other long-term benefit plans			Total		
(in thousands of euros)	2009	2008	2007	2009	2008	2007	2009	2008	2007
Projected benefit obligation at 1 January	**45,282**	**44,646**	**26,303**	**6,244**	**6,437**	**4,076**	**51,526**	**51,083**	**30,379**
Service cost	2,264	3,658	3,048	227	(187)	285	2,491	3,471	3,333
Interest cost	2,447	1,714	1,274	246	263	127	2,693	1,977	1,401
Curtailments, settlements and other	(500)	(2,327)	(384)		(47)		(500)	(2,374)	(384)
Actuarial gains and losses	80	(2,021)	1,730	(11)	92	98	69	(1,929)	1,828
Of which experience adjustments	*(2,525)*	*(100)*	*557*	*(7)*	*(555)*	*(74)*	*(2,532)*	*(655)*	*483*
Benefits paid from plan assets	(131)	(675)	(261)				(131)	(675)	(261)
Benefits paid by the company	(513)	(1,103)	(550)	(277)	(335)	(431)	(790)	(1,438)	(981)
Changes in scope of consolidation	(105)	(3)	14,683			2,328	(105)	(3)	17,011
Internal transfer	3,213						3,213		
Reclassifications of provisions for liabilities and charges			282						282
Translation adjustment	(180)	1,393	(1,479)	(5)	21	(46)	(185)	1,414	(1,525)
Projected benefit obligation at 31 December	**51,857**	**45,282**	**44,646**	**6,424**	**6,244**	**6,437**	**58,281**	**51,526**	**51,083**
Change in projected benefit obligation	6,575	636	18,343	180	(193)	2,361	6,755	443	20,704
FAIR VALUE OF PLAN ASSETS AT 1 JANUARY	**19,625**	**17,518**	**5,338**				**19,625**	**17,518**	**5,338**
Return on plan assets	1,383	418	308				1,383	418	308
Employer contributions	1,961	662	782				1,961	662	782
Employee contributions	468						468		
Actuarial gains and losses	(1,306)	(568)	107				(1,306)	(568)	107
Of which experience adjustments	*(1,306)*	*(568)*	*107*				*(1,306)*	*(568)*	*107*
Benefit payments funded by plan assets	(131)	(676)	(261)				(131)	(676)	(261)
Curtailments, settlements and other		683	15					683	15
Internal transfer	3,213		11,965				3,213		11,965
Translation adjustment	(53)	1,588	(736)				(53)	1,588	(736)
Fair value of plan assets at 31 December	**25,160**	**19,625**	**17,518**				**25,160**	**19,625**	**17,518**
CHANGE IN FAIR VALUE OF PLAN ASSETS	**5,535**	**2,107**	**12,180**				**5,535**	**2,107**	**12,180**
Excess of projected benefit obligation over plan assets = provision recorded in the balance sheet	**26,697**	**25,657**	**27,128**	**6,424**	**6,244**	**6,437**	**33,121**	**31,901**	**33,565**
• of which France	16,896	16,696	16,822	2,462	2,627	2,653	19,358	19,323	19,475
• of which United States	5,467	3,498	5,599	293	266	305	5,760	3,764	5,904
• of which other regions	4,334	5,463	4,707	3,669	3,351	3,479	8,003	8,814	8,186

The present value of partially funded obligations was €10,384,000 at 31 December 2009, comprising €4,624,000 for France and €5,760,000 for the United States. The present value of partially funded obligations was €8,512,000 at 31 December 2008, comprising €4,748,000 for France and €3,764,000 for the United States.

Post-employment benefit plans

Post-employment benefit obligations include:

- in France, €16,896,000 for length-of-service awards including €274,000 for senior management supplementary pensions at 31 December 2009 *versus* €16,039,000 and €657,000 respectively at 31 December 2008;
- in the United States, €5,467,000 including €4,691,000 for pensions and €776,000 for healthcare plans at 31 December 2009 *versus* €2,436,000 and €1,062,000 respectively at 31 December 2008.

Sensitivity of the post-employment benefit obligation to discount rates at 31 December 2009

- France:

  A 50-bps increase in the discount rate would:

  – reduce the service cost and interest cost by 1.85%;

  – reduce the obligation by 4.92%.

  A 50-bps decrease in the discount rate would:

  – increase the service cost and interest cost by 1.91%;

  – increase the obligation by 5.32%.

- United States:

  A 50-bps increase in the discount rate would:

  – reduce the service cost and interest cost by 7.2%;

  – reduce the obligation by 10.1%.

  A 50-bps decrease in the discount rate would:

  – increase the service cost and interest cost by 8.0%;

  – increase the obligation by 11.6%.

Other long-term benefit plans

Other long-term benefits in France correspond to jubilees.

Changes in net balance sheet amounts for post-employment and other long-term benefit plans can be analyzed as follows:

	Post-employment benefit plans			Other long-term benefit plans			Total		
(in thousands of euros)	2009	2008	2007	2009	2008	2007	2009	2008	2007
Net position at 1 January	**25,657**	**27,128**	**20,965**	**6,244**	**6,437**	**4,076**	**31,901**	**33,565**	**25,041**
Expense/(income) for the period									
• Service cost	2,264	3,222	3,048	227	249	285	2,491	3,471	3,333
• Interest cost	2,447	1,714	1,274	246	263	127	2,693	1,977	1,401
• Expected return on plan assets	(1,383)	(418)	(308)				(1,383)	(418)	(308)
• Curtailments, settlements and other	(500)	(3,010)	(399)		(47)		(500)	(3,057)	(399)
Benefits paid by the company	(513)	(1,103)	(550)	(277)	(335)	(431)	(790)	(1,438)	(981)
Employer contributions	(1,961)	(662)	(782)				(1,961)	(662)	(782)
Employee contributions	(468)						(468)		
Changes in scope of consolidation	(105)	(3	2,718			2,328	(105)	(3)	5,046
Actuarial gains and losses	1,386	(1,017)	1,623	(11)	(344)	98	1,375	(1,361)	1,721
Reclassifications of provisions for liabilities and charges			282						282
Translation adjustment	(127)	(195)	(743)	(5)	21	(46)	(132)	(174)	(789)
NET POSITION AT 31 DECEMBER	**26,697**	**25,657**	**27,128**	**6,424**	**6,244**	**6,437**	**33,121**	**31,901**	**33,565**

In France, the Labor Market Modernization Act of 25 June 2008 doubled the applicable statutory severance pay due to employees if their contracts are terminated. This change affected the obligations relating to length-of-service awards payable by Group companies covered by the Plastics Industry Collective Bargaining Agreement, as these awards are calculated based on statutory severance pay. The new requirements resulted in a €2.9 million increase in the Group's pension and other post-employment benefit obligations, including €2.4 million recognized in off-balance sheet commitments at 31 December 2009.

5.2.8.4. Sensitivity to trends in healthcare costs in the United States

Impact of a 1-point change in healthcare cost trend rate in the United States:

	31 December 2009		31 December 2008	
(in thousands of euros)	Increase	Decrease	Increase	Decrease
Effect on service cost and interest cost	17	(14)	135	(104)
Effect on provisions for post-employment benefit obligations	114	(95)	310	(299)

5.2.8.5.Breakdown of plan assets

At 31 December 2009, plan assets broke down as follows by investment category:

(in thousands of euros)	31 December 2009	31 December 2008
Equities	9,560	6,961
Bonds	8,965	7,620
Real estate	4,694	3,473
Other	1,942	1,571
TOTAL	**25,161**	**19,625**

6. Additional information

> 6.1. Off-balance sheet commitments

Commitments given/received

At 31 December 2009

(in thousands of euros)	Total	Intangible assets	Property, plant and equipment	Financial assets/ liabilities	Other non-financial current assets/ liabilities
Surety bonds given	(19,098)	(361)	(769)	(14,772)	(3,196)
Commitments to purchase property, plant and equipment	(9,483)	(5,937)	(3,436)	(110)	
Debt collateral (mortgages)	(6,539)		(6,539)		
Other off-balance sheet commitments	(6,911)			(6,001)	(909)
Total commitments given	**(42,031)**	**(6,298)**	**(10,744)**	**(20,883)**	**(4,105)**
Surety bonds received	68	68			
Total commitments received	**68**	**68**			
TOTAL COMMITMENTS – NET	**(41,963)**	**(6,230)**	**(10,744)**	**(20,883)**	**(4,105)**

At 31 December 2008

(in thousands of euros)	Total	Intangible assets	Property, plant and equipment	Financial assets/ liabilities	Other non-financial current assets/ liabilities
Surety bonds given	(25,365)		(7,002)	(12,805)	(5,558)
Commitments to purchase property, plant and equipment	(9,665)		(9,555)	(110)	
Debt collateral (mortgages)	(6,885)		(6,885)		
Other off-balance sheet commitments	(6,746)			(5,370)	(1,376)
Total commitments given	**(48,661)**		**(23,442)**	**(18,285)**	**(6,934)**
Surety bonds received	11,166		111		11,055
Total commitments received	**11,166**		**111**		**11,055**
TOTAL COMMITMENTS – NET	**(37,495)**		**(23,331)**	**(18,285)**	**4,121**

Operating leases where the Group is lessee

(in thousands of euros)	31 December 2009	31 December 2008
Minimum lease payments under non cancelable operating leases		
Due within one year	20,579	19,692
Due in one to five years	37,991	43,949
Due beyond five years	20,879	22,861
TOTAL	**79,449**	**86,502**

> 6.2. Right to individual training

The total number of training hours accumulated but not used by the Group's employees based in France was as follows:

Number of hours	31 December 2009	31 December 2008
2004 to 2008		391,349 *
2004 to 2009	443,126	

* *The reported number of accumulated training hours at 31 December 2008 (190,200 hours) only covered French companies whose employees are managed centrally. The figure at 31 December 2009 covers all employees of French companies.*

No provision has been recorded for these rights (see note 1.14). The potential impact is not material.

> 6.3. Share-based compensation

a. Outstanding stock options

Grant date	Type of options	Grantees	Vesting conditions	Maximum number of options available under the plan
14 May 2003	Stock purchase options	15	Employment contract in force on the option exercise date, except in the case of transfer by the employer, early retirement or retirement	360,000
11 March 2005	Stock purchase options	54		237,000
25 April 2006	Stock purchase options	11		267,000
24 July 2007	Stock purchase options	65		330,000
22 July 2008	Stock purchase options	39		350,000

b. Outstanding options at 31 December and compensation cost recognized during the period

Compensation cost has been recognized for options granted after 7 November 2002 in accordance with IFRS.

