2011

FINANCIAL REPORT

PLASTIC OMNIUM

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01

MANAGEMENT'S DISCUSSION AND ANALYSIS

As presented by the Board of Directors of Compagnie Plastic Omnium to shareholders at the Annual Meeting of 26 April 2012

DESCRIPTION OF BUSINESSES

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

In **Automotive Equipment**, which accounted for 88% of 2011 revenue, the Company holds leadership positions in two business segments.

Plastic Omnium Auto Exterior is ranked number one worldwide in exterior components and modules. The Division designs and delivers a wide array of thermoplastic and composite parts and modules, including bumpers and energy absorption systems, fender and front-end modules, and products made from composite materials, especially tailgates. In 2011, Plastic Omnium Auto Exterior delivered 14 million painted bumpers and 3.2 million front-end modules. Active in the body component segment, Plastic Omnium Auto Exterior designs customized, high value-added, multi-material solutions that can integrate a greater number of functions, while enhancing safety performance, making vehicles lighter and reducing carbon emissions.

Plastic Omnium Auto Inergy is the world's leading manufacturer of plastic fuel systems, with nearly 15 million units produced during the year. An integrated safety and emission-control product, the fuel system houses several functions, including the car's filler, storage, fuel level gauge, ventilation and engine supply systems.

Both businesses operate around the world, with 85 industrial facilities on five continents and nearly 17,000 employees, and work with practically all global carmakers.

The **Environment Division** accounted for 12% of consolidated revenue. Pooling the expert capabilities of Plastic Omnium Urban Systems, Sulo and Compagnie Signature, the Division provides cities with the equipment they need, enhances the living environment, and makes roads and highways safer thanks to a comprehensive, integrated portfolio of products and services that includes waste containers, data management systems, urban design solutions and road signage.

The business operates mainly in Europe, with 2,800 employees and 18 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 2011, a total of €206 million was allocated for research and development, equivalent to 4.9% of revenue.

More than 1,200 engineers and technicians – 6% of the workforce – are employed worldwide in 2 R&D centers and 12 development and engineering facilities that provide local support for carmaker projects in their various markets.

The Company manages a portfolio of 2,512 patents, of which 26 were filed in 2011.

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

- Solutions that make vehicles lighter and more aerodynamic.
- Emissions-control systems.
- Support for new hybrid and electric powertrains.

Lighter vehicles play an important role in helping to meet carbon emissions thresholds set by the European Union and governments in various Plastic Omnium host countries. These thresholds call for a weighted average of 130 grams of CO_2 per kilometer for all vehicles sold by a carmaker each year beginning in 2012 and are backed by financial penalties for manufacturers who fail to comply.

A world leader in the market for exterior parts, in which thermoplastics already generate significant weight savings compared with steel, Plastic Omnium goes a step further with products made from composite materials for automotive structural and exterior components. Tailgates and floor modules currently in production weigh 30% less than comparable steel solutions. The utilization rate of thermoplastic and composite materials in automobile construction is expected to double in the next ten years. By combining these technologies, Plastic Omnium can offer the material best suited to each application, thereby helping to make vehicles lighter.

At the Frankfurt International Auto Show in September 2011, Plastic Omnium presented its most recent developments and its portfolio of new high-performance thermoplastic and composite solutions that reduce total vehicle weight by a maximum. Using the most appropriate material for each application reduces weight by 110 kg, a savings of 45% compared with a conventional steel structure. ∑-Sigmatech, the Company's international R&D center for automobile modules and exterior components created in 2002 near Lyon, is being enlarged to speed the development of automotive structural parts made with composite materials.

Plastic Omnium Auto Inergy has also stepped up the development of systems that control and reduce emissions of hydrocarbons, nitrous oxide and carbon dioxide with its Twin Sheet Blow Molding (TSBM™) and Selective Catalytic Reduction (SCR-DINOx) solutions.

TSBM™ 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. The SCR system is designed to reduce diesel engine nitrous oxide emissions by injecting a urea solution called AdBlue®, which is stored in a separate tank, into exhaust fumes. Vaporized into minute particles, the solution reacts with nitrous oxide to create nitrogen and water. Developed by Inergy in 2006 and currently in its second generation (DINOx Premium), the SCR system eliminates 95% of a diesel vehicle's NOx emissions and up to 8% of its CO_2 emissions. Optimized in terms of size and performance, the system meets future emissions and fuel consumption standards, including the EURO VI standard scheduled to take effect in Europe beginning in 2014. In early 2012, a major order was received from Germany's Audi, which has chosen Inergy to supply SCR systems for most of the diesel vehicles it produces, beginning in 2015. The order is for 500,000 SCR systems a year, representing an estimated €500 million over the vehicles' entire life. In 2011, Inergy supplied Audi with approximately 36,000 SCR systems. Other orders for the system have been received from General Motors and Chrysler.

Plastic Omnium's weight-saving solutions for hybrid and electric vehicles are especially important in that they offset battery weight while optimizing vehicle range. For hybrids, Inergy has developed the INbaffle range of noise reduction systems that attenuate the sloshing caused by the movement of fuel in the tank when the vehicle comes to a halt and the sloshing is no longer covered by the noise of the engine. For future plug-in hybrids, whose batteries can be recharged via a regular electrical outlet, Inergy is developing appropriate fuel storage solutions. For gasoline versions, fuel vapors cannot be treated when the car is operating in all-electric mode or when it is at a standstill. To remedy this situation, Inergy has developed reinforced plastic fuel systems that safely store hydrocarbon vapor until the internal combustion engine is restarted and the vapor is purged.

In the Environment business, research programs focus on increasing the amount of recycled and "green" material used in production. Plastic Omnium Environment has introduced the first wheeled bin manufactured entirely with plant-based polyethylene derived from sugarcane. The Division also strengthened its waste collection data management services with geo-positioning solutions and incentive-based invoicing systems to encourage users to sort their waste more effectively. It also developed the Your City, Your Design offering that allows municipalities to adapt waste containers and urban furniture to their own design specifications.

YEAR IN REVIEW

PURSUING A TARGETED ACQUISITIONS STRATEGY

In 2011, Plastic Omnium pursued its strategy of making targeted acquisitions in its two businesses – Automotive and Environment – to accelerate their potential for growth in new regions and with new customers.

In the Automotive Division, wholly owned subsidiary Plastic Omnium Auto Inergy (POAI) acquired the plastic fuel system/fuel tank manufacturing assets of Ford Motor Company's Automotive Components Holdings LLC subsidiary in Milan, Michigan on 1 June 2011.

The business produces 1.3 million fuel tanks a year.

The acquired operations have strengthened POAI's North American manufacturing base, which already includes three plants – in Adrian, Michigan; Anderson, South Carolina; and Ramos, Mexico – that mainly supply General Motors, Hyundai, Nissan and Chrysler. A new plant will be built in Michigan to which current production at the Milan plant will be transferred in 2013.

The acquisition also enables Plastic Omnium Auto Inergy to forge a global partnership with Ford by becoming a worldwide Aligned Business Framework (ABF) Supplier.

At the same time, Ford has now become one of POAI's leading global customers.

On 29 December 2011, Plastic Omnium Auto Exterior acquired Plastal Poland's manufacturing assets. Located in Gliwice and Poznan, the two plants generated more than €60 million in revenue in 2010. They mainly supply Fiat, Volkswagen, BMW, Audi and Ford, and employ some 600 people. The acquisition strengthens Plastic Omnium Auto Exterior's base in Eastern Europe, where it currently has plants in Poland, the Czech Republic and Slovakia that supply Volkswagen, Audi, Porsche, Skoda, PSA Peugeot Citroën and General Motors. It also reflects Plastic Omnium's successful sale efforts in the region, especially for mass-market cars currently being launched like the all-new Volkswagen Up! and the Opel Astra.

This targeted external growth strategy also involves acquiring majority stakes in joint ventures with companies based in countries in which the Company wants to develop its operations.

In July 2011, Plastic Omnium Auto Inergy announced the creation of a joint venture with Beijing Hainachuan Automotive Parts Co Ltd (BHAP), a subsidiary of Beijing Automotive Industry Co (BAIC). BAIC is one of China's leading automobile manufacturers, selling cars in the local market under its own brand and through its joint ventures with Mercedes Benz and Hyundai. The new company will be owned 40% by BHAP and 60% by Plastic Omnium Auto Inergy, which will contribute its Beijing production plant, where fuel systems for Hyundai are already being produced. The transaction strengthens POAI's growth potential in China, the world's largest automobile market, by creating a cooperative relationship with BAIC and its partners Mercedes and Hyundai in China. The joint company was officially created on 6 February 2012.

On 21 May 2011, Plastic Omnium and Russia's Detalstroykonstruktsiya signed an agreement to create a joint company 51% owned by Inergy that would be the Russian market leader in plastic gasoline tanks and fuel systems. Comprising the manufacturing assets of Plastic Omnium Auto Inergy, which already has industrial operations in Stavrovo, and of its Russian partner, in Togliatti, the company will supply fuel systems for Avtovaz (the Russian leader with a 27% market share) in Togliatti, Ford in St. Petersburg and Avtoframos in Moscow, as well as for future Nissan and Renault models to be produced in Moscow. With Russian competition authorities having approved the transaction on 13 January 2012, the joint company should be operational in early April and is expected to generate revenue of around €40 million in 2012. It will benefit from the rapidly expanding Russian market and from the gradual substitution of plastic fuel tanks for steel models, which still account for 60% of the local market, whereas nearly all tanks in Europe are made of plastic.

In the *Environment Division*, Plastic Omnium strengthened its regional leadership in the fast-growing underground waste containers market with the May 2011 acquisition of Rotherm, one of the leading European manufacturers in this segment. Based in Stadtlohn, in North Rhine-Westphalia, the company reported revenue of €17 million in 2011.

Underground containers take up less space in public areas, while their large size means that they need fewer collection rounds, thereby reducing both truck traffic and operating costs for public authorities.

The number of these containers is expected to triple in Europe by 2015, generating a targeted €100 million in revenue for Plastic Omnium. At present, the Company's backlog totals 10,000 underground containers, representing total revenue of €50 million.

CONTINUING TO DEVELOP OPERATIONS IN FAST-GROWING AUTOMOBILE-PRODUCING REGIONS

Worldwide automobile production is expected to increase by 27% between 2011 and 2015. More than 70% of this growth will come from increasingly affluent countries with still relatively few automobiles per capita, in particular China, India, Russia and a number of South American countries. Plastic Omnium's strategy is to support automobile manufacturers in these regions.

In 2011, five new plants were built in:

- **China** : Plastic Omnium Auto Exterior and Plastic Omnium Auto Inergy now have twelve production facilities in the country, of which two built in 2011. The Company is also strengthening its development resources with a new R&D center for Plastic Omnium Auto Exterior, which will be operational in 2013. In 2011, China accounted for 5% of Compagnie Plastic Omnium consolidated revenue.
- **Brazil** : Plastic Omnium Auto Inergy has begun building a plant in Sorocaba that will supply fuel systems for Toyota.
- **Morocco** : From its plant in Tangiers, Plastic Omnium Auto Inergy will supply fuel systems to Renault-Dacia for vehicles produced in the carmaker's new Moroccan plant.
- **Poland** : Plastic Omnium Auto Exterior is reinforcing its base in Eastern Europe, which already includes plants in the Czech Republic and Slovakia as well as a new plant in Gliwice. From its facilities in the region, Plastic Omnium supplies Volkswagen, Audi, Porsche, Skoda, PSA Peugeot Citroën and General Motors.

STEPPED-UP R&D PROGRAMS AND NEW CONTRACTS

The 43% increase in R&D spending in 2011 reflects Plastic Omnium's determination to become a clean vehicle specialist, by helping to drive down CO_2 and NOx emissions, and a waste reduction specialist, through the activities of its Environment Division.

Plastic Omnium Auto Exterior's backlog now includes ten orders for composite-material tailgates, which weigh five to ten kilograms less than their sheet-metal equivalents.

To support carmakers' increasing use of parts made with composite materials and meet demand for hybrid and all-thermoplastic tailgates, Plastic Omnium has bolstered its production facilities in Spain and the United Kingdom and expanded its international R&D center in France.

Attesting to the success of its SCR system that reduces diesel engine nitrous oxide emissions, Plastic Omnium Auto Inergy was awarded a contract with Audi to supply equipment for most of the carmaker's diesel cars beginning in 2015. In addition, Plastic Omnium Auto Inergy is developing its range of fuel systems for hybrid vehicles, with 22 orders already booked.

Plastic Omnium Environment won its first contracts for the new wheeled bin launched in late 2010, which is manufactured entirely from plant-based polyethylene derived from sugarcane. The aim is to sell 300,000 units per year.

The Division also received new orders for underground containers, including for the 14 towns in the Versailles Grand Parc Urban Community, which have a combined population of 186,000. In all, 300 underground containers were ordered and will be installed by mid-2013. They were designed and developed by POEnvdesign Studio, Plastic Omnium Environment's in-house engineering unit.

INCREASING STOCK LIQUIDITY

On 21 March, Compagnie Plastic Omnium rejoined the SBF 120 index and joined the newly created CAC Mid 60 index.

The three-for-one stock split approved by shareholders on 28 April 2011 was carried out on 10 May 2011, so that the share capital is now represented by 52,583,797 shares with a par value of €0.17 each.

These events helped to increase stock liquidity. An average of 110,000 shares a day were traded in 2011, versus 80,000 in 2010.

ACCOUNTING POLICIES

Accounting policies are described in the appendices to the parent company's 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 may 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 30 customers in 23 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 close relationships with 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 Automotive 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.

That's why, following the earthquake and tsunami at Fukushima on 11 March 2011, a crisis unit was immediately set up to monitor on a day-to-day basis the risks and impact on the Company's supplies. Daily tracking of inventory and of the disaster recovery plans for concerned supplier facilities made it possible to implement the necessary security measures. This system helped to considerably reduce or avoid impact on the Company's production and that of its customers.

Information technology risk

The availability, integrity and confidentiality of information is a major concern of senior management.

To manage information provided by the Company, both internally and externally, the IT System Department ensures that systems set up in subsidiaries comply with its standards and the Technical Affairs unit plays a key role in guaranteeing compliance. The unit, which reports to the IT System Department, oversees all front office needs, back office applicative and technical architectures, network and telecommunication infrastructure, and operational and support systems.

Moreover, the IT System Department has added an IT System Security unit, which continued to develop the most advanced control systems in 2011. In addition, the creation of a corporate data center confirmed the Company's integration of new technologies and leading-edge security standards.

INDUSTRIAL AND ENVIRONMENTAL RISKS

Health, Safety and Environmental 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 supporting and coordinating deployment. This network of experts is led by the Company's Safety and Environment Department, backed 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 Plastic Omnium facilities. These action plans promote the wider use of best practices and include training in REACH legislation, ergonomics and man-machine interface procedures, as well as in tools for the Top Safety in-house program and equipment compliance upgrades.

The Company also has its own management system. Promoted by the Executive Committee, the system is based on five management roadmaps: leadership, motivation, competence, the search for excellence and working conditions. Its deployment is being overseen by a dedicated Environmental Safety Committee comprised of several Executive Committee members.

In 2011, 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 industry.

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 Executive Officer.

Liquidity risk

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

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 2011, the average maturity of these lines of credit was more than three years. The Company also has programs of receivables sales with an average maturity of more than three years. At 31 December 2011, available medium-term facilities covered the Company's financing needs through 30 June 2016. 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 two Chief Operating Officers.

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 at the subsidiary's level with Corporate Treasury, which in turn hedges the position with its banks.

Interest rate risk

Interest rate hedges used in 2011 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 2011, 87% of borrowing in euros, which account for most of Compagnie Plastic Omnium debt, was hedged for periods of 1.5 to 3.5 years, using non-speculative derivative instruments.

Raw material price risk

Plastic Omnium's operations require 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, in the absence of such changes, regularly renegotiates selling prices.

In addition, annual price commitments are included in contracts with suppliers. Lastly, inventories are managed to reduce the price impact 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 are among the main pillars of 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 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 with respect to 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.

Competition risk

To demonstrate the Company's commitment to complying with antitrust regulations, senior management has deployed the Compagnie Plastic Omnium Code of Conduct in the Divisions.

OTHER RISKS

Customer credit risk

A number of late payments were again recorded for contracts with local authorities, particularly 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.

A Credit Manager is responsible for implementing structured credit and collection procedures within the Divisions. Days sales outstanding stood at 48 days in 2011. Receivables that are over six months past due amount to €10 million, or approximately 0.24% of revenue.

In all 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 works very closely with other units, in particular the Accounting, Legal Affairs and Finance Departments. Comprised of three units in charge of tax affairs at entity, business and corporate level, it is supported by a network of tax experts at headquarters and in the main countries as well as by corporate and local advisors. The Department ensures that the different companies meet their tax obligations while complying with local laws and regulations and provides them with the support and expertise they need to carry out all recurring and non-recurring operations in which tax advice is necessary.

The deployment of a tax reporting system has made it possible to monitor and manage current and deferred taxes for all taxable entities and helped to speed up the preparation of the consolidated financial statements. Other tools have been introduced to support the system and to provide the Corporate Tax Affairs Department with the tax data needed to give Senior Management a comprehensive overview of the challenges and tax risks inherent in the Company's diverse, complex structure.

INSURANCE AND RISK COVERAGE

Compagnie Plastic Omnium has set up a worldwide insurance program for the benefit of all its 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.

HIGHLIGHTS OF THE GROUP'S PERFORMANCE IN 2011

Compagnie Plastic Omnium's consolidated **revenue** rose by 29.9% in 2011 to €4,220.4 million.

The increase was 12.8% at constant scope of consolidation and 14.7% at constant scope of consolidation and exchange rates.

Changes in the scope of consolidations mainly involved the acquisition of Ford Motor Company's fuel system manufacturing assets in May 2011 and, for 2010, the acquisitions of the 50% of Inergy the Company did previously own on 31 August and the exterior automotive components plant in Redondela, Spain in September.

Plastic Omnium's performance in 2011 reflects the success of its strategy of expanding in fast-growing countries and widening its technological leadership in solutions that reduce motor vehicle weight as well as harmful emissions and amounts of waste produced.

Revenue was sharply higher in all regions, especially North America and Asia, which saw an increase of 41% year-on-year.

in € millions and as a % of revenue by region	Year		Change
	2010	**2011**	
France	680.8 *21%*	801.3 *19%*	+17,7%
Rest of Western Europe	979.5 *30%*	1,236.1 *29%*	+26,2%
Eastern Europe	279.6 *9%*	361.8 *9%*	+29,4%
North America	712.6 *22%*	1,002.1 *24%*	+40,6%
South America, Africa	175.8 *5%*	223.4 *5%*	+27,1%
Asia	421.3 *13%*	595.7 *14%*	+41,4%
CONSOLIDATED REVENUE	**3,249.6** *100%*	**4,220.4** *100%*	**+29,9%**

The increase in revenue by business breaks down as follows:

in € millions by business	Year		Change
	2010	**2011**	
Plastic Omnium Automotive	2,778.0	3,720.1	+33,9%
Plastic Omnium Environment	471.6	500.3	+6,1%
CONSOLIDATED REVENUE	**3,249.6**	**4,220.4**	**+29,9%**

Revenue of Plastic Omnium Automotive rose by 34% as reported and by 16% at constant scope of consolidation and exchange rates. By comparison, worldwide automobile production increased by 3%.

Plastic Omnium Automotive generated 58% of its revenue outside Western Europe, versus 56% in 2010. Business was very brisk in North America and Asia, which accounted, respectively, for 27% and 16% of Division revenue.

Five automobile manufacturers accounted for at least 10% of automotive revenue each: General Motors-Opel with 17%, PSA Peugeot Citroën with 17%, the Volkswagen-Porsche Group with 14%, Renault (including Nissan, Dacia and Samsung) with 12% and BMW with 10%. Ford's contribution, which amounted to 6% in 2011, will increase as a result of the acquisition of its assets in Milan, Michigan.

The Environment Division – Plastic Omnium Environment – reported revenue of €500.3 million, up 6.1%. Growth was led by an expanded offering of urban equipment and waste reduction solutions and by the development of the underground container business, thanks in particular to the acquisition of Germany's Rotherm. France accounted for 41% of Division revenue.

Gross profit totaled €614.1 million, compared with €494.1 million in 2010, and represented 14.6% of revenue in 2011, versus 15.2% the year before.

Gross **R&D spending** rose by €62.5 million to €206.2 million, reflecting deeper backlog. Net research and development costs (i.e. excluding capitalized development costs and amounts re-invoiced to customers) came to €78.3 million, or 1.9% of revenue, versus €64.9 million and 2% of revenue in 2010.

Selling costs amounted to €63.3 million, or 1.5% of revenue, versus 1.7% in 2010.

Administrative expenses rose to €176.1 million in 2011, from €145.9 million in the previous year, but represented just 4.2% of revenue, versus 4.5% in 2010.

Operating margin before amortization of intangible assets acquired rose by 30% to €296.5 million.

In an environment shaped by sustained demand, Plastic Omnium Automotive continued to diligently manage costs and reported a record-high operating margin of €273.2 million that represented 7.3% of revenue (compared with 7.2% in 2010).

Plastic Omnium Environment's operating margin totaled €23.3 million, versus €25.8 million in 2010, due to a significant increase in raw materials costs.

(in € millions)	**2011**	**2010**
PLASTIC OMNIUM AUTOMOBILE	273.2	201.4
% of Division revenue	*7.3%*	*7.2%*
PLASTIC OMNIUM ENVIRONNEMENT	23.3	25.8
% of Division revenue	*4.7%*	*5.5%*
TOTAL	**296.5**	**227.2**
% of total revenue	*7.0%*	*7.0%*

Amortization of intangible assets acquired represented an expense of €17 million.

Other operating income and expenses represented a net expense of €7.3 million in 2011, comprised mainly of:

- The net impact of acquisitions made in 2011 (Ford's fuel system manufacturing assets and Plastal Poland) and yet to come in 2012 (Compagnie Signature, see Subsequent events below) for €14.2 million.
- Provisions for charges and workforce adjustment costs for €12.6 million.
- Expenses related to the start-up of new plants for €4.2 million.

Net finance costs totaled €42.1 million, versus €27.2 million in 2010, and represented 1% of revenue.

Plastic Omnium recorded a **tax expense** of €58.1 million in 2011 (compared with an expense of €29.7 million in 2010) for an effective tax rate that increased to 25.3% from 16.3%.

Net profit amounted to €171.4 millions (versus €150.7 million in 2010) and represented 4.1% of revenue.

Earnings per share stood at €3.44, compared with €2.89 in 2010. Before the three-for-one stock split in 2011, earnings per share for 2010 came to €8.68.

BALANCE SHEET

Pursuing its development in fast-growing regions and innovative technological solutions, the Company allocated €228 million to R&D and capital spending projects in 2011, representing 5.4% of revenue. This compares with €138 million and 4.2% of revenue in 2010. These investments were amply covered by €421 million in funds from operations, which corresponded to 10% of revenue.

At a time of strong business growth, working capital requirement was reduced by €53 million in 2011.

Free cash flow amounted to €153 million, representing 3.6% of revenue.

Dividend payments and share buybacks represented a total of €44 million in 2011. Outlays for acquisitions and the negative currency effect came to an aggregate €42 million.

Overall, **net debt** was reduced to €471 million (64% of equity compared with 87% at year-end 2010) or one year of EBITDA (€461 million).

Plastic Omnium also rolled over its main confirmed lines of credit, thereby covering its financing needs until 2016.

OUTLOOK FOR 2012

In a still uncertain economic environment, especially in Europe, worldwide automobile production is expected to rise between 3% and 5% in 2012.

Thanks to its global positioning, strengthened by the construction or launch of 11 new plants and the development of 150 new automotive programs, the Company will be able to outpace growth in automobile production in 2012 and consolidate its business model, which is based on driving profitable growth and generating free cash flow.

The beginning of the year is confirming the positive trend in Compagnie Plastic Omnium's business, which is experiencing a dynamic first quarter.

SUBSEQUENT EVENTS

On 17 February 2012, Plastic Omnium and Eurovia signed a memorandum of understanding whereby the two companies agreed to unwind their cross-shareholdings in road signage and Plastic Omnium would sell its French and German road signage subsidiaries to Eurovia. The transaction is subject to approval by French and German competition authorities. The shares concerned by the transaction are carried in the balance sheet at 31 December 2011 for an amount equal to the agreed sale price.

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 2010, the scope of consolidation for 2011 includes seven new industrial facilities: four additional Plastic Omnium Auto Exterior plants in Poland, Mexico and China; two Plastic Omnium Auto Inergy plants in China and India, and one Plastic Omnium Environment plant in Germany.

Note also that one production facility belonging to a foreign subsidiary was closed in 2011.

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 improvement in a number of indicators in 2011:

- Because of increased business activity in 2011, energy use ratios compared with the volume of materials processed continued to improve – as first noted in 2005 – following a crisis-related slowdown in 2009:
  - Electricity: 1.719 kWh/kg of materials processed in 2011 versus 1.770 in 2010, a reduction of 3%.
  - Gas: 0.648 kWh/kg of materials processed in 2011 versus 0.768 in 2010, a reduction of 16%.
- The ratio of water consumed to the volume of material processed amounted to 5.939 l/kg of material processed in 2011, versus 6.495 in 2010, a decrease of 9%.
- The ratio of greenhouse gas emissions to the volume of material processed amounted to 0.799 kg CO_2/kg of material processed in 2011, versus 0.783 in 2009, an increase of 2%.
- In the area of safety, the year saw a 17% increase in the accident frequency rate with lost time, which came to 4.84, versus 4.13 in 2010, while the accident frequency rate with or without lost time improved by 4% to 10.13, from 10.56 in the previous year.
- The accident severity rate (including temporary workers) rose to 0.29 from 0.16 in 2010 because of a fatal accident at a plant in Romania in September 2011 taken into account on the basis of 6,000 days.

The ISO 14001 accreditation program was pursued throughout the year, with 80 out of 89 sites certified at 31 December 2011, or 90% of the total (versus 79 sites out of 85 at year-end 2010).

An OHSAS 18001 certification program was launched in late 2005. As of 31 December 2011, a total of 70 facilities out of 86 had been certified, representing 81% of the scope of certification, compared with 66 out of 82 at year-end 2010.

Initially obtained in December 2006, OHSAS 18001 certification for the Company's system that centrally manages the safety of people and property was renewed in December 2011 after a follow-up audit detected no instances of non-compliance.

Environmental Data

Environmental impacts

- Consumption of water, electricity and gas

		2009	2010	2011
Water in cu.m	Annual consumption	1,764,298	2,196,986	2,550,046
	Response rate in % of revenue covered	*99%*	*99.85%*	*100.00%*
Electricity in kWh	Annual consumption	501,563,316	598,750,059	737,939,410
	Response rate in % of revenue covered	*99%*	*99.85%*	*100.00%*
Gas in kWh	Annual consumption	221,199,377	259,756,904	278,430,074
	Response rate in % of revenue covered	*99%*	*99.85%*	*100.00%*

- Consumption of plastics

		2009	2010	2011
New plastic (in tonnes)	Annual consumption	169,133	241,681	296,624
	Response rate in % of revenue covered	*99%*	*99.85%*	*100.00%*
Recycled plastic (in tonnes)	Annual consumption	26,911	30,635	58,076
	Response rate in % of revenue covered	*96%*	*99.85%*	*100.00%*
Biosourced plastic (in tonnes)	Annual consumption	-	-	112
	Response rate in % of revenue covered	-	-	*100.00%*
Total plastic (in tonnes)	Annual consumption	196,044	272,316	354,812
	Response rate in % of revenue covered	*99%*	*99.85%*	*100.00%*

- Consumption of paints and solvents

		2009	2010	2011
Paints (in tonnes)	Annual consumption	5,017	7,203	8,247
	Response rate in % of revenue covered	*99%*	*99.85%*	*99.53%*
Solvents (in tonnes)	Annual consumption	3,764	4,946	5,957
	Response rate in % of revenue covered	*99%*	*99.85%*	*99.53%*
Paints and solvents (in tonnes)	Annual consumption	8,781	12,149	14,204
	Response rate in % of revenue covered	*99%*	*99.85%*	*99.53%*

- Atmospheric releases
  - Volatile organic compounds (VOCs)

	2009	2010	2011
VOCs (in tonnes of carbon equivalent)	1,274	1,434*	1,684
% of revenue covered by concerned facilities	*96%*	*99.38%*	*100.00%*

**VOC emissions for 2010 have been adjusted following the discovery of erroneous data concerning four sites.*

  - Greenhouse gases

	2009	2010	2011
Greenhouse gases (in tonnes)	219,158	264,850	342,920
% of revenue covered by concerned facilities	*99%*	*99.85%*	*100.00%*

These figures correspond to CO_2 emissions from energy consumed in industrial facilities.
(Source: International Energy Agency, 2007 data).

- Waste

		2009	2010	2011
Recycled (in tonnes)	Volume of waste	21,103	31,281	33,996
	Response rate in % of revenue covered	*96%*	*99.38%*	*98.98%*
Reused (in tonnes)	Volume of waste	7,975	6,422	7,638
	Response rate in % of revenue covered	*99%*	*99.38%*	*98.98%*
Final waste (in tonnes)	Volume of waste	5,253	6,727	11,313
	Response rate in % of revenue covered	*99%*	*99.38%*	*98.98%*
Total (in tonnes)	Volume of waste	34,331	44,430	52,948
	Response rate in % of revenue covered	*99%*	*99.38%*	*100.00%*

  - Total cost of waste processing: €3.8 million (on sites that contribute 99.53% of consolidated revenue).
  - Income generated by recycling: €6.1 million (on sites that contribute 99.26% of consolidated revenue).
- Use of recycled materials in 2011:
  - Consumption of recycled plastic: 58,076 tonnes.
  - Plastic Recycling, a subsidiary equally owned with CFF Recycling, regenerated 10,774 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 :

  80 of 89 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 92% certification for 2011 was partially achieved. The new facilities are, however, involved in this process.

  The objective for 2012 is 90% (because of a larger scope of certification).

- OHSAS 18001 :

  In all, 70 of 86 sites are now certified to OHSAS 18001 standards. This represents 81% of the scope of certification.

  For the same reasons as for ISO 14001 certification, the objective of 89% set for 2011 was not achieved. However, all facilities are involved in the process.

  The objective for 2012 is 86% (because of a larger scope of certification).

  Moreover, OHSAS 18001 certification for the Company's system that centrally manages the safety of people and property (initially obtained in December 2006) was renewed in December 2011 after a follow-up audit detected no instances of non-compliance.

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: 41,460 hours for 18,474 participants (on sites that contribute 100% of consolidated revenue).
- Training: 68,005 hours for 12,441 participants (on sites that contribute 99.53% of consolidated revenue).
- Deployment of the Top Safety training program continued in 2011. Introduced in 2005, it 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, 610 managers have received training and 9,492 people have taken part in information/awareness sessions.
- In 2008, Plastic Omnium introduced an ambitious HSE plan for 2012. Based on a four-year action plan, the 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: €206 million, representing 4.9% of consolidated revenue.
- Environmental and Safety spending: €8.7 million (on sites that contribute 100.00% of consolidated revenue).
- Capital expenditure: €228 million.
- Dedicated Environmental and Safety investments: €3.4 million (on sites that contribute 99.53% of consolidated revenue).
- Provisions for environmental risks: €1.4 million (on sites that contribute 100% of consolidated revenue).
- No products are made using asbestos.

Differences in the number of sites, the allocation base and the response rate between 2010 and 2011 had a slight influence on changes in indicators.

Safety data

Safety indicators (including temporary workers):

	2009	2010	2011
Number of first aid cases	1,658	1,987	1,984
Number of accidents without lost time	219	210	197
Number of accidents with lost time	152	135	180
Number of days of accident-related lost time	11,503	5,213	10,654

Accident frequency and severity (including temporary workers):

	2009	2010	2011
Accident frequency rate with lost time *Number of accidents per million hours worked.*	5.61	4.13	4.84
Accident frequency rate with and without lost time *Number of accidents per million hours worked.*	13.70	10.56	10.13
Accident severity rate *Number of days of accident-related lost time per 1,000 hours worked.*	0.42	0.16	0.29

Accident frequency and severity (excluding temporary workers):

	2009	2010	2011
Accident frequency rate with lost time *Number of accidents per million hours worked.*	5.25	3.74	4.32
Accident frequency rate with and without lost time *Number of accidents per million hours worked.*	13.08	10.06	9.39
Accident severity rate *Number of days of accident-related lost time per 1,000 hours worked.*	0,46	0.18	0.14

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

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 2011, the Company had 19,764 employees, of which 71% outside France.

Employee benefits

Social information

(in € thousands)	**2011**	**2010**
Wages, salaries and benefits	(501,307)	(410,799)
Employer payroll taxes	(156,368)	(122,545)
Statutory profit sharing	(13,433)	(12,735)
Pension obligations	(392)	1,206
Share-based compensation	(2,224)	(2,502)
Other personnel expenses	(12,072)	(14,417)
Personnel expenses excl. temporary workers	**(685,796)**	**(561,792)**
Temporary worker salaries and payroll taxes	(68,474)	(50,985)
TOTAL	**(754,270)**	**(612,777)**

Other 2011 data

The following information includes all Company businesses.

In the following tables, the 2,508 employees of the HBPO joint venture and Chinese subsidiaries XieNO and YFPO are only included in the figures concerning employees at 31 December 2011.

