2013 FINANCIAL REPORT

CONTENTS

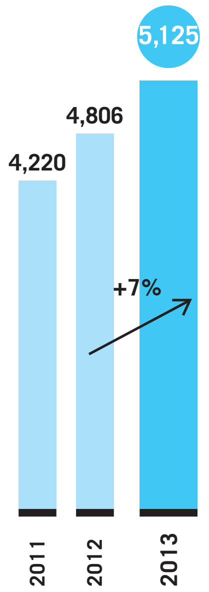
PRESENTATION OF THE COMPANY

01

— 1.1 — Key figures

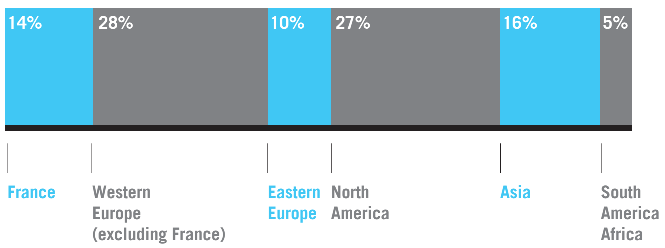
Change in revenue

(in € millions)



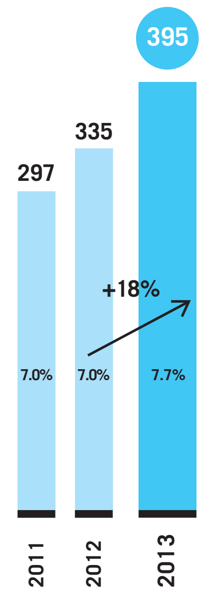
Revenue

by region



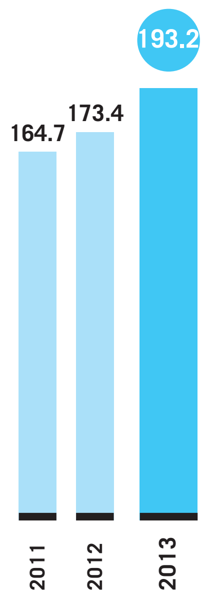
Operating margin

(in € millions and as a % of revenue)



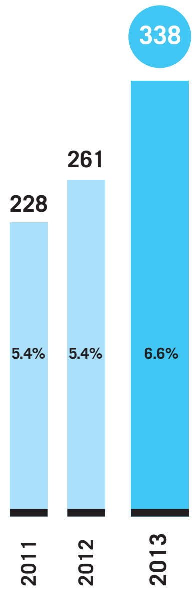
Net profit, Group share

(in € millions)



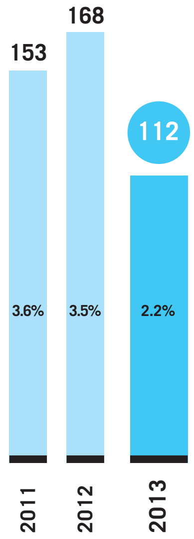
Capital expenditures

(in € millions and as a % of revenue)



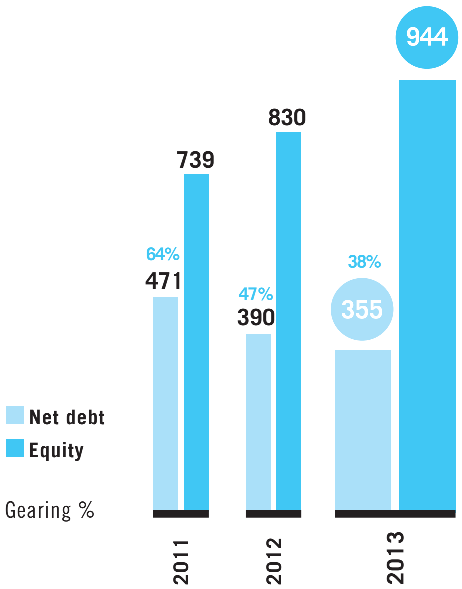
Free cash flow

(in € millions and as a % of revenue)



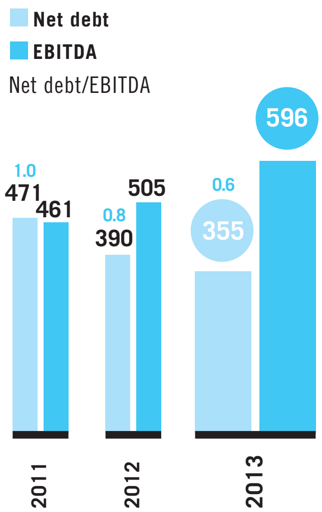
Net debt/equity

(in € millions)



Net debt/EBITDA

(in € millions)



Capital Expenditure refers to acquisitions of property, plant and equipment and intangible fixed assets net of disposals, the net change in advances to suppliers of fixed assets and investment subsidies received (see Cash Flow Statement, line E "Net Cash Used in Operations".

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

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

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

— 1.2 — History

The Company's origins stretch back to 1947, when Plasticomnium set up business in rue du Louvre in Paris. The Company then had three employees and Pierre Burelle was the Chairman and Chief Executive Officer. Its first products were pipe fittings, dehydrator spark plugs, and other plastic automotive parts (Jaeger).

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

In 1952

The Company moved to rue du Parc in Levallois.

In 1954

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

In 1963

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

In 1965

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

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

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

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

UMDP's waste bucket business was the starting point for the development of a range of products and services by Pierre Burelle, Chairman and Chief Executive Officer of Plasticomnium, including waste container rental, maintenance and cleaning. This is now the backbone of the Environment Division.

Over the following two years, Pierre Burelle simplified the two companies' product ranges by selling off certain businesses. UMDP's La Mouche plant in Lyon became the waste container management center for the Lyon area and the starting point of the current Environment Division.

In 1966

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

In 1968

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

The 1970s

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

In 1974

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

In 1974

The Company acquired a 2.5-tonne injection-molding machine, followed in 1982 by a 10-tonne machine, both records in terms of power for the time.

In 1983

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

In 1984:

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

In 1986

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

In 1987

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

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

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

In the 2000s

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

In 2000

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

In 2001

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

In 2002:

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

In 2003

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

In 2004

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

In 2005

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

In 2006

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

In 2007:

- The Company celebrated its 60th anniversary with a gathering of 1,000 people in La Défense (Paris);
- Auto exterior joint ventures were launched in China, with YanfengVisteon;
- and in India, with Varroc. Plastic Omnium was the majority partner in the Indian joint venture and went on to buy out Varroc's interest in 2012;
- also during the year, the Company acquired German-based Sulo, Europe's second largest waste container group;
- lastly, 2007 saw the acquisition of Compagnie Signature, the European leader in road signage and markings, from the Burelle SA parent company, and a launch of a partnership with Eurovia (Vinci) in the same segment.

In 2008

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

In 2010

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

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

In 2011

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

In 2012

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

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

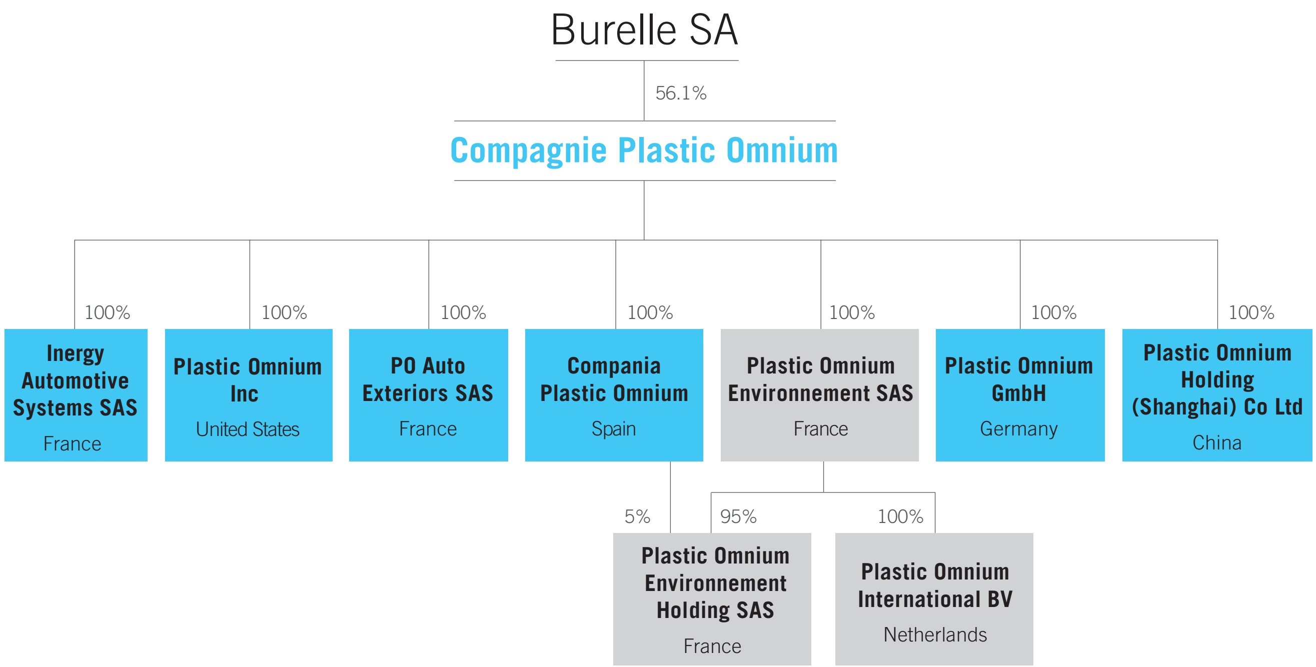
In 2013

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

As of end-2013

The Plastic Omnium Group was present on four continents with 110 plants and 22,000 employees.

Simplified Organization Chart at December 31, 2013



— 1.3 — Organization Chart

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

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

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

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

HBPO: owned in equal proportions by Plastic Omnium, Hella and Behr. The world leader in front-end modules, HBPO contributed revenue of €471 million in 2013 (Plastic Omnium's share), through its network of 18 assembly plants.

YFPO: this 49.95%-owned joint venture is China's leading manufacturer of auto exterior components. Its revenue contribution stood at €187 million in 2013 (Plastic Omnium's share). YFPO employs some 1,500 people in its 13 plants in China.

— 1.4 — Business and Strategy

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

The **Automotive Division**, which accounted for 91% of 2013 revenue, holds leadership positions in two business segments. The key market is global automobile manufacturing, which amounted to 82.6 million vehicles in 2013, up 3.6% from the 79.7 million in 2012 (Source: IHS).

Plastic Omnium Auto Exterior is ranked number one worldwide in exterior components and modules*, manufactured mainly from injected polypropylene and composite materials. The Division designs and delivers a wide array of parts and modules including bumpers and energy absorption systems, fender and front-end modules, and products made from composite materials, especially tailgates. In 2013, Plastic Omnium Auto Exterior delivered nearly 16 million painted bumpers, representing 10% of the global market. This market share was 8% in 2010 and has risen due the expansion of the division in high growth regions, especially China, where Plastic Omnium Auto Exterior had a 21% share of the market in 2013. Its two main competitors are the Canadian Magna, which has a 9% market share, and the French Faurecia, which has 5%. Thirty percent of bumper production worldwide is undertaken by the automakers themselves. Active in the decorative component segment, Plastic Omnium Auto Exterior

*: in-house analysis using IHS data.

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

Plastic Omnium Auto Inergy is the world's leading manufacturer of blow-molded polyethylene fuel systems. Combining integrated safety and emissions-control, fuel systems must serve a number of functions: refueling, storage, ventilation, engine supply and fuel level gauge systems. In 2013 Plastic Omnium Auto Inergy produced 18 million systems for a 22% share of the global market. Its two main competitors are the US Kautex, a Textron subsidiary, and TI, which have market shares of 14% and 9% respectively. Metal fuel tanks still account for 28% of the global market, offering substantial growth potential for the replacement of metal with plastic, particularly for safety and weight reasons. Plastic Omnium Auto Inergy's market share growth, which went from 16% in 2010 to 22% in 2013, is due partly to increases in this type of substitution but is also attributable to the heavy capital expenditures made to locate the business in high-growth regions.

The two businesses are present across four continents through a network of 97 local plants. Just-in-time deliveries, the large size of components and - in the case of bumpers painted the same color as the bodywork - their fragility, means production must take place close to the carmakers' plants. However, as they do not use the same production techniques or raw materials, each business has to have its own plants.

Plastic Omnium's Automotive Division employed 19,500 people in 2013 and supplied nearly all of the world's carmakers. German carmakers accounted for 30% of Automotive revenues in 2013, ahead of the American (27%), French (22%) and Asian (16%) carmakers.

The **Environment Division** accounts for 9% of consolidated revenue and employs nearly 2,500 people.

With 13 plants in Europe (France, Germany, Switzerland, the United Kingdom, and Spain) and one R&D center in France, Plastic Omnium Environment is the world leader in waste containerization, through its three main businesses:

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

Plastic Omnium Environment has a 29% share of the market in Europe. Its main competitors are German groups ESE and Schaefer, which have market shares of 20% and 17% respectively.

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

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

In the Automotive Division's market, production by the world's carmakers is forecast to increase by an average of nearly 4% a year in the next four years. By 2017, global vehicle production is set to reach 96.5 million units, compared with 82.6 million in 2013. Brazil, Russia, India and China (BRIC countries) will account for 70% of these 14 million additional vehicles, as well as representing 40% of global car production by 2017. Accordingly, the first strand of Plastic Omnium's development strategy is to support this growth with targeted investment in new plants in BRIC countries and acquisitions of local companies. This is leading to changes in the location of the Company's main production centers. At the end of 2013, two-thirds of the Group's 97 automotive equipment plants were in America (20 plants), Asia (30 plants) and Eastern Europe (13 plants).

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

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

— 1.5 — Research and Development

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 authorities.

In 2013, a total of €247 million was allocated for research and development, equivalent to 5% of revenue.

More than 2,000 engineers and technicians – 9% of the workforce – are employed worldwide in 22 R&D centers and engineering facilities that develop support locally for carmaker projects in their various markets.

The Company manages a portfolio of 2,994 patents, of which 114 were filed in 2013.

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

- solutions that make vehicles lighter and more aerodynamic;
- emission-control systems;
- support for new hybrid and electric powertrains.

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

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

The Plastic Omnium Group continues to innovate and find new ways to improve its product line.

In 2013 the Automotive Division brought out a new bumper design called **"LightAir"**. This new, aerodynamic component uses controlled air grills that will reduce the CO_2 emissions of a small SUV by 3 g/km. The modular architecture of LightAir's design also makes it possible to employ very thin exterior parts, which in turn open up new possibilities in terms of seam lines, shape and look. The use of thermoplastic composite materials reinforced with carbon fiber can reduce the weight of the front bumper beam and its absorbers by 45% (3.5 kg) and remove certain restrictions on bumper design.

In terms of rear doors, 2013 saw the introduction of the **first all-thermoplastic tailgate**. Plastic Omnium Auto Exterior has developed and produced rear doors since 1996. In 2010, the Company launched the first composite/thermoplastic hybrid tailgate, Higate, for the Peugeot 508 SW, followed by the Range Rover Evoque in 2011, the Jaguar XF and the new Range Rover. The first composite hybrid tailgate is currently under production in China for the Roewe E50 electric vehicle. This hybrid tailgate has an inner structure made of thermoset SMC to ensure good mechanical performance and dimensional stability, while the outer skin is injected with thermoplastic to give it the look of a Class A paint finish and offer greater freedom in design options. In 2013 Plastic Omnium Auto Exterior introduced a new technology to the market: hybrid thermoplastic, which is found on the new Peugeot 308. This technology uses fiberglass-loaded polypropylene thermoplastic for the structural frame and is applied to the tailgate, which weighs under 12 kg, or 25% less than the same product made of steel.

These two technologies, hybrid and all-thermoplastic, offer a wide range of applications, from large dimension doors to higher production volumes of smaller doors, while delivering a weight advantage of 4 to 10 kg per vehicle. In addition to greater freedom in design and a weight advantage, the composite tailgates make it possible to incorporate a wide variety of functions. An impact-resistant fuse panel, tail lights, antennas and automatic door motor can be built in at optimal cost.

Plastic Omnium Auto Exterior produced over one million tailgates in 2013.

Additionally, Plastic Omnium Auto Exterior extended its line of innovative products with **high-performance composites** that allow significant gains in terms of reduced mass. The new generations of high-performance composites currently under development will use new types of resin cloths and fibers, including carbon. With these new formulations, the mechanical properties of the new composites are greatly improved. Given their performance level, these composite parts can be built directly into the structure of the vehicle. High-performance composite structural elements will be put on the market starting in 2017. These new materials will lead to potential savings of more than 100 kg on the body and doors.

The Plastic Omnium Group is developing both thermoset and thermoplastic composite materials, so that it can offer the right combination of material and process for any given application, enabling its customers to make the best choice of material/process for each situation. The structural elements planned for applying these high performance composites are the main floor of the cabin, the pillars and the cross members as well as spot reinforcements to improve the rigidity-weight reduction ratio. Plastic Omnium successfully tested these applications for automotive mass production by using a unique pilot line at its international R&D center in France, ∑-Sigmatech. The first order for a component of this type was received in late 2013.

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

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

Selective Catalytic Reduction (SCR) is a highly effective emissions control technology for diesel vehicles. An aqueous solution of urea known as AdBlue® is injected upstream of a catalytic converter in the exhaust pipe. When it makes contact with the warm gases it is transformed by hydrolysis into ammonia, which then reacts with the nitrogen oxides (NOx) so that finally only nitrogen, which makes up 80% of our air, and water vapor are emitted. Building on its experience with handling on-board technical fluids, since 2006 Plastic Omnium Auto Inergy has developed AdBlue® storage and distribution systems for light utility vehicles. Currently in its second generation, DINOx Premium, the SCR system eliminates 95% of a diesel vehicle's NOx emissions and up to 8% of its CO_2 emissions. Optimized in terms of size and performance, the system meets future emissions and fuel consumption standards, including the EURO 6 standard scheduled to take effect in Europe beginning in 2014. In early 2012, a major order was received from Germany's Audi, which chose Plastic Omnium Auto Energy to supply most of the SCR systems for its diesel vehicles, beginning in 2015. Orders have also been placed by six other carmakers. In total, the SCR system is expected to generate additional revenue of €250 million in 2016.

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

In the Environment business, research programs focus on materials. Plastic Omnium Environment has gradually increased the percentage of recycled polyethylene in its worldwide production of bins from around 20% in 2007 to 55% in 2013. The aim is to increase this percentage even more. In addition, the Division is now offering a line of 100% recycled 4-wheeled bins. These are made from regenerated materials from a variety of sources: used bins, manufacturing rejects, polyethylene flakes and bottles, etc. Finally, Plastic Omnium Environment sells a "Green Made" line of HDPE manufactured from non-food grade sugar cane.

The second strand of Plastic Omnium Environment's research and development consists of services, primarily assistance to local authorities to improve the effectiveness of their sorting and recycling so that ultimately the fraction of non-reusable waste is reduced. Plastic Omnium Environment's Optisolutions product includes all the measures that can be put in place, either by Division personnel or by the local authorities themselves, to record and manage the relevant data: monitoring sorting performance, introduction of incentivized pricing, geo-location of collection trucks, remote measurement of the fill levels of public waste receptacles, etc. These services are regularly enhanced by the Division research center based in Lyon, ∑-Sigmatech.

— 1.6 — Risk Factors

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

Operational Risks

Risk related to 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 will not be renewed, etc.). As a result, investment in a given program faces specific risk that can affect the Company's sales performance.

The Group'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 continued to diversify its exposure to global automobile production markets. In particular, Western Europe only accounted for 37% of its activities in 2013.

The Automotive Division has more than 30 customers in 40 countries, comprising nearly all of the world's major carmakers and serving different market segments and two distinct product families.

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

Information technology risk

The day-to-day activities of the Group's business lines and support services rely on the consistent deployment and smooth operation of IT infrastructure and software.

The Information Systems department, with the support of senior management, has placed increased emphasis on systems consolidation and continues to upgrade IT and network production infrastructures, business applications and workstation services. Management pays special attention to the incorporation of new technologies and to the availability, integrity and confidentiality of Company data, being aware that these constitute the main risks to which the Group is exposed.

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

Industrial and Environmental Risks

Health, Safety and Environment Risk

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

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

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

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

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. A specialized Group Health, Safety & Environment (HSE) committee comprised of several Executive Committee members is overseeing its implementation.

In 2013, OHSAS 18001 certification was upheld for the Company's system that centrally manages the safety of people and property.

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

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 ISOTS 16949 for the Automotive Division. These organizations and processes have been widely used in industry for many years, especially in the automotive sector.

Credit and/or Counterparty Risk

Customer credit risk

A balanced division of revenues by carmaker was maintained. In 2013, this breakdown was as follows:

- German carmakers: 30% of automotive revenue;
- American carmakers: 27% of automotive revenue;
- French carmakers: 22% of automotive revenue;
- Asian carmakers: 16% of automotive revenue;
- other carmakers: 5% of automotive revenue.

The breakdown of the customer base is shown in Note 3.3 to the consolidated financial statements.

A Credit Manager is responsible for implementing structured customer risk monitoring and outstanding collection procedures within the Divisions. The DSO ratio was 54 days in 2013. Receivables over six months past due amounted to €8 million net of provisions. Lastly, in all businesses, review procedures are carried out before the results of bids are issued, in particular to ensure a balanced portfolio of customer receivables, in line with a target profile defined and continually monitored by senior management.

At December 31, 2013 the risk of non-recovery was low and involved only a non-material amount of receivables more than twelve months past due (see Note 6.3 to the consolidated financial statements).

Supplier risk

Auto industry performance is based on a very 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.

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

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

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

In 2013, Compagnie Plastic Omnium had no major supplier failures with negative consequences for logistics processes.

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.

After two successful market financings in 2012, one a €250 million EuroPP private bond issue maturing in December 2018 and the other a €119 million Schuldschein private placement maturing in June 2017, the Group continued to increase its liquidity in 2013 by issuing €500 million of 2.875% bonds without covenants, maturing in May 2020, to primarily French, English and German institutional investors. They are listed on NYSE Euronext Paris.

In addition, Compagnie Plastic Omnium and some of its subsidiaries have unsecured confirmed medium-term bank lines of credit that are not subject to any financial covenants. At December 31, 2013, the average maturity of these lines of credit was three years. The Group also has programs of receivables sales with an average maturity of two years. At December 31, 2013, available medium-term facilities covered the Group's financing needs through June 30, 2017. Lastly, the Company has a commercial paper program. All of the medium-term and short-term lines of credit are with leading banking institutions.

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

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

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

Market Risks

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

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

Currency risk

Plastic Omnium's business is organized for the most part around local plants. This "build local-sell local" policy goes a long way towards shielding the Company from the effect of exchange rate fluctuations, except on the conversion of the foreign subsidiaries' financial statements.

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

Interest rate risk

At December 31, 2013, following the fixed rate bonds issued in 2013, 80% of the Group's debt was fixed-rate.

To eliminate or limit the impact on the Group's income statement of a rise in interest expense from variable-rate instruments, the Company used interest rate hedges such as swaps and caps. Notes 5.8.2.1 to the consolidated financial statements list these hedges.

At December 31, 2013, unhedged interest rate risk was accordingly not significant.

Raw materials price risk

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

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

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

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

Legal Risks

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

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

Intellectual property risk

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

Risks related to products and services sold by the Company

The Plastic Omnium Group is exposed to the risk of warranty and liability claims from customers in respect of the products it sells and services it provides. These risks fall into the area of contractual liability and are covered by specific insurance policies.

The Plastic Omnium Group is also exposed to the risk of third-party product liability claims. These risks fall into the area of tort and are covered by specific insurance policies.

Given Plastic Omnium Group's quality standards, product-related risks are considered to be effectively covered.

Competition risk

A code of conduct was introduced in 2010 to ensure compliance with competition law. All employees who work in sales and purchasing have been trained in the application of this code of conduct. Furthermore, an e-learning module on the code of conduct for competition has been in place for sales and purchasing since late 2013.

Other Risks

Tax risk

The Group's complex, international structure means comprehensive monitoring is needed to keep abreast of tax requirements, issues and risks.

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

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

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

Insurance and Risk Coverage

Compagnie Plastic Omnium has put in place a global program of insurance benefitting all companies in the consolidation.

This program is coupled with local coverage in all countries where the Group is located. The program is intended to cover the main risks that can affect its operations, results or assets and includes:

- Property, casualty and business interruption insurance;
- Operating and product liability insurance;
- Environmental liability insurance;
- as well as insurance against specific risks such as shipping, travel, vehicles, etc.

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

CORPORATE GOVERNANCE

02

Corporate governance and ethics

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

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

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

— 2.1 — Report of the Chairman of the Board of Directors

This report, prepared by the Chairman of the Board of Directors pursuant to Article L. 225-37 of the French Commercial Code, includes information in respect of fiscal 2013 on the composition of the Board of Directors and the application of the principle of balanced representation of men and women, the preparation and organization of the work of the Board of Directors, and the internal control and risk management procedures implemented within the Company.

It was approved by the Board of Directors at its meeting of February 25, 2014, and will be presented at the Shareholders' Meeting to be held on April 30, 2014.

2.1.1 Composition and Independence of the Board of Directors

Composition of the Board of Directors

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

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

At December 31, 2013, the Board of Directors had 12 members. Since January 1, 2014, the starting date of the term of Amélie Oudéa-Castera, the Board of Directors has had 13 members: the Chairman and Chief Executive Officer, the Honorary Chairman, two Chief Operating Officers and nine other directors.

Directors as of December 31, 2013

	First appointed	Start of current term	End of current term
Laurent Burelle (64) *Chairman and Chief Executive Officer*	06/18/1981	04/26/2012	2015
Paul Henry Lemarié (66) *Chief Operating Officer*	06/26/1987	04/26/2012	2015
BURELLE SA, represented by Éliane Lemarié (68)	04/28/2009	04/26/2012	2015
Jean Burelle (74) *Honorary Chairman*	01/01/1970	04/26/2012	2015
Jean-Michel Szczerba (53) *Chief Operating Officer*	04/26/2012	/	2015
Anne Asensio* (51)	04/28/2011	/	2014
Anne-Marie Couderc* (63)	07/20/2010	04/26/2012	2015
Jean-Pierre Ergas* (74)	07/26/1990	04/26/2012	2015
Jérôme Gallot* (54)	12/15/2006	04/26/2012	2015
Bernd Gottschalk* (70)	04/28/2009	04/26/2012	2015
Vincent Labruyère* (63)	05/16/2002	04/28/2011	2014
Alain Merieux* (75)	06/23/1993	04/26/2012	2015

*Independent directors.

The directors of Compagnie Plastic Omnium come from diverse backgrounds, and bring a variety of complementary professional experiences, skills and nationalities to the Board. They each have good knowledge of the Company, and are all active and involved.

Appointment of a director (Amélie Oudéa-Castera)

The Combined Shareholders' Meeting of April 25, 2013, appointed Amélie Oudéa-Castera as a new director, effective January 1, 2014, for a period of three years in accordance with the Company's bylaws.

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

In 2008, Ms. Oudéa-Castera joined the AXA Group, where she performed cross-cutting assignments for the Group CFO.

In 2010, she became Director of Strategic Planning for the AXA Group. In 2011, she was appointed Director of Marketing, Brand and Services at AXA France. In September 2012, her scope of responsibility was extended to digital activities at AXA France, where she became Director of Marketing, Services and Digital.

Amélie Oudéa-Castera is classed as an independent director.

Reappointment of directors

The directorships of Anne Asensio and Vincent Labruyère expire at the end of the Shareholders' Meeting of April 30, 2014. Their reappointment will be put to a vote of shareholders.

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

Since January 1, 2014, following the appointment of Amélie Oudéa-Castera, the Board of Directors has had four women directors, representing 30% of the total, whereas the law of January 27, 2011 on the balanced representation of men and women requires at least 20% of directors to be women.

Directorships and other positions held by serving directors as of December 31, 2013

Laurent Burelle, born October 6, 1949, French

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

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

He is also a director of Fondation Jacques Chirac pour l'Enfance Handicapée and of Pernod-Ricard, Wendel, Lyonnaise de Banque – CIC and Labruyère-Eberlé.

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

Directorships and other positions within the Company/Number of shares held	Directorships and other positions held in other companies in 2013
Chairman and Chief Executive Officer since July 1, 2001 and director since June 18, 1981 **Number of Compagnie Plastic Omnium shares held: 3,000**	Legal manager of Plastic Omnium GmbH** *(Germany)* Chairman and Chief Executive Officer of Compania Plastic Omnium** *(Spain)* Chief Operating Officer and director of Burelle SA* and SOGEC 2 SA *(France)* Director of Burelle Participations SA *(France)* Chairman and member of the Supervisory Committee of Sofiparc SAS and Plastic Omnium Environnement SAS** *(France)* Chairman of Plastic Omnium Auto SAS*** (until August 28, 2013), Plastic Omnium Auto Exteriors SAS**, Inergy Automotive Systems SAS** and Compagnie Financière de la Cascade *(France)* Director of Lyonnaise de Banque and Pernod-Ricard SA* *(France)* Member of the Supervisory Board of Labruyère-Eberlé and the Wendel SA Management Board* *(France)* Chairman of Plastic Omnium Holding (Shanghai) Co Ltd** *(China)* Chairman of Plastic Omnium International BV** *(Netherlands)* Director of Signal AG** *(Switzerland)*

* Listed company
** Member of the Compagnie Plastic Omnium Group.
*** Company liquidated or absorbed during fiscal 2013.

Paul Henry Lemarié, born January 1, 1947, French

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

After completing a doctorate in physics at CEA, he began his career in the Finance Department of Paribas bank in 1973. He then joined SOFRESID, an engineering group (steel, mining, offshore), before moving to Plastic Omnium Group in 1980 as Head of the 3P (Performance Plastics Products) Division. In 1985, he became Chairman of the Automotive Division. He was appointed Deputy Chief Executive Officer of Compagnie Plastic Omnium in 1987 and Chief Executive Officer in 1988. Appointed Chief Executive Officer of Burelle SA in April 2009, he became Chief Operating Officer of Burelle SA and Compagnie Plastic Omnium on May 15, 2011.

Directorships and other positions within the Company/ Number of shares held	Directorships and other positions held in other companies in 2013
Chief Operating Officer since May 15, 2011 and director since June 26, 1987 **Number of Compagnie Plastic Omnium shares held: 900**	Member of the Beirat of Plastic Omnium GmbH** *(Germany)* Director of Compania Plastic Omnium** *(Spain)* Chief Operating Officer and director of Burelle SA* and Burelle Participations SA *(France)* Member of the Supervisory Committee of Sofiparc SAS and Plastic Omnium Environnement SAS** *(France)*

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

Eliane Lemarié, born August 18, 1945, French

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

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

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

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

Directorships and other positions within the Company/Number of shares held	Directorships and other positions held in other companies in 2013
Permanent representative of Burelle SA on the Board of Compagnie Plastic Omnium since April 28, 2009 **Number of Compagnie Plastic Omnium shares held: 548,496**	Director of Burelle SA* *(France)* Member of the Supervisory Committee of Sofiparc SAS *(France)* Chief Operating Officer of Sogec 2 SA *(France)* Chairman of the Supervisory Board of Union Industrielle *(France)*

* Listed company

Jean Burelle, born January 29, 1939, French

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

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

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

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

Directorships and other positions within the Company/Number of shares held	Directorships and other positions held in other companies in 2013
Director since January 1, 1970 and Honorary Chairman since September 20, 2001 **Number of Compagnie Plastic Omnium shares held: 396,378**	Director of Compania Plastic Omnium SA** *(Spain)* Chairman and Chief Executive Officer of Burelle SA*, Burelle Participations SA and SOGEC 2 SA *(France)* Member of the Supervisory Committee of Sofiparc SAS and Plastic Omnium Environnement SAS** *(France)* Permanent representative of Burelle Participations SA on the Board of Sycovest 1 *(France)* Director and member of the Appointments and Compensation Committee of Rémy Cointreau SA (until September 24, 2013*) *(France)* Member of the Supervisory Board of Soparexo SCA and Banque Jean-Philippe Hottinguer SCA *(France)* Chairman of Medef International *(France)* Director of Signal AG** *(Switzerland)*

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

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

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

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

Directorships and other positions within the Company/Number of shares held	Directorships and other positions held in other companies in 2013
Chief Operating Officer since March 16, 2010 and director since April 26, 2012 **Number of Compagnie Plastic Omnium shares held: 900**	Director of Hella Behr Plastic Omnium GmbH** *(Germany)* Chairman and director of Plastic Omnium Automotive NV** *(Belgium)* Alternate director of Plastic Omnium SA** *(Chile)* until January 30, 2013 Director of Yanfeng Plastic Omnium Automotive Exterior Systems Co. Ltd**, Plastic Omnium Holding (Shanghai) Co Ltd** and Chairman of Plastic Omnium Inergy (Shanghai) Consulting Co Ltd** *(China)* Director of Plastic Omnium Inc** *(United States)* Director of Burelle Participations SA, Groupe Progrès SA (since April 18, 2013), Plastic Omnium Auto Exterieur SA** (until October 23, 2013) and Signalisation France SA** (until June 26, 2013) *(France)* Legal Manager of Plastic Omnium Finance SNC** and Plastic Omnium Gestion SNC** *(France)* Chairman of Plastic Omnium International SAS**, Plastic Omnium Management 1 SAS**, Plastic Omnium Management 2 SAS**, Transit SAS*** (until June 11, 2013), Plastic Omnium Environnement Holding SAS** and Plastic Omnium Vernon SAS** (until February 18, 2013) *(France)* Chief Executive Officer and member of the Supervisory Committee of Plastic Omnium Environnement SAS** *(France)* Chairman and member of the Supervisory Committee of Plastic Omnium Auto Exterieur Services SAS**(until March 29, 2013) *(France)* Member of the Supervisory Committee of Plastic Omnium Auto Exteriors Industries SAS** and Inergy Automotive Systems Industries SAS** *(France)* Director of Plastic Omnium Automotive Ltd** (United Kingdom) Director of Plastic Omnium Auto Exteriors (India) Pvt Ltd** *(India)* Co-Manager of Plastic Omnium Auto Industrial Srl de CV** *(Mexico)* (until March 1, 2013) Director of DSK Plastic Omnium BV** *(Netherlands)* Legal Manager of Plastic Omnium Auto Exteriors Spzoo** and Plastic Omnium Auto Spzoo** *(Poland)* Director of B-Plas Plastic Omnium Otomotiv AS** *(Turkey)* Chairman of DSK Plastic Omnium Inergy LLC** *(Russia)*

** Member of the Compagnie Plastic Omnium Group.
*** Company liquidated or absorbed during fiscal 2013.

Anne Asensio, born July 13, 1962, French

Holder of a master's degree in transport design from the Center for Creative Studies in Detroit, as well as a degree in industrial design from École Nationale Supérieure des Arts Appliqués in Paris, Anne Asensio joined Dassault Systèmes in November 2007 as Vice President for Design Experience, in charge of Dassault Systèmes' corporate identity.

Before joining Dassault Systèmes, she began her career with Renault in 1987, where she was notably charged with the design of the Twingo, Clio and Mégane (Scenic) ranges.

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

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

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

* Listed company

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

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

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

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

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

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

Directorships and other positions within the Company/Number of shares held	Directorships and other positions held in other companies in 2013
Director since July 20, 2010 and Chairman of the Compensation Committee since December 13, 2013 **Number of Compagnie Plastic Omnium shares held: 1,350**	Chairman of the Board of Directors of Presstalis SAS *(France)* Director and Chairman of the Compensation and Appointments Committee of Transdev *(France)* Director of the Fondation Veolia Environnement and the Fondation Elle *(France)*

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

Jean-Pierre Ergas has lived in Chicago, U.S.A since 1989.

A graduate of Sciences Po Paris and holder of an MBA from Harvard University, he has served as Chief Executive Officer for various industrial groups in the metallurgy and packaging sectors in Europe and the United States for over 30 years.

Chief Executive Officer of Cebal and then Cégédur Pechiney, Chairman of the Chambre Syndicale de l'Aluminium, he was appointed Deputy Chief Executive Officer of Pechiney Group in 1986. Chairman and Chief Executive Officer of American National Can in the United States from 1990 to 1995, and Chairman and Chief Executive Officer of Alcan Europe from 1995 to 2000, he subsequently became Chief Executive Officer of BWAY Corporation (NYSE) in 2000, a company he sold in 2010.

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

Mr. Ergas is a Chevalier de la Légion d'Honneur.

Directorships and other positions within the Company/Number of shares held	Directorships and other positions held in other companies in 2013
Director since July 26, 2010 and member of the Audit Committee since November 27, 1996 **Number of Compagnie Plastic Omnium shares held: 10,800**	Director of FIBI-Aplix SA *(France)* Director of Dover Corporation, Sagre Group LP and Ergas Ventures LLC *(United States)*

Jérôme Gallot, born October 25, 1959, French

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

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

In early 2011, he was appointed Chief Executive Officer of Veolia Transdev, becoming Advisor to the Chairman in January 2013. He is also a director of Nexans and Caixa Seguros, and a non-voting director of NRJ Group.

Directorships and other positions within the Company/Number of shares held	Directorships and other positions held in other companies in 2013
Director since December 15, 2006 and Chairman of the Audit Committee since July 19, 2011 **Number of Compagnie Plastic Omnium shares held: 4,050**	Advisor to the Chairman and Chief Executive Officer of Veolia Transdev *(France)* Member of the Executive Committee of Caisse des Dépôts *(France)* Director of Nexans SA* *(France)* Non-voting director of NRJ *(France)* Chairman of the Appointments and Compensation Committee of NRJ Group SA* *(France)* Director of Caixa Seguros SA *(Brazil)*

* Listed company

Bernd Gottschalk, born June 10, 1943, German

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

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

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

** Member of the Compagnie Plastic Omnium Group.

Vincent Labruyère, born June 3, 1950, French

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

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

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

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

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

Directorships and other positions within the Company/Number of shares held	Directorships and other positions held in other companies in 2013
Director and member of the Audit Committee since May 16, 2002	Chairman of Société Financière du Centre SAS *(France)*
Number of Compagnie Plastic Omnium shares held: 9,705	Chairman of the Management Board of Labruyère Eberlé SAS *(France)*
	Member of the Management Board of Société Commercial de Bioux SAS *(France)*
	Director of X Perroux et fils, Martin Maurel and Slota SA *(France)*
	Member of the Supervisory Board of SNPI SCA *(France)*
	Permanent representative of Labruyère Eberlé on the board of Pige SA *(France)*

Alain Mérieux, born July 10, 1938, French

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

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

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

He is a Member of the Ordre national du Mérite and a Commandeur de la Légion d'Honneur.

Directorships and other positions within the Company/Number of shares held	Directorships and other positions held in other companies in 2013
Director since June 23, 1993	Chairman and Chief Executive Officer of Institut Mérieux *(France)*
Number of Compagnie Plastic Omnium shares held: 6,318	Chairman of the Board of Directors and director of Fondation Mérieux *(France)*
	Honorary Chairman and director of Fondation Christophe et Rodolphe Mérieux – Institut de France
	Chairman of Institut de Recherche Technologique BioAster, and Fondation pour l'Université de Lyon *(France)*
	Director of Biomérieux SA*, Fondation Pierre Fabre, Fondation Pierre Verots, Transgène SA and CIC Lyonnaise de Banque *(France)*
	Until July 2013, Chairman of École vétérinaire de Lyon *(France)*
	Director of Biomérieux Italia SpA *(Italy)*
	Director of Mérieux Nutri Sciences *(United States)*

* Listed company

Information concerning Amélie Oudéa-Castera, director since January 1, 2014, born April 9, 1978, French

Directorships and other positions held within the Company	Directorships and other positions held in other companies in 2013
Director and member of the Compensation Committee since January 1, 2014 Number of Compagnie Plastic Omnium shares held: 900	Member of the Management Committee of AXA Seed Factory *(France)* Director of Groupement d'Intérêt Economique AXA *(France)* Advisor at the Court of Auditors Member of the Supervisory Board and Audit Committee of Lagardère until May 3, 2013

Directors' independence

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

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

- not to be an employee or executive corporate officer of the Company, or an employee or director of the parent or a consolidated company, and not having been so in the previous five years;
- not to be an executive corporate officer of a company in which the Company directly or indirectly holds a directorship, or in which a directorship is held by an employee designated as such or executive corporate officer of the Company (currently or within the previous five years);
- not to be a customer, supplier, investment banker or corporate banker:
  - of significant importance for the Company or the Group, or
  - for which the Company or its Group represents a significant part of its activity;
- not to have close family ties with a corporate officer;
- not to have been an auditor of the Company over the previous five years;
- not to have been a director of the Company for more than 12 years.

The AFEP-MEDEF recommendations expressly state that the Board of Directors may decide that a particular criterion is not relevant, or that it calls for a specific interpretation by the Company. Accordingly, the Board of Directors may consider that one of its members, although not satisfying the principles set out above, should be considered independent due to his or her particular situation or that of the Company. Conversely, the Board may consider that a director who satisfies the principles set out above should not be considered independent.

Of the 13 members on the Board of Directors as of January 1, 2014, eight are classified at independent: Anne Asensio, Anne-Marie Couderc, Amélie Oudéa-Castera. Jean-Pierre Ergas, Jérôme Gallot, Bernd Gottschalk, Vincent Labruyère and Alain Mérieux.

Jean-Pierre Ergas and Alain Mérieux have been directors for more than 12 years, but are not bound by any business or family ties to Compagnie Plastic Omnium or a member of management. The Board has not endorsed the criterion relative to the duration of the term of office laid down in the AFEP-MEDEF Code because it does not consider that the exercise of a directorship for more than 12 years causes a director to forfeit his independent status. Indeed, all Compagnie Plastic Omnium directors are committed and vigilant, taking an active part in discussions with complete freedom of judgment and expression.

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

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

Conflicts of interest

To Compagnie Plastic Omnium's knowledge and as of the date of this report, no conflicts of interests have been identified between the duties of the directors and senior management to the Company in their capacity as corporate officers and their private interests and/or other duties.

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

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

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

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

Organization and work of the Board of Directors

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

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

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

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

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

The directors once again exercised total freedom of judgment in 2013. This freedom of judgment allowed them to take part with full independence in the work and collective decisions of the Board of Directors, and, for those concerned, the preparatory work and the proposals of the Audit Committee.

In 2013, the Board of Directors assessed the quality of meetings and their periodicity, the format of the information provided to directors in the general course of business and the main events in the life of the Group. The provision of documents prior to meetings of the Board and the Audit Committee, in compliance with the confidentiality requirements and time constraints to which the Company is subject, heightens the quality of discussions.

Responsibilities of the Board of Directors

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

Pursuant to the Internal Procedures, the Board of Directors must review and approve in advance any significant transactions liable to affect the Group's strategy or change its financial structure or the scope of its activities to a material extent.

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

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

Activity of the Board of Directors

In 2013, the Board of Directors met five times, with an attendance rate of 90%. Four meetings have been scheduled for 2014, one of which had already been held at the time of writing this report (February 25, 2014).

During these meetings, the Board of Directors examined and discussed the following main topics: the Group's trading environment and strategy, the effectiveness of the Group's internal control and risk management systems, the annual 2012 financial statements, the closing of the interim 2013 financial statements, 2014 budget estimates, the convening of the Shareholders' Meeting, the authorization to issue bonds and the authorization in respect of sureties, endorsements and guarantees, management planning documents, and the research and innovation policy.

The October 2013 meeting of the Board of Directors was held at the Group's U.S. headquarters in Troy (Michigan), allowing the directors to meet local teams and to attend the inauguration of the fuel systems plant in Huron (Michigan).

2.1.3 Committees of the Board of Directors

Audit Committee

The Audit Committee is composed of four independent directors: Anne Asensio, Jean-Pierre Ergas, Jérôme Gallot and Vincent Labruyère. It is chaired by Jérôme Gallot.

As such, the Audit Committee is composed entirely of independent directors, bearing in mind that the AFEP-MEDEF Code recommends a proportion of at least two-thirds.

Role of the Audit Committee

Article 7 of the Internal Procedures of the Board of Directors sets out the rules and procedures of the Audit Committee, and determines its main tasks, in accordance with the prevailing regulations and changes thereto:

- review the annual and interim financial statements prepared and presented by the Chairman of the Board of Directors and audited and annotated by the Statutory Auditors, and perform an in-depth review of certain items prior to their submission to the Board;
- oversee the process of preparing financial information, review the accounting principles and policies applied in the preparation of the financial statements, and avert possible breaches of accounting standards;

- give an opinion on the proposal of the Chairman and Chief Executive Officer relative to the appointment of the Statutory Auditors and/or the extension of their appointment;
- review the findings and recommendations of the Statutory Auditors, and monitor their implementation;
- ensure compliance with the rules guaranteeing the independence of the Statutory Auditors and the completion of their assignment under satisfactory conditions;
- monitor the effectiveness of internal control and risk management systems implemented by senior management that may impact the financial statements;
- examine any issues liable to have a material impact on the Group's financial position.

If, during its work, the Committee detects a significant risk that does not appear to have been adequately addressed, it must warn the Chairman of the Board of Directors. The Audit Committee may also, in agreement with senior management, take advice from any persons liable to help it perform its duties, including economic and financial executives, and those responsible for the preparation of financial information.

Activity of the Audit Committee in 2013

The Audit Committee met three times in 2013. The participation rate at its meetings was 100%. The Statutory Auditors attended all meetings. The Committee did not seek advice from external experts. Three meetings have been scheduled for 2014, one of which had already been held at the time of writing this report.

The Committee reviewed the quality of the Group's annual and interim results, which were disclosed to members prior to the meetings concerned. It reviewed the main on- and off-balance sheet items on the separate and consolidated financial statements for the year ended December 31, 2012, estimates and options for the close of the separate and consolidated financial statements for the six months ended June 30, 2013, and estimates and options for the close of fiscal 2013.

The Committee was kept regularly informed of the comments and opinions of the Statutory Auditors within the framework of their review.

A special meeting was held to enable the Committee to monitor the effectiveness of internal control and risk management systems implemented by senior management that may impact the financial statements.

The Committee reported on its work to the Board of Directors.