		Increases	Decreases			Options outstanding at 31 December 2009	
Outstanding options	Options outstanding at 1 January 2009	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 as of 31 Dec. 2009
14 May 2003 plan							
Number of options	46,500					46,500	
Share price at the grant date	12.48					12.48	
Option exercise price	13.53					13.53	
Life	7 years					7 years	
Unrecognized cost at period-end	-					-	
Cost recognized during the period	-					-	
Remaining life	1 year					-	
11 March 2005 plan							
Number of options	211,400					211,400	None
Share price at the grant date	21.15					21.15	
Option exercise price	21.15					21.15	
Life	7 years					7 years	
Unrecognized cost at period-end	56,000						
Cost recognized during the period	56,000						
Remaining life	3 years					2 years	
25 April 2006 plan							
Number of options	257,000		<10,000>			247,000	None
Share price at the grant date	35.25					35.25	
Option exercise price	34.9					34.9	
Life	7 years					7 years	
Unrecognized cost at period-end	846,337					202,974	
Cost recognized during the period	643,363						
Remaining life	4 years					3 years	
24 July 2007 plan							
Number of options	315,000		<11,000>			304,000	None
Share price at the grant date	39.29					39.29	
Option exercise price	39.38					39.38	
Life	7 years					7 years	
Unrecognized cost at period-end	2,721,829					1,681,658	
Cost recognized during the period	1,040,171						
Remaining life	5 years					4 years	
22 July 2008 plan							
Number of options	350,000		<8,000>			342,000	None
Share price at the grant date	17.93					17.93	
Option exercise price	26.51					26.51	
Life	7 years					7 years	
Unrecognized cost at period-end	1,327,432					957,857	
Cost recognized during the period	369,575						
Remaining life	6 years					5 years	

> 6.4. Related parties

6.4.1. Compensation paid to senior executives and officers

These senior executives and officers are the "persons having authority and responsibility for planning, managing and controlling the activities" of Compagnie Plastic Omnium and its subsidiaries, as defined in IAS 24.

Total compensation and benefits paid to Directors and senior executives in respect of 2009 are as follows. No stock options were granted in 2009.

(in thousands of euros)	Paid or payable by	2009	2008
Directors' fees	paid by Compagnie Plastic Omnium	66	77
Directors' fees	paid by companies controlled by Compagnie Plastic Omnium and by Burelle SA	269	254
Gross compensation	payable by the Plastic Omnium Group	2,098	2,054
Cost of supplementary pension plan	payable by the Plastic Omnium Group	-	-
Cost of stock option plans	payable by the Plastic Omnium Group	847	827
TOTAL COMPENSATION		**3,280**	**3,212**

6.4.2. Transactions with Sofiparc SAS, Burelle SA and Burelle Participations SA

At 31 December 2009

(in thousands of euros)	Direct and indirect costs	Royalties	Financial income and expenses	Current accounts	Deposits	Trade payables	Trade receivables
Sofiparc SAS	(4,506)	138	(1,233)	2,060	669	75	2
Burelle SA	2	(3,841)	9	718		671	43
Burelle Participations SA		7					

At 31 December 2008

(in thousands of euros)	Direct and indirect costs	Royalties	Financial income and expenses	Current accounts	Deposits	Trade payables	Trade receivables
Sofiparc SAS	(427)	(2,586)	(2,464)		669	1,320	97
Burelle SA	2	(2,910)	1	(833)		61	1,110
Burelle Participations SAS		8					2

> 6.5. Joint ventures

The consolidated financial statements include transactions with joint ventures carried out in the ordinary course of business on arm's length terms.

These joint ventures, which correspond to entities jointly managed by Plastic Omnium and other investors, are consolidated by the Group on the following bases:

	December 2009	December 2008
Inergy	50%	50%
Plastic Recycling	50%	50%
BPO	49.98%	49.98%
VPO joint venture	50%	50%
Yanfeng PO joint venture	49.95%	49.95%
HBPO joint venture	33.33%	33.33%
PO Varroc joint venture (#)	-	51%
ARC	50%	50%

(#) During 2009, the Group increased its interest in the PO Varroc joint venture from 51% to 60%. At 31 December 2008, PO Varroc was jointly controlled with Varroc Polymers and proportionately consolidated. It is now fully consolidated, with the remaining 40% recognized in minority interests.

Intra-group balances and transactions between fully consolidated companies and joint ventures

(in thousands of euros)	December 2009 *	December 2008 *
Revenue	4,212	10,818
Trade receivables	2,653	4,187
Trade payables	(862)	(715)
Dividends	11,320	12,287
Current accounts	368	975

* *Data are presented based on the Group's ownership interest in the joint ventures concerned.*

Balance sheets of joint ventures

(in thousands of euros)	31 December 2009	31 December 2008
Non-current assets	325,964	339,517
Current assets	355,040	313,536
TOTAL ASSETS	**681,004**	**653,053**
Equity	266,671	263,591
Non-current liabilities	51,838	59,556
Current liabilities	362,495	329,906
TOTAL EQUITY AND LIABILITIES	**681,004**	**653,053**

Income statements of joint ventures

(in thousands of euros)	2009	2008
Revenue	**790,063**	**935,742**
Cost of sales	(705,786)	(852,760)
Research and development costs	(19,902)	(19,882)
Distribution costs	(4,763)	(5,254)
Administrative expenses	(30,884)	(34,501)
Operating margin	**28,728**	**23,343**
Other operating income and expenses	10,229	15,686
Operating profit	**38,957**	**39,029**
Finance costs, net and other financial income and expenses, net	(4,729)	(6,324)
Profit before tax	34,230	32,707
Income tax expense	(2,659)	(5,974)
NET PROFIT FROM CONTINUING OPERATIONS	**31,571**	**26,733**
Net loss from discontinued operations	(764)	(434)
NET PROFIT	**30,807**	**26,299**

> 6.6. Sales of receivables

Plastic Omnium Auto Exterieurs S.A. (France), Plastic Omnium Equipamientos Exteriores (Spain), Inergy Automotive Systems S.A. (France), Inergy Automotive Systems S.A. (Spain), Plastic Omnium Systèmes Urbains S.A. (France), PO Vernon (France), Temaco, Beauvais Diffusion, Sodilor and Inoplast (France) pursued their receivable sales programs in 2009. These programs transfer substantially all the risks and rewards of ownership to the buyer and the sold receivables are therefore derecognized. At 31 December 2009, sold receivables due after the year end amounted to €130 million compared with €145 million at 31 December 2008.

> 6.7. Interest rate hedges

Interest rate hedges used in 2009 included swaps, caps and collars. Their purpose is to hedge variable rate debt against increases in the Euribor and USD Libor. They are the only financial instruments measured at fair value in the consolidated financial statements.

The fair value of these instruments is measured in accordance with IAS 39 using the Black & Scholes model. At 31 December, they had a negative fair value of €414,000 and were therefore recognized in liabilities. At 31 December 2008, their fair value was a positive €2,140,000, recognized in assets.

At 31 December 2009, all interest rate derivatives in the portfolio qualified for hedge accounting under IAS 39. Accordingly:

- the effective portion of the change in their fair value was recognized in the statement of changes in equity in an amount of €(2,069,000) before tax (€(5,831,000) in 2008);
- the ineffective portion of the change amounted to €2,377,000 (€(2,569,000) in 2008) and was recognized in the income statement under hedging gains and losses which came to €1,521,000 (€(2,708,000) in 2008).

A total of €3,961,000 (€3,661,000 in 2008) was recycled to the income statement from the cash flow hedging reserve in equity during the period to offset the impact on profit of the hedged cash flows (*i.e.* variable rate interest payments).

Premiums payable on interest rate hedging instruments at 31 December 2009 amounted to €5,102,000 (€6,386,000 in 2008).

The tables below analyze changes in fair value of the interest rate hedging instruments and the ensuing impact on the income statement and equity as well as the amounts of the related interest paid and received.

At 31 December 2009

(in thousands of euros)	1 January 2009	Purchases/(Sales)	Income statement impact	Equity impact	At 31 December 2009
Premiums	6,158		(1,631)		4,527
Interest receivable	712		(712)		-
Interest payable			(519)		(519)
Fair value adjustments	(4,730)		2,377	(2,069)	(4,422)
Balance sheet	**2,140**	**-**	**(485)**	**(2,069)**	**(414) ***
Interest received in the year			3,961		
Interest paid in the year			(1,955)		
INCOME STATEMENT			**1,521**		

* *At 31 December 2009, interest rate hedges with a negative fair value recognized in liabilities for €414,000 (see note 5.2.5) correspond to interest rate collars for which the market rate was lower than the floor rate of the contracts. The total amount recognized under "Hedging instruments" in liabilities breaks down as follows:*
Hedging instruments with a negative fair value: €414,000
Premiums outstanding at 31 December 2009: €5,102,000
Total recognized under "hedging instruments" in liabilities €5,516,000

At 31 December 2009, hedged contracts included €645 million of euro contracts and USD 50 million of US dollar contracts.

At 31 December 2008

(in thousands of euros)	1 January 2008	Purchases/(Sales)	Income statement impact	Equity impact	31 December 2008
Premiums	2,875	4,628	(1,345)		6,158
Interest receivable	686		26		712
Fair value adjustments	3,670		(2,569)	(5,831)	(4,730)
Balance Sheet	**7,231**	**4,628**	**(3,888)**	**(5,831)**	2,140
Interest received in the year			3,660		
Interest paid in the year			(2,480)		
INCOME STATEMENT			**(2,708)**		

At 31 December 2008, hedged contracts included €545 million in euro contracts and USD 50 million in US dollar contracts (€315 million and USD 70 million respectively at 31 December 2007).

> 6.8. Currency hedges

31 December 2009

(Foreign currency, in millions – notional amounts)	Expiry date 2010	Exchange rate
Forward sales		
USD - Forward exchange contract	2.1	1.46
GBP - Forward exchange contract	5.0	0.9068

31 December 2008

	Expiry date		
(Foreign currency, in millions – notional amounts)	First-half 2009	Second-half 2009	Exchange rate
Forward sales			
USD - Forward exchange contract	3.5	2.1	1.38

7. Capital management and market risks

Compagnie Plastic Omnium has set up a global cash management system organized around Plastic Omnium Finance, which manages currency, interest rate and liquidity 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 senior management and the Chairman and Chief Executive Officer.

> 7.1. Capital management

To maintain ready access to sufficient financial resources to carry out its business operations, fund the investments required to drive growth and respond to exceptional circumstances, Plastic Omnium raises both capital and debt financing on the capital markets.

As part of its capital management strategy, the Group provides shareholders with a return primarily by paying dividends, which may be increased or reduced to take into account changing business and 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 capital structure. Net debt includes all of the Group's interest-paying 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 31 December 2009 and 2008, the gearing ratio stood at:

(in thousands of euros)	31 December 2009	31 December 2008
Net debt	405,672	559,936
Equity and quasi-equity (including government grants)	440,417	438,138
GEARING RATIO	**92.11%**	**127.80%**

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

> 7.2. Commodities risk – Plastics

The Group is exposed to the risk of fluctuations in the price of polyethylene and polypropylene, ethylene byproducts that are used in injection-molding and blow-molding of plastic parts. This risk arises when supply contracts contain price indexation clauses, which is not always the case with customer sale contracts. As a general policy, the Group does not hedge its commodity purchases.

The related benchmark indices for these products are C2 and C3.

Nearly 122,300 tonnes of ethylene byproducts were purchased in 2009 (151,500 tonnes in 2008).

All other variables remaining constant, a 10% increase in the C2 and C3 benchmark indices in 2009 would have had a negative impact of around €6.8 million, before any impact of passing on the rise to customers.

Conversely, a 10% decrease would have had a positive impact of the same amount in 2009 and 2008.