	2009	2010	2011
Employees at 31 December	**12,433**	**15,674**	**17,068**
Permanent employment contracts	11,317	13,976	14,984
Fixed-term employment contracts	1,116	1,698	2,084
Men	9,618	12,296	13,397
Women	2,815	3,378	3,671
Operators	6,903	8,958	9,794
Employees, technicians and supervisors	3,433	4,185	4,298
Managers	2,097	2,531	2,976
Terminations during the year			
Redundancies	815	203	66
Terminations for other reasons	283	394	436
Total terminations	1,098	597	502
Overtime			
Hours worked per week: 35 to 48, depending on the country Overtime (full-time equivalent)	239	550	669
Temporary workers			
Temporary workers (full-time equivalent)	998	2,251	2,820
Temporary workers at year-end	1,305	2,274	2,696
Employees working in shifts			
Total employees working in shifts	5,817	7,581	8,307
Of which employees working only nights	630	956	1,313
Of which employees working only weekends	29	59	156
Part-time employees	293	350	337
Absenteeism and reasons (% of hours worked)			
Absenteeism rate due to occupational accidents	0.14%	0.13%	0.11%
Absenteeism rate due to other causes	2.86%	2.96%	2.66%
Total absenteeism rate	3.00%	3.10%	2.77%
Gender equality			
Number of women managers at 31 December	366	455	515
Number of women managers hired during the year	28	46	102
Employee relations			
Number of works councils	138	153	162
Other committees (training/suggestions)	39	62	69
Number of unions represented	29	30	32
Number of agreements signed during the year	121	96	139
Training			
Number of employees who received training	15,491	21,027	26,148
Number of sessions per employee per year	1.25	1.34	1.53
Total expenditure on outside training (in € thousands)	2,010	3,062	3,776
Total training hours	183,277	277,497	313,615
Training hours per year per employee	14.73	17.70	18.37
Disabled employees			
Number of disabled workers	192	253	293
Works council employee welfare programs (France only)			
Total contribution to works council employee welfare programs (in € thousands)	1,417	1,509	1,574

FINANCIAL REVIEW OF COMPAGNIE PLASTIC OMNIUM

MANAGEMENT'S DISCUSSION AND ANALYSIS

Earnings performance

Compagnie Plastic Omnium posted operating revenue of €21.2 million in 2011, versus €22.1 million the previous year. The 2011 total consisted mainly of:

- €18.7 million in trademark license fees received from subsidiaries.
- €1.5 million in billings to subsidiaries of costs incurred on their behalf.

The Company ended the year with an operating profit of €0.4 million, compared with an operating loss of €4.3 million in 2010.

Net interest income came to €133 million, compared with €96.9 million the year before, reflecting the net impact of:

- €1.6 million in net provisions for impairment and financial risks on shares in subsidiaries and affiliates, versus €20.1 million in net reversals of provisions in 2010.
- €136.2 million in dividends received from subsidiaries, up from €82.6 million in 2010.
- A €1 million foreign exchange gain, versus a €4.0 million loss the year before.
- €2.6 million in net interest expense on borrowings.
- No other financial income.

Taking into account a net non-operating loss of €9.8 million, income before tax amounted to €123.6 million versus €92.5 million in 2010.

The Company recorded a net income tax benefit of €11 million in 2011 compared with €15.4 million the previous year.

As a result, net income for the year came to €134.6 million versus €108 million in 2010.

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 2011 with net debt of €69.2 million, compared with net debt of €175.5 million at 31 December 2010. The improvement primarily reflected the purchase of new shares issued by Plastic Omnium Re AG for €16.7 million and by Plastic Omnium Plastic Recycling for €1 million and the payment of €22.5 million in dividends, offset by the €136.2 million in dividends received from subsidiaries (versus €82.6 million in 2010).

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

EXECUTIVE AND CORPORATE OFFICERS' COMPENSATION

In accordance with Article L.225-102.1 of the French Commercial Code and the AFEP-MEDEF recommendations, the total compensation and benefits in kind paid to each of Plastic Omnium's Executive and Corporate Officers in 2011 is presented in the tables below.

1. SUMMARY OF THE GROSS COMPENSATION, SHARES AND STOCK OPTIONS GRANTED TO EACH EXECUTIVE AND CORPORATE OFFICER

Laurent BURELLE **Chairman and Chief Executive Officer**	**2010**	**2011**
Compensation due in respect of the year (see details in table 2 below)	2,808,039	2,938,859
Value of stock options granted during the year (see details in table 4 below)	1,280,000	0
Value of performance shares granted during the year (see details in table 6 below)	0	0
TOTAL	**4,088,039**	**2,938,859**

Paul Henry LEMARIÉ **Member of the Board and Chief Operating Officer**	**2010**	**2011**
Compensation due in respect of the year (see details in table 2 below)	1,454,746	1,515,580
Value of stock options granted during the year (see details in table 4 below)	768,000	0
Value of performance shares granted during the year (see details in table 6 below)	0	0
TOTAL	**2,222,746**	**1,515,580**

Jean-Michel SZCZERBA **Chief Operating Officer**	**2010**	**2011**
Compensation due in respect of the year (see details in table 2 below)	779,699	1,021,777
Value of stock options granted during the year (see details in table 4 below)	1,024,000	0
Value of performance shares granted during the year (see details in table 6 below)	0	0
TOTAL	**1,803,699**	**1,021,777**

2. SUMMARY OF THE GROSS COMPENSATION GRANTED TO EACH EXECUTIVE AND CORPORATE OFFICER

	2010		2011	
Laurent BURELLE Chairman and Chief Executive Officer	**Amounts due**	**Amounts paid**	**Amounts due**	**Amounts paid**
• Fixed compensation (1)	80,589	80,589	81,993	81,993
• Variable compensation (1) (2)	2,609,012	1,845,239	2,723,357	2,756,093
• Exceptional compensation	0	0	0	0
• Directors fees	118,438	118,438	133,509	133,509
• Benefits in kind	Company car		Company car	
TOTAL	**2,808,039**	**2,044,266**	**2,938,859**	**2,971,595**

	2010		2011	
Paul Henry LEMARIÉ Member of the Board and Chief Operating Officer	**Amounts due**	**Amounts paid**	**Amounts due**	**Amounts paid**
• Fixed compensation (1)	80,589	80,589	81,993	81,993
• Variable compensation (1) (2)	1,304,506	1,002,700	1,361,678	1,378,047
• Exceptional compensation	0	0	0	0
• Directors fees	69,651	69,651	71,909	71,909
• Benefits in kind	Company car		Company car	
TOTAL	**1,454,746**	**1,152,940**	**1,515,580**	**1,531,949**

(1) Paid by Burelle SA
(2) Burelle SA pays gross compensation to Executive and Corporate Officers 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.

	2010		2011	
Jean-Michel SZCZERBA Chief Operating Officer	**Amounts due**	**Amounts paid**	**Amounts due**	**Amounts paid**
• Fixed compensation	619,699	619,699	681,177	681,177
• Variable compensation	150,000	150,000	330,000	330,000
• Exceptional compensation	0	0	0	0
• Directors fees	10,000	10,000	10,000	10,000
• Benefits in kind	Company car		Company car	
TOTAL	**779,699**	**779,699**	**1,021,777**	**1,021,777**

In accordance with Article L.225-102-1 of the French Commercial Code, the compensation paid by Burelle SA to Compagnie Plastic Omnium's Executive and Corporate Officers in 2011 and the portion billed on to Compagnie Plastic Omnium for management services are presented in the table below:

	Gross compensation paid by Burelle SA in 2011	**O/w bonus**	**Amount billed on to the Plastic Omnium Group in 2011**	**O/w bonus**
Laurent BURELLE	2,859,911	2,756,093	2,156,945	2,094,630
Paul Henry LEMARIÉ	1,481,865	1,378 047	730,020	689,023
Jean BURELLE	1,492,065	1,378,047	365,010	344,511
Jean-Michel SZCZERBA	0	0	0	0

3. DIRECTORS FEES

3.1 Paid by Compagnie Plastic Omnium

Members of the Board	Directors fees paid in 2010	Directors fees paid in 2011
Laurent BURELLE	23,807	24,684
Paul Henry LEMARIÉ	18,207	19,084
Jean BURELLE	16,907	19,084
Éliane LEMARIÉ	18,207	19,084
Laurence DANON	10,187	NA
Jean-Pierre ERGAS	19,507	22,984
Thierry de la TOUR D'ARTAISE	15,607	15,184
Jérôme GALLOT	20,807	23,784
Francis GAVOIS	20,807	22,984
Vincent LABRUYÈRE	22,407	24,584
Alain MÉRIEUX	15,607	16,484
Bernd GOTTSCHALK	16,907	16,484
Anne-Marie COUDERC	8,019	19,084
Anne ASENSIO	NA	11,856
TOTAL	**226,983**	**255,364**

At its 15 March 2011 meeting, the Board of Directors allocated the aggregate amount of directors' fees as follows :

- Chairman: €2,700 per Board meeting
- Members of the Board: €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 among all of the Board members

3.2 Paid by Compagnie Plastic Omnium subsidiaries and Burelle SA

Executive and corporate officers	Directors fees paid in 2010	Directors fees paid in 2011
Laurent BURELLE	94,631	108,825
Paul Henry LEMARIÉ	51,444	52,825
Jean BURELLE	72,781	88,025
Jean-Michel SZCZERBA	10,000	10,000
TOTAL	**228,856**	**259,675**

4. STOCK OPTIONS GRANTED TO EXECUTIVE AND CORPORATE OFFICERS 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	Option exercise price	Exercise period
Laurent BURELLE Chairman and Chief Executive Officer	0	-	-	-	-	-
Paul Henry LEMARIÉ Member of the Board and Chief Operating Officer	0	-	-	-	-	-
Jean Michel SZCZERBA Chief Operating Officer	0	-	-	-	-	-

5. STOCK OPTIONS EXERCISED BY EXECUTIVE AND CORPORATE OFFICERS DURING THE YEAR

Name and position	Plan date	Number of stock options exercised during the year	Option exercise price
Laurent BURELLE Chairman and Chief Executive Officer	2005	35,737	€21,15
Paul Henry LEMARIÉ Member of the Board and Chief Operating Officer	-	0	-
Jean Michel SZCZERBA Chief Operating Officer	-	0	-

6. PERFORMANCE SHARES GRANTED TO EXECUTIVE AND CORPORATE OFFICERS

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 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	-	-	-	-	-
Paul Henry LEMARIÉ Member of the Board and Chief Operating Officer	0	-	-	-	-	-
Jean Michel SZCZERBA Chief Operating Officer	0	-	-	-	-	-

7. PERFORMANCE SHARES THAT VESTED DURING THE YEAR FOR EACH EXECUTIVE AND CORPORATE OFFICER

Name and position	Performance shares that 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	-	-	-
Paul Henry LEMARIÉ Member of the Board and Chief Operating Officer	0	-	-	-
Jean Michel SZCZERBA Chief Operating Officer	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 portion of the related annual cost billed on by Burelle SA to Compagnie Plastic Omnium and its subsidiaries amounted to €666,243 in 2011. The other retirement schemes for executive directors are the same as those for the Group's other managerial employees.

SHARE CAPITAL

At 31 December 2011, the Company's share capital amounted to €8,939,245.49 and represented by 52,583,797 common shares with a par value of €0.17 each.

OWNERSHIP STRUCTURE

At 31 December 2011, 55.1% 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 capital.

At 31 December 2011, the 1,560 members of the employee stock ownership plan held 851,617 Compagnie Plastic Omnium shares purchased on the market, representing 1.62% 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 Commercial Code. In addition, no employee profit shares have been reinvested in Company stock.

STOCK OPTION PLANS

Compagnie Plastic Omnium has set up a number of stock option plans, whose characteristics were as follows at 31 December 2011:

						After the three-for-one stock split*		
Shareholders Meeting	Board of Directors meeting	Type of option	Original exercise price (in €)	Number of grantees	Number of options granted	Exercise price (in €)	Number of options granted	Options exercised or forfeited in 2011
22 April 2004**	11 March 2005	Purchase of existing shares	21.15	54	237,000	7.05	711,000	265,158
28 April 2005	25 April 2006	Purchase of existing shares	34.90	11	267,000	11.63	801,000	122,000
24 April 2007	24 July 2007	Purchase of existing shares	39.38	65	330,000	13.12	990,000	45,680
24 April 2008	22 July 2008	Purchase of existing shares	26.51	39	350,000	8.84	1,050,000	44,400
28 April 2009	16 March 2010	Purchase of existing shares	25.60	124	375,000	8.53	1,125,000	21,000

*On 28 April 2011, shareholders in Extraordinary Meeting approved a three-for-one stock split. Since all of the plans outstanding at year-end preceded that decision, as of that date, the number of options granted to each employee in each plan was multiplied by three and the exercise price divided by three.
**The 11 March 2005 plan, which originally granted 118,500 options at an exercise price of €42.30, was impacted by a previous two-for-one stock split on 17 May 2005, which reduced the share's par value to €0.50 from €1.00. As from that date, the number of options was doubled, from 118,500 to 237,000 and the exercise price was halved, to €21.15 from €42.30.

These options were granted to employees and executive and corporate 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 2011, a total of 29,676,412 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

SHARE BUYBACKS CARRIED OUT IN 2011

In 2011, the Company purchased 1,998,890 of its own shares for an aggregate €38,696,619.31, or an average €19.36 per share.

From 28 April 2011 to 31 December 2011, the Company purchased 1,162,178 shares for an aggregate sum of €22,980,347.70 or €19.77 per share, including 718,523 shares through the liquidity contract and 443,655 shares directly. During the same period, the Company sold 686,728 shares through the liquidity contract for an aggregate sum of €13,882,926.15 or €20.22 per share.

From 1 January 2012 to 17 February 2012, the Company purchased 225,949 shares for an aggregate sum of €4,108,220.44 or €18.18 per share, including 125,949 shares through the liquidity contract and 100,000 shares directly. During the same period, the Company sold 158,136 shares through the liquidity contract for an aggregate sum of €2,877,119.27 or €18.19 per share.

The following table summarizes the share buybacks carried out in 2011 and how the repurchased shares were used.

Date of shareholder authorization	**29 April 2010 (6th resolution)**	**28 April 2011 (5th resolution)**
Maximum number of shares that may be purchased	10% of the share capital at 29 April 2010, or 1,764,460 shares, for a maximum of €105,867,600	10% of the share capital at 28 April 2011, or 1,764,460 shares, for a maximum of €269,962,380
Maximum price per share	€60	€153
Authorized purposes	Cancellation; stock options; stock grants; maintaining a liquid market; acquisitions	Cancellation; stock options; stock grants; maintaining a liquid market; acquisitions
Board of Directors meeting approving the buybacks	15 March 2011	6 March 2012
Purpose of the buybacks	Payment of acquisitions and maintaining a liquid market	Payment of acquisitions and maintaining a liquid market
Buyback period	29 April to 31 December 2010	28 April to 31 December 2011
Number of shares purchased	342,706	1,162,178
Average price per share	€41.22	€19.77
Use	**Cancellation: none** **Other: 342,706**	**Cancellation: none** **Other: 1,162,178**

TREASURY STOCK TRANSACTIONS CARRIED OUT BY THE COMPANY IN 2011

Percentage of Company shares held directly or indirectly in treasury at 31 December 2011 Of which:	8.7%
• Allocated to existing stock option plans	6.8%
• Intended to be cancelled	None
Number of shares cancelled over the past 24 months	350,000
Number of own shares held in treasury	4,573,891
Carrying amount of treasury shares at 31 December 2011	€37,954,601.80
Market value of treasury shares at 31 December 2011	**€70,254,965.76**

	Aggregate inflows and outflows		
	Purchases	**Sales**	**Exercised stock options**
Number of shares	1,998,890	1,072,516	441,238
Average price	€19.36	€19.65	-
Average exercise price	-	-	€6.21
Amounts	€38,696,619.31	€21,072,666.97	€2,740,662

SHAREHOLDER RENEWAL OF THE BOARD'S AUTHORIZATION TO TRADE IN THE COMPANY'S SHARES

At the Annual Meeting, shareholders will be asked to approve a resolution authorizing the Board of Directors to trade in the Company's shares, to enable it to pursue its share buyback policy. The authorization would be given for a maximum period of eighteen months commencing on the date of the Annual Meeting and the per share purchase price may not exceed €60.

The Company could purchase its shares for the purpose of:

- Canceling them.
- Granting them to Group employees or executive directors.
- Maintaining a liquid market.
- Holding them in treasury for subsequent delivery in payment in connection with external growth transactions.

The number of shares that could be purchased may not exceed 10% of the Company's capital, or €315,502,740, and the Company may at no time hold more than 10% of its shares. Given that the Company held 4,597,704 shares in treasury as of 17 February 2012, representing 8.7% of its capital, it would be authorized as of that date to purchase 1.3% of its outstanding shares, for no more than €39,640,500 based on the maximum per share purchase price of €60.

The shares could be purchased by any appropriate method, on the stock market or over-the-counter, in particular through transactions involving blocks of shares or the use of derivatives.

REPORT OF THE BOARD OF DIRECTORS ON THE RESOLUTIONS SUBMITTED TO THE ANNUAL SHAREHOLDERS' MEETING OF 26 APRIL 2012

REPORT OF THE BOARD OF DIRECTORS ON RESOLUTIONS SUBMITTED TO THE ORDINARY SHAREHOLDERS' MEETING

Approval of the Company's operations and annual financial statements for the year ended 31 December 2011 (1st resolution)

The first resolution seeks your approval of the Company's financial statements for the year ended 31 December 2011.

Net profit for the year amounted to €134,612,857.

Appropriation of 2011 net profit and recommended dividend (2nd resolution)

The second resolution covers the proposed appropriation of 2011 net profit and approval of the recommended dividend.

Note that the Company held 1,596,233 treasury shares on 6 May 2011, the 2010 dividend payment date, and the corresponding dividends amounting to €2,234,726.20 were transferred to retained earnings.

We are proposing the following allocation of the year's net profit of €134,612,857 and retained earnings of €317,115,169:

(in €)	
2011 net profit	134,612,857
Transfer to the statutory reserve	11,695
Profit for the period after transfer to the statutory reserve	**134,601,162**
Retained earnings at 31 December 2011	317,115,169
TOTAL AVAILABLE FOR DISTRIBUTION	**451,716,331**
Recommended dividend for 2011 (0.69 per share)	**36,282,820**
Transfer of the balance to retained earnings	415,433,511

The dividend will be paid as from 4 May 2012.

The total dividend payout is based on the number of Compagnie Plastic Omnium shares outstanding at 31 December 2011, i.e. 52,583,797. The dividend attributable to treasury shares held by the Company will be transferred to retained earnings.

Dividends paid in the past three years were as follows:

Year	Number of shares carrying dividend rights	Total dividends *(in €)*	Dividend per share(1) *(in €)*
2008*	16,940,234 shares carrying dividend rights	5,929,082	0.35
2009*	16,080,282 shares carrying dividend rights	11,256,197	0.70
2010*	16,048,366 shares carrying dividend rights	22,467,712	1.40

*Amounts for 2008, 2009 and 2010 were 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.

Approval of related-party agreements (3rd resolution)

The third resolution requests your approval, as required by Article L.225-40 of the French Commercial Code, of related-party agreements described in the Auditors' special report and entered into by the Company during 2011.

No new agreements were signed in 2011 that would be governed by Articles L.225-38 and L.225-42-1 of the French Commercial Code.

Approval of the consolidated financial statements for the year ended 31 December 2011 (4th resolution)

The fourth resolution seeks your approval of the consolidated financial statements for the year ended 31 December 2011, showing net profit attributable to owners of the parent of €164,695 thousand.

Authorization to trade in the Company's shares (5th resolution)

Under the sixth resolution passed at the Annual Shareholders' Meeting of 28 April 2011, the shareholders authorized the Company to trade in its own shares on the following terms and conditions:

- Maximum purchase price: €60
- Maximum holding: 10% of the share capital
- Maximum amount of purchases: €315,502,740

From 28 April 2011 to 31 December 2011, the Company purchased 1,162,178 shares for an aggregate sum of €22,980,347.70 or €19.77 per share, including 718,523 shares through the liquidity contract and 443,655 shares directly. During the same period, the Company sold 686,728 shares through the liquidity contract for an aggregate sum of €13,882,926.15 or €20.22 per share.

From 1 January 2012 to 17 February 2012, the Company purchased 225,949 shares for an aggregate sum of €4,108,220.44 or €18.18 per share, including 125,949 shares through the liquidity contract and 100,000 shares directly. During the same period, the Company sold 158,136 shares through the liquidity contract for an aggregate sum of €2,877,119.27 or €18.19 per share.

Details of these transactions and a description of the authorization we are seeking can be found in the section of the management report entitled "Share buyback program".

The authorization granted on 28 April 2011 expires on 27 October 2012 and we are therefore seeking a new eighteen-month authorization as of the date of the Meeting, which will supersede the existing one.

The proposed terms and conditions of the new authorization are as follows:

- Maximum purchase price: €60
- Maximum holding: 10% of the share capital
- Maximum amount of purchases: €315,502,740

The authorization will enable us to purchase shares of the Company on the terms and conditions provided for in Articles L.225-209 et seq. 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 Financial Markets (AMAFI).
- Canceling shares on the conditions provided for in Article L.225-209 of the French Commercial Code pursuant to an authorization to reduce the share capital given by extraordinary resolution of the shareholders.
- Allotting or selling shares to current or former employees or officers of the Company and/or related companies as provided for by law and more particularly under stock option, stock grant or employee share ownership plans.
- Holding shares in treasury for subsequent delivery in exchange or payment for stock in another company in connection with external growth transactions.
- Using shares for any current or future market practice accepted by the market authorities.

Re-election of directors (6th to 15th resolutions)

We are seeking the re-election for a further three-year term of the following directors:

- Laurent Burelle
- Paul Henry Lemarié
- Jean Burelle
- Burelle SA, represented by Eliane Lemarié
- Anne-Marie Couderc
- Jean-Pierre Ergas
- Jérôme Gallot
- Bernd Gottschalk
- Alain Mérieux
- Thierry de La Tour d'Artaise

Their terms would expire at the close of the Shareholders' Meeting to be held in 2015 to approve the 2014 financial statements.

Election of a new director (16th resolution)

The sixteenth resolution seeks the election of Jean-Michel Szczerba as director for a three-year term expiring at the close of the Shareholders' meeting to be held in 2015 to approve the 2014 financial statements.

Directors' fees (17th resolution)

The seventeenth resolution proposes to raise the amount of directors' fees to €280,000 effective from 2012.

REPORT OF THE BOARD OF DIRECTORS ON RESOLUTIONS SUBMITTED TO THE EXTRAORDINARY SHAREHOLDERS' MEETING

Authorization for the Board of Directors to reduce the Company's capital by canceling treasury stock (18th resolution)

The eighteenth resolution would authorize the Board of Directors, in accordance with Article L.225-209 of the French Commercial Code, to reduce the Company's capital, on one or several occasions, in the proportions and at the times as it sees fit, by canceling all or some of the shares bought back or held by the Company, as authorized by shareholders, provided that the number of shares canceled in any 24-month period does not exceed 10% of the total shares outstanding, as adjusted for any corporate actions undertaken after the Meeting.

The authorization would be given for a period of 26 months from the Annual Shareholders' Meeting of 26 April 2012.

Powers to carry out formalities (19th resolution)

The nineteenth resolution gives powers to the bearer of an original, a copy or an extract of the minutes of the Shareholders' Meeting to carry out any legal or regulatory publication formalities required to enforce the decisions taken at the Shareholders' Meeting.

The Board of Directors

OTHER INFORMATION

FIVE-YEAR FINANCIAL SUMMARY

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

INFORMATION ON SETTLEMENT PERIODS FOR PAYABLES

(in euros)			**Trade payables - France**
Type of payable	Due and past-due	Not yet due	Total
Intra-group payables	0.00	563,835.66	563,835.66
External payables	659,610.24	67,098.04	726,708.28
TOTAL	**659,610.24**	**630,933.70**	**1,290,543.94**

(in euros)			**Payment dates for payables not yet due**
Type of payable	Jan-12	Feb-12	Total
Intra-group payables	0.00	563,835.66	563,835.66
External payables	63,059.08	4,038.96	67,098.04
TOTAL	**63,059.08**	**567,874.62**	**63,933.70**

02

REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS *OF COMPAGNIE PLASTIC OMNIUM FOR THE YEAR ENDED 31 DECEMBER 2011*

This report has been prepared in accordance with Article L.225-37 of the French Commercial Code to report to shareholders 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 2011 and (ii) the internal control 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 6 March 2012.

PREPARATION AND ORGANIZATION OF THE WORK OF THE BOARD OF DIRECTORS

1. CORPORATE GOVERNANCE

Adoption of the AFEP-MEDEF Corporate Governance Code

The Board continues to use the 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, the Board itself carries out the work generally performed by an Appointments Committee as well as that of a Compensation Committee, at meetings that are not attended by senior executives and officers.

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.

2. MANAGEMENT METHOD: COMBINING THE ROLES OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The positions of Chairman of the Board of Directors and Chief Executive Officer remain combined, in line with the Board's decision of 11 September 2002. The Company is managed by Laurent Burelle, Chairman and Chief Executive Officer, Paul Henry Lemarié, Director and Chief Operating Officer and Jean-Michel Szczerba, Chief Operating Officer.

The Chairman and Chief Executive Officer and the Chief Operating Officers have the same powers to represent the Company in its dealings with third parties. Their respective powers are determined by the Board of Directors and the Board's Internal Rules.

3. MEMBERSHIP OF THE BOARD OF DIRECTORS

A list of the Board members is provided on pages 20 and 21 of the Activity Report.

A list of directorships and other offices held in 2011 by each of the Company's directors is provided in the section of the Financial Report entitled "Directorships and functions held by the Directors of the Company" (see page 41)

Independent 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 2011, Compagnie Plastic Omnium's Board comprised thirteen directors, of whom four represent the majority shareholder. The nine others meet the independence criteria defined in the Board's Internal Rules, although three of them have been directors of the Company for more than twelve years.

The Board has not adopted this particular criteria recommended by AFEP-MEDEF because it does not consider that a director who remains in office for more than twelve years necessarily loses his or her independence. Regardless of how long they have served, all the directors of Compagnie Plastic Omnium are committed, vigilant and actively participate in discussions with full freedom of judgment.

The members of the Board combine a broad range of outstanding managerial, industrial and financial expertise.

Gender parity

Of the Board's thirteen Directors, three or 20% are women, thereby complying with French Law No. 2011-103 of 27 January 2011 on balanced representation of women and men on boards of directors.

Re-election of directors

The Board of Directors is seeking the re-election for three-year terms, in accordance with the bylaws, of the following directors: Laurent Burelle, Paul Henry Lemarié, Jean Burelle, Burelle SA represented by Eliane Lemarié, Anne-Marie Couderc, Thierry de La Tour d'Artaise, Jean-Pierre Ergas, Jérôme Gallot, Bernd Gottschalk and Alain Mérieux.

Their terms will expire at the close of the Shareholders' Meeting to be held in 2015 to approve the 2014 financial statements.

Election of a new director

The Board of Directors will ask shareholders at the Annual Meeting on 26 April 2012 to elect a new director, Jean-Michel Szczerba, for a three-year term in accordance with the bylaws.

Given that one director will not be re-elected for another term, the membership of the Board of Directors will remain at thirteen.

4. 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 accounts 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 and ensure that adequate financial resources are made available to achieve them.

5. 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 role 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.

6. THE BOARD OF DIRECTORS' SELF-ASSESSMENT

The Board's internal rules provide for a self-assessment exercise to be carried out each year, 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 procedures and membership of the Audit Committee.

The replies to the 2011 questionnaire showed that directors were fully satisfied with the Board's procedures and practices for the year.

Board members expressed appreciation of the quality and comprehensiveness of information provided, especially with regard to corporate strategy, and the organization of discussions at 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.

7. ACTIVITIES OF THE BOARD IN 2011

The Board met four times in 2011 with an average attendance rate of 85%. 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 2010 full-year financial statements at the meeting on 15 March and the 2011 interim financial statements at the meeting on 19 July.

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

8. AUDIT COMMITTEE

Creation - Membership

The Audit Committee is made up of four independent directors. A new Chairman is appointed every three years, on a rotating basis.

Role

The Audit Committee assists the Board of Directors in ensuring that the accounting policies used are appropriate and consistent and that they are properly applied.

Its main roles and responsibilities:

- 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.
- Express an opinion on the Chairman and Chief Executive Officer's choice of candidates for appointment or re-appointment as Statutory Auditors.
- 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 their implementation.
- Ensure that regulations relating to the independence of the Statutory Auditors are complied with and that they are given all necessary information on a timely basis.
- Monitor the effectiveness of the internal control and risk management systems set up by Senior Management that could have an impact on the financial statements.
- Examine any issues that may have a material impact on the Group's 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 2011

The Committee met three times in 2011, to review the 2010 annual financial statements, the 2011 interim financial statements and the effectiveness of the internal control and risk management procedures. The three meetings were attended by all of the Committee members, as well as by the Chief Financial Officer, the Corporate Secretary, the Vice President, Risk Management and the Statutory Auditors. The Committee reported to the Board on its work during the year.

9. CORPORATE OFFICERS' COMPENSATION

The rules and procedures applied by the Board to determine the compensation and benefits of corporate officers are described in the section of Management's Discussion and Analysis entitled "Corporate officers' compensation" (see page 18 and following of the Financial Report).

10. ADDITIONAL INFORMATION

This report will be presented at the Annual Shareholders' Meeting to be held on 26 April 2012. 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.

INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

1. INTERNAL CONTROL AND RISK MANAGEMENT OBJECTIVES

Definition and objectives of internal control and risk management

Internal control and risk management are the responsibility of Senior Management and require the involvement of everyone in the organization, according to their particular role. Compagnie Plastic Omnium's internal control and risk management system is designed to ensure:

- Compliance with applicable laws and regulations.
- Efficient, controlled application of guidelines and objectives set by Senior Management, particularly with regard to risk.
- The smooth functioning of the Company's internal processes, particularly those involving the security of its assets.
- The reliability of financial information.

- The commitment of all employees to shared values and a shared vision of the risks they are helping to control.

The internal control and risk management 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 and risk management 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. SUMMARY DESCRIPTION OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Organization

The Plastic Omnium Group is made up of two Divisions

- **Automotive** (Plastic Omnium Auto Exterior and Plastic Omnium Auto Inergy)
- **Environment**

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 guidelines 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 Chief Financial Officer, the Corporate Secretary-Vice President, Legal Affairs, the Executive Vice President, Human Resources and the Divisional 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 three-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 five-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. In 2010, the Company prepared a specific Code of Conduct on competition law, which has been circulated throughout the Group as part of a compliance program.

  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 and routine operations)
  - Sales
  - Purchasing (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 processes are both consistent and appropriate. The internal control processes 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, the Internal Control Framework is 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 Management's Discussion and Analysis. This section also explains the principal measures and processes used to effectively prevent and manage these risks.

The risk management system presented in this report includes a risk mapping process for the Company's key risks, 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. Risk mapping is carried out at Group level by the Risk Management Department in conjunction with the Operations Management teams and the Corporate Departments, overseen by Senior Management.

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, under the responsibility of Senior Management. 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 2011 revealed any serious weaknesses in the internal control and risk management system.

The Internal Audit Department also oversees the annual internal control **self-assessment processes** that were launched in 2006. The self-assessment questionnaire is broadly 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 2011, 97%, 90% and 81% 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 one of the Chief Operating Officers, the Executive Vice President, Human Resources, the Chief Financial Officer, members of the Executive Committees of the Group's various businesses, the Vice President, Risk Management 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 decisions and recommendations of the Chairman and Chief Executive Officer, to whom it reports. It has the authority to coordinate the measures undertaken by all players involved in the Group's internal control and risk management processes in each of the Group's divisions or corporate functions.

Lastly, the **Board of Directors** examines all of the main assumptions and strategies defined for the Company by Senior Management. It reviews the broad outlines of the internal control system and risk management processes and obtains an understanding of all procedures involved in the preparation and production of general and financial information.

3. INTERNAL CONTROLS RELATING TO THE PREPARATION OF FINANCIAL AND ACCOUNTING INFORMATION

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

The Finance Department 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 and the same accounting standards are used by all Group units in order to ensure that data in the consolidated financial statements are consistent. The accounting plan and standards, which take account of the specific characteristics of the various businesses, were developed by the Accounting Standards and Policies Department. This department reports to the Corporate Accounting and Tax Department, which has sole authority to make any changes to them.

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:

- Weekly cash reporting.
- 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 research & development costs. 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.

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 four-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 for all Group subsidiaries, except in countries where local laws prohibit this practice. Cash positions are consolidated daily and intergroup receivables and payables are netted monthly.

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 and 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 occurred during 2011 that could have compromised the effectiveness of the internal control system described above.

4. 2012 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 2012, based on rules defined and published since 2008, 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.

The Internal Audit Department has added two new members, making it possible to increase the number of audits.

To improve the internal control and risk management system, the Company will strengthen the procedure for tracking progress on recommendations issued by internal auditors.

STATUTORY AUDITORS' REPORT ON THE REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

Statutory auditors' report, prepared in accordance with article L. 225-235 of the French Commercial Code (Code de commerce), on the report prepared by the Chairman of the Board of Directors.