Compensation Committee

Role of the Compensation Committee

At its meeting of December 13, 2013, the Board approved the creation of a Compensation Committee. The Committee has, since that date, been composed of three independent directors: Anne-Marie Couderc, Amélie Oudéa-Castera and Bernd Gottschalk. The Compensation Committee is chaired by Anne-Marie Couderc.

Role of the Compensation Committee

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

Its main purpose is to make recommendations to the Board of Directors on the fixed and variable compensation of executive corporate officers, the pension plan, benefits in kind and all pecuniary rights conferred upon them.

The first meeting of the Compensation Committee in its new form was held on February 25, 2014.

2.1.4 Internal Control and Risk Management System

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

Definition and objectives of internal control and risk management

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

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

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

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

Scope of this report

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

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

Summary description of the internal control and risk management system

Organization

The Plastic Omnium Group is built around two Divisions:

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

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

Organization of the internal control and risk management system

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

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

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

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

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

The Internal Control Framework

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

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

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

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

  - Legal affairs and corporate governance;
  - Human resources;
  - Treasury (financing and routine transactions);
  - Sales;
  - Purchasing (operations and capital expenditure);
  - Inventory and supply chain;
  - Automotive projects;
  - Accounting and taxation;
  - Production and quality;

- Real estate;
- Information systems;
- Health, safety and the environment.

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

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

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

Risk Management

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

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

The system is overseen by senior management.

Control activities

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

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

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

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

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

The Internal Audit Department conducts audits on a scope covering all subsidiaries, whether or not Compagnie Plastic Omnium exercises control. At the conclusion of each audit, it makes recommendations to the audited units, which respond with appropriate action plans subject to systematic monitoring by divisional management teams. The annual internal audit plan is based on criteria relating to how often audits are performed and to each entity’s risk and control environment. None of the audits performed in 2013 revealed any serious weaknesses in the internal control and risk management system.

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

Note that the application of international safety, environmental and quality assurance standards, in addition to the audit of our insurance companies and our customers, gives rise to regular specialized audits conducted by independent bodies. As of December 31, 2013, 83% of the eligible facilities that were at least 50%-owned had earned ISO 14001 certification and 76% were OHSAS 18001-certified.

Information and communication

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

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

Oversight

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

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

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

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

Internal control relating to the preparation of financial and accounting information

Basis of preparation of the Group's financial information

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

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

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

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

Consolidated financial information is prepared for the following key processes:

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

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

Financial reporting and control procedures

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

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

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

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

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

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

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

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

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

No material incidents or significant changes occurred in 2013 that could have compromised the effectiveness of the internal control system described above.

Work planned in 2014

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

The Internal Audit Department will conduct 37 audits in 2014, compared with 35 in 2013, 34 in 2012 and 21 in 2011.

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

— 2.2 — Compensation of Corporate Officers

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

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

Laurent Burelle **Chairman and CEO**	**2012**	**2013**
Compensation due in respect of the year *(see details in 2 below)*	3,243,854	3,869,394
Value of stock options awarded during the year *(see details in 4 below)*	295,200	497,400
TOTAL	**3,539,054**	**4,366,794**

Paul Henry Lemarié **Member of the Board and Chief Operating Officer**	**2012**	**2013**
Compensation due in respect of the year *(see details in 2 below)*	1,670,136	1,936,100
Value of stock options awarded during the year *(see details in 4 below)*	147,600	165,800
TOTAL	**1,817,736**	**2,101,900**

Jean-Michel Szczerba **Member of the Board and Chief Operating Officer**	**2012**	**2013**
Compensation due in respect of the year *(see details in 2 below)*	1,100,346	1,227,107
Value of stock options awarded during the year *(see details in 4 below)*	196,800	331,600
TOTAL	**1,297,146**	**1,558,707**

Gross compensation paid to each executive corporate officer

Laurent Burelle	2012		2013	
Chairman and CEO	**Amounts due**	**Amounts paid**	**Amounts due**	**Amounts paid**
• Fixed salary(1)	84,266	84,266	85,637	85,637
• Bonus(1)(2)	3,024,235	2,870,186	3,540,588	3,259,086
• Exceptional compensation	0	0	0	0
• Directors' fees	135,353	135,353	243,169	243,169
• Benefits in kind		Company car		Company car
TOTAL	**3,243,854**	**3,089,805**	**3,869,394**	**3,587,892**

Paul Henry Lemarié	2012		2013	
Member of the Board and Chief Operating Officer	**Amounts due**	**Amounts paid**	**Amounts due**	**Amounts paid**
• Fixed salary(1)	84,266	84,266	85,637	85,637
• Bonus(1)(2)	1,512,117	1,435,093	1,770,294	1,629,543
• Exceptional compensation	0	0	0	0
• Directors' fees	73,753	73,753	80,169	80,169
• Benefits in kind		Company car		Company car
TOTAL	**1,670,136**	**1,593,112**	**1,936,100**	**1,795,349**

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

Jean-Michel Szczerba	2012		2013	
Member of the Board and Chief Operating Officer	**Amounts due**	**Amounts paid**	**Amounts due**	**Amounts paid**
• Fixed salary	725,775	725,775	775,215	775,215
• Bonus	350,000	350,000	350,000	350,000
• Exceptional compensation	0	0	0	0
• Directors' fees	24,571	24,571	101,892	101,892
• Benefits in kind		Company car		Company car
TOTAL	**1,100,346**	**1,100,346**	**1,227,107**	**1,227,107**

In accordance with article L. 225-102-1 of the French Commercial Code, the compensation paid by Burelle SA to Compagnie Plastic Omnium's corporate officers in 2013 and the portion billed to Compagnie Plastic Omnium for management services are presented in the table below:

	Gross compensation paid by Burelle SA in 2013	**O/w bonus**	**Amount billed to the Plastic Omnium Group in 2013**	**O/w bonus**
Laurent Burelle	3,370,000	3,259,086	2,541,990	2,476,905
Paul Henry Lemarié	1,740,457	1,629,543	857,590	814,771
Jean Burelle	1,752,541	1,629,543	371,731	355,460
Jean-Michel Szczerba	0	0	0	0

Directors' fees

Paid by Compagnie Plastic Omnium

The Shareholders' Meeting of April 25, 2013 granted the Board of Directors a total of €300,000 for directors' fees until further notice.

Members of the Board	Directors' fees paid in 2012	Directors' fees paid in 2013
Laurent Burelle	25,028	30,892
Paul Henry Lemarié	19,428	23,892
Jean Burelle	19,428	23,892
Jean-Michel Szczerba	14,571	23,892
Éliane Lemarié	19,428	23,892
Jean-Pierre Ergas	23,328	23,013
Thierry de la Tour D'Artaise	14,571	NA
Jérôme Gallot	25,728	30,192
Francis Gavois	6,157	NA
Vincent Labruyere	23,328	27,792
Alain Mérieux	4,857	15,000
Bernd Gottschalk	18,128	19,113
Anne-Marie Couderc	19,428	23,892
Anne Asensio	14,571	15,635
TOTAL	**247,979**	**281,097**

At its meeting of February 26, 2013, the Board of Directors allocated directors' fees as follows:

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

Paid by Compagnie Plastic Omnium, other controlled companies and Burelle SA

Corporate officer	Directors' fees paid in 2012	Directors' fees paid in 2013
Laurent Burelle	135,353	243,169
Paul Henry Lemarié	73,753	80,169
Jean Burelle	110,153	117,253
Jean-Michel Szczerba	24,571	101,892
TOTAL	**343,830**	**542,483**

Stock options awarded during the year to each executive corporate officer

Name and position of the corporate officer	Number of options awarded during the year	Value of options using the method applied in the consolidated financial statements	Exercise price	Exercise period
Laurent Burelle *Chairman and CEO*	180,000	497,400	€16.16	From 08.07.2017 to 08.06.2020
Paul Henry Lemarié *Member of the Board and Chief Operating Officer*	60,000	165,800	€16.16	From 08.07.2017 to 08.06.2020
Jean-Michel Szczerba *Member of the Board and Chief Operating Officer*	120,000	331,600	€16.16	From 08.07.2017 to 08.06.2020

In accordance with the AFEP-MEDEF recommendations:

- The exercise of these stock options is subject to two performance conditions related to the outperformance over the vesting period of the options (2013-2017) in respect of:

  (i) the share price relative to the SBF 120;

  (ii) the operating margin compared with the main competitors.

- Each director must retain 10% of the shares resulting from the exercise of options in registered form until the end of his or her term of office.

Stock options exercised during the year by each executive corporate officer

Name and position	Plan date	Number of options exercised during the year	Exercise price
Laurent Burelle	Plan 2007	NA	NA
Chairman and CEO	Plan 2008	NA	NA
Paul Henry Lemarié	Plan 2007	NA	NA
Member of the Board and Chief Operating Officer	Plan 2008	210,000	€2.94
Jean-Michel Szczerba	Plan 2007	270,000	€4.37
Member of the Board and Chief Operating Officer	Plan 2008	300	€2.94
		349,100	€2.94

Performance shares awarded to each executive corporate officer

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

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

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

Employment contracts, supplementary pension benefits, termination benefits

In accordance with the AFEP-MEDEF recommendations, corporate officers' employment contracts have been suspended.

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 of service, subject to a minimum length of service within the Group of seven years and a ceiling of 10%, whereas the AFEP-MEDEF Code recommends a maximum of 45% of the reference salary. Furthermore, the ceiling is also capped at eight times the Social Security ceiling. The Board of Directors of Burelle SA approved a similar plan for corporate officers in 2003. The portion of the annual cost in respect of this plan billed by Burelle SA to Compagnie Plastic Omnium and its controlled companies was €1,826,379 in 2013. The other pension plans for senior management are the same as those in place for the Group's managerial employees.

The corporate officers are not entitled to any compensation for loss or change of office; neither are they subject to a non-competition clause.

— 2.3 — Statutory Auditors' report

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

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

Year ended December 31, 2013

To the Shareholders,

As Statutory Auditor of Compagnie Plastic Omnium and in accordance with the articles L. 225-235 of French Commercial Code (Code de commerce), we hereby present our report on the Chairman of the Board of Directors report in compliance with the article L. 225-37 of French Commercial Code regarding fiscal year ending December 31, 2013.

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

It is our responsibility to:

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

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

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

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

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

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

Other information

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

Paris-La Défense, February 27, 2014

The Statutory Auditors

ERNST & YOUNG AND OTHERS	MAZARS
French original signed by	*French original signed by*
Gilles Rabier	Jean-Luc Barlet

SUSTAINABLE DEVELOPMENT

03

— 3.1 — Challenges

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

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

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

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

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

The Health, Safety and Environment (HSE) and Social information provided below have been prepared based on the scope of consolidation used for financial reporting, with the same rules for consolidating subsidiaries. Given that environmental data requires that a subsidiary be at least ≥50% owned, HBPO, which is proportionately consolidated at 33.33%, is not included.

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

In the absence of public and recognized standards relevant to the Group's operations, Plastic Omnium prepared a protocol which formalizes the procedures and definitions underpinning its reporting.

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

— 3.2 — HSE Information

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

The safety data reporting scope covers all the Group's entities, including non-industrial sites.

Compared with 2012, the 2013 reporting scope includes six new industrial sites: two additional Plastic Omnium Auto Exterior plants in China and four Plastic Omnium Auto Inergy plants in Russia, the United States, Mexico and Brazil.

Conversely, two Plastic Omnium Auto Exterior plants in Europe and one Plastic Omnium Auto Inergy plant in North America were sold.

The environmental data collected covers the first 11 months of 2013 (from January through November), and is extrapolated over 12 months.

The safety data covers the full 12 months of 2013.

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

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

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

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

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

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

The active involvement of Group management and the implementation of a safety and environmental management system since 2002 are reflected in sustained improvements to a number of indicators in 2013:

- Energy consumption ratios based on the volume of material processed:
  - electricity: 1.697kWh/kg of material processed in 2013, stable compared with 1.694kWh/kg of material processed in 2012;
  - gas: 0.628kWh/kg of material processed in 2013, compared with 0.634kWh/kg of material processed in 2012 (a reduction of 0.9%);
- Likewise, the water consumption ratio based on the volume of material processed amounted to 4.822l/kg of material processed in 2013, compared with 4.865l/kg of material processed in 2012 (a decrease of 0.9%);
- However, the ratio of greenhouse gas emissions to the volume of material processed amounted to 0.852kgCO_2/kg of material processed in 2013, compared with 0.797kgCO_2/kg of material processed in 2012, representing an increase of 6.9% due to the type of electricity generation in the countries where the Group is experiencing strong growth.
- In the area of safety, the year saw a 4% improvement in the workplace accident frequency rate with lost time (temporary staff included), which came to 3.89, compared with 4.07 in 2012, while the workplace accident frequency rate with and without lost time (temporary staff included) improved by 9% to 7.70, compared with 8.43 in 2012;

- Nevertheless, the severity rate of accidents (temporary staff included) amounted to 0.24, compared with 0.10 in 2012. This deterioration is explained by the inclusion of 6,000 days of lost time due to a fatal accident at a Plastic Omnium facility in Thailand in April 2013.

Furthermore, the ISO 14001 certification program was continued in 2013, with 85 out of 102 sites certified at December 31, 2013, representing 83% of the scope of certification, versus 83 out of 95 sites at year-end 2012.

At the same time, an OHSAS 18001 certification program was launched in late 2005. As at December 31, 2013, a total of 76 sites out of 100 had been certified, representing 76% of the scope of certification, versus 76 out of 92 sites at year-end 2012.

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 2013 after a follow-up audit detected no instances of non-compliance.

HSE Data

Environmental impacts

Consumption of water, electricity, gas and fuel oil in 2013

		2011	2012	2013
Water in m³*	Annual consumption	2,550,046	2,262,108	2,276,964
	Percentage of revenue covered	*100%*	*100%*	*100%*
Electricity in kWh	Annual consumption	737,939,410	787,638,534	801,184,778
	Percentage of revenue covered	*100%*	*100%*	*100%*
Gas in kWh	Annual consumption	278,430,074	294,847,159	296,419,656
	Percentage of revenue covered	*100%*	*100%*	*100%*
Fuel oil in m³	Annual consumption	1,637	1,727	1,415
	Percentage of revenue covered	*100%*	*100%*	*100%*

* Sources of water supply: of 95% of the water consumed in 2013, 97% came from urban water supplies and 3% from groundwater.
Furthermore, over 82% of our sites have a water consumption reduction plan to improve their energy efficiency

Consumption of plastics in 2013

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

(in metric tons)		2011	2012	2013
New plastics	Annual consumption	296,624	339,085	346,856
	Percentage of revenue covered	*100%*	*100%*	*100%*
Recycled plastics	Annual consumption	58,076	52,294	47,885
	Percentage of revenue covered	*100%*	*100%*	*100%*
Biosourced plastics	Annual consumption	112	2,783	467
	Percentage of revenue covered	*100%*	*100%*	*100%*
Total plastics	**Annual consumption**	**354,812**	**394,162**	**395,208**
	Percentage of revenue covered	*100%*	*100%*	*100%*

Measures taken to improve the efficient use of plastics:

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

- Consumption of recycled plastics in 2013: 47,885 metric tons;
- Consumption of biosourced plastics in 2013: 467 metric tons;
- Furthermore, Plastic Recycling, a subsidiary owned jointly by Plastic Omnium and Derichebourg, regenerated 4,576 metric tons of plastic during the year.

Consumption of paint and solvents in 2013

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

(in metric tons)		2011	2012	2013
Paint	Annual consumption	8,247	8,173	7,892
	Percentage of revenue covered	*99.53%*	*100%*	*100%*
Solvents	Annual consumption	5,957	5,211	6,526
	Percentage of revenue covered	*99.53%*	*100%*	*100%*
Paint and solvents	**Annual consumption**	**14,204**	**13,384**	**14,418**
	Percentage of revenue covered	*99.53%*	*100%*	*100%*

Consumption of other raw materials in 2013: wood, steel and aluminum

These raw materials are used primarily by the Plastic Omnium Environment Division.

(in metric tons)		2011	2012	2013
Wood	Annual consumption	89	74	93
	Percentage of revenue covered	*100%*	*100%*	*100%*
Steel	Annual consumption	59,322	57,064	61,735
	Percentage of revenue covered	*100%*	*100%*	*100%*
Aluminum	Annual consumption	921	260	790
	Percentage of revenue covered	*100%*	*100%*	*100%*

Discharges into the air in 2013

Volatile organic compounds (VOCs):

(in metric tons)	2011	2012	2013
VOCs	1,684	1,482*	2,165
Percentage of revenue covered by sites in question	*100%*	*100%*	*100%*

* The 2012 VOC emissions were corrected after inaccurate data was identified in one facility.

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

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

Greenhouse gases

(in metric tons of CO_2 equivalent)	2011	2012	2013
CO_2*	342,920	368,575	400,296
Percentage of revenue covered by sites in question	*100%*	*100%*	*100%*
N_2O	–	812**	1,396
Percentage of revenue covered by sites in question	–	*100%*	*100%*
CH_4	–	4**	19
Percentage of revenue covered by sites in question	–	*100%*	*100%*
HFCs	–	1,247	601
Percentage of revenue covered by sites in question	–	*100%*	*100%*
PFCs	–	0	0
Percentage of revenue covered by sites in question	–	*100%*	*100%*
SF_6	–	0	0
Percentage of revenue covered by sites in question	–	*100%*	*100%*
Total greenhouse gases	**–**	**370,638****	**402,313**
Percentage of revenue covered by sites in question	*–*	*100%*	*100%*

* These figures correspond to CO2 emissions from energy consumed in industrial facilities.
Source: French Environment and Energy Management Agency (ADEME), 2012 data.
** The 2012 N2O and CH4 emissions and the total amount of greenhouse gases were corrected after inaccurate data was identified on two sites.

Over 79% of our sites have put in place measures to prevent, reduce, and/or remedy air, water and ground emissions that are harmful to the environment.

For example:

- Air: VOC destruction systems, use of hydrosoluble paint, etc.
- Water: use of closed circuits, paint sludge treatment, etc.
- Ground: areas for storing liquids (paint, solvents, oils, etc.), preliminary "phase 1" and "phase 2" studies in the event of acquisitions, etc.

Waste generated in 2013

(in metric tons)		2011	2012	2013
Recycled waste	Annual waste	33,996	40,387*	42,313
	Percentage of revenue covered	*98,98%*	*100%*	*100%*
Recovered waste	Annual waste	7,638	9,165	10,195
	Percentage of revenue covered	*98,98%*	*100%*	*100%*
Final waste	Annual waste	11,313	7,735	10,405
	Percentage of revenue covered	*98,98%*	*100%*	*100%*
Total waste	**Annual waste**	**52,948**	**57,287***	**62,913**
	Percentage of revenue covered	***100%***	***100%***	***100%***

* The recycled waste and total amount of waste in 2012 was corrected after inaccurate data was identified in one facility.

- Total cost of waste treatment: €4.1 million (100% of revenue covered).
- Income generated by the sale of recyclable waste by facilities: €6.8 million (100% of revenue covered).

Noise pollution and odors

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

Physical strain

100% of the workstations at the Plastic Omnium Auto Inergy facility in Compiègne were assessed based on a method for rating physical strain.

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

85 of 102 sites are now certified to ISO 14001 standards. This represents 83% of the scope of certification.

The Plastic Omnium Group regularly acquires and/or builds new plants. As a result, the objective of 93% certification for 2013 was only partially achieved. The new plants are, however, committed to this process.

The objective for 2014 is 91% (because of a larger scope of certification).

OHSAS 18001

In all, 76 of 100 sites are now certified to OHSAS 18001 standards. This represents 76% of the scope of certification.

For the same reasons as for ISO 14001 certification, the objective of 91% set for 2013 was not achieved. However, all sites are committed to this process.

The objective for 2014 is 87% (because of a larger scope of certification).

Moreover, OHSAS 18001 certification for the Group's system that centrally manages the safety of people and property (initially obtained in December 2006) was renewed in December 2013 after a follow-up audit detected no instances of non-compliance.

Organization

The Environmental and Safety Management organization launched in 2001 is supported by:

- a Group Safety 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" comprised of dedicated correspondents in each 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 Group Executive Committee meeting;
- three Group HSE Committees held per year, with Executive Committee participation.

Safety and Environmental Training

- Information/awareness: 50,420 hours in 2013 for 25,942 participants (100% of revenue covered).
- Training: 80,499 hours in 2013 for 23,477 participants (100% of revenue covered).
- Deployment of the Top Safety training program was accelerated in 2013, with 29 training sessions offered in Europe, the United States, Mexico, South America and Asia. Introduced in 2005, the training program is designed to instill a culture of safety that, over the long term, will help the Company create an accident-free workplace.
  408 managers were trained in 2013, which brings the total number of managers trained since the launch of the Top Safety program to 1,431.
  Moreover, awareness was raised among 1,573 people in 2013, which brings the total number of people informed by the Top Safety program since 2005 to 12,247.
- The HSE plan introduced by the Group in 2012 is based on five pillars that reflect the Plastic Omnium's Group commitment to continue to strengthen the safety of people and property, and to minimize the environmental impact of its operations. The plan's implementation improved by 9% in 2013 (68% of objectives reached in 2013 versus 62% in 2012).

Environment- and safety-related spending and investments

- Research and Development: €247 million, equivalent to 4.8% of consolidated revenue,
- Safety and Environmental spending: €11.2 million (100% of revenue covered),
- Capital expenditure: €340 million,
- Specific Safety and Environmental spending: €5.5 million (100% of revenue covered),
- Environmental risk provisions: €9.6 million (100% of revenue covered),
- No products are manufactured using asbestos.

It should be noted, however, that changes in the scope of consolidation, the allocation base and the response rate between 2012 and 2013 had a slight influence on changes in indicators.

Health and Safety Information

Occupational illnesses

	2011	2012	2013
Number of occupational illnesses declared	38	26	19
Number of occupational illnesses recognized	38	24	18

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

Safety indicators (including temporary staff)

	2011	2012	2013
Number of first aid cases	1,984	1,980	1,854
Number of workplace accidents without lost time	197	185**	170
Number of workplace accidents with lost time	180	173**	174
Number of days of workplace accident-related lost time	10,654*	4,371**	10,644***

* Includes 6,000 days of lost time due to a fatal accident at a Plastic Omnium facility in Romania in September 2011.
** Deduction of one accident with lost time and one accident without lost time in 2012, following the CPAM's refusal to cover the accidents in 2013.
*** Includes 6,000 days of lost time due to a fatal accident at a Plastic Omnium facility in Thailand in April 2013.

Accident frequency and severity rates (temporary staff included)

	2011	2012	2013
Frequency rate of workplace accidents with lost time *in number of accidents per million hours worked*	4.84	4.07**	3.89
Frequency rate of workplace accidents with and without lost time *in number of accidents per million hours worked*	10.13	8.43**	7.70
Severity rate of workplace accidents *in number of days lost for accidents with lost time per thousand hours worked*	0.29*	0.10	0.24***

* Includes 6,000 days of lost time due to a fatal accident at a Plastic Omnium facility in Romania in September 2011.
** Deduction of one accident with lost time and one accident without lost time in 2012, following the CPAM's refusal to cover the accidents in 2013.
*** Includes 6,000 days of lost time due to a fatal accident at a Plastic Omnium facility in Thailand in April 2013.

Accident frequency and severity rates (excluding temporary staff)

	2011	2012	2013
Frequency rate of workplace accidents with lost time *in number of accidents per million hours worked*	4.32	3.83*	3.93
Frequency rate of workplace accidents with and without lost time *in number of accidents per million hours worked*	9.39	8.43*	8.03
Severity rate of workplace accidents *in number of days lost for accidents with lost time per thousand hours worked*	0.14	0.12	0.29**

* Deduction of one accident with lost time and one accident without lost time in 2012, following the CPAM's refusal to cover the accidents in 2013.
** Includes 6,000 days of lost time due to a fatal accident at a Plastic Omnium facility in Thailand in April 2013.

These figures directly reflect the impact of actions undertaken over the past 11 years to improve workplace safety.

Agreements on health and safety at work

18 agreements on health and safety at work applied in 2013.

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

For example: 100% of the workstations at the Plastic Omnium Auto Inergy site in Compiègne were assessed based on a method for rating physical strain.

— 3.3 — Social Information

Social information

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

The organization is driven largely by "group management by project" techniques, both in development activities and in each plant's independent production units.

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

At year-end 2013, the Company had 22,067 employees, of which 75% were outside France.

At December 31, 2013, the **1,137** members of the employee stock ownership plan held **2,010,013** Compagnie Plastic Omnium shares purchased on the market, representing 1.3% of share capital. Employees do not hold any other shares under the employee stock ownership provisions of Articles L. 225-129 and L. 225-138 of the French Commercial Code (Code de Commerce). In addition, no employee profit shares have been reinvested in stock.

Employee benefit expense

In thousands of euros	2012	2013
Wages and salaries	(556,275)	(576,133)
Payroll taxes	(172,954)	(165,250)
Non-discretionary profit-sharing	(14,137)	(10,753)
Pension and other post-employment benefit costs	51	(994)
Share-based compensation	(1,220)	(2,060)
Other employee benefit expenses	(22,284)	(23,485)
Total employee benefit expenses excluding temporary staff costs	**(766,818)**	**(778,675)**
Temporary staff costs	(62,660)	(77,453)
Total employee benefit expenses including for temporary staff	**(829,478)**	**(856,128)**

Other 2013 data

Scope of consolidation:

1) Employees at December 31:
The breakdown of employees is calculated based on the total scope of consolidation of the Company, including joint ventures, according to the consolidation percentage.

2) Other indicators:
YFPO and HBPO are not included.

Indicator calculation method:

The indicators were approved on December 31, 2013, with the exception of the following indicators:

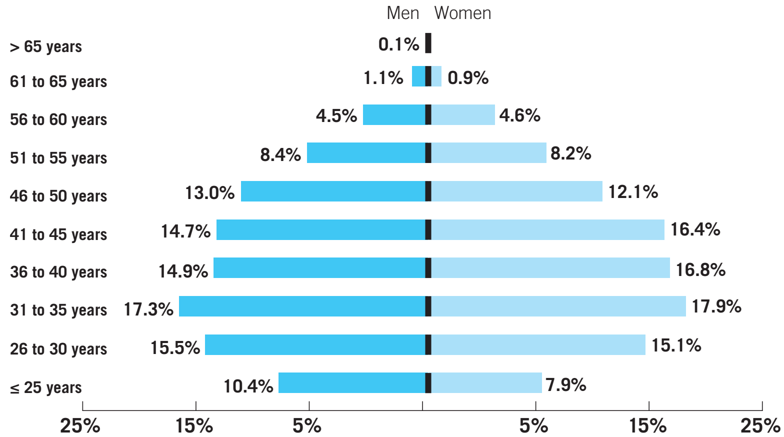
- The indicators approved on November 30 and extrapolated to December 31 based on the ratio of employees at December/employees at November:
  Gender breakdown; operators/employees/managers breakdown; employees working in shifts or part-time; number of women managers; number of disabled workers
- The indicators approved on November 30 and extrapolated to December 31 based on the 12/11 ratio:
  Hours of training; expenditure on outside training; the number of employees on work experience
- The indicators approved on November 30 and considered to be valid for the entire year:
  Hours worked per week; committees; other commissions; number of unions represented; Company-level agreements; agreements on health and safety at work; % of employees covered by a collective agreement
- The indicators for the gender breakdown and the operators/employees/managers breakdown for HBPO employees were distributed proportionally to the information provided for the rest of the scope applicable to the whole year.

The data not shown for 2011 and 2012 is new data established in 2013

Registered Employees at December 31

	2011	2012	2013
Registered employees	17,068	18,341	17,971
Permanent employment contracts	14,984	16,143	16,500
Fixed-term employment contracts	2,084	2,198	1,471
Men	13,397	14,206	13,914
Women	3,671	4,135	4,057
Operators	9,794	10,042	9,423
Administrative staff, technicians and supervisors	4,298	4,975	5,046
Managers	2,976	3,324	3,502
Temporary workers at year-end	2,696	2,693	4,096
Total employees (registered + temporary)	19,764	21,034	22,067
Temporary workers (full-time equivalent)	2,820	2,898	3,741

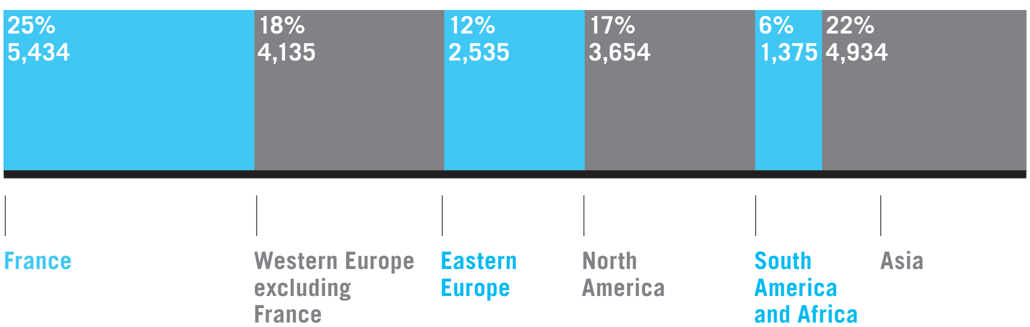
Gender Breakdown for Registered Employees – Age Pyramid



Employees by Region

	Permanent employment contract	Fixed-term employment contract	Total registered employees	Temporary staff	Total
France	4,652	40	4,692	742	5,434
Western Europe (excluding France)	3,151	223	3,374	761	4,135
Eastern Europe	1,668	397	2,065	470	2,535
North America	2,428	701	3,129	525	3,654
South America and Africa	1,244	25	1,269	106	1,375
Asia	3,357	85	3,442	1,492	4,934
Total	**16,500**	**1,471**	**17,971**	**4,096**	**22,067**

Total staff



	2011	2012	2013
Number of employees hired during the year			
Managers hired	–	–	429
Non-managers hired	–	–	2,711
Terminations during the year			
Redundancies	66	87	388
Terminations for other reasons	436	473	744
Total terminations	502	560	1,132
Overtime			
Hours worked per week	35 to 48 hours	35 to 48 hours	35 to 48 hours
Overtime (full-time equivalent)	669	1,026	1,179
Total employees working in shifts			
Employees working in shifts	8,307	10,034	9,564
Of which employees working only nights	1,313	1,157	987
Of which employees working only weekends	156	118	121
Part-time employees	337	366	338
Absenteeism in the year and reasons (% of hours worked)			
Absenteeism rate due to workplace accidents	0.11%	0.07%	0.10%
Absenteeism rate due to other causes	2.66%	2.61%	2.74%
Total absenteeism rate	2.77%	2.69%	2.84%

Gender Equality

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

	2011	2012	2013
Number of women managers at December 31	515	649	654
Number of women managers hired during the year	102	149	95

Employee Relations

Since 1996, the European Cooperation Committee holds one meeting per year. This advisory body is comprised of 31 employee members representing eight countries.

	2011	2012	2013
Existing committees	162	156	157
Of which Works Councils			60
Other committees (training/ideas)	69	77	71
Number of trade unions represented	32	32	30
Number of Company agreements signed during the year	139	114	147
Percentage of employees covered by a collective agreement	–	–	57%

Anti-Discrimination Policy

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

	2011	2012	2013
Number of incidents of discrimination	–	–	0
Number of measures taken following incidents of discrimination	–	–	0

Training

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

	2011	2012	2013
Training commissions	–	–	29
Number of employees who received training	26,148	37,683	38,927
Number of training sessions per employee per year	1.80	2.24	2.31
Total expenditure on external training bodies (in € thousands)	3,776	4,364	5,020
Total training hours	313,615	392,892	455,223
Training hours per year per employee	21,54	23,41	27,06

Disabled Employees

The Plastic Omnium Group has a policy of non-discriminatory recruitment. The Plastic Omnium Group has a policy of retaining disabled workers in employment. The Plastic Omnium Group outsources work to workshops promoting the occupational integration of people with disabilities whenever possible (catering, reprography, etc.).

	2011	2012	2013
Number of disabled workers	293	301	285
Workstations adapted for disabled workers	–	–	48
Number of disabled workers recruited in the year	–	–	5

Social Welfare (France only)

	2011	2012	2013
Total contribution to works council employee welfare programs (in € thousands)	1,574	1,608	1,517

Promotion of and Compliance with the Provisions of Fundamental ILO Conventions

Across all its countries of operation, the Group complies with the fundamental principles of the ILO charter in its human resources policy regarding: freedom of association and right to collective bargaining, elimination of discrimination in terms of employment and occupation, elimination of forced or compulsory labor, and abolition of child labor. Compagnie Plastic Omnium signed the UN Global Compact and renews its commitment every year through a letter signed by the Chairman.

— 3.4 — Societal Information

Societal issues

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

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

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

In 2014, the codes of conduct will be subject to a comprehensive review, in particular to take into account new social media practices.

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

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

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

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

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

Plastic Omnium is an industrial group with operations in 29 countries worldwide. It manufactures automotive body components and modules, automotive fuel systems, and waste containers intended for local authorities and companies. Plastic Omnium ensures its proximity to customers and its automotive division in particular, by fostering a local production policy, as close as possible to customer plants. Plastic Omnium also strives to develop a local supplier base.

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

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

The Group's Code of Conduct confirms Plastic Omnium's commitment to conduct an active policy to reduce its environmental impact wherever it operates. This policy is based on an ISO 14001 certification process which aims to guarantee the application of international standards across all the Group's plants. At December 31, 2013, 85 out of 102 sites within the environmental scope of certification had obtained this certification.

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

- **Conditions for dialogue with these people or organizations**

The Plastic Omnium Group acts locally in cooperation with associations. For example, in 2013, local management in Troy (Michigan, USA) supported the Focus: Hope organization in its food aid and training program for people in difficulty.

In Sainte Julie (France), employees joined forces to raise funds for the charity association "Vivre aux éclats", which provides help for sick children in hospital.

- **Partnership and sponsorship actions**

In cooperation with the corporate units, the Group's subsidiaries carry out targeted partnership and sponsoring actions with various associations and institutions linked to the social, educational and cultural fabric of the local community.

Outsourcing and suppliers

Taking social and environmental challenges into account in the purchasing policy

Importance of outsourcing and taking social and environmental responsibility into account when working with suppliers and sub-contractors.

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

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

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

Environmental and social issues are included in the standards applied by the Plastic Omnium Group to supplier audits conducted prior to their inclusion in supplier panel, and for audits to monitor suppliers already included in the panel: 103 supplier audits were thus conducted in 2013.

The Plastic Omnium Group also conducts safety-specific audits on its suppliers: accordingly, 86 audits were conducted in 2013.

Lastly, the Group does everything in its power to encourage suppliers to commit to an environmental approach aiming at ISO 14001 certification. In 2013, 360 of its suppliers had already obtained this certification.

Fair practices

- **Actions undertaken to prevent corruption**

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

The Code of Conduct is provided to each new manager hired. It is also available in seven languages on the Group's intranet. In 2013, 879 people were trained to apply this code through an e-learning module implemented from the last quarter of 2013.

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

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

- **Measures taken in favor of consumer health and safety**

Solutions that make vehicles lighter are one of the Plastic Omnium Group's priority goals in terms of research and innovation. Accordingly, the Group directly supports automobile manufacturers' goals for reducing CO2 emissions.

Furthermore, with Plastic Omnium Auto Inergy's SCR (Selective Catalytic Reduction) technology, the Group offers carmakers a suitable solution which enables them to comply with new regulations in terms of reducing nitrogen oxide emissions (NOx).

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

- **Other actions carried out in favor of human rights**

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

— 3.5 — Report of one of the Statutory Auditors, as designated independent third-party body, on consolidated social, environmental and societal information published in the management report of Plastic Omnium

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

Financial year ended December 31, 2013

To the Shareholders,

As independent third-party, member of statutory auditor's network of Plastic Omnium, whose accreditation application was accepted by COFRAC, we hereby present our report on the consolidated social, environmental and societal information provided in the management report prepared for the year ended December 31, 2013, (hereinafter referred to as "CSR Information"), pursuant to Article L. 225-102-1 of the French Commercial Code (Code de commerce).

Responsibility of the Company

The Board of Directors of Plastic Omnium is responsible for preparing a management report including the CSR Information required under Article R. 225-105-1 of the French Commercial Code, in accordance with the reporting criteria (the "Reporting Criteria") of the Company and available on request from the HSE Department and the Human Resources Department.

Independence and quality control

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

Responsibility of the Statutory Auditors

Based on our work, our role is to:

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

Our work was carried out by a team of 6 people at the various stages of our work, between mid-October 2013 and mid-February 2014. We requested the assistance of our CSR experts to conduct this verification work.

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

I – Attestation of completeness of the CSR Information

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

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

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

(1) ISAE 3000 – Assurance engagements other than audits or reviews of historical information.

We verified that the CSR Information covers the consolidated scope, which includes the company and its subsidiaries within the meaning of Article L. 233-1 of the French Commercial Code (Code de commerce) and the companies that it controls within the meaning of Article L. 233-3 of the French Commercial Code (Code de commerce), subject to the limits set forth in the methodological note presented in chapter 3 of the management report (in the introduction to paragraph 3.2 for HSE information, and in the introduction to paragraph 3.3. for social information).

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

II – Fairness report with respect to CSR information

Nature and scope of procedures

We conducted about twenty interviews with 22 persons responsible for the preparation of CSR Information from departments in charge of the process of gathering information in order to:

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

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

Concerning the CSR information that we considered to be most significant(2):

- at Group level, we consulted source documents and conducted interviews to corroborate the qualitative information (organization, policies, actions), we implemented analytical procedures on the quantitative and verified, on the basis of sampling techniques, the calculations and consolidation of the information and we verified its consistency with the other information contained in the management report;
- at the level of a representative sample of entities(3) that we selected based on their activity, their contribution to consolidated indicators, their location and a risk analysis, we conducted interviews to verify the proper application of procedures and conducted substantive tests, using sampling basis, to verify the calculations performed and reconciled data with supporting evidence. The selected sites' contribution to group data equals to 11% of headcount and from 6% to 18% of the quantitative environmental and safety information.

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

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

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

Conclusion

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

Paris La Défense, February 27, 2014

One of the Statutory Auditors, MAZARS

Emmanuelle Rigaudias
Partner, CSR and Sustainable Development Department

Jean-Luc Barlet
Partner

(2) Headcount as of December 31; Training hours; Recycled and recovered waste; Water consumption; Electricity consumption; Gas consumption; Releases of GHG (CO2, N2O, CH4, HFC, PFC, SF6); Frequency rate 1; Frequency rate 2; Number of employees trained to Top Safety ; Number of persons trained on the Code of Conduct; Number of suppliers CSR audits.

(3) Sites of POAE Langres, POAE Ruitz, POAE Arevalo, POAE Lozorno, POAI Lozorno, POAI Anderson, POSU Langres & Bort les Orgues.

MANAGEMENT REPORT

04

— 4.1 — Significant Events in 2013

Continuing Development In High-Growth Regions

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

Five new plants were commissioned in China in 2013, of which four specializing in “Exterior body components” and one in “Fuel systems”. Two new paint lines are also being installed in existing body components plants, one in Mexico and one in the UK. Finally, six new plants are under construction: five in China and one in Russia.

At end-2013, the Group had 97 plants in its automotive business, two-thirds of which are located in high-growth regions. The Environment business operates from 13 plants in Europe.

All these investments form part of the Group’s €1.2 billion investment program for high-growth regions in 2013-2016. In 2013, capital expenditure was increased by 30% to €338 million.

Continuing investment in R&D

On June 6, 2013, the Plastic Omnium Group laid the cornerstone for α-Alphatech, its international research and development center for fuel tanks and systems.

The new center, due to start operations at end-2014, covers a surface area of 23,000 sq.m., built on an eight-hectare site belonging to a wholly owned subsidiary of Compagnie Plastic Omnium, Inergy Automotive Systems France SAS. €65 million was invested in this center, which will bring under one roof 450 employees currently working at Venette (Oise) and Laval (Mayenne), together with the teams from the Electronics division R&D center in Brussels.

The Group also opened two new development centers, one in Slovakia and another in China, for exterior body components and modules. The two centers, with 110 and 300 employees, respectively, are designed to optimize performance on automotive projects and cut development costs thanks to their greater proximity to clients.

These investments illustrate the Group’s focus on making vehicles lighter and cutting emissions.

Successful expansion of innovative product range

The Plastic Omnium Group enhanced its range of weight- and emission-reduction solutions with the launch of the first all-thermoplastic tailgate module. The tailgate is 3 kg lighter than an equivalent steel module, a 25% weight saving. It also offers greater freedom of design and is 100% recyclable.

The all-thermoplastic tailgate represents a new advance in Plastic Omnium Auto Exterior’s rear-opening range, which already includes thermoset composite and hybrid tailgates made with thermosetting resins and thermoplastics. The Group can thus offer carmakers a full range to meet their design and weight-reduction needs.

Plastic Omnium Auto Exterior made more than a million tailgates worldwide in 2013 and expects to double its revenue on this product line over the next five years.

Meanwhile, the first SCR systems - which cut nitrogen oxide emissions from diesel engines - went into production in North America. SCR works by injecting a urea solution called AdBlue®, stored in a separate tank, into the exhaust pipe. Vaporized into minute particles, AdBlue® reacts with the nitrogen oxides to form nitrogen and water. The SCR system, which was developed in 2006 and is already in European production, eliminates 95% of diesel vehicle NOx emissions and up to 8% of its CO_2 emissions.

Plastic Omnium Auto Inergy made and sold 150,000 SCR tanks in 2013 and expects to sell close to 2 million in 2017.

Continuing disintermediation of the Group’s financing

In the second half of 2012 the Group began disintermediation of its debt, having previously relied entirely on bank borrowings, with the issue of Schuldschein and EuroPP private placement notes. The two issues enabled Plastic Omnium to raise €370 million over six years without covenants. The Group continued this policy in 2013, with an inaugural bond issue of €500 million offered to European investors on May 21, 2013. It has a seven-year maturity, carries no covenants, is unrated and pays a coupon of 2.875%.

The net proceeds of the issue will be used to meet the Group’s general financing needs as part of its growth strategy and will strengthen the Group’s debt structure by extending the average maturity of its debt and diversifying its sources of financing.

— 4.2 — Financial Review

For the first time in the Group's history, revenue exceeded €5 billion. It amounted to €5,124.5 million, an increase of 9.2% on 2012 at constant scope and exchange rates. Growth as reported was up 6.6% after factoring in €130 million in adverse currency effects, of which €100 million in the second half of the year.

The Plastic Omnium Group, which has a global manufacturing base of 110 plants in 29 countries, saw growth in all its regions during 2013. The Group continues to grow strongly in Asia and North and South America, led by the dynamism of automobile production and industrial investment projects in both regions (nine new plants in two years). In Europe, the Plastic Omnium Group recorded especially strong growth, particularly in the second half, reflecting the Group's solid positioning with its innovative weight-reduction solutions built into recent launches such as the Range Rover Sport, Skoda Superb, Nissan Qashqai, Renault Captur and Peugeot 2008 and 308, etc.

At the end of 2013, 58% of the Group's business is generated outside Western Europe, compared with 52% in 2011.

In € millions and as% of revenue **By region**	**Year** **2012**	 **2013**	**% change**	**At constant scope and exchange rates**
France	742.5	727.9	– 2.0%	– 2.0%
	15%	*14%*		
Western Europe (excluding France)	1,274.1	1,437.9	+ 12.9%	+ 13.8%
	27%	*28%*		
Eastern Europe	467.6	511.4	+ 9.4%	+ 9.1%
	10%	*10%*		
North America	1,312.5	1,376.1	+ 4.8%	+ 8.1%
	27%	*27%*		
South America, Africa	246.2	266.1	+ 8.1%	+ 26.7%
	5%	*5%*		
Asia	763.3	805.1	+ 5.5%	+ 8.7%
	16%	*16%*		
Consolidated revenue	**4,806.2**	**5,124.5**	**+ 6.6%**	**+ 9.2%**
	100%	*100%*		

Revenue growth by business line was as follows:

In € millions, by business segment	**Year** **2012**	 **2013**	**% change**	**Change at constant scope and currency**
Plastic Omnium Automotive	4,343.0	4,655.2	+ 7.2%	+ 10.0%
Plastic Omnium Environment	463.2	469.3	+ 1.3%	+ 1.9%
Consolidated revenue	**4,806.2**	**5,124.5**	**+ 6.6%**	**+ 9.2%**

In 2013, revenue generated by **Plastic Omnium Automotive** was €4,655.2 million, an increase of 7.2% as reported and 10% at constant scope and exchange rates. These figures once again outperformed global automotive production, which rose by 3.5% in 2013 (2.9 million additional vehicles) to 82.6 million vehicles. Plastic Omnium Automotive launched 107 new automotive programs in 2013, 20% involving innovative weight- and emissions-reduction products and 40% located in high-growth regions. Five new plants were commissioned in China, taking the total number of industrial plants in China to 19.

In three years, thanks to a strategy of technological leadership and strengthening industrial capacity in high-growth countries, revenue in the Automotive Division rose by €1.5 billion (+48%), driving up market share: the body components business is the world leader with a 10% market share (8% in 2010) and the fuel systems business is also world no.1 with a 22% market share (16% in 2010).

General Motors is still the Group's biggest customer and generates 15% of Automotive revenue, ahead of Volkswagen-Porsche with 15% and PSA Peugeot Citroën with 14%. German customers are the biggest contributors to the Automotive business, providing 30% of revenue, ahead of US customers (General Motors, Ford, Chrysler) with 27%. French customers contribute 22% and Asian customers 16%.

Plastic Omnium Environment revenue rose by 1.9% at constant scope and exchange rates. In a still challenging economic environment in Europe, the division strengthened its position, winning new contracts, such as the municipalities in Mulhouse, Alsace, and Nice, Côte d'Azur, (France), Budapest (Hungary), Geneva (Switzerland) and Hamburg (Germany).

Consolidated gross profit was €780.7 million, compared to €687.5 million in 2012. Gross margin was 15.2% of revenue, up from 14.3% in 2012.

Gross research and development spending totaled €249.3 million. The net R&D spend, after deduction of capitalized development costs and amounts re-invoiced to customers, was €120.7 million (2.4% of revenue), up from €97.5 million (2.0% of revenue) in 2012.