> 7.3 Customer credit risk

13.44% of trade receivables at 31 December 2009 were between one month and one year past due (15.26% at 31 December 2008). Total trade receivables break down as follows:

a. Net receivables by age

31 December 2009 *(in thousands of euros)*	Total receivables	Not yet due	Due and past-due	0-1 month	1-2 months	2-4 months	4-6 months	6-12 months	More than 12 months
Automotive	176,915	162,638	14,277	6,094	5,610	464	1,023	672	414
Environment	84,847	64,172	20,675	7,172	3,779	3,092	1,916	1,882	2,834
Unallocated items	270		270	54	216				
TOTAL	**262,032**	**226,810**	**35,222**	**13,321**	**9,605**	**3,556**	**2,939**	**2,554**	**3,248**

31 December 2008 *(in thousands of euros)*	Total receivables	Not yet due	Due and past-due	0-1 month	1-2 months	2-4 months	4-6 months	6-12 months	More than 12 months
Unallocated items	188,262	171,201	17,061	8,579	3,199	2,117	1,629	1,447	88
Environment	88,113	64,742	23,371	10,531	3,968	2,748	1,408	2,008	2,708
Unallocated items	2,522	383	2,139	2,128			11		
TOTAL	**278,897**	**236,326**	**42,571**	**21,238**	**7,167**	**4,865**	**3,048**	**3,455**	**2,796**

b. The Group's exposure to automobile manufacturers in the current financial crisis

The 2008 financial report described the Group's exposure to US automobile manufacturers badly hit by the financial crisis (see note 6.9 "Customer credit risk"). The Group's exposure to General Motors and Chrysler (trade receivables, project inventories) decreased significantly during 2009, given the effects of Chapter 11, amounting to €85.9 million compared with €124.6 million at 31 December 2008. The Group continues to monitor payments by these manufacturers very carefully.

> 7.4. Liquidity risk

The Group needs to 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.

This need is met by raising long-term financing on the capital markets, ensuring that all of the Group's net debt can be maintained over a long period, as well as through short-term commercial paper programs.

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 every week.

The table below shows the carrying amounts and fair values of financial assets and liabilities.

(in thousands of euros)	IAS 39 category	31 December 2009 Carrying amount	31 December 2008 Carrying amount
FINANCIAL ASSETS			
Available-for-sale financial assets	At fair value through equity	2,083	998
Other financial assets	At amortized cost	83,264	14,836
Finance receivables	At amortized cost	47,670	4,885
Trade receivables	Loans and receivables at amortized cost	262,032	278,897
Other short-term financial receivables	Loans and receivables at amortized cost	3,624	22,535
Hedging instruments	Cash flow hedges at fair value through equity	-	2,140
Cash and cash equivalents	Financial assets at fair value through profit or loss	134,987	123,585
Assets held for sale	Lower of carrying amount and estimated sale price	-	546
FINANCIAL LIABILITIES			
Long-term borrowings	At amortized cost	532,530	565,414
Bank overdrafts	At amortized cost	33,977	47,872
Short-term borrowings	At amortized cost	100,447	95,648
Other short-term financial liabilities	At amortized cost	2,746	12,414
Hedging instruments	Cash flow hedges at fair value through equity	5,516	6,569
Trade payables	At amortized cost	387,137	439,368
Liabilities related to assets held for sale	Lower of carrying amount and estimated sale price	-	114

Liquidity risk by maturity is based on undiscounted contractual cash flows from financial assets and liabilities. Liquidity risk can be analyzed as follows:

At 31 December 2009

(in thousands of euros)	31 December 2009	Less than 1 year	1 to 5 years	More than 5 years
FINANCIAL ASSETS				
Available-for-sale financial assets	**2,083**		**2,083**	
Other financial assets *	16,385		16,385	
Finance receivables *	120,960	49,071	71,389	500
Trade receivables **	262,032	262,032		
Other short-term financial receivables	3,624	3,624		
Hedging instruments	-			
Cash and cash equivalents	134,987	134,987		
Total financial assets	**540,071**	**449,714**	**89,857**	**500**
FINANCIAL LIABILITIES				
Long-term borrowings	617,809	64,100	479,316	74,393
Bank overdrafts	33,977	33,977		
Short-term borrowings	100,447	100,447		
Other short-term financial liabilities	2,746	2,746		
Hedging instruments	5,516	5,516		
Trade payables	387,137	387,137		
Total financial liabilities	**1,147,632**	**593,923**	**479,316**	**74,393**
FINANCIAL ASSETS AND FINANCIAL LIABILITIES – NET (#)	**(607,561)**	**(144,209)**	**(389,459)**	**(73,893)**

* *Amounts not discounted.*
** *Trade receivables include past due receivables of €35,222,000. See ageing analysis in note 7.3.*
(#) See note 5.2.5.b on available confirmed medium-term credit lines and drawdowns.

At 31 December 2008

(in thousands of euros)	31 December 2008	Less than 1 year	1 to 5 years	More than 5 years
FINANCIAL ASSETS				
Available-for-sale financial assets	**998**		**998**	
Other financial assets *	14,836		14,836	
Finance receivables *	4,885	4,885		
Trade receivables **	278,897	278,897		
Other short-term financial receivables	22,535	22,535		
Hedging instruments	2,140	2,140		
Cash and cash equivalents	123,585	123,585		
Financial assets of discontinued operations ***	546	546		
Total financial assets	**448,422**	**432,588**	**15,834**	**-**
FINANCIAL LIABILITIES				
Long-term borrowings	649,962	3,638	635,244	11,080
Bank overdrafts *	47,872	47,872		
Short-term borrowings	95,648	95,648		
Other short-term financial liabilities	12,414	12,414		
Hedging instruments	6,569	6,569		
Trade payables	439,368	439,368		
Financial liabilities of discontinued operations ***	114	114		
Total financial liabilities	**1,251,947**	**605,623**	**635,244**	**11,080**
FINANCIAL ASSETS AND FINANCIAL LIABILITIES – NET (#)	**(803,525)**	**(173,035)**	**(619,410)**	**(11,080)**

* *Amounts not discounted.*
** *Trade receivables include past due receivables of €42,571,000. See ageing analysis in note 7.3.*
*** *Financial assets held for sale and financial liabilities related to assets held for sale only include items taken into account to calculate financial assets and financial liabilities – net.*
(#) See note 5.2.5.b on available confirmed medium-term credit lines and drawdowns.

> 7.5. Currency risk

Because Plastic Omnium's business is based mainly on local production facilities, exposure to currency risks is limited, except for intra-group billings between entities with different functional currencies.

Group policy consists of systematically hedging currency risks arising from cross-border transactions, without carrying out any trading transactions. All hedging positions are taken by Plastic Omnium Finance, in liaison with the divisions and national structures.

> 7.6. Interest rate risk

Interest rate risk on debt is managed with the prime objective of hedging risks in order to achieve acceptable levels of interest cover.

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, one of the selection criteria being satisfactory resource and counterparty diversification.

At 31 December 2009, 72% of borrowings in euros and 60% of borrowings in US dollars were hedged respectively over four and three years, using non-speculative financial instruments (60% and 74% respectively over four and three years at 31 December 2008).

Sensitivity to interest rate changes

At 31 December 2009, a 100-bps rise in interest rates on the Group's variable rate debt would have increased interest expense by €8 million after the impact of hedging (€6.8 million at December 2008).

A 100-bps fall in interest rates on the Group's variable rate debt would have reduced interest expense by €3 million after the impact of hedging (€8 million in 2008).

> 7.7. Competition proceedings

Signature SA and Sodilor have been informed by the French Competition Authority formal proceedings have been opened against them, primarily relating to (i) alleged cartel behavior in the vertical road signage sector for Signature SA; and (ii) abuse of dominant position in the road safety equipment market for Sodilor.

The outcome of these proceedings, which are still underway, should not have any financial impact on the Group as the related estimated outflow of resources should be covered by the maximum €11 million warranty given by Burelle SA when it sold Compagnie Signature to Plastic Omnium in July 2007.

Proceedings were still pending at 31 December 2009.

8. Other information

> 8.1. Changes in exchange rates

Currency	At 31 December 2008	At 31 December 2009	2008 Average	2009 Average
Euro	1	1	1	1
Thai baht	48.2859	47.9846	48.4496	47.8469
Slovak koruna	30.1296	30.1296	31.2695	30.1296
Swedish krona	10.8696	10.2522	9.6172	10.5876
Czech koruna	26.8745	26.4760	24.9563	26.4971
Canadian dollar	1.6998	1.5128	1.5593	1.5819
US dollar	1.3917	1.4406	1.4706	1.3963
Swiss franc	1.4850	1.4836	1.5871	1.5076
Romanian lei	4.0225	4.2362	3.6841	4.2418
Pound sterling	0.9525	0.8881	0.7965	0.8900
Turkish lira	2.1488	2.1547	1.9071	2.1680
Argentine peso	4.8065	5.4696	4.6419	5.2394
Chilean peso	892.8571	719.4245	775.1938	769.2308
Mexican peso	19.2345	18.9215	16.2973	18.8893
South African rand	13.0668	10.6655	12.0656	11.5207
Brazilian real	3.2436	2.5113	2.6745	2.7642
Iranian rial *	13.8696	14.3493	13.9451	13.7950
Russian ruble	41.2882	43.1593	36.4166	44.3066
Indian rupee	68.2128	67.0241	63.7349	67.3854
South Korean won	1,851.852	1,666.667	1,612.903	1,785.714
Japanese yen	126.1034	133.1558	152.4390	130.5483
Chinese yuan renminbi	9.4958	9.8348	10.2249	9.5374
Polish zloty	4.1535	4.1044	3.5151	4.3693

* *Amounts in Iranian rials are expressed in thousands of units.*

> 8.2. Consolidating entity

Compagnie Plastic Omnium is fully consolidated in the accounts of Burelle SA, which owns 54.74% of its capital, or 60.36% after the impact of canceling treasury stock.

Burelle SA – 19, avenue Jules Carteret

69342 Lyon Cedex 07

> 8.3. Number of employees at year-end

Employees	December 2009 Excluding temporary staff	December 2009 Temporary staff	December 2009 Total	December 2008 * Excluding temporary staff	December 2008 * Temporary staff	December 2008 * Total	Change Total
France	4,481	448	4,929	5,099	320	5,419	
%	*36.1%*	*34.3%*	*35.9%*	*38.9%*	*43.3%*	*39.2%*	*-8.9%*
Europe excluding France	3,575	357	3,932	3,715	62	3,777	
%	*28.8%*	*27.4%*	*28.6%*	*28.4%*	*8.7%*	*27.3%*	*+10.7%*
North America	1,751	101	1,852	1,975	142	2,117	
	14.1%	*7.7%*	*13.5%*	*15.1%*	*19.2%*	*15.3%*	*-12.5%*
Asia and South America **	2,626	399	3,025	2,310	214	2,524	
%	*21.1%*	*30.6%*	*22.1%*	*17.6%*	*29.0%*	*18.2%*	*+9.9%*
TOTAL	**12,433**	**1,305**	**13,738**	**13,099**	**738**	**13,837**	**-0.7%**
Change by employee category:				*Employees excluding temporary staff*			*-5.0%*
				Temporary staff			*+76.8%*
Of which, employees of joint ventures adjusted on the basis of the Group's percentage interest in the joint ventures	*3,115*	*342*	*3,457*	*2,920*	*199*	*3,119*	*+10.8%*

* *Employee numbers at 31 December 2008 included temporary staff taken on by the Performance Plastics Products – 3P group and excluded the employees of Signature Horizontal, 65% of which was sold to Eurovia at end-2007.*

** *The "Asia and South America" region includes Turkey.*

> 8.4. Subsequent events

To the best of management's knowledge, no events have occurred since the year-end that would be likely to have a material impact on the Group's business, financial position, results or assets.