This is a free translation into English of the statutory auditors' report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to the shareholders.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as statutory auditors of Compagnie Plastic Omnium and in accordance with article L. 225-235 of the French Commercial Code (*Code de commerce*), we hereby report on the report prepared by the Chairman of your company in accordance with article L. 225-37 of the French Commercial Code (*Code de commerce*) for the year ended 31 December 2011.

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

Our role is to:

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

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

INFORMATION ON INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES RELATING TO THE PREPARATION AND PROCESSING OF ACCOUNTING AND FINANCIAL INFORMATION.

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

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

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

OTHER INFORMATION

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

Paris – La Défense, 8 March 2012

The statutory auditors
French original signed by

MAZARS	ERNST & YOUNG et Autres
JEAN-LUC BARLET	GILLES RABIER

03

DIRECTORSHIPS AND FUNCTIONS *HELD BY THE DIRECTORS OF THE COMPANY IN 2011*

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 (until 1 September 2011)
	PLASTIC OMNIUM AUTO EXTERIORS LLC	Chairman (until 1 September 2011)
	PLASTIC OMNIUM Inc.	Chairman
	PLASTIC OMNIUM AUTOMOTIVE SERVICES Inc.	Chairman
	PLASTIC OMNIUM INDUSTRIES Inc.	Chairman (until 1 September 2011)
	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 Board
	COMPAGNIE PLASTIC OMNIUM SA	Chairman and Chief Executive Officer
	PLASTIC OMNIUM ENVIRONNEMENT SAS	Chairman of the Supervisory Board
	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
	INERGY AUTOMOTIVE SYSTEMS SAS	Chairman
	LA LYONNAISE DE BANQUE	Director
	CIE FINANCIÈRE DE LA CASCADE SAS	Chairman
	PERNOD RICARD SA	Director (since 4 May 2011)
	LABRUYÈRE EBERLE SAS	Member of the Supervisory Board
United Kingdom	PLASTIC OMNIUM Ltd	Chairman
Netherlands	PLASTIC OMNIUM INTERNATIONAL BV	Chairman
Switzerland	SIGNAL AG	Director

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 Board
	COMPAGNIE PLASTIC OMNIUM SA	Chief Operating Officer, Director
	PLASTIC OMNIUM ENVIRONNEMENT SAS	Member of the Supervisory Board
	INERGY AUTOMOTIVE SYSTEMS SA	Director (until 20 June 2011)
	INOPART SA governed by a Management Board and a Supervisory Board	Member of the Supervisory Board (until 28 June 2011)

DIRECTORSHIPS AND FUNCTIONS HELD BY ELIANE LEMARIÉ

Country	Company	Function
France	BURELLE SA	Director
	SOFIPARC SAS	Member of the Supervisory Board
	SOGEC 2 SA	Chief Operating Officer, Director
	COMPAGNIE PLASTIC OMNIUM SA	Permanent representative of BURELLE SA
	UNION INDUSTRIELLE	Chairman of the Supervisory Board

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 Board
	SYCOVEST 1 (SICAV)	Permanent representative of Burelle Participations – Director
	REMY 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 ANNE ASENSIO

Country	Company	Function
France	COMPAGNIE PLASTIC OMNIUM SA	Director
	APCI (Agence de la Promotion de la Création Industrielle)	Director
	STRATE COLLEGE	Director

DIRECTORSHIPS AND FUNCTIONS HELD BY ANNE-MARIE COUDERC

Country	Company	Function
France	COMPAGNIE PLASTIC OMNIUM SA	Director
	MEDIAKIOSK SAS	Director
	PRESSTALIS SARL	Chairman of the Board
	LA FONDATION VEOLIA ENVIRONNEMENT	Director

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 MED SA	Director
	LYONNAISE DE BANQUE	Permanent Representative of Sofinaction
	LEGRAND	Director
China	ZHEJIANG SUPOR	Director

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 Board
United States	DOVER CORPORATION	Director
	ERGAS VENTURES LLC	Director

DIRECTORSHIPS AND FUNCTIONS HELD BY JÉRÔME GALLOT

Country	Company	Function
France	VEOLIA TRANSDEV	Chief Executive Officer
	VEOLIA TRANSPORT	Chairman and Chief Executive Officer
	TRANSDEV	Chairman and Chief Executive Officer
	COMPAGNIE PLASTIC OMNIUM SA	Director
		Member of the Audit Committee
	CAISSE DES DÉPÔTS	Member of the Group Executive Committee
	NEXANS SA	Director
	NRJ GROUP SA	Non-Voting Director
	SCHNEIDER ELECTRIC SA	Member of the Supervisory Board
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 RÉALISATION (CDR)	Director
Netherlands	STH	Member of the Supervisory Board (until May 2011)

DIRECTORSHIPS AND FUNCTIONS HELD BY BERND GOTTSCHALK

Country	Company	Function
France	COMPAGNIE PLASTIC OMNIUM	Director
Germany	PLASTIC OMNIUM GMBH	Member of the Board
	AUTO VALUE GMBH	Managing Director
	ROCHE DEUTSCHLAND HOLDING GmbH	Director
	ROCHE DIAGNOSTICS GmbH	Director
	JOH. HAY GmbH & Co. KG	Chairman of the Board of Directors
	SCHAEFFLER GmbH	Director
	WOCO GROUP	Vice-Chairman of the Supervisory Board
	JOST	Director (since 28 July 2011)
	FACTON GMBH	Chairman of the Board of Directors (since 21 September 2011)
United Kingdom	MACQUARIE CAPITAL (EUROPE) Ltd	Chairman
Switzerland	VOITH AG	Director

DIRECTORSHIPS AND FUNCTIONS HELD BY VINCENT LABRUYÈRE

Country	Company	Function
France	SOCIÉTÉ COMMERCIALE DE BIOUX SAS	Member of the Executive 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
	X, PERROUX et Fils	Director
	PIGE SA	Permanent representative of Labruyère Éberlé
		Director
	MARTIN MAUREL SA	Director
	SNPI SCA	Member of the Supervisory Board
	SLOTA SA	Director

DIRECTORSHIPS AND FUNCTIONS HELD BY ALAIN MÉRIEUX

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

DIRECTORSHIPS AND FUNCTIONS HELD BY JEAN-MICHEL SZCZERBA

Country	Company	Function
Germany	HELLA BEHR PLASTIC OMNIUM GmbH	Director
Belgium	PLASTIC OMNIUM AUTOMOTIVE NV	Chairman of the Board of Directors
Chile	PLASTIC OMNIUM SA	Deputy Director
China	YANFENG PLASTIC OMNIUM AUTOMOTIVE EXTERIOR SYSTEMS CO LT D	Director
	PLASTIC OMNIUM CHINA CO LT D	Chairman
United States	INERGY AUTOMOTIVE SYSTEMS LLC	Director
	INERGY AUTOMOTIVE SYSTEMS HOLDING INC	Director
	PERFORMANCE PLASTICS PRODUCTS - 3P Inc	Director
	PLASTIC OMNIUM INDUSTRIES Inc.	Chairman of the Board of Directors
	PLASTIC OMNIUM AUTO EXTERIORS LLC	Director
	PLASTIC OMNIUM AUTOMOTIVE SERVICES Inc.	Director
	PLASTIC OMNIUM Inc.	Director
France	BURELLE PARTICIPATIONS SA	Director
	COMPAGNIE PLASTIC OMNIUM SA	Chief Operating Officer (Non Director)
	PLASTIC OMNIUM FINANCE SNC	Legal Manager
	PLASTIC OMNIUM GESTION SNC	Legal Manager
	PLASTIC OMNIUM INTERNATIONAL SAS	Chairman (until 30 November 2011)
	PLASTIC OMNIUM MANAGEMENT 1 SAS	Chairman
	PLASTIC OMNIUM MANAGEMENT 2 SAS	Chairman
	PLASTIC OMNIUM ENVIRONNEMENT	Chief Executive Officer and Member of the Supervisory Board
	TRANSIT SAS	Chairman
	COMPAGNIE SIGNATURE SAS	Chairman
	PLASTIC OMNIUM AUTO EXTÉRIEUR SA	Director
	PLASTIC OMNIUM AUTO EXTERIEUR SERVICES SAS	Chairman and Member of the Supervisory Board
	INERGY AUTOMOTIVE SYSTEMS SA	Director (until 20 June 2011)
	PLASTIC OMNIUM VERNON SAS	Chairman
	INOPART SA à Directoire et Conseil de Surveillance	Chairman of the Executive Board (until 28 June 2011)
	SIGNATURE SA	Director
	SIGNATURE VERTICAL HOLDING SAS	Member of the Board of Directors
	EUROMARK HOLDING SAS	Member of the Board of Directors
United Kingdom	PLASTIC OMNIUM Ltd	Director
	PLASTIC OMNIUM AUTOMOTIVE LTD	Director
India	PLASTIC OMNIUM VARROC PVT LTD	Statutory Director
Poland	PLASTIC OMNIUM EXTERIORS SPZOO	Co-Managing Partner
	PLASTIC OMNIUM AUTO SPZOO	Co-Managing Partner

04

RESOLUTIONS SUBMITTED TO THE ANNUAL SHAREHOLDERS' MEETING OF 26 APRIL 2012

ORDINARY RESOLUTIONS

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 and voting under the quorum and majority conditions required for ordinary shareholders' meetings, the shareholders approve the Company financial statements for the year ended 31 December 2011 as presented, showing net profit of €134,612,857, as well as the transactions reflected in those financial statements or referred to in those reports.

SECOND RESOLUTION

Net income appropriation

Voting under the quorum and majority conditions required for ordinary shareholders' meetings and having noted that the Company's net income for the year amounts to €134,612,857 and retained earnings stand at €317,115,169, the shareholders approve the Board of Directors' recommendation and resolve to appropriate the total net amount of €451,728,026 as follows:

To dividends on the 52,583,797 shares outstanding at 31 December 2011	€36,282,820
To retained earnings	€415,433,511
To the statutory reserve	€11,695
TOTAL	**€451,728,026**

Consequently, the Shareholders' Meeting sets the 2011 dividend at €0.69 per share. Individual shareholders resident in France for tax purposes qualify for the 40% tax relief provided for in Article 158-3-2 of the French General Tax Code on the total dividend.

The dividend will be paid as from 4 May 2012, 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' Meeting notes 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 €)*
2008*	16,940,234 shares carrying dividend rights	5,929,082	0.35
2009*	16,080,282 shares carrying dividend rights	11,256,197	0.70
2010*	16,048,366 shares carrying dividend rights	22,467,712	1.40

* Amounts for 2008, 2009 and 2010 were 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

Approval of related-party agreements governed by Article L.225-38 of the French Commercial Code

Having considered the Auditors' special report on related-party agreements governed by Article L.225-38 of the French Commercial Code and voting under the quorum and majority conditions required for ordinary shareholders' meetings, the shareholders approve the agreement 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 and voting under the quorum and majority conditions required for ordinary shareholders' meetings, the shareholders approve the consolidated financial statements for the year ended 31 December 2011 as presented, showing net profit attributable to owners of the parent of €164,695 thousand, as well as the transactions reflected in those financial statements or referred to in those reports.

FIFTH RESOLUTION

Authorization to trade in the Company's shares

Having considered the report of the Board of Directors and voting under the quorum and majority conditions required for ordinary shareholders' meetings, the shareholders authorize the Board to purchase the Company's shares, in accordance with Article L.225-209 et seq. 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 Financial Markets (AMAFI).
- Canceling shares pursuant to an authorization to reduce the share capital given by extraordinary resolution of the shareholders.
- Allotting or selling shares to employees or officers of the Company and/or related companies as provided for by law and more particularly under stock option, stock grant or employee share ownership plans.
- Holding shares in treasury for subsequent delivery in exchange or payment for stock in another company in connection with external growth transactions.
- Using shares for any current or future market practice accepted by the market authorities.

The 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 and the total number of shares that may be bought back under this authorization may not exceed 5,258,379 representing 10% of the Company's capital at the date of this Meeting.
- The purchase price may not exceed €60.

At 31 December 2011, the Company held 4,573,891 shares in treasury. If these shares are canceled or used, the total amount that the Company may invest to buy back 5,258,379 shares will not exceed €315,502,740.

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.

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 2011.

The shareholders authorize the Board of Directors insofar as necessary to adjust the maximum number of shares and maximum purchase price to take account of the impact on the share capital of any changes in the par value of the shares, bonus share issues paid up by capitalizing reserves, stock splits or reverse stock splits, capital redemptions or any other transactions affecting the share capital, within the above-mentioned limit of 10% of the capital and the amount of €315,502,740.

The shareholders give full powers to the Board of Directors to use this authorization, to enter into any agreements, carry out any filing and other formalities particularly with regard to the Autorité des Marchés Financiers or any other authority that might replace it, and more generally, do whatever is necessary.

SIXTH RESOLUTION

Re-election of Laurent Burelle as director

Having considered the report of the Board of Directors and voting under the quorum and majority conditions required for ordinary shareholders' meetings, the shareholders re-elect Laurent Burelle for a three-year term expiring at the close of the Shareholders' Meeting to be held in 2015 to approve the 2014 financial statements.

SEVENTH RESOLUTION

Re-election of Paul Henry Lemarié as director

Having considered the report of the Board of Directors and voting under the quorum and majority conditions required for ordinary shareholders' meetings, the shareholders re-elect Paul Henry Lemarié for a three-year term expiring at the close of the Shareholders' Meeting to be held in 2015 to approve the 2014 financial statements.

EIGHTH RESOLUTION

Re-election of Jean Burelle as director

Having considered the report of the Board of Directors and voting under the quorum and majority conditions required for ordinary shareholders' meetings, the shareholders re-elect Jean Burelle for a three-year term expiring at the close of the Shareholders' Meeting to be held in 2015 to approve the 2014 financial statements.

NINTH RESOLUTION

Re-election of Burelle SA as director, represented by Eliane Lemarié

Having considered the report of the Board of Directors and voting under the quorum and majority conditions required for ordinary shareholders' meetings, the shareholders re-elect Burelle SA, represented by Eliane Lemarié, for a three-year term expiring at the close of the Shareholders' Meeting to be held in 2015 to approve the 2014 financial statements.

TENTH RESOLUTION

Re-election of Anne-Marie Couderc as director

Having considered the report of the Board of Directors and voting under the quorum and majority conditions required for ordinary shareholders' meetings, the shareholders re-elect Anne-Marie Couderc for a three-year term expiring at the close of the Shareholders' Meeting to be held in 2015 to approve the 2014 financial statements.

ELEVENTH RESOLUTION

Re-election of Jean-Pierre Ergas as director

Having considered the report of the Board of Directors and voting under the quorum and majority conditions required for ordinary shareholders' meetings, the shareholders re-elect Jean-Pierre Ergas for a three-year term expiring at the close of the Shareholders' Meeting to be held in 2015 to approve the 2014 financial statements.

TWELFTH RESOLUTION

Re-election of Jérôme Gallot as director

Having considered the report of the Board of Directors and voting under the quorum and majority conditions required for ordinary shareholders' meetings, the shareholders re-elect Jérôme Gallot for a three-year term expiring at the close of the Shareholders' Meeting to be held in 2015 to approve the 2014 financial statements.

THIRTEENTH RESOLUTION

Re-election of Bernd Gottschalk as director

Having considered the report of the Board of Directors and voting under the quorum and majority conditions required for ordinary shareholders' meetings, the shareholders re-elect Bernd Gottschalk for a three-year term expiring at the close of the Shareholders' Meeting to be held in 2015 to approve the 2014 financial statements.

FOURTEENTH RESOLUTION

Re-election of Alain Mérieux as director

Having considered the report of the Board of Directors and voting under the quorum and majority conditions required for ordinary shareholders' meetings, the shareholders re-elect Alain Mérieux for a three-year term expiring at the close of the Shareholders' Meeting to be held in 2015 to approve the 2014 financial statements.

FIFTEENTH RESOLUTION

Re-election of Thierry de la Tour d'Artaise as director

Having considered the report of the Board of Directors and voting under the quorum and majority conditions required for ordinary shareholders' meetings, the shareholders re-elect Thierry de la Tour d'Artaise for a three-year term expiring at the close of the Shareholders' Meeting to be held in 2015 to approve the 2014 financial statements.

SIXTEENTH RESOLUTION

Election of Jean-Michel Szczerba as director

Having considered the report of the Board of Directors and voting under the quorum and majority conditions required for ordinary shareholders' meetings, the shareholders elect Jean-Michel Szczerba for a three-year term expiring at the close of the Shareholders' Meeting to be held in 2015 to approve the 2014 financial statements.

SEVENTEENTH RESOLUTION

Directors' fees

The shareholders resolve to raise the aggregate amount of directors' fees to €280,000, effective from 2012 until a new amount is set by the shareholders.

EXTRAORDINARY RESOLUTIONS

EIGHTEENTH RESOLUTION

Authorization to reduce the Company's capital by canceling treasury stock

Having considered the report of the Board of Directors and the Auditors' report on the Company financial statements and voting under the quorum and majority conditions required for extraordinary shareholders' meetings, in accordance with Article L.225-209 of the French Commercial Code, the shareholders:

- Authorize the Board of Directors to reduce the Company's capital, on one or several occasions, in the proportions and at the times as it sees fit, by canceling all or some of the shares bought back or held by the Company, provided that the number of shares canceled in any 24-month period does not exceed 10% of the total shares outstanding, as adjusted for any corporate actions undertaken after this Meeting.
- Grant this authorization for a period of 26 months from the date of this Meeting. This authorization shall supersede any previously granted authorization having the same purpose.
- Give full power to the Board of Directors, to (i) carry out the capital reduction or reductions, (ii) determine the terms and conditions of the share cancellations and place the capital reduction(s) on record, (iii) charge the difference between the carrying amount of the canceled shares and their par value to any reserve or premium accounts, and (iv) amend the bylaws to reflect the new capital and generally do everything necessary, in accordance with the laws and regulations in force when the authorization is used.

NINETEENTH 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.

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STATUTORY AUDITORS' REPORTS ON THE RESOLUTIONS SUBMITTED TO THE ANNUAL SHAREHOLDERS MEETING OF 26 APRIL 2012

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

This is a free translation into English of the statutory auditors' report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to the shareholders.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual Shareholders' meeting, we hereby report to you, for the year ended 31 December 2011, on:

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

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I - OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2011 and of the results of its operations for the year then ended in accordance with French accounting principles.

II -JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matter(s):

- Note I to the financial statements describes the accounting policies and methods used to measure shares in subsidiaries and affiliates, and stock options. We verified the appropriateness of the accounting methods applied and reviewed the assumptions used, as well as the resulting values.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III -SPECIFIC VERIFICATIONS AND INFORMATION

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of Board of Directors and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

As required by law, we have verified that the required information concerning the controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Paris – La Défense, 8 March 2012

The statutory auditors

French original signed by

MAZARS

JEAN-LUC BARLET

ERNST & YOUNG et Autres

GILLES RABIER

STATUTORY AUDITORS' REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

This is a free translation into English of the statutory auditors' report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to the shareholders.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as statutory auditors of your company, we hereby report on certain related party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with Article R.225-31 of the French Commercial Code (*Code de commerce*), to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with Article R.225-31 of the French Commercial Code (*Code de commerce*) concerning the implementation, during the year, of the agreements and commitments already approved by the General Meeting of Shareholders.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body *(Compagnie Nationale des Commissaires aux Comptes*) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

AGREEMENTS AND COMMITMENTS SUBMITTED FOR APPROVAL BY THE GENERAL MEETING OF SHAREHOLDERS

Agreements and commitments authorized during the year

In accordance with Article L.225-38 of the French Commercial Code (*Code de commerce*), we hereby inform you that we have not been advised of any related party agreements or commitments authorized in the course of the year and to be submitted to the General Meeting of Shareholders for approval.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL MEETING OF SHAREHOLDERS

In accordance with Article R.225-30 of the French commercial code (*Code de Commerce*), we have been advised that the implementation of the following agreements and commitments which were approved by the General Meeting of Shareholders in prior years continued during the year.

Payment for assignment of trademarks

As at 1 January 2010, INERGY AUTOMOTIVE SYSTEMS holds a certain number of trademarks.

Further to the total acquisition, with effect as from 8 September 2010, of the shares of companies of the INERGY AUTOMOTIVE SYSTEMS group by companies of the Plastic Omnium group, COMPAGNIE PLASTIC OMNIUM has stated that it is interested in purchasing this portfolio of trademarks and, in the meanwhile, has requested that it be able to benefit from a concession in its favor of a Trademark operating license in order to manufacture or have manufactured, and/or sell or have sold products covered by all of the Trademarks.

Thus, as from 1 September 2010 and up to the effective date of the transfer, no later than 31 December 2012, in exchange for the use of the Trademarks, including the right of reproduction and the representation right for all of the countries covered, COMPAGNIE PLASTIC OMNIUM shall pay INERGY AUTOMOTIVE SYSTEMS an annual fee equal to 0.1% of the Sales of all of the Division's entities.

During the financial year ended 31 December 2011, your company recognized a charge of 1 456 598 euros in respect of this agreement.

Directors concerned: Mr Laurent Burelle, Mr Paul Henry Lemarié and Mr Jean-Michel Szczerba. Please note that Mr Paul Henry Lemarié and Mr Jean-Michel Szczerba were members of the Board of Directors of Inergy Automotive Systems until June 16, 2011.

COMPAGNIE PLASTIC OMNIUM directly holds 76.8% of the voting rights in INERGY AUTOMOTIVE SYSTEMS and 100% of the voting rights in Plastic Omnium AUTO, which holds 23.2% of the voting rights in INERGY AUTOMOTIVE SYSTEMS.

Payments for assignment of trademarks

These trademark assignment agreements, signed in 1998 or later reviewed according to changes in the Group's legal structure provide for payment of an annual fee equal to 0.5% of the non-Group sales of the companies that benefit from these agreements, in return for the use of trademarks owned by COMPAGNIE PLASTIC OMNIUM.

During the financial year ended 31 December 2011, your company recognized income of 5 180 853 euros in respect of these agreements, signed with the following companies:

Entities	People concerned:
Compañia Plastic Omnium SA	Laurent Burelle, Jean Burelle, Paul Henry Lemarié and Jean-Michel Szczerba
Plastic Omnium Auto Exteriors LLC	Laurent Burelle and Jean-Michel Szczerba
Plastic Omnium Environnement	Laurent Burelle, Jean Burelle, Paul Henry Lemarié and Jean-Michel Szczerba
Plastic Omnium Auto Extérieur SA	Jean-Michel Szczerba
Plastic Omnium Vernon SAS	Jean-Michel Szczerba

COMPAGNIE PLASTIC OMNIUM holds:

- 100% of the voting rights in Compañia PLASTIC OMNIUM,
- 100% of the voting rights in PLASTIC OMNIUM AUTO which holds 100% of the voting rights in PLASTIC OMNIUM Inc which itself holds 100% of the voting rights in PLASTIC OMNIUM AUTO EXTERIORS LLC,

- 100% of the voting rights in PLASTIC OMNIUM ENVIRONNEMENT
- 100% of the voting rights in PLASTIC OMNIUM AUTO EXTERIORS SAS which itself holds 100% of the voting rights in PLASTIC OMNIUM AUTO EXTERIEUR SA
- 100% of the voting rights in PLASTIC OMNIUM VERNON

License royalties and Technical Assistance fees

In exchange for the use of COMPAGNIE PLASTIC OMNIUM's drawings, models, industrial procedures, know-how and related technical assistance, this agreement, signed in 2001, provides for payment by B.PLAS-PLASTIC OMNIUM OTOMOTIV PLASTIK of an annual fee equal to 1.5% of its net sales of the licensed products.

During the financial year ended 31 December 2011, your company recognized income of 328 475 euros in respect of this agreement.

Director concerned: Mr. Paul Henry Lemarié

COMPAGNIE PLASTIC OMNIUM holds 50% of the voting rights in B.PLAS-PLASTIC OMNIUM OTOMOTIV PLASTIK.

Agreement entered into with Burelle SA concerning management services supplied to the Group

Under the terms of this agreement with Burelle SA, the Company paid fees of 1 281 839 euros in 2011 for Group management services.

People concerned: Mr Jean Burelle, Mr Laurent Burelle, Mr Paul Henry Lemarié and Ms Eliane Lemarié.

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 121 148 euros in 2011.

People concerned: Mr Jean Burelle, Mr Laurent Burelle, Mr Paul Henry Lemarié and Ms Eliane Lemarié

Paris – La Défense, 8 March 2012

The statutory auditors

French original signed by

MAZARS	ERNST & YOUNG et Autres
JEAN-LUC BARLET	GILLES RABIER

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a free translation into English of the statutory auditors' report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to the shareholders.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual Shareholders' Meeting, we hereby report to you, for the year ended 31 December 2011, on:

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

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at year ended 31 December 2011 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- Goodwill has been tested for impairment based on the procedures described in Note 1.16 to the consolidated financial statements. The impairment tests were based on the Group's medium-term business plans. 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 1.14 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 1.29 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 5.2.5 to the consolidated financial statements.

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

III. SPECIFIC VERIFICATION

As required by law we have also verified in accordance with professional standards applicable in France the information presented in the Group's management report.

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

Paris – La Défense, 8 March 2012

The statutory auditors

French original signed by

MAZARS	ERNST & YOUNG et Autres
JEAN-LUC BARLET	GILLES RABIER

STATUTORY AUDITORS' REPORT ON THE REDUCTION IN CAPITAL BY THE CANCELLATION OF REPURCHASED SHARES (EIGHTEENTH RESOLUTION)

Shareholders' Meeting of 26 April 2012

This is a free translation into English of the statutory auditors' report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to the shareholders.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders

In our capacity as Statutory Auditors of Compagnie Plastic Omnium and in compliance with Article L. 225-209, paragraph 7 of the French Commercial Code (*Code de commerce*) in respect of the reduction in capital by the cancellation of repurchased shares, we hereby report on our assessment of the terms and conditions for the proposed reduction in capital.

Your Board of Directors requests that it be authorized, for a period of twenty six months, to proceed with the cancellation of shares the Company was authorized to repurchase, representing an amount not exceeding 10 % of its total share capital, by periods of twenty four months.

We have performed those procedures which we considered necessary in accordance with professional guidance issued by the national auditing body (*Compagnie Nationale des Commissaires aux Comptes*) for this type of engagement. These procedures consisted in verifying that the terms and conditions for the proposed reduction in capital, which should not compromise equality among shareholders, are fair.

We have no matters to report on the terms and conditions of the proposed reduction in capital.

Paris – La Défense, 8 March 2012

The statutory auditors

French original signed by

MAZARS

JEAN-LUC BARLET

ERNST & YOUNG et Autres

GILLES RABIER

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CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

CONSOLIDATED BALANCE SHEET

ASSETS

(in thousands of euros)	Notes	31 December 2011	31 December 2010
Goodwill	3.1.2 – 3.4 – 5.1.1 – 5.1.2	343,811	362,549
Intangible assets	3.1.2 – 3.4 – 5.1.2	331,349	284,900
Property, plant and equipment	3.1.2 – 3.4 – 5.1.3	770,514	672,865
Investment property	3.1.2 – 3.4 – 5.1.4	18,355	18,355
Investments in associates	5.1.5	4,436	14,224
Available-for-sale financial assets * #	5.1.6	1,952	1,444
Other financial assets*	5.1.7	81,538	66,591
Deferred tax assets	5.1.11	58,473	70,682
Total non-current assets		**1,610,428**	**1,491,610**
Inventories	3.1.2 – 5.1.8	261,399	273,337
Finance receivables *	5.1.9 – 5.2.7. (a)	39,066	51,034
Trade receivables	3.1.2 – 5.1.10. (b) – (d) – 6.3	439,668	391,780
Other receivables	3.1.2 – 5.1.10. (c) – (d)	206,971	139,974
Other financial receivables*	5.1.9 – 5.2.7. (a)	5,714	4,098
Hedging instruments*	5.2.7. (a) – 5.2.8	2	3,386
Cash and cash equivalents*	5.1.12	204,536	193,305
Total current assets		**1,157,356**	**1,056,914**
Assets held for sale	**2.3.2**	**41,569**	**2,394**
TOTAL ASSETS		**2,809,353**	**2,550,918**

Of which €1,328 thousand and €848 thousand in contributions to France's Tier 2 Automotive OEM Modernization Fund (FMEA2), which were included in the calculation of net debt at 31 December 2011 and 31 December 2010, respectively (see note 5.1.6).

EQUITY AND LIABILITIES

(in thousands of euros)	**Notes**	**31 December 2011**	**31 December 2010**
Share capital	5.2.1	8,939	8,822
Treasury stock		(44,403)	(37,839)
Additional paid-in capital		82,968	89,459
Other reserves and retained earnings		435,829	327,224
Profit for the period		164,695	139,546
Equity attributable to owners of the parent		**648,028**	**527,212**
Non-controlling interests		76,600	79,468
Total equity		**724,628**	**606,680**
Long-term borrowings *	5.2.7. (a)	564,397	723,145
Provisions for pensions and other post-employment benefits	5.2.5 – 5.2.6	62,689	47,074
Provisions for liabilities and charges	5.2.5	17,614	19,187
Government grants	5.2.4	14,692	11,658
Deferred tax liabilities	5.1.11	52,094	53,462
Total non-current liabilities		**711,486**	**854,526**
Bank overdrafts*	5.1.12. (b) – 5.2.7. (a)	44,335	30,672
Short-term borrowings *	5.2.7. (a)	171,471	90,766
Other short-term debt *	5.2.7. (a)	11,363	7,147
Hedging instruments*	5.2.7. (a) – 5.2.8	11,937	5,362
Provisions for liabilities and charges	5.2.5	37,720	55,649
Government grants	5.2.4	277	277
Trade payables	5.2.9. (a) – (c)	643,405	528,839
Other operating liabilities	5.2.9. (b) – (c)	435,804	371,000
Total current liabilities		**1,356,312**	**1,089,712**
Liabilities related to assets held for sale	**2.3.2**	**16,927**	**–**
Total equity and liabilities		**2,809,353**	**2,550,918**

* Net debt totaled €471.3 million at 31 December 2011 versus €537.8 million at 31 December 2010.