Selling costs were €61.4 million, 1.2% of revenue compared to 1.3% in 2012.

Administrative expenses rose from €194.2 million in 2012 to €204 million in 2013, an unchanged 4.0% of revenue.

Operating income before amortization was €394.6 million, a 17.8% increase on 2012.

The Automotive Division pressed ahead with its industrial excellence plans in 2013, achieving a further reduction in non-quality costs, and successfully launching 107 new programs. It also took specific measures to lower recurring expenses in France and Europe, including the closure of two plants in August 2013, one in Belgium and the other in Germany. Together, these measures resulted in a significant improvement in operating margin, which amounted to €370 million (7.9% of revenue), compared with €316 million in 2012 (7.3% of revenue).

Plastic Omnium Environment's restructuring and cost reduction plan was rolled out in the first half of 2013, targeting savings of €15 million over a full year. It was implemented in full over the year. Its impact was already apparent in the second half 2013, with operating margin rising from 2.8% in the first half-year to 7.6% in the second.

Operating margin (in € millions)	**2012**	**2013**
PLASTIC OMNIUM AUTOMOTIVE	316.3	369.9
% of Automotive revenue	*7.3%*	*7.9%*
PLASTIC OMNIUM ENVIRONMENT	18.8	24.7
% of Environment revenue	*4.1%*	*5.3%*
TOTAL	**335.1**	**394.6**
% of total revenue	*7.0%*	*7.7%*

Amortization of purchased intangible assets amounted to €18.7 million in 2013.

Other operating income and expense resulted in a net expense of -€41.9 million. This included €23 million in restructuring costs for the Automotive and Environment divisions.

Net finance costs were €57.7 million, compared to €45.2 million in 2012, equivalent to 1.1% of revenue. The rise was linked to the use of disintermediated financing (bonds, EuroPP and Schuldschein) which increased the Group's gross debt.

In 2012, the Group recorded **income tax expense** of €69.2 million, versus €62.3 million in 2012, an effective tax rate of 25% (25.6% in 2012).

Net income was €208 million, compared to €181.5 million in 2012. Net margin was 4.1%.

Earnings per share were €1.32, against €1.21 in 2012.

CASH FLOW AND CAPITAL

EBITDA was €596 million (EBITDA margin of 11.6%), an increase of 18%. Cash flow was €537 million (10.5% of revenue, +13%).

As announced, 2013 was a year of increased capital expenditure totaling €338 million or 6.6% of revenue. This included the construction or commissioning of 11 new plants (ten in China, one in Russia) and the start of construction work on the Compiègne fuel systems R&D center as well as the new building complex in Lyon.

Taking into account the 30% increase in these investments, the payment of €26 million in restructuring expenses and a further €28 million reduction in net working capital **free cash flow** *(cash flow less net investment in property, plant and equipment and intangible assets, taxes and net interest expense, +/-change in net working capital)* was €112 million, or 2.2% of revenue.

The Group spent €57 million on dividends and buying back treasury shares in 2013. M&A costs and negative currency effects resulted in outflows of €20 million.

Overall, Group net debt fell by €35 million to €355 million. Net debt/equity was 38% at end-2013 (47% at end-2012) and net debt/EBITDA was 0.6.

— 4.3 — Comments on the Company Financial Statements

Balance Sheet

The main changes in the balance sheet were as follows:

To simplify its investment holding structure, Compagnie Plastic Omnium dissolved without liquidation its wholly owned subsidiary Plastic Omnium Auto SAS. It now owns Plastic Omnium Auto SAS's equity investments directly. It also transferred 100% of the shares in Plastic Omnium Composites Holding SAS to Plastic Omnium Auto Exteriors SAS, which is wholly owned by Compagnie Plastic Omnium. Plastic Omnium Composites Holding SAS was then dissolved without liquidation.

The strategy of diversifying its sources of finance, launched by Compagnie Plastic Omnium in 2012 continued with a new €500 million bond issue on May 21, 2013.

Compagnie Plastic Omnium ended 2013 with net cash of €109.4 million, compared with €73.1 million at December 31, 2012.

Cash flows for the year included:

- dividends from subsidiaries of €180.3 million;
- the assumption of Plastic Omnium Auto's €42 million net financial debt, following the universal transfer of assets and liabilities (TUP);
- payment of a €37.3 million dividend;
- building costs of €25.8 million related to the ongoing construction of an office building in Lyon;
- a €10 million capital injection to Plastic Omnium Holding (Shanghai) Co Ltd;
- buybacks of treasury stock, recognized as long-term investments, totaling €11 million.

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

Earnings Performance

Compagnie Plastic Omnium posted operating revenue of €27.6 million in 2013, versus €24.6 million the previous year. This mainly comprised:

- €22.5 million in trademark license fees from subsidiaries;
- €1.5 million in costs re-invoiced to Group subsidiaries and €0.8 million in rents.

The Company ended the year with an operating loss of €3.2 million in 2013, compared to a €0.5 million loss in 2012, as a result of increased bank charges.

Net financial income for Compagnie Plastic Omnium was €221.9 million, compared to €243.8 million in 2012. The change was largely due to:

- dividends from subsidiaries of €180.3 million against €240.7 million in 2012;
- a net surplus of €49.7 million following the Plastic Omnium Auto TUP;
- net interest expense of €8.6 million in 2013 as against net interest income of €1.2 million in 2012.

After factoring in €5.4 million in non-operating costs for terminating interest rate hedges, profit before tax was €213.3 million, compared to €249.7 million in 2012.

A net income tax benefit of €9.2 million was recorded in 2013 compared with €2.9 million the previous year.

As a result, net income for the year was €222.5 million, compared to €252.6 million in 2012.

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.

— 4.4 — Outlook and Post-Balance Sheet Events

The global automotive market is expected to grow by an average of 4% per year between 2013 and 2017, thanks largely to increased production in China. The Plastic Omnium Group will also receive a boost from pollutant emission reductions imposed by law, which encourage innovative offers in respect of weight reductions and pollution control. In this context, the Group confirms its accelerated investments in manufacturing capacity and research and development in the 2014-2017 period, and expects to grow at a faster rate than global automotive production.

In 2014, the recovery expected in Europe will benefit industrial facilities made more efficient by savings plans rolled out in 2013. Industrial capacity utilization is set to remain strong in North America, while five new plants will come into service in China. Furthermore, the operational performance of the Environment business will improve significantly.

Together, these elements point to a further improvement in earnings in 2014.

No event likely to have a material impact on the Group's business, financial position, earnings or assets and liabilities at December 31, 2013 has occurred since the balance sheet date.

CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2013

05

— 5.1 — Balance sheet

Assets

In thousands of euros	Notes	December 31, 2013	December 31, 2012
Goodwill	3.1.2 - 3.4 - 5.1.1 - 5.1.2	334,442	335,525
Intangible assets	3.1.2 - 3.4 - 5.1.2	342,604	350,245
Property, plant and equipment	3.1.2 - 3.4 - 3.5 - 5.1.3	961,782	897,126
Investment property	3.1.2 - 3.4 - 5.1.4	42,053	15,200
Investments in associates	5.1.5	7,676	6,282
Available-for-sale financial assets*#	5.1.6	1,803	2,734
Other non-current financial assets*	5.1.7	58,750	60,518
Deferred tax assets	5.1.11	71,723	74,871
Total non-current assets		**1,820,833**	**1,742,501**
Inventories	3.1.2 - 5.1.8	282,136	271,791
Finance receivables*	5.1.9 - 5.2.7.4	36,496	40,036
Trade accounts receivable and related receivables	3.1.2 - 5.1.10.2 - 5.1.10.4 - 6.3	590,979	561,975
Other receivables	3.1.2 - 5.1.10.3 - 5.1.10.4	216,167	204,008
Other current financial receivables*	5.1.9 - 5.2.7.4	2,856	1,777
Hedging instruments*	5.2.7.4 - 5.2.8	1,192	314
Cash and cash equivalents*	5.1.12	549,120	328,089
Total current assets		**1,678,946**	**1,407,990**
Assets held for sale	**2.6**	**–**	**1,210**
TOTAL ASSETS		**3,499,779**	**3,151,701**

Equity and Liabilities

In thousands of euros	Notes	December 31, 2013	December 31, 2012
Common stock	5.2.1.1	9,299	8,782
Treasury stock		(44,348)	(28,556)
Additional paid-in capital		65,913	65,913
Retained earnings and revaluation reserve		668,270	555,615
Profit for the period		193,211	173,382
Equity attributable to owners of the Parent company		**892,345**	**775,136**
Attributable to non-controlling interests		39,918	41,870
Total equity		**932,263**	**817,006**
Non-current borrowings*	5.2.7.4	901,919	605,086
Provisions for pensions and other post-employment benefits	5.2.5 - 5.2.6	66,506	80,352
Non-current provisions	5.2.5	17,668	12,218
Non-current government grants	5.2.4	11,883	13,195
Deferred tax liabilities	5.1.11	54,177	55,915
Total non-current liabilities		**1,052,153**	**766,766**
Bank overdrafts*	5.1.12.2 - 5.2.7.4	6,216	6,864
Current borrowings*	5.2.7.4	86,860	186,952
Current debt*	5.2.7.4	163	3,382
Hedging instruments*	5.2.7.4 - 5.2.8	9,980	20,420
Current provisions	5.2.5	46,354	52,990
Current government grants	5.2.4	263	276
Trade payables	5.2.9.1 - 5.2.9.3	865,099	792,860
Other operating liabilities	5.2.9.2 - 5.2.9.3	500,428	504,185
Total current liabilities		**1,515,363**	**1,567,929**
Liabilities related to assets held for sale	**2.6**	**–**	**–**
Total equity and liabilities		**3,499,779**	**3,151,701**

* Net debt stood at €355.2 million at December 31, 2013 compared with €389.8 million at December 31, 2012 (see Note 5.2.7.4).
\# Including €1,524 thousand and €2,148 thousand at December 31, 2013 and December 31, 2012, respectively, in contributions to France's Tier 2 Automotive OEM Modernization Fund (FMEA2) (see Note 5.1.6).

— 5.2 — Income Statement

In thousands of euros	Notes	Year 2013	%	Year 2012	%
Revenue	**3.1.1 - 3.2**	**5,124,547**	**100.0%**	**4,806,171**	**100.0%**
Cost of goods and services sold	4.2	(4,343,890)	– 84.8%	(4,118,652)	– 85.7%
Gross profit		**780,657**	**15.2%**	**687,519**	**14.3%**
Net research and development costs	4.1 - 4.2	(120,683)	– 2.4%	(97,514)	– 2.0%
Selling costs	4.2	(61,385)	– 1.2%	(60,771)	– 1.3%
Administrative expenses	4.2	(203,950)	– 4.0%	(194,152)	– 4.0%
Operating margin before amortization of intangible assets acquired in business combinations*	**3.1.1**	**394,638**	**7.7%**	**335,082**	**7.0%**
Amortization of intangible assets acquired in business combinations*	3.1.1 - 4.4	(18,698)	– 0.4%	(18,122)	– 0.4%
Operating margin after amortization of intangible assets acquired in business combinations*	**3.1.1**	**375,940**	**7.3%**	**316,960**	**6.6%**
Other operating income	3.1.1 - 4.5	802	0.0%	15,165	0.3%
Other operating expenses	3.1.1 - 4.5	(42,749)	– 0.8%	(43,358)	– 0.9%
Finance costs	3.1.1 - 4.6	(48,087)	– 0.9%	(34,562)	– 0.7%
Other financial income and expenses, net	3.1.1 - 4.6	(9,563)	– 0.2%	(10,632)	– 0.2%
Share of profit/(loss) of associates	3.1.1 - 4.7 - 5.1.5	882	0.0%	243	–
Profit from continuing operations before income tax and after share of associates	**3.1.1**	**277,226**	**5.4%**	**243,816**	**5.1%**
Income tax	3.1.1 - 4.8	(69,222)	– 1.4%	(62,313)	– 1.3%
Net income	**3.1.1**	**208,004**	**4.1%**	**181,503**	**3.8%**
Net profit attributable to non-controlling interests	4.9	14,793	0.3%	8,121	0.2%
Net profit attributable to owners of the Parent company		**193,211**	**3.8%**	**173,382**	**3.6%**
Net earnings per share attributable to owners of the Parent company	4.10				
• Basic earnings per share (in €)**		1.32		1.21 ¤	
• Diluted earnings per share (in €)***		1.28		1.19 ¤	

* Intangible assets acquired in business combinations.

** Basic earnings per share have been calculated using the number of shares forming the share capital, less the average number of shares held in treasury stock.

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

¤ See the footnote to the Company's capital restructuring in the note accompanying the "Changes in equity" table. The Plastic Omnium share par value was divided by three on September 10, 2013, leading to the number of shares comprising the capital social being multiplied by three. In order to be comparable with the 2013 earnings per share, the 2012 earnings per share have been divided by three. See Note 4.10: "Net earnings per share and net earnings per share from continuing operations".

— 5.3 — Statement of Comprehensive Income

In thousands of euros	2013			2012		
	Total	Gross	Tax	Total	Gross	Tax
Net profit for the period - attributable to owners of the parent	**193,211**	**258,476**	**(65,265)**	**173,382**	**232,752**	**(59,370)**
Reclassified to the income statement	**(26,141)**	**(23,563)**	**(2,578)**	**(12,795)**	**(15,317)**	**2,522**
Fair value adjustments	**1,885**	**2,849**	**(964)**	**611**	**916**	**(305)**
Exchange differences on translating foreign operations - reclassified to the income statement	(44)	(44)	–	–	–	–
Cash flow hedges - Interest rate instruments reclassified to the income statement	1,929	2,893	(964)	611	916	(305)
Reclassified at a later date	**(28,026)**	**(26,412)**	**(1,614)**	**(13,405)**	**(16,233)**	**2,828**
Exchange differences on translating foreign operations	(31,148)	(31,148)	–	(7,526)	(7,526)	–
Cash flow hedges	3,122	4,736	(1,614)	(5,879)	(8,707)	2,828
Gains/losses for the period - Interest rate instruments	*2,496*	*3,744*	*(1,248)*	*(5,673)*	*(8,397)*	*2,724*
Gains/losses for the period - Currency instruments	*626*	*992*	*(366)*	*(207)*	*(310)*	*103*
Cannot be reclassified to the income statement at a later date	**8,630**	**12,781**	**(4,151)**	**(7,413)**	**(15,846)**	**8,433**
Actuarial gains/losses recognized in equity	8,630	12,781	(4,151)	(7,746)	(16,346)	8,600
Fair value adjustments to property, plant and equipment	–	–	–	333	500	(167)
Other comprehensive income	**(17,511)**	**(10,782)**	**(6,729)**	**(20,208)**	**(31,163)**	**10,955**
Comprehensive income attributable to owners of the parent	**175,700**	**247,694**	**(71,994)**	**153,174**	**201,589**	**(48,415)**
Net profit for the period attributable to non-controlling interests	**14,793**	**18,751**	**(3,958)**	**8,121**	**11,064**	**(2,943)**
Reclassified to the income statement	**(4,473)**	**(4,473)**	**–**	**(128)**	**(128)**	**–**
Fair value adjustments	**1,433**	**1,433**	**–**	**–**	**–**	**–**
Exchange differences on translating foreign operations - reclassified to the income statement	1,433	1,433	–	–	–	–
Reclassified at a later date	**(5,906)**	**(5,906)**	**–**	**(128)**	**(128)**	**–**
Exchange differences on translating foreign operations	(5,906)	(5,906)	–	(128)	(128)	–
Cannot be reclassified to the income statement at a later date	**1,437**	**1,844**	**(407)**	**–**	**–**	**–**
Actuarial gains/losses recognized in equity	1,437	1,844	(407)	–	–	–
Other comprehensive income	**(3,036)**	**(2,629)**	**(407)**	**(128)**	**(128)**	**–**
Comprehensive income attributable to non-controlling interests	**11,757**	**16,122**	**(4,365)**	**7,993**	**10,936**	**(2,943)**
Total comprehensive income	**187,457**	**263,816**	**(76,359)**	**161,167**	**212,525**	**(51,358)**

— 5.4 — Consolidated Statement Of Changes In Equity

In thousands of euros *In thousand units for the number of shares*	Number of shares	Common stock	Additional paid-in-capital	Treasury stock	Other reserves and retained earnings**	Translation adjustment	Net profit for the period	Equity		Total equity
								Attributable to owners of the parent	Attributable to non-controlling interests	
Shareholders' equity at December 31, 2011	**52,584**	**8,939**	**82,968**	**(44,403)**	**428,168****	**7,661**	**164,695**	**648,028**	**76,600**	**724,628**
Appropriation of 2011 net profit					164,695		(164,695)	–		–
2012 net profit							173,382	173,382	8,121	181,503
Other comprehensive income	–	–	–	–	(12,156)	(8,052)	–	(20,208)	(128)	(20,336)
Exchange differences on translating foreign operations					*526*	*(8,052)*		*(7,526)*	*(128)*	*(7,654)*
Actuarial gains/losses recognized in equity					*(7,746)*			*(7,746)*		*(7,746)*
Cash flow hedges - Interest rate instruments					*(5,062)*			*(5,062)*		*(5,062)*
Cash flow hedges - Currency instruments					*(207)*			*(207)*		*(207)*
Fair value adjustments to property, plant and equipment					*333*			*333*		*333*
Comprehensive income	**–**	**–**	**–**	**–**	**152,539**	**(8,052)**	**8,687**	**153,174**	**7,993**	**161,167**
Treasury stock transactions	–		–	(1,366)	2,307			941		941
Capital reduction (cancellation of treasury stock)	(925)	(157)	(17,055)	17,212	–			0		0
Tax effect of treasury stock transactions					(2,918)			(2,918)		(2,918)
Changes in scope of consolidation***					9,776			9,776	(37,769)	(27,993)
Dividends paid by Compagnie Plastic Omnium					(33,566)			(33,566)	–	(33,566)
Dividends paid by other Group companies					–			–	(4,954)	(4,954)
Impact of stock option plans					1,220			1,220		1,220
Deferred taxes on stock option plans					(1,519)			(1,519)		(1,519)
Shareholders' equity at December 31, 2012	**51,659**	**8,782**	**65,913**	**(28,556)**	**556,007****	**(391)**	**173,382**	**775,136**	**41,870**	**817,006**
Appropriation of 2012 net profit					173,382		(173,382)	–		–
2013 net profit							193,211	193,211	14,793	208,004
Other comprehensive income	–	–	–	–	13,637	(31,148)	–	(17,511)	(3,036)	(20,547)
Exchange differences on translating foreign operations					*(44)*	*(31,148)*		*(31,192)*	*(4,473)*	*(35,665)*
Actuarial gains/losses recognized in equity					*8,630*			*8,630*	*1,437*	*10,067*
Cash flow hedges - Interest rate instruments					*4,425*			*4,425*		*4,425*
Cash flow hedges - Currency instruments					*626*			*626*		*626*
Fair value adjustments to property, plant and equipment					*–*			*–*		*–*
Comprehensive income	**–**	**–**	**–**	**–**	**187,019**	**(31,148)**	**19,829**	**175,700**	**11,757**	**187,457**
Treasury stock transactions	–		–	(15,159)				(15,159)		(15,159)
Share capital split*	103,318	517		(633)	116			–		–
Changes in scope of consolidation***					(10,516)	2,452		(8,064)	(8,641)	(16,705)
Dividends paid by Compagnie Plastic Omnium					(37,276)			(37,276)	–	(37,276)
Dividends paid by other Group companies					(52)			(52)	(5,068)	(5,120)
Impact of stock option plans					2,060			2,060		2,060
Shareholders' equity at December 31, 2013	**154,977**	**9,299**	**65,913**	**(44,348)**	**697,358****	**(29,087)**	**193,211**	**892,345**	**39,918**	**932,263**

The dividend per share distributed in 2013 by Compagnie Plastic Omnium in respect of the 2012 fiscal year was €0.76 (equivalent to €0.25 following the three-for-one stock split of Compagnie Plastic Omnium in 2013) versus €0.69 distributed in 2012 in respect of the profits for the 2011 fiscal year.

* Following a decision made during the Combined Shareholders' Meeting of April 25, 2013, the par value of Plastic Omnium shares was divided by three (€0.06 versus €0.17) with effect from September 10, 2013.
** See Note 5.2.1.2 for the breakdown of the "Other reserves".
*** See Note 5.2.1.3 for the breakdown of the "Changes in scope".

— 5.5 — Cash flow statement

In thousands of euros	**Notes**	**2013**	**2012**
I – Cash flows from operating activities			
Net income	**3.1.1**	**208,004**	**181,503**
Non-cash items		**329,070**	**292,601**
Share of profit/loss of associates	*4.7 - 5.1.5*	*(882)*	*(243)*
Stock option plan expense		*2,060*	*1,220*
Other adjustments		*1,008*	*(7,175)*
Depreciation and Provisions for impairment of fixed assets	*3.1.3 - 5.1.3*	*126,047*	*122,009*
Depreciation and Provisions for impairment of intangible assets	*3.1.3 - 5.1.2*	*81,657*	*73,831*
Impairment of goodwill	*1.16 - 4.5 - 5.1.1*	*–*	*10,000*
Net negative goodwill		*–*	*(8,996)*
Changes in provisions		*2,707*	*(28,986)*
Net (gains)/losses on disposals of non-current assets	*4.5#*	*4,458*	*38,223*
Proceeds from operating grants recognized in the income statement		*(2,232)*	*(1,626)*
Current and deferred taxes	*4.8*	*69,222*	*62,313*
Interest expense		*45,026*	*32,031*
Net operating cash generated by operations before impact of financial expenses and income tax cash payments (A)		**537,074**	**474,104**
Change in inventories and work-in-progress - net		(22,199)	(13,288)
Change in trade receivables - net		(38,725)	(133,155)
Change in trade payables		89,073	184,208
Change in other operating assets and liabilities - net		160	24,192
Change in working capital requirements (B)		**28,309**	**61,957**
Taxes paid (C)		**(76,731)**	**(75,673)**
Interest paid		(44,587)	(34,278)
Interest received		6,378	2,897
Net financial interest paid (D)		**(38,209)**	**(31,381)**
Net cash generated by operating activities (A+B+C+D)		**450,443**	**429,007**
II – Cash flows from investments			
Acquisitions of property, plant and equipment	3.1.3 - 5.1.3	(259,654)	(213,994)
Acquisitions of intangible assets	3.1.3 - 5.1.2	(84,303)	(95,580)
Proceeds from disposals of property, plant and equipment	4.5#	9,044	21,311
Proceeds from disposals of intangible assets	4.5#	2,059	1,068
Net change in advances to suppliers of fixed assets		(6,219)	25,801
Government grants received		1,098	167
Net cash from operational investing activities (E)		**(337,974)**	**(261,227)**
Free cash flow (A+B+C+D+E)*		**112,469**	**167,780**
Acquisitions of shares in subsidiaries and associates, takeovers and related investments	5.1.13.1.a	(490)	(26,396)
Acquisitions of available-for-sale financial assets		–	(133)
Proceeds from disposals of shares in subsidiaries and associates	4.5# - 5.1.13.2.a	86	20,608
Impact of changes in scope of consolidation - Cash and cash equivalents contributed by companies entering the scope of consolidation)		38	4,701
Impact of changes in scope of consolidation - Cash and cash equivalents of companies leaving the scope of consolidation		(6)	–
Net cash from financial investing activities (F)		**(372)**	**(1,220)**
Net cash from investing activities (E+F)		**(338,346)**	**(262,447)**

In thousands of euros	Notes	2013	2012
III – Cash flows from financing activities			
Purchases/sales of treasury shares		(15,159)	941
Dividends paid to Burelle SA#		(22,072)	(19,992)
Dividends paid to other shareholders##		(20,324)	(18,527)
Acquisitions of non-controlling interests	5.1.13.1.b	(16,689)	(35,571)
Proceeds from disposals of non-controlling interests	4.5# - 5.1.13.2.b	–	2,880
Increase in financial debt		548,118	474,225
Repayment of borrowings		(349,042)	(406,287)
Cash flows from financing activities (G)		**124,832**	**(2,331)**
Effect of exchange rate changes (I)		(15,251)	(3,205)
Net change in cash and cash equivalents (A+B+C+D+E+F+G+H+I)		**221,679**	**161,024**
Cash and cash equivalents at start of the period	5.1.12.2	321,225	160,201
Cash and cash equivalents at end of period	**5.1.12.2**	**542,904**	**321,225**

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

\# In 2013 and 2012, the Burelle SA dividends were paid in full by Compagnie Plastic Omnium.

\## In 2013, the dividend paid to other shareholders amounting to €15,257 thousand (2012: €13,574 thousand) was paid by Compagnie Plastic Omnium, bringing the total dividends paid by the Company in 2012 to €37,277 thousand (2012: €33,566 thousand). See Note 5.2.2 "Dividends voted and paid by Compagnie Plastic Omnium".

— 5.6 — Notes to the Consolidated Financial Statements

The consolidated financial statements of Plastic Omnium for the year ended December 31, 2013 were approved by the Board of Directors on February 25, 2014, which also authorized the publication of the consolidated financial statements. They will be submitted for approval at the Combined Shareholders' Meeting to be held on April 30, 2014.

Group overview

Compagnie Plastic Omnium, a company governed by French law, was set up in 1947. The Articles of Incorporation fixed its duration until April 24, 2112 following the extension approved by the 12th resolution put forward at the Shareholders' Meeting of April 25, 2013. The Company is registered in the Lyon Trade and Companies Register under number 955 512 611 and its registered office is at 19, avenue Jules Carteret, 69007 Lyon, France.

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

The Plastic Omnium Group is a world leader in the transformation of plastic materials for the automotive market (various items of equipment: body component modules and fuel storage and distribution systems) representing 90.8% of its sales and, for local authorities (waste collection containers and highway signage) for the remainder of its sales.

Plastic Omnium Group shares have been traded on the Paris Stock Exchange since 1965. Listed on Eurolist in compartment A since January 17, 2013, the Group is part of the SBF 120 and the CAC Mid 60 indices. The Group's main shareholder is Burelle SA, which owned 56.09% of the Company's shares (59.35% excluding treasury stock) at December 31, 2013.

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

1 Basis of preparation, accounting rules and methods

1.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with the international financial reporting standards (IFRS) and related interpretations adopted for use in the European Union at December 31, 2013, which are available at *http://ec.europa.eu/internal_market/accounting/ias_en.htm#adopted-commission*. IFRS includes the International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) and interpretations published by the international Financial Reporting Interpretations Committee (IFRIC).

These principles differ from the mandatory standards and interpretations published by the IASB and applicable with effect from December 31, 2013; IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interests in Other Entities", IAS 28R "Investments in Associates and Joint Ventures" must be applied in the European Union from January 1, 2014, whereas they have been applicable since January 1, 2013 as far as IASB is concerned.

The accounting principles used to prepare the financial statements as at December 31, 2013 are consistent with those used to prepare the financial statements up to December 2012, except for those concerned by the standards and amendments whose application is mandatory from January 1, 2013:

Amendments to IAS 19 "Employee Benefits":

The main changes introduced by this revised standard are as follows:

- immediate recognition of actuarial gains and losses in "Other Comprehensive Income", which removes the "Corridor" option provided for by the previous standard;
- immediate recognition in profit or loss of the full cost of services provided, which removes the possibility provided by the previous standard of amortizing these over the residual period for acquiring rights. Henceforth, all changes to the system and new systems are immediately recorded in profit or loss for the period;
- the expected return on plan assets is now calculated using the discount rate used to value actuarial debt instead of the rate of expected return on plan assets.

As mentioned in the 2012 consolidated financial statements, the impact of this new standard is not significant as the Group already records the full amount of actuarial gains and losses generated in "Other Comprehensive Income". Consequently, the 2012 consolidated financial statements have not been restated, and the impact has been recorded in 2013 (see Note 5.2.5 "Provisions").

IFRS 13 "Fair Value Measurement":

IFRS 13 specifies the fair value valuation principles under IFRS, without however modifying the scope. In particular, it indicates that the valuation of derivatives must take into account the risk of default of the counterparty (Credit valuation adjustment) and the entity's own credit risk (Said valuation adjustment). The application of these measures does not have a material impact on the Group's accounts.

The additional information required by IFRS 13 concerning the fair value of the financial assets and liabilities is presented in Note 6.7 "Additional information about assets and liabilities".

Mandatory standards, interpretations and amendments with effect from January 1, 2014:

Furthermore, the Group has not chosen early application of the standards, interpretations and amendments which are not mandatory at January 1, 2013, in particular IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interests in Other Entities", IAS 28R "Investments in Associates and Joint Ventures" and related amendments, applicable from January 1, 2014.

IFRS 11 "Joint Arrangements", first applicable as of January 1, 2014 led the Group to review the nature of the control of these affiliates with regard to the new definition of control introduced by IFRS 10 "Consolidated Financial Statements", as well as reviewing the consolidation method of affiliates described as joint ventures, the proportional integration method used until then by the Group no longer being authorized.

Consequently, with effect from January 1, 2014, joint arrangements with partners will be recorded using the equity method.

Information about the situation of the Group is presented in Note 7.5 "Position of the Group with regard to the new mandatory standards effective from January 1, 2014".

1.2 Use of estimates

In order to prepare its financial statements, the Plastic Omnium Group uses estimates and assumptions to value certain assets, liabilities, income, expenses and commitments. These estimates and assumptions are reviewed by senior management at regular intervals. The amounts shown in the future financial statements of the Group may reflect changes in these estimates or assumptions in consideration of experience or changes in circumstances or economic conditions.

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

- Deferred taxes:
  The recognition of deferred tax assets depends on the probability of sufficient taxable earnings being generated to permit their utilization. The Group makes regular estimates of future taxable earnings, mainly in its medium-term business plans. These estimates take account of the recurring or non-recurring nature of certain losses and expenses;
- Provisions for pensions and other post-employment benefits:
  The Group, assisted by independent actuaries, adopts assumptions for actuarial valuations in respect of its defined benefit pension plans (see Notes 1.22, 5.2.6 "Provisions for pensions and other post-employment benefits") concerning:
  - discount rates for pension and other long-term benefit plans;
  - healthcare cost trends in the United States;
  - expected employee turnover and future salary increases;
- Asset impairment tests:
  Asset impairment tests are conducted notably on goodwill and on development costs on automotive projects recognized as intangible assets. Within the framework of these tests, in order to determine the recoverable value, the concepts of fair value net of disposal costs and value in use obtained by the discounted cash flow method are used. These tests are based on assumptions concerning future flows of operational cash and cash equivalents and the discount rate. Assumptions that could significantly impact the accounts concern the discount rate and growth rates.

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.

Entities which are jointly controlled with other shareholders, irrespective of the percentage interest, are consolidated using the proportional integration method, according to the share held of the assets, liabilities and income statement. The jointly controlled companies are referred to as "joint ventures".

Associates, corresponding to entities over which the Group has significant influence, are accounted for using the equity method. Significant influence is presumed when the Group holds over 20% of a company's voting rights. The generic term used for companies in which the Group has significant influence is "Investments in associates".

1.4 Non-controlling interests

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

Under IFRS 3R "Business combinations", non-controlling interests may be measured either at fair value at the acquisition date (i.e. including a share of goodwill) or at their proportionate share of the fair value of the identifiable net assets acquired. The option is available on a transaction-by-transaction basis.

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 value) and the carrying amount of the share of the net assets acquired (sold) share is recorded in equity.

This accounting treatment complies with IAS 27R - Consolidated and Separate Financial Statements, which has been applicable since January 1, 2010.

1.5 Segment information

In compliance with IFRS 8 "Operating Segments", segment information is presented on the basis of the segments identified in the Group's internal reporting and notified to the management in order to decide on the allocation of resources and for performance analysis.

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

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

1.6 Business combinations

Business combinations are accounted for by applying the acquisition method in accordance with IFRS 3R "Business Combinations". Under this method, assets, liabilities and identifiable contingent liabilities acquired are recognized at their fair value on the acquisition-date.

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

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

Acquisition-related costs are recorded as expenses in accordance with IFRS 3R."Business combinations".

The fair value adjustments of assets and liabilities acquired are offset against goodwill adjustments for a period of twelve months after the acquisition date. After that date, any changes in value are recognized in profit or loss, including any changes in tax assets.

1.7 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 the Group's presentation currency as follows:

- balance sheet items, other than equity, are translated at the exchange rate on the balance sheet date;
- income statement items are translated at the average exchange rate for the period;
- differences arising on translation are recognized in consolidated equity under "Translation reserves".

Goodwill arising on business combinations with foreign entities is recognized in the functional currency of the entity acquired and then translated into the presentation currency of the Group at the rate at the balance sheet date, with the translation difference being recognized in equity. On disposal of the entire interest in a foreign operation, the related translation differences initially recognized in equity, are reclassified in profit or loss.

1.8 Translation of transactions in foreign currencies

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rate in force on the transaction date. When the accounts are being drawn up, foreign currency monetary items are translated using the rate at the balance sheet date.

The resulting translation difference is recognized in the income statement under "Other operating income and expense" for transactions related to operating activities, and under "Other financial income and expense" for financial transactions.

Borrowings in foreign currencies without repayment being planned or likely in the foreseeable future are considered as being part of the net investment of the Plastic Omnium Group in this foreign business. The corresponding translation adjustments are recorded under equity.

1.9 Revenue

Revenue from the sale of goods and services is recognized when control and the risks and rewards of ownership are transferred, and it is probable that future economic benefits associated with the transaction will flow to the Group and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of any trade discounts and volume rebates allowed by the Group as well as any sales tax or customs duties.

Sales of goods

Revenue from the sale of goods and from wholesale transactions is recognized when the significant risks and rewards of ownership of the goods are transferred to the buyer, generally on delivery.

Sales of services and tooling

Automotive Division

Revenue generated during the project phase of automotive contracts (development work and production of tooling) is recognized when the criteria specified in IAS 18 are met. A determining factor in the Group's analysis is whether or not the customer has formally agreed to the price.

When a contractual agreement has been signed with the customer concerning the sale price of the tooling, the tooling is considered as having been sold and the related revenue is recognized on the basis of the stage of completion validated by the customer and, at the latest, on the first day of series production of the model concerned.

Similarly, development revenue billed on a time-spent basis is gradually recognized using the stage of completion method, in accordance with IAS 18.

If the final sale price has not been formally agreed (for example, where the customer finances the project by "development unit", with no volume guarantee), the revenue recognition criteria are not met. In this case, the tooling and/or development time are recognized in property, plant and equipment and/or intangible assets and depreciated or amortized over the life of the contract, with payments from the customer recognized in revenue over the period of series production.

Environment

Most lease-maintenance contracts are operating leases. Revenue from lease-maintenance contracts classified as operating leases is recognized on a straight-line basis over the lease term. Services provided under contracts classified as finance leases are recognized as a sale, for an amount corresponding to the sum of the survey and equipment installation costs and the estimated sale price of the equipment made available.

(1) 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.

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.

Financing receivables mainly correspond to the sales lease-financing sub-contracts concerning Environment, and sales of developments and tooling with regard to which the Group has signed an agreement enabling customers to pay in installments (for example: "development unit" prices contractually agreed by customers). These latter receivables, which are the subject of an asset financing agreement with the customer, 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.

The risks taken into account are:

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

1.11 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 changes of scope, 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.

Consequently, since 2010 the Group has had an operating margin prior to taking into account amortizing intangible assets related to acquisitions within the framework of combining companies and an operating margin after taking this amortization into account.

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

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 Net research and development costs, see Notes 4.1 "Research and development costs" and 4.2 "Cost of sales, development, selling and administrative costs".

1.13 Right to individual training (DIF)

The right to individual training (DIF) was introduced in France by the Act of May 4, 2004, which gives all employees, regardless of their qualifications, the right to a certain number of hours training each year, at their own initiative and subject to employer approval.

In accordance with the statutory provision, each employee has a new right entitling him/her to capitalize a minimum of 20 hours per calendar year up to April 30, 2012, and 25 hours since, with the total of the rights being limited to 120 hours.

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

1.14 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 is to complete the project and the availability of adequate technical and financial resources to do so;
- that the project will generate probable future economic benefits;
- the ability to reliably value the cost of the assets.

Automotive Division development costs

Development costs incurred during projects subject to a contractual payment agreement with the customer are gradually expensed as the costs advance. The revenue recognition policy is described in Note 1.9 "Income from ordinary activities".

Costs incurred on orders for specific tooling and molds paid by the customer before production begins are recognized in inventories. Revenue from the developed products is recognized in Income from ordinary activities on the date of technical acceptance, based on the percentage of the total cost incurred up to that date, or, at the latest, on the first day of series production. Amounts received prior to these dates are recorded under "Customer prepayments".

Development costs for "development units" not covered by a contractual volume undertaking or payment guarantee from the customer are recognized as intangible assets in progress during the development phase.

Capitalized development costs are amortized when daily output reaches 30% of estimated production and, at the latest, three months after the launch of series production.

Amortization is calculated on a straight-line basis over the estimated period of series production, which averages three years.

Other research and development costs

Other research and development costs are recognized as an expense for the period in which they are incurred.

1.14.2 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" contractual customer relationships.

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

1.15 Start-up costs

Costs corresponding to start-up phases, including organization costs, are included in Expenses in accordance with the pace at which they are incurred. They correspond to the use of new production capacities or techniques.

1.16 Goodwill and impairment testing

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

Impairment tests are carried out at the level of each cash generating unit (CGU) or groups of units generating cash and cash equivalents, which are:

- "Automotive";
- "Environment" excluding "Signature";
- "Signature".

The Group has two reportable segments - Automotive and Environment (see note 1.5 "Segment information") and information on goodwill is presented on the same basis (see note 5.1.1 "Goodwill").

The carrying amount of each CGU's assets (including goodwill) is compared with its recoverable amount. Recoverable amount is the higher of fair value less costs to sell and value in use, determined by the discounted cash flow method.

Future cash flows are estimated based on the Group's 3-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 2013, the following assumptions were used for the Group's operating segments:

- Automotive: a 1.5% perpetual growth rate and a 9.0% after-tax discount rate;
- Environment: a 1.5% perpetual growth rate and a 7.5% after-tax discount rate.

These assumptions are unchanged from 2012.

The assumptions used to determine the discount rates have factored in:

- an industry risk premium;
- a spread of segment financing for the valuation of the cost of debt;
- rates used by comparable companies in the segment concerned.

At December 31, 2013, the tests conducted did not lead to the recording of any impairment in respect of the Group's goodwill. A 0.5% increase in the discount rate or a reduction of 0.5% in the long-term growth rate or a reduction of 0.5% in the operating margin rate would not have any impact on the test results. Concerning the three CGUs, only unreasonable assumptions might jeopardize the test results. Unreasonable assumptions means a zero growth rate (for "Signature") or negative for the other CGUs combined with a discount rate increased by more than two points.

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

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

1.17 Fixed assets

Gross values

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

Gains and losses on intra-group sales or acquisitions of property, plant and equipment are eliminated in the consolidated financial statements.

Property, plant and equipment are subsequently measured at depreciated cost.

After initial recognition, property, industrial buildings and related land are measured at depreciated cost. Maintenance and repair costs to restore or maintain the future economic benefits expected based on the asset's estimated level of performance at the time of acquisition are recognized as an expense as incurred.

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	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 a property asset or major functional assembly, such as a paint line, press or blow-molding machine, is depreciated separately over its specific estimated useful life.

Impairment of property, plant and equipment

Property, plant and equipment are tested for impairment when the decision is made to cease production, to withdraw a product manufactured using the assets concerned or to close a facility.

1.18 Investment property

The elements in the "Investment property" section of the assets on the Group's balance sheet are not included in ordinary operations. These assets, which belong to the Group, may correspond to real estate as follows:

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

The Group may select to use all or part of a property whose use has yet to be decided (in which case the relevant part is reclassified as Owner-occupied property) or to lease it under one or more operating leases.

Properties or parts of properties previously classified under Investment property and reclassified as Owner-occupied property when the Group decides to use them for its own occupation, are recognized at their carrying amount on the transfer date in accordance with IAS 16, paragraph 31.

Owner-occupied properties or parts of properties that are reclassified as "Property, plant and equipment" are accounted for in accordance with IAS 16 "Property, plant and equipment" up to the reclassification date. Any difference between their carrying amount and their fair value on that date is accounted for as a revaluation in accordance with IAS 16 "Property, plant and equipment". The properties are subsequently accounted for in accordance with IAS 40 "Investment Property".

Investment property is measured at fair value at the balance sheet date, with changes in fair value recognized in profit or loss. The same accounting treatment is applied to the land on which the property is constructed. The land and buildings are valued at regular intervals as part of the year-end closing process by an independent valuer. Between two valuations, the Group is kept informed by the valuer if the real estate market undergoes any significant changes. The fair value determined by the valuer is calculated by direct reference to observable prices in an active market (Fair Value Level 2).

1.19 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 IT costs that are unrelated to production or any research and development or distribution costs. In addition, it does not include the cost of any below normal capacity utilization.

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

1.20 Current and non-current debt

Current and non-current debt are valued using the amortized cost method and the effective interest rate.

1.21 Provisions

Provisions for contingencies and charges are recorded when the Group has a present obligation to a third party involving a likely outflow of resources in favor of the third party, and no equivalent benefit is expected to be received by the Group. 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 in which a detailed plan is drawn up and announced to the employees concerned or their representatives.

1.22 Provisions for pensions and other post-employment benefits

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

1.22.1 Defined contribution plans

The cost of defined contribution plans, corresponding to salary-based contributions to government-sponsored pension and death/disability insurance plans made in accordance with local laws and practices in each country is recognized in operating expense. The Group has no legal or constructive obligation to pay any additional contributions or any future benefits. Consequently, no benefit obligation is recognized in respect of these defined contribution plans.

1.22.2 Defined benefit plans

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

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

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

The calculations take into account:

- retirement age assumptions based on legislation and, in particular for French employees, voluntary retirement when full benefit rights have been acquired;
- mortality assumptions;
- the probability of active employees leaving the Group before retirement age;
- estimated salary increases up to retirement;
- discounting and inflation rates assumptions.

In the case of funded defined benefit plans, the obligation is calculated each year by independent actuaries and deducted from the fair value of plan assets at the year-end. This valuation builds in long-term profitability assumptions of invested assets calculated on the basis of the discount rate used to value Company commitments.

Changes in provisions for defined benefit obligations are recognized over the benefit vesting period, under "operating expenses" in the income statement, except for:

- the effect of discounting the commitments, which is recognized in financial expense;
- actuarial gains and losses on post-employment benefit obligations, which are recognized in equity.

1.22.3 Other long-term benefits

Other long-term benefits mainly correspond to long-service awards 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 long-service awards) are recognized immediately in profit or loss.

1.23 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.

1.24 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.

1.25 Stock option plans

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

The fair value is recognized in Employee benefits expense on a straight-line basis over the option vesting period, with a corresponding adjustment to reserves.

1.26 Financial assets (other than derivatives)

Financial assets include equity interests in companies that are not consolidated because they are not controlled by the Group (either alone or jointly with a partner) or because the Group does not exercise significant influence over their management, as well as loans and securities. They are recognized and measured 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.

1.26.1 Available-for-sale financial assets

Equity interests in companies over which the Group does not exercise control or significant influence are classified as available-for-sale financial assets. They are measured at their fair value at the closing date. Changes in fair value are directly recorded in equity. An impairment is recorded in the income statement when there is objective evidence that these securities have lost value. A significant or prolonged drop in the fair value with reference to the acquisition value is objective evidence of a loss in value. This impairment cannot be written back.

1.26.2 Other financial assets

Other financial assets comprise loans, security deposits and surety bonds. They are measured at amortized cost. Whenever there is any objective evidence of impairment - i.e. the carrying amount is lower than the recoverable amount - an impairment provision is recognized through profit or loss. These provisions may be reversed if the recoverable amount subsequently increases.

1.27 Derivative instruments and hedge accounting

In order to manage its interest rate risk, the Group uses over the counter derivatives. In accordance with IAS 39, these hedging instruments are recognized in the balance sheet and measured at fair value.

Changes in the fair value of instruments described as “Cash flow hedges” are recorded under “Other comprehensive income” (equity) for the efficient parts and under Net financial income for the inefficient parts.

Changes in the fair value of instruments that do not qualify for hedge accounting are recognized directly in profit or loss.

1.28 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 are subject to an insignificant risk of change in value. Cash comprises cash at bank and in hand, short-term deposits and bank balances in credit, except for funds used to cover short- or medium-term cash needs arising in the ordinary course of business. The latter are considered to represent sources of financing and, as such, are excluded from Cash and cash equivalents. Cash equivalents correspond to the temporary investment of surplus cash in instruments with short maturities (money market mutual funds, negotiable debt securities, etc.). Changes in their fair value are recognized in profit or loss.

1.29 Assets held for sale and discontinued operations

The following items are classified as Assets held for sale:

- the value of assets that are being held pending their sale;
- the value of assets or groups of assets that are being held pending their sale rather than for continuing use (disposal groups); and
- the value of businesses and entities acquired with a view to their subsequent sale.

Liabilities related to these assets, disposal groups, activities or entities are also presented as a separate item under Liabilities in the balance sheet: “Liabilities directly related to assets held for sale.”

Assets (or disposal groups) classified as held for sale are no longer depreciated. They are measured at the lower of their carrying amount and estimated disposal price, less costs to sell. Any impairment losses are recognized by the Group in “Other operating expense”.

Assets, disposal groups and activities may be classified in this category for more than a year only if they continue to 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 are reported as a separate line item entitled “Net income from discontinued operations” in each of the years presented.

1.30 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.

Tax credits and deferred tax assets on tax loss carryforwards and other temporary differences are recognized when it is probable that sufficient taxable earnings will be generated to permit their utilization.

2 Significant events of the year

2.1 Acquisition of the minority interest held by the Chinese company “Jiangsu Xieno Automotive Components Co. Ltd”

On January 29, 2013, the Group bought out its partner Xietong’s interest in the Chinese joint venture “Jiangsu Xieno Automotive Components Co. Ltd”. Title to the shares was transferred immediately, increasing the Group’s interest to 100%.

This company was renamed “Plastic Omnium Composites (Jiangsu) Co. Ltd”.

This acquisition of non-controlling interests had no impact on the consolidation method applied to this company as it was already controlled by the Group.