List of consolidated companies at 31 December 2009

Company	Reportable segments			31 December 2009				31 December 2008			
	Auto-motive	Environ-ment	Not allo-cated	Conso-lidation method	% interest	% voting rights	Com-ment	Conso-lidation method	% interest	% voting rights	Tax group
France											
COMPAGNIE PLASTIC OMNIUM SA			•	Parent company				Parent company			1
PLASTIC OMNIUM SYSTÈMES URBAINS SA		•		F	100	100		F	100	100	1
PRODUITS PLASTIQUES PERFORMANTS – 3 P SA **			N/A	-	-	-	C	F	100	100	1
METROPLAST SAS		•		F	100	100		F	100	100	1
LA RÉUNION VILLE PROPRE SAS		•		F	100	100		F	100	100	1
PLASTIC OMNIUM CARAÏBES SAS		•		F	100	100		F	100	100	1
INERGY AUTOMOTIVE SYSTEMS FRANCE SAS	•			P	50	50		P	50	50	2
PLASTIC RECYCLING SAS		•		P	50	50		P	50	50	
PLASTIC OMNIUM AUTO EXTÉRIEUR SA	•			F	100	100		F	100	100	1
PLASTIC OMNIUM AUTO EXTÉRIEUR SERVICES SAS	•			F	100	100		F	100	100	1
TRANSIT SAS		•		F	100	100		F	100	100	1
PLASTIC OMNIUM GESTION SNC			•	F	100	100		F	100	100	1
PLASTIC OMNIUM FINANCE SNC ****			•	F	100	100		F	100	100	1
LUDOPARC SAS		•		F	100	100		F	100	100	1
PLASTIC OMNIUM AUTO SAS			•	F	100	100		F	100	100	1
PLASTIC OMNIUM PLASTIQUES HAUTES PERFORMANCES SAS **			N/A	-	-	-	C	F	100	100	1
PLASTIC OMNIUM ENVIRONNEMENT SAS ****		•	•	F	100	100		F	100	100	1
PLASTIC OMNIUM AUTO EXTERIORS SAS	•			F	100	100		F	100	100	1
INOPLASTIC OMNIUM SAS	•			F	100	100		F	100	100	1
INERGY AUTOMOTIVE SYSTEMS SA	•			P	50	50		P	50	50	2
INERGY AUTOMOTIVE SYSTEMS MANAGEMENT SA	•			P	50	50		P	50	50	2
PLASTIC OMNIUM ENVIRONNEMENT GUYANE SAS		•		F	100	100		F	100	100	1
VALEO PLASTIC OMNIUM SNC	•			P	50	50		P	50	50	1
BEAUVAIS DIFFUSION SAS		•		F	100	100		F	100	100	1
PLASTIC OMNIUM VERNON SAS	•			F	100	100		F	100	100	1

Company	Reportable segments: Automotive	Reportable segments: Environment	Reportable segments: Not allocated	31 December 2009: Consolidation method	31 December 2009: % interest	31 December 2009: % voting rights	Comment	31 December 2008: Consolidation method	31 December 2008: % interest	31 December 2008: % voting rights	Tax group
TECHNIQUES ET MATÉRIELS DE COLLECTE – "TEMACO" SAS		•		F	100	100		F	100	100	1
INOPART SA	•			F	100	100		F	100	100	1
INOPLAST SA	•			F	100	100		F	100	100	1
MECELEC COMPOSITES ET RECYCLAGE – MCR SAS	•			F	100	100		F	100	100	1
ATMC INDUSTRIE SAS ***	•			F	100	100		F	100	100	1
ALLEVARD RESSORTS COMPOSITES – "ARC" SAS	•			P	50	50		P	50	50	
COMPAGNIE SIGNATURE SAS			•	F	100	100		F	100	100	
SIGNATURE HOLDING SAS			•	F	100	100		F	100	100	
SIGNATURE SA			•	F	100	100		F	100	100	
SIGNATURE VERTICAL HOLDING SAS		•		F	100	65		F	100	65	6
ATLAS SAS		•		E	26.25	26.25		E	26.25	26.25	
SOCIETE D'APPLICATION ROUTIÈRE SAS		•		E	35	35		E	35	35	
EUROLINERS SAS		•		E	35	35		E	35	35	
SDS SA **		•		-	-	-	C	E	17.29	17.29	
SIGNATURE TRAFFIC SYSTEMS SAS		•		F	100	65		F	100	65	6
SIGNALISATION SÉCURITÉ SARL		•		E	35	35		E	35	35	
FARCOR SAS		•		F	100	65		F	100	65	6
SODILOR SAS		•		F	100	65		F	100	65	6
VANDIPAINT FRANCE SAS		•		-	-	-	M	E	35	35	
SECTRA		•		E	35	35		E	35	35	
SIGNALIS SAS		•		E	35	35		E	35	35	
SIGNALISATION TOULOUSAINE SAS		•		E	35	35		E	35	35	
EUROMARK HOLDING SAS		•		E	35	35		E	35	35	
SIGNATURE INTERNATIONAL SAS			•	F	100	100		F	100	100	
SIGNATURE SAS ****		•		E	35	35		E	35	35	
SIGNATURE FRANCE SAS		•		E	35	35		E	35	35	
SIGNATURE GESTION SAS		•		E	35	35		E	35	35	
GTU SAS		•		E	35	35		E	35	35	
SULO FRANCE SAS		•		F	100	100		F	100	100	1
South Africa											
INERGY AUTOMOTIVE SYSTEMS SOUTH AFRICA LTD	•			P	50	50		P	50	50	
PLASTIC OMNIUM URBAN SYSTEMS (Pty) LTD		•		F	100	100		F	100	100	

Company	Reportable segments: Auto-motive	Environ-ment	Not allo-cated	31 December 2009: Conso-lidation method	% interest	% voting rights	Com-ment	31 December 2008: Conso-lidation method	% interest	% voting rights	Tax group
Germany											
3P – PERFORMANCE PLASTICS PRODUCTS GmbH **			N/A	-	-	-	C	F	100	100	
PLASTIC OMNIUM GmbH			•	F	100	100		F	100	100	9
PLASTIC OMNIUM AUTO COMPONENTS GmbH	•			F	100	100		F	100	100	9
PLASTIC OMNIUM ENTSORGUNGSTECHNIK GmbH		•		F	100	100		F	100	100	
INERGY AUTOMOTIVE SYSTEMS GERMANY GmbH	•			P	50	50		P	50	50	
HBPO BETEILIGUNGS-GESELLSCHAFT mbH	•			P	33.33	33.33		P	33.33	33.33	
HBPO GERMANY GmbH	•			P	33.33	33.33		P	33.33	33.33	
HBPO GmbhH	•			P	33.33	33.33		P	33.33	33.33	
BERLACK GmbH		•		E	35	35		E	35	35	
SULO VERWALTUNG UND TECHNIK GmbH (Signature Verkehrstechnik GmbH)		•		F	100	100		F	100	100	
SIGNATURE MARKIERTECHNIK GmbH		•		E	35	35		E	35	35	
SIGNATURE DEUTSCHLAND GmbH		•		F	100	100		F	100	100	3
ENVICOMP GmbH & Co KG		•		F	100	100		F	100	100	3
ENVICOMP SYSTEMLOGISTIK VERWARLTUNG GmbH & Co KG		•		F	100	100		F	100	100	3
WESTFALIA SPEDITIONSGESELLSCHAFT mbH		•		F	100	100		F	100	100	3
SULO EINSENWERK STREUBER & LOHMANN GmbH		•		F	100	100		F	100	100	9
SULO UMWELTTECHNIK GmbH		•		F	100	100		F	100	100	9
SULO UMWELTTECHNIK BETEILIGUNGS GmbH		•		F	100	100		F	100	100	9
SULO EMBALLAGEN BETEILIGUNGS GmbH		•		F	100	100		F	100	100	9
SULO EMBALLAGEN GmbH		•		F	100	100		F	100	100	9
BKV BETEILIGUNGS UND KUNSTSTOFFVERWER-TUNGS GmbH #		•		-	-	-		E	0.2	0.2	
RIGK GES ZUR RUCKFUHRUNG GmbH #		•		-	-	-		E	3.5	3.5	
PLASTIC OMNIUM URBAN SYSTEMS GmbH *			•	F	100	100		-	-	-	
EUROMARK DEUTSCHLAND GmbH *		•		E	35	35		-	-	-	

Notes to the consolidated financial statements

Company	Reportable segments: Auto-motive	Reportable segments: Environ-ment	Reportable segments: Not allo-cated	31 December 2009: Conso-lidation method	31 December 2009: % interest	31 December 2009: % voting rights	Com-ment	31 December 2008: Conso-lidation method	31 December 2008: % interest	31 December 2008: % voting rights	Tax group
Argentina											
INERGY AUTOMOTIVE SYSTEMS ARGENTINA SA	•			P	50	50		P	50	50	
PLASTIC OMNIUM SA	•	•		F	100	100		F	100	100	
Belgium											
PLASTIC OMNIUM AUTOMOTIVE NV	•			F	100	100		F	100	100	
PLASTIC OMNIUM NV		•		F	100	100		F	100	100	
INERGY AUTOMOTIVE SYSTEMS BELGIUM RESEARCH NV	•			P	50	50		P	50	50	
INERGY AUTOMOTIVE SYSTEMS BELGIUM SA	•			P	50	50		P	50	50	
DIDIER VANDENWEGHE NV		•		E	35	35		E	35	35	
VANDIPAINT NV		•		E	35	35		E	35	35	
SULO NV		•		F	100	100		F	100	100	
Brazil											
INERGY AUTOMOTIVE SYSTEMS DO BRASIL LTDA	•			P	50	50		P	50	50	
PLASTIC OMNIUM DO BRASIL LTDA	•			F	100	100		F	100	100	
Canada											
INERGY AUTOMOTIVE SYSTEMS CANADA INC	•			P	50	50		P	50	50	
HBPO CANADA	•			P	33.33	33.33		P	33.33	33.33	
Chile											
PLASTIC OMNIUM SA		•		F	100	100		F	100	100	
China											
JIANGSU XIENO AUTOMOTIVE COMPONENTS CO LTD	•			F	60	60		F	60	60	
INERGY A.S. CHINA	•			P	50	50		P	50	50	
3P CHINA **			N/A	-	-	-	C	F	100	100	
YANFENG PO AUTOMOTIVE EXTERIOR SYSTEMS CO LTD	•			P	49.95	49.95		P	49.95	49.95	
PO (SHANGHAÏ) BUSINESS CONSULTING CO LTD *			•	F	100	100		-	-	-	
IAS CONSULTING BEIJING CO LTD	•			P	50	50		P	50	50	
IAS MANUFACTURING (Beijing) CO LTD *	•			P	50	50		-	-	-	
South Korea											
SAMLIP HBPO SOUTH KOREA	•			P	16.67	16.67		P	16.67	16.67	
HBPO SOUTH KOREA	•			P	33.33	33.33		P	33.33	33.33	
INERGY AUTOMOTIVE SYSTEMS CO LTD	•			P	50	50		P	50	50	