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Notes	2011	%	2010	%
Revenue	**3.1.1 – 3.2**	**4,220,410**	**100%**	**3,249,596**	**100%**
Cost of sales	4.2	(3,606,305)	-85.4%	(2,755,487)	-84.8%
Gross profit		**614,105**	**14.6%**	**494,109**	**15.2%**
Net research and development costs	4.1 – 4.2	(78,323)	-1.9%	(64,867)	-2.0%
Distribution costs	4.2	(63,254)	-1.5%	(56,117)	-1.7%
Administrative expenses	4.2	(176,076)	-4.2%	(145,911)	-4.5%
Operating margin before amortization of intangible assets acquired in business combinations *	**3.1.1**	**296,452**	**7.0%**	**227,214**	**7.0%**
Amortization of intangible assets acquired in business combinations*	3.1.1 – 4.4	(17,042)	-0.4%	(10,260)	-0.3%
Operating margin after amortization of intangible assets acquired in business combinations*	**3.1.1**	**279,410**	**6.6%**	**216,954**	**6.7%**
Other operating income	3.1.1 – 4.5	56,071	1.3%	36,591	1.1%
Other operating expenses	3.1.1 – 4.5	(63,339)	-1.5%	(42,087)	-1.3%
Finance costs – net	4.6	(35,807)	-0.8%	(23,157)	-0.7%
Other financial income and expense, net	4.6	(6,330)	-0.1%	(4,056)	-0.1%
Share of profit/(loss) of associates	5.1.5	(551)	–	(1,871)	-0.1%
Profit from continuing operations before income tax		**229,454**	**5.4%**	**182,374**	**5.6%**
Income tax	4.7	(58,086)	-1.4%	(29,682)	-0.9%
Net profit from continuing operations		**171,368**	**4.1%**	**152,692**	**4.7%**
Net loss from discontinued operations		–	–	(2,024)	-0.1%
Net profit		**171,368**	**4.1%**	**150,668**	**4.6%**
Net profit attributable to non-controlling interests		6,673	0.2%	11,122	0.3%
Net profit attributable to owners of the parent		**164,695**	**3.9%**	**139,546**	**4.3%**
Earnings per share attributable to owners of the parent	4.8				
Basic earnings per share (in euros)**		3.44[¤]		8.68[¤]	
Diluted earnings per share (in euros)***		3.30[¤]		8.38[¤]	
Earnings per share from continuing operations attributable to owners of the parent	4.8				
Basic earnings per share (in euros)**		3.44[¤]		8.80[¤]	
Diluted earnings per share (in euros) ***		3.30[¤]		8.49[¤]	

* Intangible assets acquired in business combinations.
** Basic earnings per share have been calculated using the number of shares outstanding less treasury stock.
*** Diluted earnings per share are determined after excluding treasury stock deducted from equity and including shares to be issued on exercise of stock options.
¤ See the note at the foot of the Consolidated Statement of Changes in Equity concerning the three-for-one stock split carried out on 10 May 2011, whereby the shares' par value was divided by three and the number of shares outstanding was multiplied by three. To be comparable with 2011 earnings per share, reported earnings per share for periods prior to 10 May 2011 should be divided by three. See note 4.8.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in thousands of euros)	2011			2010		
	Total	**Gross**	**Tax**	**Total**	**Gross**	**Tax**
Net profit for the period attributable to owners of the parent	**164,695**	**220,820**	**(56,125)**	**139,546**	**166,928**	**(27,382)**
Translation differences	4,862	4,862	–	16,537	16,537	–
Gains/(losses) for the period	*4,545*	*4,545*	–	*21,834*	*21,834*	–
Reclassified to the income statement	*317*	*317*	–	*(5,297)*	*(5,297)*	–
Actuarial gains/(losses) recognized in equity	(9,688)	(11,901)	2,213	978	2,160	(1,182)
Cash flow hedges	(5,556)	(8,925)	3,369	2,611	2,081	530
Gains/(losses) for the period	*(4,439)*	*(7,250)*	*2,811*	*293*	*(1,208)*	*1,501*
Reclassified to the income statement	*(1,117)*	*(1,675)*	*558*	*2,318*	*3,289*	*(971)*
Other comprehensive income	**(10,382)**	**(15,964)**	**5,582**	**20,126**	**20,778**	**(652)**
Comprehensive income attributable to owners of the parent	**154,313**	**204,856**	**(50,543)**	**159,672**	**187,706**	**(28,034)**
Net profit for the period attributable to non-controlling interests	**6,673**	**8,634**	**(1,961)**	**11,124**	**13,424**	**(2,300)**
Translation differences	(1,168)	(1,168)	–	2,807	2,807	–
Gains/(losses) for the period	*(1,168)*	*(1,168)*	–	*2,807*	*2,807*	–
Reclassified to the income statement	–	–	–	–	–	–
Actuarial gains/(losses) recognized in equity	(1,110)	(1,619)	509	(706)	(706)	–
Other comprehensive income	**(2,278)**	**(2,787)**	**509**	**2,101**	**2,101**	**–**
Comprehensive income attributable to non-controlling interests	**4,395**	**5,847**	**(1,452)**	**13,225**	**15,525**	**(2,300)**
TOTAL COMPREHENSIVE INCOME	**158,708**	**210,703**	**(51,995)**	**172,897**	**203,231**	**(30,334)**

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

								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**	**Attributable to owners of the parent**	**Attributable to non-controlling interests**	**Total equity**
Equity at 31 December 2009	**17,644**	**8,822**	**89,459**	**(39,404)**	**327,285***	**(39,335)**	**27,887**	**374,714**	**54,856**	**429,570**
Appropriation of 2009 net profit					27,887		(27,887)	–		–
2010 net profit							139,546	139,546	11,124	150,670
Other comprehensive income	–	–	–	–	(20,605)	40,731	–	20,126	2,101	22,227
*Exchange differences on translating foreign operations***					*(24,194)*	*40,731*		*16,537*	*2,807*	*19,344*
Actuarial gains/(losses) recognized in equity					*978*			*978*	*-706*	*272*
Cash flow hedges					*2,611*			*2,611*		*2,611*
Treasury stock transactions	–		–	1,565				1,565		1,565
Capital reduction	–	–	–	–				–		–
Changes in scope of consolidation					16			16	17,931	17,947
Dividends paid by Plastic Omnium					(11,256)			(11,256)	–	(11,256)
Dividends paid by other Group companies								–	(6,544)	(6,544)
Stock option costs					2,501			2,501		2,501
Equity at 31 December 2010	**17,644**	**8,822**	**89,459**	**(37,839)**	**325,828***	**1,396**	**139,546**	**527,212**	**79,468**	**606,680**
Appropriation of 2010 net profit					139,546		(139,546)	–		–
2011 net profit							164,695	164,695	6,673	171,368
Other comprehensive income	–	–	–	–	(16,647)	6,265	–	(10,382)	(2,278)	(12,660)
Exchange differences on translating foreign operations					*(1,403)*	*6,265*		*4,862*	*(1,168)*	*3,694*
Actuarial gains/(losses) recognized in equity					*(9,688)*			*(9,688)*	*(1,110)*	*(10,798)*
Cash flow hedges					*(5,556)*			*(5,556)*		*(5,556)*
Treasury stock transactions	–		–	(13,115)				(13,115)		(13,115)
Three-for-one stock-split***	35,289	177			(177)			–		–
Capital reduction (cancellation of treasury stock)	(350)	(60)	(6,491)	6,551				–		–
Changes in scope of consolidation					(29)			(29)	1,564	1,536
Dividends paid by Plastic Omnium					(22,545)			(22,545)	–	(22,545)
Dividends paid by other Group companies								–	(8,827)	(8,827)
Stock option costs					2,191			2,191		2,191
EQUITY AT 31 DECEMBER 2011	**52,584**	**8,939**	**82,968**	**(44,403)**	**428,168***	**7,661**	**164,695**	**648,028**	**76,600**	**724,628**

The 2010 dividend paid by Compagnie Plastic Omnium in 2011 was €1.40 per share compared with a 2009 dividend of €0.70 per share paid in 2010.

* A breakdown of "Other reserves and retained earnings" is provided in the table below.

** Including -€24,194 thousand reclassified to "Other reserves and retained earnings" at 31 December 2010, corresponding to the balance of exchange differences on the date of first-time adoption of IFRSs.

*** The Shareholders' Meeting of 28 April 2011 approved a three-for-one stock split reducing the par value of the Plastic Omnium share from €0.50 to €0.17 and multiplying the number of shares outstanding by three. The stock-split was carried out on 10 May 2011.

ANALYSIS OF OTHER RESERVES AND RETAINED EARNINGS

(in thousands of euros)	Actuarial gains or losses recognized in equity	Cash flow hedges	Fair-value adjustments to property, plant and equipment	Retained earnings and other reserves	Attributable to owners of the parent
At 31 December 2009	**(14,938)**	**(5,423)**	**16,393**	**331,253**	**327,285**
Change in 2010	978	2,611	–	(5,046)	(1,457)
At 31 December 2010	**(13,960)**	**(2,812)**	**16,393**	**326,207**	**325,828**
Change in 2011	(9,688)	(5,556)	–	117,584	102,340
At 31 December 2011	**(23,648)**	**(8,368)**	**16,393**	**443,791**	**428,168**

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of euros)	Notes	2011	2010
I - CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit	**3.1.1**	**171,368**	**150,668**
Non-cash items		**249,453**	**206,625**
Net profit from discontinued operations		*–*	*2,024*
Share of (profit)/loss of associates	*5.1.5*	*551*	*1,871*
Stock option expense		*2,191*	*2,501*
Other adjustments		*(6,448)*	*(19,546)*
Depreciation and provisions for impairment of property, plant and equipment	*3.1.3 - 5.1.3*	*115,289*	*103,695*
Amortization and provisions for impairment of intangible assets	*3.1.3 – 5.1.2*	*70,420*	*45,488*
Negative goodwill	*4.5*	*(43,619)*	*–*
Changes in provisions for liabilities and charges		*18,217*	*20,138*
Net (gains)/losses on disposals of fixed assets	*4.5.#*	*2,323*	*1,093*
Proceeds from operating grants recognized in the income statement		*(1,311)*	*(1,762)*
Current and deferred taxes	*4.7*	*58,086*	*29,682*
Interest expense		*33,754*	*21,441*
Funds from operations (A) *		**420,821**	**357,293**
Change in inventories and work-in-progress- net		18,363	(1,570)
Change in trade receivables – net		(74,857)	(44,252)
Change in trade payables		118,746	38,275
Change in other operating assets and liabilities – net		(8,805)	17,921
Change in working capital (B)		**53,447**	**10,374**
Taxes paid (C)		**(58,706)**	**(15,581)**
Interest paid		(38,392)	(21,632)
Interests received		3,936	1,274
Net interest paid (D)		**(34,456)**	**(20,358)**
Net cash generated by operating activities (A + B + C + D)		**381,106**	**331,728**
II - CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of property, plant and equipment	3.1.3 – 5.1.3	(170,227)	(95,156)
Acquisitions of intangible assets	3.1.3 – 5.1.2	(94,975)	(59,425)
Proceeds from disposals of property, plant and equipment	4.5.#	8,894	12,089
Proceeds from disposals of intangible assets	4.5.#	4,517	4,232
Net change in advances to suppliers of fixed assets		18,798	(1,305)
Government grants received		4,434	1,704
Net cash used in operations-related investing activities (E)		**(228,559)**	**(137,862)**
Free cash flow (A + B + C + D + E) **		**152,547**	**193,866**
Acquisitions of subsidiaries and associates	5.1.13	(31,563)	(301,162)
Acquisitions of available-for-sale financial assets		(161)	(26)
Disposals of subsidiaries and associates	4.5.# – 5.1.13	1,831	–
Disposals of available-for-sale financial assets	4.5.#	156	611
Impact of changes in scope of consolidation (newly consolidated companies)		1,922	20,420
Impact of changes in scope of consolidation (deconsolidations)		(385)	(252)
Net cash used in financial investing activities (F)		**(28,200)**	**(280,408)**
Net cash used in investing activities (E + F)		**(256,759)**	**(418,270)**

(in thousands of euros)	**Notes**	**2011**	**2010**
III - CASH FLOWS FROM FINANCING ACTIVITIES			
Capital increase/(reduction)		–	–
Purchases of treasury stock, net		(13,115)	1,565
Dividends paid to Burelle SA		(13,521)	(6,761)
Dividends paid to other shareholders		(17,853)	(11,039)
Proceeds from new borrowings		116,972	265,713
Repayment of borrowings		(196,246)	(105,147)
Net cash (used in) provided by financing activities (G)		**(123,763)**	**144,332**
Discontinued operations (H)		(759)	(1,942)
Effect of exchange rate changes (I)		(2,257)	5,777
Net change in cash and cash equivalents (A + B + C + D + E + F + G + H + I)		**(2,432)**	**61,623**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	5.1.12	162,633	101,010
CASH AND CASH EQUIVALENTS AT END OF YEAR	5.1.12	**160,201**	**162,633**

* The full payment in first-half 2011 of the fine levied in a 2010 competition ruling reduced funds from operations by €18.7 million. The settlement of a claim made under a seller's warranty received from Burelle SA had an impact of €10.5 million on working capital.

** Free cash flow is calculated on a basis specific to Plastic Omnium and excludes cash flows from financial investing activities. It is used in all external financial reporting (press releases) and in annual and interim results presentations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of Plastic Omnium for the year ended 31 December 2011 were approved for publication by the Board of Directors on 6 March 2012. They will be submitted for approval at the Annual Shareholders' Meeting to be held on 26 April 2012.

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 (body components and modules, and fuel systems) and Environment (on-site waste handling and road signage for local authorities) – which account for 88.1% and 11.9% respectively of consolidated revenue.

Plastic Omnium shares have been traded on the Paris Bourse since 1965. Listed on Eurolist, compartment B, they are part of the SBF 120 index and, since 21 March 2011, the CAC Mid 60 index. The Group's main shareholder is Burelle SA, which owned 55.10% of outstanding shares (60.35% excluding treasury stock) at 31 December 2011.

1. Accounting policies

1.1. Basis of preparation

The consolidated financial statements have been prepared in accordance with the international financial reporting standards (IFRSs) and related interpretations adopted for use in the European Union at 31 December 2011, which are available at http://ec.europa.eu/internal_market/accounting/ias/index_en.htm

IFRSs include International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs) and interpretations published by the International Financial Reporting Interpretations Committee (IFRICs).

All of the standards and interpretations published by the IASB and mandatorily applicable at 31 December 2011 have been adopted for use in the European Union at that date.

The accounting policies applied to prepare the 2011 financial statements are the same as those used in 2010, except for the adoption of the following new standards and interpretations which were applicable for the first time in 2011:

- IAS 24 (revised) – Related Party Disclosures. The revised version of IAS 24 clarifies the definition of a related party to eliminate previous inconsistencies and to facilitate the identification of related party transactions, particularly in the case of joint control or significant influence. It also introduces a partial exemption for government-related entities. Its application had no impact on the consolidated financial statements.
- Amendment to IAS 32 Financial Instruments – Classification of Rights Issues. This amendment changes the definition of a financial liability such that if rights to acquire a fixed number of equity instruments are issued pro rata to all existing holders of the same class of non-derivative equity instruments and are exercisable for a fixed amount of currency, then these rights should be classified as equity instruments. Its application had no impact on the consolidated financial statements.
- Amendments to IFRIC 14 – Prepayments of a Minimum Funding Requirement. These amendments to IFRIC 14 specify that when an entity is subject to a minimum funding requirement under an employee benefits plan and makes an early payment of contributions to cover that requirement, the benefit of the early payment should be treated as an asset.
- IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments.

Other amendments that are applicable for annual periods beginning on or after 1 January 2011 concern IFRS 3 – Business Combinations, IFRS 7 – Financial Instruments: Disclosures, IAS 1 – Presentation of Financial Statements and included in the May 2010 annual improvements to IFRSs. These amendments do not have a material impact on the consolidated financial statements.

The Group has not early adopted those standards, interpretations and amendments that are applicable for annual periods beginning on or after 1 January 2012. Their adoption is not expected to have a material impact on the consolidated financial statements.

Concerning the other standards and amendments that are not yet applicable, particularly IFRS 10 – Consolidated Financial Statements and IFRS 11 – Joint Arrangements which requires join ventures to be accounted for by the equity method, the Group considers that the impact of applying these standards cannot be assessed with a reasonable degree of accuracy at this stage.

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 actual experience or changes in circumstances or economic conditions.

As a general rule, estimates and assumptions are based on the latest available information on the balance sheet date. Estimates may be revised depending on developments in the underlying assumptions. The assumptions used mainly concern:

- Deferred taxes:

  The recognition of deferred tax assets depends on the probability of sufficient taxable earnings being generated to permit their utilization. The Group makes regular estimates of future taxable earnings, mainly in its medium-term business plans. These estimates take account of the recurring or non-recurring nature of certain losses and expenses.

- Pension and other post-employment benefit obligations:

  For defined benefit plans, the projected benefit obligation is calculated by independent actuaries using techniques and assumptions (see notes 1.21.2 and 5.2.6 (a)-(b)) that are based on:

  - Discount rates for pension and other long-term benefit plans
  - The estimated long-term return on plan assets
  - Healthcare cost trends in the United States
  - Expected employee turnover and future salary increases.

- Asset impairment tests:

  Impairment tests are performed notably on goodwill and automotive project development costs recognized as intangible assets. Recoverable amounts determined for these tests are based on estimates of fair value less costs to sell and value in use calculated by the discounted cash flows method. 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 parties, are proportionately consolidated, irrespective of the percentage of voting power 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. Non-controlling interests

Non-controlling interests correspond to the share of the Group's equity attributable to outside shareholders. They are presented in the consolidated balance sheet within equity, separately from equity attributable to owners of the parent. Non-controlling interests in profit or loss are also disclosed separately.

Under IFRS 3R "*Business Combinations*", non-controlling interests in an acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be measured either at the acquisition date fair value (i.e. including a share of the goodwill) or at their proportionate share of the fair value of the acquiree's identifiable net assets. The option is available on a transaction-by-transaction basis.

Transactions with non-controlling interests that do not result in control being acquired or lost are treated as equity transactions. Accordingly, when the Group's interest in a controlled entity is increased (or reduced), without control being acquired (or lost), the difference between the acquisition price (or disposal price) and the carrying amount of the acquired (sold) share of the subsidiary's net assets is recorded in equity.

This accounting treatment complies with IAS 27R "*Consolidated and Separate Financial Statements*", which has been applicable since 1 January 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 two operating segments :

- "Automotive", which covers the design, manufacture and marketing of body components and modules, and fuel systems.
- "Environment", which covers products and services for local authorities, including Sulo Urban Systems waste sorting and management equipment and services, and Signature for road and highway signage.

1.6. Business combinations

Business combinations are accounted for using the acquisition method in accordance with IFRS 3R. Under this method, identifiable assets, liabilities and contingent liabilities acquired are recognized at their acquisition-date fair values.

Goodwill is recognized as the excess of (i) the consideration transferred to the vendor plus (ii) the amount of any non-controlling interest in the acquiree over (iii) the net of the acquisition-date amounts of the identifiable assets and liabilities acquired, measured in accordance with IFRS 3R.

In a business combination achieved in stages, the consideration also includes the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree. The previously held equity interest is remeasured at fair value through profit or loss.

Acquisition-related costs are expensed as incurred, in accordance with IFRS 3R "*Business Combinations*".

The fair values of assets and liabilities acquired may be adjusted through goodwill for a period of twelve months after the acquisition date. After that date, any changes in fair values are recognized in profit or loss, including any changes in recognized deferred tax assets.

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 under "Translation reserve".

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 the entire interest in 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 in "Other operating income and expense" for transactions related to operating activities, and in "Other financial income and expense" 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 foreign 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, 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.

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 as a sale, for an amount corresponding to the sum of the market survey and equipment 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. Their amount 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, tooling or equipment 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 "*Financial Instruments*": Recognition and Measurement 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

(1) The functional currency is the currency of the economic environment in which an entity operates. It is usually the local currency, except for certain subsidiaries that carry out the majority of their transactions in another currency.

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

1.11. Operating margin

Operating margin corresponds to profit from fully consolidated companies, before other operating income and expenses which consist mainly of:

- Gains from disposals of property, plant and equipment and intangible assets.
- Impairment losses on non-current assets (property, plant and equipment and intangible assets), including goodwill.
- Translation differences, corresponding to the difference between the exchange rates used to account for operating receivables and payables and the rates used to account for the related settlements.
- Income and expenses that are unusual in nature, frequency or amount, such as expenses related to the start-up of new plants, restructuring costs and downsizing costs.

Amortization of contractual customer relationships acquired in business combinations is recognized as a separate component of operating margin.

Since 2010, the Group has presented operating margin before as well as after amortization of intangible assets acquired in business combinations.

Operating margin before amortization of intangible assets acquired in business combinations is the Group's main performance indicator and is similar to operating margin as presented before 2010.

1.12. Research tax credit

Certain research expenditure by Group subsidiaries qualifies for French tax credits. These credits are included in operating margin as a deduction from research and development costs (see notes 4.1 and 4.2).

1.13. Right to individual training ("DIF")

The right to individual training ("DIF") was introduced in France 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.

Rights are acquired at the rate of 20 hours per year, with an aggregate cap of 120 hours.

To date, no provision has been recognized for individual training rights, as the related costs are expected to generate future economic benefits for the Group. These costs are therefore expensed as incurred.

1.14. Intangible assets

1.14.1. 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.
- Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Automotive Division 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.

1.14.2. Other intangible assets

Other intangible assets are measured at cost less accumulated amortization and impairment losses. They are amortized on a straight-line basis over their estimated useful lives.

They mainly include Plastic Omnium Auto Inergy and Ford-Milan (Michigan) contractual customer relationships.

These assets are tested for impairment whenever there is objective evidence that they are impaired.

1.15. 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.

1.16. Goodwill and impairment testing

In compliance with IFRS, goodwill is not amortized but is tested for impairment at least once a year, at the year-end, and on the interim balance sheet date if there is objective evidence of impairment.

Impairment tests are carried out at the level of each cash generating unit (CGU) or group of CGUs. The Group has identified three CGUs:

- Automotive
- Sulo Urban Systems
- Signature

The Group has two operating segments – Automotive and Environment (see note 1.5) and information on goodwill is presented based on the same segment analysis (see note 5.1.1).

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 where necessary to take into account the most recent market conditions. The terminal value is calculated by capitalizing projected cash flows for the last year covered by the business plan, using a long-term growth rate that reflects the outlook for the market concerned. The cash flow projections are then discounted.

For 2011, the following assumptions were used for the Group's operating segments:

- Automotive: a 1.5% perpetual growth rate 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:

- An industry risk premium.
- A risk-free interest rate plus the risk premium generally applied to the segment concerned.
- Rates used by comparable companies in the segment concerned.

Based on the results of impairment tests, no impairment losses were recognized on goodwill at 31 December 2011.

A 50 bps increase in the discount rate, or a 50 bps decrease in either the long-term growth rate or the operating margin rate, would not have had a material impact on the test results.

Negative goodwill is recorded in the income statement for the year of acquisition.

Goodwill is measured annually at cost, less any accumulated impairment losses. Impairment losses recognized on goodwill are irreversible.

1.17. 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 by 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 or contributions of property, plant and equipment are eliminated in consolidation.

After initial recognition, property, plant and equipment – including industrial buildings and the related land – are 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	7-12 years
Machining, finishing and other equipment	3-7 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 is made to withdraw a product manufactured using the assets concerned or to close a facility.

1.18. 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, which 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 accounted for in accordance with IAS 16 paragraph 31 that are reclassified as investment property governed by IAS 40 "*Investment Property*" are transferred at their carrying amount on the reclassification date and are subsequently measured at fair value through profit or loss.

Investment property is measured at fair value at the balance sheet date, with changes in fair value recognized in profit or loss. The same accounting treatment is applied for the land on which the property is constructed. The land and buildings are valued at the year-end by an independent valuer. 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.

1.19. Inventories

1.19.1. Raw materials and supplies

Raw materials and supplies are measured at the lower of cost and net realizable value.

A provision for impairment is recorded when the estimated selling price of the related finished products in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale, is less than the carrying amount of the raw materials or supplies.

1.19.2. Finished and semi-finished products

Finished and semi-finished products are measured at standard production cost, adjusted annually. Cost includes raw materials and direct and indirect production costs. It does not include any administrative overheads or 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. In addition, it does not include the cost of any below normal capacity utilization.

At each balance sheet date, the gross value of finished and semi-finished products is compared to their net realizable value, determined as explained above, and a provision for impairment is recorded when necessary.

1.20. 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.

1.21. Provisions for pensions and other post-employment benefits

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

1.21.1. 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.

1.21.2. Defined benefit plans

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

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

Provisions for defined benefit obligations are calculated on an actuarial basis by the projected unit credit method in accordance with IAS 19 "*Employee Benefits*".

The calculations take into account:

- Retirement age assumptions based on local legislation and, in France, voluntary retirement when full benefit rights have been acquired.
- Mortality assumptions.
- The probability of active employees leaving the Group before retirement age.
- Estimated salary increases up to retirement.

- 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 return on plan assets.

Changes in provisions for defined benefit obligations 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 other comprehensive income.

Plastic Omnium has elected to recognize actuarial gains and losses on defined benefit plans directly in other comprehensive income with no deferral.

1.21.3. Other long-term benefit plans

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

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

1.22. Government grants

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

They are reclassified in gross profit over the periods and in the proportions in which the acquired assets are depreciated, or when it is established that the research and development programs will not be successful.

1.23. Treasury stock

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

The proceeds from sales of treasury stock are recorded directly in equity and gains or losses on the sales therefore have no impact on profit for the year.

1.24. 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.

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.

1.25. 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 and presented in accordance with IAS 32 "*Financial Instruments*": Presentation and IAS 39 "*Financial Instruments: Recognition and Measurement*".

Financial assets are classified as non-current assets, except for assets maturing within twelve months of the balance sheet date which are recorded under current assets or cash equivalents, as appropriate.

1.25.1. 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, with changes in fair value recognized directly in other comprehensive income. An impairment loss is recognized when there is objective evidence of a prolonged or significant decline in the recoverable amount of the assets below their cost. Impairment losses recognized on available-for-sale financial assets are irreversible.

1.25.2. 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.

1.26. 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 other comprehensive income and the ineffective portion is recognized in financial income or expense.

1.27. Cash and cash equivalents

In accordance with IAS 7 "*Statement of Cash Flows*", cash and cash equivalents presented in the statement of cash flows are short-term, highly liquid investments that are readily convertible into known amounts of cash and 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 arising in the ordinary course of business, as these are considered to represent sources of financing. Cash equivalents correspond to the temporary investment of surplus cash in instruments with short maturities. They include marketable securities, units in money market mutual funds, and money market securities. Cash equivalents are measured at fair value and changes in their fair value are recognized in the income statement.

1.28. Assets held for sale and discontinued operations

The following items are classified as assets held for sale:

- Assets that are being held pending their sale.
- Assets or groups of assets (disposal groups) 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 (or disposal groups) classified as held for sale 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 in "Other operating expense".

Assets, disposal groups and operations may be classified in this category for more than a year only if they meet the conditions set out in IFRS 5 "*Non-current Assets Held for Sale and Discontinued Operations*".

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 reported as a separate line item entitled "Profit/(loss) from discontinued operations" in each of the years presented.

1.29. Income tax

In accordance with IAS 12 "*Income Taxes*", 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 when it is probable that sufficient taxable earnings will be generated to permit their utilization.

2. Significant events of the year

2.1 Developments concerning the partnership with Eurovia

After a four-year partnership in the road signage market, the Plastic Omnium and Eurovia groups agreed to go their separate ways by unwinding their cross-shareholdings. Under the terms of the agreement:

- Plastic Omnium will sell its 35% interest in Euromark Holding (horizontal signage) to Eurovia.
- Signature Vertical Holding, a subsidiary of Plastic Omnium, will sell three French companies, Farcor, STS and Sodilor, to Eurovia.
- Eurovia will sell its 35% interest in Signature Vertical Holding to Plastic Omnium.
- Plastic Omnium will sell its Signature Deutschland subsidiary to Eurovia.

Following these transactions, Plastic Omnium's road signage business will be conducted through its Signal AG, Signature Ltd and Post & Column subsidiaries.

The assets and liabilities of Farcor, STS, Sodilor and Signature Deutschland were classified under "Assets held for sale" and "Liabilities related to assets held for sale" in the consolidated balance sheet at 31 December 2011. The impact of the transactions was recognized in the income statement under "Other operating expenses" (see note 4.5).

2.2. Acquisitions

2.2.1. Acquisitions of controlling interests

ROTHERM

On 9 May, the Group acquired a 70% controlling interest in German company RMS Rotherm Maschinenbau GmbH, a manufacturer of underground waste containers. The company has been included in the Group's Environment Division. Provisional goodwill relating to the acquisition was recognized in the 2011 accounts in an amount of €4.3 million. RMS Rotherm contributed €5.7 million to consolidated revenue for 2011.

2.2.2. Acquisitions of assets

FORD – MILAN (MICHIGAN)

On 1 June, the Group acquired the plastic fuel system/fuel tank manufacturing assets of Ford Motor Company's Automotive Components Holdings LLC subsidiary in Milan, Michigan. The business produces 1.3 million fuel tanks a year.

As part of the acquisition, which was completed on terms that reflected operating conditions at the Milan site, Plastic Omnium agreed to build a new plant in Michigan where production will be transferred in 2013.

The acquisition led to the recognition of the following items in the balance sheet at 31 December 2011 in accordance with IFRS 3R "*Business Combinations*", for amounts based on the most recent management estimates:

- Contractual customer relationships and other amortizable intangible assets
- Property, plant and equipment
- Inventories
- Financing from Ford during construction of the new plant
- Related tax liabilities.

Employee benefit obligations for the employees transferred as of 1 June 2011 will not be assumed by Plastic Omnium.

The acquisition also led to the recognition of an after-tax profit in "Other operating income" in 2011 (see note 4.5). The accounting for the business combination will be completed within twelve months of the acquisition date.

The Ford – Milan (Michigan) business has been fully consolidated from the acquisition date. It contributed €89.2 million to consolidated revenue for 2011.

PLASTAL POLAND

On 29 December, Plastic Omnium acquired Plastal Poland's Automotive assets. Located in Gliwice and Poznan, the two plants generated more than €60 million in revenue in 2010. They mainly supply Fiat, Volkswagen, BMW, Audi and Ford, and employ some 600 people.

The acquisition strengthens Plastic Omnium Auto Exterior's base in Eastern Europe, where it currently has plants in Poland, the Czech Republic and Slovakia that supply Volkswagen, Audi, Porsche, Skoda, PSA Peugeot Citroën and General Motors. It also reflects Plastic Omnium's successful sale efforts in the region, especially for mass-market cars currently being launched like the all-new Volkswagen Up! and the Opel Astra.

The acquisition led to recognition of the following items in the balance sheet at 31 December 2011 in accordance with IFRS 3R "*Business Combinations*":

- Property, plant and equipment
- Inventories and trade payables
- Related tax liabilities.

It also led to the recognition of an after-tax profit in "Other operating income" in 2011 (see note 4.5). The accounting for the business combination will be completed within twelve months of the acquisition date, in accordance with IFRS.

The Plastal Poland business has been fully consolidated from the acquisition date. Due to the timing of the acquisition, it made no contribution to revenue for the year.

2.3. Discontinued operations and assets held for sale/liabilities related to assets held for sale

2.3.1. Discontinued operations

At the beginning of the year, the Group sold its South African subsidiary Plastic Omnium Urban Systems Pty for €1,831 thousand. This subsidiary was part of the Group's Environment Division. The net impact on consolidated profit was €(71) thousand.

2.3.2. Assets held for sale/liabilities related to assets held for sale

In 2011, the Group sold Sulo Verwaltung und Technik GmbH's Elsfleth and Heideloh facilities (Environment Division). The two facilities were classified as "Assets held for sale" in the balance sheet at 31 December 2010.

Assets held for sale and the related liabilities were as follows at 31 December 2011:

- Farcor, STS, Sodilor and Signature Deutschland, which are held for sale in connection with the unwinding of the partnership with Eurovia (see notes 2.1 and 4.5).
- The Group's interest in Euromark Holding, which has been written down in full (see notes 2.1 and 4.5).
- Signature's current headquarters building in Germany, owned by Sulo Verwaltung und Technik GmbH. This building is being held for sale in connection with the unwinding of the partnership with Eurovia.
- Inergy Automotive Systems Canada Inc.'s Blenheim facility (Automotive Division), which was already classified as held for sale at 31 December 2010.

(in thousands of euros)	31 December 2011				31 December 2010		
	Total	**Assets held for sale/liabilities related to assets held for sale**			**Total**	**Assets held for sale/ liabilities related to assets held for sale**	
		Signature entities	Signature headquarters building in Germany	Blenheim facility		Elsfleth – Heideloh facilities	Blenheim facility
Intangible assets (including goodwill)	9,634	9,634					
Land and improvements	1,138	593	545		366	366	
Buildings, fixtures and fittings	3,632	816	1,583	1,233	2,003	809	1,194
Plant and equipment	1,012	1,012			25	25	
Financial assets	(2)	(2)					
Deferred tax assets	177	177					
Inventories	5,426	5,426					
Trade and other receivables	9,243	9,243					
Current account advances	10,533	10,533					
Cash and cash equivalents	776	776					
Assets held for sale	**41,569**	**38,208**	**2,128**	**1,233**	**2,394**	**1,200**	**1,194**
Provisions for liabilities and charges	371	371					
Provisions for pensions and other post-employment benefits	837	837					
Government grants	6	6					
Deferred tax liabilities	772	772					
Current account advances	1,876	1,876					
Bank overdrafts	17	17					
Trade and other payables	13,048	13,048					
Liabilities related to assets held for sale	**16,927**	**16,927**					
NET ASSETS HELD FOR SALE	**24,642**	**21,281**	**2,128**	**1,233**	**2,394**	**1,200**	**1,194**

3. Segment information

3.1. Information by reportable segment

The following tables present data for each segment, with an "Unallocated items" column that includes inter-segment eliminations and amounts that are not allocated to a specific segment (for example, holding company activities). The data in this column are presented in order to reconcile segment information to the Group's financial statements. Finance costs and other financial income and expense, income tax and profits/(losses) of associates are accounted for at Group level and are not allocated to the segments. Inter-segment transactions are carried out on an arm's length basis.