The impact of the transaction on consolidated equity attributable to owners of the parent was a negative €8,074 thousand.

2.2 Acquisition of "Pulidos de Juarez SA de CV"

On July 5, 2012, the Group had acquired the Mexican company "Pulidos de Juarez SA de CV" for €94 thousand; it was a non-consolidated shell company created in 2012 under the heading "Financial assets available for sale". This company was consolidated for the first time in the second half of 2013. The transaction led to the recognition of goodwill for an amount of €80 thousand (see Note 5.1.1 "Goodwill"). This new company was incorporated into the Automotive Division. It was renamed "Inergy Automotive Industrial SA de Cv".

2.3 Disposal of "Inergy Vla Plastiran" in the Middle East

"Inergy Vla Plastiran", a company in the Middle East formerly part of the Automotive Division, was disposed of for the symbolic amount of €1. The net impact on the consolidated income statement amounts to a loss of €62 thousand.

2.4 Inaugural bond issue

On May 21, 2013, Compagnie Plastic Omnium issued bonds to the value of €500 million in the European market. The bonds are not subject to any covenants and were not rated.

The characteristics of this bond issue are described in Note 5.2.7.2 "Borrowings: Private placement notes and bonds".

2.5 Effect of acquisitions completed in 2012

- Partnership agreement with the Russian company Detalstroykonstruktsiya as part of the formation of "DSK Plastic Omnium BV": goodwill from the acquisition was corrected by negative €18 thousand (see Note 5.1.1 "Goodwill") following repayment by the partner to the Group of part of the capital.
- Acquisition of the 40% interest held by "Varroc Polymers Private Ltd", the partner, in the "Plastic Omnium Varroc Private Ltd" joint venture: no new items were recorded in 2013.

2.6 Assets held for sale/liabilities related to assets held for sale

At December 31, 2013, the Group had no "Assets held for sale". The Blenheim site belonging to "Inergy Automotive Systems Canada Inc" in the Automotive Division was sold (the only item recorded under "Assets held for sale" at December 31, 2012) on January 29, 2013 for US$1,650 thousand (€1,242 thousand). The net carrying amount of the assets at the time of sale was €1,254 thousand. The net impact of the transaction on the consolidated income statement amounts to a loss of €12 thousand.

	December 31, 2013	**December 31, 2012**	
In thousands of euros	**Assets held for sale/liabilities related to assets held for sale**	**Assets held for sale/liabilities related to assets held for sale**	
	Total	**Total**	**"Blenheim"**
Buildings, fixtures and fittings	None	1,210	1,210
Assets held for sale		**1,210**	**1,210**
Liabilities related to assets held for sale			
Net assets held for sale		**1,210**	**1,210**

3 Segment information

3.1 Information by reportable segment

The columns in the tables below show the amounts for each segment. The "Unallocated items" column groups together inter-segment eliminations and amounts that are not allocated to a specific segment (e.g. holding company activities) so as to reconcile segment information to the Group's financial statements. Finance costs and other financial income and expense, income tax expense 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

In thousands of euros	2013				2012			
	Automobile	**Environment**	**Unallocated items***	**Consoli-dated total**	**Automobile**	**Environment**	**Unallocated items***	**Consoli-dated total**
Sales to third parties	4,655,735	469,462	(650)	5,124,547	4,344,393	463,919	(2,141)	4,806,171
Sales between segments	(504)	(146)	650	–	(1,434)	(707)	2,141	–
Revenue	**4,655,231**	**469,316**	**–**	**5,124,547**	**4,342,959**	**463,212**	**–**	**4,806,171**
% of revenue	*90.8%*	*9.2%*		*100.0%*	*90.4%*	*9.6%*		*100.0%*
Operating margin before amortization of intangible assets acquired in business combinations	**369,938**	**24,700**	**–**	**394,638**	**316,258**	**18,824**	**–**	**335,082**
% of segment revenue	*7.9%*	*5.3%*		*7.7%*	*7.3%*	*4.1%*		*7.0%*
Amortization of intangible assets acquired in business combinations	(18,698)	–	–	(18,698)	(18,122)	–	–	(18,122)
Operating margin after amortization of intangible assets acquired in business combinations	**351,240**	**24,700**	**–**	**375,940**	**298,136**	**18,824**	**–**	**316,960**
% of segment revenue	*7.5%*	*5.3%*		*7.3%*	*6.9%*	*4.1%*		*6.6%*
Other operating income	**773**	**29**	**–**	**802**	**13,643**	**1,522**		**15,165**
Other operating expenses	**(33,041)**	**(9,708)**		**(42,749)**	**(36,878)**	**(6,480)**		**(43,358)**
% of segment revenue	*–0.6%*	*–1.9%*		*–0.8%*	*–0.5%*	*–1.1%*		*0.6%*
Finance costs, net				(48,087)				(34,562)
Other financial income and expense, net				(9,563)				(10,632)
Share of profit/(loss) of associates				882				243
Profit from continuing operations before income tax				**277,226**				**243,816**
Income tax				(69,222)				(62,313)
Net income				**208,004**				**181,503**

* The "Unallocated items" column groups together inter-segment eliminations and amounts that are not allocated to a specific segment (e.g. holding company activities) so as to reconcile segment information to the Group's financial statements.

3.1.2 Consolidated balance sheet data by reportable segment

In thousands of euros *Net amounts*	Automobile	Environment	Unallocated	Consolidated total
December 31, 2013				
Goodwill	184,785	149,657	–	334,442
Intangible assets	310,788	19,282	12,534	342,604
Property, plant and equipment	839,087	74,318	48,377	961,782
Investment property	–	–	42,053	42,053
Inventories	231,644	50,492	–	282,136
Trade receivables	518,837	68,994	3,148	590,979
Other receivables	185,558	9,657	20,952	216,167
Finance receivables* (C)	65,013	7,191	–	72,204
Current accounts and other financial assets (D)	(305,751)	13,330	318,319	25,898
Available-for-sale financial assets - FMEA 2 (F)	–	–	1,524	1,524
Hedging instruments (E)	–	–	1,192	1,192
Net cash and cash equivalents** (A)	196,571	10,638	335,695	542,904
Total segment assets	**2,226,532**	**403,559**	**783,794**	**3,413,885**
Borrowings (B)	83,248	10,156	905,517	998,921
Segment liabilities	**83,248**	**10,156**	**905,517**	**998,921**
Net segment debt = (B – A – C – D – E – F)* **	**127,415**	**(21,003)**	**248,787**	**355,199**
December 31, 2012				
Goodwill	185,377	147,188	2,960	335,525
Intangible assets	318,553	19,738	11,954	350,245
Property, plant and equipment	766,383	80,933	49,810	897,126
Investment property	–	–	15,200	15,200
Inventories	223,736	48,055	–	271,791
Trade receivables	494,808	64,959	2,208	561,975
Other receivables	176,913	12,245	14,850	204,008
Finance receivables* (C)	70,554	8,289	–	78,843
Current accounts and other financial assets (D)	(275,371)	18,254	280,605	23,488
Available-for-sale financial assets - FMEA 2 (F)	–	–	2,148	2,148
Hedging instruments (E)	–	–	314	314
Net cash and cash equivalents** (A)	207,333	12,047	101,845	321,225
Total segment assets	**2,168,286**	**411,708**	**481,894**	**3,061,888**
Borrowings (B)	106,014	17,158	692,668	815,840
Segment liabilities	**106,014**	**17,158**	**692,668**	**815,840**
Net segment debt = (B – A – C – D – E – F)* **	**103,498**	**(21,432)**	**307,756**	**389,822**

* At December 31, 2013, Finance receivables included €35,708 thousand reported in the balance sheet under “Other non-current financial assets” against €38,807 thousand at December 31, 2012, and €36,496 thousand reported under “Finance receivables – current portion” against €40,036 thousand at December 31, 2012. See also Note 5.2.7.4.

** Net cash and cash equivalents as reported in the statement of cash flows. See also Note 5.1.12.1.

*** See Note 5.2.7.1 on “Net debt indicator used by the Group”.

3.1.3 Other consolidated information by reportable segment

In thousands of euros	Automobile	Environment	Unallocated items	Consolidated total
2013				
Acquisitions of intangible assets	78,641	2,868	2,794	84,303
Capital expenditure (including acquisitions of investment property)	219,236	11,585	28,833	259,654
Depreciation and amortization expense*	(184,612)	(17,822)	(5,270)	(207,704)
2012				
Acquisitions of intangible assets	90,105	2,911	2,564	95,580
Capital expenditure (including acquisitions of investment property)	195,969	13,282	4,743	213,994
Depreciation and amortization expense*	(172,716)	(19,289)	(3,835)	(195,840)

* This item corresponds to depreciation, amortization and impairments of property, plant and equipment and intangible assets, including the amortization of intangible assets (brands and client contracts) acquired in business combinations.

3.2 Information by geographic region - Revenue

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

3.2.1 Revenue by geographical region

In thousands of euros	2013	%	2012	%
France	727,930	14.2%	742,476	15.4%
North America	1,376,136	26.9%	1,312,529	27.3%
Europe excluding France	1,949,281	38.0%	1,741,669	36.2%
South America	219,408	4.3%	198,356	4.1%
Africa	46,712	0.9%	47,801	1.0%
Asia	805,080	15.7%	763,339	15.9%
Total	**5,124,547**	**100%**	**4,806,171**	**100%**

3.2.2. Revenue for the first ten contributing countries

In thousands of euros	2013	%	2012	%
United States	957,548	18.7%	896,628	18.6%
France	727,930	14.2%	742,476	15.5%
Germany	607,718	11.9%	529,026	11.0%
Mexico	351,296	6.9%	343,524	7.1%
Spain	351,292	6.9%	305,180	6.3%
China	349,370	6.8%	286,504	6.0%
United Kingdom	282,611	5.5%	247,842	5.2%
Slovakia	231,390	4.5%	243,921	5.1%
South Korea	179,256	3.5%	169,532	3.5%
Brazil	126,873	2.5%	102,489	2.1%
Other	959,263	18.6%	939,051	19.5%
Total	**5,124,547**	**100%**	**4,806,171**	**100%**

3.3 Automotive segment revenue by automobile manufacturer

In thousands of euros	2013		
Automobile manufacturer	**Amounts**	**% of total revenue from main manufacturers**	**% of total Automotive revenue**
General Motors	762,377	25.1%	16.4%
Volkswagen - Porsche*	700,117	23.0%	15.0%
PSA Peugeot Citroën	637,021	21.0%	13.7%
Renault/Nissan	489,449	16.1%	10.5%
BMW	450,045	14.8%	9.7%
Total - main manufacturers	**3,039,010**	**100%**	**65.3%**
Other	1,616,221		34.7%
Total Automotive Revenue	**4,655,231**		**100%**

In thousands of euros	2012		
Automobile manufacturer	**Amounts**	**% of total revenue from main manufacturers**	**% of total Automotive revenue**
General Motors	755,227	26.0%	17.4%
Volkswagen - Porsche*	634,005	21.8%	14.6%
PSA Peugeot Citroën	598,638	20.6%	13.8%
Renault/Nissan	471,448	16.2%	10.9%
BMW	445,018	15.4%	10.2%
Total - main manufacturers	**2,904,336**	**100%**	**66.9%**
Other	1,438,623		33.1%
Total Automotive Revenue	**4,342,959**		**100%**

* Since December 31, 2012, revenue from "Volkswagen – Porsche" has been reported on a single line.

3.4 Non-current assets by geographic region

In thousands of euros	**France**	**Europe excluding France**	**North America**	**Asia**	**South America**	**Other***	**Total**
December 31, 2013							
Goodwill	201,112	107,506	21,723	4,101	–	–	334,442
Intangible assets	132,816	107,062	65,227	33,135	2,400	1,964	342,604
Property, plant and equipment	213,850	309,241	204,214	193,171	31,772	9,534	961,782
Including capital expenditure for the year	*67,266*	*46,290*	*53,579*	*54,387*	*11,549*	*726*	*233,797*
Investment property	42,053	–	–	–	–	–	42,053
of which property investments	*25,857*	–	–	–	–	–	*25,857*
Total non-current assets	**589,831**	**523,809**	**291,164**	**230,407**	**34,172**	**11,498**	**1,680,881**

In thousands of euros	**France**	**Europe excluding France**	**North America**	**Asia**	**South America**	**Other***	**Total**
December 31, 2012							
Goodwill	201,112	107,625	22,623	4,165	–	–	335,525
Intangible assets	143,800	94,167	76,470	31,605	2,061	2,142	350,245
Property, plant and equipment	182,453	316,191	184,862	170,782	31,630	11,208	897,126
Including capital expenditure for the year	*44,987*	*72,209*	*30,718*	*60,998*	*2,265*	*2,817*	*213,994*
Investment property	15,200	–	–	–	–	–	15,200
Total non-current assets	**542,565**	**517,983**	**283,955**	**206,552**	**33,691**	**13,350**	**1,598,096**

* At December 31, 2013, South Africa and Morocco were grouped under the "Others" region. In the consolidated financial statements of December 31, 2012, Morocco fell under the "Europe excluding France" region. In 2013, Morocco was regrouped under the "Others" region for 2012.

3.5 Property, plant and equipment by category (excluding investment property)

Property, plant and equipment by category *In thousands of euros*	**Cost**	**Amortizations**	**Impairment**	**Carrying amount**
Property, plant and equipment owned outright	2,221,886	(1,292,800)	(128)	928,958
Owned property, plant and equipment leased under operating leases where the Group is lessor*	39,051	(30,073)	(40)	8,938
Property, plant and equipment leased under finance leases where the Group is lessee#	36,217	(22,222)	–	13,995
Property, plant and equipment leased under finance leases where the Group is lessee that has been sub-let to third parties under operating leases where the Group is lessor*#	24,542	(14,651)	–	9,891
At December 31, 2013	**2,321,696**	**(1,359,746)**	**(168)**	**961,782**
Property, plant and equipment owned outright	2,122,170	(1,261,483)	(1,730)	858,957
Owned property, plant and equipment leased under operating leases where the Group is lessor*	39,567	(32,363)	(179)	7,025
Property, plant and equipment leased under finance leases where the Group is lessee#	39,580	(22,871)	(181)	16,528
Property, plant and equipment leased under finance leases where the Group is lessee that has been sub-let to third parties under operating leases where the Group is lessor*#	28,162	(13,546)	–	14,616
At December 31, 2012	**2,229,479**	**(1,330,263)**	**(2,090)**	**897,126**

* The sum of "Owned property, plant and equipment leased under operating leases where the Group is lessor" and" Property, plant and equipment leased under finance leases where the Group is lessee that has been sub-let to third parties under operating leases where the Group is lessor "corresponds to the value of "Property, plant and equipment leased under operating leases where the Group is lessor"(see corresponding sub-section of Note 5.1.3).

\# See sub-section "Property, plant and equipment leased under finance leases where the Group is lessee" in Note 5.1.3.

In thousands of euros	**Automobile**	**Environment**	**Unallocated items**	**Consolidated total**
2013				
Property, plant and equipment owned outright, net	825,092	55,489	48,377	928,958
Owned property, plant and equipment leased under operating leases where the Group is lessor, net	–	8,938	–	8,938
Property, plant and equipment leased under finance leases where the Group is lessee, net	13,995	–	–	13,995
Property, plant and equipment leased under finance leases where the Group is lessee that has been sub-let to third parties under operating leases where the Group is lessor, net	–	9,891	–	9,891
Property, plant and equipment (excluding Investment property)	**839,087**	**74,318**	**48,377**	**961,782**
2012				
Property, plant and equipment owned outright, net	749,855	59,292	49,810	858,957
Owned property, plant and equipment leased under operating leases where the Group is lessor, net	–	7,025	–	7,025
Property, plant and equipment leased under finance leases where the Group is lessee, net	16,528	–	–	16,528
Property, plant and equipment leased under finance leases where the Group is lessee that has been sub-let to third parties under operating leases where the Group is lessor, net	–	14,616	–	14,616
Property, plant and equipment (excluding Investment property)	**766,383**	**80,933**	**49,810**	**897,126**

4 Notes to the income statement

4.1 Research and development costs

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

In thousands of euros	2013	%	2012	%
Research and development costs	(247,399)	–4.8%	(243,652)	–5.1%
Of which capitalized development costs and research and development costs billed to customers	126,716	2.5%	146,138	3.0%
Net research and development costs	**(120,683)**	**–2.4%**	**(97,514)**	**–2.0%**

4.2 Cost of sales, development, selling and administrative costs

In thousands of euros	2013	2012
Cost of sales includes:		
Raw materials (purchases and changes in inventory)*	(3,320,546)	(3,123,682)
Direct production outsourcing	(11,691)	(10,913)
Utilities and fluids	(89,959)	(86,770)
Employee benefits expense	(494,693)	(493,739)
Other production costs	(298,137)	(294,839)
Proceeds from waste containers leased to customers under operating leases**	2,111	1,369
Carrying amount of waste containers leased to customers under operating leases**	(1,801)	(1,388)
Depreciation	(121,497)	(118,251)
Provisions	(7,677)	9,561
Total	**(4,343,890)**	**(4,118,652)**
Research and development costs include:		
Employee benefits expense	(127,277)	(120,165)
Amortization of capitalized development costs	(59,485)	(51,184)
Other	66,079	73,835
Total	**(120,683)**	**(97,514)**
Selling costs include:		
Employee benefits expense	(40,774)	(40,555)
Depreciation and provisions	(1,048)	(1,510)
Other	(19,563)	(18,706)
Total	**(61,385)**	**(60,771)**
Administrative costs include:		
Employee benefits expense	(115,929)	(112,359)
Other administrative expenses	(79,569)	(75,620)
Depreciation	(7,987)	(7,171)
Provisions	(465)	998
Total	**(203,950)**	**(194,152)**

* Of which charges, reversals and provisions for impairment on inventories amounting to:
€(3,445) thousand in 2013;
€(661) thousand in 2012.

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

4.3 Employee benefits expense

In thousands of euros	**2013**	**2012**
Wages and salaries	(576,133)	(556,275)
Payroll taxes*	(165,250)	(172,954)
Non-discretionary profit-sharing	(10,753)	(14,137)
Pension and other post-employment benefit costs	(994)	51
Share-based compensation	(2,060)	(1,220)
Other employee benefits expenses	(23,485)	(22,283)
Total employee benefits expense excluding temporary staff costs	**(778,675)**	**(766,818)**
Temporary staff costs	(77,453)	(62,660)
Total employee benefits expenses	**(856,128)**	**(829,478)**

* Including social contributions on stock option plans amounting to:
€(1,319) thousand (of which €(299) thousand for executive corporate officers) in 2013;
€(626) thousand (of which €(90) thousand for executive corporate officers) in 2012.

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" (acquired in 2011).

In thousands of euros	**2013**	**2012**
Brands	(350)	(350)
Contractual customer relationships	(18,348)	(17,772)
Total amortization of intangible assets acquired in business combinations	**(18,698)**	**(18,122)**

4.5 Other operating income and expenses

In thousands of euros	2013	2012
Gains/losses on disposals of non-current assets#	(4,767)	(189)
Pre-start-up costs at new plants	(4,553)	(7,546)
Employee downsizing plans(1)	(17,669)	(31,371)
Impairment of non-current assets(2)	(102)	(11,294)
Provisions for charges	(277)	(467)
Litigation(3)	(481)	7,449
Foreign exchange gains and losses on operating activities(4)	(9,301)	(2,641)
Impact of acquisitions		
• Acquisition of Ford Milan and Plastal Poland(5)	–	8,996
• Related fees and expenses	(689)	(1,994)
Asset revaluations(6)	–	9,499
Other(7)	(4,108)	1,365
Total operating income and expenses	**(41,947)**	**(28,193)**
• of which total other operating income	**802**	**15,165**
• of which total expenses	**(42,749)**	**(43,358)**

Gains/losses on disposals of non-current assets

Proceeds from disposals of property, plant and equipment and intangible assets in the statement of cash flows include proceeds from disposals of assets reported under "Other operating income and expenses" and proceeds from waste containers leased to customers under operating leases reported under "Cost of sales"(see Note 4.2).

2013:

(1) Employee downsizing plans:
The amount under this sub-section corresponds to the net cost (expenses and provisions for liabilities in 2013) of reversing provisions previously set aside for site closures.
The costs mainly relate to the Automotive Division sites of Herentals in Belgium, Eisenach-Thuringe in Germany, and Compiègne-Laval and St-Désirat in France.
The provisions set aside in 2012 were mainly used to cover expenses and post-employment benefits, and employee training and support measures for employees as part of reorganization plans.
The provisions set aside in 2012 for the Duncan factory in the United States (termination of lease with risk of employee transfers) were fully reversed in 2013 due to the sine qua non deferment of the factory's closure.

(2) Impairment of non-current assets: Various non-material amounts in 2013.

(3) Litigations: Various non-material amounts in 2013.

(4) Foreign exchange gains and losses on operating activities:
Foreign exchange losses in 2013 affected the Automotive Division "Fuel systems" and "Auto Extérieur" activities by 60% and 30%, respectively. They were related to operational transactions. See Note 6.5 on "Currency risks", which points out that Group subsidiaries must use hedges by means of forward currency contracts (either locally or with Group Treasury).

(5) Impact of acquisitions: None in 2013.

(6) Asset revaluations: None in 2013.

(7) "Other": The Eurovia transaction was completely finalized in 2012. No other impact regarding this transaction was recorded in 2013.

Mainly included under Other: asset transfer costs of closed sites amounting to €(2,588) thousand; doubtful accounts amounting to €(2,814) thousand; and compensation for the illegal use of a patent belonging to Plastic Omnium (blow-molding technology) amounting to €2,065 thousand.

2012:

(1) Employee downsizing plans: They mainly related to the Automotive Division sites of Eisenach-Thuringe in Germany, Compiègne-Laval and St-Désirat in France, and Duncan in the United States.

(2) Impairment of non-current assets: The goodwill impairment tests (see Note 1.16 of the 2012 consolidated financial statements) carried out led the Group to record an impairment loss of €10 million on the Signature goodwill, bringing it to €47 million because of a lower sales growth rate and the lower expected short- and long-term profitability of these entities.

(3) Litigation: In the absence of an appeal by the legal deadline, the Group had recorded a profit of €8.5 million at the start of 2012, corresponding to the settlement of part of the fine levied on Signature SA on account of the competition dispute by the Paris Court of Appeal.

(4) Foreign exchange gains and losses on operating activities: Foreign exchange losses in 2012 mainly occurred in the "Fuel Systems" activity of the Automotive Division.

(5) Acquisition of "Ford Milan" and "Plastal Poland": See Note 2.5 "Effect of acquisitions completed in 2011 - Ford Milan and Plastal Poland" in the 2012 Consolidated Financial Statements.

(6) Asset revaluations: Land belonging to the Group in Lyon had been revalued at €9.5 million (see Note 5.1.4 of the 2012 financial statements on "Investment property")after a construction permit devoid of third party claims was obtained and a twelve-year lease was signed with a third party to rent offices to be built.

(7) "Other": In 2012, this included the conclusion of the Eurovia transaction taking place during the first half of 2012 and amounting to €(747) thousand, corresponding to the net balance between the provisions reversals of the preceding years and the actual loss from the disposal of entities and interests forming part of the transaction.

Net (gains)/losses on disposals of non-current assets in the statement of cash flows include gains and losses from disposals of property, plant and equipment and intangible assets reported under "Other operating income and expenses" and gains and losses from waste containers leased to customers under operating leases (see Note 4.2). Details below:

In thousands of euros	2013		2012	
	Disposal proceeds	**Gain/loss**	**Disposal proceeds**	**Gain/loss**
Sales of waste containers included in operating margin	2,111	310	1,369	(19)
Total amount of waste containers included in operating margin *(see Note 4.2)*	**2,111**	**310**	**1,369**	**(19)**
Disposals of intangible assets	2,059	(231)	1,068	1
Disposals of property, plant and equipment*	5,691	(4,465)	17,942	(63)
Disposals of available-for-sale financial assets**	1,242	(12)	2,001	(127)
Total proceeds from disposal of non-current assets excluding non-current financial assets *(see table below)*	**8,992**	**(4,708)**	**21,011**	**(189)**
Disposals of non-current financial assets (including the Eurovia transaction)	86	(59)	23,488	(38,015)
Total proceeds from disposal of non-current financial assets *(see table below)*	**86**	**(59)**	**23,488**	**(38,015)**
Total	**11,189**	**(4,457)**	**45,868**	**(38,223)**

* The net profit from the disposal of property, plant and equipment corresponds to losses from disposals and to scrapped assets, amounting to:
€(2,365) thousand to dismantle the Herentals site in Belgium;
€(1,783) thousand to dismantle the Eisenach-Thuringe site in Germany.

** See Note 2.6 "Assets held for sale/liabilities related to assets held for sale" regarding the disposal of the Blenheim site belonging to "Inergy Automotive Systems Canada Inc" in the Automotive Division.

4.6 Finance costs and other financial income and expenses, net

In thousands of euros	2013	2012
Finance costs	(36,436)	(26,194)
Interest cost - post-employment benefit obligations*	(2,722)	(2,054)
Financing fees and commissions	(8,929)	(6,314)
Finance costs	**(48,087)**	**(34,562)**
Exchange gains or losses on financing activities	(3,374)	(1,908)
Losses on interest rate instruments**	(6,141)	(8,694)
Other	(48)	(30)
Other financial income and expense, net	**(9,563)**	**(10,632)**
Total	**(57,650)**	**(45,194)**

* See Note 5.2.6.5 on the "Net interest cost on post-employment plan obligations".

** See Note 5.2.8.1.3 "Impact of hedging on the income statement".

4.7 Share of profit/(loss) of associates

The share of companies associated with the Group is broken down as follows:

In thousands of euros	2013	2012
Chengdu Faway Yanfeng Plastic Omnium	1,499	556
Dongfeng Plastic Omnium Automotive Exterior Systems Co. Ltd	(583)	(312)
JV Hicom HBPO Sdn. Bhd.	(34)	
Total share of profit/(loss) of associates	**882**	**243**

4.8 Income tax

4.8.1 Income tax recorded in the income statement

Income tax expense breaks down as follows:

In thousands of euros	2013	2012
Current taxes	**(76,426)**	**(69,719)**
Current income tax (expense)/benefit	(75,511)	(63,572)
Tax (expense)/benefit on non-recurring items	(915)	(6,147)
Deferred taxes	**7,204**	**7,406**
Deferred tax (expense)/benefits on timing differences arising or reversing during the period	3,638	7,387
Effect of changes in tax rates or the introduction of new taxes	3,566	19
Income tax recorded in the consolidated income statement	**(69,222)**	**(62,313)**

4.8.2 Analysis of Income tax expense – Tax proof

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

Income tax analysis		2013	2012
Consolidated profit before tax and share of profit/(loss) of associates (a)	*in thousands of euros*	276,344	243,573
Net actual cost of income tax recorded in the income statement (b)	*in thousands of euros*	(69,222)	(62,313)
Effective tax rate (c) = (b) / (a)	*as a%*	**25.05%**	**25.60%**
Tax rate applicable in France (d)	*as a%*	38%	35%
Theoretical cost of income tax (e) = (a) * (d)	*in thousands of euros*	(105,011)	(85,251)
Difference (f) = Net actual cost of income tax (b) - Theoretical cost of income tax (e)	*in thousands of euros*	**35,789**	**22,938**

Breakdown of the difference between the net actual and the theoretical cost of income tax (F)	**Amount**	**%**	**Amount**	**%**
Tax credits and other tax savings	16,478	6%	15,151	6.2%
Permanent differences between recorded profits and taxable profits	(3,935)	–1.4%	(7,775)	–3.2%
Recognition and/or utilization of tax loss carryforwards and other deferred taxes	(7,601)	–2.7%	5,045	2.1%
Impact on opening deferred taxes of a tax rate change	5,621	2.0%	758	0.3%
Impact of differences in foreign tax rates	22,720	8.2%	9,281	3.8%
Other	2,506	0.9%	478	0.2%
Total (F)	**35,789**	**13%**	**22,938**	**9.4%**

The effective tax rate levied on the Group for 2013 was 25% (against 25.6% for 2012). The factors determining this tax rate have remained relatively stable, as shown by the tax proof presented below.

At December 31, 2013, the actual income tax expense was €69 million (against €62 million in 2012) compared with a theoretical tax expense of €105 million (against €85 million in 2012) at the French standard rate of 38% (against 35% in 2012).

The difference between actual income tax expense and theoretical income tax expense is accounted for by:

- €23 million from the impact of lower foreign tax rates, particularly in Eastern Europe and Asia (€9 million in 2012). In comparing the two amounts, the effect of the change in the rate used by the Group in 2013 must be taken into account (38% against 35% previously);
- €16 million to the use of specific tax reductions or credits, mainly in the United States, Asia and France (€15 million in 2012);
- the €6 million impact of the change in tax rates on the deferred taxes of companies (mainly French – increase from 35% to 38%); and
- the € (8) million impact of i) unrecognized deferred tax assets for tax loss carryforwards and other items generated during the year less ii) unrecognized deferred tax assets generated in prior years and used or recognized during the year (€5 million in 2012).

4.9 Net profit attributable to non-controlling interests

Net profit attributable to non-controlling interests is broken down as follows:

In thousands of euros	2013	2012
BPO AS	9,181	4,885
Signal AG	863	1,105
Plastic Omnium Composites Jiangsu Co. Ltd (ex. Xieno)	(138)	(722)
Plastic Omnium Auto Ext. India Pvt Ltd (ex-JV Varroc)*	–	(381)
Inergy Vla Plastiran**	–	(4)
Inergy Automotive Systems Manufacturing (Beijing) Co. Ltd	3,444	1,154
Inergy Automotive Systems Manufacturing India Pvt Ltd (JV)	332	577
Chongqing Yanfeng Plastic Omnium Auto Exterior Faway Co. Ltd	260	482
Guangzhou Zhongxin Yanfeng Plastic Omnium AE TRIM Co. Ltd	187	83
RMS Rotherm Maschinenbau GmbH	152	288
DSK Plastic Omnium Inergy	558	654
DSK Plastic Omnium BV	(46)	–
Total attributable to non-controlling interests	**14,793**	**8,121**

* In 2012, the Group bought back the minority stake in this company, now wholly owned.
** In 2013, the Group disposed of its entire stake in this company. Operations ceased as from the end of 2012.

4.10 Earnings per share and diluted earnings per share

Net profit attributable to owners of the parent	2013	2012 Restated ¤	2012 Posted
Basic earnings per share (in €)	1.32	1.21	3.64
Diluted earnings per share (in €)	1.28	1.19	3.57
Weighted average number of ordinary shares outstanding	**154,977,021**	**154,977,021**	**51,659,007**
• Treasury stock	(8,420,245)	(12,158,217)	(4,052,739)
Weighted average number of ordinary shares, undiluted	**146,556,776**	**142,818,804**	**47,606,268**
• Impact of dilutive instruments (stock options)	4,433,717	3,003,228	1,001,076
Weighted average number of ordinary shares, diluted	**150,990,493**	**145,822,032**	**48,607,344**

¤ By decision of the Combined Shareholders' Meeting of April 25, 2013, the Plastic Omnium share par value was divided by three on September 10, 2013, leading to the number of shares comprising the equity capital being multiplied by three. The various earnings per share prior to September 10, 2013 should be divided by three in order to be comparable with the 2013 earnings per share.

5 Notes to the balance sheet

5.1 Assets

5.1.1 Goodwill

In thousands of euros	Cost	Impairment	Carrying amount
At January 1, 2012	**343,811**	**–**	**343,811**
Goodwill related to acquisition of control of DSK*	2,081	–	2,081
Impairment of Signature goodwill**	–	(10,000)	(10,000)
Translation adjustment	(367)	–	(367)
At December 31, 2012	**345,525**	**(10,000)**	**335,525**
Pulidos de Juarez SA de CV goodwill#	80	–	80
Adjustment to the DSK Plastic Omnium BV control premium goodwill##	(18)	–	(18)
Translation adjustment	(1,145)	–	(1,145)
At December 31, 2013	**344,442**	**(10,000)**	**334,442**

* See Note 2.2 "Partnership agreement in Russia - DSK" in the 2012 consolidated financial statements.
** See Note 1.16 "Goodwill and impairment tests" and "Impairment of non-current assets" in Note 4.5 "Other operating income and expenses" in the 2012 consolidated financial statements.
# See Note 2.2 "Acquisition of Pulidos Juarez SA de CV".
See Note 2.5 "Effect of acquisitions completed in 2012" on the Detalstroykonstruktsiya partnership agreement.

GOODWILL BY REPORTABLE SEGMENT

In thousands of euros	Cost	Impairment	Carrying amount
Automobile	184,785	–	184,785
Environment	159,657	(10,000)	149,657
At December 31, 2013	**344,442**	**(10,000)**	**334,442**
Automobile	185,377	–	185,377
Environment	157,188	(10,000)	147,188
Unallocated*	2,960	–	2,960
At December 31, 2012	**345,525**	**(10,000)**	**335,525**

* Until 2012, "Unallocated" corresponded to goodwill on the Group's holding companies. In 2013, it was reallocated directly to cash generating units.

5.1.2 Goodwill and intangible assets

In thousands of euros	Goodwill	Patents and licenses	Software	Development costs	Contractual customer relation-ships	Other	Total
Carrying amount at January 1, 2013	**335,525**	**27,345**	**12,634**	**215,100**	**91,203**	**3,963**	**685,770**
Acquisitions	–	1,198	10,952	69,662	–	2,491	84,303
Disposals - net	–	(8)	(5)	(2,277)	–	–	(2,290)
Companies consolidated for the first time*	62	–	–	–	–	–	62
Reclassifications	–	796	1,869	(5,497)	–	718	(2,114)
Depreciation for the period	–	(1,964)	(7,178)	(51,879)	(18,348)	(2,167)	(81,536)
Impairments recognized and reversed	–	(120)	–	–	–	–	(120)
Translation adjustment	(1,145)	(89)	(168)	(4,831)	(723)	(73)	(7,029)
Carrying amount at December 31, 2013	**334,442**	**27,158**	**18,104**	**220,278**	**72,132**	**4,932**	**677,046**

* "DSK Plastic Omnium BV": adjustment of €(18) million up to one year after the first closure.
"Pulidos Juarez SA de CV": goodwill of €80,000 recorded.
See Note 5.1.1 "Goodwill".

In thousands of euros	Goodwill	Patents and licenses	Software	Development costs	Contractual customer relation-ships	Other	Total
Carrying amount at January 1, 2012	**343,811**	**27,684**	**11,402**	**177,311**	**109,339**	**5,613**	**675,160**
Acquisitions	–	1,041	3,180	90,329	–	1,030	95,580
Disposals - net	–	–	–	(714)	–	(353)	(1,067)
Companies consolidated for the first time	2,081	–	–	–	–	–	2,081
Reclassifications	–	672	3,871	(5,426)	–	118	(765)
Depreciation for the period	–	(2,065)	(5,743)	(45,704)	(17,772)	(2,547)	(73,831)
Impairments recognized and reversed	(10,000)	–	–	–	–	–	(10,000)
Translation adjustment	(367)	13	(76)	(696)	(364)	102	(1,388)
Carrying amount at December 31, 2012	**335,525**	**27,345**	**12,634**	**215,100**	**91,203**	**3,963**	**685,770**

At December 31, 2013, movements for the year corresponded for the most part to:

- increased Automotive Division development costs.

At December 31, 2012, movements for the year corresponded to:

- the impairment in the Signature goodwill amounting to €10 million *(see "Impairment of non-current assets" in Note 4.5 "Other operating income and expenses")*;
- increased Automotive Division development costs.

In thousands of euros	Goodwill	Patents and licenses	Software	Development costs	Contractual customer relation-ships	Other	Total
Analysis of carrying amount at January 1, 2013							
Cost	345,525	40,736	85,555	428,522	130,819	11,100	1,042,257
Accumulated amortization	–	(13,266)	(72,921)	(213,422)	(39,616)	(7,137)	(346,362)
Impairment losses	(10,000)	(125)	–	–	–	–	(10,125)
Carrying amount at January 1, 2013	**335,525**	**27,345**	**12,634**	**215,100**	**91,203**	**3,963**	**685,770**
Analysis of carrying amount at December 31, 2013							
Cost	344,442	42,336	98,140	462,003	129,831	13,458	1,090,210
Accumulated amortization	–	(14,933)	(80,036)	(241,725)	(57,699)	(8,526)	(402,919)
Impairment losses	(10,000)	(245)	–	–	–	–	(10,245)
Carrying amount at December 31, 2013	**334,442**	**27,158**	**18,104**	**220,278**	**72,132**	**4,932**	**677,046**

In thousands of euros	Goodwill	Patents and licenses	Software	Development costs	Contractual customer relation-ships	Other	Total
Analysis of carrying amount at January 1, 2012							
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)
Impairment losses	–	(125)	–	–	–	–	(125)
Carrying amount at January 1, 2012	**343,811**	**27,684**	**11,403**	**177,311**	**109,339**	**5,612**	**675,160**
Analysis of carrying amount at December 31, 2012							
Cost	345,525	40,736	85,555	428,522	130,819	11,100	1,042,257
Accumulated amortization	–	(13,266)	(72,921)	(213,422)	(39,616)	(7,137)	(346,362)
Impairment losses	(10,000)	(125)	–	–	–	–	(10,125)
Carrying amount at December 31, 2012	**335,525**	**27,345**	**12,634**	**215,100**	**91,203**	**3,963**	**685,770**

5.1.3 Property, plant and equipment excluding investment property

Property, plant and equipment owned or leased by the Group mainly pertain to factories and research and development centers.

At December 31, 2013, these factories and research and development centers numbered 132, distributed regionally as follows:

- Western Europe: 56
- Eastern Europe: 15
- North America: 18
- Asia: 34
- South America: 7
- Africa: 2

None of the Company's plants individually represents a material proportion of its total property, plant and equipment.

In thousands of euros	Land at cost	Buildings	Revalued buildings	Tech. eq. & tool.	Assets under construction		Other property, plant and equipment	Total
					Transferred to "Investment property"	Transferred to "Operating assets"		
Carrying amount at January 1, 2013	**60,418**	**252,389**	**13,745**	**303,485**	**–**	**152,243**	**114,846**	**897,126**
Acquisitions*	9,187	16,798	–	42,646	–	131,308	33,858	233,797
Disposals	(176)	(1,637)	–	(7,493)	–	–	(2,703)	(12,009)
Reclassifications	3,717	9,416	–	94,479	(996)	(118,457)	12,957	1,116#
Impairments recognized and reversed	(6)	535	–	135	–	–	23	687
Depreciation for the period	(654)	(18,049)	–	(73,579)	–	–	(34,452)	(126,734)
Translation adjustment	(2,049)	(7,953)	–	(10,780)	–	(5,821)	(5,598)	(32,201)
Carrying amount at December 31, 2013	**70,437**	**251,499**	**13,745**	**348,893**	**(996)**	**159,273**	**118,931**	**961,782**

In thousands of euros	Land at cost	Revalued land	Buildings	Revalued buildings	Tech. eq. & tool.	Assets under construction	Other property, plant and equipment	Total
Carrying amount at January 1, 2012	**55,226**	**1,356**	**227,445**	**–**	**278,687**	**103,451**	**104,349**	**770,514**
Acquisitions*	1,792	–	36,361	–	14,945	131,057	29,839	213,994
Disposals	(60)	–	(733)	–	(16,331)	–	(2,268)	(19,392)
Changes in scope of consolidation	–	–	–	–	–	67	–	67
Reclassifications**	4,624	(1,856)	8,240	14,010	100,965	(80,770)	16,358	61,571
Revaluations	–	500	–	–	–	–	–	500
Impairments recognized and reversed	–	–	(558)	–	(119)	–	(121)	(798)
Depreciation for the period	(1,009)	–	(15,926)	(265)	(72,186)	–	(31,825)	(121,211)
Translation adjustment	(155)	–	(2,440)	–	(2,476)	(1,562)	(1,486)	(8,119)
Carrying amount at December 31, 2012	**60,418**	**–**	**252,389**	**13,745**	**303,485**	**152,243**	**114,846**	**897,126**

"Tech. eq. & tool.": Technical equipment and tooling.

* At December 31, 2013, acquisitions of property, plant and equipment reported in the "Statement of cash flows" correspond to acquisitions of property, plant and equipment excluding investment property for €233,797 thousand, against €213,994 thousand at December 31, 2012.

\# At December 31, 2013, the net balance of €1,116 thousand broke down as follows:
- €(996) thousand reclassified as "Investment property";
- and €2,112 thousand reposted to "Intangible assets".

** At December 31, 2012 reclassifications were accounted for by: reclassifying land valued at "€2.4 million (of which €1.9 million at December 31, 2011 and a €0.5 million revaluation adjustment recorded through equity) " under investment property, which the Group had until then used, following the decision to construct a building that will be rented out to third parties (*see Note 5.1.4 of the 2012 Consolidated Financial Statements*);
and reclassifying all buildings in Nanterre as "property, plant and equipment" (previously posted under "investment property") following the Group's decision to use this building.

An independent expert valued the property at €17.5 million at the end of 2012, broken down into:
- the building at €14 million; and
- the land valued at €3.5 million.

In thousands of euros	Land	Buildings	Tech. eq. & tool.	Assets under construction	Other	Total
Analysis of carrying amount at January 1, 2013						
Cost	66,361	439,336	1,138,064	152,243	433,475	2,229,479
Accumulated depreciation	(5,943)	(172,646)	(833,290)	–	(318,384)	(1,330,263)
Accumulated impairment (losses)	–	(556)	(1,289)	–	(245)	(2,090)
Carrying amount at January 1, 2013	**60,418**	**266,134**	**303,485**	**152,243**	**114,846**	**897,126**
Analysis of carrying amount at December 31, 2013						
Cost	76,826	450,066	1,211,068	158,277	425,459	2,321,696
Accumulated depreciation	(6,383)	(184,822)	(862,052)	–	(306,489)	(1,359,746)
Accumulated impairment (losses)	(6)	–	(123)	–	(39)	(168)
Carrying amount at December 31, 2013	**70,437**	**265,244**	**348,893**	**158,277**	**118,931**	**961,782**

In thousands of euros	Land	Buildings	Tech. eq. & tool.	Assets under construction	Other	Total
Analysis of carrying amount at January 1, 2012						
Cost	60,530	387,455	1,069,398	103,451	413,484	2,034,318
Accumulated depreciation	(3,948)	(158,872)	(789,541)	–	(309,011)	(1,261,372)
Accumulated impairment (losses)	–	(1,138)	(1,170)	–	(124)	(2,432)
Carrying amount at January 1, 2012	**56,582**	**227,445**	**278,687**	**103,451**	**104,349**	**770,514**
Analysis of carrying amount at December 31, 2012						
Cost	66,361	439,336	1,138,064	152,243	433,475	2,229,479
Accumulated depreciation	(5,943)	(172,646)	(833,290)	–	(318,384)	(1,330,263)
Accumulated impairment (losses)	–	(556)	(1,289)	–	(245)	(2,090)
Carrying amount at December 31, 2012	**60,418**	**266,134**	**303,485**	**152,243**	**114,846**	**897,126**

"Tech. eq. & tool.": Technical equipment and tooling.

Property, plant and equipment leased under operating leases where the Group is lessor

In thousands of euros	December 31, 2013	December 31, 2012
Cost	63,593	67,729
Accumulated depreciation	(44,724)	(45,909)
Accumulated impairment	(40)	(179)
Of which depreciation for the year	*(4,952)*	*(5,290)*
Of which impairment for the year	*(40)*	*(55)*
Accumulated net depreciation and impairment	**18,829**	**21,641**

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

Minimum lease payments receivable under non-cancelable operating leases and/or lease-maintenance contracts

In thousands of euros	December 31, 2013	December 31, 2012
Due within one year	57,416	50,208
Due in one to five years	136,956	125,404
Due beyond five years	67,745	66,202
Total	**262,117**	**241,815**

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

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

Changes in carrying amounts:

In thousands of euros	Land and Buildings	Technical equipment and tooling	Total
Cost at December 31, 2013	34,460	26,299	60,759
Accumulated depreciation and impairment and provisions at December 31, 2013	(21,355)	(15,518)	(36,873)
Carrying amount at December 31, 2013*	**13,105**	**10,781**	**23,886**
Cost at December 31, 2012	39,134	28,608	67,742
Accumulated depreciation and impairment and provisions at December 31, 2012	(22,545)	(14,053)	(36,598)
Carrying amount at December 31, 2012*	**16,589**	**14,555**	**31,144**

* See Note 3.5 "Property, plant and equipment by category" (excluding investment property).

Changes in lease payments and present values :

In thousands of euros	Minimum payments at December 31, 2013	Present values at December 31, 2013
Due within one year	5,497	6,518
Due in one to five years	7,111	6,704
Carrying amount at December 31, 2013*	**12,608**	**13,222**

In thousands of euros	Minimum payments at December 31, 2012	Present values at December 31, 2012
Due within one year	9,565	8,781
Due in one to five years	14,099	13,293
Carrying amount at December 31, 2012*	**23,664**	**22,074**

* See Note 3.5 "Property, plant and equipment by category" (excluding investment property).

5.1.4 Investment property

The item "Investment property" saw the following movements over the past two years:

In thousands of euros	Total	Land	Building
Fair value at December 31, 2012	15,200	15,200	–
Buildings under construction in Lyon Gerland	25,857	–	25,857
Lyon Gerland building under construction - Transfer of property, plant and equipment*	996	–	996
Fair value at December 31, 2013	**42,053**	**15,200**	**26,853**

In thousands of euros	Total	Land	Building
Fair value at December 31, 2011	18,355	4,345	14,010
Reclassification as "Owner-occupied property"	(15,000)	(990)	(14,010)
Reclassification of land as "investment property"	2,346	2,346	–
Revaluation of Lyon Gerland land at fair value	9,499	9,499	–
Fair value at December 31, 2012	**15,200**	**15,200**	**–**

* See reclassification of construction work in progress in Note 5.1.3 "Property, plant and equipment excluding investment property".