Company	Reportable segments: Auto-motive	Environ-ment	Not allo-cated	31 December 2009: Conso-lidation method	% interest	% voting rights	Com-ment	31 December 2008: Conso-lidation method	% interest	% voting rights	Tax group
Spain											
COMPAÑIA PLASTIC OMNIUM SA			•	F	100	100		F	100	100	4
PLASTIC OMNIUM EQUIPAMIENTOS EXTERIORES SA	•			F	100	100		F	100	100	4
PLASTIC OMNIUM SISTEMAS URBANOS SA		•		F	100	100		F	100	100	4
INERGY AUTOMOTIVE SYSTEMS VALLADOLID SL	•			P	50	50		P	50	50	
3P – PRODUCTOS PLASTICOS PERFORMANTES SA **			N/A	-	-	-	C	F	100	100	4
INERGY AUTOMOTIVE SYSTEMS SPAIN SA (Arevalo/Vigo)	•			P	50	50		P	50	50	
VALEO PLASTIC OMNIUM SL	•			P	50	50		P	50	50	
JUEGOS LUDOPARC		•		F	100	100		F	100	100	4
INOPLAST SA ****	•			F	100	100		F	100	100	4
HBPO IBERIA SL	•			P	33.33	33.33		P	33.33	33.33	
SIGÑATURE SENALIZACION SA		•		F	100	65		F	100	65	
HBPO ESPAGNE AUTOMOVIL SL *	•			P	33.33	33.33		-	-	-	
United States											
EPSCO INTERNATIONAL INC.			•	F	100	100	AD/RC	F	100	100	5
PLASTIC OMNIUM AUTO EXTERIORS LLC	•			F	100	100		F	100	100	5
PERFORMANCE PLASTICS PRODUCTS – 3 P INC.			•	F	100	100	RC	F	100	100	5
PLASTIC OMNIUM INC.			•	F	100	100		F	100	100	5
PLASTIC OMNIUM INDUSTRIES INC.			•	F	100	100		F	100	100	5
INERGY AUTOMOTIVE SYSTEMS (USA) LLC	•			P	50	50		P	50	50	
PLASTIC OMNIUM AUTOMOTIVE SERVICES INC.	•			F	100	100		F	100	100	5
HBPO NORTH AMERICA INC.	•			P	33.33	33.33		P	33.33	33.33	
INERGY AUTOMOTIVE SYSTEMS HOLDING INC.	•			P	50	50		P	50	50	
SULO OF AMERICA INC		•		F	100	100		F	100	100	
Greece											
SIGNATURE HELLAS		•		E	35	35		E	35	35	
India											
PLASTIC OMNIUM VARROC PRIVATE LTD *****	•			F	60	60		P	51	51	
INERGY INDIA	•			P	50	50		P	50	50	

Notes to the consolidated financial statements

Company	Reportable segments			31 December 2009				31 December 2008			
	Auto-motive	Environ-ment	Not allo-cated	Conso-lidation method	% interest	% voting rights	Com-ment	Conso-lidation method	% interest	% voting rights	Tax group
Ireland											
INERGY AUTOMOTIVE SYSTEMS REINSURANCE LTD	•			P	50	50		P	50	50	
Italy											
PRODUITS PLASTIQUES PERFORMANTS – 3P Spa **			N/A	-	-	-	C	F	100	100	
Japan											
INERGY AUTOMOTIVE SYSTEMS KK	•			P	50	50		P	50	50	
HBPO JAPAN	•			P	33.33	33.33		P	33.33	33.33	
Mexico											
PLASTIC OMNIUM AUTOMOVIL SA DE CV	•			F	100	100		F	100	100	10
PLASTIC OMNIUM AUTO EXTERIORES SA DE CV	•			F	100	100		F	100	100	10
PLASTIC OMNIUM INDUSTRIAL AUTO EXTERIORES RAMOS ARIZPE SA DE CV	•			F	100	100		F	100	100	10
PLASTIC OMNIUM DEL BAJIO SA DE CV	•			F	100	100		F	100	100	10
INERGY AUTOMOTIVE SYSTEMS MEXICO SA DE CV	•			P	50	50		P	50	50	
INOPLAST COMPOSITES SA DE CV	•			F	100	100		F	100	100	11
INOPLASTIC OMNIUM INDUSTRIAL SA DE CV	•			F	100	100		F	100	100	11
PLASTIC OMNIUM SISTEMAS URBANOS SA DE CV		•		F	100	100		F	100	100	
HBPO MEXICO SA DE CV	•			P	33.33	33.33		P	33.33	33.33	
PLASTIC OMNIUM MEDIO AMBIENTE SA DE CV		•		F	100	100		F	100	100	
Middle East											
INERGY VLA PLASTIRAN	•			P	25.50	25.50		P	25.50	25.50	
Netherlands											
PLASTIC OMNIUM BV		•		F	100	100		F	100	100	7
PLASTIC OMNIUM INTERNATIONAL BV			•	F	100	100		F	100	100	7
PERFORMANCE PLASTICS PRODUCTS – 3 P BV **			N/A	-	-	-	C	F	100	100	
SIGNATURE WEGMARKERING BV		•		E	35	35		E	35	35	
SULO BV		•		F	100	100		F	100	100	

Company	Reportable segments			31 December 2009				31 December 2008			
	Auto-motive	Environ-ment	Not allo-cated	Conso-lidation method	% interest	% voting rights	Com-ment	Conso-lidation method	% interest	% voting rights	Tax group
Poland											
INERGY AUTOMOTIVE SYSTEMS POLAND Sp. Z.O.O	•			P	50	50		P	50	50	
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	
Portugal											
PLASTIC OMNIUM SA		•		F	100	100		F	100	100	
Czech Republic											
HBPO CZECH S.R.O	•			P	33.33	33.33		P	33.33	33.33	
VODOROVNE DOPRAVNI ZNACENT S.A.R S.R.O		•		E	35	35		E	35	35	
SULO SRO		•		F	100	100		F	100	100	
Romania											
INERGY AUTOMOTIVE SYSTEMS ROMANIA	•			P	50	50		P	50	50	
SIGNATURE SEMNALIZARE ROUMANIE *****		•		E	34.88	34.88		E	18.20	18.20	
United Kingdom											
PERFORMANCE PLASTICS PRODUCTS – 3P LTD			•	F	100	100	RC	F	100	100	8
PLASTIC OMNIUM AUTOMOTIVE LTD	•			F	100	100		F	100	100	8
PLASTIC OMNIUM LTD			•	F	100	100		F	100	100	8
PLASTIC OMNIUM URBAN SYSTEMS LTD		•		F	100	100		F	100	100	8
INERGY AUTOMOTIVE SYSTEMS UK LTD	•			P	50	50		P	50	50	
SIGNATURE LTD		•		F	100	65		F	100	65	
SULO MGB LTD		•		F	100	100		F	100	100	
HBPO UK	•			P	33.33	33.33		P	33.33	33.33	
Russia											
INERGY RUSSIA	•			P	50	50		P	50	50	
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 SLOVAQUIA S.R.O.	•			P	50	50		P	50	50	
HBPO SLOVAKIA S.R.O	•			P	33.33	33.33		P	33.33	33.33	
Sweden											
PLASTIC OMNIUM AB		•		F	100	100		F	100	100	

Company	Reportable segments: Auto-motive	Environ-ment	Not allo-cated	31 December 2009: Conso-lidation method	% interest	% voting rights	Com-ment	31 December 2008: Conso-lidation method	% interest	% voting rights	Tax group
Switzerland											
PLASTIC OMNIUM INTERNATIONAL AG ##			•	F	100	100		F	100	100	
PLASTIC OMNIUM AG		•		F	100	100		F	100	100	
PLASTIC OMNIUM RE AG			•	F	100	100		F	100	100	
SIGNAL AG ###		•		F	50	32.50		F	50	32.50	
Thailand											
INERGY AUTOMOTIVE SYSTEMS (THAILAND) LTD	•			P	50	50		P	50	50	
Turkey											
B.P.O AS	•			P	49.98	49.98		P	49.98	49.98	
SIGNATEKMA		•		E	17.50	17.50		E	17.50	17.50	

Consolidation method and notes:

F: Full consolidation.
P: Proportionate consolidation.
E: Equity method.
HFS: Companies held for sale.
AD: Assets divested and non-transferred portion classified under F and RC.
C: Companies deconsolidated at 31 December 2008.
RC: Companies previously classified as HFS and reclassified as the Group no longer plans to sell them.
M: Companies merged in 2008.

Movements during the period:

** Companies newly-formed and/or in start-up phase in 2009.*
*** Companies divested in 2008.*
**** Companies divested in 2009.*
***** Companies whose name was changed in 2009.*
****** Change in consolidation method and/or percentage in 2009.*
 # Companies deconsolidated in 2009 as they are not material.
Company wound up in 2009.
Company that consolidates the financial statements of Segnaletica Mordasini acquired in 2009.

Tax groups:

1 France Plastic Omnium.
2 France Inergy.
3 Signature Germany.
4 Spain.
5 United States.
6 Signature Vertical Holding.
7 Netherlands.
8 United Kingdom.
9 Plastic Omnium Germany.
10 Mexico Euro.
11 Inoplast Composites SA de CV.

Statutory Auditors' report on the consolidated financial statements

This is a free translation into English of the original Statutory Auditors' report issued in the French language and is provided solely for the convenience of English-speaking readers. 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 the Annual Shareholders' Meeting, we hereby report to you, for the year ended 31 December 2009, on:

- the audit of the accompanying consolidated financial statements of Compagnie Plastic Omnium;
- the justification of our assessments;
- the specific verifications and information required by law.

The consolidated 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 the professional standards applicable in France. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit includes examining, on a test basis or through other selection methods, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the results of operations for the year ended 31 December 2009 and the financial position and assets of the Group at that date, in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

Without qualifying the opinion expressed above, we draw your attention to Note 1.1 to the consolidated financial statements, which describes a change in accounting method relating to the revised version of IAS 1, "Presentation of Financial Statements". This revised standard has been adopted by the European Union and its application is compulsory for annual periods beginning on or after 1 January 2009.

II. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code relating to the justification of our assessments we draw your attention to the following matters:

- Goodwill has been tested for impairment based on the procedures described in Note 1.17 to the consolidated financial statements. The impairment tests were based on the Group's medium-term business plans, as revised to factor in current market conditions. We verified (i) the methods applied to carry out these impairment tests, (ii) the assumptions and projected cash flows used, and (iii) the appropriateness of the disclosures provided in the notes to the consolidated financial statements.
- Note 1.15 to the consolidated financial statements describes the accounting methods used to recognize (i) costs incurred on behalf of manufacturers for the design and development of equipment for new vehicle models, depending on whether they are financed by the customer, and (ii) the expected profits from these projects. We assessed the approach used to measure the expected profits from these projects based on the latest available information.
- Note 1.30 to the consolidated financial statements states that deferred tax assets are recognized for tax loss carryforwards based on the probability of their future use. We reviewed the methods used to assess the recoverability of these tax loss carryforwards, based on the latest available information, and verified their application on a test basis.
- We examined the procedures used by the Group to identify, measure and account for risks, legal disputes and contingent liabilities and ensured that the main legal disputes identified were appropriately described, particularly in Notes 5.2.7 and 7.7 to the consolidated financial statements.

These assessments were made in the context of our audit of the consolidated financial statements, taken as a whole, and therefore contributed to the formation of our opinion expressed in the first part of this report.

III. Specific verification

In accordance with professional auditing standards applicable in France and as required by law, we have also verified the information given in Management's Discussion and Analysis.

We have no matters to report regarding its fair presentation and conformity with the consolidated financial statements.