3.1.1. Consolidated income statement data by reportable segment

	2011			
(in thousands of euros)	**Automotive**	**Environment**	**Unallocated items ***	**Consolidated total**
Sales to third parties	3,721,659	501,191	(2,440)	4,220,410
Sales between segments	(1,571)	(869)	2,440	–
Revenue	**3,720,088**	**500,322**	**–**	**4,220,410**
% of revenue	*88.1%*	*11.9%*		*100%*
Operating margin before amortization of intangible assets acquired in business combinations	**273,146**	**23,306**		**296,452**
% of segment revenue	*7.3%*	*4.7%*		*7.0%*
Amortization of intangible assets acquired in business combinations	(17,042)			(17,042)
Operating margin after amortization of intangible assets acquired in business combinations	**256,104**	**23,306**		**279,410**
% of segment revenue	*6.9%*	*4.7%*		*6.6%*
Other operating income	**54,332**	**1,739**		**56,071**
Other operating expenses	**(26,796)**	**(36,543)**		**(63,339)**
% of segment revenue	*0.7%*	*-7.0%*		*-0.2%*
Finance costs, net				(35,807)
Other financial income and expense, net				(6,330)
Share of profit/(loss) of associates				(551)
PROFIT FROM CONTINUING OPERATIONS BEFORE INCOME TAX				**229,454**
Income tax				(58,086)
NET PROFIT FROM CONTINUING OPERATIONS				**171,368**
Net loss from discontinued operations				–
NET PROFIT				**171,368**

	2010			
(in thousands of euros)	**Automotive**	**Environment**	**Unallocated items ***	**Consolidated total**
Sales to third parties	2,779,084	472,138	(1,626)	3,249,596
Sales between segments	(1,037)	(589)	1,626	–
Revenue	**2,778,047**	**471,549**	**–**	**3,249,596**
% of revenue	*85.5%*	*14.5%*		*100%*
Operating margin before amortization of intangible assets acquired in business combinations	**201,417**	**25,797**		**227,214**
% of segment revenue	*7.2%*	*5.5%*		*7.0%*
Amortization of intangible assets acquired in business combinations	(10,260)			(10,260)
Operating margin after amortization of intangible assets acquired in business combinations	**191,157**	**25,797**		**216,954**
% of segment revenue	*6.9%*	*5.5%*		*6.7%*
Other operating income	**33,787**	**2,804**		**36,591**
Other operating expenses	**(23,638)**	**(18,449)**		**(42,087)**
% of segment revenue	*0.4%*	*-3.3%*		*-0.2%*
Finance costs, net				(23,157)
Other financial income and expense, net				(4,056)
Share of profit/(loss) of associates				(1,871)
PROFIT FROM CONTINUING OPERATIONS BEFORE INCOME TAX				**182,374**
Income tax				(29,682)
NET PROFIT FROM CONTINUING OPERATIONS				**152,692**
Net loss from discontinued operations				(2,024)
NET PROFIT				**150,668**

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

3.1.2. Consolidated balance sheet data by reportable segment

Net amounts	**31 December 2011**			
(in thousands of euros)	**Automotive**	**Environment**	**Unallocated items**	**Consolidated total**
Goodwill	183,772	157,079	2,960	343,811
Intangible assets	300,931	19,625	10,793	331,349
Property, plant and equipment	650,836	85,315	34,363	770,514
Investment property	–	–	18,355	18,355
Inventories	216,729	44,670	–	261,399
Trade receivables	360,035	76,013	3,620	439,668
Other receivables	175,261	14,661	17,049	206,971
Finance receivables * (C)	88,543	8,789	–	97,332
Current accounts and other financial assets (D)	(17,206)	15,451	32,069	30,314
Hedging instruments (E)	–	–	2	2
Net cash and cash equivalents ** (A)	122,942	15,257	22,002	160,201
Total segment assets	**2,081,843**	**436,860**	**141,213**	**2,659,916**
Short-term borrowings (B)	164,924	18,583	575,661	759,168
Segment liabilities	**164,924**	**18,583**	**575,661**	**759,168**
NET SEGMENT DEBT = (B – A – C – D – E)	**(29,355)**	**(20,914)**	**521,588**	**471,319**

Net amounts	**31 December 2010**			
(in thousands of euros)	**Automotive**	**Environment**	**Unallocated items**	**Consolidated total**
Goodwill	182,732	176,857	2,960	362,549
Intangible assets	256,896	19,592	8,412	284,900
Property, plant and equipment	555,312	86,285	31,268	672,865
Investment property	–	–	18,355	18,355
Inventories	228,925	44,412	–	273,337
Trade receivables	288,372	84,065	19,343	391,780
Other receivables	110,198	14,290	15,486	139,974
Finance receivables * (C)	88,194	9,618	–	97,811
Current accounts and other financial assets (D)	52,891	26,337	(54,468)	24,761
Hedging instruments (E)	–	–	3,385	3,385
Net cash and cash equivalents ** (A)	142,369	15,485	4,779	162,633
Total segment assets	**1,905,889**	**476,941**	**49,520**	**2,432,350**
Short-term borrowings (B)	250,147	18,627	557,646	826,420
Segment liabilities	**250,147**	**18,627**	**557,646**	**826,420**
NET SEGMENT DEBT = (B – A – C – D – E)	**(33,307)**	**(32,812)**	**603,950**	**537,831**

* At 31 December 2011, finance receivables included €58,266 thousand classified in the balance sheet as "Other financial assets" in non-current assets and €39,066 thousand classified as "Finance receivables" in current assets.

At 31 December 2010, finance receivables included €46,777 thousand classified in the balance sheet as "Other financial assets" in non-current assets and €51,034 thousand classified as "Finance receivables" in current assets.

See also note 5.2.7.a.

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

3.1.3. Other consolidated information by reportable segment

(in thousands of euros)	Automotive	Environment	Unallocated items	Consolidated total
31 December 2011				
Acquisitions of intangible assets	87,433	4,545	2,997	94,975
Capital expenditure (*o/w Investment property*)	142,236	22,167	5,824	170,227
Depreciation and amortization expense*	160,474	21,710	3,525	185,709
31 December 2010				
Acquisitions of intangible assets	55,757	2,305	1,363	59,425
Capital expenditure (*o/w Investment property*)	64,663	18,157	12,336	95,156
Depreciation and amortization expense*	124,001	23,588	1,594	149,183

* This item corresponds to depreciation, amortization and impairments of property, plant and equipment and intangible assets, including intangible assets acquired in business combinations.

3.2. Information by geographic region - Revenue

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

(in thousands of euros)	2011	%	2010	%
France	801,280	19.0%	680,782	20.9%
North America	1,002,101	23.7%	712,629	21.9%
Europe excluding France	1,597,975	37.9%	1,259,131	38.7%
South America	182,154	4.3%	143,982	4.4%
Africa	41,204	1.0%	31,764	1.0%
Asia	595,696	14.1%	421,308	13.0%
TOTAL	**4,220,410**	**100%**	**3,249,596**	**100%**

3.3. Automotive segment revenue by automobile manufacturer

	2011			2010		
(in thousands of euros)	Amounts	% of total revenue from manufacturers	% of total Automotive revenue	Amounts	% of total revenue from manufacturers	% of total Automotive revenue
Automobile manufacturer						
PSA Peugeot Citroën	636,924	25.0%	17.1%	483,063	23.6%	17.4%
Renault/Nissan	447,750	17.6%	12.1%	368,622	18.0%	13.3%
General Motors	630,254	24.8%	16.9%	478,807	23.4%	17.2%
BMW	387,926	15.3%	10.4%	382,155	18.6%	13.8%
Volkswagen	439,254	17.3%	11.8%	337,839	16.5%	12.2%
Total main manufacturers	**2,542,108**	**100.0%**	**68.3%**	**2,050,486**	**100.0%**	**73.8%**
Other	1,177,980		31.7%	727,561		26.2%
TOTAL AUTOMOTIVE REVENUE	**3,720,088**		**100%**	**2,778,047**		**100%**

3.4. Non-current assets by geographic region

(in thousands of euros)	France	North America	Europe excluding France	South America Asia	Other*	Total
31 December 2011						
Goodwill	211,113	23,068	105,434	4,196	–	343,811
Intangible assets	152,101	61,579	94,991	21,861	817	331,349
Property, plant and equipment	161,028	130,772	292,741	180,553	5,420	770,514
including capital expenditure for the year	*31,064*	*11,159*	*72,792*	*54,025*	*1,187*	*170,227*
Investment property	18,355	–	–	–	–	18,355
TOTAL NON-CURRENT ASSETS	**542,597**	**215,419**	**493,166**	**206,610**	**6,237**	**1,464,029**
31 December 2010						
Goodwill	233,303	22,338	102,621	3,881	406	362,549
Intangible assets	155,916	36,980	70,434	20,988	582	284,900
Property, plant and equipment	167,938	104,231	243,924	150,356	6,416	672,865
including capital expenditure for the year	*22,972*	*8,021*	*26,683*	*36,134*	*494*	*94,303*
Investment property	18,355	–	–	–	–	18,355
TOTAL NON-CURRENT ASSETS	**575,512**	**163,549**	**416,979**	**175,225**	**7,404**	**1,338,669**

* "Other" corresponds to two companies in South Africa.

4. Notes to the income statement

4.1. Research and development costs

The following table analyzes research and development expenditure for 2011 and 2010, as well as the percentage of revenue it represents.

(in thousands of euros)	2011	%	2010	%
Research and development costs	(206,227)	-4.9%	(143,742)	-4.4%
Of which capitalized development costs and research and development costs billed to customers	127,904	3.0%	78,875	2.4%
NET RESEARCH AND DEVELOPMENT COSTS	**(78,323)**	**-1.9%**	**(64,867)**	**-2.0%**

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

(in thousands of euros)	2011	2010
Cost of sales includes		
Raw materials (purchases and changes in inventory)*	(2,683,641)	(1,967,932)
Direct production outsourcing*	(7,336)	(7,453)
Utilities and fluids	(75,695)	(61,914)
Employee benefits expense	(447,937)	(359,522)
Other production costs	(276,686)	(235,165)
Proceeds from the sale during the period of waste containers leased to customers under operating leases**	1,167	2,180
Carrying amount of waste containers leased to customers under operating leases that were sold during the period**	(957)	(2,168)
Depreciation	(124,540)	(110,658)
Provisions	9,320	(12,855)
TOTAL	**(3,606,305)**	**(2,755,487)**

(in thousands of euros)	2011	2010
Research and development costs include		
Employee benefits expense	(96,938)	(79,014)
Amortization of capitalized development costs	(33,106)	(25,036)
Other	51,721	39,184
TOTAL	**(78,323)**	**(64,867)**
Distribution costs include		
Employee benefits expense	(40,466)	(35,514)
Depreciation and provisions	(194)	537
Other	(22,594)	(21,140)
TOTAL	**(63,254)**	**(56,117)**
Administrative costs include		
Employee benefits expense	(100,455)	(87,742)
Other administrative expenses	(64,632)	(53,617)
Depreciation	(8,273)	(5,483)
Provisions	(2,716)	930
TOTAL	**(176,076)**	**(145,911)**

* Reflects Westfalia (Environment Division) transport outsourcing, reclassified from "Direct production outsourcing" to "Raw materials". Data for 2010 has been restated to facilitate comparisons.
** See "Gains/losses on disposals of non-current assets" in note 4.5.

4.3. Employee benefits expense

(in thousands of euros)	2011	2010
Wages and salaries	(501,307)	(410,799)
Payroll taxes	(156,368)	(122,545)
Non-discretionary profit-sharing	(13,433)	(12,735)
Pension and other post-employment benefit costs	(392)	1,206
Share-based compensation	(2,224)	(2,502)
Other employee benefits expenses	(12,072)	(14,417)
Total employee benefits expense excluding temporary staff costs	**(685,796)**	**(561,792)**
Temporary staff costs	(68,474)	(50,985)
TOTAL EMPLOYEE BENEFITS EXPENSE INCLUDING TEMPORARY STAFF COSTS	**(754,270)**	**(612,777)**

4.4. Amortization of intangible assets acquired in business combinations

This item corresponds to the recurring impact of applying the acquisition method to Inergy (acquired in 2010) and Ford Milan (Michigan) (acquired in 2011).

(in thousands of euros)	2011	2010
Brand	(350)	(117)
Contractual customer relationships	(16,692)	(5,143)
Consumption of inventories revalued in the opening balance sheet	–	(5,000)
TOTAL AMORTIZATION OF INTANGIBLE ASSETS ACQUIRED IN BUSINESS COMBINATIONS	**(17,042)**	**(10,260)**

4.5. Other operating income and expenses

(in thousands of euros)	**2011**	**2010**
Gains/losses on disposals of non-current assets#	(1,501)	369
Pre-start-up costs at new plants	(4,235)	(970)
Employee downsizing plans	(7,490)	(4,080)
Impairment of non-current assets*	(29,008)	(6,372)
Provisions for charges **	(5,096)	(245)
Litigation***	1,568	(9,863)
Foreign exchange gains and losses on operating activities	(1,870)	591
Impact of acquisitions		
Revaluation of the 50% interest in Plastic Omnium Auto Inergy	–	18,785
Acquisition of Ford Milan and Plastal Poland (see note 2.2.2)	43,619	–
Related fees and expenses	(1,248)	(2,431)
Other ****	(2,007)	(1,280)
TOTAL	**(7,268)**	**(5,496)**
Of which other operating income	***56,071***	***36,591***
Of which other operating expenses	***(63,339)***	***(42,087)***

In 2011, the impact of unwinding the partnership with Eurovia (see note 2.1) was recorded in "Other operating income and expense" as follows:
* €15,390 thousand in impairment losses on the Signature companies classified as "Assets held for sale".
€10,625 thousand impairment loss on Plastic Omnium's 35% interest in Euromark Holding.
** €2,200 thousand provision for indemnities included in the overall negotiations.

Other items are as follows:
*** In 2010, €8,300 thousand provision for fines resulting from competition proceedings.
**** "Other" includes net losses on sales of non-current financial assets for €1,032 thousand in 2011 and €139 thousand in 2010.

 # Gains/losses on disposals of non-current assets
Proceeds from disposals of property, plant and equipment and intangible assets in the statement of cash flows include proceeds from disposals of assets reported under "Other operating income and expenses" and proceeds from sales of waste containers leased to customers under operating leases reported under "Cost of sales" (see note 4.2).

Net (gains)/losses on disposals of fixed assets in the statement of cash flows include gains and losses from disposals of property, plant and equipment and intangible assets reported under "Other operating income and expenses" and gains and losses from sales of waste containers leased to customers under operating leases reported under "Cost of sales" (see note 4.2). These amounts break down as follows:

	2011		2010	
(in thousands of euros)	**Disposal proceeds**	**Gain/loss**	**Disposal proceeds**	**Gain/loss**
Sales of waste containers included in operating margin	1,167	210	2,180	12
Total sales of waste containers included in operating margin *(see note 4.2)*	**1,167**	**210**	**2,180**	**12**
Disposals of intangible assets	4,517	99	4,232	(237)
Disposals of property, plant and equipment	6,982	(1,845)	9,390	(1,248)
Disposals of available-for-sale financial assets	745	245	519	519
Total disposals of property, plant and equipment, intangible assets and available-for-sale financial assets recorded in other operating income and expense *(see footnote # to note 4.5)*	**12,244**	**(1,501)**	**14,141**	**(966)**
Disposals of non-current financial assets	1,987	(1,032)	611	(139)
Total disposals of non-current financial assets *(see footnote **** to "Other" in note 4.5)*	**1,987**	**(1,032)**	**611**	**(139)**
TOTAL	**15,398**	**(2,323)**	**16,932**	**(1,093)**

4.6. Finance costs and other financial income and expenses, net

(in thousands of euros)	**2011**	**2010**
Finance costs	(27,485)	(14,023)
Interest cost - pension obligations	(1,502)	(3,430)
Financing fees and commissions	(6,820)	(5,704)
Finance costs – net	**(35,807)**	**(23,157)**
Exchange gains or losses on financing activities	772	(434)
Losses on financial instruments	(7,189)	(3,622)
Other	87	–
Other financial expenses	**(6,330)**	**(4,056)**
TOTAL	**(42,137)**	**(27,213)**

4.7. Income tax

4.7.1. Income tax recorded in the income statement

Income tax expense breaks down as follows:

(in thousands of euros)	**2011**	**2010**
Current taxes	**(59,421)**	**(27,950)**
Current income tax (expense)/benefit	(56,227)	(26,371)
Tax (expense)/benefit on exceptional items	(3,194)	(1,579)
Deferred taxes	**1,335**	**(1,732)**
Deferred tax (expense)/benefits on temporary differences arising or reversing during the period	2,093	(2,133)
Effect of change in tax rates or the introduction of new taxes	(758)	401
INCOME TAX (EXPENSE)/BENEFIT RECORDED IN THE INCOME STATEMENT	**(58,086)**	**(29,682)**

The income tax rate in France has been increased to 36.1% from 33.3%. In light of the Group's tax situation in France, a 35% rate has been applied. The new rate was used to calculate current taxes for 2011 and for the measurement of deferred tax assets and liabilities. In addition, the newly introduced cap on the use of tax loss carryforwards was taken into account in assessing the probability of tax losses being used and, consequently, in determining the amount of deferred tax assets to be recognized in respect of French tax loss carryforwards. The effect of the new tax rules on income tax expense for the year was not material.

4.7.2. Tax proof

(in thousands of euros)	**2011**	**2010**
Consolidated profit before tax	**229,454**	**182,374**
Theoretical tax at French standard tax rate	(80,492)	(60,785)
Impact of differences in foreign tax rates	7,966	8,508
Effect on opening deferred taxes of changes in tax rates	758	(401)
Recognition and utilization of previously unrecognized tax loss carryforwards	27,061	37,446
Unrecognized tax loss carryforwards and other tax assets	(21,784)	(9,368)
Tax credits and other tax savings	15,401	6,866
Non-deductible expenses and non-taxable income	(5,028)	(13,262)
Other	(1,968)	1,314
Tax at the effective tax rate	**(58,086)**	**(29,682)**
Effective tax rate	25,3%	16,3%

In 2011, actual income tax expense was €58 million compared with theoretical tax expense of €80 million at the French standard rate (35% for the Group). The difference was attributable for €8 million to the impact of lower foreign tax rates, particularly in Asia, and for €8 million to the use of tax credits in the United States and other countries. Mergers and acquisitions for the year had a very limited impact on the Group's effective tax rate. The impact of i) unrecognized deferred tax assets for tax loss carryforwards and other items used and/or recognized during the year and of ii) unrecognized tax losses generated during the year was significantly lower in 2011 than in 2010 but remained positive at €5 million.

The effective tax rate increased to 25.3% in 2011 from 16.3% the previous year. This was because results forecasts were upgraded in 2010, providing scope to significantly increase the amount of recognized deferred tax assets.

4.8. Earnings per share and earnings per share from continuing operations

Earnings per share attributable to owners of the parent	**2011**	**2010 on a comparable basis to 2011**	**2010 reported**
Basic earnings per share (in €)	3.44	2.89	8.68
Diluted earnings per share (in €)	3.30	2.79	8.38
Earnings per share from continuing operations, attributable to owners of the parent	**2011**	**2010 on a comparable basis to 2011**	**2010 reported**
Basic earnings per share from continuing operations (in €)	3.44	2.93	8.80
Diluted earnings per share from continuing operations (in €)	3.30	2.83	8.49
Weighted average number of ordinary shares	**52,583,797**	**52,933,797**	**17,644,599**
• Treasury stock	(4,742,107)	(4,728,204)	(1,576,068)
Weighted average number of ordinary shares used to calculate basic earnings per share	**47,841,690**	**48,205,593**	**16,068,531**
• Impact of dilutive instruments (stock options)	2,035,380	1,737,855	579,285
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES USED TO CALCULATE DILUTED EARNINGS PER SHARE	**49,877,071**	**49,943,448**	**16,647,816**

5. Notes to the balance sheet

5.1. Assets

5.1.1. Goodwill

(in thousands of euros)	Gross value	Impairment	Carrying amount
At 1 January 2010	**289,931**	**0**	**289,931**
Redondela acquisition	5,660	–	5,660
Post & Column acquisition	3,393	–	3,393
John Wilkinson acquisition	244	–	244
Acquisition of control of Plastic Omnium Auto Inergy*	62,635	–	62,635
Translation adjustment and other movements	686	–	686
At 31 December 2010	**362,549**	**0**	**362,549**
RMS Rotherm acquisition **	4,306	–	4,306
Cancellation of PO Urban Systems Pty goodwill (divested)	(406)	–	(406)
Adjustment to Redondela goodwill***	(300)	–	(300)
Adjustment to Plastic Omnium Auto Inergy goodwill ***	294	–	294
Dissolved company	19	–	19
Reclassification of goodwill on Signature companies classified as held for sale ****	(23,835)	–	(23,835)
Translation adjustment	1,184	–	1,184
AT 31 DECEMBER 2011	**343,811**	**0**	**343,811**

* The acquisition of control of Inergy in 2010 led to the derecognition of €90 million in goodwill recognized on the initial acquisition of 50% of the company and to the recognition of €151.9 million in goodwill on the total interest.
** See note 2.2.1 "Acquisitions of controlling interests – Rotherm"
*** Companies acquired in 2010 for which goodwill was adjustable up until 31 December 2011.
**** See note 2.3.2. on assets held for sale (Sodilor, Farcor, STS and Signature Deutschland) and related liabilities.

Goodwill breaks down as follows by reportable segment:

(in thousands of euros)	Gross value	Impairment	Carrying amount
Automotive	183,772	–	183,772
Environment	157,079	–	157,079
Unallocated *	2,960	–	2,960
AT 31 DECEMBER 2011	**343,811**	**0**	**343,811**
Automotive	182,732	–	182,732
Environment	176,857	–	176,857
Unallocated *	2,960	–	2,960
At 31 December 2010	**362,549**	**0**	**362,549**

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

5.1.2. Intangible assets

(in thousands of euros)	Goodwill	Patents and licenses	Software	Develop-ment costs	Contractual customer relationships	Other	Total
Carrying amount at 1 January 2011	**362,549**	**29,061**	**12,341**	**135,673**	**102,857**	**4,968**	**647,449**
Acquisitions	–	847	4,435	88,476	–	1,217	94,975
Disposals – net	–	(1)	(1)	(4,417)	–	–	(4,419)
Companies consolidated for the first time	4,306	–	533	1,543	21,634	954	28,970
Changes in scope of consolidation	(393)	–	–	(2)	–	–	(395)
Reclassifications*	(23,835)	(127)	353	(8)	–	(699)	(24,316)
Impairments recognized and reversed	–	–	–	34	–	–	34
Amortization for the period	–	(2,090)	(6,242)	(44,305)	(16,692)	(1,125)	(70,454)
Translation adjustment	1,184	(6)	(17)	317	1,540	298	3,316
CARRYING AMOUNT AT 31 DECEMBER 2011	**343,811**	**27,684**	**11,402**	**177,311**	**109,339**	**5,613**	**675,160**

* Goodwill on the Signature vertical signage business reclassified in "Assets held for sale" at 31 December 2011 (see notes 2.3.2 and 5.1.1).

Movements for 2011 corresponded mainly to the following:

Contractual customer relationships:

Recognition of contractual customer relationships on the Ford Milan business combination for €21.6 million, amortized over nine years.

Reclassifications:

Reclassification as "Assets held for sale" of goodwill related to Sodilor, Farcor, STS and Signature Deutschland (see note 2.3.2).

(in thousands of euros)	Goodwill	Patents and licenses	Software	Development costs	Contractual customer relationships	Other	Total
Carrying amount at 1 January 2010	**289,931**	**22,418**	**11,530**	**68,901**	**0**	**4,083**	**396,863**
Acquisitions	–	899	2,619	54,748	–	1,159	59,425
Disposals – net	–	(63)	10	(4,372)	–	(32)	(4,457)
Companies consolidated for the first time	9,297	(3)	–	1,466	–	–	10,760
Other changes in scope of consolidation	62,635	7,233	2,901	46,155	108,000	137	227,061
Reclassifications	–	85	1,127	(618)	–	(199)	395
Impairment	–	(125)	–	(34)	–	–	(159)
Amortization for the period	–	(1,513)	(5,957)	(32,330)	(5,143)	(386)	(45,329)
Translation adjustment	686	130	111	1,757	–	206	2,890
CARRYING AMOUNT AT 31 DECEMBER 2010	**362,549**	**29,061**	**12,341**	**135,673**	**102,857**	**4,968**	**647,449**

Movements for 2010 corresponded primarily to the recognition of contractual customer relationships and the Inergy brand following acquisition of control of Inergy, for €115 million. These assets are being amortized over 7 and 20 years respectively (see note 2.1.1 of the 2010 Annual Report).

(in thousands of euros)	Goodwill	Patents and licenses	Software	Development costs	Contractual customer relationships	Other	Total
Analysis of carrying amount at 1 January 2011							
Cost	362,549	41,181	75,051	282,610	108,000	10,727	880,118
Accumulated amortization	–	(11,995)	(62,710)	(146,903)	(5,143)	(5,759)	(232,510)
Accumulated impairment	–	(125)	–	(34)	–	–	(159)
Carrying amount at 1 January 2011	**362,549**	**29,061**	**12,341**	**135,673**	**102,857**	**4,968**	**647,449**
Analysis of carrying amount at 31 December 2011							
Cost	343,811	41,547	76,763	361,183	131,269	12,146	966,719
Accumulated amortization	–	(13,738)	(65,360)	(183,872)	(21,930)	(6,534)	(291,434)
Accumulated impairment	–	(125)	–	–	–	–	(125)
CARRYING AMOUNT AT 31 DECEMBER 2011	**343,811**	**27,684**	**11,403**	**177,311**	**109,339**	**5,612**	**675,160**

(in thousands of euros)	Goodwill	Patents and licenses	Software	Development costs	Contractual customer relationships	Other	Total
Analysis of carrying amount at 1 January 2010							
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 1 January 2010	**289,931**	**22,418**	**11,530**	**68,901**	**0**	**4,083**	**396,863**
Analysis of carrying amount at 31 December 2010							
Cost	362,549	41,181	75,051	282,610	108,000	10,727	880,118
Accumulated amortization	–	(11,995)	(62,710)	(146,903)	(5,143)	(5,759)	(232,510)
Accumulated impairment	–	(125)	–	(34)	–	–	(159)
CARRYING AMOUNT AT 31 DECEMBER 2010	**362,549**	**29,061**	**12,341**	**135,673**	**102,857**	**4,968**	**647,449**

5.1.3. Property, plant and equipment excluding investment property

(in thousands of euros)	Land at cost	Buildings	Technical equipment and tooling	Assets under construction	Other	Total
Carrying amount at 1 January 2011	**54,960**	**228,250**	**241,700**	**43,713**	**104,241**	**672,865**
Increases	2,124	8,069	63,500	56,672	39,863	170,227
Disposals	(857)	(3,697)	(3,517)	–	(1,988)	(10,059)
Companies consolidated for the first time	1,998	7,844	17,970	23,550	3,382	54,744
Companies removed from the scope of consolidation	–	(247)	–	(45)	(62)	(354)
Reclassifications	(942)	2,514	20,307	(23,230)	(3,139)	(4,490)
Revaluations	31	444	–	–	–	475
Impairments recognized and reversed	–	(1,138)	(126)	–	96	(1,168)
Depreciation for the period	(612)	(14,493)	(62,722)	–	(36,294)	(114,121)
Translation adjustment	(120)	(101)	1,575	2,791	(1,750)	2,395
CARRYING AMOUNT AT 31 DECEMBER 2011	**56,582**	**227,445**	**278,687**	**103,451**	**104,349**	**770,514**

(in thousands of euros)	Land at cost	Buildings	Technical equipment and tooling	Assets under construction	Other	Total
Carrying amount at 1 January 2010	**45,140**	**169,685**	**214,573**	**16,574**	**80,998**	**526,968**
Increases*	167	9,936	28,364	27,634	28,202	94,303
Disposals	(8)	(233)	(4,271)	–	(4,068)	(8,580)
Companies consolidated for the first time	9,033	54,171	51,275	7,986	24,696	147,161
Reclassifications	22	3,340	3,913	(9,511)	1,659	(577)
Impairment	–	–	(1,044)	–	(220)	(1,264)
Depreciation for the period	(568)	(13,440)	(58,799)	–	(29,624)	(102,431)
Translation adjustment	1,173	4,791	7,691	1,029	2,599	17,284
CARRYING AMOUNT AT 31 DECEMBER 2010	**54,960**	**228,250**	**241,700**	**43,713**	**104,241**	**672,865**

* In 2010, the €95,156 thousand in acquisitions of property, plant and equipment reported in the statement of cash flows corresponds to acquisitions of property, plant and equipment excluding investment property for €94,303 thousand and acquisitions of investment property for €853 thousand.

(in thousands of euros)	Land at cost	Buildings	Technical equipment and tooling	Assets under construction	Other	Total
Analysis of carrying amount at 1 January 2011						
Gross value	58,581	378,125	971,328	43,713	413,507	1,865,255
Accumulated depreciation and impairment	(3,621)	(149,875)	(729,628)	–	(309,266)	(1,192,390)
Carrying amount at 1 January 2011	**54,960**	**228,250**	**241,700**	**43,713**	**104,241**	**672,865**
Analysis of carrying amount at 31 December 2011						
Gross value	60,530	387,455	1,069,398	103,451	413,484	2,034,318
Accumulated depreciation and impairment	(3,948)	(160,010)	(790,711)	–	(309,135)	(1,263,804)
CARRYING AMOUNT AT 31 DECEMBER 2011	**56,582**	**227,445**	**278,687**	**103,451**	**104,349**	**770,514**

(in thousands of euros)	Land at cost	Buildings	Technical equipment and tooling	Assets under construction	Other	Total
Analysis of carrying amount at 1 January 2010						
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 1 January 2010	**45,140**	**169,685**	**214,573**	**16,574**	**80,998**	**526,968**
Analysis of carrying amount at 31 December 2010						
Gross value	58,581	378,125	971,328	43,713	413,507	1,865,255
Accumulated depreciation and impairment	(3,621)	(149,875)	(729,628)	–	(309,266)	(1,192,390)
CARRYING AMOUNT AT 31 DECEMBER 2010	**54,960**	**228,250**	**241,700**	**43,713**	**104,241**	**672,865**

Equipment leased under operating leases where the Group is lessor

(in thousands of euros)	**31 December 2011**	**31 December 2010**
Gross value	70,662	68,719
Accumulated depreciation	(47,884)	(45,283)
Accumulated impairment*	(124)	(220)
Of which net depreciation for the year	*(5,845)*	*(6,719)*
Of which net impairments for the year	*96*	*(220)*
CARRYING AMOUNT	**22,654**	**23,216**

* In last year's consolidated financial statements, the above table showed equipment values net of accumulated depreciation only. Starting in 2011, the table also provides details of accumulated impairment losses and impairments for the year.

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 2011**	**31 December 2010**
Minimum lease payments under non-cancelable operating leases and/or lease-maintenance contracts		
Due within one year	51,640	112,071
Due in one to five years	127,617	160,507
Due beyond five years	70,613	67,234
TOTAL	**249,870**	**339,812**

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

These assets, which are included in the tables above on property, plant and equipment, correspond to plants, research and development centers and production equipment.

Change in carrying amounts:

(in thousands of euros)	**Land and buildings**	**Technical equipment and tooling**	**Total at 31 December 2011**
Cost	38,983	25,807	64,790
Accumulated depreciation	(21,178)	(12,246)	(33,424)
CARRYING AMOUNT	**17,805**	**13,561**	**31,366**

(in thousands of euros)	**Land and buildings**	**Technical equipment and tooling**	**Total at 31 December 2010**
Cost	40,270	22,700	62,970
Accumulated depreciation	(19,943)	(9,448)	(29,391)
CARRYING AMOUNT	**20,327**	**13,252**	**33,579**

Change in lease payments and present values

(in thousands of euros)	Minimum future lease payments at 31 December 2011	Present value at 31 December 2011
Due within one year	8,159	7,170
Due in one to five years	21,009	19,045
Due beyond five years	921	873
TOTAL	**30,089**	**27,088**

(in thousands of euros)	Minimum future lease payments at 31 December 2010	Present value at 31 December 2010
Due within one year	6,948	6,029
Due in one to five years	23,508	21,157
Due beyond five years	1,505	1,349
TOTAL	**31,961**	**28,535**

5.1.4. Investment property

Based on the latest valuation carried out by an independent valuer in December 2011, the fair value of investment property – corresponding to a building in Nanterre, a suburb of Paris – amounted to €17.5 million, unchanged overall from the end-2010 value. The value of the land declined by €2.2 million over the year but the value of the building increased by the same amount.

In July 2010, the Group purchased a plot of land in Lyon for €853 thousand.

(in thousands of euros)	Total	Land	Building
Fair value at 31 December 2010	18,355	6,522	11,833
Acquisition	–	–	–
Fair value adjustment based on independent valuations	–	(2,177)	2,177
Fair value at 31 December 2011	**18,355**	**4,345**	**14,010**
(in thousands of euros)	**Total**	**Land**	**Building**
Fair value at 31 December 2009	17,502	5,669	11,833
Acquisition	853	853	–
Fair value adjustment based on independent valuations	–	–	–
Fair value at 31 December 2010	**18,355**	**6,522**	**11,833**

If the land and building had been measured using the cost model instead of the fair value model, their carrying amount would have been €8,014 thousand at 31 December 2011 versus €8,120 thousand at 31 December 2010 (or €7,267 thousand excluding the land in Lyon purchased for €853 thousand).

At 31 December 2011, the revaluation reserve amounted to €10,023 thousand, unchanged from 31 December 2010.

(in thousands of euros)	2011	2010
Rental income from investment property	25	–
Property operating expenses	(461)	(550)

5.1.5. Investments in associates

At 31 December 2011, investments in associates corresponded to two Chinese joint ventures, Chengdu Faway Yanfeng PO (24.48%-owned) and Dongfeng Plastic Omnium SA Auto Exterior Systems Co Ltd (24.95%-owned).

At 31 December 2010, this item also included 35%-owned Euromark, which was reclassified in 2011 under "Assets held for sale" and written down in full (see note 2.1).

(in thousands of euros)	**31 December 2011**	**31 December 2010**
Interest in Chengdu Faway Yanfeng PO	4,043	3,600
Interest in Dongfeng Plastic Omnium Automotive Exterior Systems Co. Ltd.	393	–
Interest in Euromark	–	10,625
TOTAL INVESTMENTS IN ASSOCIATES	**4,436**	**14,224**

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

Balance sheet and income statement data for associates on a 100% basis

(in thousands of euros)	**31 December 2011**	**31 December 2010**
Non-current assets	16,813	42,418
Current assets	6,075	69,795
Total assets	**22,888**	**112,213**
Equity - Eurovia's interest in Signature Horizontal	–	(4,812)
Equity - Yanfeng and Faway's interest in Chengdu	12,474	11,106
Equity - Yanfeng and Hongtaï's interest in Dongfeng Plastic Omnium Automotive Exterior Systems Co. Ltd.	1,181	–
Equity attributable to Plastic Omnium	4,436	14,224
Non-current liabilities	590	9,061
Current liabilities	4,207	82,634
Total equity and liabilities	**22,888**	**112,213**
Revenue	539	128,306
Net profit - Eurovia's interest in Signature Horizontal	–	(1,785)
Net profit – Yanfeng and Faway's interest in Chengdu	(1,258)	(696)
Net profit – Yanfeng and Hongtaï's interest in Dongfeng Plastic Omnium Automotive Exterior Systems Co. Ltd.	(430)	–
Net profit attributable to Plastic Omnium	(551)	(1,871)

5.1.6. Available-for-sale financial assets

This item corresponds to shares in non-material shell or dormant companies and the Group's contribution to the "FMEA 2" Tier 2 Automotive OEM Modernization Fund.