These movements break down as follows:

2013:

Amounts accumulated per site:

In thousands of euros	**Land**	**Buildings**	**Total**
Nanterre site in Île-de-France in Hauts-de-Seine	2,500	–	2,500
Lyon Gerland site	12,700	26,853	39,553
Fair value at December 31, 2013	**15,200**	**26,853**	**42,053**

At December 31, 2013, the balance on "investment property" covered the following components:

- Lyon Gerland construction project: In 2012, the Group spent €996,000 (recorded under "Investment property") as part of the Lyon Gerland construction project. The project concerns the construction of a 33,000 sq.m. office building that will be rented out. Construction work began in early 2013 and the building is scheduled for delivery in the first quarter of 2015. On January 29, 2013, Sanofi group signed a twelve-year lease on two-thirds of the planned building space. In 2013, investments made in 2012 and amounting to €996,000 were transferred to "Investment property", under which all investments related to this project will henceforth be recorded.
- Land forming part of the Nanterre site in the Ile-de-France region in Hauts-de-Seine: there were no signs of impairment loss at the time of closing of the 2013 financial statements.

2012:

Amounts accumulated per site:

In thousands of euros	**Land**	**Buildings**	**Total**
Nanterre site in Ile de France in Hauts de Seine	2,500	–	2,500
Lyon Gerland site	12,700	–	12,700
Fair value at December 31, 2012	**15,200**	**–**	**15,200**

At December 31, 2012, the balance on investment property (see Note 5.1.4 of the 2012 Consolidated Financial Statements) corresponded to:

- land valued at €2.5 million forming part of the Nanterre site and reserved for use by the Group;
- the construction project on land located in Lyon-Gerland as part of property, plant and equipment at December 31, 2011;
- the gain of €9.5 million recorded at December 31, 2012 on the land value, bringing it to €12.7 million. This gain was made possible by obtaining a construction permit devoid of third party claims and signing a 12-year lease with a third party for offices that will be built.

5.1.5 Investments in associates

At December 31, 2013, investments in associates corresponded to respective interests held by the Group:

- in the Chinese companies "Chengdu Faway Yanfeng Plastic Omnium" (24.48%) and "Dongfeng Plastic Omnium Automotive Exterior Systems Co Ltd" (24.95%),
- and the Malaysian company "Hicom HBPO Sdn. Bhd" (13.33%).

In thousands of euros	**December 31, 2013**	**December 31, 2012**
Interest in Chengdu Faway Yanfeng Plastic Omnium	5,957	4,561
Interest in Dongfeng Plastic Omnium Automotive Exterior Systems Co. Ltd	1,662	1,721
JV Hicom HBPO Sdn. Bhd.	57	–
Total investments in associates	**7,676**	**6,282**

The tables below provide summary balance sheet and income statement data for all of the associates.

Balance sheet and income statement data on a 100% basis for associates consolidated under the equity method:

In thousands of euros	December 31, 2013	December 31, 2012
Non-current assets	29,806	23,195
Current assets	49,488	14,514
Total assets	**79,294**	**37,709**
Equity - Yanfeng and Faway's interest in Chengdu Faway Yanfeng Plastic Omnium	18,376	14,070
Equity - Yanfeng and Hongtai's interest in Dongfeng Plastic Omnium Automotive Exterior Systems Co. Ltd	4,999	5,176
Equity attributable to Hicom HBPO Sdn. Bhd.	369	–
Equity attributable to the Plastic Omnium Group	7,675	6,282
Non-current liabilities	1,218	575
Current liabilities	46,655	11,606
Total equity and liabilities	**79,294**	**37,709**
Revenue	77,589	21,427
Profit/Loss - Yanfeng and Faway's share of the profit (loss) of Chengdu Yanfeng Plastic Omnium	4,624	1,714
Profit/Loss - Yanfeng and Hongtai's share of the profit (loss) of Dongfeng Plastic Omnium Automotive Exterior Systems Co. Ltd	(1,753)	(940)
Profit/Loss attributable to Hicom HBPO Sdn. Bhd.	(222)	–
Profit/Loss attributable to the Plastic Omnium Group	**882**	**243**

5.1.6 Available-for-sale financial assets

At December 31, 2013, financial assets recognized under this item correspond 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	December 31, 2013	December 31, 2012
Shell companies and dormant companies	279	586
Contribution to the "FMEA 2" fund*	1,524	2,148
Available-for-sale financial assets	**1,803**	**2,734**

* Contributions to the "FMEA 2" fund" are listed with long-term financial receivables in Note 5.2.7.4 of Net debt.
Movements in the FMEA between 2012 and 2013 correspond to an impairment of 30% rather than a disinvestment.

5.1.7 Other non-current financial assets

In thousands of euros	December 31, 2013	December 31, 2012
Loans	129	109
Deposits and bonds	16,875	15,548
Other receivables (see Note 6.4.1)	6,038	6,054
Non-current financial receivables (see Note 5.2.7.4)	**23,042**	**21,711**
Finance receivables related to Environment finance leases (see Note 6.4.1)	5,578	6,674
Finance receivables related to Automotive contracts (see Note 6.4.1)	30,130	32,133
Non-current financial receivables (see Note 5.2.7.4)	**35,708**	**38,807**
Total	**58,750**	**60,518**

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

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

5.1.8 Inventories

In thousands of euros		December 31, 2013	December 31, 2012
Raw materials and supplies			
	At cost	*106,114*	*100,615*
	At net realizable value	99,905	95,464
Molds, tooling and engineering			
	At cost	*84,075*	*86,880*
	At net realizable value	83,984	86,880
Other work and other production inventories in progress			
	At cost	*146*	*1,433*
	At net realizable value	146	1,404
Maintenance inventories			
	At cost	*32,396*	*25,561*
	At net realizable value	26,400	20,249
Goods			
	At cost	*9,438*	*7,471*
	At net realizable value	8,529	6,878
Semi-finished products			
	At cost	*24,862*	*22,642*
	At net realizable value	23,507	21,203
Finished products			
	At cost	*43,580*	*42,319*
	At net realizable value	39,665	39,713
Inventories at carrying amount		**282,136**	**271,791**

5.1.9 Current financial receivables

In thousands of euros	December 31, 2013		December 31, 2012	
	Undiscounted value	Carrying amount	Undiscounted value	Carrying amount
Current finance receivables#	**36,816**	**36,496**	**40,377**	**40,036**
Of which Environment Division finance lease receivables	*1,912*	*1,613*	*1,941*	*1,615*
Of which Automotive Division finance receivables	*34,904*	*34,883*	*38,436*	*38,421*
Other current financial receivables##	**2,856**	**2,856**	**1,777**	**1,777**
Of which current accounts	*1,014*	*1,014*	*1,205*	*1,205*
Of which other	*1,842*	*1,842*	*572*	*572*
TOTAL CURRENT FINANCIAL RECEIVABLES	**39,672**	**39,352**	**42,154**	**41,813**

See Note 5.2.7.4 on "Current finance receivables".
See Note 5.2.7.4 on "Other current financial receivables".

5.1.10 Trade and other receivables

5.1.10.1 Sales of receivables

Compagnie Plastic Omnium and some of its subsidiaries in Europe and the United States have subscribed to several French programs for the assignment of trade receivables. These programs are due within more than two years on average:

- Nearly all of these non-recourse programs transfer substantially all the risks and rewards of ownership to the buyer, with only the non-material dilution risk retained by the Group.

Receivables sold under these programs, and which are therefore no longer included on the balance sheet, totaled €230 million at December 31, 2013, against €201 million at December 31, 2012.

- The main risks and rewards are not transferred in a program; recognized related receivables amounted to €3 million at December 31, 2013, against €15 million at December 31, 2012.

5.1.10.2 Cost, impairment and carrying amounts

In thousands of euros	December 31, 2013			December 31, 2012		
	Cost	Impairment	Carrying amount	Cost	Impairment	Carrying amount
Trade receivables	**596,054**	**(5,075)**	**590,979**	**568,186**	**(6,211)**	**561,975**

There were no identified material doubtful receivables at December 31, 2013 that were not covered by provisions.

5.1.10.3 Other receivables

In thousands of euros	December 31, 2013	December 31, 2012
Sundry receivables	66,697	72,387
Prepayments to suppliers of tooling and prepaid development costs	57,838	61,380
Prepaid and recoverable income taxes	41,096	37,275
Other prepaid and recoverable taxes	36,064	26,659
Employee advances	1,697	3,792
Prepayments to suppliers of non-current assets	12,775	2,515
Other receivables	**216,167**	**204,008**

5.1.10.4 Trade and other receivables by currency

Foreign currency, in thousands		Receivables at December 31, 2013			Receivables at December 31, 2012		
		Local currency	Euro	%	Local currency	Euro	%
EUR	Euro	452,788	452,788	56%	450,628	450,628	59%
USD	U.S. dollar	148,277	107,517	13%	143,701	108,914	14%
GBP	Pound sterling	15,457	18,540	2%	10,482	12,844	2%
CHF	Swiss franc	16,296	13,275	2%	13,457	11,147	1%
CNY	Chinese yuan	984,292	117,892	15%	614,914	74,801	10%
Other	Other currencies		97,134	12%		107,649	14%
Total			**807,146**	**100%**		**765,983**	**100%**
Including:							
Trade receivables			*590,979*	*73%*		*561,975*	*73%*
Other receivables			*216,167*	*27%*		*204,008*	*27%*

The sensitivity of trade payables to changes in exchange rates is not analyzed, as:

- Over half of trade receivables are in euros;
- The net exposure per currency (Trade receivables minus Trade Payables, see Note 5.2.9.3) is not material.

5.1.11 Deferred taxes

As explained in Note 1.30 to the Accounting rules and methods above, deferred tax assets corresponding to tax loss carryforwards, deductible temporary differences and tax credits are measured based on the probability of sufficient taxable earnings being generated to permit their utilization. Given the prevailing economic environment, new estimates were made at the year-end based on a prudent assessment of probable future earnings in the short to medium term.

Recognized deferred taxes relate to the following items:

In thousands of euros	December 31, 2013	December 31, 2012
Property, plant and equipment	(39,502)	(28,083)
Post-employment benefit obligations	24,544	27,317
Provisions	31,480	26,990
Financial instruments	5,223	7,602
Tax loss carryforwards and tax credits	93,237	84,580
Other	(20,316)	(32,082)
Impairment of deferred tax assets	(77,120)	(67,368)
Total	**17,546**	**18,956**
Including:		
Deferred tax assets	*71,723*	*74,871*
Deferred tax liabilities	*54,177*	*55,915*

Unrecognized deferred tax assets on tax loss carryforwards amounted to €59 million at December 31, 2013 against €51 million at December 31, 2012, as follows:

In thousands of euros	December 31, 2013	December 31, 2012
Evergreen tax loss carryforwards	52,826	45,841
Tax loss carryforwards available for more than 5 years	3,455	2,318
Tax loss carryforwards available for up to 5 years	1,101	770
Tax loss carryforwards available for up to 4 years	107	279
Tax loss carryforwards available for up to 3 years	920	308
Tax loss carryforwards available for less than 3 years	530	1,536
Total	**58,939**	**51,052**

Movements over the year were mainly due to provisions set aside for losses, especially in France.

5.1.12 Cash and cash equivalents

5.1.12.1 Gross cash and cash equivalents

In thousands of euros	December 31, 2013	December 31, 2012
Cash at bank and in hand	231,818	265,461
Short-term deposits	317,302	62,628
Total cash and cash equivalents on the balance sheet	**549,120**	**328,089**

Cash and cash equivalents break down as follows:

In thousands of euros	December 31, 2013	December 31, 2012
Cash and cash equivalents of joint ventures	46,775	42,378
Cash and cash equivalents of the Group's captive reinsurance company	43,602	41,956
Cash and cash equivalents in countries with exchange controls on remittances and transfers*	80,716	93,120
Unrestricted cash and cash equivalents	378,027	150,635
Total cash and cash equivalents on the balance sheet	**549,120**	**328,089**

* At December 31, 2012, the "countries with exchange controls on remittances and transfers" were Brazil, China, India, Chile and Argentina.

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

5.1.12.2 Cash and cash equivalents at year-end

In thousands of euros	December 31, 2013	December 31, 2012
Cash and cash equivalents	549,120	328,089
Short-term bank loans and overdrafts	(6,216)	(6,864)
Net cash and cash equivalents - At December 31 as recorded in the statement of cash flows	**542,904**	**321,225**

The increase in net cash and cash equivalents for the period is related to the bond issue (see Note 2.4 “Bond issue” and Note 5.2.7.2”Borrowings: private placement notes and bonds”).

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

5.1.13.1 Acquisitions of shares in subsidiaries and associates and non-controlling interests

Financial acquisitions made by the Group are broken down into the following two categories:

a – Acquisitions of shares in subsidiaries and associates, investments leading to a change in control, equity investments in associates, and related investments:

These are recorded under “Cash flows from investments” in the Consolidated statement of cash flows.

In 2013, acquisitions in this category amounted to €(490) thousand broken down as follows:

- acquisition of the Mexican company *(See Note 2.2)* “Pulidos de Juarez SA de CV” for €(94) thousand. This company forms part of the Automotive Division and was renamed “Inergy Automotive Industrial SA de CV”;
- participation in a rights issue by “Dongfeng Plastic Omnium Automotive Exterior Systems Co. Ltd. “, an associated company accounted for by the equity method, for €(551) thousand;
- participation in a share issue by “Hicom HBPO Sdn Bhd” in Malaysia, an associated company accounted for by the equity method, for €(96) thousand;
- additional purchase for €(25) thousand on its interest in “HBPO Germany GmbH”;
- repatriation of sums deposited in previously blocked accounts to form unconsolidated shell companies (“Available-for-sale financial assets”), amounting to €(276) thousand;
  - formation and operating launch at “Hicom HBPO Sdn Bhd”: €(100) thousand,
  - formation and operating launch of “Inergy Automotive Systems Industries SAS”: €(45) thousand,
  - formation and operating launch of “Plastic Omnium International SAS”: €(37) thousand,
  - Operating launch of “Inergy Automotive Industrial SA de CV” (formerly “Pulidos de Juarez SA de CV”): €(94) thousand.

In 2012, these investments totaled €26,396 thousand *(see Note 2 “Significant events of the year” and” Cash flows from investments” in the Statement of cash flows)* as follows:

- Net investment in “Ford Milan” for €22,654 thousand;
- Payment of a control premium under the partnership agreement with Russia-based Detalstroykonstruktsiya in connection with the creation of “DSK Plastic Omnium BV”, for €2,081 thousand;
- participation in a rights issue by “Dongfeng Plastic Omnium Automotive Exterior Systems Co. Ltd.”, an associated company accounted for by the equity method, for €1,661 thousand.

b – Acquisitions of non-controlling interests:

These are recorded under *“Cash flows from investments”* in the Consolidated statement of cash flows.

- 2013:
  The acquisition by the Group of a minority interest (40%) held by its partner Xietong in “Jiangsu Xieno Automotive Components Co. Ltd”, a Chinese company, for €16,689 thousand.
- 2012:
  The Group bought out non-controlling interests totaling €35,571 thousand (see Note 2 “Significant events of the year” and the “Cash flows from investments” in the Statement of cash flows) as follows:
  - Acquisition by the Group of Eurovia’s 35% interest in “Signature Vertical Holding SAS” (renamed “Plastic Omnium Signalisation SAS”), for €28,200 thousand;
  - Acquisition of the 40% non-controlling interest in the Indian subsidiary “Plastic Omnium Varroc Private Ltd” for €7,371 thousand (INR 500 million).

5.1.13.2 Disposals of shares in subsidiaries and associates and non-controlling interests

a – Disposals of shares in subsidiaries and associates

The proceeds from disposals of shares in subsidiaries and associates are recorded under “Cash flows from investments” in the Consolidated statement of cash flows.

- 2013:
  The Group disposed of its interest in “Inergy Vla Plastiran”, a company in the Middle East for the symbolic amount of €1. The company had not been wholly owned.

- 2012:
  Proceeds from the disposals of shares in subsidiaries and affiliates amounted to €20,608 thousand, corresponding to *"Cash flows from investments"* in the Consolidated statement of cash flows, for the single following transaction:
  - Disposal of the Signature companies (Environment Division) in connection with the unwinding of the partnership with Eurovia *(see Note 2.1.2 in the 2012 consolidated financial statements)*.

b – Disposals of non-controlling interests

Proceeds from disposals of non-controlling interests are recorded under "Cash flows from investments" in the Consolidated statement of cash flows.

- 2013:
  No transactions falling under this category took place.
- 2012:
  Only the following transaction was recorded under Proceeds from disposals of non-controlling interests (corresponding to "*Cash flows from investments*" in the Consolidated statement of cash flows) for:
  - an amount of €2,880 thousand relating to the sale of 40% of the subsidiary Inergy Automotive Systems Manufacturing Beijing Co Ltd. to the Group's Chinese partner, Beijing Hainachuan Automotive Parts Co. Ltd. (a subsidiary of BAIC).

5.2 Equity and liabilities

5.2.1 Equity attributable to owners of the parent

5.2.1.1 Share capital of Compagnie Plastic Omnium

In euros	2013	2012
Share capital at January 1	**8,782,031**	**8,939,245**
Increase in equity through the incorporation of reserves after three-for-one share split.	516,590	–
Capital reduction during the year	–	(157,214)
Share capital at December 31 (ordinary shares with a par value of €0.06 and €0.17 in 2013 and 2012, respectively)	**9,298,621**	**8,782,031**
Treasury stock	511,690	526,081
Total net of treasury stock	**8,786,931**	**8,255,950**

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

Capital structure in 2013:

The Combined Shareholders' Meeting of April 25, 2013 voted to divide the par value of Plastic Omnium shares by three, effective September 10, 2013, bringing the share price down from €0.17 to €0.06. The stock split led to a capital increase of €516,590.07 of Compagnie Plastic Omnium through the incorporation of reserves, increasing equity from €8,782,031.19 to €9,298,621.26 representing 154,977,021 shares in total.

Capital structure in 2012:

At its meeting on July 17, 2012, the Board of Directors had decided to cancel 924,790 treasury shares. This cancellation took place on September 12, 2012.

It led to a €157,214.30 reduction in the share capital of Compagnie Plastic Omnium. Share capital thus went from €8,939,245 to €8,782,031.19 (divided into 51,659,007 shares at a par value of €0.17).

At December 31, 2013, Compagnie Plastic Omnium held 8,528,162 shares in treasury representing 5.50% of share capital, against 3,094,595 shares representing 5.99% of share capital at December 31, 2012 (versus 9,283,785 shares on a comparable basis with its stock split in 2013).

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

In thousands of euros	Actuarial gains/ losses recognized in equity	Cash flow hedges - Interest rate instruments	Cash flow hedges - Currency instruments	Fair value adjustments to property, plant and equipment	Retained earnings and other reserves	Attributable to owners of the parent
At December 31, 2011	**(23,648)**	**(8,368)**	**–**	**16,393**	**443,791**	**428,168**
Movements for 2012	(7,746)	(5,062)	(207)	333	140,521	127,839
At December 31, 2012	**(31,394)**	**(13,430)**	**(207)**	**16,726**	**584,312**	**556,007**
Movements for 2013	8,630	6,127	626	–	125,968	141,351
At December 31, 2013	**(22,764)**	**(7,303)**	**419**	**16,726**	**710,280**	**697,358**

5.2.1.3 Details of "Changes in scope of consolidation" in the consolidated statement of changes in equity

In thousands of euros	Equity		Total equity
	Attributable to owners of the parent	Attributable to non-controlling interests	
Acquisition by the Plastic Omnium Group of Eurovia's 35% interest in Signature Vertical Holding SAS (renamed Plastic Omnium Signalisation SAS)	16,372	(44,572)	(28,200)
Acquisition by the Plastic Omnium Group of Varroc Polymers Private Ltd's 40% interest in the subsidiary Plastic Omnium Varroc Private Ltd	(5,875)	(1,496)	(7,371)
Share transferred (49%) by the minority partner Detalstroykonstruktsiya (DSK) in the share issue carried out by DSK Plastic Omnium BV	–	4,701	4,701
Opening of 40% of the capital of Inergy Automotive Systems Manufacturing Beijing Co. Ltd to the partner BAIC	(713)	3,593	2,880
Other changes	(8)	5	(3)
Other changes in scope of consolidation at December 31, 2012	**9,776**	**(37,769)**	**(27,993)**
The Plastic Omnium Group buys back Xiétong's 40% interest in the subsidiary Plastic Omnium Composites Jiangsu Co. Ltd	(8,074)	(8,615)	(16,689)
Additional payment on the purchase of the subsidiary HBPO Germany GmbH's interest	(25)	–	(25)
Disposal of Inergy Vla Plastiran in the Middle East (this company was not wholly owned)	30	(30)	–
DSK Plastic Omnium BV capital increase (subscription to a capital increase)	–	9	9
Other changes	5	(5)	–
Cther changes in scope of consolidation at December 31, 2013	**(8,064)**	**(8,641)**	**(16,705)**

5.2.2 Dividends voted and paid by Compagnie Plastic Omnium

Total dividend in thousands of euros *Dividend per share in euros* *Number of shares, in units*	2013		2012	
	Number of shares in 2012	Dividend	Number of shares in 2011	Dividend
Dividend per share (in €)		**0.76***		**0.69***
Total number of shares outstanding at the end of the previous year	51,659,007		52,583,797	
Total number of shares held in treasury on the ex-dividend date	2,610,587**		3,937,360**	
Total number of shares held in treasury at the year-end (for information)	3,094,595**		4,573,891**	
Dividends on ordinary shares		39,261		36,283
Dividends on treasury stock (unpaid)		(1,984)**		(2,717)**
Total net dividend		**37,277**		**33,566**

* In 2013, Compagnie Plastic Omnium paid a dividend of €0.76 per share (€0.25 following its stock split in 2013) on profits from 2012, against €0.69 in 2012 on profits from 2011.

** December 31, 2013: The estimated total dividend was determined by deducting the 3,094,595 shares held in treasury at December 31, 2012. On the ex-dividend date, there were only 2,610,587 shares in treasury and the amount deducted for dividends not paid on treasury stock was therefore €1,984 thousand and not €2,352 thousand as initially estimated.
December 31, 2012: The estimated total dividend was determined by deducting the 4,573,891 shares held in treasury at December 31, 2011. On the ex-dividend date, there were only 3,937,360 shares in treasury and the amount deducted for dividends not paid on treasury stock was therefore €2,717 thousand and not €3,156 thousand as initially estimated.

The recommended dividend to be proposed to the Shareholder's Meeting for 2013 amounts to €0.33 per share, representing a total payout of €51,142 thousand based on the 154,977,021 shares outstanding at December 31, 2013 before deducting treasury stock.

5.2.3 Share-based payments

On July 23, 2013, the Board of Directors granted stock options *(see minutes of the Shareholders' Meeting of April 25, 2013)* with effect from August 7, 2013 and exercisable from August 7, 2017 for a period of three years. The options granted to corporate officers are performance stock options subject to both performance and market conditions (see Note 7.3.1 "Compensation paid to senior executives and officers" for details).

This plan was assessed according to the method described in Note 1.2.5 The assessment was conducted on the following bases:

Additional information on the various plans	**August 07, 2013 plan**
Volatility forecast	40.00%
Dividend ratio forecast	1.43%
Zero coupon rate	1.07%

On these bases, the plan was assessed at €5,932,546. The cost will be amortized on a linear basis over the vesting period. Social contributions amounting to €(1,319,201) relating to this new plan will be written off in their entirety in 2013, representing 30% of all costs to be amortized over the vesting period.

Evaluation of the August 7, 2013 plan		**Options of the August 7, 2013 plan**		**Total**
In euros *In units for the number of options*		**Subject to market conditions**	**Not subject to market conditions**	
Before Compagnie Plastic Omnium stock split on September 10, 2013	Average share price before stock split	8.29	19.13	**13.99**
	Number of share options before stock split	*201,000*	*223,000*	*424,000*
	Accounting expense (with reserve considerations)	1,666,777	4,265,769	5,932,546
After Compagnie Plastic Omnium stock split on September 10, 2013	Average share option price after stock split	2.76	6.38	4.66
	Number of share options after stock split	*603,000*	*669,000*	*1,272,000*
	Accounting expense (with reserve considerations)	1,666,777	4,265,769	5,932,546

Outstanding stock option plans

Grant date	**Options exercisable for**	**Grantees**	**Vesting conditions**	**Maximum number of options available under the plan**	**Multiplier of the stock split on May 10, 2011**	**Maximum number of options available under the plan as adjusted for the stock split¤**	**Multiplier of the stock split on September 10, 2013**	**Maximum number of options available under the plan as adjusted for the stock split¤¤**
April 25, 2006	Stock options	11	Employment contract in force on the option exercise date, except in the case of transfer by the employer, early retirement or retirement	267,000	3	801,000	3	2,403,000
July 24, 2007	Stock options	65		330,000	3	990,000	3	2,970,000
July 22, 2008	Stock options	39		350,000	3	1,050,000	3	3,150,000
April 1, 2010	Stock options	124		375,000	3	1,125,000	3	3,375,000
March 21, 2012	Stock options	208		N/A	N/A	889,500	3	2,668,500
August 7, 2013	Stock options	184		N/A	N/A	424,000	3	1,272,000

¤ On April 28, 2011, the Extraordinary Shareholders' Meeting of Compagnie Plastic Omnium voted to divide the par value of its shares by three, with effect as from May 10, 2011. The share price went from €0.50 to €0.17. Since all of the plans outstanding at December 31, 2011 preceded that decision, as of that date, the number of options granted to each employee in each plan was multiplied by three and the exercise price divided by three.

¤¤ On April 25, 2013, the Combined Shareholders' Meeting of Compagnie Plastic Omnium voted to divide the par value of its shares by three, with effect as from September 10, 2013. The share price went from €0.17 to €0.06. The number of stock options for every employee in every plan preceding that decision was multiplied by three and the exercise price divided by three.

Successive effects of the Compagnie Plastic Omnium stock split	Plan dated April 25, 2006	Plan dated July 24, 2007	Plan dated July 28, 2008	Plan dated April 1, 2010	Plan dated March 21, 2012	Plan dated August 7, 2013
Effects of stock split:						
Voted by the Extraordinary Shareholders' Meeting of April 28, 2011:						
Effective as from May 10, 2011:						
Number of stock options at January 1, 2011 before stock split	247,000	298,000	340,800	371,500	N/A	N/A
Number of stock options at May 10, 2011 after stock split	741,000	894,000	1,022,400	1,114,500	N/A	N/A
Effects of stock split:						
Voted by the Shareholders' Meeting of April 25, 2013:						
Effective as from September 10, 2013 following the meeting of the Board of Directors on July 23, 2013:						
Number of stock options before stock split in 2013	30,000	270,488	773,422	1,030,500	842,000	424,000
Number of stock options at September 10, 2013 after stock split*	90,000	811,464	2,320,266	3,091,500	2,526,000	1,272,000

* The number of stock options was multiplied by three following the stock split of Compagnie Plastic Omnium on September 10, 2013. The following stock option plan tracking tables show the new number of stock options per plan:

The vesting period for each plan is four years.

Outstanding options at the year-end and cost for the period related to the stock option plans

Outstanding options *In euros* *In units for the number of options*	Options out-standing at January 1, 2013	Increases	Decreases			Cost for the period	Options outstanding at December 31, 2013	
		Options granted during the period	Options forfeited during the period	Options that expired during the period	Options exercised during the period		Total	Of which, options exercisable at December 31, 2013
April 25, 2006 plan								
Number of options granted*	90,000				(90,000)		–	–
Share price at the grant date	3.92						–	
Exercise price	3.88						–	
Term	7 years						–	
Unrecognized cost at period-end	–						–	
Remaining life	–						–	

* Number of stock options at the start of the year multiplied by three following the three-for-one stock split of Compagnie Plastic Omnium in 2013.

Outstanding options *In euros* *In units for the number of options*	Options out-standing at January 1, 2013	Increases	Decreases			Cost for the period	Options outstanding at December 31, 2013	
		Options granted during the period	Options forfeited during the period	Options that expired during the period	Options exercised during the period		Total	Of which, options exercisable at December 31, 2013
July 24, 2007 Plan								
Number of options granted*	811,464				(677,814)		133,650	133,650
Share price at the grant date	4.37						4.37	
Exercise price	4.37						4.37	
Term	7 years						7 years	
Unrecognized cost at period-end	–						–	
Remaining life	1 year						–	

* Number of stock options at the start of the year multiplied by three following the three-for-one stock split of Compagnie Plastic Omnium in 2013.

Outstanding options *In euros* *In units for the number of options*	**Options outstanding at January 1, 2013**	**Increases**	**Decreases**			**Cost for the period**	**Options outstanding at December 31, 2013**	
		Options granted during the period	**Options forfeited during the period**	**Options that expired during the period**	**Options exercised during the period**		**Total**	**Of which, options exercisable at December 31, 2013**
July 22, 2008 Plan								
Number of options granted*	2,320,266		(60)		(1,402,906)		917,300	917,300
Share price at the grant date	1.99						1.99	
Exercise price	2.95						2.95	
Term	7 years						7 years	
Unrecognized cost at period-end	–						–	
Remaining life	2 years						1 year	

* Number of stock options at the start of the year multiplied by three following the three-for-one stock split of Compagnie Plastic Omnium in 2013.

Outstanding options *In euros* *In units for the number of options*	**Options outstanding at January 1, 2013**	**Increases**	**Decreases**			**Cost for the period**	**Options outstanding at December 31, 2013**	
		Options granted during the period	**Options forfeited during the period**	**Options that expired during the period**	**Options exercised during the period**		**Total**	**Of which, options exercisable at December 31, 2013**
April 1, 2010 plan								
Number of options granted*	3,091,500		(63,000)				3,028,500	None
Share price at the grant date	3.2						3.2	
Exercise price	2.84						2.84	
Term	7 years						7 years	
Unrecognized cost at period-end	607,070					(446,379)	160,691	
Remaining life	4.5 years						3.5 years	

* Number of stock options at the start of the year multiplied by three following the three-for-one stock split of Compagnie Plastic Omnium in 2013.

Outstanding options *In euros* *In units for the number of options*	**Options outstanding at January 1, 2013**	**Increases**	**Decreases**			**Cost for the period**	**Options outstanding at December 31, 2013**	
		Options granted during the period	**Options forfeited during the period**	**Options that expired during the period**	**Options exercised during the period**		**Total**	**Of which, options exercisable at December 31, 2013**
March 21, 2012 plan								
Number of options granted*	2,526,000		(46,500)				2,479,500	None
Share price at the grant date	7.3						7.3	
Exercise price	7.38						7.38	
Term	7 years						7 years	
Unrecognized cost at period-end	3,362,106					(1,015,964)	2,346,142	
Remaining life	6.25 years						5.25 years	

* Number of stock options at the start of the year multiplied by three following the three-for-one stock split of Compagnie Plastic Omnium in 2013.

Outstanding options *In euros* *In units for the number of options*	**Options outstanding at January 1, 2013**	**Increases**	**Decreases**			**Cost for the period**	**Options outstanding at December 31, 2013**	
		Options granted during the period	**Options forfeited during the period**	**Options that expired during the period**	**Options exercised during the period**		**Total**	**Of which, options exercisable at December 31, 2013**
August 7, 2013 plan								
Number of options granted*		1,272,000					1,272,000	None
Share price at the grant date		17.71					17.71	
Exercise price		16.17					16.17	
Term		7 years					7 years	
Unrecognized cost at period-end		5,932,546				(597,318)	5,335,228	
Remaining life		7 years					6.6 years	
Total cost for the year						**(2,059,661)**		

At December 31, 2013, 40,500 shares were held to cover these plans (December 31, 2012: 403,500 shares versus 134,500 in the 2012 Consolidated Financial Statements), but had not yet been allocated.

5.2.4 Government grants

In thousands of euros	December 31, 2013	December 31, 2012
Investment grants	11,883	13,195
Total government grants recognized in non-current liabilities	**11,883**	**13,195**
Current government grants	263	276
Total government grants recognized in current liabilities	**263**	**276**
Total government grants recognized in liabilities	**12,146**	**13,471**

5.2.5 Provisions

In thousands of euros	December 31, 2012	Charges	Utilizations	Releases of surplus provisions	Reclassifications	Actuarial loss	Changes in scope of consolidation	Translation adjustment	December 31, 2013
Customer warranties	9,962	7,864	(3,809)	(4,522)	1,144	–	–	(60)	10,579
Reorganization plans*	27,911	16,183	(21,314)	(6,349)	414	–	–	(95)	16,750
Taxes and tax risks	4,249	3,119	(504)	–	(132)	–	–	(267)	6,465
Contract risks	4,850	14,562	(5,729)	(786)	1,428	–	–	–	14,325
Claims and litigation	8,342	1,680	(2,109)	(1,167)	(1,298)	–	–	(313)	5,135
Other**	9,893	8,154	(3,235)	(2,338)	(1,556)	–	–	(150)	10,768
Provisions	**65,207**	**51,562**	**(36,700)**	**(15,162)**	**–**	**–**	**–**	**(885)**	**64,022**
Provisions for pensions and other post-employment benefits***	80,352	6,149	(3,595)	–	–	(14,626)	–	(1,774)	66,506
Total	**145,559**	**57,711**	**(40,295)**	**(15,162)**	**–**	**(14,626)**	**–**	**(2,659)**	**130,528**

* Provisions for liabilities and charges were mainly set aside for the following sites in the Automotive Division: Eisenach-Thuringe in Germany, Compiègne-Laval and St Désirat in France and Herentals in Belgium (see Note 4.5 on Employee downsizing plans).

** The sub-section "Others" is made up of non-material individual amounts.

*** For the actuarial loss over the period, see Note 5.2.6.8 "Impact of the amendment to IAS 19 (IAS 19R)" in the 2012 Consolidated Financial Statements. It relates to the impact of the first-time application of IAS 19R. As the amounts were not very material (the Group did not use the corridor approach), the impacts were recognized directly in the income statement.

The actuarial loss includes the impact of applying IAS 19R, amounting to €2,764 thousand at the end of 2013.

In thousands of euros	December 31, 2011	Charges	Utilizations	Releases of surplus provi-sions	Reclassifications	Actuarial loss	Changes in scope of consoli-dation	Translation adjustment	December 31, 2012
Customer warranties	20,671	8,827	(5,327)	(13,972)	(357)	–	–	119	9,962
Reorganization plans	8,735	26,807	(2,853)	(4,371)	(397)	–	–	(10)	27,911
Taxes and tax risks	2,049	4,300	(1,765)	(248)	–	–	–	(87)	4,249
Contract risks	4,390	4,855	(2,113)	(2,282)	–	–	–		4,850
Claims and litigation*	6,864	5,176	(3,501)	(210)	397	–	–	(383)	8,342
Other	12,625	10,234	(5,745)	(8,376)	357	–	796	2	9,893
Provisions	**55,334**	**60,199**	**(21,304)**	**(29,459)**	**–**	**–**	**796**	**(359)**	**65,207**
Provisions for pensions and other post-employment benefits**	62,689	4,960	(2,957)	–	–	16,346	4	(690)	80,352
Total	**118,023**	**65,159**	**(24,261)**	**(29,459)**	**–**	**16,346**	**800**	**(1,049)**	**145,559**

* Provisions for liabilities and charges were mainly set aside for the following sites in the Automotive Division: Eisenach-Thuringe in Germany, Compiègne-Laval and St Désirat in France, and Duncan in the United States (see Note 4.5 of the 2012 consolidated financial statements).

** The actuarial loss corresponded to the impact of reduced interest rates in the eurozone and the United States over 2012 (see Note 1.2 and Note 5.2.6 of the 2012 consolidated financial statements).

5.2.6 Provisions for pensions and other post-employment benefits

Post-employment benefit plans:

The generic term "post-employment benefits" is used to refer to both pension benefits and other employee benefits.

Provisions for pensions:

Provisions for pensions cover:

- length-of-service awards payable to employees on retirement;
- supplementary pension plans; and
- plans for the payment of healthcare costs of retired employees.

In France, supplementary pension plans only executive corporate officers and consist of termination benefits. In other countries, any supplementary pension plans concern all employees.

Plans for the payment of healthcare costs of retired employees mainly concern the North America region (United States).

Other long-term benefit plans:

Other long-term benefits concern other long-service awards.

Post-employment benefit plans are set up in accordance with the regulations applicable in each of the Group's host countries. Consequently, the costs recorded in the accounts are not a function of the number of employees in each country.

The countries identified and presented are those for which consistent actuarial assumptions apply, allowing data to be aggregated. Where no such aggregation is possible, no reference actuarial rates are provided as the differences in parameters are too great to allow an average rate to be calculated. Similarly, sensitivity tests are performed on country data that can be reliably aggregated.

In France, following the 2010 pensions reform, the minimum age at which retirees will be entitled to a full pension is gradually being raised and employees who retire before the statutory retirement age initially receive a reduced pension.

5.2.6.1 Actuarial assumptions

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

	2013			2012		
	France	United States	Switzerland	France	United States	Switzerland
	Managers and non-managers			Managers and non-managers		
Minimum age for receiving a full pension	60 to 62 years	62 years		60 to 62 years	62 years	
Age from which no reduction applies	65 to 67 years			65 to 67 years		
Discount rate - post-employment benefits	3.5%	5.0%	2.25%	3.5%	4.0%	1.75%
Discount rate - long-service awards	3.0%			3.0%		
Inflation rate	2.0%			2.0%		
Rate of future salary increases	2% to 5%	3.25%	1.0%	2% to 5%	3.25%	1.0%
Rate of growth in healthcare costs(1)		8.0%			8.5%	
Expected long-term rate of return on pension plan assets	3.5%	5.0%	2.25%	3.5%	8.0%	1.75%

(1): In the United States, the rates are expected to decline by 0.5% per year to 5% in 2019.

Discount rates – post-employment benefits:

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.

Inflation rates:

In France, benefits are indexed to inflation, whereas in the United States and Switzerland, the impact of inflation is not material.

Average rate of future salary increases:

The average rates of future salary increases are weighted between "managers" and "other employees" and based on employees' ages.

Estimated long-term return on pension plan assets:

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

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

5.2.6.2 Changes in defined benefit obligations and costs

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

In thousands of euros	Post-employment benefit plans			Other long-term benefits			Total		
	2013	**2012**	**2011**	**2013**	**2012**	**2011**	**2013**	**2012**	**2011**
Projected benefit obligation at January 1	**119,607**	**97,517**	**81,363**	**7,241**	**7,344**	**7,619**	**126,848**	**104,861**	**88,982**
Service cost	7,486	6,847	6,118	309	351	330	7,795	7,198	6,448
Interest cost	3,915	4,049	3,426	150	224	226	4,065	4,273	3,652
Curtailments, settlements and other	488	(654)	(1,153)	110	(320)	(293)	598	(974)	(1,446)
Actuarial gains and losses	(14,050)	16,463	8,859	(434)	(142)	(591)	(14,484)	16,321	8,268
Of which, experience adjustments	*(4,283)*	*1,268*	*1,406*	*(413)*	*(726)*	*–*	*(4,696)*	*542*	*1,406*
Benefits paid from plan assets	354	(1,143)	(97)	6	–	–	360	(1,143)	(97)
Benefits paid by the Company	(2,974)	(2,579)	(2,261)	(300)	(204)	(95)	(3,274)	(2,783)	(2,357)
Changes in scope of consolidation	–	4	267	–	–	–	–	4	267
Reclassification as "Assets held for sale"	–	–	(971)	–	–	134	–	–	(837)
Translation adjustment	(3,190)	(897)	1,966	(26)	(12)	14	(3,216)	(909)	1,980
Projected benefit obligation at December 31	**111,636**	**119,607**	**97,517**	**7,056**	**7,241**	**7,344**	**118,692**	**126,848**	**104,861**
Change in projected benefit obligation	*(7,971)*	*22,090*	*16,154*	*(185)*	*(103)*	*(275)*	*(8,156)*	*21,987*	*15,879*
Fair value of plan assets at January 1	**46,496**	**42,172**	**41,908**	**–**	**–**	**–**	**46,496**	**42,172**	**41,908**
Return on plan assets	1,343	2,219	2,150	–	–	–	1,343	2,219	2,150
Employer contributions	5,819	5,274	3,680	–	–	–	5,819	5,274	3,680
Actuarial gains and losses	577	117	(4,662)	–	–	–	577	117	(4,662)
Benefit payments funded by plan assets	442	(1,141)	(97)	–	–	–	442	(1,141)	(97)
Curtailments, settlements and other	(1,050)	(1,926)	(2,015)	–	–	–	(1,050)	(1,926)	(2,015)
Translation adjustment	(1,441)	(219)	1,209	–	–	–	(1,441)	(219)	1,209
Fair value of plan assets at December 31	**52,186**	**46,496**	**42,172**	**–**	**–**	**–**	**52,186**	**46,496**	**42,172**
Change in fair value of plan assets	**5,690**	**4,324**	**264**	**–**	**–**	**–**	**5,690**	**4,324**	**264**
Excess of projected benefit obligation over plan assets = provision recorded in the balance sheet	**59,450**	**73,111**	**55,345**	**7,056**	**7,241**	**7,344**	**66,506**	**80,352**	**62,689**
• of which France	36,622	33,182	26,340	3,815	3,732	3,216	40,437	36,914	29,556
• of which Switzerland	(791)	2,897	2,604	–	–	–	(791)	2,897	2,604
• of which Europe excluding France and Switzerland	5,132	5,254	4,873	887	1,366	2,072	6,019	6,620	6,945
• of which United States	14,203	26,971	17,499	474	442	429	14,677	27,413	17,928
• of which Other regions	4,284	4,807	4,029	1,880	1,701	1,627	6,164	6,508	5,656

The present value of partially funded obligations was €18,085 thousand at December 31, 2013, including €2,243 thousand for French plans and €14,677 thousand for U.S. plans. The present value of partially funded obligations was €44,399 thousand at December 31, 2012, including €11,907 thousand for French plans and €27,413 thousand for U.S. plans.

5.2.6.3 Net projected benefit obligation by country

The following table shows the net projected benefit obligation by country:

In thousands of euros	2013					2012				
	France	**Switzer-land**	**Europe excluding France and Switzer-land**	**United States**	**Other**	**France**	**Switzer-land**	**Europe excluding France and Switzer-land**	**United States**	**Other**
Post-employment benefit plans										
Length-of-service awards payable on retirement*	36,618	–	3,361	2,411	4,284	31,923	–	3,255	3,079	4,807
Supplementary pension plans*	4	(791)	1,771	11,318	–	1,259	2,897	1,999	23,321	–
Healthcare plans				474	–				571	–
Total post-employment benefit obligations	**36,622**	**(791)**	**5,132**	**14,203**	**4,284**	**33,182**	**2,897**	**5,254**	**26,971**	**4,807**
Other long-term benefits	3,815	–	887	474	1,880	3,732	–	1,366	442	1,701
Total Other post-employment benefit obligations	**3,815**	**–**	**887**	**474**	**1,880**	**3,732**	**–**	**1,366**	**442**	**1,701**
Net obligations recognized in the balance sheet	**40,437**	**(791)**	**6,019**	**14,677**	**6,164**	**36,914**	**2,897**	**6,620**	**27,413**	**6,508**

* Supplementary pension plans in countries other than France were included with length-of-service awards payable on retirement. Starting from 2013, all supplementary pension plans are recorded as stand-alone items. The 2012 figures have been restated as a consequence.

	2013			2012		
	France	**United States**	**Switzer-land**	**France**	**United States**	**Switzer-land**
Average maturity of obligations (in years)	12	20	16	12	20	16
Total obligations (in thousands of euros)	43,762	38,196	22,744	38,460	45,612	27,956
Pension obligations	–	3,170	–	–	–	–
Deferred obligations	–	5,462	–	–	–	–
Asset obligations	43,762	29,564	22,744	38,460	45,612	27,956

5.2.6.4 Sensitivity tests – retirement obligations

For retirement obligations, the results of sensitivity tests on the main external variable – discount rates – at December 31, 2013 and December 31, 2012 were as follows:

In thousands of euros	2013					2012				
	Basis	**Increase**		**Decrease**		**Basis**	**Increase**		**Decrease**	
		+0.25%		**–0.25%**			**+0.25%**		**–0.25%**	
		Amount	**%**	**Amount**	**%**		**Amount**	**%**	**Amount**	**%**
France										
Effect on service cost and interest cost	4,157	4,132	–0.61%	4,182	+0.59%	3,928	3,903	–0.64%	3,953	+0.62%
Effect on projected benefit obligation	44,727	43,403	–2.96%	46,106	+3.08%	41,826	40,580	–2.98%	43,125	+3.11%
United States										
Effect on service cost and interest cost	4,722	4,509	–4.51%	4,946	+4.74%	4,043	3,848	–4.82%	4,238	+4.82%
Effect on projected benefit obligation	38,196	36,434	–4.73%	40,148	+4.98%	45,613	43,451	–4.74%	47,775	+4.74%
Switzerland										
Effect on projected benefit obligation	27,954	26,861	–3.91%	29,119	+4.17%	27,955	26,245	–6.12%	29,350	+4.99%

5.2.6.5 Changes in net balance sheet amounts

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

In thousands of euros	Post-employment benefit plans			Other long-term benefits			Total		
	2013	**2012**	**2011**	**2013**	**2012**	**2011**	**2013**	**2012**	**2011**
Net projected benefit obligation at January 1	**73,111**	**55,345**	**39,455**	**7,241**	**7,344**	**7,619**	**80,352**	**62,689**	**47,074**
Expense/income for the year									
Service cost	7,486	6,847	6,118	309	351	330	7,795	7,198	6,448
Curtailments, settlements and other	1,538	1,271	863	116	(320)	(293)	1,654	951	570
Benefits paid by the Company	(2,974)	(2,579)	(2,261)	(300)	(204)	(95)	(3,274)	(2,783)	(2,357)
Actuarial gains and losses	–	–	–	(434)	(142)	(591)	(434)	(142)	(591)
Benefit payments funded by plan assets	(88)	–	–	–	–	–	(88)	–	–
Employer contributions	(5,819)	(5,275)	(3,680)	–	–	–	(5,819)	(5,275)	(3,680)
Net post-employment benefit plan costs recorded in operating expense	**143**	**264**	**1,040**	**(309)**	**(315)**	**(649)**	**(166)**	**(51)**	**391**
Interest cost	3,915	4,049	3,426	150	224	226	4,065	4,273	3,652
Expected return on plan assets	(1,343)	(2,219)	(2,150)	–	–	–	(1,343)	(2,219)	(2,150)
Interest costs of post-employment benefit obligations*	**2,572**	**1,830**	**1,276**	**150**	**224**	**226**	**2,722**	**2,054**	**1,502**
Balance sheet impact									
Changes in scope of consolidation	–	4	267	–	–	–	–	4	267
Actuarial gains and losses	(14,627)	16,346	13,520	–	–	–	(14,627)	16,346	13,520
Reclassification as "Discontinued operations"	–	–	(971)	–	–	134	–	–	(837)
Translation adjustment	(1,749)	(678)	758	(26)	(12)	14	(1,775)	(690)	772
Balance sheet impact	**(16,376)**	**15,672**	**13,574**	**(26)**	**(12)**	**148**	**(16,402)**	**15,660**	**13,722**
Net projected benefit obligation at December 31	**59,450**	**73,111**	**55,345**	**7,056**	**7,241**	**7,344**	**66,506**	**80,352**	**62,689**

* See "Interest cost – post-employment benefit obligations" in Note 4.6 on "Net financial income".