Paris-La Défense and Courbevoie, 31 March 2010

The Statutory Auditors

ERNST & YOUNG Audit

François Villard

MAZARS

Thierry Colin

Company financial **statements**

Income statement

(in thousands of euros)	Note	2009	2008
Net sales	**K**	**6,348**	**6,201**
Provision reversals and expense transfers	M	920	1,684
Other operating revenue	K	8,998	10,334
Total operating revenue		**16,266**	**18,219**
Purchases and other external charges	L	(12,137)	(14,778)
Taxes other than on income		(188)	(172)
Depreciation, amortization and provisions	M	(866)	(1,310)
Other expenses		(1,906)	(908)
Operating income		**1,169**	**1,051**
Joint-venture income		0	195
Net interest income	**N**	**76,847**	**26,454**
Income before non-operating items		**78,016**	**27,700**
Non-operating items	O	1,227	(15,292)
Income before tax		79,243	12,408
Corporate income tax	P	11,668	5,422
NET INCOME		**90,911**	**17,830**

Balance sheet

Assets

(in thousands of euros)	Note	2009			2008
		Cost	Depreciation, amortization and provisions	Net	Net
Fixed assets					
Intangible assets	A	7,420	863	6,557	267
Property and equipment	B	7,110	2,644	4,466	4,795
Investments	C	389,620	39,249	350,371	335,845
Total fixed assets		**404,150**	**42,756**	**361,394**	**340,906**
Current assets					
Trade receivables	D	4,441		4,441	7,839
Other receivables	D	476,056	1,119	474,937	519,281
Cash and cash equivalents	E	31,193	410	30,783	9,136
Total current assets		**511,690**	**1,529**	**510,161**	**536,256**
Prepaid expenses		389		389	696
Conversion losses		2,264		2,264	8,436
TOTAL		**918,493**	**44,285**	**874,208**	**886,294**

Liabilities and shareholders' equity

(in thousands of euros)	Note	2009		2008	
Shareholders' equity					
Share capital	F	8,822		9,073	
Additional paid-in capital	G	89,458		97,277	
Retained earnings and other reserves	H	195,585		183,684	
Net income for the year		**90,911**		**17,830**	
Untaxed provisions	I	473		433	
Total shareholders' equity			**385,249**		**308,297**
Provisions for contingencies and charges	I	2,418	2,418	6,184	6,184
Liabilities					
Bank borrowings		460,736		508,790	
Other borrowings		15,018		42,702	
Trade payables		2,732		4,890	
Accrued taxes and payroll costs		89		372	
Other liabilities		7,943		11,537	
Total liabilities	**J**		**486,518**		**568,292**
Conversion gains		23	23	3,521	3,521
TOTAL			**874,208**		**886,294**

Notes to the Company financial statements

I. Accounting principles and policies

The financial statements of Compagnie Plastic Omnium have been prepared on a going concern basis in accordance with French generally accepted accounting principles.

(in thousands of euros)	**2009**
Financial position	
Share capital	8,822
Shareholders' equity	385,249
Financial liabilities	(6,200)
Net fixed assets	361,394
Total assets	**874,208**
Results of operations	
Operating revenue	16,266
Operating income	1,169
Income before non-operating items	78,016
Non-operating items	1,227
Net income	**90,911**
EARNINGS PER SHARE (IN EUROS)	**5.15**

II. Notes to the balance sheet

All the following amounts are stated before depreciation, amortization and provisions.

> A. Intangible assets

(in thousands of euros)	2008	Increase	Decrease	**2009**
Patents and licenses	1,122	6,538	240	7,420
TOTAL	**1,122**	**6,538**	**240**	**7,420**

On 29 December 2009, Sulo Eisenwerk Streuber & Lohmann GmbH sold a number of trademarks to Compagnie Plastic Omnium for €6,462,000. This sale did not include any transfer of customer lists or goodwill. A separate license agreement will be signed in order to grant Sulo Eisenwerk Streuber & Lohmann GmbH the right to use the divested trademarks.

Patent filing fees, which are still rebilled to the companies concerned, have been recognized in the income statement since 1 January 2009.

> B. Property and equipment

(in thousands of euros)	2008	Increase	Decrease	**2009**
Land	1,769			1,769
Buildings	2,663			2,663
Fixtures and fittings	2,594			2,594
Office equipment and furniture	43			43
Assets in progress	41			41
TOTAL	**7,110**			**7,110**

In July 2000, Compagnie Plastic Omnium acquired a multipurpose office building, which it leases to other companies.

> C. Investments

Investments are stated at the lower of cost and fair value. Fair value is determined based on the Group's equity in the underlying net assets of the company concerned, or its earnings outlook taking into account current market conditions.

(in thousands of euros)	2008	Increase	Decrease	2009
Shares in subsidiaries and affiliates	409,099	1,272	21,645	388,726
Other long-term investments	765			765
Loans	188		59	129
TOTAL	**410,052**	**1,272**	**21,704**	**389,620**

The year-on-year decrease in shares in subsidiaries and affiliates primarily reflects (i) the liquidation of Plastic Omnium International AG (€15,497,000), Plastic Omnium PTE (€674,000) and Plastic Omnium KK (€1,475,000), and (ii) the sale of Plastic Omnium Automotive NV shares to Plastic Omnium Auto Exteriors (€3,998,000).

Increases in investments in 2009 mainly concerned:

- the recapitalization of Plastic Omnium KK before its liquidation (€512,000);
- the gain generated on the share-for-share transaction carried out on 31 December following the merger of GIE Plastic Omnium Finance into Plastic Omnium Holding SNC, since renamed Plastic Omnium Finance (€203,000);
- the purchase of shares in Plastic Omnium Holding SNC (since renamed Plastic Omnium Finance) from the company's general partners (€232,000);
- the capitalization of Plastic Omnium (Shanghai) Business Consulting – Plastic Omnium SBC (€250,000).

See the table on subsidiaries and affiliates for information on impairment of the Company's investments in these entities.

At 31 December 2009 no loans were due beyond one year and loans to related companies amounted to €129,000.

> D. Receivables

(in thousands of euros)	2009	Due within one year	Related companies
Prepayments to suppliers	11	11	
Trade receivables	4,441	4,441	3,890
Tax receivables	2,185	2,185	
Short-term loans	451,152	451,152	451,152
Other	21,589	10,921	10,753
TOTAL	**479,378**	**468,710**	**465,795**

Other receivables due beyond one year correspond to the additional €10,668,000 consideration to be received on the sale of 3P which is due beyond five years, except if the agreement's acceleration clause is triggered due to the purchaser losing control of the company or if the purchaser sells the business.

> E. Cash and cash equivalents

(in thousands of euros)	2008	Increase	Decrease	2009
Marketable securities	22,536	20,893	12,864	30,565
Cash	645		17	628
TOTAL	**23,181**	**20,893**	**12,881**	**31,193**

"Other long-term investments" (see Note C) and "Marketable securities" include €20,893,000 worth of Compagnie Plastic Omnium shares purchased pursuant to the authorizations granted at earlier Shareholders' Meetings for the purpose of i) stabilizing the share price by an investment firm, ii) cancelling acquired shares as part of a capital reduction, iii) allocating shares on exercise of stock options, iv) allocating shares to Group employees or officers free of consideration, and v) holding the acquired shares and subsequently exchanging them for stock in another company, or as payment for external growth transactions.

At the year-end a net provision reversal of €13,673,000 was recorded in relation to the Company's treasury share portfolio based on the average share price for December 2009, which was €18.80.

At 31 December 2009, Compagnie Plastic Omnium held:

- 46,500 shares purchased on the market for allocation on the exercise of stock options granted under the plan decided by the Board of Directors on 14 May 2003, pursuant to the authorization given at the Extraordinary Shareholders' Meeting of 16 May 2002;
- 211,400 shares purchased on the market for allocation on the exercise of stock options granted under the plan decided by the Board of Directors on 11 March 2005, pursuant to the authorization given at the Extraordinary Shareholders' Meeting of 22 April 2004;
- 247,000 shares purchased on the market for allocation on the exercise of stock options granted under the plan decided by the Board of Directors on 25 April 2006, pursuant to the authorization given at the Extraordinary Shareholders' Meeting of 28 April 2005;
- 304,000 shares purchased on the market for allocation on the exercise of stock options granted under the plan decided by the Board of Directors on 24 July 2007, pursuant to the authorization given at the Extraordinary Shareholders' Meeting of 24 April 2007;
- 337,999 shares purchased on the market for allocation on exercise of stock options granted under the plan decided by the Board of Directors on 22 July 2008 pursuant to the authorization given at the Extraordinary Shareholders' Meeting of 24 April 2008. Of these shares, 97,081 are classified under "Other long-term investments" and the remainder under "Marketable securities".

  The options under the other above-described plans are all classified under "Marketable securities";
- 30,105 shares purchased for stabilizing the share price;
- 467,956 unallocated treasury shares.

> F. Share capital

The Company's share capital at 31 December 2009 amounted to €8,822,299.50, represented by 17,644,599 common shares with a par value of €0.50 each, compared with 18,146,794 shares at 31 December 2008.

No stock options were exercised during the year ended 31 December 2009.

On 15 October 2009, the Board of Directors decided to use the authorization granted at the Extraordinary Shareholders' Meeting of 24 April 2007 to cancel 502,195 shares held in treasury, thereby reducing the Company's share capital by €251,097.50.

> G. Additional paid-in capital

Additional paid-in capital totaled €89,458,000 at 31 December 2009.

The €7,819,000 decrease compared with the previous year-end was due to the reduction in the Company's capital following the cancellation of 502,195 shares, as described in Note F above.

> H. Retained earnings and other reserves

(in thousands of euros)	2008	Increase	Decrease	**2009**
Revaluation reserve	234			234
Legal reserve	948			948
Other reserves	41,859			41,859
Unappropriated retained earnings	140,643	11,900		152,543
TOTAL	**183,684**	**11,900**		**195,584**

> I. Provisions

(in thousands of euros)	2008	Increase	Decrease	**2009**
Untaxed provisions				
Excess tax depreciation	421	40		461
Other	12			12
TOTAL	**433**	**40**		**473**

(in thousands of euros)	2008	Increase	Decrease	**2009**
Provisions for contingencies and charges				
Provisions for foreign exchange losses	4,956	2,264	4,956	2,264
Provisions for other contingencies	679	30	555	154
Provisions for taxes	549		549	0
TOTAL	**6,184**	**2,294**	**6,060**	**2,418**

At 31 December 2009, provisions for contingencies and charges primarily comprised a €2,264,000 provision for foreign exchange losses.

The €549,000 decrease in provisions for taxes corresponds to (i) a €454,000 in reversals of provisions for contingencies concerning taxes that have become statute barred and (ii) a €95,000 reversal of a surplus provision for the non-recovery of the minimum tax assessment (IFA) for 2005.

> J. Liabilities

(in thousands of euros)	2009	Due within one year	Related companies
Bank borrowings	460,736	52,298	
Other borrowings	15,018	15,018	17
Trade payables	2,732	2,732	1,745
Accrued taxes and payroll costs	89	89	
Other liabilities	7,943	7,943	7,943
TOTAL	**486,518**	**78,080**	**9,705**

At 31 December 2009, bank borrowings due beyond one year totaled €408,437,000, of which €54,589,000 is due beyond five years. Other liabilities comprise (i) a €6,462,000 payable relating to the purchase of Sulo trademarks and (ii) €1,481,000 in tax current accounts with the various companies in the Compagnie Plastic Omnium tax group.