(in thousands of euros)	**31 December 2011**	**31 December 2010**
Shell companies and dormant companies	624	596
Contribution to the "FMEA 2" fund	1,328	848
AVAILABLE-FOR-SALE FINANCIAL ASSETS	**1,952**	**1,444**

5.1.7. Other non-current financial assets

(in thousands of euros)	31 December 2011	31 December 2010
Loans	15	26
Deposits and bonds	17,209	13,753
Other receivables *(see note 6.4.1)*	6,048	6,035
Finance receivables related to Environment finance leases *(see note 6.4.1)*	7,269	8,367
Finance receivables related to Automotive contracts *(see note 6.4.1)*	50,997	38,410
TOTAL	**81,538**	**66,591**

Deposits and bonds correspond mainly to guarantee deposits on leased offices and sold receivables.

Finance receivables mainly concern work in progress on automotive projects for which the Group has received a firm commitment on the selling price of developments and/or tooling. These receivables are discounted.

5.1.8. Inventories

(in thousands of euros)	31 December 2011	31 December 2010
Raw materials and supplies		
Cost	*90,877*	*79,847*
Net realizable value	85,681	75,314
Molds, tooling and engineering		
Cost	*91,860*	*118,680*
Net realizable value	91,807	118,255
Other work in progress		
Cost	*1,218*	*2,615*
Net realizable value	1,203	2,498
Maintenance inventories		
Cost	*19,584*	*15,238*
Net realizable value	15,239	12,585
Merchandise		
Cost	*5,521*	*5,552*
Net realizable value	4,782	4,768
Semi-finished products		
Cost	*20,757*	*11,505*
Net realizable value	19,793	11,044
Finished products		
Cost	*45,835*	*51,115*
Net realizable value	42,894	48,872
TOTAL INVENTORIES AT THE LOWER OF COST AND NET REALIZABLE VALUE	**261,399**	**273,337**

5.1.9. Short-term finance receivables

		31 December 2011		31 December 2010	
(in thousands of euros)		Undiscounted value	Carrying amount	Undiscounted value	Carrying amount
Finance receivables related to Environment finance leases		1,999	1,519	1,598	1,250
Finance receivables related to Automotive contracts		37,994	37,547	49,784	49,784
Other short-term financial receivables		5,714	5,714	4,098	4,098
Of which:	*Current accounts*	*2,927*	*2,927*	*1,113*	*1,113*
	Other	*2,787*	*2,787*	*2,985*	*2,985*
TOTAL SHORT-TERM FINANCE RECEIVABLES		**45,707**	**44,780**	**55,480**	**55,132**

5.1.10.Trade and other receivables

a – Sales of receivables

Compagnie Plastic Omnium and some of its European subsidiaries have set up receivables sales programs with French banks covering periods of three to five years. These non-recourse programs transfer substantially all the risks and rewards of ownership to the buyer and the sold receivables are therefore derecognized.

Derecognized sold receivables totaled €192 million at 31 December 2011, compared with €190 million at 31 December 2010.

b – Trade receivables – cost, impairment and carrying amounts

	31 December 2011			31 December 2010		
(in thousands of euros)	Cost	Impairment	Carrying amount	Cost	Impairment	Carrying amount
Trade receivables	444,666	(4,998)	439,668	396,000	(4,220)	391,780
TRADE RECEIVABLES	**444,666**	**(4,998)**	**439,668**	**396,000**	**(4,220)**	**391,780**

There were no identified material doubtful receivables at 31 December 2011 that were not covered by provisions.

c – Other receivables

(in thousands of euros)	31 December 2011	31 December 2010
Sundry receivables	87,967	72,055
Prepayments to suppliers of tooling and prepaid development costs	52,194	26,933
Prepaid and recoverable income taxes	37,853	20,506
Other prepaid and recoverable taxes	24,312	13,896
Employee advances	1,168	247
Prepayments to suppliers of non-current assets	3,477	6,337
OTHER RECEIVABLES	**206,971**	**139,974**

“Other receivables” at 31 December 2011 no longer include the €10.4 million claim under the seller’s warranty given by Burelle SA on the sale of Signature in 2007. The claim concerned competition proceedings involving Signature SA and Sodilor. The related fine was paid during the first half of 2011; however, Signature SA and Sodilor have appealed the ruling before the Paris Court of Appeal.

d – Trade and other receivables by currency

		Receivables at 31 December 2011			Receivables at 31 December 2010		
Foreign currency, in thousands		**Local currency**	**Euro**	**%**	**Local currency**	**Euro**	**%**
EUR	Euro	327,582	327,582	51%	294,967	294,967	55%
USD	US dollar	175,106	135,332	21%	110,362	82,594	16%
GBP	Pound sterling	8,540	10,223	2%	6,089	7,074	1%
CHF	Swiss franc	10,451	8,597	1%	12,875	10,297	2%
CNY	Chinese yuan	692,233	84,845	13%	536,300	60,791	12%
Other	Other currencies		80,060	12%		76,031	14%
TOTAL			**646,639**	**100%**		**531,754**	**100%**
Of which:	*Trade receivables*		*439,668*	*68%*		*391,780*	*74%*
	Other receivables		*206,971*	*32%*		*139,974*	*26%*

The sensitivity of trade receivables to changes in exchange rates is not analyzed, as more than half of these receivables are in euros.

5.1.11. Deferred taxes

As explained in Note 1.29 above, deferred tax assets corresponding to tax loss carryforwards, deductible temporary differences and tax credits are measured based on the probability of sufficient taxable earnings being generated to permit their utilization. Given the prevailing economic environment, new estimates were made at the year-end based on a prudent assessment of probable future earnings in the short to medium term.

Recognized deferred taxes relate to the following items:

(in thousands of euros)	**31 December 2011**	**31 December 2010**
Property, plant and equipment	(15,153)	(23,301)
Post-employment benefit obligations	19,694	20,864
Provisions	14,289	17,600
Hedging instruments	3,870	598
Tax loss carryforwards and tax credits	81 612	80,606
Other	(23,272)	(14,729)
Impairment of deferred tax assets	(74 661)	(64,418)
TOTAL	**6,379**	**17,220**
Of which:		
Deferred tax assets	*58,473*	*70,682*
Deferred tax liabilities	*52,094*	*53,462*

Unrecognized deferred tax assets on tax loss carryforwards amounted to €59,403 thousand at 31 December 2011 versus €41,069 thousand at 31 December 2010, as follows:

(in thousands of euros)	**31 December 2011**	**31 December 2010**
Evergreen tax loss carryforwards	52,835	30,788
Tax loss carryforwards available for more than 5 years	3,250	6,433
Tax loss carryforwards available for up to 5 years	720	633
Tax loss carryforwards available for up to 4 years	–	1,985
Tax loss carryforwards available for up to 3 years	1,557	1,230
Tax loss carryforwards available for less than 3 years	1,041	–
TOTAL	**59,403**	**41,069**

The year-on-year change was mainly due to increases in unrecognized deferred tax assets in France, utilizations of unrecognized tax loss carryforwards in the United States and the United Kingdom, and the recognition of previously unrecognized deferred tax assets in Brazil and other countries.

5.1.12. Cash and cash equivalents

a – Cash and cash equivalents – gross

(in thousands of euros)	**31 December 2011**	**31 December 2010**
Cash at bank and in hand	162,966	167,527
Short-term deposits	41,570	25,778
TOTAL	**204,536**	**193,305**

Cash and cash equivalents break down as follows:

(in thousands of euros)	**31 December 2011**	**31 December 2010**
Cash and cash equivalents of joint ventures	38,886	39,195
Cash and cash equivalents of the Group's captive reinsurance company	37,697	17,389
Cash and cash equivalents in regions with exchange controls on remittances and transfers	7,528	10,620
Unrestricted cash and cash equivalents	120,425	126,101
TOTAL	**204,536**	**193,305**

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

b – Net cash and cash equivalents at end of year

(in thousands of euros)	**2011**	**2010**
Cash and cash equivalents	204,536	193,305
Short term bank loans and overdrafts (-)	(44,335)	(30,672)
NET CASH AND CASH EQUIVALENTS AT END OF YEAR AS RECORDED IN THE STATEMENT OF CASH FLOWS	**160,201**	**162,633**

5.1.13. Statement of cash flows – Acquisitions and disposals of non-current financial assets

5.1.13.1 Acquisitions of shares in subsidiaries and associates

Acquisitions of subsidiaries and associates amounted to €31,563 thousand in 2011 compared with €301,162 thousand in 2010.

Further details of the transactions listed below are provided in note 2 "Significant events of the year".

Acquisitions for the year correspond to:

- The Group's net investment in Ford Milan (Michigan) for €13,350 thousand.
- The acquisition of Plastal Poland assets for €11,169 thousand.
- The acquisition of 70% of the capital of RMS Rotherm Maschinenbau GmbH for €6,000 thousand (the cash acquired in the acquisition amounted to €834 thousand).
- Participation in a rights issue by the Chinese joint venture, Chengdu Faway Yanfeng PO, which is accounted for by the equity method, for the local currency equivalent of €544 thousand.
- Participation in a rights issue by the Chinese joint venture, Dongfeng Plastic Omnium Automotive Exterior Systems Co. Ltd., which is accounted for by the equity method, for the local currency equivalent of €499.5 thousand.

5.1.13.2 Disposals of shares in subsidiaries and associates

In 2011, the Group sold its South African subsidiary Plastic Omnium Urban Systems Pty (Environment Division) for €1,831 thousand.

5.2. Equity and liabilities

5.2.1. Share capital

(in euros)	**2011**	**2010**
Share capital at 1 January	8,822,300	8,822,300
Shares issued during the year	–	–
Capital increase following the three-for-one stock-split	176,446	–
Capital reduction during the year	(59,500)	–
Share capital at 31 December (ordinary shares with a par value of €0.17 at 31 December 2011 vs. €0.5 at 31 December 2010*)	**8,939,245**	**8,822,300**
Treasury stock	777,561	739,793
TOTAL NET OF TREASURY STOCK	**8,161,684**	**8,082,507**

* See the footnote to the Consolidated Statement of Changes in Equity concerning the three-for-one stock split. The figure corresponds to reserves capitalized to cover the capital increase resulting from the reduction in the shares' par value that led to the creation of rights to fractions of shares.

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

At 31 December 2011, Compagnie Plastic Omnium held 4,573,891 shares in treasury, representing 8.70% of the share capital, compared with 4,438,755 shares (on a like-for-like basis, as opposed to 1,479,585 shares before the 10 May 2011 three-for-one stock split), representing 8.39% of the share capital at 31 December 2010.

5.2.2. Dividends voted and paid by Compagnie Plastic Omnium

(in thousands of euros)	**2011**	**2010**
Dividends on ordinary shares	24,703	12,351
Dividends on treasury stock (unpaid)	(2,158)	(1,095)
NET DIVIDENDS VOTED BY SHAREHOLDERS AND PAID DURING THE YEAR	**22,545**	**11,256**
Dividend per share (in €)	**0.47**	**0.70**

The 2010 dividend voted by shareholders was €1.40 per share, corresponding to the amount recommended when the 2010 financial statements were approved. The number of shares carrying rights to this dividend was the number of shares outstanding before the three-for-one stock split. As a result of the split, the dividend per share was reduced from €1.40 to €0.47.

The recommended dividend for 2011 amounts to €0.69 per share, representing a total payout of €36,283 thousand based on the 52,583,797 shares outstanding at 31 December 2011.

5.2.3. Share-based payments

Stock option plans

At the Annual Meeting of 28 April 2011, Compagnie Plastic Omnium's shareholders voted to carry out a three-for-one stock-split by reducing the shares' par value from €0.50 to €0.17, effective 10 May 2011. As all of the stock options outstanding at 31 December 2011 were granted prior to the stock-split, the number of options held by each grantee was multiplied by three and the option exercise price was divided by three.

Grant date	Options exercisable for	Grantees	Vesting conditions	Maximum number of options available under the plan	Maximum number of options available under the plan as adjusted for the stock-split
11 March 2005*	Existing shares	54	Employment contract in force on the option exercise date, except in the case of transfer by the employer, early retirement or retirement	237,000	711,000
25 April 2006	Existing shares	11		267,000	801,000
24 July 2007	Existing shares	65		330,000	990,000
22 July 2008	Existing shares	39		350,000	1,050,000
1st April 2010	Existing shares	124		375,000	1,125,000

* The 11 March 2005 plan, under which 118,500 options were originally granted at an exercise price of €42.30, was impacted by a previous two-for-one stock split decided on 17 May 2005, which reduced the share's par value to €0.50 from €1.00. As from that date, the number of options was doubled, from 118,500 to 237,000 and the exercise price was halved, to €21.15 from €42.30.

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

The vesting period for each plan is four years.

Outstanding options		Increases	Decreases			Options outstanding at 31 December 2011	
In euros *In units for the number of options*	Options outstanding at 1 January 2011	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. 2011
11 March 2005 plan							
Number of options granted *	298,158				(265,158)	33,000	
Share price at the grant date (€)	7.05					7.05	
Option exercise price (€)	7.05					7.05	
Life	7 years					7 years	
Unrecognized cost at period-end	–					–	
Cost recognized during the period	–					–	
Remaining life	1 year					–	

* 11 March 2005 plan: the number of options at 1 January 2011 – i.e. 99,386 before the stock-split – was multiplied by three after the split.

Outstanding options		**Increases**	**Decreases**			**Options outstanding at 31 December 2011**	
In euros *In units for the number of options*	**Options outstan-ding at 1 January 2011**	**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. 2011**
25 April 2006 plan							
Number of options granted *	741,000				(122,000)	619,000	
Share price at the grant date (€)	11.75					11.75	
Option exercise price (€)	11.63					11.63	
Life	7 years					7 years	
Unrecognized cost at period-end	–					–	
Cost recognized during the period	–					–	
Remaining life	2 years					1 year	
24 July 2007 plan							
Number of options granted *	894,000		(6,000)		(39,680)	848,320	
Share price at the grant date (€)	13.10					13.10	
Option exercise price (€)	13.12					13.12	
Life	7 years					7 years	
Unrecognized cost at period-end	641,487					–	
Cost recognized during the period	–					641,487	
Remaining life	3 years					2 years	
22 July 2008 plan							
Number of options granted*	1,022,400		(36,000)		(8,400)	978,000	
Share price at the grant date (€)	5.98					5.98	
Option exercise price (€)	8.84					8.84	
Life	7 years					7 years	**None**
Unrecognized cost at period-end	588,282					369,575	
Cost recognized during the period						218,707	
Remaining life	4 years					3 years	
1 April 2010 plan							
Number of options granted *	1,114,500		(15,000)		(6,000)	1,093,500	
Share price at the grant date (€)	9.60					9.60	
Option exercise price (€)	8.53					8.53	
Life	7 years					7 years	**None**
Unrecognized cost at period-end	3,831,716					2,651,483	
Cost recognized during the period						1,180,233	
Remaining life	6.5 years					5.5 years	

* 25 April 2006 plan: the number of options at 1 January 2011 – i.e. 247,000 before the stock-split – was multiplied by three after the split.

* 24 July 2007 plan: the number of options at 1 January 2011 – i.e. 298,000 before the stock-split – was multiplied by three after the split.

* 22 July 2008 plan: the number of options at 1 January 2011 – i.e. 340,800 before the stock-split – was multiplied by three after the split.

* 1 April 2010 plan: the number of options at 1 January 2011 – i.e. 371,500 before the stock-split – was multiplied by three after the split.

At 31 December 2011, 325,365 shares were held to cover these plans but had not yet been allocated.

5.2.4. Government grants

(in thousands of euros)	31 December 2011	31 December 2010
Revenue grants	–	–
Investment grants	14,692	11,658
Total government grants recognized in non-current liabilities	**14,692**	**11,658**
Short-term government grants	277	277
Total government grants recognized in current liabilities	**277**	**277**
TOTAL	**14,969**	**11,935**

5.2.5. Provisions

(in thousands of euros)	31 December 2010	Charges	Utilizations	Releases of surplus provisions	Reclas-sifica-tions	Actuarial gains and losses	Changes in scope of consolidation	Translation adjustment	31 December 2011
Customer warranties	18,043	11,511	(5,918)	(9,898)	6,988		123	(178)	20,671
Reorganization plans	4,355	7,690	(3,052)	(149)	(71)			(38)	8,735
Taxes and tax risks	3,875	445	(203)	(2,000)	0			(68)	2,049
Contract risks	4,780	2,427	(1,751)	(2,939)	1,873			0	4,390
Claims and litigation*	24,834	1,793	(19,178)	(211)	(278)			(96)	6,864
Other	18,950	9,333	(4,022)	(2,911)	(8,900)		(403)	578	12,625
Provisions for liabilities and charges	**74,836**	**33,199**	**(34,124)**	**(18,108)**	**(387)**	**-**	**(280)**	**198**	**55,334**
Provisions for pensions and other post-employment benefits	47,074	5,372	(3,478)	–	(837)	13,520	267	771	62,689
TOTAL	**121,910**	**38,571**	**(37,602)**	**(18,108)**	**(1,224)**	**13,520**	**(13)**	**969**	**118,023**

(in thousands of euros)	31 December 2009	Charges	Utilizations	Releases of surplus provisions	Reclas-sifi-cations	Actuarial gains and losses	Changes in scope of consolidation	Translation adjustment	31 December 2010
Customer warranties	5,265	11,882	(3,098)	(807)	3,103		1,559	138	18,043
Reorganization plans	23,160	845	(17,235)	(2,753)			247	91	4,355
Taxes and tax risks	467	2,355	(62)	(2)			1,025	92	3,875
Contract risks	4,782	383	(1,500)	(102)			1,217		4,780
Extension to container fleet	389		(389)						-
Claims and litigation*	1,529	19,648	(485)	(84)	3,994		85	147	24,834
Other	13,220	12,336	(1,734)	(3,040)	(3,182)		1,170	180	18,950
Provisions for liabilities and charges	**48,812**	**47,449**	**(24,503)**	**(6,788)**	**3,915**	**-**	**5,303**	**648**	**74,836**
Provisions for pensions and other post-employment benefits	33,121	5,380	(3,156)			(1,455)	11,941	1,242	47,074
TOTAL	**81,933**	**52,829**	**(27,659)**	**(6,788)**	**3,915**	**(1,455)**	**17,244**	**1,890**	**121,910**

* Including €18.7 million at 31 December 2010 corresponding to the fine levied on Signature SA and Sodilor under a competition ruling. The fine was paid in first-half 2011 and the provision was reversed, with no impact on 2011 profit. Signature SA and Sodilor have appealed the ruling before the Paris Court of Appeal.

5.2.6. Provisions for pensions and other post-employment benefits

a - Actuarial assumptions

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

- Retirement age of employees of Group companies in France:

  Retirement by managers and non-managers at the age when they become entitled to the full state pension following the 2010 pensions reform. Under this reform, the retirement age will gradually be raised from 60 to 62, and the age at which retirees will be entitled to a full pension (provided that they have paid into the scheme for the required period) will be raised from 65 to 67.

- Retirement age of employees of Group companies in the United States: 62 in 2011 and 2010.

- Discount rate:

  Discount rates are determined by reference to market yields on high quality corporate bonds with terms that are consistent with the duration of the benefit obligations. The reference rates used at 31 December 2011 were as follows (unchanged from end-2010):

  - 4.6% for length-of-service awards payable to employees of Group companies in France (4.6% in 2010).
  - 4.1% for jubilees payable to employees of Group companies in France (3.5% in 2010).
  - 4.7% for post-employment benefit plans in the United States (5.5% in 2010).
  - 2.5% for post-employment benefit plans in Switzerland (3% in 2010).

- Inflation rate:
  - 2% per year in France, unchanged from 2010.
  - Benefits in the United States and Switzerland are not indexed to inflation.

- Future salary increases:
  - 2% to 5% in France, unchanged from 2010 (average rates depend on age and on whether the employee is a manager or not); 3% for supplementary pension plans, also unchanged from 2010.
  - 3.5% in the United States, unchanged from 2010.
  - 1% in Switzerland, versus 1.5% in 2010.

- Estimated long-term return on plan assets:
  - 3.5% in France, versus 4.5% in 2010
  - 8% in the United States, unchanged from 2010
  - 4% in Switzerland, versus 4.5% in 2010.

These rates are based on long-term market forecasts and take account of each plan's asset allocation.

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

- Growth in healthcare costs in the United States:

  9% in 2011, unchanged from 2010, with the rate expected to decline by 0.5 points per year to 5% in 2019.

b - 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)	**2011**	**2010**	**2009**	**2011**	**2010**	**2009**	**2011**	**2010**	**2009**
Projected benefit obligation at 1 January	**81,363**	**51,857**	**45,282**	**7,619**	**6,424**	**6,244**	**88,982**	**58,281**	**51,526**
Service cost	6,118	5,545	2,264	330	668	227	6,448	6,213	2,491
Interest cost	3,426	3,269	2,447	226	161	246	3,652	3,430	2,693
Curtailments, settlements and other	(1,153)	(377)	(500)	(293)	(85)	–	(1,446)	(462)	(500)
Actuarial gains and losses	8,859	770	80	(591)	9	(11)	8,268	779	69
Of which experience adjustments	*1,406*	*1,773*	*(2,525)*	–	–	*(7)*	*1,406*	*1,773*	*(2,532)*
Benefits paid from plan assets	(97)	372	(131)	–	–	–	(97)	372	(131)
Benefits paid by the company	(2,261)	(2,151)	(513)	(95)	(454)	(277)	(2,356)	(2,605)	(790)
Changes in scope of consolidation	267	16,688	(105)	–	852	–	267	17,540	(105)
Internal transfer	–	–	3,213	–	–	–	–	–	3,213
Reclassification as "Discontinued operations"	(971)	–	–	134	–	–	(837)	–	–
Translation adjustment	1,966	5,390	(180)	14	44	(5)	1,980	5,434	(185)
Projected benefit obligation at 31 December	**97,517**	**81,363**	**51,857**	**7,344**	**7,619**	**6,424**	**104,861**	**88,982**	**58,281**
Change in projected benefit obligation	16,154	29,506	6,575	(275)	1,195	180	15,879	30,701	6,755
Fair value of plan assets at 1 January	**41,908**	**25,160**	**19,625**	**–**	**–**	**–**	**41,908**	**25,160**	**19,625**
Return on plan assets	2,150	1,359	1,383	–	–	–	2,150	1,359	1,383
Employer contributions	3,680	2,993	1,961	–	–	–	3,680	2,993	1,961
Employee contributions	–	–	468	–	–	–	–	–	468
Actuarial gains and losses	(4,662)	2,234	(1,306)	–	–	–	(4,662)	2,234	(1,306)
Of which experience adjustments	*(4,662)*	*2,234*	*(1,306)*	–	–	–	*(4,662)*	*2,234*	*(1,306)*
Benefit payments funded by plan assets	(97)	372	(131)	–	–	–	(97)	372	(131)
Curtailments, settlements and other	(2,016)	–	–	–	–	–	(2,016)	–	–
Changes in scope of consolidation	–	5,599	–	–	–	–	–	5,599	–
Internal transfer	–	–	3,213	–	–	–	–	–	3,213
Translation adjustment	1,209	4,191	(53)	–	–	–	1,209	4,191	(53)
Fair value of plan assets at 31 December	**42,172**	**41,908**	**25,160**	**–**	**–**	**–**	**42,172**	**41,908**	**25,160**
Change in fair value of plan assets	**264**	**16,748**	**5,535**	**–**	**–**	**–**	**264**	**16,748**	**5,535**
Excess of projected benefit obligation over plan assets = provision recorded in the balance sheet	**55,345**	**39,455**	**26,697**	**7,344**	**7,619**	**6,424**	**62,689**	**47,074**	**33,121**
• of which France	26,340	21,706	16,896	3,216	3,223	2,462	29,556	24,929	19,358
• of which United States	17,499	8,930	5,467	429	652	293	17,928	9,582	5,760
• of which other regions	11,506	8,819	4,334	3,699	3,744	3,669	15,205	12,563	8,003

The present value of partially funded obligations was €28,447 thousand at 31 December 2011, including €10,519 thousand for French plans and €17,928 thousand for US plans. At 31 December 2010, the present value of partially funded obligations was €18,537 thousand, of which €8,955 thousand for French plans and €9,582 thousand for US plans.

Post-employment benefit plans

Post-employment benefit obligations include:

- In France, €26,340 thousand for length-of-service awards including €1,491 thousand for senior management supplementary pensions at 31 December 2011 versus €21,706 thousand and €685 thousand respectively at 31 December 2010.
- In the United States, €17,499 thousand, of which €15,331 thousand for pensions and €2,168 thousand for healthcare plans at 31 December 2011 versus €7,102 thousand and €1,828 thousand respectively at 31 December 2010.

Sensitivity of the post-employment benefit obligation to discount rates at 31 December 2011

- France:

  A 25-bps increase in the discount rate would:

  - reduce the obligation by 2.39%.

  A 25-bps decrease in the discount rate would:

  - increase the obligation by 2.51%.

- United States:

  A 25-bps increase in the discount rate would:

  - reduce service cost and interest cost by 3.1%.
  - reduce the obligation by 4.86%.

  A 25-bps decrease in the discount rate would:

  - increase service cost and interest cost by 3.4%.
  - increase the obligation by 5.41%.

- Switzerland:

  A 25-bps increase in the discount rate would:

  - reduce the obligation by 4.58%.

  A 25-bps decrease in the discount rate would:

  - increase the obligation by 4.90%.

Other long-term benefit plans:

Other long-term benefits correspond mainly to jubilees paid to long-serving employees in France and Germany.

Changes in net balance sheet amounts for defined benefit plans are as follows:

	Post-employment benefit plans			Other long-term benefit plans			Total		
(in thousands of euros)	2011	2010	2009	2011	2010	2009	2011	2010	2009
Net position at 1 January	**39,455**	**26,697**	**25,657**	**7,619**	**6,424**	**6,244**	**47,074**	**33,121**	**31,901**
Expense/(income) for the period									
• Service cost	6,118	5,545	2,264	330	668	227	6,448	6,213	2,491
• Interest cost	3,426	3,269	2,447	226	161	246	3,652	3,430	2,693
• Expected return on plan assets	(2,150)	(1,359)	(1,383)	–	–	–	(2,150)	(1,359)	(1,383)
• Curtailments, settlements and other	863	(377)	(500)	(883)	(85)		(20)	(462)	(500)
Benefits paid by the company	(2,261)	(2,151)	(513)	(95)	(454)	(277)	(2,356)	(2,605)	(790)
Employer contributions	(3,680)	(2,993)	(1,961)	–	–	–	(3,680)	(2,993)	(1,961)
Employee contributions	–	–	(468)	–	–	–	–	–	(468)
Changes in scope of consolidation	267	11,089	(105)	–	852	–	267	11,941	(105)
Actuarial gains and losses	13,520	(1,464)	1,386	–	9	(11)	13,520	(1,455)	1,375
Reclassified as “Discontinued operations”	(971)	–	–	134	–	–	(837)	–	–
Translation adjustment	758	1,199	(127)	13	44	(5)	771	1,243	(132)
Net position at 31 December	**55,345**	**39,455**	**26,697**	**7,344**	**7,619**	**6,424**	**62,689**	**47,074**	**33,121**

c – Sensitivity to healthcare cost trends in the United States

The following table shows the impact of a 1-point change in the healthcare cost trend rate in the United States:

	31 December 2011		31 December 2010	
(in thousands of euros)	**Increase**	**Decrease**	**Increase**	**Decrease**
Effect on service cost and interest cost	34	(28)	19	(16)
Effect on provisions for post-employment benefit obligations	187	(299)	283	(235)

d – Breakdown of plan assets by investment category

At 31 December 2011, the plan assets of funded or partially funded defined benefit plans – mainly in the United States and Switzerland – broke down as follows by investment category:

(in thousands of euros)	**31 December 2011**	**31 December 2010**
Equities	17,483	18,523
Bonds	15,147	15,345
Real estate	6,211	6,023
Other	3,330	2,019
TOTAL	**42,171**	**41,910**

5.2.7. Long and short-term debt

a - Reconciliation of gross and net debt

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

- Long-term borrowings
- Less loans and other non-current financial assets
- Plus short-term debt
- Plus overdraft facilities
- Less cash and cash equivalents

	31 December 2011			31 December 2010		
(in thousands of euros)	**Total**	**Short-term**	**Long-term**	**Total**	**Short-term**	**Long-term**
Finance lease liabilities	27,088	7,170	19,918	29,406	6,789	22,617
Bank borrowings	708,780	164,301	544,479	784,506	83,977	700,529
Other short-term debt	11,363	11,363		7,147	7,147	
Hedging instruments - liabilities	11,937	11,937		5,362	5,362	
Total borrowings (B)	**759,168**	**194,771**	**564,397**	**826,420**	**103,275**	**723,145**
Long-term financial receivables	(24,600)		(24,600)	(20,662)		(20,662)
Finance receivables	(97,332)	(39,066)	(58,266)	(97,811)	(51,034)	(46,777)
Other short-term financial receivables	(5,714)	(5,714)		(4,098)	(4,098)	
Hedging instruments - assets	(2)	(2)		(3,385)	(3,385)	
Total financial receivables (C)	**(127,648)**	**(44,782)**	**(82,866)**	**(125,956)**	**(58,517)**	**(67,439)**
Gross debt (D) = (B) + (C)	**631,520**	**149,989**	**481,531**	**700,464**	**44,758**	**655,706**
Net cash and cash equivalents at end of year as recorded in the statement of cash flows (A) *	**(160,201)**	**(160,201)**		**(162,633)**	**(162,633)**	
NET DEBT (E) = (D) + (A)	**471,319**	**(10,212)**	**481,531**	**537,831**	**(117,875)**	**655,706**

* See note 5.1.12.b on "Net cash and cash equivalents".

b - Utilization of medium-term credit lines

At 31 December 2011, the Group had access to several confirmed bank lines of credit with an average maturity of more than three years. The facility amounts, which are greater than the Group's financing needs, stood at a total of €1,255 million at 31 December 2011 versus €1,257 million at 31 December 2010.

c - Analysis of debt by currency

As a % of total debt	31 December 2011	31 December 2010
Euro	86%	93%
US dollars	9%	6%
Pound sterling	0%	0%
Other currencies	5%	1%
TOTAL	**100%**	**100%**

d - Analysis of debt by type of interest rate

As a % of total debt	31 December 2011	31 December 2010
Hedged variable rates	74%	68%
Unhedged variable rates	14%	17%
Fixed rates	12%	15%
TOTAL	**100%**	**100%**

5.2.8. Interest rate and currency hedges

5.2.8.1 Interest rate hedges

Interest rate hedges used in 2011 included swaps and caps. Their purpose is to hedge variable rate debt – representing the bulk of the Group's borrowings – against increases in the Euribor.

At 31 December 2011, all interest rate derivatives in the portfolio qualified as cash flow hedges under IAS 39 and were therefore accounted for as follows:

- The derivatives are recognized in the balance sheet at fair value under "Hedging instruments" in assets (derivatives with a positive fair value) or in liabilities (derivatives with a negative fair value).
- The effective portion of the gain or loss on the hedging instrument is recognized in equity (in "Other comprehensive income").
- It is reclassified to the income statement under "Finance costs" in the same period as the hedged cash flows (i.e. interest payments) affect profit.
- The time value of options is excluded from the hedging relationship. Changes in the time value of options and the ineffective portion of the gain or loss on the hedging instrument are recognized in the income statement, under "Finance costs".

5.2.8.1.1 Derivative portfolios

	31 December 2011			31 December 2010		
(in thousands of euros)	Fair value of hedging instruments	Recorded in assets	Recorded in liabilities	Fair value of hedging instruments	Recorded in assets	Recorded in liabilities
Interest rate derivatives (fair value)	(11,935)	2	(11,937)	558	3,386	(2,828)
Outstanding premium	–	–	(1,520)	–	–	(2,535)
TOTAL FAIR VALUE AND OUTSTANDING PREMIUMS		**2**	**(13,457)**		**3,386**	**(5,363)**

Composition of interest rate derivatives portfolio:

	31 December 2011							
(in thousands of euros)	**Fair value**	**Recorded in assets**	**Recorded in liabilities**	**Effective portion included in other comprehensive income**	**Hedged notional**	**Maturity**	**Reference interest rate**	**Outstanding premium***
Caps	2	2		–	260,000	June-13	3-month Euribor	(1,520)
Swaps	(11,937)		(11,937)	(11,937)	310,000	Aug-15	1-month Euribor	N/A
TOTAL	**(11,935)**	**2**	**(11,937)**	**(11,937)**	**570,000**			**(1,520)**

	31 December 2010							
(in thousands of euros)	**Fair value**	**Recorded in assets**	**Recorded in liabilities**	**Effective portion included in other comprehensive income**	**Hedged notional**	**Maturity**	**Reference interest rate**	**Outstanding premium***
Caps	222	222		–	260,000	June-13	3-month Euribor	(2,535)
Swaps	336	2,750	(2,414)	336	310,000	Aug-15	1-month Euribor	N/A
TOTAL	**558**	**2,972**	**(2,414)**	**336**	**570,000**			**(2,535)**

* Premiums on caps are paid over the life of the instrument. Premiums not yet paid at 31 December are recognized in liabilities under "Long-term borrowings» and "Short-term borrowings" as applicable.