In France, the Labor Market Modernization Act of June 25, 2008 ("Fillon Act") doubled the statutory redundancy benefit. This affected the liability for length-of-service awards payable on retirement by the French companies that apply the Plastics industry collective bargaining agreement, because the agreement indexes these awards to the statutory termination benefit.

Starting from January 1, 2013, all off-balance sheet commitments to post-employment benefit obligations are recorded in the accounts, in accordance with IFRS 19R.

These off-balance sheet commitments amounted to €2 million at December 31, 2012

For information, the first-time application of the new rules, at December 31, 2008, had led to a €2.9 million increase in retirement obligations recognized as off-balance sheet commitments. The following table lists the history of these commitments since the date the law came into effect.

In thousands of euros	December 31, 2008	December 31, 2009	December 31, 2010	December 31, 2011	December 31, 2012
Off-balance sheet commitments as per "Fillon Act" of June 25, 2008	2,940				
Effect of changes in scope of consolidation (acquisition of control of Inergy) on "Fillon Act" commitments			200		
Other unrecognized commitments	428	1,063	426		
Amortization for the year		(359)	(319)	(1,128)	(486)
Off-balance sheet commitments at year-end	**3,368**	**4,072**	**4,379**	**3,251**	**2,764**
Of which effect on "Fillon Act" commitments	*2,940*	*2,581*	*2,748*	*2,378*	*1,994*

5.2.6.6 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:

In thousands of euros	December 2013		December 2012	
	Increase	Decrease	Increase	Decrease
Effect on service cost and interest cost*			23	(19)
Effect on provisions for post-employment benefit obligations	339	(284)	489	(404)

* In 2013, information on the service cost and interest cost was not material and unavailable to the actuaries.

5.2.6.7 Breakdown of plan assets by investment category

The funded plan assets at fair value — mainly in the United States and Switzerland — broke down as follows by investment category:

In thousands of euros	December 31, 2013	December 31, 2012
Equities	22,766	21,362
Bonds	19,388	15,568
Real estate	6,316	6,174
Other	3,716	3,392
Total	**52,186**	**46,496**

5.2.6.8 Impact of the amendment to IAS 19 (IAS 19R)

The new IAS 19R has no material impact *(see Note 1.1)* because the Group already records actuarial losses generated in Other comprehensive income, and so the impacts *(see Note 5.2.5 "Provisions for liabilities and charges")* were recognized directly in the period in question.

5.2.7 Non-current and current debt

5.2.7.1 Net debt indicator used by the Group

Net debt is an important indicator for the Plastic Omnium Group's 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:
  - lines of credit;
  - private placement notes;
  - bonds.
- less loans and other non-current financial assets;
- plus short-term debt;
- plus overdraft facilities;
- less cash and cash equivalents.

5.2.7.2 Borrowings: Private placement notes

During the 1st half of 2013:

On May 21, 2013, the Group issued bonds to the value of €500 million on the European market, without "covenants" or "ratings". The following table presents the features of the bonds issued:

Bond issue	Issued in 2013
Fixed rate (in euros)	500,000,000
Maturity	May 29, 2020
Interest rate	2.875%
Listed	NYSE Euronext Paris

2012:

The Group had set up two new financing operations in 2012. The notes are not subject to any financial covenants and were not rated.

- A €250 million Euro Private Placement notes (EuroPP) issue, placed with French institutional investors, with the following characteristics:

Private bond issue	**Euro PP**
Fixed rate (in euros)	250,000,000
Maturity	December 12, 2018
Interest rate	3.875%
Listed	Euronext Paris

- A €119 million "Schuldschein" private placement notes issue placed mainly with foreign private investors (Asian, German, Canadian and Belgian) but also with French investors, with the following characteristics:

Private placement		
Schuldschein	**Amount**	**Interest rate**
Fixed rate (in euros)	45,000,000	3.72%
Variable rate (in euros)	74,000,000	Euribor 6 months +240 bps
Maturity		June 27, 2017

5.2.7.3 Utilization of medium-term credit lines

At December 31, 2013, the Group had access to several confirmed bank lines of credit with an average maturity of more than two years. These confirmed bank lines of credit exceeded the Group's requirements. At December 31, 2013, they amounted to €1,043 million, against €1,160 million at December 31, 2012.

5.2.7.4 Reconciliation of gross and net debt

In thousands of euros	**December 31, 2013**			**December 31, 2012**		
	Total	**Current portion**	**Non-current portion**	**Total**	**Current portion**	**Non-current portion**
Finance lease liabilities (+)	13,222	6,518	6,704	22,247	8,954	13,293
Bonds and bank loans (+)	975,557	80,342	895,215	769,791	177,998	591,793
of which bond issue in 2013	*502,297*	*8,507*	*493,790*	–	–	–
of which EuroPP private placement notes issue	*247,774*	*504*	*247,270*	*248,905*	*2,123*	*246,782*
of which Schuldschein private placement notes issue	*119,000*	–	*119,000*	*119,000*	–	*119,000*
of which bank lines of credit	*106,486*	*71,331*	*35,155*	*401,886*	*175,875*	*226,011*
Non-current and current borrowings (+)	988,779	86,860	901,919	792,038	186,952	605,086
Other current debt (+)	163	163		3,382	3,382	
Hedging instruments - liabilities (+)#	9,980	9,980		20,420	20,420	
Total borrowings (B)	**998,922**	**97,003**	**901,919**	**815,840**	**210,754**	**605,086**
Available-for-sale financial assets - FMEA 2 fund (–)##	(1,524)		(1,524)	(2,148)		(2,148)
Other financial assets (–)	(95,246)	(36,496)	(58,750)	(100,554)	(40,036)	(60,518)
of which non-current financial receivable###	*(23,042)*		*(23,042)*	*(21,711)*		*(21,711)*
of which finance receivables###	*(72,204)*	*(36,496)*	*(35,708)*	*(78,843)*	*(40,036)*	*(38,807)*
Other current financial receivables (–)	(2,856)	(2,856)		(1,777)	(1,777)	
Hedging instruments - assets (–)#	(1,192)	(1,192)		(314)	(314)	
Total financial receivables (C)	**(100,818)**	**(40,544)**	**(60,274)**	**(104,792)**	**(42,127)**	**(62,666)**
Gross debt (D) = (B) + (C)	**898,103**	**56,459**	**841,645**	**711,047**	**168,627**	**542,420**
Cash and cash equivalents (–)*	549,120	549,120		328,089	328,089	
Short-term bank loans and overdrafts (+)	(6,216)	(6,216)		(6,864)	(6,864)	
Net cash and cash equivalents as recorded in the statement of cash flows (A)**	**(542,904)**	**(542,904)**		**(321,225)**	**(321,225)**	
NET DEBT (E) = (D) + (A)	**355,199**	**(486,445)**	**841,645**	**389,822**	**(152,598)**	**542,420**

See Note 5.2.8 on "Interest and exchange rate hedging instruments".

See Note 5.1.6 "Available-for-sale financial assets"".

See Note 5.1.7 on "Other non-current financial assets – Long-term financial receivables".

* See Note 5.1.12.1 on "Cash and cash equivalents – gross".

** See Note 5.1.12.2 on "Cash and cash equivalents at December 31 – net".

5.2.7.5 Analysis of debt by currency

As a % of total debt	December 31, 2013	December 31, 2012
Euro	89%	86%
U.S. dollar	4%	8%
Pound sterling	2%	2%
Other currencies	5%	4%
Total	**100%**	**100%**

5.2.7.6 Analysis of debt by type of interest rate

As a % of total debt	December 31, 2013	December 31, 2012
Hedged variable rates	20%	49%
Unhedged variable rates	0%	0%
Fixed rates	80%	51%
Total	**100%**	**100%**

5.2.8 Interest rate and currency hedges

In thousands of euros	December 31, 2013		December 31, 2012	
	Assets	Liabilities	Assets	Liabilities
Interest rate derivatives	438	(9,980)	314	(20,110)
Interest rate derivatives	754	–	–	(310)
	1,192	**(9,980)**	**314**	**(20,420)**

5.2.8.1 Interest rate hedges

Interest rate hedges included swaps and caps. Their purpose is to hedge variable rate debt against increases in interest rates.

The total notional amount of derivative instruments used to manage interest rate risks was €355 million at December 31, 2013, against €570 million at December 31, 2012.

The nominal value of cash-flow hedges as per IAS 39 amounted to €135 million at December 31, 2013, against €370 million at December 31, 2012. Non-hedging instruments nonetheless form part of the Group's interest rate hedging strategy, as it obtains financing at variable rates of interest, in particular under the framework of its sales of receivables.

The derivatives are recognized in the balance sheet at fair value under "Hedging instruments" in assets or in liabilities.
For derivatives that qualify for hedge accounting under IFRS:

- The effective portion of the change in fair value on the hedging instruments is recognized in equity (in "Other Comprehensive Income");
- It is reclassified to the income statement in the same period as the hedged cash flows (i.e. interest payments) affect profit;
- The time value of options is excluded from the hedging relationship. Changes in the time value of options and the ineffective portion of the gain or loss on the hedging instrument are recognized in profit or loss.

Changes in fair value of instruments that do not qualify for hedge accounting are recognized directly in profit or loss.

5.2.8.1.1 Derivative portfolios

In thousands of euros	December 31, 2013			December 31, 2012		
	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)	(9,542)	438	(9,980)	(19,796)	314	(20,110)
Outstanding premiums	–	–	(2,403)	–	–	(3,923)
Total fair value and outstanding premiums		**438**	**(12,383)**		**314**	**(24,033)**

Composition of interest rate derivatives portfolio:

In thousands of euros	December 31, 2013								
	Fair value	**Recorded in assets**	**Recorded in liabilities**	**Effective portion included in OCI***	**Nominal value**	**Maturity**	**Reference interest rate**	**Outstanding premium****	**Nature of derivative**
Caps	185	185	–	–	60,000	May 2017	2-month Euribor	(988)	CFH
Caps	253	253	–	–	90,000	June 2017	1-month Euribor	(1,415)	Not considered
Swaps	(1,630)	–	(1,630)	(1,630)	75,000	June 2015	6-month Euribor	N/A	CFH
Swaps	(552)	–	(552)	–	25,000	August 2015	1-month Euribor	N/A	Not considered
Swaps	(7,798)	–	(7,798)	–	105,000	February 2019	1-month Euribor	N/A	Not considered
Total	**(9,542)**	**438**	**(9,980)**	**(1,630)**	**355,000**			**(2,403)**	

In thousands of euros	December 31, 2012								
	Fair value	**Recorded in assets**	**Recorded in liabilities**	**Effective portion included in OCI***	**Par value**	**Maturity**	**Reference interest rate**	**Outstanding premium****	**Nature of derivative**
Caps	–	–	–	N/A	110,000	June 2013	3-month Euribor	(213)	Not considered
Caps	148	148	–	–	60,000	May 2017	2-month Euribor	(1,807)	CFH
Caps	166	166	–	N/A	90,000	June 2017	1-month Euribor	(1,273)	Not considered
Swaps	(9,400)	–	(9,400)	(9,400)	205,000	August 2015	1-month Euribor	N/A	CFH
Swaps	(10,710)	–	(10,710)	(10,710)	105,000	February 2019	1-month Euribor	N/A	CFH
Total	**(19,796)**	**314**	**(20,110)**	**(20,110)**	**570,000**			**(3,293)**	

* "OCI" : "Other Comprehensive Income" or "Consolidated Statement of Comprehensive Income".
** Cap premiums are paid out in installments over the duration of the instruments. Outstanding premium amounts are classified under liabilities and shareholders' equity in the consolidated balance sheet in accordance with IFRS under "Long-term borrowings" and "Short-term borrowings".
CFH: Cash flow "hedges".

Apart from the five caps that will come due for a nominal value of €110 million, changes in interest rate derivatives between December 31, 2012 and December 31, 2013 are the result of hedging adjustments following the €500 million fixed-rate bond issue on May 29, 2013:

- the unwinding in June 2013 of a swap at a nominal €105 million, resulting in a cash outflow of €4.8 million.
- the modification of the swaps benchmark at a nominal €75 million so as to bring it in line with the Group's variable-rate financing.
- termination of two rate swaps at respective nominals of €105 million and €25 million.

Since the hedged risk still remained, the restructuring had no impact on the income statement at the time (the restructured swaps were recorded as cash-flow hedges):

- The effective portion of hedging instruments accumulated into equity will be amortized in profit or loss over the initial period hedged (June 2013 to February 2019). The effect of this amortization will be to correct the interest expense recorded in profit or loss on the €500 million fixed-rate bond issue of May 29, 2013.
- The subsequent changes in value of the terminated interest rate swaps will be recorded in profit or loss.

5.2.8.1.2 Amounts recognized in equity under "Other Comprehensive Income"

In thousands of euros	Balance before tax recorded in OCI* December 31, 2012	Transactions in the period ****	Change in fair value of derivatives	Fair value adjustments reclassified in profit or loss	Balance before tax recorded in OCI* December 31, 2013
Effective portion of gains and losses on derivatives in the portfolio	(20,110)	14,808	3,672	–	(1,630)
Effect of August 2010** and February 2012*** restructuring of the derivatives portfolio	2,591	–	–	667	3,258
Effect of June 2013 restructuring of the derivatives portfolio***	–	(14,808)	–	2,226	(12,582)
Total	**(17,519)**	**–**	**3,672**	**2,893**	**(10,954)**

In thousands of euros	Balance before tax recorded in OCI* December 31, 2011	Transactions in the period	Change in fair value of derivatives	Fair value adjustments reclassified in profit or loss	Balance before tax recorded in OCI* December 31, 2012
Effective portion of gains and losses on derivatives in the portfolio	(11,937)	–	(8,173)	–	(20,110)
Effect of August 2010 restructuring of the derivatives portfolio**	1,675	–	–	248	1,923
Effect of February 2012 restructuring of the derivatives portfolio**	–	–	–	668	668
Total	**(10,262)**	**–**	**(8,173)**	**916**	**(17,519)**

* OCI "Other Comprehensive Income" or "Consolidated Statement of Comprehensive Income".
** and ***Restructuring of derivatives portfolio with no impact on cash flow, so as to extend maturity of hedging instruments.
****See Note 5.2.8.1.1.

5.2.8.1.3 Impact of hedging on the income statement

In thousands of euros	December 31, 2013	December 31, 2012
Effective component of hedging instruments related to derivatives portfolio (hedging of interest rates accruing over the period)	(5,131)	(6,145)
Reclassification in profit or loss of accumulated gains and losses following past restructurings*	(2,893)	(916)
Time value of caps	161	(1,633)
Changes in fair value of instruments that do not qualify for hedge accounting	1,722	–
Total**	**(6,141)**	**(8,694)**

* See Note 5.2.8.1.2 "Reclassified in profit or loss".
** See "Losses on interest rate instruments" in Note "4.6 Finance costs and other financial income and expenses, net".

5.2.8.2. Currency hedges

The Group uses derivatives to hedge its exposure to currency risks. Changes in fair value of derivatives that qualify for hedge accounting as per IAS 39 are recorded under "Other comprehensive income"; changes in fair value of derivatives that do not qualify for hedge accounting are recognized in profit or loss.

	31 December 2013				December 31, 2012			
	Fair value in € thousands	**Nominal** in foreign currency thousands	**Medium-term exchange rate** Currency/ Euro	**Exchange rate at December 31, 2013** Currency/Euro	**Fair value** in € thousands	**Nominal** in foreign currency thousands	**Medium-term exchange rate** Currency/ Euro	**Exchange rate at December 31, 2012** Currency/Euro
Net sell position (If <0, net buy position)								
USD - Forward exchange contract	+592	+13,315	1.3311	1.3791	+73	+13,548	1.2859	1.3194
GBP - Forward exchange contract	+7	+5,631	0.8368	0.8337	(359)	+14,988	0.8271	0.8161
HUF - Forward exchange contract	+36	+906,916	294.80	297.04	+212	+2,153,750	289.7667	292.30
USD - Forward currency swap	+162	(60,800)	1.3770	1.3791	–	–	–	–
GBP - Forward currency swap	(7)	4,200	0.8324	0.8337	–	–	–	–
CZK - Forward currency swap	(21)	(63,304)	27.6550	27.4270	–	–	–	–
PLN - Forward currency swap	(15)	(7,719)	4.186	4.1543	–	–	–	–
RUB - Forward currency swap	–	–	–	–	(5)	(17,850)	41.5770	40.3295
USD - NDF*	–	–	–	–	(232)	+ 4,535	1.4171	1.3194
TOTAL	**+754**				**(310)**			

* NDF = "Non deliverable forward contract".

5.2.9 Trade payables and other operating liabilities

5.2.9.1 Trade payables

In thousands of euros	December 31, 2013	December 31, 2012
Trade payables	802,071	731,539
Due to suppliers of fixed assets	63,028	61,321
Total	**865,099**	**792,860**

5.2.9.2 Other operating liabilities

In thousands of euros	December 31, 2013	December 31, 2012
Accrued employee benefits expense	119,166	115,599
Accrued income taxes	22,728	27,809
Other accrued taxes	41,760	32,539
Other payables	126,852	153,305
Customer prepayments	189,922	174,933
Total	**500,428**	**504,185**

5.2.9.3 Trade payables and other operating liabilities by currency

(in thousands of currency units)		Liabilities at December 31, 2013			Liabilities at December 31, 2012		
		Local currency	Euro	%	Local currency	Euro	%
EUR	Euro	725,511	725,511	53%	675,817	675,817	52%
USD	U.S. dollar	350,649	254,259	19%	337,744	255,983	20%
GBP	Pound sterling	44,620	53,520	4%	48,252	59,125	5%
BRL	Brazilian real	80,059	24,576	2%	89,548	33,122	3%
CNY	Chinese yuan	1,363,500	163,311	12%	931,757	113,343	9%
Other	Other currencies		144,351	10%		159,655	12%
Total			**1,365,528**	**100%**		**1,297,045**	**100%**
Including:							
Trade payables			*865,099*	*63%*		*792,860*	*61%*
Other operating liabilities			*500,428*	*37%*		*504,185*	*39%*

The sensitivity of trade payables to changes in exchange rates is not analyzed, as:

- More than half of these payables are in euros;
- The Group's net exposure (trade receivables - trade payables) is not material. For "Trade receivables", see Note 5.1.10.4.

6 CAPITAL MANAGEMENT AND MARKET RISKS

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

6.1 Capital management

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

It seeks funding from the capital markets, leading to capital and financial liabilities management.

Under its capital management, the Group pays dividends to its shareholders and may adjust its strategy in line with changes in economic conditions.

The capital structure may also be adjusted by paying ordinary or special dividends, buying back and canceling Company shares, returning a portion of the share capital to shareholders or issuing new shares and/or securities carrying rights to shares.

The Group uses the gearing ratio – corresponding to the ratio of consolidated net debt to equity – as an indicator of its financial condition. Net debt includes all of the Group's interest-bearing financial liabilities (other than operating payables) less cash and cash equivalents and other financial assets (other than operating receivables), such as loans and marketable securities. At December 31, 2013 and December 31, 2012, the gearing ratio stood at:

In thousands of euros	**December 31, 2013**	**December 31, 2012**
Net debt*	355,199	389,822
Equity and quasi-equity (including government grants)	944,145	830,202
Gearing ratio	**37.62%**	**46.96%**

* See Note 5.2.7.4 "Reconciliation of gross and net debt".

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

A liquidity contract has been set up to support the capital management strategy.

At December 31, 2013, 45,000 Compagnie Plastic Omnium shares and €603,102 in cash were held in the liquidity account compared to 13.808 shares at December 31, 2012 (41,424 shares on a comparable basis with 2013 following the Compagnie Plastic Omnium three-for-one stock split in 2013) and €891,849 in cash.

6.2 Commodities risk – Exposure to plastics risk

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

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

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

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

6.3 Customer risk

At December 31, 2013, 7% of trade receivables were past due, against 10% at December 31, 2012. Trade receivables break down as follows:

Ageing analysis of receivables:

December 31, 2013 *In thousands of euros*	Total outstanding	Not yet due	Due and past-due	Less than 1 month	1-2 months	2-4 months	4-6 months	6-12 months	More than 12 months
Automobile	518,837	494,142	24,695	11,658	4,029	1,452	2,041	2,479	3,036
Environment	68,994	52,241	16,753	7,527	4,570	1,348	586	397	2,325
Unallocated items	3,148	3,107	41	–	–	–	–	–	41 *
Total	**590,979**	**549,490**	**41,489**	**19,185**	**8,599**	**2,800**	**2,627**	**2,876**	**5,402**

* This item corresponds to receivables regarding disposed entities and definitively recognized as receivables with regard to external third parties.

December 31,2012 *In thousands of euros*	Total outstanding	Not yet due	Due and past-due	Less than 1 month	1-2 months	2-4 months	4-6 months	6-12 months	More than 12 months
Automobile	494,808	457,988	36,820	18,523	7,547	3,854	2,209	3,381	1,306
Environment	64,959	45,597	19,362	10,183	3,861	2,535	327	313	2,143
Unallocated items	2,208	2,208	–	–	–	–	–	–	–
Total	**561,975**	**505,793**	**56,182**	**28,706**	**11,408**	**6,389**	**2,536**	**3,694**	**3,449**

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

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

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

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

Undiscounted values can be reconciled to the information listed in the table in Note 6.4.2 on “Financial assets and liabilities”.

In thousands of euros	December 31, 2013		December 31, 2012	
	Undiscounted finance receivables	Carrying amount	Undiscounted finance receivables	Carrying amount
Due in one to five years (see Note 5.1.7)	**43,446**	**41,024**	**47,452**	**43,377**
Other receivables	6,019	6,019	7,753	6,038
Environment Division finance lease receivables	5,485	4,875	6,046	5,206
Automotive Division finance receivables	31,942	30,130	33,653	32,133
Due beyond five years (see Note 5.1.7)	**814**	**722**	**1,651**	**1,484**
Other receivables	19	19	16	16
Environment Division finance lease receivables	795	703	1,635	1,468
Total	**44,260**	**41,746**	**49,103**	**44,861**

6.4.2 Liquidity risk by maturity

Liquidity risk by maturity is calculated on the basis of the undiscounted contractual cash flows of financial assets and liabilities. An analysis of liquidity risk yields the following:

At December 31, 2013:

In thousands of euros	December 31, 2013	Less than 1 year	1 to 5 years	More than 5 years
Financial assets				
Available-for-sale financial assets	1,803	–	1,803	–
Other non-current financial assets*	23,407	–	23,388	19
Finance receivables*	75,038	36,816	37,427	795
Trade receivables**	590,979	585,577	5,402	–
Other financial receivables	2,856	2,856	–	–
Hedging instruments	1,192	1,192	–	–
Cash and cash equivalents***	549,120	549,120	–	–
Total financial assets	**1,244,395**	**1,175,561**	**68,020**	**814**
Financial liabilities				
Non-current borrowings****	1,076,285	28,189	521,567	526,529
Bank overdrafts	6,216	6,216	–	–
Current borrowings	90,023	90,023	–	–
Other current debt	163	163	–	–
Hedging instruments	9,980	9,980	–	–
Trade payables	865,099	865,099	–	–
Total financial liabilities	**2,047,766**	**999,670**	**521,567**	**526,529**
Financial assets and financial liabilities – net#	**(803,371)**	**175,891**	**(453,547)**	**(525,715)**

At December 31, 2012

In thousands of euros	December 31, 2012	Less than 1 year	1 to 5 years	More than 5 years
Financial assets				
Available-for-sale financial assets	2,734	240	2,494	–
Other non-current financial assets*	22,267	15,656	6,595	16
Finance receivables*	81,711	40,377	39,699	1,635
Trade receivables**	561,975	558,527	3,448	–
Other current financial receivables	1,777	1,777	–	–
Hedging instruments	314	314	–	–
Cash and cash equivalents***	328,089	328,089	–	–
Total financial assets	**998,867**	**944,980**	**52,236**	**1,651**
Financial liabilities				
Non-current borrowings****	719,473	12,402	443,980	263,091
Bank overdrafts	6,864	6,864	–	–
Current borrowings	193,599	193,599	–	–
Other current debt	3,382	3,382	–	–
Hedging instruments	20,420	20,420	–	–
Trade payables	792,860	792,860	–	–
Total financial liabilities	**1,736,598**	**1,029,527**	**443,980**	**263,091**
Financial assets and financial liabilities – net#	**(737,731)**	**(84,547)**	**(391,744)**	**(261,440)**

* Undiscounted amounts (see Note 5.1.9 and Note 6.4.1).

** "Trade receivables" includes €41,489 thousand past due at December 31, 2013, against €56,182 thousand at December 31, 2012. See Note 6.3 on "Customer risk".

*** The material increase in net cash and cash equivalents for the period is related to the bond issue (see Note 2.4 "Inaugural bond issue" and Note 5.2.7.2 "Borrowings: private placement notes").

**** Non-current borrowings include the amounts reported in the balance sheet and interest payable over the remaining life of the debt.

\# See Note 5.2.7.3 on confirmed medium-term credit lines and drawdowns: in 2013 and 2012, confirmed and undrawn bank lines of credit largely covered the Group's medium-term cumulative financing needs.

6.5 Currency risk

The Plastic Omnium Group's business is organized for the most part around local plants. This build local-sell local policy helps shield the Company from the effect of exchange rate fluctuations, except on the conversion of the foreign subsidiaries' financial statements.

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

6.6 Interest rate risk

Interest rate risk relates to the effect of possible increases in variable rates on variable rate debt, which would have a negative impact on net financial income. Interest rate risk on debt is managed by the Group with the prime objective of keeping debt financing costs relatively low so as not to threaten profits.

At December 31, 2013, most of the Group's financing was at fixed rates (see Note 5.2.7.6 "Analysis of debt by type of interest rate" and Note 5.2.8.1 "Interest rate hedges").

Financial transactions, particularly interest rate hedges, are carried out with a number of leading financial institutions. A competitive bidding approach is used for all material transactions, with one of the selection criteria being satisfactory resource and counterparty diversification.

At December 31, 2013, all interest rate debt denominated in euros was hedged for periods ranging from six months to six years by means of non-speculative hedging instruments, as at December 31, 2012.

Sensitivity to interest rate changes:

A 100-bps rise in interest rates on the Group's variable rate debt would have led to an increase in interest expense after the impact of hedging of €1.5 million in 2013 compared to €2.6 million in 2012.

A 100-bps fall in interest rates on the Group's variable rate debt would have led to a decrease in interest expense after the impact of hedging of €0.3 million in 2013 and €0.5 million in 2012.

6.7 Additional information about financial assets and liabilities

Financial assets and liabilities by category and fair value break down as follows:

2013 *In thousands of euros*	At amortized cost	At fair value			Total Carrying amount	Valued at cost	Instrument listed on an active market (level 1)	Valuations based on observable market data (level 2)	Valuations based on unobservable market data (level 3)
		Through the income statement	Through shareholders' equity (AFS)**	Through shareholders' equity (CFH hedge)***					
Assets									
Available-for-sale financial assets			1,803		**1,803**	1,803			
Other non-current financial assets	58,750				**58,750**				
Finance receivables	36,496				**36,496**				
Trade receivables	590,979				**590,979**				
Other current financial receivables	2,856				**2,856**				
Hedging instruments		1,192			**1,192**			1,192	
Cash and cash equivalents		549,120			**549,120**		270,455	278,665	
Liabilities									
Non-current borrowings	901,919				**901,919**				
Bank overdrafts	6,216				**6,216**				
Current borrowings	86,860				**86,860**				
Other current debt	163				**163**				
Hedging instruments				9,980	**9,980**			9,980	
Trade payables	865,099				**865,099**				

2012 *In thousands of euros*	**At amortized cost**	**At fair value**			**Total Carrying amount**	**Valued at cost**	**Instrument listed on an active market (level 1)**	**Valuations based on observable market data (level 2)**	**Valuations based on unobservable market data (level 3)**
		Through the income statement	**Through shareholders' equity (AFS)****	**Through shareholders' equity (CFH hedge)*****					
Assets									
Available-for-sale financial assets			2,734		**2,734**	2,734			
Other non-current financial assets	60,518				**60,518**				
Finance receivables	40,036				**40,036**				
Trade receivables	561,975				**561,975**				
Other current financial receivables	1,777				**1,777**				
Hedging instruments		314			**314**			314	
Cash and cash equivalents		328,089			**328,089**			328,089	
Liabilities									
Non-current borrowings*	605,086				**605,086**				
Bank overdrafts	6,864				**6,864**				
Current borrowings	186,952				**186,952**				
Other current debt	3,382				**3,382**				
Hedging instruments				20,420	**20,420**			20,420	
Trade payables	792,860				**792,860**				

* See Note 5.2.7.4 “Reconciliation of gross and net debt” “Finance lease liabilities” and “Bonds and bank loans” fall under this item.
** AFS: “Available for sale”.
*** CFH: “Cash flow hedge”.

There were no transfers between fair value levels in 2013, as in 2012.

The fair value of financial assets and liabilities at amortized cost was close to the carrying amount, except for long- and short-term debt.

In thousands of euros	**Carrying amount**	**December 31, 2013**		**Fair value**	**December 31, 2013**	
	Total	**Current portion**	**Non-current portion**	**Total**	**Current portion**	**Non-current portion**
Bonds and bank loans	975,557	80,342	895,215	991,019	80,199	910,821

Means of measuring fair value:

- The fair value of listed bonds is determined on the basis of listed prices (level 1). The fair value of other borrowings is determined in each case by discounting future cash flows at a rate corresponding to the Euribor yield curve at year-end, corrected for the Group's credit risk (level 2);
- The fair value of monetary and non-monetary UCITS is measured according to their last known liquidity value (level 1). the fair value of interest rate products (certificates of deposits, time-deposit accounts, negotiable medium term notes, etc.) is based on discounted future cash flows (nominal and interest) for the remaining duration of the product at year-end (level 2). The discount rate used is the market rate matching the product's maturity and characteristics;
- Other financial assets and finance receivables: items made up essentially of finance receivables recorded at discounted value once their maturity exceeds one year.

7 Additional information

7.1 Number of employees at year-end

Employees	December 2013			December 2012			
	Excluding temporary staff	Temporary staff	Total	Excluding temporary staff	Temporary staff	Total	Total change
France	4,692	742	**5,434**	4,831	416	**5,247**	4%
%	*26.1%*	*18.1%*	*24.6%*	*26.3%*	*15.4%*	*24.9%*	
Europe excluding France	5,439	1,231	**6,670**	5,572	637	**6,209**	7%
%	*30.3%*	*30.1%*	*30.2%*	*30.4%*	*23.7%*	*29.5%*	
North America	3,129	525	**3,654**	2,849	543	**3,392**	8%
%	*17.4%*	*12.8%*	*16.6%*	*15.5%*	*20.2%*	*16.1%*	
Asia and South America*	4,711	1,598	**6,309**	5,089	1,097	**6,186**	2%
%	*26.2%*	*39.0%*	*28.6%*	*27.7%*	*40.7%*	*29.4%*	
Total	**17,971**	**4,096**	**22,067**	**18,341**	**2,693**	**21,034**	**5%**
Of which, employees of joint ventures adjusted on the basis of the Group's percentage interest in the joint ventures	*847*	*409*	*1,256*	*1,567*	*123*	*1,690*	*–26%*

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

7.2 Off-balance sheet commitments

7.2.1 Commitments given and received

At December 31, 2013

In thousands of euros	Total	Intangible assets	Property plant and equipment	Financial assets and liabilities	Other non-financial current assets/liabilities
Surety bonds given	(21,525)	(580)	(447)	(1,219)	(19,279)
Commitments to purchase assets	(17,743)	–	(17,743)	–	–
Debt collateral (mortgages)	(5,010)	–	(5,010)	–	–
Other off-balance sheet commitments	(11,191)	–	–	(1,500)	(9,691)
Total commitments given	**(55,469)**	**(580)**	**(23,200)**	**(2,719)**	**(28,970)**
Surety bonds received	5,334	–	338	–	4,996
Other commitments received	262	33	229	–	–
Total commitments received	**5,596**	**33**	**567**	**–**	**4,996**
Total commitments – net	**(49,873)**	**(547)**	**(22,633)**	**(2,719)**	**(23,974)**

At December 31, 2012

In thousands of euros	Total	Property, plant and equipment	Financial assets and liabilities	Non-financial current assets/ liabilities
Surety bonds given	(25,562)	(349)	(3,650)	(21,563)
Commitments to purchase assets	(25,625)	(25,625)	–	–
Debt collateral (mortgages)	(5,416)	(5,416)	–	–
Guarantees	(25,883)	(1,435)	(24,448)	–
Other off-balance sheet commitments	(28,239)	(703)	(13,688)	(13,848)
Total commitments given	**(110,725)**	**(33,528)**	**(41,786)**	**(35,411)**
Surety bonds received	4,411	740	–	3,671
Other commitments received	181	181	–	–
Total commitments received	**4,592**	**921**	**–**	**3,671**
Total commitments - net	**(106,133)**	**(32,607)**	**(41,786)**	**(31,740)**

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

7.2.2 Operating leases where the Group is lessee

In thousands of euros	**December 31, 2013**	**December 31, 2012**
Minimum lease payments under non cancelable operating leases		
• Due within one year	36,957	40,524
• Due in one to five years	93,412	99,024
• Due beyond five years	34,459	33,596
Total	**164,828**	**173,144**

7.2.3 Right to individual training (DIF)

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

Number of hours	**December 31, 2013**	**December 31, 2012**
2004 to 2012		513,718
2004 to 2013	490,224	

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 corporate officers

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

The stock option plan approved by the Combined Shareholders' Meeting of April 25, 2013 was entered into by the Board of Directors on July 23, 2013. The Board granted 360,000 stock options (120,000 stock options before Compagnie Plastic Omnium's three-for-one stock split on September 10, 2013) to senior executives and corporate officers. This plan took effect on August 7, 2013 and will be exercisable as from August 7, 2017 for a period of three years. Vesting of the stock options granted is subject to market conditions.

The table below shows the total compensation and benefits paid to members of the Board of Directors and senior executives:

In thousands of euros	**Paid or payable by**	**2013**	**2012**
Directors' fees	Paid by Compagnie Plastic Omnium	103	64
Directors' fees	Paid by companies controlled by Compagnie Plastic Omnium (excl. Compagnie Plastic Omnium) and by Burelle SA	542	344
Gross compensation	Payable by the Plastic Omnium Group	5,146	4,615
Supplementary pension plans	Payable by the Plastic Omnium Group	1,826	1,320
Cost of stock option plans	Payable by the Plastic Omnium Group	702	344
	Cost spread over the vesting period	*403*	*254*
	Social contributions related to the new plan over the period	*299*	*90*
Total Compensation		**8,319**	**6,687**

The rate of social contributions in stock option plans rose from 14% in 2012 to 30% in 2013. The table below shows the share of contributions to the stock options of senior executives and corporate officers:

Amounts in thousands of euros *In units for the number of options*	August 7, 2013 plan	March 21, 2012 plan
Rate of contribution of payroll taxes on stock option plans	*30.00%*	*14.00%*
Total number of options forming part of the basis on which contributions are calculated	993,000	2,668,500
Total amount of contributions	**1,319**	**626**
Number of share options of executive corporate officers*	360,000	780,000
Social contributions on stock options of executive corporate officers	**299**	**90**

* 260,000 stock options were granted to senior executives and corporate officers in 2012. This number must be multiplied by three as a result of Compagnie Plastic Omnium's three-for-one stock split on September 10, 2013.

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

At December 31, 2013

In thousands of euros	Direct and indirect costs	Royalties and management fees	Financial income and expenses	Current accounts	Deposits	Trade payables	Trade receiv-ables	Other receiva-bles	Current and non-current borrowings and debt*
Sofiparc SAS	(599)	(4,055)	(875)	11	913	108	2	–	–
Burelle SA	–	(7,000)	(92)	22	–	2,760	6	18	–
Burelle Participations SA	–	–	6	–	–	–	6	–	–

* The Group repaid the €40,000 thousand it had borrowed from Sofiparc SAS on August 30, 2013, with interest.

At December 31, 2012

In thousands of euros	Direct and indirect costs	Royalties and management fees	Financial income and expenses	Current accounts	Deposits	Trade payables	Trade receiv-ables	Other receiva-bles	Current and non-current borrowings and debt
Sofiparc SAS	(710)	(4,537)	(1,347)	–	981	150	–	–	40,327
Burelle SA	2	(6,324)	(6)	3,028	–	–	10	3	–
Burelle Participations SA	–	–	7	–	–	–	–	–	–

7.3.3 Joint ventures

The consolidated financial statements include transactions undertaken by the Group as part of normal trading activities with its joint ventures. These transactions take place at market prices.

These joint ventures are managed jointly by Plastic Omnium and other investors. They are consolidated by the Group using the proportional integration method:

	December 2013	December 2012
Plastic Recycling consolidated at	50%	50%
JV Valeo Plastic Omnium SNC and SL consolidated at	50%	50%
JV Yanfeng Plastic Omnium Automotive Ext. Systems and its subsidiaries consolidated at	49.95%	49.95%
JV HBPO GmbH, its subsidiaries and indirect* subsidiary consolidated at	33.33%	33.33%

* JV SHB Automotive Modules (formerly Samlip HBPO South Korea), an indirect subsidiary of HBPO GmbH, is proportionately consolidated on a 16.67% basis.

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

In thousands of euros	**December 2013***	**December 2012***
Revenue	4,536	5,150
Trade receivables	2,192	1,836
Trade payables	991	1,300
Dividends	16,079	10,643
Current accounts	806	486

* Data are presented based on the Group's ownership interest in the joint ventures concerned and before elimination of the Group's internal operations.

7.3.3.2 Aggregated balance sheet data for joint ventures

In thousands of euros	**December 2013***	**December 2012***
Non-current assets	134,339	109,274
Current assets	258,133	212,315
Total assets	**392,472**	**321,589**
Equity	140,480	122,870
Non-current liabilities	5,299	2,686
Current liabilities	246,693	196,033
Total equity and liabilities	**392,472**	**321,589**

* Data are presented based on the Group's ownership interest in the joint ventures concerned and before elimination of the Group's internal operations.

7.3.3.3 Aggregated income statement data for joint ventures

In thousands of euros	**2013***	**2012***
Revenue	**737,101**	**640,672**
Cost of goods and services sold	(678,289)	(586,114)
Net research and development costs	(13,014)	(9,664)
Selling costs	(541)	(585)
Administrative expenses	(14,643)	(12,640)
Operating margin after amortization of intangible assets acquired in business combinations	**30,614**	**31,669**

* Data are presented based on the Group's ownership interest in the joint ventures concerned and before elimination of the Group's internal operations.

7.4 Fees paid to the Statutory Auditors

In thousands of euros	2013		
	Mazars	**Ernst & Young**	**Total**
Audit services	**(1,928)**	**(1,608)**	**(3,536)**
Of which:			
*Compagnie Plastic Omnium**	*(384)*	*(357)*	*(741)*
Subsidiaries	*(1,544)*	*(1,251)*	*(2,795)*
Other fees and services related directly to the duties of the Statutory Auditor	**(105)**	**(105)**	**(210)**
Of which:			
Compagnie Plastic Omnium	*(40)*	*(39)*	*(79)*
Subsidiaries	*(65)*	*(66)*	*(131)*
Total	**(2,033)**	**(1,713)**	**(3,746)**

* As the engagement letter of "Compagnie Plastic Omnium" was the same for 2013 and 2012, there was no change in fees.

In thousands of euros	2012		
	Mazars	**Ernst & Young**	**Total**
Audit services	**(1,653)**	**(1,490)**	**(3,143)**
Of which:			
*Compagnie Plastic Omnium**	*(384)*	*(357)*	*(741)*
Subsidiaries	*(1,269)*	*(1,133)*	*(2,402)*
Other fees and services related directly to the duties of the Statutory Auditor	**(135)**	**(103)**	**(238)**
Of which:			
Compagnie Plastic Omnium	–	–	–
Subsidiaries	*(135)*	*(103)*	*(238)*
Total	**(1,788)**	**(1,593)**	**(3,381)**

7.5 Position of the Group with regard to the new mandatory standards effective from January 1, 2014

At December 31, 2013, the consolidated financial statements of Compagnie Plastic Omnium, which were drawn up in accordance with the IFRS standards in force, reflected the economic and managerial situation of the Group:

- entities held at over 50% were fully consolidated;
- entities held at 50% or less were consolidated to the extent of Compagnie Plastic Omnium's influence.

In order to provide an accurate picture of the economic and managerial situation of the Group in a consistent manner, Compagnie Plastic Omnium will continue to provide information and apply the same consolidation methods as in 2013, and thus to report, manage and control these entities as it has done up until now.

Furthermore, starting from January 1, 2014, Compagnie Plastic Omnium will apply the new IFRS 10-11-12 standards as published, when preparing its consolidated financial statements, with the result that entities in which Compagnie Plastic Omnium holds an interest of 50% or less will be accounted for using the equity method.

7.6 Consolidating entity

Compagnie Plastic Omnium is fully consolidated in the accounts of Burelle SA, which owns 56.09% of its capital, or 59.35% after the impact of canceling treasury stock.

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

7.7 Subsequent events

No event likely to have a material impact on the Group's business, financial position, earnings or assets and liabilities at December 31, 2013 has occurred since the balance sheet date.