III. Notes to the income statement

> K. Net sales and other operating revenue

Net sales and other operating revenue are analyzed in the tables below.

(in thousands of euros)	2009	2008
By business segment		
License and service fees	12,016	13,268
Other	4,250	4,950
By region		
France	12,967	13,821
International	3,299	4,397

Operating revenue for 2009 includes:

- fees from the licensing of Compagnie Plastic Omnium trademarks to operating subsidiaries and affiliates;
- fees from the provision of services;
- expenses and rental payments rebilled to these companies or to other related companies.

> L. Purchases and other external charges

(in thousands of euros)	2009	2008
Executive management services	972	1,360
Overheads and headquarters expenses	1,262	2,112
Fees	2,110	2,010
Catalogs and publications	1,061	1,612
Travel and entertainment	371	388
Bank charges	1,845	1,763
Other	4,516	5,533
TOTAL	**12,137**	**14,778**

In 2009, purchases and other external charges included services purchased on behalf of subsidiaries and rebilled to the companies concerned in an amount of €3,116,000 compared with €3,781,000 in 2008.

> M. Depreciation, amortization and provisions

(in thousands of euros)	2008	Increase	Decrease	**2009**
Deducted from assets				
Patents and licenses	856	7		863
Buildings	414	66		480
Fixtures and fittings	1,863	260		2,123
Office equipment and furniture	38	3		41
Investments	74,207	2,747	37,704	39,249
Other receivables	1,418	500	799	1,119
Marketable securities	14,045		13,636	409
TOTAL	**92,841**	**3,583**	**52,139**	**44,285**
Included in liabilities				
Untaxed provisions	433	40		473
Provisions for contingencies and charges	6,184	2,294	6,060	2,418
TOTAL	**6,617**	**2,334**	**6,060**	**2,891**
			Increase	Decrease
Total increase/decrease			**5,917**	**58,199**
Of which:				
Included in operating income and expense			866	799
Included in interest income and expense			5,011	41,906
Included in non-operating items			40	14,946
Reversals of tax provisions				549

Intangible assets and property and equipment are amortized or depreciated over the following periods:

- Patents and trademarks: 20 years;
- Buildings: 40 years;
- Fixtures and fittings: 10 years;
- Office equipment and furniture: 5 to 10 years.

> N. Net interest income

(in thousands of euros)	**2009**	2008
Dividend income	42,888	41,430
Other income	1,371	539
Interest income and expense	(1,751)	(3,941)
Foreign exchange gains and losses	(2,557)	(1,261)
Provision movements	36,896	(10,313)
TOTAL	**76,847**	**26,454**

Dividend income includes €21,614,000 in dividends from foreign subsidiaries and €21,274,000 from French subsidiaries.

Provision movements primarily include (i) reversals of provisions for impairment in value of shares in Plastic Omnium Auto Exteriors (€21,791,000), Plastic Recycling (€480,000) and Plastic Omnium Ltd (€449,000); (ii) a €2,175,000 addition to provisions for impairment in value of Plastic Omnium GmbH shares; (iii) a €13,673,000 reversal of provisions for impairment of treasury shares; and (iv) a €2,692,000 net reversal of provisions for foreign exchange losses.

> O. Non-operating items

(in thousands of euros)	2009		
	Income	Expense	Net
On revenue transactions	201	107	94
On capital transactions	8,758	22,531	(13,773)
Provision movements	14,946	40	14,906
TOTAL	**23,905**	**22,678**	**1,227**

Net non-operating income for 2009 primarily reflected (i) the €1,042,000 gain on the sale of Plastic Omnium Automotive NV shares to Plastic Omnium Auto Exteriors and (ii) the €197,000 gain generated on the cancelation and sale of treasury shares.

> P. Corporate income tax

(in thousands of euros)	2009		
	Income before non-operating items	Non-operating items	Net
* Income before tax (A)	78,016	1,227	79,243
* Tax adjustments	(61,307)	(1,246)	(62,553)
= Tax base	16,709	(19)	16,690
Tax at standard rate (B)	(5,570)	6	(5,563)
Income after tax at standard rate	72,446	1,233	73,680
Impact of group relief (C)			17,048
Reversal of provisions for taxes (D)			549
Other impacts (including withholding taxes) (E)			(366)
Total corporate income tax (F) = (B)+(C)+(D)+(E)			**11,668**
INCOME AFTER TAX (A) - (F)			**90,911**

Compagnie Plastic Omnium is the parent company of a tax group comprising 22 companies, corresponding to substantially all of the Company's French subsidiaries. The income tax benefit generated from group relief in 2009 came to €11.5 million, which is recorded in full as income in the financial statements of Compagnie Plastic Omnium. At 31 December 2009, the tax group had tax loss carryforwards, which have arisen since 2000, totaling €94.9 million, taking into account the €22.6 million used during the year.

Unrecognized deferred tax assets, calculated at a tax rate of 33.33%, broke down as follows at 31 December 2009 (in thousands of euros):

Non-deductible provisions and accrued expenses	767
Provisions for impairment of shares in subsidiaries and affiliates and other long-term investments	745
Conversion gains	8
Share in net loss of Plastic Omnium Gestion	(20)
Conversion losses	(755)
UNRECOGNIZED DEFERRED TAX ASSETS, NET	**745**

IV. Other information

> Commitments

Compagnie Plastic Omnium has issued guarantees on behalf of subsidiaries, representing a total amount of €266,088,000 at 31 December 2009.

> Debt secured by collateral

Debt secured by collateral amounted to €6,539,000 under a conventional mortgage agreement.

> Loans and advances to directors and officers

No loans or advances governed by article L. 225-43 of the French Commercial Code have been granted to directors or officers.

> Management compensation

Total compensation paid to the members of the Board of Directors in 2009 amounted to €220,000.

> Other

The financial statements of Compagnie Plastic Omnium are included in the consolidated financial statements of Burelle SA – 19, avenue Jules Carteret – 69342 Lyon Cedex 07, France.

At 31 December 2009, Burelle SA held 54.74% of the capital of Compagnie Plastic Omnium.

Statutory Auditors' report on the Company financial statements

This is a free translation into English of the original Statutory Auditors' report issued in the French language and is provided solely for the convenience of English-speaking readers. 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 the Annual Shareholders' Meeting, we hereby report to you, for the year ended 31 December 2009, 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.

The Company 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 the professional standards applicable in France. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis or through other selection methods, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the Company financial statements present fairly the results of operations for the year ended 31 December 2009 and the financial position and assets of the Company at that date, in accordance with French generally accepted accounting principles.

II. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we draw your attention to the following matters:

- Note C to the financial statements describes the accounting policies and methods used to measure shares in subsidiaries and affiliates. We verified the appropriateness of the accounting methods applied and reviewed the assumptions used as well as the resulting values.
- As explained in Note E to the financial statements, the treasury shares acquired for the purpose of allocation on exercise of stock options or for stabilizing the share price have been written down to reflect the average share price for December 2009. We verified the appropriateness of the accounting principles and methods applied and the disclosures provided in the notes to the financial statements.

These assessments were made in the context of our audit of the Company financial statements, taken as a whole, and therefore contributed to the formation of the opinion expressed in the first part of this report.

III. Specific verifications and information

In accordance with professional auditing standards applicable in France, we have also performed the specific verifications required by law.

We have no matters to report regarding the fair presentation and the conformity with the financial statements of the information given in Management's Discussion and Analysis, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

We have verified that the disclosures made in accordance with article L. 225-102-1 of the French Commercial Code concerning the compensation and benefits paid to directors and officers and the related commitments given to them are consistent with (i) the financial statements and the underlying data used to prepare these financial statements and (ii) any information obtained by Compagnie Plastic Omnium from companies that it controls or which control the Company. Based on our work, we hereby certify that these disclosures are true and fair.

As required by law, we have also verified that information concerning equity interests, controlling interests and cross-holdings, as well as details of shareholders and holders of voting rights are disclosed in the management report of the Board of Directors.

Paris-La Défense and Courbevoie, 31 March 2010

The Statutory Auditors

ERNST & YOUNG Audit	MAZARS
François Villard	Thierry Colin

Statutory Auditors' special report on related-party agreements

This is a free translation into English of the original Statutory Auditors' report issued in the French language and is provided solely for the convenience of English-speaking readers. 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 our capacity as Statutory Auditors of Compagnie Plastic Omnium, we present below our report on related-party agreements.

Our responsibility does not include identifying any undisclosed agreements. We are required to report to shareholders, based on the information provided, about the main terms and conditions of agreements that have been disclosed to us, without commenting on their relevance or substance. Under the provisions of article R. 225-31 of the French Commercial Code, it is the responsibility of shareholders to determine whether the agreements are appropriate and should be approved.

Agreements entered into during the year

We were not informed of any new agreements entered into during the year governed by article L. 225-40 of the French Commercial Code.

Agreements entered into in prior years that remained in force in 2009

In application of the French Commercial Code, we were advised of the following agreements approved in prior years that remained in force in 2009.

Agreement entered into with Inergy Automotive Systems Management concerning service and trademark license fees

This agreement, which was authorized by the Board of Directors on 16 March 2000, concerns the provision of services to Inergy Automotive Systems Management and the granting of a license to the Inergy Group for the use of the Plastic Omnium name and logo, in exchange for an annual fee corresponding to 0.6% of net sales realized by the Inergy Automotive Systems entities.

Fees received during the year ended 31 December 2009 under this agreement totaled €5,342,598.

Agreement entered into with Burelle SA concerning management services supplied to the Group

Under the terms of this agreement with Burelle SA, the Company paid fees of €947,324 in 2009 for Group management services.

Under the supplementary pension plan set up in accordance with the authorizations granted by the Board of Directors of Compagnie Plastic Omnium S.A. and Burelle SA on 11 December 2003 and 19 December 2003 respectively, executive directors are eligible for pension benefits representing up to 10% of their current compensation. Part of the related cost paid by Burelle SA is in principle allocated to Compagnie Plastic Omnium based on the same ratio as that used to calculate its share of management fees. Payments made by Compagnie Plastic Omnium under this agreement amounted to €24,352 in 2009.

During 2009 Pierre Burelle was provided with an assistant, a car and a driver.

Agreement entered into with Compañia Plastic Omnium S.A., Plastic Omnium Auto Exteriors LLC and Plastic Omnium Environnement concerning trademark license fees

These license agreements, which were originally signed in 1998 and subsequently amended in line with changes in the Group's legal structure, provide for the use of Compagnie Plastic Omnium trademarks in exchange for an annual fee equal to 0.5% of external net sales generated by the licensees.

Fees received under these licenses during the year ended 31 December 2009 totaled €2,414,237.

We conducted our audit in accordance with the professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the information we have been provided is consistent with the source documents.

Paris-La Défense and Courbevoie, 31 March 2010

The Statutory Auditors

ERNST & YOUNG Audit	MAZARS
François Villard	Thierry Colin

Resolutions submitted to the Annual Shareholders' Meeting of 29 April 2010

First resolution

> Approval of the Company financial statements

Having considered the report of the Board of Directors and the Auditors' report on the Company financial statements, the shareholders approve the Company financial statements for the year ended 31 December 2009, as presented.