5.2.8.1.2 Amounts recognized in "Other comprehensive income"

(in thousands of euros)	**Balance before tax recorded in "Other comprehensive income" at 31 December 2010**	**Change in fair value of derivatives**	**Fair value adjustments reclassified to the income statement**	**Balance before tax recorded in "Other comprehensive income" at 31 December 2011**
Effective portion of gains and losses on derivatives in the portfolio	336	(12,273)		(11,937)
Effect of August 2010 restructuring of the derivatives portfolio*			1,675	1,675
TOTAL	**336**	**(12,273)**	**1,675**	**(10,262)**

* The Group restructured its derivatives portfolio at 31 August 2010 to modify the types of instruments used and extend their remaining life. The restructuring did not lead to any cash flows with the banking counterparties, as the fair value of the new portfolio was the same as that of the previous one, i.e. a negative €7.7 million.
Cumulative gains and losses as of 31 August 2010 on the old portfolio are being reclassified to the income statement over the remaining duration of the hedged cash flows, which expire between March 2012 and August 2015.
The initial fair value of the new portfolio will be reclassified to the income statement in the period when the hedged cash flows (i.e. interest payments) affect profit, which ends in August 2015.

5.2.8.1.3 Impact of hedging on the income statement

(in thousands of euros)	**2011**	**2010**
Effective portion of gains and losses on derivatives in the portfolio (hedges of accrued interest for the period)	(5,293)	(4,370)
Reclassification to the income statement of accumulated gains and losses following restructuring of the derivatives portfolio in August 2010	(1,675)	
Time value of caps	(220)	750
TOTAL	**(7,188)**	**(3,620)**

5.2.8.2 Currency hedges

The Group uses derivatives to hedge its exposure to currency risks. The derivatives are not included in a documented hedging relationship within the meaning of IAS 39 as the Group considers that changes in their fair value automatically offset the income statement impact of remeasuring hedged receivables and payables at the year-end exchange rate.

Changes in the fair value of currency hedges are recognized in the income statement under "Other financial income and expense".

	31 December 2011				31 December 2010		
	Fair value in € millions	**Notional amount in millions of currency units**	**Average forward exchange rate**	**Exchange rate at 31 December 2011**	**Notional amount in millions of currency units**	**Average forward exchange rate**	**Exchange rate at 31 December 2010**
Net sell position (net buy position)							
USD – Forward exchange contract	– 0.03	(0.5)	1.3852	1.2939	1.5	1.33	1.3362
GBP – Forward exchange contract	– 0.22	11.5	0.8533	0.8353	4.2	0.85	0.86075
USD – Currency swap	– 0.02	27.4	1.2926	1.2939	– 8.7	1.32	1.3362
USD – Currency swap	+ 0.04	10.8	0.8382	0.8353	2.2	0.86	0.86075
MYR – Non-deliverable forward contract	– 0.04	7.9	4.2026	4.1055	–	–	–
TOTAL	**– 0.27**						

All currency derivatives held in the portfolio at 31 December 2011 and 31 December 2010 had maturities of less than one year.

5.2.9. Trade payables and other operating liabilities

a – Trade payables

(in thousands of euros)	**31 December 2011**	**31 December 2010**
Trade payables	615,744	517,127
Due to suppliers of fixed assets	27,661	11,712
TOTAL	**643,405**	**528,839**

b – Other operating liabilities

(in thousands of euros)	**31 December 2011**	**31 December 2010**
Accrued employee benefits expense	102,840	96,914
Accrued income taxes	41,065	20,282
Other accrued taxes	20,672	13,148
Other payables	151,361	128,603
Customer prepayments	119,866	112,053
TOTAL	**435,804**	**371,000**

c – Trade payables and other operating liabilities by currency

		Liabilities at 31 December 2011			Liabilities at 31 December 2010		
Foreign currency, in thousands		**Local currency**	**Euro**	**%**	**Local currency**	**Euro**	**%**
EUR	Euro	607,688	607,688	56%	524,113	524,113	58%
USD	US dollar	272,006	210,222	20%	192,511	144,073	16%
GBP	Pound sterling	27,227	32,596	3%	25,709	29,868	3%
BRL	Brazilian real	64,961	26,889	2%	46,150	20,810	2%
CNY	Chinese yuan	719,223	88,153	8%	589,050	66,771	8%
Other	Other currencies		113,661	11%		114,204	13%
TOTAL			**1,079,209**	**100%**		**899,839**	**100%**
Of which:	*Trade payables*		*643,405*	*60%*		*528,839*	*59%*
	Other operating liabilities		*435,804*	*40%*		*371,000*	*41%*

The sensitivity of trade payables to changes in exchange rates is not analyzed, as more than half of these payables are in euros.

6. Capital management and market risks

Compagnie Plastic Omnium has set up a global cash management system organized around its subsidiary 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.

6.1. Capital management

Plastic Omnium raises equity and debt capital on the markets to meet its objective of maintaining ready access to sufficient financial resources to carry out its business operations, fund the investments required to drive growth and respond to exceptional circumstances.

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 financial condition. Net debt includes all of the Group's interest-bearing financial liabilities (other than operating payables) less cash and cash equivalents and other financial assets (other than operating receivables), such as loans and marketable securities. At 31 December 2011 and 31 December 2010, the gearing ratio stood at:

(in thousands of euros)	**31 December 2011**	**31 December 2010**
Net debt	471,319	537,831
Equity and quasi-equity (including government grants)	739,320	618,338
GEARING RATIO	**63,75%**	**86,98%**

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

A liquidity contract has been set up to support the capital management strategy. At 31 December 2011, 46,003 Compagnie Plastic Omnium shares and €285,582.35 in cash were held in the liquidity account, compared with 3,485 shares and €857,735.74 in cash at the previous year-end.

6.2. 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. The Group hedges a portion of its commodities purchases.

The benchmark indices for polyethylene and polypropylene are C2 and C3.

Some 227,796 tonnes of ethylene byproducts were purchased in 2011 versus 205,121 tonnes in 2010.

All other variables remaining constant, a 10% increase in the C2 and C3 benchmark indices in 2011 would have had a negative impact of around €19.4 million, before any impact of passing on the rise to customers, compared with a negative impact of €14.8 million in 2010.

Conversely, a 10% decrease would have had a positive impact of the same amount in 2011 and 2010.

6.3. Customer risk

At 31 December 2011, 10.93% of trade receivables were between one month and one year past due, compared with 10.84% at the previous year-end. The ageing analysis of trade receivables is presented below.

Net receivables by age:

31 December 2011 *(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	360,035	334,886	25,149	15,558	3,731	1,805	1,697	1,844	514
Environment	76,013	53,120	22,893	7,934	2,303	2,701	2,357	2,534	5,064
Unallocated	3,620	3,603	17						17
TOTAL	**439,668**	**391,609**	**48,059**	**23,492**	**6,034**	**4,506**	**4,054**	**4,378**	**5,595**

31 December 2010 *(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	288,372	271,029	17,343	9,190	1,539	3,503	1,132	299	1,680
Environment	84,065	59,231	24,834	7,948	2,606	2,766	2,608	3,463	5,443
Unallocated	19,343	19,051	292	292					
TOTAL	**391,780**	**349,311**	**42,469**	**17,430**	**4,145**	**6,269**	**3,740**	**3,762**	**7,123**

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

6.4. 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 primarily through medium-term bank lines of credit, but also through short-term bank facilities.

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

6.4.1. Other long-term finance receivables – carrying amounts and undiscounted values

	31 December 2011		31 December 2010	
(in thousands of euros)	**Value before discounting ***	**Carrying amount**	**Value before discounting ***	**Carrying amount**
Due within one year (see note 5.1.9 on finance receivables classified in current assets)	**–**	**–**	**–**	**–**
Due in one to five years (see note 5.1.7)	**68,035**	**62,982**	**56,942**	**51,337**
Other receivables	7,771	6,037	7,784	6,035
Environment finance lease receivables	7,752	5,948	7,966	6,892
Automotive finance receivables	52,512	50,997	41,192	38,410
Due beyond five years (see note 5.1.7)	**1,680**	**1,332**	**2,188**	**1,475**
Other receivables	11	11	–	–
Environment finance lease receivables	1,669	1,321	2,188	1,475
Automotive finance receivables	–	–	–	–
TOTAL	**69,715**	**64,314**	**59,130**	**52,812**

* In the 2010 Financial Report, the value of finance receivables before discounting in the above table was presented based on gross amounts. Starting in 2011, the value before discounting is based on net amounts, to permit reconciliations to the information disclosed in note 6.4.3 on financial assets and liabilities.

6.4.2. Carrying amounts of financial assets and liabilities

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

The difference between the carrying amount and fair value of items measured at amortized cost was not material at 31 December 2011 for the following reasons:

- Other financial assets and finance receivables: these items mainly comprise finance receivables that are measured at their net present value when due in more than one year.
- Trade receivables, other short-term financial receivables and trade payables: these items are due in less than one year.

Bank borrowings and overdraft facilities: 88% of the Group's financing was at variable rates of interest in 2011 compared with 85% in 2010.

(in thousands of euros)	**IAS 39 category**	**31 December 2011 Carrying amount**	**31 December 2010 Carrying amount**
FINANCIAL ASSETS			
Available-for-sale financial assets	At fair value through equity	1,952	1,444
Other financial assets	At amortized cost	81,538	66,591
Finance receivables	At amortized cost	39,066	51,034
Trade receivables	Loans and receivables at amortized cost	439,668	391,780
Other short-term financial receivables	Loans and receivables at amortized cost	5,714	4,098
Hedging instruments	Cash flow hedges at fair value through equity	2	3,385
Cash and cash equivalents	Financial assets at fair value through profit or loss	204,536	193,305
Assets held for sale	Lower of carrying amount and estimated sale price	19,435	–
FINANCIAL LIABILITIES			
Long-term borrowings	At amortized cost	564,397	723,145
Bank overdrafts	At amortized cost	44,335	30,672
Short-term borrowings	At amortized cost	171,471	90,766
Other short-term debt	At amortized cost	11,363	7,147
Hedging instruments	Cash flow hedges at fair value through equity	11,937	5,362
Trade payables	At amortized cost	643,405	528,839
Liabilities related to assets held for sale	Lower of carrying amount and estimated sale price	11,303	–

6.4.3. Liquidity risk by maturity

The analysis of liquidity risk by maturity presented below is based on undiscounted contractual cash flows from financial assets and liabilities:

At 31 December 2011

(in thousands of euros)	31 December 2011	Less than 1 year	1 to 5 years	More than 5 years
FINANCIAL ASSETS				
Available-for-sale financial assets	1,952	1,952	–	–
Other financial assets*	25,005	17,223	7,771	11
Finance receivables*	101,927	39,993	60,265	1,669
Trade receivables **	439,668	434,073	5,595	–
Other short-term financial receivables	5,714	5,714	–	–
Hedging instruments	2	2	–	–
Cash and cash equivalents	204,536	204,536	–	–
TOTAL FINANCIAL ASSETS	**778,804**	**703,493**	**73,631**	**1,680**
FINANCIAL LIABILITIES				
Long-term borrowings ***	671,915	–	662,339	9,576
Bank overdrafts	44,336	44,336	–	–
Short-term borrowings ****	171,471	171,471	–	–
Other short-term debt	11,363	11,363	–	–
Hedging instruments	11,937	11,937	–	–
Trade payables	643,405	643,405	–	–
TOTAL FINANCIAL LIABILITIES	**1 554,427**	**882,512**	**662,339**	**9,576**
FINANCIAL ASSETS AND FINANCIAL LIABILITIES - NET #	**(775,623)**	**(179,019)**	**(588,708)**	**(7,896)**

* Undiscounted amounts (see notes 5.1.9 and 6.4.1).
** Trade receivables include past-due receivables of €48,059 thousand at 31 December 2011. See ageing analysis in note 6.3.
*** Long-term borrowings include the amounts reported in the balance sheet and interest payable over the remaining life of the debt.
**** The increase in short-term borrowings in 2011 is attributable to expansion of the commercial paper program.
# See note 5.2.7 b on confirmed medium-term credit lines and drawdowns.

At 31 December 2010

(in thousands of euros)	31 December 2010	Less than 1 year	1 to 5 years	More than 5 years
FINANCIAL ASSETS				
Available-for-sale financial assets	1,444	–	1,444	–
Other financial assets *	21,563	13,779	7,784	–
Finance receivables*	102,729	51,383	49,158	2,188
Trade receivables **	391,781	384,658	7,123	–
Other short-term financial receivables	4,098	4,098	–	–
Hedging instruments	3,385	3,385	–	–
Cash and cash equivalents	193,305	193,305	–	–
TOTAL FINANCIAL ASSETS	**718,305**	**650,608**	**65,509**	**2,188**
FINANCIAL LIABILITIES				
Long-term borrowings	832,589	–	762,274	70,315
Bank overdrafts	30,672	30,672	–	–
Short-term borrowings	90,766	90,766	–	–
Other short-term debt	7,147	7,147	–	–
Hedging instruments	5,362	5,362	–	–
Trade payables	528,839	528,839	–	–
TOTAL FINANCIAL LIABILITIES	**1,495,375**	**662,786**	**762,274**	**70,315**
FINANCIAL ASSETS AND FINANCIAL LIABILITIES - NET #	**(777,070)**	**(12,178)**	**(696,765)**	**(68,127)**

* Undiscounted amounts (see notes 5.1.9 and 6.4.1).
** Trade receivables include past-due receivables of €42,469 thousand at 31 December 2010. See ageing analysis in note 6.3.
# See note 5.2.7 b on confirmed medium-term credit lines and drawdowns.

6.5. 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 hedging currency risks arising from cross-border transactions, such as purchases of property, plant and equipment. All hedging positions are taken by Group Treasury, in liaison with the operating divisions and national structures.

6.6. Interest rate risk

Interest rate risk on debt is managed by the Group with the prime objective of achieving 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 2011, 87% of borrowings in euros were hedged over 1.5 and 3.5 years using non-speculative financial instruments, compared with 74% of borrowings hedged over 2.5 and 4.5 years at the previous year-end.

Sensitivity to interest rate changes

A 100-bps rise (or fall) in interest rates on the Group's variable rate debt would have led to an increase (or decrease) in interest expense after the impact of hedging of €6 million in 2011 and €3 million in 2010.

7. Other information

7.1. Number of employees at year-end

	December 2011			December 2010			
Number of employees	**Excluding temporary staff**	**Temporary staff**	**Total**	**Excluding temporary staff**	**Temporary staff**	**Total**	**Total change**
France	4,919	714	5 633	4,774	770	5,544	2%
%	*28.8%*	*26.5%*	*28.5%*	*30.5%*	*33.9%*	*30.9%*	
Europe excluding France	5,042	646	5 688	4,635	531	5,166	10%
%	*29.5%*	*24.0%*	*28.8%*	*29.6%*	*23.4 %*	*28.8%*	
North America	2,667	447	3,114	2,276	258	2,534	23%
%	*15,6%*	*16,6%*	*15,8%*	*14,5%*	*11,3%*	*14,1%*	
Asia and South America *	4,440	889	5,329	3,989	715	4,704	13%
%	*26.0%*	*33.0%*	*27.0%*	*25.4%*	*31.4%*	*26.2%*	
TOTAL	**17,068**	**2,696**	**19,764**	**15,674**	**2,274**	**17,948**	**10%**
Change by employee category: :							
Employees excluding temporary staff			*9%*			*26%*	
Temporary staff			*19%*			*74%*	
Of which, employees of joint ventures adjusted on the basis of the Group's percentage interest in the joint ventures	*1,289*	*127*	*1,416*	*1,176*	*1*	*1,177*	*20%*

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

7.2. Off-balance sheet commitments

7.2.1. Commitments given and received

At 31 December 2011

(in thousands of euros)	Total	Intangible assets	Property, plant and equipment	Financial assets/liabilities	Other non-financial current assets/liabilities
Surety bonds given	(26,727)	–	(9,955)	(12,663)	(4,109)
Commitments to purchase assets	(86,790)	–	(86,790)	–	–
Debt collateral (mortgages)	(5,805)	–	(5,805)	–	–
Guarantees	(8,912)	–	(737)	(8,175)	–
Other off-balance sheet commitments	(24,634)	–	(382)	(9,066)	(15,186)
Total commitments given	**(152,868)**	**–**	**(103,669)**	**(29,904)**	**(19,295)**
Surety bonds received	1,764	–	858	–	906
Other commitments received	164	–	164	–	–
Total commitments received	**1,928**	**–**	**1,022**	**–**	**906**
TOTAL COMMITMENTS – NET	**(150,940)**	**–**	**(102,647)**	**(29,904)**	**(18,389)**

At 31 December 2010

(in thousands of euros)	Total	Intangible assets	Property, plant and equipment	Financial assets/liabilities	Other non-financial current assets/liabilities
Surety bonds given	(22,040)	(6)	(419)	(16,305)	(5,310)
Commitments to purchase assets	(9,987)	–	(9,877)	(110)	–
Debt collateral (mortgages)	(6,179)	–	(6,179)	–	–
Other off-balance sheet commitments	(9,571)	–	(106)	(6,280)	(3,185)
Total commitments given	**(47,777)**	**(6)**	**(16,581)**	**(22,695)**	**(8,495)**
Surety bonds received	793	121	672	–	–
Total commitments received	**793**	**121**	**672**	**–**	**–**
TOTAL COMMITMENTS – NET	**(46,984)**	**115**	**(15,909)**	**(22,695)**	**(8,495)**

At the time of the Group's acquisition of 50% of Inergy in 2010, the vendors provided a 5-year warranty covering any recalls of products manufactured or sold in the period before the acquisition.

7.2.2. Operating leases where the Group is lessee

(in thousands of euros)	31 December 2011	31 December 2010
Minimum lease payments under non cancelable operating leases		
Due within one year	29,720	26,024
Due in one to five years	73,050	45,069
Due beyond five years	31,884	16,709
TOTAL	**134,654**	**87,802**

7.2.3. Right to individual training (DIF)

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

Number of hours	**31 December 2011**	**31 December 2010**
2004 to 2010		480,262
2004 to 2011	491,886	

As explained in note 1.13, no provision is recorded for the cost of these training hours.

7.3. Related party transactions

7.3.1. Compensation paid to senior executives and officers

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

No stock options were granted to any senior executives or officers in 2011. In 2010, a total of 120,000 options were granted to them.

The table below shows the total compensation and benefits paid to members of the Board of Directors and senior executives in 2011 and 2010.

(in thousands of euros)	**Paid or payable by ...**	**2011**	**2010**
Directors' fees	paid by Compagnie Plastic Omnium	63	59
Directors' fees	paid by companies controlled by Compagnie Plastic Omnium and by Burelle SA	260	229
Gross compensation	payable by the Plastic Omnium Group	3,865	3,046
Cost of supplementary pension plan	payable by the Plastic Omnium Group	666	307
Cost of stock option plans	payable by the Plastic Omnium Group	718	872
TOTAL COMPENSATION		**5,572**	**4,513**

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

At 31 December 2011

(in thousands of euros)	**Direct and indirect costs**	**Royalties and management fees**	**Financial income and expenses**	**Current accounts**	**Deposits**	**Trade payables**	**Trade receivables**	**Other receivables**	**Long and short-term debt**
Sofiparc SAS	(794)	(4,096)	(1,412)	7	981	125	–	–	40,327
Burelle SA	2	(5,866)	(46)	201	–	2,348	–	36	–
Burelle Participations SA	–	7	–	–	–	–	–	–	–

At 31 December 2010

(in thousands of euros)	**Direct and indirect costs**	**Royalties and management fees**	**Financial income and expenses**	**Current accounts**	**Deposits**	**Trade payables**	**Trade receivables**	**Other receivables**	**Long and short-term debt**
Sofiparc SAS	(4,512)	91	(1,549)	6,450	890	226	–	–	40,327
Burelle SA	2	(4,264)	3	237	–	1,944	–	10,435	–
Burelle Participations SA	–	7	–	–	–	–	–	–	–

7.3.3. 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 are managed jointly by Plastic Omnium and other investors, are consolidated by the Group on the following bases:

	31 December 2011	31 December 2010
Plastic Recycling	50%	50%
VPO joint venture	50%	50%
Yanfeng PO joint venture	49.95%	49.95%
HBPO joint venture	33.33%	33.33%
ARC *	–	50%

* ARC was sold on 31 December 2010.

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

(in thousands of euros)	31 December 2011 *	31 December 2010 *
Revenue	4,153	3,200
Trade receivables	1,845	1,818
Trade payables	(886)	(870)
Dividends	18,071	9,766
Current accounts	435	225

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

b – Consolidated balance sheet of joint ventures

(in thousands of euros)	31 December 2011	31 December 2010
Non-current assets	88,302	59,574
Current assets	184,509	107,144
TOTAL ASSETS	**272,811**	**166,718**
Equity	99,657	73,217
Non-current liabilities	7,309	5,597
Current liabilities	165,845	87,904
TOTAL EQUITY AND LIABILITIES	**272,811**	**166,718**

c – Consolidated income statement of joint ventures

(in thousands of euros)	2011	2010
Revenue	**482,092**	**420,800**
Cost of sales	(439,477)	(385,148)
Research and development costs	(6,778)	(5,218)
Distribution costs	(254)	(181)
Administrative expenses	(11,995)	(11,725)
Operating margin	**23,588**	**18,528**
Other operating income and expenses	10,002	6,619
Operating profit	**33,590**	**25,147**
Finance costs, net and other financial income and expenses, net	263	102
Profit before tax	33,853	25,249
Income tax expense	(6,325)	(4,621)
NET PROFIT FROM CONTINUING OPERATIONS	**27,528**	**20,628**
Net loss from discontinued operations	–	–
NET PROFIT	**27,528**	**20,628**

7.4. Fees paid to the Statutory Auditors

	2011		
(in thousands of euros)	**Mazars**	**Ernst & Young**	**Total**
Audit services	**(1,596)**	**(1,427)**	**(3,023)**
Of which:			
Compagnie Plastic Omnium	*(360)*	*(349)*	*(709)*
Subsidiaries	*(1,236)*	*(1,078)*	*(2,314)*
Other fees	**(218)**	**(250)**	**(468)**
Of which:			
Compagnie Plastic Omnium	*0*	*0*	*0*
Subsidiaries	*(218)*	*(250)*	*(468)*
TOTAL	**(1,814)**	**(1,677)**	**(3,491)**

	2010		
(in thousands of euros)	**Mazars**	**Ernst & Young**	**Total**
Audit services	**(1,659)**	**(1,238)**	**(2,897)**
Of which:			
Compagnie Plastic Omnium	*(273)*	*(287)*	*(560)*
Subsidiaries	*(1,386)*	*(951)*	*(2,337)*
Other fees	**(210)**	**(219)**	**(429)**
Of which:			
Compagnie Plastic Omnium	*(8)*	*0*	*(8)*
Subsidiaries	*(202)*	*(219)*	*(421)*
TOTAL	**(1,869)**	**(1,457)**	**(3,326)**

7.5. Consolidating entity

Compagnie Plastic Omnium is fully consolidated in the accounts of Burelle SA, which owns 55.10% of its capital, or 60.35% after the impact of canceling treasury stock.

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69342 Lyon Cedex 07

7.6. Subsequent events

On 17 February 2012, Plastic Omnium and Eurovia signed a memorandum of understanding whereby the two companies agreed to unwind their cross-shareholdings in road signage and Plastic Omnium would sell its French and German road signage subsidiaries to Eurovia. The transaction is subject to approval by French and German competition authorities. The impact of the transactions is reflected in the consolidated financial statements at 31 December 2011.

To the best of management's knowledge, no other events have occurred since 31 December 2011 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 2011

		Reportable segments			31 December 2011			31 December 2010			
Company		Automotive	Environment	Unallocated	Consolidation method	% voting rights	% interest	Consolidation method	% voting rights	% interest	Tax group
France											
COMPAGNIE PLASTIC OMNIUM SA				•	Parent company			Parent company			1
PLASTIC OMNIUM SYSTEMES URBAINS SAS			•		F	100	100	F	100	100	1
METROPLAST SAS			•		F	100	100	F	100	100	1
LA REUNION VILLES PROPRES SAS			•		F	100	100	F	100	100	1
PLASTIC OMNIUM CARAIBES SAS			•		F	100	100	F	100	100	1
INERGY AUTOMOTIVE SYSTEMS FRANCE SAS	c	•			F	100	100	F	100	100	1
PLASTIC RECYCLING SAS	a	•			P	50	50	P	50	50	
PLASTIC OMNIUM AUTO EXTERIEUR SA		•			F	100	100	F	100	100	1
PLASTIC OMNIUM AUTO EXTERIEUR 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 ENVIRONNEMENT SAS			•	•	F	100	100	F	100	100	1
PLASTIC OMNIUM AUTO EXTERIORS SAS		•			F	100	100	F	100	100	1
PLASTIC OMNIUM COMPOSITES HOLDING SAS	p, r	•			F	100	100	F	100	100	1
INERGY AUTOMOTIVE SYSTEMS SAS	c	•			F	100	100	F	100	100	1
INERGY AUTOMOTIVE SYSTEMS MANAGEMENT SAS	c	•			F	100	100	F	100	100	1

		Reportable segments			31 December 2011			31 December 2010			
Company		Auto-motive	Environ-ment	Un-alloca-ted	Consoli-dation method	% voting rights	% interest	Consoli-dation method	% voting rights	% interest	Tax group
PLASTIC OMNIUM ENVIRONNEMENT GUYANE SAS			•		F	100	100	F	100	100	1
VALEO PLASTIC OMNIUM SNC		•			P	50	50	P	50	50	
BEAUVAIS DIFFUSION SAS			•		F	100	100	F	100	100	1
PLASTIC OMNIUM VERNON SAS		•			F	100	100	F	100	100	1
TECHNIQUES ET MATERIELS DE COLLECTE - « TEMACO » SAS			•		F	100	100	F	100	100	1
INOPART SA	k	•			F	100	100	F	100	100	
PLASTIC OMNIUM COMPOSITES SA	p, q	•			F	100	100	F	100	100	1
MIXT COMPOSITES ET RECYCLABLES - MCR SAS	p	•			F	100	100	F	100	100	1
ALLEVARD RESSORTS COMPOSITES - « ARC » SAS	h	•			-	-	-	P	50	50	
COMPAGNIE SIGNATURE SAS				•	F	100	100	F	100	100	
SIGNATURE HOLDING SAS	k			•	F	100	100	F	100	100	
SIGNATURE SA				•	F	100	100	F	100	100	
SIGNATURE VERTICAL HOLDING SAS			•		F	100	65	F	100	65	5
ATLAS SAS	n		•		-	-	-	E	26.25	26.25	
SOCIETE D'APPLICATIONS ROUTIERES SAS	n		•		-	-	-	E	35	35	
EUROLINERS SAS	n		•		-	-	-	E	35	35	
SIGNATURE TRAFFIC SYSTEMS SAS	o		•		F	100	65	F	100	65	5
SIGNALISATION SECURITE SARL	n		•		-	-	-	E	35	35	
FARCOR SAS	o		•		F	100	65	F	100	65	5
SODILOR SASU	o		•		F	100	65	F	100	65	5
SECTRA	n		•		-	-	-	E	35	35	
SIGNALIS SAS	n		•		-	-	-	E	35	35	
SIGNALISATION TOULOUSAINE SAS	n		•		-	-	-	E	35	35	
EUROMARK HOLDING SAS	n		•		-	-	-	E	35	35	
SIGNATURE INTERNATIONAL SAS	m			•	F	100	100	F	100	100	
SIGNATURE SAS	n		•		-	-	-	E	35	35	
SIGNATURE FRANCE SAS	n		•		-	-	-	E	35	35	
SIGNATURE GESTION SAS	n		•		-	-	-	E	35	35	
GTU SAS	n		•		-	-	-	E	35	35	
SULO FRANCE SAS			•		F	100	100	F	100	100	1

Company		Reportable segments: Auto-motive	Environ-ment	Un-alloca-ted	31 December 2011: Consoli-dation method	% voting rights	% interest	31 December 2010: Consoli-dation method	% voting rights	% interest	Tax group
South Africa											
INERGY AUTOMOTIVE SYSTEMS SOUTH AFRICA LTD	c	•			F	100	100	F	100	100	
PLASTIC OMNIUM URBAN SYSTEMS (Pty) LTD	i		•		F	100	100	F	100	100	
Germany											
PLASTIC OMNIUM GmbH				•	F	100	100	F	100	100	8
PLASTIC OMNIUM AUTO COMPONENTS GmbH		•			F	100	100	F	100	100	8
PLASTIC OMNIUM ENTSORGUNGSTECHNIK GmbH			•		F	100	100	F	100	100	
INERGY AUTOMOTIVE SYSTEMS GERMANY GmbH	c	•			F	100	100	F	100	100	8
HBPO BETEILIGUNGSGESELLSCHAFT GmbH		•			P	33.33	33.33	P	33.33	33.33	
HBPO Rastatt GmbH	d	•			P	33.33	33.33	P	33.33	33.33	
HBPO GERMANY GmbH		•			P	33.33	33.33	P	33.33	33.33	
HBPO GmbH		•			P	33.33	33.33	P	33.33	33.33	
BERLACK GmbH	n		•		-	-	-	E	35	35	
SULO VERWALTUNG UND TECHNIK GmbH (Signature Verkehrstechnik GmbH)			•		F	100	100	F	100	100	
SIGNATURE MARKIERTECHNIK GmbH	n		•		-	-	-	E	35	35	
SIGNATURE DEUTSCHLAND GmbH	o		•		F	100	100	F	100	100	2
ENVICOMP GmbH			•		F	100	100	F	100	100	2
ENVICOMP SYSTEMLOGISTIK VERWARLTUNG GmbH & Co KG	m		•		F	100	100	F	100	100	
WESTFALIA INTRALOG GmbH	p		•		F	100	100	F	100	100	2
SULO EISENWERK STREUBER & LOHMANN GmbH			•		F	100	100	F	100	100	8
SULO UMWELTTECHNIK GmbH			•		F	100	100	F	100	100	8
SULO UMWELTTECHNIK BETEILIGUNGS GmbH			•		F	100	100	F	100	100	
SULO EMBALLAGEN BETEILIGUNGS GmbH	l		•		-	-	-	F	100	100	
SULO EMBALLAGEN GmbH			•		F	100	100	F	100	100	8
PLASTIC OMNIUM URBAN SYSTEMS GmbH				•	F	100	100	F	100	100	2
EUROMARK DEUTSCHLAND GmbH	n		•		-	-	-	E	35	35	
PLASTIC OMNIUM COMPOSITES GmbH	d	•			F	100	100	F	100	100	8
SULO ENTSORGUNGSTECHNIK GmbH	d, k	•			F	100	100	F	100	100	

Company		Reportable segments			31 December 2011			31 December 2010			
		Auto-motive	Environ-ment	Un-alloca-ted	Consoli-dation method	% voting rights	% interest	Consoli-dation method	% voting rights	% interest	Tax group
RMS ROTHERM MASCHINENBAU GmbH	g		•		F	70	70	-	-	-	
HBPO Ingolstadt GmbH	e	•			P	33.33	33.33	-	-	-	
Argentina											
INERGY AUTOMOTIVE SYSTEMS ARGENTINA SA	c	•			F	100	100	F	100	100	
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 RESEARCH NV	c	•			F	100	100	F	100	100	
INERGY AUTOMOTIVE SYSTEMS BELGIUM SA	c	•			F	100	100	F	100	100	
DIDIER VANDENWEGHE NV	n		•		-	-	-	E	35	35	
VANDIPAINT NV	n		•		-	-	-	E	35	35	
SULO NV			•		F	100	100	F	100	100	
Brazil											
INERGY AUTOMOTIVE SYSTEMS DO BRASIL LTDA	c	•			F	100	100	F	100	100	
PLASTIC OMNIUM DO BRASIL LTDA		•			F	100	100	F	100	100	
Canada											
INERGY AUTOMOTIVE SYSTEMS CANADA INC	c	•			F	100	100	F	100	100	
HBPO CANADA INC		•			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 AUTOMOTIVE SYSTEMS WUHAN CO LTD	c	•			F	100	100	F	100	100	
YANFENG PLASTIC OMNIUM AUTOMOTIVE EXTERIOR SYSTEMS CO LTD		•			P	49.95	49.95	P	49.95	49.95	
PLASTIC OMNIUM (SHANGHAÏ) BUSINESS CONSULTING CO LTD				•	F	100	100	F	100	100	
INERGY AUTOMOTIVE SYSTEMS CONSULTING (BEIJING) CO LTD	c	•			F	100	100	F	100	100	
INERGY AUTOMOTIVE SYSTEMS MANUFACTURING (Beijing) CO LTD	c	•			F	100	100	F	100	100	
CHONGQING YANFENG PO AE FAWAY CO LTD	d	•			P	49.95	49.95	P	49.95	49.95	