List of consolidated companies at December 31, 2013

Legal name		Reportable segments			December 31, 2013			December 31, 2012			Tax group
		Auto-motive	Environment	Un-allocated	Con-solidation method	% of voting rights	% of interest	Con-solidation method	% of voting rights	% of interest	
France											
COMPAGNIE PLASTIC OMNIUM SA				•	Parent company			Parent company			1 - a
PLASTIC OMNIUM SYSTÈMES URBAINS SAS			•		FC	100	100	FC	100	100	1 - b
METROPLAST SAS			•		FC	100	100	FC	100	100	1 - b
LA RÉUNION VILLES PROPRES SAS			•		FC	100	100	FC	100	100	1 - b
PLASTIC OMNIUM CARAÏBES SAS	x2012 d		•		FC	100	100	FC	100	100	1 - b
INERGY AUTOMOTIVE SYSTEMS FRANCE SAS		•			FC	100	100	FC	100	100	1 - a
PLASTIC RECYCLING SAS		•			P	50	50	P	50	50	
PLASTIC OMNIUM AUTO EXTÉRIEUR SA		•			FC	100	100	FC	100	100	1 - a
PLASTIC OMNIUM AUTO EXTÉRIEUR SERVICES SAS		•			FC	100	100	FC	100	100	1 - a
TRANSIT SAS	e2013		•		FC	100	100	FC	100	100	1 - a
PLASTIC OMNIUM GESTION SNC				•	FC	100	100	FC	100	100	1 - a
PLASTIC OMNIUM FINANCE SNC				•	FC	100	100	FC	100	100	1 - a
LUDOPARC SAS			•		FC	100	100	FC	100	100	1 - a
PLASTIC OMNIUM AUTO SAS	d2013			•	FC	100	100	FC	100	100	1 - a
PLASTIC OMNIUM ENVIRONNEMENT SAS			•	•	FC	100	100	FC	100	100	1 - a
PLASTIC OMNIUM AUTO EXTERIORS SAS		•			FC	100	100	FC	100	100	1 - a
PLASTIC OMNIUM COMPOSITES HOLDING SAS	d2013	•			FC	100	100	FC	100	100	1 - a
INERGY AUTOMOTIVE SYSTEMS SAS		•			FC	100	100	FC	100	100	1 - a
INERGY AUTOMOTIVE SYSTEMS MANAGEMENT SAS		•			FC	100	100	FC	100	100	1 - a
PLASTIC OMNIUM ENVIRONNEMENT GUYANE SAS	d2013, x2012 e		•		FC	100	100	FC	100	100	1 - b
VALEO PLASTIC OMNIUM SNC		•			P	50	50	P	50	50	
BEAUVAIS DIFFUSION SAS			•		FC	100	100	FC	100	100	1 - b
PLASTIC OMNIUM VERNON SAS		•			FC	100	100	FC	100	100	1 - a
TECHNIQUES ET MATÉRIELS DE COLLECTE - "TEMACO" SAS			•		FC	100	100	FC	100	100	1 - b
PLASTIC OMNIUM COMPOSITES SA		•			FC	100	100	FC	100	100	1 - a
MIXT COMPOSITES ET RECYCLABLES - MCR SAS		•			FC	100	100	FC	100	100	1 - a
PLASTIC OMNIUM ENVIRONNEMENT HOLDING SAS	x2012 a, d21			•	FC	100	100	FC	100	100	1 - b
SIGNALISATION FRANCE SA	x2012 b			•	FC	100	100	FC	100	100	1 - b
SULO FRANCE SAS			•		FC	100	100	FC	100	100	1 - b
PLASTIC OMNIUM AUTO EXTERIORS INDUSTRIES SAS		•			FC	100	100	FC	100	100	
PO INTERNATIONAL SAS	a2013	•			FC	100	100	–	–	–	
INERGY AUTOMOTIVE SYSTEMS INDUSTRIES SAS	a2013	•			FC	100	100	–	–	–	
South Africa											
INERGY AUTOMOTIVE SYSTEMS SOUTH AFRICA LTD		•			FC	100	100	FC	100	100	

Legal name		Reportable segments			December 31, 2013			December 31, 2012			Tax group
		Automotive	Environment	Unallocated	Consolidation method	% of voting rights	% of interest	Consolidation method	% of voting rights	% of interest	
Germany											
PLASTIC OMNIUM GmbH				•	FC	100	100	FC	100	100	2 - b
PLASTIC OMNIUM AUTO COMPONENTS GmbH		•			FC	100	100	FC	100	100	2 - b
PLASTIC OMNIUM ENTSORGUNGSTECHNIK GmbH			•		FC	100	100	FC	100	100	
INERGY AUTOMOTIVE SYSTEMS GERMANY GmbH		•			FC	100	100	FC	100	100	2 - b
HBPO BETEILIGUNGSGESELLSCHAFT GmbH	x2012 f	•			P	33.33	33.33	P	33.33	33.33	
HBPO RASTATT GmbH		•			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	
PLASTIC OMNIUM ENVIRONNEMENT GmbH	x2012 c		•		FC	100	100	FC	100	100	
ENVICOMP SYSTEMLOGISTIK GmbH			•		FC	100	100	FC	100	100	2 - a
WESTFALIA INTRALOG GmbH			•		FC	100	100	FC	100	100	2 - a
SULO EISENWERK STREUBER & LOHMANN GmbH			•		FC	100	100	FC	100	100	2 - b
SULO UMWELTTECHNIK GmbH			•		FC	100	100	FC	100	100	2 - b
SULO UMWELTTECHNIK BETEILIGUNGS GmbH			•		FC	100	100	FC	100	100	
SULO EMBALLAGEN BETEILIGUNGS GmbH	x2012 g		•		FC	100	100	FC	100	100	2 - b
PLASTIC OMNIUM URBAN SYSTEMS GmbH				•	FC	100	100	FC	100	100	2 - a
PLASTIC OMNIUM COMPOSITES GmbH		•			FC	100	100	FC	100	100	2 - b
RMS ROTHERM MASCHINENBAU GmbH			•		FC	70	70	FC	70	70	
HBPO INGOLSTADT GmbH		•			P	33.33	33.33	P	33.33	33.33	
HBPO REGENSBURG GmbH	a2013	•			P	33.33	33.33	–	–	–	
Argentina											
INERGY AUTOMOTIVE SYSTEMS ARGENTINA SA		•			FC	100	100	FC	100	100	
PLASTIC OMNIUM SA		•			FC	100	100	FC	100	100	
Belgium											
PLASTIC OMNIUM AUTOMOTIVE NV		•			FC	100	100	FC	100	100	
PLASTIC OMNIUM NV			•		FC	100	100	FC	100	100	
INERGY AUTOMOTIVE SYSTEMS RESEARCH NV		•			FC	100	100	FC	100	100	
INERGY AUTOMOTIVE SYSTEMS BELGIUM SA		•			FC	100	100	FC	100	100	
SULO NV	d2013		•		FC	100	100	FC	100	100	
Brazil											
INERGY AUTOMOTIVE SYSTEMS DO BRASIL LTDA		•			FC	100	100	FC	100	100	
PLASTIC OMNIUM DO BRASIL LTDA		•	•		FC	100	100	FC	100	100	
Canada											
INERGY AUTOMOTIVE SYSTEMS CANADA INC		•			FC	100	100	FC	100	100	
HBPO CANADA INC		•			P	33.33	33.33	P	33.33	33.33	
Chile											
PLASTIC OMNIUM SA			•		FC	100	100	FC	100	100	
China											
PLASTIC OMNIUM COMPOSITES (Jiangsu) CO LTD	f2013, x2013 a	•			FC	100	100	FC	60	60	
INERGY AUTOMOTIVE SYSTEMS (WUHAN) CO LTD		•			FC	100	100	FC	100	100	
YANFENG PLASTIC OMNIUM AUTOMOTIVE EXTERIOR SYSTEMS CO LTD		•			P	49.95	49.95	P	49.95	49.95	

Legal name		Reportable segments			December 31, 2013			December 31, 2012			Tax group
		Auto-motive	Environment	Un-allocated	Con-solidation method	% of voting rights	% of interest	Con-solidation method	% of voting rights	% of interest	
PLASTIC OMNIUM INERGY (SHANGHAI) CONSULTING CO LTD	x2013 b	•			FC	100	100	FC	100	100	
INERGY AUTOMOTIVE SYSTEMS CONSULTING (BEIJING) CO LTD		•			FC	100	100	FC	100	100	
INERGY AUTOMOTIVE SYSTEMS MANUFACTURING (Beijing) CO LTD		•			FC	60	60	FC	60	60	
CHONGQING YANFENG PLASTIC OMNIUM AUTOMOTIVE EXTERIOR FAWAY CO LTD		•			P	49.95	25.47	P	49.95	49.95	
GUANGZHOU ZHONGXIN YANFENG PLASTIC OMNIUM AUTOMOTIVE EXTERIOR TRIM CO LTD		•			P	49.95	25.47	P	49.95	49.95	
CHENGDU FAWAY YANFENG PLASTIC OMNIUM CO LTD		•			EM.	24.48	24.48	EM.	24.48	24.48	
HBPO CHINA CO LTD		•			P	33.33	33.33	P	33.33	33.33	
YANFENG PLASTIC OMNIUM (SHANGHAI) AUTOMOTIVE EXTERIOR SYSTEM CO LTD		•			P	49.95	49.95	P	49.95	49.95	
DONGFENG PLASTIC OMNIUM AUTOMOTIVE EXTERIOR SYSTEMS CO LTD		•			EM.	24.95	24.95	EM.	24.95	24.95	
INERGY AUTOMOTIVE SYSTEMS GUANGZHOU CO LTD	a2012	•			FC	100	100	FC	100	100	
INERGY AUTOMOTIVE SYSTEMS SHENYANG CO LTD	a2012	•			FC	100	100	FC	100	100	
YANFENG PLASTIC OMNIUM YIZHENG AUTOMOTIVE EXTERIOR SYSTEMS CO. LTD	a2012	•			P	49.95	49.95	P	49.95	49.95	
PLASTIC OMNIUM HOLDING (SHANGHAI) CO. LTD	a2012			•	FC	100	100	FC	100	100	
YANFENG PLASTIC OMNIUM (TIEXI) AUTOMOTIVE EXTERIOR SYSTEMS CO. LTD	a2013	•			P	49.95	49.95	–	–	–	
YANFENG PO NINGBO AUTOMOTIVE EXTERIOR SYSTEMS CO. LTD	a2013	•			P	49.95	49.95	–	–	–	
YANFENG PO WUHAN AUTOMOTIVE EXTERIOR SYSTEMS CO. LTD	a2013	•			P	49.95	49.95	–	–	–	
(NINGBO) PLASTIC OMNIUM AUTO INERGY CO LTD	a2013	•			FC	100	100	–	–	–	
South Korea											
SHB AUTOMOTIVE MODULES		•			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		•			FC	100	100	FC	100	100	
HBPO PYEONGTAEK LTD	a2013	•			P	33.33	33.33	–	–	–	
Spain											
COMPANIA PLASTIC OMNIUM SA				•	FC	100	100	FC	100	100	3
PLASTIC OMNIUM EQUIPAMIENTOS EXTERIORES SA		•			FC	100	100	FC	100	100	3
PLASTIC OMNIUM SISTEMAS URBANOS SA			•		FC	100	100	FC	100	100	3
INERGY AUTOMOTIVE SYSTEMS VALLADOLID SL		•			FC	100	100	FC	100	100	
INERGY AUTOMOTIVE SYSTEMS SPAIN SA (Arevalo/Vigo)		•			FC	100	100	FC	100	100	
VALEO PLASTIC OMNIUM SL		•			P	50	50	P	50	50	
PLASTIC OMNIUM COMPOSITES ESPAÑA SA		•			FC	100	100	FC	100	100	3
HBPO IBERIA SL		•			P	33.33	33.33	P	33.33	33.33	
SIGNATURE SEÑALIZACIÓN SA	f21		•		FC	100	100	FC	100	100	
HBPO AUTOMOTIVE SPAIN SL		•			P	33.33	33.33	P	33.33	33.33	

Legal name		Reportable segments			December 31, 2013			December 31, 2012			Tax group
		Automotive	Environment	Unallocated	Consolidation method	% of voting rights	% of interest	Consolidation method	% of voting rights	% of interest	
PLASTIC OMNIUM COMPONENTES EXTERIORES SL		•			FC	100	100	FC	100	100	3
United States											
PLASTIC OMNIUM AUTO EXTERIORS LLC		•			FC	100	100	FC	100	100	4
PERFORMANCE PLASTICS PRODUCTS - 3 P INC.	e2012			•	–	–	–	FC	100	100	4
PLASTIC OMNIUM INC.				•	FC	100	100	FC	100	100	4
PLASTIC OMNIUM INDUSTRIES INC.				•	FC	100	100	FC	100	100	4
INERGY AUTOMOTIVE SYSTEMS (USA) LLC		•			FC	100	100	FC	100	100	4
PLASTIC OMNIUM AUTOMOTIVE SERVICES INC.		•			FC	100	100	FC	100	100	4
HBPO NORTH AMERICA INC.		•			P	33.33	33.33	P	33.33	33.33	
INERGY AUTOMOTIVE SYSTEMS HOLDING INC.		•			FC	100	100	FC	100	100	
Hungary											
HBPO MANUFACTURING HUNGARY Kft		•			P	33.33	33.33	P	33.33	33.33	
HBPO AUTOMOTIVE HUNGARIA Kft	a2012	•			P	33.33	33.33	P	33.33	33.33	
India											
PLASTIC OMNIUM AUTO EXTERIORS (INDIA) PVT LTD	f2012-x2012 h	•			FC	100	100	FC	100	100	
INERGY AUTOMOTIVE SYSTEMS INDIA PVT LTD		•			FC	100	100	FC	100	100	
INERGY AUTOMOTIVE SYSTEMS MANUFACTURING INDIA PVT LTD		•			FC	55	55	FC	55	55	
Ireland											
INERGY AUTOMOTIVE SYSTEMS REINSURANCE LTD	e2013	•			FC	100	100	FC	100	100	
Japan											
INERGY AUTOMOTIVE SYSTEMS KK		•			FC	100	100	FC	100	100	
Malaysia											
HICOM HBPO SDN BHD	a2013	•			EM	13.33	13.33	–	–	–	
Morocco											
INERGY AUTOMOTIVE SYSTEMS (MOROCCO) SARL		•			FC	100	100	FC	100	100	
Mexico											
PLASTIC OMNIUM AUTOMÓVIL SA DE CV		•			FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO EXTERIORES SA DE CV		•			FC	100	100	FC	100	100	
PLASTIC OMNIUM INDUSTRIAL AUTO EXTERIORES RAMOS ARIZPE SA DE CV		•			FC	100	100	FC	100	100	
PLASTIC OMNIUM DEL BAJIO SA DE CV		•			FC	100	100	FC	100	100	
INERGY AUTOMOTIVE SYSTEMS MEXICO SA DE CV		•			FC	100	100	FC	100	100	
INERGY AUTOMOTIVE SYSTEMS INDUSTRIAL MEXICO SA DE CV		•			FC	100	100	FC	100	100	
INOPLAST COMPOSITES SA DE CV		•			FC	100	100	FC	100	100	
INOPLASTIC OMNIUM INDUSTRIAL SA DE CV		•			FC	100	100	FC	100	100	
PLASTIC OMNIUM SISTEMAS URBANOS SA DE CV			•		FC	100	100	FC	100	100	
HBPO MÉXICO SA DE CV		•			P	33.33	33.33	P	33.33	33.33	
PLASTIC OMNIUM MEDIO AMBIENTE SA DE CV			•		FC	100	100	FC	100	100	
PLASTIC OMNIUM TOLUCA SA DE CV		•			FC	100	100	FC	100	100	

Legal name		Reportable segments			December 31, 2013			December 31, 2012			Tax group
		Automotive	Environment	Unallocated	Consolidation method	% of voting rights	% of interest	Consolidation method	% of voting rights	% of interest	
PLASTIC OMNIUM AUTO INDUSTRIAL SRL DE CV	a2012, x2013 d	•			FC	100	100	FC	100	100	
INERGY AUTOMOTIVE INDUSTRIAL SA DE CV	a2012, x2013 c	•			FC	100	100	FC	100	100	
Middle East											
INERGY VLA PLASTIRAN	c2013	•			FC	51	51	FC	51	51	
Netherlands											
PLASTIC OMNIUM BV			•		FC	100	100	FC	100	100	5
PLASTIC OMNIUM INTERNATIONAL BV				•	FC	100	100	FC	100	100	5
SULO BV			•		FC	100	100	FC	100	100	5
DSK PLASTIC OMNIUM BV	a2012	•			FC	51	51	FC	51	51	
Poland											
INERGY AUTOMOTIVE SYSTEMS POLAND Sp. Z.O.O		•			FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO EXTERIORS Sp Z.O.O		•			FC	100	100	FC	100	100	
SULO Sp. Z.O.O			•		FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO Sp Z.O.O		•			FC	100	100	FC	100	100	
Czech Republic											
HBPO CZECH S.R.O		•			P	33.33	33.33	P	33.33	33.33	
SULO S.R.O			•		FC	100	100	FC	100	100	
Romania											
INERGY AUTOMOTIVE SYSTEMS ROMANIA SRL		•			FC	100	100	FC	100	100	
United Kingdom											
PLASTIC OMNIUM AUTOMOTIVE LTD		•			FC	100	100	FC	100	100	6
PLASTIC OMNIUM LTD	e2013			•	FC	100	100	FC	100	100	6
PLASTIC OMNIUM URBAN SYSTEMS LTD			•		FC	100	100	FC	100	100	6
SIGNATURE LTD	f21		•		FC	100	100	FC	100	100	6
SULO MGB LTD			•		FC	100	100	FC	100	100	
HBPO UK LTD		•			P	33.33	33.33	P	33.33	33.33	
POST & COLUMN COMPANY LTD	d2013, f21		•		FC	100	100	FC	100	100	
Russia											
OOO STAVROVO AUTOMOTIVE SYSTEMS		•			FC	100	100	FC	100	100	
DSK PLASTIC OMNIUM INERGY	a2012	•			FC	51	51	FC	51	51	
Singapore											
SULO ENVIRONMENTAL SYSTEMS PTE LTD			•		FC	100	100	FC	100	100	
Slovakia											
PLASTIC OMNIUM AUTO EXTERIORS S.R.O		•			FC	100	100	FC	100	100	
INERGY AUTOMOTIVE SYSTEMS SLOVAKIA S.R.O		•			FC	100	100	FC	100	100	
HBPO SLOVAKIA S.R.O		•			P	33.33	33.33	P	33.33	33.33	
Sweden											
PLASTIC OMNIUM AB			•		FC	100	100	FC	100	100	
Switzerland											
PLASTIC OMNIUM AG			•		FC	100	100	FC	100	100	
PLASTIC OMNIUM RE AG				•	FC	100	100	FC	100	100	
SIGNAL AG	f21		•		FC	50	50	FC	50	50	
Thailand											
INERGY AUTOMOTIVE SYSTEMS (THAILAND) LTD		•			FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTOMOTIVE CO LTD	a2013	•			FC	100	100	–	–	–	

Legal name	Reportable segments			December 31, 2013			December 31, 2012			Tax group
	Automotive	Environment	Unallocated	Consolidation method	% of voting rights	% of interest	Consolidation method	% of voting rights	% of interest	
Turkey										
B.P.O. AS	•			FC	49.98	49.98	FC	49.98	49.98	

Consolidation method and notes:

FC: Full consolidation
P: Proportionate consolidation
EM: Equity method

Movements during the period:

Creation of entities:
a2012 Companies newly-formed and/or in start-up phase in 2012
a2013 Companies newly-formed and/or in start-up phase in 2013

Disposal of entities:
c2012 Companies divested in 2012
c2013 Companies divested in 2013

Merging of entities:
d2012 Companies merged in 2012
d2013 Companies merged in 2013
d21 Merger of "Plastic Omnium Signalisation SAS" into "Plastic Omnium Environnement Holding SAS" in 2012

Liquidation of entities:
e2012 Companies liquidated in 2012
e2013 Companies liquidated in 2013

Buyout of non-controlling interests:
f2012 Non-controlling interests bought out in 2012
f2013 Non-controlling interests bought out in 2013
f21 Non-controlling interests acquired as part of the unwinding of the partnership with Eurovia in 2012 (with effect from January 1, 2012)

Change in company names:

x2013 Companies whose name was changed in 2013
x2013 a The name of "Jiangsu Xieno Automotive Components Co Ltd" was changed on April 18, 2013 to "Plastic Omnium Composites (Jiangsu) Co. Ltd"
x2013 b "Plastic Omnium Inergy (Shanghai) Consulting" is the new name of "Plastic Omnium(Shanghai) Business Consulting Co. Ltd"
x2013 c "Inergy Automotive Industrial SA de CV" is the new name of "Pulidos de Juarez SA de CV". See Note 2.2
x2013 d "Plastic Omnium Auto Industrial SRL de CV" is the new name of "Createc de Mexico SRL de CV"

x2012 Companies whose name was changed in 2012
x2012 a "Plastic Omnium Environnement Holding SAS" is the new name of "Compagnie Signature SAS"
x2012 b "Signalisation France SA" is the new name of "Signature SA"
x2012 c "Plastic Omnium Environnement GmbH" is the new name of "SULO Verwaltung und Technik GmbH"
x2012 d "Plastic Omnium Caraïbes SAS" is the new name of "Plastic Omnium Caraïbes SASU"
x2012 e "Plastic Omnium Environnement Guyane SAS" is the new name of "Plastic Omnium Environnement Guyane SASU"
x2012 f "HBPO Beteiligungsgesellschaft GmbH" is the new name of "HBPO Beteiligungsgesellschaft mbH"
x2012 g "SULO Emballagen Beteiligungs GmbH" is the new name of "SULO Emballagen GmbH"
x2012 h "Plastic Omnium Auto Exteriors (India) PVT Ltd" is the new name of "Plastic Omnium Varroc Private Ltd"

Tax group :

1 - a Plastic Omnium France
1 - b Plastic Omnium Environnement Holding
2 - a Germany Systèmes Urbains
2 - b Germany Plastic Omnium GmbH
3 Spain
4 United States
5 Netherlands
6 United Kingdom

— 5.7 — Statutory Auditors' report on the consolidated financial statements

Year ended December 31, 2013

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

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

This report also includes information relating to the specific verification of information given in the Group's management report.

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

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2013, 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 December 31, 2013 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to the matter set out in Note 1.1 to the consolidated financial statements regarding new accounting standards applied by the company Compagnie Plastic Omnium.

II – Justification of our assessments

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

- Goodwill has been submitted to impairment tests under rules described in Note 1.16 of the financial statements. These tests are based on medium-term plans of the Group. We reviewed implementation methods of these impairment tests, hypothesis used and cash flow forecast retained and checked appropriateness of the information given in the Notes of the financial statements.

- The Note 1.14 of the financial statements explains the accounting method of incurred costs at the demand of automotive manufacturers for the development of new car models equipment. These costs are accounted for depending on the financing terms with the customer and the profitability perspectives of the concerned projects. We assessed the adopted approach by the Company for the valuation of the profitability perspectives of these projects on the basis of evidence available to date.
- The Note 1.30 of the financial statements specifies that deferred tax assets are comprised taking into consideration the likelihood of future deficits carried forward. We assessed the adopted approach by the Company for the valuation of the recoverable aspect of these fiscal deficits on the basis of the evidence available to date, and, we tested by sampling methods their correct application.
- Regarding risks, litigation and contingent liabilities, we examined the processes put in place by the Group in order to inventory them, evaluate them and enforce their accounting translation. We made sure the main litigation identified are described on an appropriate basis, especially in Note 5.2.5 of the financial statements.

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

III – Specific verification

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

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

Paris-La Défense, February 27, 2014

The Statutory Auditors

ERNST & YOUNG AND OTHERS	MAZARS
French original signed by	*French original signed by*
Gilles Rabier	Jean-Luc Barlet

COMPANY FINANCIAL STATEMENTS

06

— 6.1 — Income Statement

In thousands of euros	Note	2013	2012
Net sales*		**2,311**	**1,746**
Provision reversals and expense transfers		2,750	1,537
Other operating revenue*		22,544	21,280
Total operating revenue	**L**	**27,605**	**24,563**
Purchases and other external charges	M	(24,578)	(20,897)
Taxes other than on income		(1,028)	(215)
Depreciation, amortization and provisions	N	(1,359)	(199)
Other expenses		(3,816)	(3,771)
Net operating income (loss)		**(3,176)**	**(519)**
Net financial income	**O**	**221,857**	**243,775**
Income before non-operating items		**218,681**	**243,256**
Non-operating items	P	(5,353)	6,448
Income before tax		213,328	249,704
Corporate income tax	Q	9,198	2,884
Net income		**222,526**	**252,587**
* Net sales and other operating revenue		24,855	23,026

— 6.2 — Balance Sheet

Assets

In thousands of euros	Note	2013			2012
		Gross	Depreciation, amortization and provisions	Net	Net
Non-current assets					
Intangible assets	A	8,818	891	7,927	7,934
Property, plant and equipment	B	36,323	3,226	33,097	7,178
Investments	C	864,297	18,698	845,599	717,455
Total non-current assets		**909,438**	**22,815**	**886,623**	**732,567**
Current assets					
Prepayments to suppliers	D	18	0	18	13
Trade receivables	D	2,399	0	2,399	2,446
Other receivables		624,012	3,466	620,546	575,173
Cash and cash equivalents	E	302,968	0	302,968	29,740
Total current assets		**929,397**	**3,466**	**925,931**	**607,372**
Prepaid expenses	F	568	0	568	176
Deferred charges (debt issuance costs)	F	3,932	0	3,932	1,556
Bond redemption premiums	F	5,007	0	5,007	1,662
Translation loss on FX payables and receivables	F	1,302	0	1,302	3,853
Total		**1,849,644**	**26,281**	**1,823,363**	**1,347,186**

Liabilities And Shareholders' Equity

In thousands of euros	Note	2013	2012
Shareholders' equity			
Share capital	G	9,299	8,782
Additional paid-in capital	H	65,913	65,913
Other reserves	I	676,337	461,543
Net income for the year		222,526	252,587
Tax-regulated provisions	J	517	583
Total equity		**974,592**	**789,408**
Provisions for contingencies and charges	J	25,363	24,955
Liabilities			
Bonds		759,011	252,123
Bank borrowings		22,054	178,741
Other borrowings		207	74,968
Trade payables		13,059	4,912
Accrued taxes and payroll costs		1,315	1,665
Other liabilities		24,579	17,402
Total liabilities	**K**	**820,225**	**529,811**
Accrued charges and deferred income		3,183	3,012
Total		**1,823,363**	**1,347,186**

Notes: Compagnie Plastic Omnium had net cash of €109.4 million in 2013 vs. €73.1 million in 2012.

— 6.3 — Notes To The Company Financial Statements

In thousands of euros	
Financial position	
Capital	9,299
Equity	974,592
Net financial liabilities	109,400
Net non-current assets	886,623
Total assets	**1,823,363**
Results of operations	
Operating revenue	27,605
Net operating income (loss)	(3,176)
Income before non-operating items	218,681
Non-operating items	(5,353)
Net income	**222,526**
Earnings per share (in euros)	**1,44**

SIGNIFICANT EVENTS OF THE YEAR

Bond issue

On May 21, 2013, Compagnie Plastic Omnium completed the inaugural issue of a €500 million Euro Bond, listed on Euronext Paris without covenants.

The key features of the bond are described in note K.

Development of the real estate portfolio

Compagnie Plastic Omnium owns a number of plots of land in the Gerland neighborhood of Lyon.

The Company decided to develop these assets by initiating construction of a 33,000 sq.m. office building for rent. On January 29, 2013, Sanofi group signed a 12-year lease on two-thirds of the building.

Building work began in early 2013 and a €26.8 million cost was recorded for construction work in progress at December 31, 2013. The building is scheduled for completion in the first quarter 2015.

Organizational chart

To simplify its investment holding structure, on August 28, 2013, Compagnie Plastic Omnium dissolved without liquidation its wholly owned subsidiary Plastic Omnium Auto SAS, and on December 3, 2013, transferred its equity investments to its subsidiary Plastic Omnium Auto Exteriors, the holding company for most of the Company's "Exteriors" business entities. All assets and liabilities of the liquidated company were taken at book value by the new holding company.

Accounting policies

The financial statements of Compagnie Plastic Omnium have been prepared in accordance with French generally accepted accounting policies (CRC Regulation No. 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 2013 financial statements are the same as those used in the previous year. The significant accounting policies applied are described below.

Intangible assets

Intangible assets mainly comprise trademarks and patents, which are not amortized.

However, patent filing fees are recognized as costs in the income statement as incurred.

Property, plant and equipment

Compagnie Plastic Omnium owns a multipurpose office complex in Nanterre, France. The Company decided to use this complex for its own operations from January 1, 2013. It was previously let.

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

- Buildings 20-40 years;
- Fixtures and fittings 10 years;
- Office equipment and furniture 5-10 years.

Investments

Investments in subsidiaries and affiliates are initially recognized at cost or transfer value. Where applicable, impairment provisions are taken when the value in use is lower than the carrying amount.

Value in use is based on a proportional share of equity and profit outlook in view of current market conditions as set out in the subsidiaries' medium-term business plans.

Treasury stock

The Company has been authorized by shareholders to purchase its own shares to (i) maintain a liquid market for its shares under a liquidity contract with an investment firm, (ii) reduce the share capital by canceling shares, (iii) cover current or future stock option or stock grant plans for employees and officers of the Group, or (iv) hold in treasury for subsequent delivery in exchange or payment for acquisitions.

The accounting classification of treasury stock depends on their final purpose:

- Shares held to pay for acquisitions, reduce share capital or maintain stock liquidity are classified as investments;
- Shares held to cover current or future stock option plans are classified as short-term investment securities.

Treasury shares are measured in line with their accounting classification (investments, stock option plans, acquired under liquidity contract) using a FIFO (first in, first out) method.

They are initially recognized at cost and impairment is recorded where the carrying amount is higher than the market value. For shares allocated to covering stock option plans, market value is the lower of the exercise price of the options granted and the stock market price.

For shares otherwise classified, market value is determined on the basis of the average quoted stock market price during the month before the balance sheet date.

Foreign currency transactions

Unhedged foreign currency payables and receivables are recorded at the transaction date exchange rate and remeasured on the balance sheet date at the year-end rate.

Resulting gains and losses are recognized as translation losses/gains on FX payables and receivables. Provisions are recorded for unrealized translation losses.

Long- and short-term debt

Issuance costs and redemption premiums are spread over the life of the bond using the compound interest rate method.

NOTES TO THE BALANCE SHEET

A – Intangible assets

In thousands of euros	2012	+	–	2013
Patents, trademarks and licenses	8,818			8,818
Total, gross	**8,818**			**8,818**
Accumulated amortization	884	7		891
Total, net	**7,934**	**(7)**		**7,927**

B – Property, plant and equipment

In thousands of euros	2012	+	–	2013
Land	1,541	862	116	2,287
Buildings	3,520	2,134	862	4,792
Fixtures and fittings	2,594		415	2,179
Office equipment and furniture	84	104		188
Property, plant and equipment in progress	2,774	16,334	2,231	16,877
Prepayments to suppliers of non-current assets		10,000		10,000
Total, gross	**10,513**	**29,434**	**3,624**	**36,323**
Accumulated amortization	3,335	306	415	3,226
Total, net	**7,178**	**29,128**	**3,209**	**33,097**

The increase in property, plant and equipment in progress at December 31, 2013, reflects the ongoing construction of an office building complex in Lyon, expected to be completed in early 2015.

A €10 million advance was paid to the construction company responsible for the project.

The change in buildings reflects renovation work on the Nanterre building, used by the Group for its own operations since January 1, 2013.

C – Investments

In thousands of euros	2012	+	–	2013
Shares in subsidiaries and affiliates	734,164	137,995	39,826	832,333
Other long-term investments	2,458	36,037	23,716	14,779
Loans	129	17,056		17,185
Total, gross	**736,751**	**191,088**	**63,542**	**864,297**
Provisions for impairment	19,296	704	1,302	18,698
Total, net	**717,455**	**190,384**	**62,240**	**845,599**

The increase in shares in subsidiaries and affiliates is mainly due to the TUP (Transmission Universelle de Patrimoine – universal transfer of assets and liabilities) of Plastic Omnium Auto SAS to Compagnie Plastic Omnium. The resulting addition to the Company's assets included €127,592 thousand of shares in the following companies:

- Plastic Omnium Auto Exteriors SAS;
- Plastic Omnium Inc, the holding company for Plastic Omnium Group's US subsidiaries;
- Inergy Automotive Systems SAS, the holding company for most of the "fuel systems" subsidiaries.

Following these transactions, Compagnie Plastic Omnium now owns 100% of both these holding companies.

Other increases in shares in subsidiaries and affiliates in 2013 mainly comprised the €10 million capitalization of Plastic Omnium Holding (Shanghai) Co Ltd, which remains wholly owned.

The main reductions resulted from the Plastic Omnium Auto TUP and liquidation of the subsidiary Transit.

At December 31, 2013, impairment provisions for shares in subsidiaries and affiliates totaled €17,993 thousand, versus €19,296 thousand at December 31, 2012. This change mainly reflected the reversal of the provision taken against Transit shares following its liquidation.

Other long-term investments include 656,712 treasury shares. Of these 612,081, carried at €11,666 thousand, are classified for M&A and 44,631, carried at €885 thousand, relate to the liquidity contract.

The change in loans relates to €17 million raised for Chinese subsidiaries, maturing 2018. All loans are made to related companies.

D – Receivables

In thousands of euros	2013	Maturity – 1 year	Related companies
Prepayments to suppliers	18	18	
Trade receivables(1)	2,399	2,399	2,399
Tax receivables(2)	20,602	20,602	
Short-term loans	587,704	587,704	587,704
Other receivables	12,240	4,505	4,505
Total, net	**622,963**	**615,229**	**594,608**

(1) Of which €1,869 thousand in accrued income (including €1,356 thousand in royalties on trademarks, €331 thousand in patent protection costs and €182,000 in re-invoiced costs).
(2) Of which €17,801 thousand in research tax credits and €1,245 thousand in recoverable VAT.

Short-term loans relate to current accounts made available to Group companies under financing arrangements for subsidiaries.

Other receivables represent:

- An additional payment of €7,734 thousand following the disposal of the 3P – Performance Plastic Products business, due in 2015, callable early if the buyer loses control or sells the business;
- Tax current accounts totaling €4,470 thousand owed by various companies belonging to the tax group headed by Compagnie Plastic Omnium.

E – Cash and cash equivalents

In thousands of euros	2012	+	–	2013
Short-term investment securities	28,248	12,296	8,747	31,797
Other short-term investment securities		270,455		270,455
Cash and cash equivalents	1,492		776	716
Total, gross	**29,740**	**282,751**	**9,523**	**302,968**
Impairment provisions	0			0
Total, net	**29,740**	**282,751**	**9,523**	**302,968**

"Short-term investment securities" includes 7,871,450 treasury shares allocated to various stock option plans or intended to cover future plans but not yet allocated. These two categories are valued at €31,627 thousand and €170 thousand, respectively.

At December 31, 2013, Compagnie Plastic Omnium held the following treasury shares:

- 133,650 shares allocated to the stock option plan set up by the Board of Directors on July 24, 2007, acting on authorization granted at the Extraordinary Shareholders' Meeting of April 24, 2007.
- 917,300 shares allocated to the stock option plan set up by the Board of Directors on July 22, 2008, acting on authorization granted at the Extraordinary Shareholders' Meeting of April 24, 2008.
- 3 028 500 shares allocated to the stock option plan set up by the Board of Directors on March 16, 2010, acting on authorization granted at the Extraordinary Shareholders' Meeting of April 28, 2009.
- 2,479,500 shares allocated to the stock option plan set up by the Board of Directors on March 6, 2012, acting on authorization granted at the Extraordinary Shareholders' Meeting of April 28, 2011.
- 1,272,000 shares allocated to the stock option plan set up by the Board of Directors on July 23, 2013, acting on authorization granted at the Extraordinary Shareholders' Meeting of April 25, 2013.
- 40,500 shares held to cover future plans but not yet allocated.

"Other short-term investment securities" includes €270 million of money market funds.

F – Prepaid expenses and accrued income

In thousands of euros	2013	2012
Prepaid expenses	568	176
Deferred charges (debt issuance costs)	3,932	1,556
Bond redemption premiums	5,007	1,662
Translation loss on FX payables and receivables	1,302	3,853
Total, net	**10,809**	**7,247**

Issuance costs and the redemption premium on the Euro Bond are spread over the life of the bond using the compound interest method. They have been added to the issuance costs and redemption premium of the EuroPP private placement raised in 2012.

Prepaid expenses mainly consist of commitment and other fees on unused credit lines.

G – Share capital

Share capital was €9,298,621 at December 31, 2013, represented by 154,977,021 shares with a par value of €0.06 each.

The three-for-one stock split, approved by the Board of Directors on July 23, 2013, following authorization at the Extraordinary Shareholders' Meeting of April 25, 2013, took effect on September 10, 2013, and involved a €517 thousand capitalization of reserves.

H – Additional paid-in capital

Additional paid-in capital was €65,913 thousand at December 31, 2013, unchanged on the year.

I – Retained earnings and other reserves

In thousands of euros	2012	+	–	2013
Revaluation reserve	245			245
Legal reserve	1,465			1,465
Other reserves	41,683		517	41,166
Retained earnings	418,150	215,311		633,461
Total	**461,543**	**215,311**	**517**	**676,337**

The €215,311 thousand increase in retained earnings results from the appropriation of 2012 net income. The reduction in other reserves funded the capital increase resulting from the stock split described above (G).

J – Provisions

In thousands of euros				
Tax-regulated provisions	**2012**	**+**	**–**	**2013**
Excess tax depreciation	583	8	74	517
Total	**583**	**8**	**74**	**517**

Provisions for contingencies and charges	2012	+	Utilized	Surplus	2013
Provisions for foreign exchange losses	3,853	893		3,853	893
Provisions for other contingencies	124	596			720
Provisions for taxes (see Note Q)	20,978	2,772			23,750
Total	**24,955**	**4,261**		**3,853**	**25,363**

K – Liabilities

In thousands of euros	2013	Maturity – 1 year	Related companies	2012	Maturity – 1 year	Related companies
Bonds(1)	759,011	9,011		252,123	2,123	
Bank borrowings(2)	22,054	671		178,741	13,109	
Other borrowings	207	19	17	74,968	74,968	17
Trade payables(3)	13,059	13,059	1,445	4,912	4,912	948
Accrued taxes and payroll costs	1,315	1,315		1,665	1,665	
Other liabilities	24,579	24,579	24,122	17,402	17,402	17,402
Total	**820,225**	**48,654**	**25,584**	**529,811**	**114,178**	**18,367**

(1) €500 million Euro Bond issued 2013, €250 million Euro PP and €9 million of accrued interest.
(2) Includes a CNY140 million (€17 million) foreign currency loan and €5 million of medium-term loans.
(3) Includes €3,850 thousand of accrued expenses, mainly €2,819 thousand of professional fees and €867 thousand of trademark royalties. The increase in trade payables is due to the ongoing construction of the Lyon office complex.

Bond issue

The key features of bonds issued are as follows:

Bond issue of May 21, 2013

Bond issue	Euro Bond
Amount in euros	500,000,000
Maturity	May 29, 2020
Annual coupon – Fixed rate	2.875%
Listed	Euronext Paris

Bond issue of October 4, 2012

Private bond placement	Euro PP
Amount in euros	250,000,000
Maturity	December 12, 2018
Annual coupon – Fixed rate	3.875%
Listed	Euronext Paris

The amount of bonds and bank borrowings increased to €781 million (vs. €431 million at December 31, 2012). The €350 million increase is due to the issue during the year of the €500 million bond and the end of drawings on credit lines which totaled €173 million at end-2012.

Other borrowings mainly comprise €188 thousand in surety bonds received in 2013. The €74,950 thousand euros of commercial paper outstanding at December 31, 2012, all of which was issued in the domestic market, was repaid in full during 2013.

Accrued taxes and payroll costs correspond to the €1,184 thousand tax liability of the tax group headed by Compagnie Plastic Omnium.

The €23,979 thousand recorded under "Other liabilities" relates to current accounts corresponding to tax payable by the Company to other members of the tax group (including €23,413 thousand relating to various tax credits).

Notes to the income statement

L – Total operating revenue

Total operating revenue breaks down as follows:

In thousands of euros	2013	2012
By business segment		
• License and service fees	22,544	21,280
• Other	2,311	1,746
Total	**24,855**	**23,026**
By region	**2013**	**2012**
• France	9,449	8,995
• International	15,406	14,031
Total	**24,855**	**23,026**

Operating revenue for the year, excluding transferred expenses, breaks down as follows:

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

M – Purchases and other external charges

In thousands of euros	2013	2012
General management services	1,594	1,529
Overheads and headquarters expenses	3,314	3,221
Professional fees	3,324	4,029
Advertising, print collateral and publication	2,844	2,025
Travel and entertainment	1,397	1,277
Bank charges	9,662	7,140
Other	2,443	1,676
Total	**24,578**	**20,897**

The increase in purchases and other external charges was mainly due to higher bank charges.

N – Depreciation, amortization and provisions

In thousands of euros

On assets	2012	+	–	2013
Patents and licenses	884	7		891
Buildings	785	274		1,060
Fixtures and fittings(1)	2,506	17	415	2,108
Office equipment and furniture	43	15		58
Investments	19,296	704	1,302	18,698
Other	3,466			3,466
Total	**26,981**	**1,017**	**1,717**	**26,281**
On liabilities	**2012**	**+**	**–**	**2013**
Tax-regulated provisions	583	8	74	517
Provisions for contingencies and charges	24,955	4,261	3,853	25,363
Total	**25,538**	**4,269**	**3,927**	**25,880**

Total charges/reversals	6,286	5,229
Of which	**Charges**	**Reversals**
Charges and reversals of provisions for operations(2)	1,359	
Charges and reversals of financial provisions(3)	2,147	5,155
Charges and reversals of provisions for non-operating items	8	74
Charges and reversals of provisions for taxes	2,772	

(1) Of which scrapped assets (zero carrying amount) 415
(2) Of which deferred bond issuance costs 452
(3) Of which deferred bond issuance costs 550

O – Net financial income

In thousands of euros	2013	2012
Dividend income	180,279	240,739
Other financial income and expenses	49,648	
Interest income and expense (1)	(8,631)	1,183
Net gain on disposal of short-term investment securities	290	
Foreign exchange gains and losses	(2,737)	1,504
Provision charges and reversals	3,008	349
Total	**221,857**	**243,775**

(1) Of which €11.8 million net interest income from related companies.

Dividend income comprises €90,423 thousand in dividends from French subsidiaries and €89,856 thousand from international subsidiaries.

Other financial income and expenses relate to a €49,648 thousand net accounting gain following the TUP of Plastic Omnium Auto SAS.

The rise in interest expense reflects the bond issues in 2012 and 2013.

Changes in provisions are largely due to a €1,253 reversal of impairment provision on the equity investment in Transit following its liquidation, a €2,960 thousand net reversal from the provision for foreign exchange losses and a €704 thousand provision charge taken against other long-term investments.

P – Non-operating items

In thousands of euros	2013		
	Income	Expense	Net
On revenue transactions			
On capital transactions (1)	52,693	58,112	(5,419)
Provision charges and reversals	74	8	66
Total	**52,767**	**58,120**	**(5,353)**

(1) Of which €48,593 in non-operating income and expense from the transfer of shares to Plastic Omnium Auto Exteriors.

This main factors contributing to non-operating income were a €633 thousand net gain on the disposal of treasury shares, the €1,135 thousand loss realized on Transit shares (following liquidation, see Note C) and a €4,733 thousand payment on termination of a hedge.

Q – Corporate income tax

In thousands of euros	2013 net income		
	Income before non-operating items	Non-operating items	Net
* Income before tax	218,681	(5,353)	213,328
* Tax adjustments	(218,132)	1,144	(216,988)
= Tax base	549	(4,209)	(3,660)
Tax at standard rate	(209)	1,600	1,391
Income after tax at standard rate	**218,472**	**(3,753)**	**214,719**
Impact of Group relief			15,041
Addition to provisions for taxes			(2,772)
Other impacts			(3,071)
Total corporate income tax			**9,198**
Income after tax			**222,526**

Compagnie Plastic Omnium is the parent company of a tax group comprising 16 companies, which resulted in a tax saving of €15 million in 2013. The whole of this tax saving was recognized by Compagnie Plastic Omnium under tax benefit of tax consolidation.

During the year, Compagnie Plastic Omnium recorded a €2.77 million provision for taxes to reflect the use by the tax group of subsidiaries' tax losses that the subsidiaries themselves may wish to use in the future if they return to profit.

The tax group has tax loss carryforwards totaling €22.2 million, equivalent to future tax savings of €7.4 million.

In 2013, €4.5 million of the tax loss carry forwards arising since 2000 were used to offset taxable profits generated by companies in the tax group.

Unrecognized deferred tax assets and liabilities, calculated at a tax rate of 38%, broke down as follows at December 31, 2013:

Non-deductible provisions and accrued expenses:	€352 thousand
Expenses related to the acquisition of INERGY shares:	€73 thousand
Translation gain on FX payables and receivables 2013:	€1,210 thousand
Share in accounting loss	
Plastic Omnium Gestion 2013:	€248 thousand
Translation loss on FX receivables and payables 2013:	€(495) thousand
Net deferred tax asset	**€1,388 thousand**

Other disclosures

Off-balance sheet commitments

Commitments given

In thousands of euros	2013
Guarantees [1]	318,280
Collateral	5,011
Total	**323,291**

(1) Guarantees given to banks on behalf of subsidiaries.

Commitments received

When it acquired 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 €5,011 thousand under a mortgage agreement.

Information on payment deadlines

In accordance with the provisions of Article L. 441-6-1, para. 1 of the French Commercial Code, the balance of trade payables, by maturity, breaks down as follows:

Balance of trade payables in thousands of euros	at 30 days	at 60 days	at 90 days	at 120 days	Accrued invoices	Total
FY 2012	1,277	104	0	5*	*3,526*	**4,912**
FY 2013	8,451	14	0	744*	*3,850*	**13,059**

* Retention money for work in progress.

Loans and advances to senior executives

No loans or advances were made to Company executives as defined in Article L. 225-43 of the French Commercial Code.

Management compensation

The total compensation paid to the Board of Directors in 2013 amounted to €281,097.

Subsequent events

No significant events have occurred since December 31, 2013 that would be likely to have a material impact on the Company's business, financial position, results or assets.

Other

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

At December 31, 2013, Burelle SA held 56.09% of the capital of Compagnie Plastic Omnium (59.35% excluding treasury stock).

— 6.4 — Five-Year Financial Summary

In thousands of euros	2009	2010	2011	2012	2013
1 – Capital at year-end					
a) Share capital	8,822	8,822	8,939	8,782	9,299
b) Shares outstanding *	158,801,391	158,801,391	157,751,391	154,977,021	154,977,021
c) Convertible bonds outstanding	0	0	0	0	0
2 – Revenue and profit/(loss) for the year					
a) Total operating revenue	15,467	22,068	21,244	24,563	27,605
b) Profit before tax, depreciation, amortization and provisions	27,508	75,853	134,290	249,647	211,614
c) Corporate income tax	11,668	15,383	11,046	14,407	11,970
d) Net income	90,911	107,967	134,613	252,587	222,526
e) Dividends	12,351 (1)	24,702 (2)	36,283 (3)	39,261 (4)	51,142 (5)
3 – Per-share data*					
a) Profit after tax, before depreciation, amortization and provisions	0.25	0.57	0.92	1.70	1.44
b) Earnings per share	0.57	0.68	0.85	1.63	1.43
c) Dividend per share	0.08	0.16	0.23	0.25	0.33
4 – Employees					
a) Number of employees	0	0	0	0	0
b) Total payroll	0	0	0	0	0
c) Social Security and other employee benefits	0	0	0	0	0

* Restated for the three-for-one stock splits in 2011 and 2013.
(1) Including €1,095 thousand due on treasury shares that was not paid out as these shares do not carry dividend rights.
(2) Including €2,235 thousand due on treasury shares that was not paid out as these shares do not carry dividend rights.
(3) Including €2,717 thousand due on treasury shares that was not paid out as these shares do not carry dividend rights.
(4) Before deducting dividends due on shares held in treasury at the date of the Shareholders' Meeting, which 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.