Second resolution

> Net income appropriation

Having noted that the Company's net income for the year amounts to €90,910,627 and retained earnings stand at €152,543,163, the shareholders approve the Board of Directors' recommendation and resolve to appropriate the total net amount of €243,453,790 as follows:

To dividends on the 17,644,599 shares outstanding at 31 December 2009	€12,351,219
To retained earnings	€231,102,571
TOTAL	**€243,453,790**

Consequently, the shareholders set the 2009 dividend at €0.70 per share. Individual shareholders resident in France for tax purposes qualify for the 40% tax relief on the total dividend, as provided for in Article 158-3-2 of the French General Tax Code.

This dividend will be paid on 12 May 2010, the date proposed by the Board of Directors.

Compagnie Plastic Omnium shares held in treasury on the dividend payment date will be stripped of dividend rights and the related dividends will be credited to retained earnings.

In accordance with the law, the shareholders note that, after deducting dividends not paid on treasury stock, dividends for the last three years were as follows:

Year	Number of shares carrying dividend rights	Total dividends *(in €)*	Dividend per share[(1)] *(in €)*
2006	17,442,938 shares carrying dividend rights	11,512,337	0.66
2007	17,385,100 shares carrying dividend rights	12,169,570	0.70
2008	16,940,234 shares carrying dividend rights	5,929,082	0.35

(1) Amount fully eligible for the 40% tax relief as provided for in article 158-3-2 of the French General Tax Code for individual shareholders resident in France for tax purposes.

Third resolution

> Related-party agreements

Having considered the Auditors' special report on related-party agreements governed by article L. 225-38 of the French Commercial Code, the shareholders approve the agreements described therein.

Fourth resolution

> Approval of the consolidated financial statements

Having considered the report of the Board of Directors and the Auditors' report on the consolidated financial statements, the shareholders approve the consolidated financial statements for the year ended 31 December 2009, as presented, showing net profit of €31,025,000, as well as the transactions referred to in these reports or reflected in these financial statements.

Fifth resolution

> Discharge given to directors

Further to the adoption of the first, second, third and fourth resolutions, the shareholders give discharge to the directors for the performance of their functions during the fiscal year.

Sixth resolution

> Authorization to trade in the Company's shares

Having considered the report of the Board of Directors, the shareholders authorize the Board to purchase the Company's shares, in accordance with article L. 225-209 of the French Commercial Code, for the purpose of:

- maintaining a liquid market for the Company's shares under a liquidity contract with an investment firm that complies with the Code of Ethics issued by the French Association of Investment Firms (AFEI);
- buying back shares for cancellation pursuant to an authorization given by shareholders in Extraordinary Meeting;
- purchasing shares for allocation on exercise of employee and management stock options;
- purchasing shares for allocation under stock grants made to Group employees or officers in accordance with articles L. 225-197-1 *et seq.* of the French Commercial Code;
- purchasing shares to be held in treasury for subsequent delivery in exchange or payment for stock in another company in connection with external growth transactions.

Use of the authorization will be subject to the following restrictions:

- the number of shares that may be purchased for delivery in exchange or payment for stock in another company may not exceed 5% of the Company's capital at the date of this Meeting and the total number of shares that may be bought back under this authorization may not exceed 1,764,460, representing 10% of the shares making up the Company's capital at the date of this Meeting;
- the per share purchase price may not exceed €60;
- at 31 December 2009, the Company held 1,644,960 shares in treasury.

If these shares are canceled or used, the total amount that the Company may invest to buy back 1,764,460 shares will not exceed €105,867,600.

The shares may be purchased, sold or transferred at any time and by any appropriate method, on the stock market or over-the-counter, including through the use of derivatives traded on an organized market or over-the-counter, as well as through purchases and sales of puts or calls.

In the event of a bonus share issue paid up by capitalizing reserves or of a stock split or reverse stock split, the above prices will be adjusted based on the ratio between the number of shares outstanding before and after the transaction.

This authorization is given for a period of eighteen months commencing on the date of this Meeting and supersedes the unused portion of the authorization given in the sixth resolution of the Annual Shareholders' Meeting of 28 April 2009.

The shareholders give full powers to the Board of Directors to use this authorization and to enter into any and all agreements, carry out any and all filing and other formalities, and generally, do whatever is necessary.

Seventh resolution

> Re-appointment of a joint Statutory Auditor (MAZARS)

The shareholders re-appoint the Mazars audit firm (Tour Exaltis, 61 rue Herni Regnault, La Défense, France) as joint Statutory Auditor for a period of six years expiring at the close of the Annual Shareholders' Meeting to be held to approve the 2015 financial statements.

Eighth resolution

> Appointment of a Substitute Auditor (Gilles Rainaut)

As the term of office of the Substitute Auditor Jean-Louis Lebrun is due to expire at the close of this Meeting, the shareholders appoint Gilles Rainaut (60 avenue du Général Leclerc, Boulogne-Billancourt, France) to replace him, for a six-year term expiring at the close of the Annual Shareholders' Meeting to be held to approve the 2015 financial statements.

Ninth resolution

> Appointment of a joint Statutory Auditor (ERNST & YOUNG et Autres)

As the term of office of the joint Statutory Auditor Ernst & Young Audit is due to expire at the close of this Meeting, the shareholders appoint Ernst & Young et Autres (41 rue Ybry, Neuilly-sur-Seine, France) as joint Statutory Auditor to replace Ernst & Young Audit, for a six-year term expiring at the close of the Annual Shareholders' Meeting to be held to approve the 2015 financial statements.

Tenth resolution

> Appointment of a Substitute Auditor (Auditex)

As the term of office of the Substitute Auditor François Carrega is due to expire at the close of this Meeting, the shareholders appoint Auditex (Tour Ernst & Young, Faubourg de l'Arche, 11 allée de l'Arche, Courbevoie, France) to replace him, for a six-year term expiring at the close of the Annual Shareholders' Meeting to be held to approve the 2015 financial statements.

Eleventh resolution

> Directors' fees

The shareholders resolve to raise the aggregate amount of directors' fees to €240,000, effective from 2010 and until a new amount is set by the shareholders.

Twelfth resolution

> Powers to carry out formalities

The shareholders give full powers to the bearer of an original, a copy or an extract of the minutes of this Meeting to carry out any and all legal publication formalities.

Five-year financial summary

(in thousands of euros)	2005	2006	2007	2008	**2009**
1 – Capital at year-end					
a) Share capital	9,359	9,447	9,336	9,073	8,822
b) Number of shares outstanding*	18,717,662	18,894,842	18,671,332	18,146,794	17,644,599
c) Number of convertible bonds outstanding	0	0	0	0	0
2 – Results of operations					
a) Net sales	15,168	15,951	19,221	18,218	15,467
b) Income before tax, depreciation, amortization and provisions	11,307	8,288	48,101	(11,283)	27,508
c) Corporate income tax	4,465	4,176	(621)	5,422	11,668
d) Net income	12,210	10,674	46,560	17,829	90,911
e) Dividends	11,230	12,471	13,070(1)	6,351(2)	12,351(3)
3 – Per share data					
a) Income after tax, before depreciation, amortization and provisions	0.84	0.66	2.54	(0.32)	2.22
b) Earnings per share	0.65	0.56	2.49	0.98	5.15
c) Dividend	0.60	0.66	0.70	0.35	0.70
4 – Employee data					
a) Number of employees	0	0	0	0	0
b) Total payroll	0	0	0	0	0
c) Total benefits	0	0	0	0	0

* *Reflecting the two-for-one stock split on 18 May 2005.*
(1) *Including €901,000 due on treasury shares that was not paid out as these shares do not carry dividend rights.*
(2) *Including €422,000 due on treasury shares that was not paid out as these shares do not carry dividend rights.*
(3) *Before deducting dividends due on shares held in treasury at the date of the Shareholders' Meeting, which do not carry dividend rights.*

Subsidiaries and affiliates*

	Share capital	% interest
Subsidiaries		
PLASTIC OMNIUM AUTO SAS 19, avenue Jules Carteret – 69007 Lyon – France	**€15,021,440**	**100.0%**
TRANSIT SAS 19, avenue Jules Carteret – 69007 Lyon – France	**€37,500**	**100.0%**
PLASTIC OMNIUM ENVIRONNEMENT 19, avenue Jules Carteret – 69007 Lyon – France	**€4,900,000**	**100.0%**
PLASTIC OMNIUM AUTO EXTERIORS SAS 19, avenue Jules Carteret – 69007 Lyon – France	**€54,037,500**	**100.0%**
PLASTIC OMNIUM GESTION SNC 19, avenue Jules Carteret – 69007 Lyon – France	**€2,011,500**	**100.0%**
PLASTIC OMNIUM VERNON SAS 19, avenue Jules Carteret – 69007 Lyon – France	**€150,000**	**100.0%**
PLASTIC OMNIUM GmbH Romanstrasse 35 – 80639 Munich – Germany	**€13,500,000**	**100.0%**
COMPAÑIA PLASTIC OMNIUM SA Calle Pouet de Nasio – Parcela n° 5 – Ribarroja del Turia – Valencia – Spain	**€30,350,000**	**100.0%**
PLASTIC OMNIUM RE AG Sternengasse 21 – CH – 4010 Basel – Switzerland	**CHF 5,000,000**	**90.0%**
PLASTIC OMNIUM INTERNATIONAL SAS 19, avenue Jules Carteret – 69007 Lyon – France	**€37,500**	**100.0%**
PLASTIC OMNIUM FINANCE 19, avenue Jules Carteret – 69007 Lyon – France	**€247,500**	**100.0%**
PLASTIC OMNIUM (SHANGHAI) BUSINESS CONSULTING CO LTD Suite 1105 – Building 20 – No. 487 Tianlin Road – Caoejing – High Tech Park 200233 Shanghai – PR China	**RMB 2,303,350**	**100.0%**
PO MANAGEMENT 1 19, avenue Jules Carteret – 69007 Lyon – France	**€37,500**	**100.0%**
PO MANAGEMENT 2 19, avenue Jules Carteret – 69007 Lyon – France	**€37,500**	**100.0%**
Participations		
PLASTIC OMNIUM AS Halaskargazi Cad. Ciftkurt Apt. No 368/10 Sisli – Istanbul – Turkey	**TRL million 410,000**	**10.6%**
PLASTIC OMNIUM Ltd Halesfield 7 Telford – Shropshire TF 7 4RQ – United Kingdom	**£ 18,000,000**	**17.1%**
INERGY AUTOMOTIVE SYSTEMS SA 15-25, bd de l'Amiral Bruix – 75016 Paris – France	**€119,796,330**	**26.8%**
BPO AS Y.Yalova Yolu 8 km, Panayir – Bursa – Turkey	**TRL million 1,100,000**	**50.0%**
PLASTIC RECYCLING SAS ZA du Monay – Saint-Eusèbe – 71210 Montchanin – France	**€75,000**	**50.0%**

* *This list of subsidiaries and affiliates forms an integral part of the notes to the Company financial statements. Information on revenue, earnings, share values and write-downs of shares in these companies are not disclosed for reasons of confidentiality.*

	Subsidiaries		Affiliates	
(in thousands of euros)	French	International	French	International
Book value of shares				
• Cost	186,729	93,552	101,463	6,757
• *Net*	*170,588*	*73,758*	*100,449*	*4,605*
Loans and advances granted	451,135	17		
Guarantees given				
Dividends received	17,251	20,000	4,023	1,614