		Reportable segments			31 December 2011			31 December 2010			
Company		Auto-motive	Environ-ment	Un-alloca-ted	Consoli-dation method	% voting rights	% interest	Consoli-dation method	% voting rights	% interest	Tax group
GUANGZHOU ZHONGXIN YANFENG PO AE TRIM CO LTD	d	•			P	49.95	49.95	P	49.95	49.95	
CHENGDU FAWAY YANFENG PO	d	•			E	24.48	24.48	E	24.48	24.48	
HBPO CHINA Ltd		•			P	33.33	33.33	P	33.33	33.33	
YANFENG PLASTIC OMNIUM (SHANGHAI) AUTOMOTIVE EXTERIOR SYSTEMS CO LTD	e	•			P	49.95	49.95	-	-	-	
DONGFENG PLASTIC OMNIUM AUTOMOTIVE EXTERIOR SYSTEMS CO LTD	e	•			E	24.95	24.95	-	-	-	
South Korea											
SHB AUTOMOTIVE MODULES	p	•			P	16.67	16.67	P	16.67	16.67	
HBPO KOREA Ltd		•			P	33.33	33.33	P	33.33	33.33	
INERGY AUTOMOTIVE SYSTEMS CO LTD	c	•			F	100	100	F	100	100	
Spain											
COMPAÑIA PLASTIC OMNIUM SA				•	F	100	100	F	100	100	3
PLASTIC OMNIUM EQUIPAMIENTOS EXTERIORES SA		•			F	100	100	F	100	100	3
PLASTIC OMNIUM SISTEMAS URBANOS SA			•		F	100	100	F	100	100	3
INERGY AUTOMOTIVE SYSTEMS VALLADOLID SL	c	•			F	100	100	F	100	100	
INERGY AUTOMOTIVE SYSTEMS SPAIN SA (Arevalo/Vigo)	c	•			F	100	100	F	100	100	
VALEO PLASTIC OMNIUM SL		•			P	50	50	P	50	50	
JUEGOS LUDOPARC SL	j		•		-	-	-	F	100	100	
PLASTIC OMNIUM COMPOSITES ESPANA	p, s	•			F	100	100	F	100	100	3
HBPO IBERIA SL		•			P	33.33	33.33	P	33.33	33.33	
SIGNATURE SEÑALIZACION SA			•		F	100	65	F	100	65	
HBPO AUTOMOTIVE SPAIN SL		•			P	33.33	33.33	P	33.33	33.33	
PLASTIC OMNIUM COMPONENTES EXTERIORES SL	f	•			F	100	100	F	100	100	3
United States											
EPSCO INTERNATIONAL INC.	l			•	-	-	-	F	100	100	
PLASTIC OMNIUM AUTO EXTERIORS LLC		•			F	100	100	F	100	100	4
PERFORMANCE PLASTICS PRODUCTS - 3 P INC.				•	F	100	100	F	100	100	4
PLASTIC OMNIUM INC.				•	F	100	100	F	100	100	4
PLASTIC OMNIUM INDUSTRIES INC.				•	F	100	100	F	100	100	4
INERGY AUTOMOTIVE SYSTEMS (USA) LLC	c	•			F	100	100	F	100	100	4

Company		Reportable segments			31 December 2011			31 December 2010			
		Auto-motive	Environ-ment	Un-alloca-ted	Consoli-dation method	% voting rights	% interest	Consoli-dation method	% voting rights	% interest	Tax group
PLASTIC OMNIUM AUTOMOTIVE SERVICES INC.		•			F	100	100	F	100	100	4
HBPO NORTH AMERICA INC.		•			P	33.33	33.33	P	33.33	33.33	
INERGY AUTOMOTIVE SYSTEMS HOLDING INC.	c	•			F	100	100	F	100	100	
Greece											
SIGNATURE HELLAS	n, b		•		-	-	-	E	17.50	17.50	
Hungary											
HBPO MANUFACTURING HUNGARY Kft	e	•			P	33.33	33.33	-	-	-	
India											
PLASTIC OMNIUM VARROC PRIVATE LTD		•			F	60	60	F	60	60	
INERGY AUTOMOTIVE SYSTEMS INDIA	c	•			F	100	100	F	100	100	
INERGY AUTOMOTIVE SYSTEMS MANUFACTURING INDIA PVT LTD	d, c	•			F	55	55	F	55	55	
Ireland											
INERGY AUTOMOTIVE SYSTEMS REINSURANCE LTD	c	•			F	100	100	F	100	100	
Japan											
INERGY AUTOMOTIVE SYSTEMS KK	c	•			F	100	100	F	100	100	
HBPO JAPAN	m	•			P	33.33	33.33	P	33.33	33.33	
Morocco											
INERGY AUTOMOTIVE SYSTEMS MOROCCO	d, c	•			F	100	100	F	100	100	
Mexico											
PLASTIC OMNIUM AUTOMOVIL SA DE CV		•			F	100	100	F	100	100	
PLASTIC OMNIUM AUTO EXTERIORES SA DE CV		•			F	100	100	F	100	100	
PLASTIC OMNIUM INDUSTRIAL AUTO EXTERIORES RAMOS ARIZPE SA DE CV		•			F	100	100	F	100	100	
PLASTIC OMNIUM DEL BAJIO SA DE CV		•			F	100	100	F	100	100	
INERGY AUTOMOTIVE SYSTEMS MEXICO SA DE CV	c	•			F	100	100	F	100	100	
INERGY AUTOMOTIVE SYSTEMS INDUSTRIAL MEXICO SA DE CV	e	•			F	100	100	-	-	-	
INOPLAST COMPOSITES SA DE CV		•			F	100	100	F	100	100	
INOPLASTIC OMNIUM INDUSTRIAL SA DE CV		•			F	100	100	F	100	100	
PLASTIC OMNIUM SISTEMAS URBANOS SA DE CV			•		F	100	100	F	100	100	

Company		Reportable segments: Auto-motive	Environ-ment	Un-alloca-ted	31 December 2011: Consoli-dation method	% voting rights	% interest	31 December 2010: Consoli-dation method	% voting rights	% interest	Tax group
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	
PLASTIC OMNIUM TOLUCA SA DE CV	d	•			F	100	100	F	100	100	
Middle East											
INERGY VLA PLASTIRAN	c	•			F	51	51	F	51	51	
Netherlands											
PLASTIC OMNIUM BV			•		F	100	100	F	100	100	6
PLASTIC OMNIUM INTERNATIONAL BV				•	F	100	100	F	100	100	6
SIGNATURE WEGMARKERING BV	n		•		-	-	-	E	35	35	
SULO BV			•		F	100	100	F	100	100	6
Poland											
INERGY AUTOMOTIVE SYSTEMS POLAND Sp. Z.O.O	c	•			F	100	100	F	100	100	
PLASTIC OMNIUM AUTO EXTERIORS Sp Z.O.O		•			F	100	100	F	100	100	
SULO Sp. Z.O.O			•		F	100	100	F	100	100	
PLASTIC OMNIUM AUTO Sp Z.O.O	g	•			F	100	100	-	-	-	
Portugal											
PLASTIC OMNIUM SA	l		•		-	-	-	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	n		•		-	-	-	E	35	35	
SULO SRO			•		F	100	100	F	100	100	
Romania											
INERGY AUTOMOTIVE SYSTEMS ROMANIA	c	•			F	100	100	F	100	100	
SIGNATURE SEMNALIZARE ROMANIA	n		•		-	-	-	E	34.88	34.88	
United Kingdom											
PERFORMANCE PLASTICS PRODUCTS - 3P LTD	l			•	-	-	-	F	100	100	
PLASTIC OMNIUM AUTOMOTIVE LTD		•			F	100	100	F	100	100	7
PLASTIC OMNIUM LTD				•	F	100	100	F	100	100	7
PLASTIC OMNIUM URBAN SYSTEMS LTD			•		F	100	100	F	100	100	7
INERGY AUTOMOTIVE SYSTEMS UK LTD	c, m	•			F	100	100	F	100	100	
SIGNATURE LTD			•		F	100	65	F	100	65	
SULO MGB LTD			•		F	100	100	F	100	100	7

		Reportable segments			31 December 2011			31 December 2010			
Company		**Auto-motive**	**Environ-ment**	**Un-alloca-ted**	**Consoli-dation method**	**% voting rights**	**% interest**	**Consoli-dation method**	**% voting rights**	**% interest**	**Tax group**
HBPO UK LTD		•			P	33.33	33.33	P	33.33	33.33	
POST & COLUMN COMPANY LTD	f		•		F	100	56.87	F	100	48.75	
Russia											
OOO STAVROVO AUTOMOTIVE SYSTEMS	c, p, t	•			F	100	100	F	100	100	
Singapore											
SULO ENVIRONMENTAL SYSTEMS PTE Ltd			•		F	100	100	F	100	100	
Slovakia											
PLASTIC OMNIUM AUTO EXTERIORS S.R.O.		•			F	100	100	F	100	100	
INERGY AUTOMOTIVE SYSTEMS SLOVAKIA S.R.O.	c	•			F	100	100	F	100	100	
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	
Switzerland											
PLASTIC OMNIUM AG			•		F	100	100	F	100	100	
PLASTIC OMNIUM RE AG				•	F	100	100	F	100	100	
SIGNAL AG	u		•		F	50	32.50	F	50	32.50	
Thailand											
INERGY AUTOMOTIVE SYSTEMS (THAILAND) LTD	c	•			F	100	100	F	100	100	
Turkey											
B.P.O. AS	b	•			F	49.98	49.98	F	49.98	49.98	
SIGNATEKMA	n		•		-	-	-	E	17.50	17.50	

Consolidation method and notes:
F: Full consolidation
P: Proportionate consolidation
E: Equity method

Movements during the period:
a Companies reclassified to a different reportable segment in 2010
b Change in consolidation method and/or percentage in 2010
c Companies in which the Group acquired a controlling interest in 2010
d Companies newly-formed and/or in start-up phase in 2010
e Companies newly-formed and/or in start-up phase in 2011
f Companies acquired in 2010
g Companies acquired in 2011
h Companies divested in 2010
i Companies divested in 2011
j Company merged in 2010
k Companies merged in 2011
l Companies liquidated in 2010
m Companies liquidated in 2011
n Companies that were deconsolidated in 2011 (effective as of 1 January) and reclassified as assets held for sale
o Signature Vertical companies reclassified as assets held for sale in 2011
p Companies whose name was changed in 2011
q Inoplast SA has been renamed Plastic Omnium Composites SA
r Inoplastic Omnium SAS has been renamed Plastic Omnium Composites Holding SAS
s Inoplast SA has been renamed Plastic Omnium Composites España
t Inergy Russia has been renamed OOO Stavrovo Automotive Systems
u Company that consolidated the financial statements of Segnaletica Mordasini acquired in 2009

Tax groups:
1 Plastic Omnium France
2 PO Urban System GmbH
3 Spain
4 United States
5 Signature Vertical Holding
6 Netherlands
7 United Kingdom
8 PO GmbH

07

COMPANY FINANCIAL STATEMENTS

INCOME STATEMENT

(in thousand of euros)	**Notes**	**2011**	**2010**
Net sales*		**1,559**	**7,709**
Provision reversals and expense transfers	M	982	-
Other operating revenue*		18,703	14,359
Total operating revenue		**21,244**	**22,068**
Operating and other expenses	L	(18,345)	(21,080)
Taxes other than on income tax		(878)	(133)
Depreciation, amortization and provisions	M	(464)	(3,288)
Other expenses		(1,144)	(1,829)
Operating income/(loss)		**413**	**(4,262)**
Joint venture income		0	(105)
Net interest income	N	**132,976**	**96,871**
Income before non-operating items		**133,389**	**92,504**
Non-operating items	O	(9,822)	80
Income before tax		123,567	92,584
Corporate income tax	P	11,046	15,383
NET INCOME		**134,613**	**107,967**
*Net sales and other operating income	K	20,262	22,068

BALANCE SHEET

ASSETS

(in thousands of euros)	Note	2011 Cost	2011 Depreciation, amortization and provisions	2011 Net	2010 Net
NON CURRENT ASSETS					
Intangible assets	A	8,818	877	7,941	7,948
Property and equipment	B	8,010	3,193	4,817	4,931
Investments	C	675,118	20,774	654,344	626,543
Total fixed assets		**691,946**	**24,844**	**667,102**	**639,422**
CURRENT ASSETS					
Prepayments to suppliers	D	11	0	11	0
Trade receivables	D	1,684	0	1,684	7,512
Other receivables*	D	448,138	3,466	444,672	312,344
Cash and cash equivalents*	E	26,916	0	26,916	28,678
Total current assets		**476,749**	**3,466**	**473,283**	**348,534**
Prepaid expenses		514	0	514	358
Conversion losses		2,724	0	2,724	1,186
TOTAL		**1,171,933**	**28,310**	**1,143,623**	**989,499**

LIABILITIES AND SHAREHOLDERS' EQUITY

(in thousands of euros)	Note	2011	2010
SHAREHOLDERS' EQUITY			
Share capital	F	8,939	8,822
Additional paid-in capital	G	82,968	89,458
Retained earnings and other reserves	H	360,497	275,240
Net income for the year		134,613	107,967
Untaxed provisions	I	543	515
Total shareholders' equity		**587,560**	**482,002**
Provisions for contingencies and charges	I	12,302	1,339
LIABILITIES			
Bank borrowings*		469,000	478,226
Other borrowings*		52,386	17,019
Trade payables		3,134	6,340
Accrued tax and personnel-related liabilities		113	865
Other liabilities		15,698	1,069
Total liabilities	J	**540,330**	**503,519**
Conversion gains		3,430	2,639
TOTAL		**1,143,623**	**989,499**

* Compagnie Plastic Omnium had €69.2 million in net debt at 31 December 2011, versus €175.5 million a year earlier.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

(in thousands of euros)	
Financial position	
Share capital	8,939
Shareholders' equity	587,560
Financial liabilities	69,173
Net non-current assets	667,102
Total assets	**1,143,623**
Results of operations	
Operating revenue	21,244
Operating income	413
Income before non-operating items	133,389
Non-operating items	(9,822)
Net income	**134,613**
EARNINGS PER SHARE (in euros)	**2.56**

1 - ACCOUNTING POLICIES

The financial statements of Compagnie Plastic Omnium have been prepared in accordance with French generally accepted accounting policies (CRC Regulation 99-03 as amended by the various regulations issued by the Comité de la Réglementation Comptable and the Autorité des Normes Comptables).

The accounting policies used to prepare the 2011 financial statements are the same as those used in the previous year. Significant accounting policies are as follows:

Intangible assets

Intangible assets mainly comprise trademarks and patents, which are not amortized. Trademark and patent filing fees have been recognized in the income statement since 1 January 2009.

Property and equipment

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

Property and equipment are stated at cost and depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	40 years
Fixtures and fittings	10 years
Office equipment and furniture	5 to 10 years

Investments

Gross amount of investments in subsidiaries and affiliates corresponds to the cost of the investment or to the transfer value. Should the carrying amount exceeds the value in use, a provision is recorded. Value in use is based on the share in the subsidiary's underlying net assets and its earnings outlook, which takes into account current market conditions as reflected in the subsidiary's medium-term plan.

Treasury stock

The Company is authorized to purchase treasury stock for (i) maintaining of stock liquidity through a contract with an investment firm, (ii) future reductions in share capital, (iii) current or future stock option or stock grant plans for employees and officers of the Group, (iv) exchange or payment in the context of future acquisitions.

The accounting classification of treasury shares depends on their purpose:

- Treasury shares held to pay for acquisitions, reduce the share capital or maintain stock liquidity are classified as investments.
- Treasury shares held to cover current or future stock option plans are classified as marketable securities.

Treasury shares are stated at the lower of cost and fair value on a first-in first-out (FIFO) basis.

For treasury shares classified as marketable securities, fair value is the lower of the exercise price of the options granted and the stock market price.

For treasury shares classified as investments, fair value is determined on the basis of the average quoted price during the month before the balance sheet date.

Foreign currency transactions

Unhedged foreign currency payables and receivables are initially recorded by applying the spot exchange rate at the date of the transaction. They are subsequently translated using end-of-period exchange rate.

Any resulting gains or losses are recognized on the balance sheet as conversion gains (liabilities) or conversion losses (assets) and a provision is recorded for unrealized conversion losses.

II - NOTES TO THE BALANCE SHEET

A - Intangible assets

(in thousands of euros)	**2010**	**+**	**-**	**2011**
Patents and licenses	8,818			8,818
Total, gross	**8,818**			**8,818**
Accumulated amortization	870	7		877
TOTAL NET	**7,948**	**(7)**		**7,941**

B - Property and equipment

(in thousands of euros)	**2010**	**+**	**-**	**2011**
Land	1,769			1,769
Buildings	3,516			3,516
Fixtures and fittings	2,594			2,594
Office equipment and furniture	43			43
Assets in progress		88		88
Total, gross	**7,922**	**88**		**8,010**
Accumulated depreciation	2,991	202		3,193
TOTAL NET	**4,931**	**(114)**		**4,817**

C - Investments

(in thousands of euros)	**2010**	**+**	**-**	**2011**
Shares in subsidiaries and affiliates	644,426	17,489	1,157	660,758
Other long-term investments	2,663	39,430	27,862	14,231
Loans	129			129
TOTAL	**647,219**	**56,919**	**29,019**	**675,118**

Decreases in investments in 2011 mainly concerned the liquidation of subsidiaries Plastic Omnium AE (€148 thousand) and Plastic Omnium AS (€1,006 thousand).

Increases in investments in 2011 mainly concerned:

- The capitalization of Plastic Omnium Re AG (€16,719 thousand).
- The capitalization of Plastic Omnium Plastic Recycling (€720 thousand).

See the table on subsidiaries and affiliates for information on impairment.

Other long-term investments mainly included €12,212 thousand in treasury shares held for future acquisitions or capital reductions and €690 thousand in treasury shares allocated to the liquidity contract.

At 31 December 2011 no loans were due beyond one year and loans to related companies amounted to €129 thousand.

D - Receivables

(in thousands of euros)	2011	Due within one year	Related companies
Prepayments to suppliers	11	11	
Trade receivables [1]	1,684	1,684	1,571
Tax receivables [2]	9,294	9,294	
Short-term loans	425,296	425,296	425,296
Other	10,082	2,348	2,343
TOTAL	**446,367**	**438,633**	**429,210**

(1) Including €1,366 thousand in accrued income comprising royalty income (€1,135 thousand) and patent protection expenses (€118 thousand).
(2) Including €9,011 thousand in accrued income mainly comprising research tax credits (€7,567 thousand) and VAT refunds due (€1,277 thousand).

Short-term loans correspond to intercompany accounts with other Plastic Omnium Group companies, used for day-to-day financing transactions.

Other receivables due beyond one year correspond to the additional €10,668 thousand consideration to be received on the sale of 3P (written down by €2,934 thousand), which is due beyond four years except if the agreement's acceleration clause is triggered due to the purchaser losing control of the business or deciding to sell it. They also include tax current accounts due by various members of the tax group headed by Compagnie Plastic Omnium (€2,317 thousand).

E - Cash and cash equivalents

(in thousands of euros)	2010	+	-	2011
Marketable securities [1]	27,793	358	3,099	25,052
Cash	885	979	0	1,864
Total at cost	28,678	1,337	3,099	26,916
Accumulated impairments	0	0	0	0
TOTAL NET	**28,678**	**1,337**	**3,099**	**26,916**

(1) Marketable securities include €23,132 thousand in treasury stock allocated to existing stock option plans and €1,920 thousand in treasury stock held to cover future plans but not yet allocated.

At the year-end, Compagnie Plastic Omnium held:

- 33,000 shares allocated to the stock option plan granted by the Board of Directors on 11 March 2005, pursuant to the authorization given at the Extraordinary Shareholders' Meeting of 22 April 2004;
- 619,000 shares allocated to the stock option plan granted by the Board of Directors on 25 April 2006, pursuant to the authorization given at the Extraordinary Shareholders' Meeting of 28 April 2005;
- 843,320 shares allocated to the stock option plan granted by the Board of Directors on 24 July 2007, pursuant to the authorization given at the Extraordinary Shareholders' Meeting of 24 April 2007;
- 978,800 shares allocated to the stock option plan granted by the Board of Directors on 22 July 2008, pursuant to the authorization given at the Extraordinary Shareholders' Meeting of 24 April 2008;
- 1,093,500 shares allocated to the stock option plan granted by the Board of Directors on 16 March 2010, pursuant to the authorization given at the Extraordinary Shareholders' Meeting of 28 April 2009;
- 45,880 shares allocated to the liquidity contract;
- 325,365 shares held to cover future plans but not yet allocated;
- 630,826 shares held in treasury for exchange or payment in the context of future acquisitions.

As described in the section on accounting policies, treasury shares are classified either as investments (676,706 shares) or as marketable securities (3,897,185 shares), depending on their intended purpose.

F - Share capital

The Company's share capital at 31 December 2011 amounted to €8,939,245.49, divided into 52,583,797 common shares with a par value of €0.17 each.

A three-for-one stock split, agreed by the Board of Directors on 15 March 2011 and approved by shareholders in Extraordinary Meeting on 28 April 2011, was carried out on 10 May 2011.

To round up the par value per share to €0.17, the share capital was increased by €176 thousand by capitalizing reserves.

A €59,500 capital reduction, agreed by the Board of Directors on 14 October 2011 pursuant to the authorization granted by extraordinary resolution of the shareholders on 24 April 2007, was carried out on 3 November 2011 by canceling 350,000 shares.

G - Additional paid-in capital

Additional paid-in capital totaled €82,968 at 31 December 2011. The decrease of €6,490 thousand compared with the previous year was due to the cancelation of 350,000 treasury shares and the resulting capital reduction (see note F above).

H - Retained earnings and other reserves

(in thousands of euros)	2010	+	-	2011
Revaluation reserve	245			245
Legal reserve	948	505		1,453
Other reserves	41,859		176	41,683
Unappropriated retained earnings	232,199	84,917		317,116
TOTAL	**275,251**	**85,422**	**176**	**360,497**

The €176 thousand decrease in other reserves was due to the capital increase carried out to round up the par value per share to €0.17 (see note F above).

I - Provisions

(in thousands of euros)	2010	+	-	2011
Untaxed provisions				
Excess tax depreciation	503	40		543
TOTAL	**503**	**40**		**543**

(in thousands of euros)	2010	+	-	2011
Other provisions				
Provisions for foreign exchange losses	1,185	2,723	1,185	2,723
Provisions for other contingencies	154		30	124
Provisions for taxes (cf. Note P)		9,455		9,455
TOTAL	**1,339**	**12,178**	**1,215**	**12,302**

The €30 thousand decrease in provisions for other contingencies corresponds to the reversal in full of a site decontamination provision, as the related risk no longer exists.

J - Liabilities

(in thousands of euros)	2011	Due within one year	Related companies
Bank borrowings (1)	469,000	51,575	
Other borrowings	52,386	52,386	30
Trade payables (2)	3,134	3,134	888
Accrued taxes and payroll costs	113	113	
Other liabilities	15,698	15,698	8,220
TOTAL	**540,330**	**122,906**	**9,138**

(1) Including €219 thousand in accrued interest payable and loans denominated in foreign currencies for USD 66,000 thousand (€51,008 thousand).
(2) Including €1,843 thousand of accrued expenses mainly comprising professional fees (€1,320 thousand), trademark license fees (€367 thousand) and patent protection expenses (€164 thousand).

At 31 December 2011, bank borrowings due beyond one year totaled €417,425 (€414,567 thousand at 31 December 2010), of which €28,695 thousand is due beyond five years.

Short-term debt comprises €52,350 thousand in commercial paper (€17,000 thousand in 2010) issued entirely in the domestic market. This is a revolving credit line that can be drawn down for periods of three to six months.

Other liabilities correspond to the tax liability of the tax group headed by Compagnie Plastic Omnium (€7,478 thousand) and to intercompany tax payable due to members of the tax group (€8,220 thousand).

III - NOTES TO THE STATEMENT OF INCOME

K - Net sales and other operating revenues

Net sales and other operating revenues are analyzed in the tables below: :

(in thousands of euros)	2011	2010
By business segment		
License and service fees	18,700	19,630
Other	2,544	2,438
TOTAL	**21,244**	**22,068**
By region	**2011**	**2010**
France	9,770	16,642
International	11,474	5,426
TOTAL	**21,244**	**22,068**

Operating revenue includes:

- fees from the licensing of the Compagnie Plastic Omnium brands 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 - Operating and other expenses

(in thousands of euros)	2011	2010
Executive management services	1,403	1,064
Overheads and headquarters expenses	2,052	1,931
Fees	3,560	3,237
Advertising, print collateral and publication	1,277	1,173
Travel and entertainment	741	535
Bank charges	5,422	5,665
Other*	3,890	7,475
TOTAL	**18,345**	**21,080**

* The decrease in purchases and other external charges stemmed mainly from the non-recurrence of services rebilled to subsidiaries (€2,229 thousand in 2010).

M - Depreciation, amortization and provisions

(in thousands of euros)	**2010**	**+**	**-**	**2011**
Deducted from assets				
Patents and licenses	870	7		877
Buildings	567	109		676
Fixtures and fittings	2,383	92		2,475
Office equipment and furniture	41	1		42
Investments	20,675	1,253	1,155	20,773
Other receivables	4,053	255	842	3,466
Marketable securities				
Deferred charges				
TOTAL	**28,589**	**1,717**	**1,997**	**28,309**
Included in liabilities				
Untaxed provisions	514	40		554
Provisions for contingencies	1,339	12,179	1,216	12,302
TOTAL	**1,853**	**12,219**	**1,216**	**12,856**
Total increase/decrease			**13,936**	**3,213**
Of which:			**Increase**	**Decrease**
Included in operating income and expense			464	872
Included in interest income and expense			3,977	2,341
Included in non-operating items			9,495	

N - Net interest income

(in thousands of euros)	**2011**	**2010**
Dividend income[1]	136,194	82,604
Other income		
Interest income and expense	(2,567)	(1,826)
Foreign exchange gains and losses	985	(3,969)
Provision movements[2]	(1,636)	20,062
TOTAL	**132,976**	**96,871**

(1) Dividend income includes €7,153 thousand in dividends received from foreign subsidiaries and €129,041 thousand from French subsidiaries.

(2) The decrease in provisions mainly includes a reversal of the impairment provisions against investments in subsidiaries and affiliates (€1,538 thousand) and a net reversal of provisions for foreign exchange losses (€98 thousand).

Transactions with related companies represented net interest income of €8,665 thousand.

O - Non-operating items

	2011		
(in thousands of euros)	**Income**	**Expense**	**Net**
On revenue transactions			
On capital transactions	1,751	2,078	(327)
Provision movements		9,495	(9,495)
TOTAL	**1,751**	**11,573**	**(9,822)**

Net non-operating expenses are primarily made of (i) a provision for future tax risk (€9,455 thousand) (see note P), (ii) a loss on disposal of shares in Plastic Omnium AE (€148 thousand) and Plastic Omnium AS (€1,006 thousand), (iii) a loss on current accounts with Plastic Omnium AE (€87 thousand) and Plastic Omnium AS (€102 thousand) subsequent to their liquidation (see note C), (iv) a claim under the 3P seller's warranty (€123 thousand) and (v) a net gain on disposal of treasury shares (€1,145 thousand).

P - Corporate income tax

	2011		
(in thousands of euros)	**Income before non-operating items**	**Non-operating items**	**Net**
* Income before tax	133,389	(9,822)	123,567
* Tax adjustments	(118,355)	10,612	(107,743)
= Tax base	15,034	790	15,824
Tax at standard rate	(5,011)	(263)	(5,274)
Income after tax at standard rate	128,378	(10,085)	118,293
Impact of group relief			20,264
Reversal of provisions for taxes			
Other impacts (including withholding taxes)			(9,218)
Total corporate income tax			**11,046**
INCOME AFTER TAX			**134,613**

Compagnie Plastic Omnium is the parent company of a tax group comprising 28 companies, corresponding to practically all of the Company's French subsidiaries.

The income tax benefit generated from group relief in 2011 came to €20.2 million, which is recorded in full as income in the financial statements of Compagnie Plastic Omnium.

In accordance with the neutrality principle under the group tax relief agreement, Compagnie Plastic Omnium is required to pass back any tax benefit it obtains from the use of a subsidiary's tax losses if the subsidiary returns to profit.

At 31 December 2011, the tax group had tax loss carryforwards totaling €26.8 million (excluding Plastic Omnium Auto Inergy's increased base totaling €40.3 million), which will reduce the future tax charge by €8.9 million. The tax expense to be paid back to the subsidiaries under the group relief agreement amounted to €18.1 million and therefore a €9,455 thousand provision was recognized at the year-end (see note O).

The tax loss carryforwards arising since 2000 were used and reduced by €28 million in 2011, due to taxable profits generated by companies in the tax group.

Unrecognized deferred tax assets, calculated at a tax rate of 33.33%, broke down as follows at 31 December 2011:

Non-deductible provisions and accrued expenses	€915 thousand
Expenses related to the acquisition of Inergy shares	€144 thousand
Conversion gains	€1,143 thousand
Share in net loss of Plastic Omnium Gestion	€368 thousand
Conversion losses	€(907) thousand
UNRECOGNIZED DEFERRED TAX ASSETS	**€1,663 THOUSAND**

IV - OTHER INFORMATION

Off-balance sheet commitments

- Commitments given

	31/12/2011
Guarantees *	219,065
Collateral	5,805
TOTAL	**224,870**

* Guarantees given to banks on behalf of subsidiaries

There were no other material commitments or commitments that might become material in the future.

- Commitments received

Upon its acquisition of 50% of Inergy Automotive Systems SA in 2010, Compagnie Plastic Omnium was given a five-year seller's warranty covering any recalls of products manufactured or sold before the acquisition date.

Debts secured by collateral

Debts secured by collateral amounted to €5,805 thousand under a 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

The total compensation paid to the members of the Board of Directors in 2011 amounted to €255,372.

Subsequent events

No significant events have occurred since 31 December 2011.

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 2011, Burelle SA held 55.10% of the capital of Compagnie Plastic Omnium.

FIVE-YEAR FINANCIAL SUMMARY

(in thousands of euros)	2007	2008	2009	2010	2011
1 - Capital at year-end					
a) Share capital	9,336	9,073	8,822	8,822	8,939
b) Shares outstanding*	18,671,332	18,146,794	17,644,599	17,644,599	52,583,797
c) Convertible bonds outstanding	0	0	0	0	0
2 – Results of operations					
a) Net sales	19,221	18,218	15,467	22,068	21,244
b) Income/(loss) before tax, depreciation, amortization and provisions	48,101	(11,283)	27,508	75,853	134,290
c) Corporate income tax	(621)	5,422	11,668	15,383	11,046
d) Net income	46,560	17,829	90,911	107,967	134,613
e) Dividends	13,070(1)	6,351(2)	12,351(3)	24,702(4)	36,283(5)
3 – Per share data					
a) Income/(loss) after tax, before depreciation, amortization and provisions	2.54	(0.32)	2.22	5.17	2.76
b) Earnings per share	2.49	0.98	5.15	6.12	2.56
c) Dividend	0.70	0.35	0.70	1.40	0.69
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 three-for-one stock split on 10 May 2011.
(1) Including €901 thousand due on treasury shares that was not paid out as these shares do not carry dividend rights.
(2) Including €422 thousand due on treasury shares that was not paid out as these shares do not carry dividend rights.
(3) Including €1,095 thousand due on treasury shares that was not paid out as these shares do not carry dividend rights.
(4) Including €2,234 thousand due on treasury shares that was not paid out as these shares do not carry dividend rights.
(5) 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 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 16,167,000	100.0%
PLASTIC OMNIUM INTERNATIONAL SAS 19, avenue Jules Carteret – 69007 Lyon - France	€37,500	100.0%
PLASTIC OMNIUM FINANCE SNC 19, avenue Jules Carteret – 69007 Lyon - France	€247,500	100.0%
PLASTIC OMNIUM SHANGHAI BUSINESS CONSULTING CO Ltd Suite 1105, Building 20, N° 487 Tianlin Road, Caoejing, High Tech Park, 200233 Shanghai, PR China	CNY 2,303,350	100.0%
PLASTIC OMNIUM MANAGEMENT 1 SAS 19, avenue Jules Carteret – 69007 Lyon - France	€37,500	100.0%
PLASTIC OMNIUM MANAGEMENT 2 SAS 19, avenue Jules Carteret – 69007 Lyon - France	€37,500	100.0%
INERGY AUTOMOTIVE SYSTEMS SAS 19, avenue Jules Carteret – 69007 Lyon - France	€119,796,330	76.8%
AFFILIATES		
PLASTIC OMNIUM Ltd Huntington Way – Measham Swadlincote – Derbshire DE12 7DS – UK	£6,270,000	17.1%
BPO AS Y.Yalova Yolu 8 km, Panayir – Bursa – Turkey	TRL5,075,831	50.0%
PLASTIC RECYCLING SAS ZA du Monay – Saint Eusèbe – 71210 Montchanin - France	€123,000	50.0%

	SUBSIDIARIES		AFFILIATES	
(in thousands of euros)	**French**	**International**	**French**	**International**
Book value of shares				
• Cost	493,859	158,271	2,753	5,750
• *Net*	*492,607*	*141,292*	*1,739*	*4,222*
Loans and advances granted	423,342	0	1,923	0
Guarantees given	0	0	0	0
Dividends received	129,041	0	0	7,153