— 6.5 — Subsidiaries and Affiliates

SUBSIDIARIES	Share capital	% interest
PLASTIC OMNIUM ENVIRONNEMENT SAS	4,900,000	100.0%
19, avenue Jules Carteret – 69007 Lyon – France	EUR	
PLASTIC OMNIUM AUTO EXTERIORS SAS	65,367,000	100.0%
19, avenue Jules Carteret – 69007 Lyon – France	EUR	
PLASTIC OMNIUM GESTION SNC	2,011,500	100.0%
19, avenue Jules Carteret – 69007 Lyon – France	EUR	
PLASTIC OMNIUM VERNON SAS	150,000	100.0%
19, avenue Jules Carteret – 69007 Lyon – France	EUR	
PLASTIC OMNIUM GmbH	13,500,000	100.0%
Romanstrasse 35 – 80639 Munich – Germany	EUR	
COMPAÑIA PLASTIC OMNIUM SA	30,350,500	100.0%
Calle Pouet de Nasio – Parcela n° 5 – Ribarroja del Turia – Valencia – Spain	EUR	
PLASTIC OMNIUM RE AG	16,167,000	100.0%
Schochenmühlestrasse 2 – 6340 Baar – Switzerland	CHF	
PLASTIC OMNIUM FINANCE SNC	247,500	100.0%
19, avenue Jules Carteret – 69007 Lyon – France	EUR	
PLASTIC OMNIUM INERGY (SHANGHAI) CONSULTING CO LTD	250,000	100.0%
Room 2802, Tower B – New Cao He Jing International Business Building n° 391 Guiping Road – Xuhui District – 200233 Shanghai – PR China	EUR	
PO MANAGEMENT 1 SAS	37,500	100.0%
19, avenue Jules Carteret – 69007 Lyon – France	EUR	
PO MANAGEMENT 2 SAS	37,500	100.0%
19, avenue Jules Carteret – 69007 Lyon – France	EUR	
INERGY AUTOMOTIVE SYSTEMS SAS	119,796,330	100.0%
19, avenue Jules Carteret – 69007 Lyon – France	EUR	
PLASTIC OMNIUM HOLDING (Shanghai) CO LTD	50,000,000	100.0%
RM 3501, F35 Building 2 No 391 Guiping Road Shanghai – PR China	EUR	
PLASTIC OMNIUM INC	50,000	100.0%
1209 Orange Street, Wilmington, Delaware 19801 Delaware 19801 – USA	USD	
PARTICIPATIONS		
BPO AS	5,000,000	50.0%
Y.Yalova Yolu 8 km, Panayir – Bursa – Turkey	TRL	
PLASTIC RECYCLING SAS	123,000	50.0%
ZA du Monay – Saint-Eusèbe – 71210 Montchanin – France	EUR	

In thousands of euros	Subsidiaries		Affiliates	
	French	International	French	International
Carrying amount of shares held				
• Gross	511,092	314,257	2,753	4,156
• Net	511,092	297,278	1,738	4,156
Loans and advances granted	585,829		1,858	0
Guarantees given				
Dividends received	90,423	86,046		3,809

— 6.6 — Statutory Auditors' report on the financial statements

Year ended December 31, 2013

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

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

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

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

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2013, on:

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

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

I – Opinion on the financial statements

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

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2013 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 1 to the financial statements describes the accounting policies and methods used to measure shares in subsidiaries and affiliates, and stock options. We verified the appropriateness of the accounting methods applied and reviewed the assumptions used, as well as the resulting values.

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

III – Specific verifications and information

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

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

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

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

Paris-La Défense, February 27, 2014

The Statutory Auditors

ERNST & YOUNG AND OTHERS	MAZARS
French original signed by	*French original signed by*
Gilles Rabier	Jean-Luc Barlet

— 6.7 — Statutory Auditors' report on related party agreements and commitments

General Meeting of Shareholders to approve the financial statements for the year ended December 31, 2013

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

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report on certain related party agreements and commitments.

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

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

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

Agreements and commitments submitted for approval by the General Meeting of Shareholders

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

Agreements and commitments already approved by the General Meeting of Shareholders

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

Payment for assignment of trademarks paid by Inergy Automotive Systems

INERGY AUTOMOTIVE SYSTEMS holds a number of trademarks.

Further to the total acquisition, with effect as from September 8, 2010, of the shares of the 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 September 1, 2010 and up to the effective date of the transfer, 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 December 31, 2013, your Company recognized a charge of 1,822,361 euros in respect of this agreement.

Board member concerned: Mr. Laurent Burelle.

COMPAGNIE PLASTIC OMNIUM directly holds 100% of the voting rights in INERGY AUTOMOTIVE SYSTEMS.

Payments for assignment of trademarks paid by companies of the Group

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 December 31, 2013, your Company recognized income of 7,345,541 euros in respect of these agreements, entered into with the following companies:

Entities	People concerned:
Compañia Plastic Omnium SA	Mr. Laurent Burelle, Mr. Jean Burelle, Mr. Paul Henry Lemarié and Mr. Jean-Michel Szczerba
Plastic Omnium Environnement SAS	Mr. Laurent Burelle, Mr. Jean Burelle, Mr. Paul Henry Lemarié and Mr. Jean-Michel Szczerba
Plastic Omnium Auto Extérieur SA	Mr. Jean-Michel Szczerba
Plastic Omnium Vernon SAS	Mr. Jean-Michel Szczerba
Plastic Omnium GmbH	Mr. Laurent Burelle
Plastic Omnium Auto Extérieur Services	Mr. Jean-Michel Szczerba
Plastic Omnium Auto Exteriors SP Zoo	Mr. Jean-Michel Szczerba
Plastic Omnium Automotive Limited	Mr. Jean-Michel Szczerba
Plastic Omnium Automotive NV	Mr. Jean-Michel Szczerba
Yanfeng Plastic Omnium Automotive Systems Co. Ltd	Mr. Jean-Michel Szczerba

COMPAGNIE PLASTIC OMNIUM holds:

- 100% of the voting rights in COMPAÑIA PLASTIC OMNIUM SA;
- 100% of the voting rights in PLASTIC OMNIUM ENVIRONNEMENT SAS;
- 100% of the voting rights in PLASTIC OMNIUM VERNON SAS;
- 100% of the voting rights in PLASTIC OMNIUM GmbH;
- 100% of the voting rights in PLASTIC OMNIUM AUTO EXTERIORS SAS which itself holds:
  - 100% of the voting rights in PLASTIC OMNIUM AUTO EXTERIORS SP Zoo,
  - 100% of the voting rights in PLASTIC OMNIUM AUTOMOTIVE Limited,
  - 100% of the voting rights in PLASTIC OMNIUM AUTOMOTIVE NV,
  - 49,95% of the voting rights in YANFENG PLASTIC OMNIUM AUTOMOTIVE SYSTEMS Co. Ltd,
  - 100% of the voting rights in PO AUTO EXTÉRIEUR SA, which itself holds 100% of the voting rights in PO AUTO EXTÉRIEUR SERVICES SAS.

License royalties and Technical Assistance fees

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

During the financial year ended December 31, 2013, your Company recognized income of 375,000 euros in respect of this agreement.

Board member concerned: Mr. Jean-Michel Szczerba.

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

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

In respect of this agreement entered into with Burelle SA, your Company recorded a charge for management services provided to the Group for an amount of 1,343,629 euros in 2013.

People concerned: Mr. Jean Burelle, Mr. Laurent Burelle, Mr. Paul Henry Lemarié and Mrs. Éliane Lemarié.

Under the supplementary pension plan set up in accordance with the authorizations granted by the Board of Directors of COMPAGNIE PLASTIC OMNIUM SA and Burelle SA on December 11, 2003 and December 19, 2003 respectively, corporate officers are eligible for pension benefits representing up to 10% of their current compensation. Part of the related cost paid by Burelle SA is theoretically allocated to COMPAGNIE PLASTIC OMNIUM on the basis of the same ratio as that used to calculate its share of management fees.

Payments made by COMPAGNIE PLASTIC OMNIUM under this agreement amounted to 250,134 euros in 2013.

People concerned: Mr. Jean Burelle, Mr. Laurent Burelle and Mr. Paul Henry Lemarié and Mrs. Éliane Lemarié.

Paris-La Défense, February 27, 2014

The Statutory Auditors

ERNST & YOUNG AND OTHERS	MAZARS
French original signed by	*French original signed by*
Gilles Rabier	Jean-Luc Barlet

INFORMATION ABOUT THE COMPANY AND ITS SHARE CAPITAL

07

— 7.1 — Information about the Company

General information

Company name and registered office

The full company name is Compagnie Plastic Omnium. Its registered office is at 19, avenue Jules Carteret, 69007 Lyon, France and its administrative headquarters is at 1, rue du Parc, 92593 Levallois Cedex.

Registration particulars

The Company is registered with the Lyon Trade and Companies Registry under number 955 512 611.

Legal form and governing law

Compagnie Plastic Omnium is a public limited company under French law (Société Anonyme) with a Board of Directors. It is governed by the French Commercial Code (Code de commerce).

Term

The Company's term ends on April 24, 2112.

Accounting period

The Company's accounting period runs for twelve months, from January 1 to December 31.

Corporate purpose

In accordance with Article 3 of the Company's bylaws, the Company's corporate purpose is to:

- process all forms of plastic, metal and other raw materials in order to manufacture all types of products and articles for all uses, particularly industrial;
- manage its property and capital assets;
- acquire, build, lease, develop, improve and exploit any land or buildings;
- acquire any equity or other interest in any company, enterprise or other entity, in France or abroad, irrespective of its corporate purpose (in whatever form and in particular by acquiring or subscribing for any form of security, equity interest or other right in such entities);
- manage its investment portfolio of equity interests and securities;
- carry out all works and services relating to general administration and building maintenance (other than acting as a building manager); and
- in general, make any transaction (commercial, industrial, financial or related to property and capital assets) that is linked, directly or indirectly, to the Company's purpose; or that could be relevant to it; or that could make the purpose easier to achieve.

The Company may, both in France and abroad, create, acquire, use or grant licenses to use all trademarks, brands, commercial names, designs, models, patents and manufacturing processes related to the above purpose.

It may act directly or indirectly, on its own behalf or for a third party, in any country. It may do so either alone or with any other persons or companies in a partnership, joint venture, consortium or company, and may make any transaction within the scope of its corporate purpose.

The role of Compagnie Plastic Omnium in relation to its subsidiaries

Compagnie Plastic Omnium is a holding company with the following role:

- to hold shares in the holding companies for each business line. These holding companies own, directly or indirectly, shares in the operating subsidiaries;
- to finance Group subsidiaries to provide them with optimal market conditions, either directly or via Plastic Omnium Finance (the Group's central corporate treasury); and
- to grant Group subsidiaries the right to use the brands it owns. This is subject to a license fee paid by the licensees (see the Statutory Auditors' Report on related-party agreements).

Statutory Auditors

The financial statements of Compagnie Plastic Omnium are audited by two sets of Principal Statutory Auditors, in compliance with Article L. 225-228 of the French Commercial Code.

Principal Statutory Auditors

Ernst & Young et autres
Represented by Gilles Rabier
Tour First
1/2, place des Saisons
92037 Paris-La Défense Cedex, France

Mazars
Represented by Jean-Luc Barlet
61, rue Henri Régnault
92075 Paris-La Défense Cedex, France

Their mandate was renewed on April 29, 2010 and runs until the end of the Shareholders' Meeting to approve the financial statements for the year ending December 31, 2015.

The Statutory Auditors are members of the Versailles Auditors' Association (Compagnie régionale de Versailles).

Alternate Auditors

AUDITEX

Tour First – 1/2, place des Saisons, La Défense Cedex.

Gilles Rainaut

61, rue Henri Régnault, 92075 Paris – La Défense Cedex, France

Agreements entered into by the Company which would change or end if control of the Company changed

The bonds issued in October 2012 and May 2013 are subject to a clause allowing the investor to demand redemption or re-purchase if the control of the Company changes. There is a similar clause in most other Group financing contracts.

Agreements which if implemented could either provoke a change in the control of the Company, or could delay, postpone or prevent such a change

There is currently no bylaw, charter, regulation or provision that could delay, postpone or prevent a change in control.

Factors that could have an impact in the event of a public offer

None

Material contracts

There are no material contracts (other than those agreed in the normal course of business) that could give any member of the Group a right or an obligation significantly affecting the ability of the Plastic Omnium Group to fulfill obligations to others investors.

The Company's material financial contracts (related to financing) are described in the "Risk Management" section of the Notes to the consolidated financial statements.

Dependence

Compagnie Plastic Omnium is not currently dependent on any patents or manufacturing processes owned by third parties or on any special procurement contracts.

In the sector of the automotive industry in which Compagnie Plastic Omnium operates, sub-contractors do not generally define the specifications for sub-contracted parts. When, exceptionally, sub-contractors are capable of doing so, the Group's policy is to define contractually the arrangements for the sub-contractor to transfer the design work, in order that it can then be used with other services.

Documents accessible to the public

Documents that must be made available to the public (Company's bylaws, reports from the Statutory Auditors, reports from the Board of Directors and past financial information relating to Compagnie Plastic Omnium and its subsidiaries, including that included in this Financial Report) may be consulted, while they remain valid, at the Registered Office of Compagnie Plastic Omnium and also at its administrative headquarters (1, rue du Parc, 92300 Levallois-Perret, France). Some of these documents may also be available in electronic format on the Compagnie Plastic Omnium website (www.plasticomnium.com).

The Compagnie Plastic Omnium Annual Financial Report and the Activity Report are both available in English.

Timetable for financial communication

Publication of the annual results for 2013	February 27, 2014
Publication of revenue for the first quarter of 2014	April 17, 2014
Publication of the interim financial statements for 2014	July 24, 2014
Publication of revenue for the third quarter of 2014	October 16, 2014

Shareholders' timetable

Shareholders' Meeting	April 30, 2014
Dividend payment date	May 9, 2014

Registrar: BNP Paribas Securities Services (tel.: +33 (0) 826 109 119).

N°Vert 0 800 777 889

APPEL GRATUIT DEPUIS UN POSTE FIXE EN FRANCE MÉTROPOLITAINE

— 7.2 — Equity capital

Share capital

Shares in Compagnie Plastic Omnium are listed on Eurolist of Euronext Paris (compartment A). Plastic Omnium shares are included in the SBF 120 and CAC Mid 60 indices.

On December 31, 2013, Compagnie Plastic Omnium's share capital amounted to €9,298,621.26, divided into 154,977,021 fully paid-up shares, each with a par value of €0.06. On September 10, 2013, a three-for-one share split divided the par value of Compagnie Plastic Omnium's shares by three.

Voting rights

Shareholders have the right to vote and speak at Shareholders' Meetings. Each shareholder has one vote per fully paid-up share he or she holds.

Under Article 16 of the Company's bylaws, all fully paid-up shares may carry double voting rights. To qualify, shares must be registered for at least two years in the name of the same holder and/or in the name of holders who have either inherited them under the intestacy rules or are a spouse or a relative entitled to inherit the shares and who have received them as an inter vivos gift.

If the equity capital is increased by incorporating reserves, profits or share premiums, the double voting right is also attached to the registered bonus shares linked to the shares with double-voting rights already held by the shareholder.

On December 31, 2013, the Company had 146,448,859 shares with the same number of voting rights, including shares with double voting rights 88,503,956 and excluding treasury shares.

Potential equity capital and securities giving rights to equity capital

At December 31, 2013 there were no securities giving direct or indirect access to shares in Compagnie Plastic Omnium.

There were no stock option plans running at December 31, 2013.

Current authorizations relating to capital and securities carrying rights to the allocation of debt securities - use of authorizations

The Company's shareholders have delegated the following powers and financial authorizations to the Board of Directors:

Delegations given to the Board of Directors by the Combined Shareholders' Meeting on April 28, 2011

Resolution no.	Type of authorization and delegated power	Duration and expiry date	Maximum per authorization or delegated power	Use of the authorization or delegated power
14	Delegation to increase the equity capital with cancellation of preferential subscription rights in favor of members of a Company savings scheme	26 months (until June 27, 2013)	€264,669 (529,338 shares)	None

Authorizations given to the Board of Directors at the Combined Shareholders' Meeting on April 26, 2012

Resolution no.	Type of authorization and delegated power	Duration and expiry date	Maximum per authorization or delegated power	Use of the authorization or delegated power
18	To reduce the equity capital by cancelling treasury shares	26 months (until June 25, 2014)	10% of the equity capital per 24-month period	924,790 treasury shares cancelled on September 12, 2012

Authorizations given to the Board of Directors at the Combined Shareholders' Meeting on April 25, 2013

Resolution no.	Type of authorization and delegated power	Duration and expiry date	Maximum per authorization or delegated power	Use of the authorization or delegated power
5	To trade in the Company's own shares	18 months (until October 24, 2014)	Maximum purchase price: €20 (1) – Maximum holding: 10% of share capital – Accumulated value of acquisitions: €309,954,000	On December 31, 2013, Compagnie Plastic Omnium held 5.5% of its equity capital
8	To issue ordinary shares and/or securities giving rights to share capital or the allocation of debt securities, with maintenance of preferential subscription rights	26 months (until June 24, 2015)	€300 million for shares – €150 million for debt securities	None
9	To increase the number of shares or securities to be issued when an issue with maintenance of preferential subscription rights is made under the eighth Resolution, up to a maximum of 15% of the initial issue	26 months (until June 24, 2015)	€300 million for shares – €150 million for debt securities	None
10	Authorization to grant stock options to corporate officers and/or employees of the Company and/or Group companies	38 months (until June 24, 2016)	Maximum holding: 2.5% of the equity capital, to be deducted from the 2.5% in the eleventh Resolution approved at the Shareholders' Meeting on April 25, 2013.	1,291,475 stock options
11	Authorization to allocate free shares to corporate officers and/or employees of the Company and/or Group companies	38 months (until June 24, 2016)	Maximum holding: 2.5% of the equity capital, to be deducted from the 2.5% in the tenth Resolution approved at the Shareholders' Meeting on April 25, 2013.	None

(1) After adjustment to allow for the division of the par value by three.

Changes in the Company's equity capital over the last five years

Year and type of corporate transaction	Amount of capital increase/reduction		Share capital (€)	Number of shares comprising the equity capital	Par value of share (€)
	Nominal	Premium			
March 2009 Capital increase creating 31,580 shares to cover a stock option plan	15,790	477,173.80	9,073,397	18,146,794	0.50
October 2009 Reduction in equity capital by cancelling 502,195 treasury shares	251,097.50	7,819,176.15	8,822,299.50	17,644,599	0.50
April 2011 Capital increase resulting from the decision to round up the par value after the three-for-one share split reducing the par value from €0.50 to €0.17	176,455.99	–	8,998,745.49	52,933,797	0.17
November 2011 Reduction in equity capital by cancelling 350,000 treasury shares	59,500	6,490,200	8,939,245.49	52,583,797	0.17
September 2012 Reduction in equity capital by cancelling 924,790 treasury shares	157,214.30	17,055,373.45	8,782,031.19	51,659,007	0.17
September 2013 Capital increase resulting from the decision to round up the par value after the three-for-one share split reducing the par value from €0.17 to €0.06	516,590.07	–	9,298,621.26	154,977,021	0.06

Purchase of own shares

Percentage of equity capital held directly and indirectly by the Company at December 31, 2013	5.5%
• backing existing stock option plans	5.05%
• intended for cancellation	None
Number of shares cancelled over the past 24 months	2,774,370
Number of securities in the portfolio	8,528,162
Carrying amount of portfolio on December 31, 2013	€44,347,694,66
Market value of portfolio on December 31, 2013	€173,121,688,60

Shares repurchased during the 2013 financial year.

	Aggregate gross movements		Options exercised
	Purchases	Sales	
Number of securities	3,527,178	1,639,521	2,280,280
Average transaction price	€13.55	€14.46	–
Average exercise price	–	–	€3.26
Totals	€47,806,704.05	€23,715,489.41	€7,441,166.22

Dealing fees of €40,000 were incurred in buying back shares during the 2013 financial year.

During the same period, the Company acquired 1,272,000 shares to cover its commitments to those benefiting from options, free shares and Company savings schemes. Their total value was €11,849,338.05, or €9.32 per share.

The 5th Resolution of the Combined Shareholders' Meeting on April 25, 2013 authorized the Company to trade in its own shares, subject to the following conditions:

Maximum purchase price:	€20 per share[1] (excluding acquisition costs)
Maximum percentage that may be held:	10% of the share capital on the day of the Combined Shareholders' Meeting on April 25, 2013
Maximum value of shares acquired	€309,954,000

[1] After adjustment following the three-for-one share split on September 10, 2013.

A liquidity agreement was made on Euronext Paris with CM-CIC Securities on November 26, 2003. It has a term of a one year, renewable automatically, and had an initial value of €0.585 million; its value was raised to €1,935 million on September 1, 2005. The primary purpose of the agreement is to reduce the volatility of the Plastic Omnium share price, and thus the risk perceived by investors. It complies with the Code of Ethics drawn up by the French Association of Financial Markets (Association Française des Marchés Financiers- AMAFI).

The agreement remained in force during 2013.

Information about share repurchases since January 1, 2014

Between January 1 and February 28, 2014, the Company acquired 141,118 shares for a total amount of €2,716,596 (€19.25 per share) under the liquidity agreement. Over the same period, the Company sold 185,744 shares under the liquidity contract for a total amount of €3,634,848 (€19.57 per share).

Between January 1 and February 28, 2014, the Company did not acquire any shares to cover its commitments to those benefiting from options, free shares and Company savings schemes.

On February 28, 2014, Compagnie Plastic Omnium held 8,320,236 treasury shares (5.369% of the share capital), divided as follows:

5 shares	Liquidity agreement AMAFI
7,708,150 shares	Shares allocated to employees or corporate officers of the Company or of Group companies
612,681shares	Acquisitions
None	Cancellation
None	Hedging of securities carrying rights to the allocation of shares

Description of the share-repurchase program submitted for approval to the Combined Shareholders' Meeting on April 30, 2014.

Under Articles 241-1 to 241-6 of the AMF General Regulation (Règlement général de l'Autorité des Marchés Financiers – AMF), this description defines the objectives of the Compagnie Plastic Omnium share repurchase program, and how it will be implemented. The program will be submitted for approval to the Combined Shareholders' Meeting convened for April 30, 2014.

Objectives of the share buyback program

Compagnie Plastic Omnium intends to use the share repurchase program to achieve the following objectives:

- To use an investment service provider to maintain the secondary market or the liquidity of Compagnie Plastic Omnium's shares, via a liquidity agreement complying with the AMAFI Code of Ethics accepted by the AMF;
- To potentially cancel shares purchased, subject to the Shareholder's approving the twelfth Resolution to be proposed in the Extraordinary part of the Shareholders' Meeting on April 30, 2014;
- To cover stock option plans and/or free share plans (or similar) for Group employees and/or corporate officers, as well as any allocations of shares for a Company or Group savings scheme (or similar), in respect of employee profit sharing and/or all other forms of allocation of shares to Group employees and/or corporate officers;
- To retain the shares purchased and offer them later in exchange or payment for external acquisitions, it being noted that shares purchased for this purpose may not exceed 5% of the company's share capital; and
- To implement all market practices currently accepted or accepted in the future by the market authorities.

Practical implementation

The maximum proportion of the equity capital that may be acquired and the maximum amount payable by Compagnie Plastic Omnium

Compagnie Plastic Omnium is authorized to acquire in total a maximum 10% of its equity capital (on February 28, 2014, 15,497,702 shares each with a par value of €0.06).

Since the Company held 8,528,162 of its own shares on December 31, 2013, the maximum number of shares it could purchase under the share repurchase program is 6,969,540. In the event that the treasury shares already held are cancelled or used, the maximum that the Company can pay out to acquire the 15,497,702 shares is €929,862,120.

Thus the total value of acquisitions (net of costs) may not exceed €418,172,400, based on the maximum purchase price of €60 provided in the fifth Resolution to be proposed to the Combined Shareholders' Meeting on April 30, 2014.

Shares may be purchased, sold or transferred using any method, including by purchasing blocks of shares, on the stock market or over the counter. These methods include the use of any derivatives, traded on a regulated market or over the counter, and the setting up of option operations such as the purchase and sale of call and put options. These operations may be conducted at any moment.

Term of the share repurchase program

The share repurchase program may continue for a period of 18 months from the approval of the fifth Resolution to be voted by Shareholders at the Combined Shareholders' Meeting on April 30, 2014, i.e. until October 29, 2015.

Bonds

Details of the bonds issued by the Company in circulation on December 31, 2013 are given below:

Issuer	Currency	Coupon	Initial issue date	Maturity date	Amount outstanding (in € million)	Listing market
Compagnie Plastic Omnium	EUR	3.875%	10/04/2012	12/12/2018	250	Paris
Compagnie Plastic Omnium	EUR	2.875%	05/21/2013	05/29/2020	500	Paris

— 7.3 — Information on the Shareholders

Share price

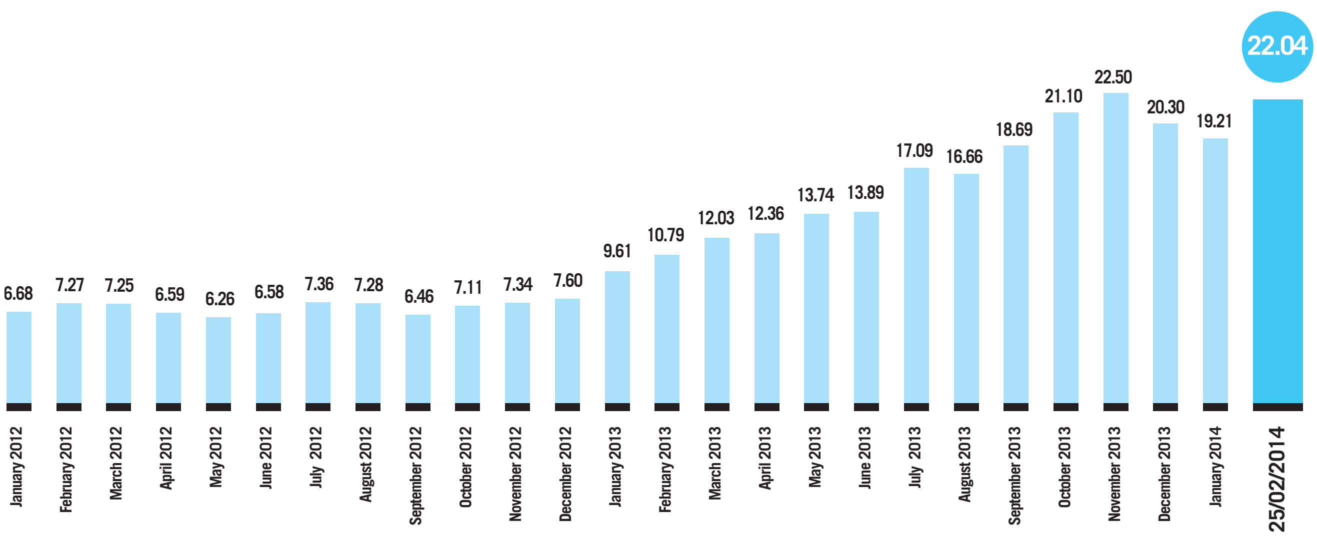
Trends in the price and volume of transactions in Compagnie Plastic Omnium shares

2013	Highest price(1) (€)	Lowest price(1) (€)	Transaction volume(2)
January	9.61	7.70	28,056
February	10.95	9.67	23,471
March	12.33	10.33	34,286
April	12.56	10.70	24,616
May	13.74	12.47	18,067
June	14.01	12.26	26,747
July	17.86	13.75	46,975
August	18.03	16.00	36,237
September	19.93	16.96	211,323
October	21.48	18.16	251,006
November	22.84	20.91	161,563
December	22.48	19.39	300,472

(1) Closing price, adjusted for the three-for-one share split on September 10, 2013.
(2) Daily average.

Trends in the Compagnie Plastic Omnium share price

Plastic Omnium month-end share price (in €)(1)



(1) Closing price, adjusted for the three-for-one share split on September 10, 2013.

Equity holdings – changes in shareholder structure

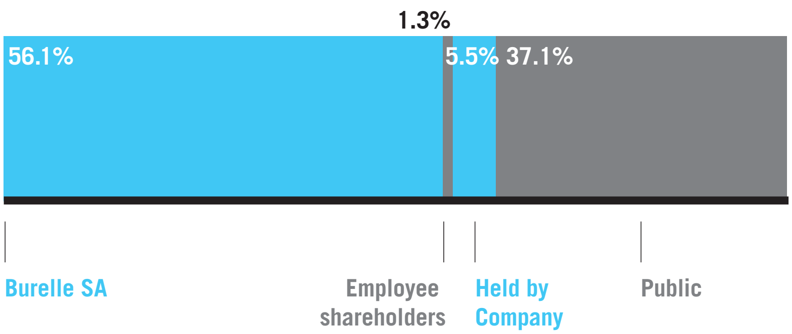
	2011	2012	2013
Market capitalization (at 31 December, in € million)[1]	808	1.177	3.146
Dividend per share (in €)	**0.23**	**0.25**	**0.33**

(1) Adjusted for three-for-one share split on May 10, 2011.

Compagnie Plastic Omnium shareholder structure

Equity holdings at December 31, 2013

154,977,021 shares



	December 31, 2013		December 31, 2012		December 31, 2011	
	% equity capital	% voting rights	% equity capital	% voting rights	% equity capital	% voting rights
Burelle SA	56.1	73.99	56.1	73.81	55.1	73.96
Employee shareholders	1.3	1.3	1.5	1.5	1.6	1.6
Held by Company	5.5	–	5.9	–	8.7	–
Public	37.1	24.71	36.4	24.69	34.6	24.44
	100	**100**	**100**	**100**	**100**	**100**

At December 31, 2013, Burelle SA held 56.1% of the equity capital of Compagnie Plastic Omnium. To the Company's knowledge, no other shareholder owns 5% or more of the share capital.

On December 31, 2013, the Company Savings Scheme had 1,137 members holding 2,010,013 shares in Compagnie Plastic Omnium (1.3% of the equity capital).

Compagnie Plastic Omnium reviewed identifiable bearer securities at December 31, 2013 and concluded that 11,990,096 shares were held by individual investors.

The Company has not been informed of any Shareholders' Agreement.

Compagnie Plastic Omnium is controlled as described above. The following measures have been taken to ensure that the control will not be abused:

- The Company's Board of Directors comprises 13 members, 8 of whom fulfill the independence criteria defined in the Board's Internal Procedures;
- All members of the Audit and Compensation Committees are independent Directors.

Trading in Compagnie Plastic Omnium securities by executive corporate officers

Summary of transactions in 2013 by executive corporate officers involving Compagnie Plastic Omnium shares

Name and position of officer	Transaction	Number of securities*	Total amount
Laurent Burelle Chairman and Chief Executive Officer	Acquisition	3,000	34,830
Paul Henry Lemarié Director and Chief Operating Officer	Disposal	210,000	2,173,596
Jean-Michel Szczerba Director and Chief Operating Officer	Disposal	619,100	9,986,795

* This number takes account of the three-for-one share split on September 10, 2013.

Stock option plans

At December 31, 2013, Compagnie Plastic Omnium had several stock option plans; key information about these plans is given below:

					After three-for-one share splits in 2011 & 2013		
Shareholders' Meeting	Board of Directors	Original option price	Number of recipients	Total no. of options in the initial plan	Option price	Number of options	Total no. of options exercised or expired at 12/31/2013
04/24/2007	07/24/2007	39.38	65	330,000	4.37	2,970,000	2,854,350
04/24/2008	07/22/2008	26.51	39	350,000	2.94	3,150,000	2,214,700
04/28/2009	03/16/2010	25.60	124	375,000	2.84	3,375,000	346,500
04/28/2011	03/06/2012	22.13	208	889,500	7.37	2,668,500	189,000
04/25/2013	07/23/2013	48.50	184	424,000	16.17	1,272,000	3,000

History of allocation of stock options

Information on stock options					
Date of Shareholders' Meeting	Plan 1	Plan 2	Plan 3	Plan 4	Plan 5
Date of Board meeting	07/24/2007	07/22/2008	03/16/2010	03/06/2012	07/23/2013
Total no. of shares offered for subscription or purchase, and the number of them open to each of the following:	2,970,000	3,150,000	3,375,000	2,668,500	1,272,000
Corporate officers:					
Laurent Burelle Chairman and Chief Executive Officer	450,000	540,000	450,000	360,000	180,000
Paul Henry Lemarié Director and Chief Operating Officer	270,000	270,000	270,000	180,000	60,000
Jean-Michel Szczerba Director and Chief Operating Officer	270,000	360,000	360,000	240,000	120,000
Earliest exercise date	08/10/2011	08/04/2012	04/01/2014	03/21/2016	08/07/2017
Expiry date	08/09/2014	08/03/2015	03/31/2017	03/20/2019	08/06/2020
Subscription or purchase price	4.37	2.94	2.84	7.37	16.17
Arrangements for exercise (for plans with several tranches)	–	–	–	–	–
Number of share subscriptions at 12/31/2013	2,845,350	2,151,640	18,000	–	–
Total number of stock options cancelled or expired	9,000	63,060	328,500	189,000	3,000
Options outstanding at the year end	115,650	935,300	3,028,500	2,479,500	1,269,000

Number of stock options allocated to the ten employees (excluding corporate officers) granted most options; number of options exercised by the ten employees who have accordingly bought or subscribed for the highest number of shares	No. of stock options allocated/no. of shares subscribed for or purchased	Weighted-average exercise price	Exercise date	Date of Board meeting
Number of options allocated during the period by Compagnie Plastic Omnium and any other company included in the option allocation scope to the ten employees of the issuer, or any company within the above scope, allocated the highest number of options	258,000	€16.17	August 2017 – August 2020	07/23/2013
Number of stock options for Compagnie Plastic Omnium shares or shares of companies in the abovementioned scope, exercised during the period by the ten employees of the issuer or qualifying companies who bought or subscribed for the highest number of shares	311,788	–	–	–

COMBINED SHAREHOLDERS' MEETING

08

— 8.1 — Agenda

Ordinary resolutions

- First resolution: Approval of the Company financial statements for the year ended December 31, 2013;
- Second Resolution: Appropriation of net income and dividend;
- Third resolution: Approval of related-party agreements governed by Article L. 225-38 of the French Commercial Code carried out during the year;
- Fourth resolution: Approval of the consolidated financial statements for the year ended December 31, 2013;
- Fifth resolution: Authorization to the Board of Directors to trade in the Company's shares pursuant to the provisions of Article L. 225-209 of the French Commercial Code;
- Sixth resolution: Renewal of the directorship of Mrs. Anne Asensio;
- Seventh resolution: Renewal of the directorship of Mr. Vincent Labruyère;
- Eighth resolution: Amount of directors' fees allocated to members of the Board of Directors;
- Ninth resolution: Opinion on the components of compensation due or allocated in respect of the year ended December 31, 2013 to Mr. Laurent Burelle, Chairman and Chief Executive Officer;
- Tenth resolution: Opinion on the components of compensation due or allocated in respect of the year ended December 31, 2013 to Mr. Paul Henry Lemarié, Chief Operating Officer;
- Eleventh resolution: Opinion on the components of compensation due or allocated in respect of the year ended December 31, 2013 to Mr. Jean-Michel Szczerba, Chief Operating Officer.

Extraordinary resolutions

- Twelfth resolution: Authorization to the Board of Directors to cancel shares repurchased by the Company pursuant to the provisions of Article L. 225-209 of the French Commercial Code;
- Thirteenth resolution: Authorization to the Board of Directors to increase share capital by issuing securities with cancellation of preferential subscription rights in favor of members of a Company savings plan pursuant to Articles L. 3332-18 et seq. of the French Labor Code;
- Fourteenth resolution: Amendment of the bylaws;
- Fifteenth resolution: Powers of Attorney to carry out formalities.

— 8.2 — Texts of the resolutions put to the Combined Shareholders' Meeting of April 30, 2014

Ordinary resolutions

First resolution: Approval of the Company financial statements for the year ended December 31, 2013

Having considered the Company financial statements for the year ended December 31, 2013, the reports of the Board of Directors, the Chairman of the Board Directors and the Statutory Auditors on the Company financial statements for the year ended December 31, 2013, and voting in accordance with the quorum and majority rules applicable to Ordinary Shareholders' Meetings, the shareholders approve the Company financial statements for the year ended December 31, 2013 as presented, showing net profit of €222,526,349, as well as the transactions reflected in the said financial statements or described in the said reports.

Second Resolution: Appropriation of net income and dividend

Voting in accordance with the quorum and majority rules applicable to Ordinary Shareholders' Meetings, and having noted that the Company's net income for the year amounts to €222,526,349 and retained earnings to €633,460,072, the shareholders approve the Board of Directors' recommendation and resolve to appropriate the total net amount of €855,986,421 as follows:

• To dividends on the 154,977,021 shares outstanding as of December 31, 2013	€51,142,417
• To retained earnings	€804,808,067
• To the statutory reserve	€35,937
	€855,986,421

Consequently, the Shareholders' Meeting sets the dividend in respect of 2013 at €0.33 per share. Individual shareholders resident in France for tax purposes will qualify for the 40% tax relief provided for in Article 158-3-2 of the French General Tax Code (Code général des impôts) on the total dividend.

The ex-dividend date will be May 6, 2014.

The dividend will be paid on the date set by the Board of Directors, i.e. May 9, 2014.

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 shown in the table below. The information provided below reflects the two three-for-one stock splits carried out on May 10, 2011 and September 10, 2013.

Year	Number of shares with dividend rights	Total dividend (in €)	Net dividend [1] (in €)
2010*	144,435,294 shares with dividend rights	22,467,712	0.15
2011*	145,939,311 shares with dividend rights	33,566,042	0.23
2012*	154,977,021 shares with dividend rights	39,260,845	0.25

* The dividends in respect of 2010, 2011 and 2012 were fully eligible for the 40% tax relief for individual shareholders resident in France for tax purposes provided for in Article 158-3 of the French General Tax Code (Code général des impôts).

Third resolution: Approval of related-party agreements governed by Article L. 225-38 of the French Commercial Code carried out during the year

Voting in accordance with the quorum and majority rules applicable to Ordinary Shareholders' Meetings, and having considered the Special Report of the Statutory Auditors on related-party agreements governed by Article L. 225-38 of the French Commercial Code, the shareholders take note of the agreements mentioned in the said report that remained in force during the year.

Fourth resolution: Approval of the consolidated financial statements for the year ended December 31, 2013

Having considered the reports of the Board of Directors, the Chairman of the Board Directors and the Statutory Auditors on the consolidated financial statements, and voting in accordance with the quorum and majority rules applicable to Ordinary Shareholders' Meetings, the shareholders approve the consolidated financial statements for the year ended December 31, 2013 as presented, showing net income attributable to owners of the parent of €193,211 thousand, as well as the transactions reflected in the said financial statements or described in the said reports.

Fifth resolution: Authorization to the Board of Directors to trade in the Company's shares pursuant to the provisions of Article L. 225-209 of the French Commercial Code

Having considered the report of the Board of Directors, and voting in accordance with the quorum and majority rules applicable to Ordinary Shareholders' Meetings, the shareholders authorize the Board of Directors to repurchase the Company's shares, in accordance with the provisions of Articles L. 225-209 et seq. of the French Commercial Code, for the following purposes:

- to maintain 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 Financial Markets Association (Association française des marchés financiers – AMAFI) and is authorized by the French Financial Markets Authority (Autorité des marchés financiers – AMF);
- to cancel all or some of the repurchased shares pursuant to an authorization to reduce the share capital given by the present Shareholders' Meeting in its twelfth resolution, under extraordinary business;
- to cover stock option and/or bonus share (or similar) plans awarded to Group employees and/or corporate officers and all allocations of shares as part of a Company or Group savings (or similar) plan, or

for purposes of Company profit-sharing and/or any other form of allocation of shares to Group employees and/or corporate officers;

- to hold shares in treasury for subsequent delivery in exchange or payment for possible acquisitions, provided that the shares acquired for this purpose do not exceed 5% of the Company's capital;
- to use shares for any current or future market practice accepted by stock market authorities;

subject to the following terms:

- the number of shares that may be purchased by the Company may not exceed 10% of the Company's share capital at the date of this decision, i.e. a maximum of 15,497,702 shares as of this date;
- the shares may not be repurchased at a price of more than €60 per share.

As of December 31, 2013, the Company held 8,528,162 shares in treasury. If these shares were canceled or used, the total amount that the Company would be allowed invest in the buyback program would be €929,862,120, for the acquisition of 15,497,702 shares.

The shares may be purchased, sold or transferred at any time and by any appropriate method, including the acquisition of blocks of shares, on the market or over the counter, and through the use of derivatives traded on an organized market or over the counter, as well as through purchases and sales of put or call options. Transactions may be made at any time.

This authorization takes effect at the end of this Shareholders' Meeting, and is valid for a period of eighteen months from today. It cancels and supersedes the authorization granted by the Shareholders' Meeting of April 25, 2013 in its fifth resolution for the unused portion.

Unless it takes this action itself, the Shareholders' Meeting authorizes the Board of Directors to adjust the aforementioned maximum number of shares and maximum purchase price as necessary to take into account the impact on the share price of any change in the par value of the shares or any capital increase by incorporation of reserves and bonus share issue, any stock split or reverse stock split, any return of capital or any other capital transaction, within the aforementioned limits of 10% of share capital and €929,862,120.

The shareholders grant full powers to the Board of Directors to use this authorization, to conclude any agreements, carry out any filing and other formalities, notably with the Autorité des Marchés Financiers or any other authority that may replace it, and, more generally, take all necessary action.

Sixth resolution: Renewal of the directorship of Mrs. Anne Asensio

Having considered the report of the Board of Directors, and voting in accordance with the quorum and majority rules applicable to Ordinary Shareholders' Meetings, the shareholders renew the directorship of Mrs. Anne Asensio for a three-year term expiring at the close of the Shareholders' Meeting to be held in 2017 to approve the 2016 financial statements.

Seventh resolution: Renewal of the directorship of Mr. Vincent Labruyère

Having considered the report of the Board of Directors, and voting in accordance with the quorum and majority rules applicable to Ordinary Shareholders' Meetings, the shareholders renew the directorship of Mr. Vincent Labruyère for a three-year term expiring at the close of the Shareholders' Meeting to be held in 2017 to approve the 2016 financial statements.

Eighth resolution: Amount of directors' fees allocated to members of the Board of Directors

The shareholders resolve to increase the aggregate amount of directors' fees allocated to members of the Board of Directors from €300,000 to €340,000.

This decision applies from the current year until a new amount is set.

Ninth resolution: Opinion on the components of compensation due or allocated in respect of the year ended December 31, 2013 to Mr. Laurent Burelle, Chairman and Chief Executive Officer

Having considered, pursuant to the recommendation contained in paragraph 24.3 of the June 2013 AFEP-MEDEF Corporate Governance Code (Code AFEP-MEDEF de gouvernement d'entreprise des sociétés cotées), which is the Company's code of reference in respect of Article L. 225-37 of the French Commercial Code, the shareholders issue a favorable opinion on the components of compensation due or allocated in respect of the year ended December 31, 2013 to Mr. Laurent Burelle, Chairman and Chief Executive Officer, as presented in the Annual Report, on page 31 et seq.

Tenth resolution: Opinion on the components of compensation due or allocated in respect of the year ended December 31, 2013 to Mr. Paul Henry Lemarié, Chief Operating Officer

Having considered, pursuant to the recommendation contained in paragraph 24.3 of the June 2013 AFEP-MEDEF Corporate Governance Code (Code AFEP-MEDEF de gouvernement d'entreprise des sociétés cotées), which is the Company's code of reference in respect of Article L. 225-37 of the French Commercial Code, the shareholders issue a favorable opinion on the components of compensation due or allocated in respect of the year ended December 31, 2013 to Mr. Paul Henry Lemarié, Chief Operating Officer, as presented in the Annual Report, on page 31 et seq.

Eleventh resolution: Opinion on the components of compensation due or allocated in respect of the year ended December 31, 2013 to Mr. Jean-Michel Szczerba, Chief Operating Officer

Having considered, pursuant to the recommendation contained in paragraph 24.3 of the June 2013 AFEP-MEDEF Corporate Governance Code (Code AFEP-MEDEF de gouvernement d'entreprise des sociétés cotées), which is the Company's code of reference in respect of Article L. 225-37 of the French Commercial Code, the shareholders issue a favorable opinion on the components of compensation due or allocated in respect of the year ended December 31, 2013 to Mr. Jean-Michel Szczerba, Chief Operating Officer, as presented in the Annual Report, on page 31 et seq.

Extraordinary resolutions

Twelfth resolution: Authorization to the Board of Directors to cancel shares repurchased by the Company pursuant to the provisions of Article L. 225-209 of the French Commercial Code

Having considered the reports of the Board of Directors and the Statutory Auditors, and voting in accordance with the quorum and majority rules applicable to Extraordinary Shareholders' Meetings, the shareholders resolve, in accordance with Article L. 225-209 of the French Commercial Code:

- to authorize the Board of Directors to reduce the share capital, on one or more occasions, in the proportions and at the times it deems appropriate, by canceling all or part of the shares purchased or potentially purchased by the Company under the authorization granted by the Shareholders' Meeting, within the limit of 10% of share capital per period of 24 months, it being stipulated that this limit applies to share capital adjusted, as necessary, for transactions affecting the share capital subsequent to this Shareholders' Meeting;
- to set at 26 months from the date of this meeting the validity of this authorization, which supersedes any prior authorization with the same purpose;
- to grant all powers to the Board of Directors to undertake all transactions relating to the cancellation of shares or the reduction of share capital pursuant to this authorization, set the terms, record completion, deduct the difference between the carrying amount of the shares canceled and their nominal value against reserves and additional paid-in capital, to amend the bylaws and to carry out all formalities and, more generally, take all necessary action for the implementation of this resolution.

Thirteenth resolution: Authorization to the Board of Directors to increase share capital by issuing securities with cancellation of preferential subscription rights in favor of members of a Company savings plan pursuant to Articles L. 3332-18 et seq. of the French Labor Code

Having considered the report of the Board of Directors and the Special Report of the Statutory Auditors, the shareholders resolve, in accordance with the provisions of Articles L. 225-129-6 and L. 225-138-1 of the French Commercial Code and Articles L. 3332-18 et seq. of the French Labor Code:

- to authorize the Board of Directors, should it deem appropriate, and at its sole discretion, to increase the share capital on one or more occasions by issuing ordinary shares or securities giving access to the capital of the Company in favor of members of one or more Company or Group savings plans established by the Company and/or French or foreign companies related to it in accordance with the provisions of Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labor Code;
- to cancel in favor of these persons the preferential subscription rights to shares potentially issued pursuant to this delegation;
- to set at 26 months from the date of this meeting the validity of this authorization;
- to limit the maximum nominal amount of capital increases that may be carried out pursuant to this authorization to 3% of share capital at the time of the decision of the Board to increase share capital, this amount being independent of any other ceiling provided in respect of powers to increase capital. Where applicable, the additional amount of ordinary shares to be issued so as to preserve, in accordance with the law and any applicable contractual stipulations providing for other cases of adjustment, the rights of holders of securities giving entitlement to equity securities of the Company may be added to this amount;
- to limit the price of shares issued pursuant to this authorization to no more than 20% less, or more than 30% less if the lock-up period provided for by the plan pursuant to Articles L. 3332-25 and L. 3332-26 of the French Labor Code is greater than or equal to ten years, than the average opening share price during the 20 trading days preceding the decision of the Board of Directors relating to the capital increase and the issuance of the corresponding shares, and no more than this average share price;
- to allow the Board of Directors, pursuant to the provisions of Article L. 3332-21 of the French Labor Code, to allocate to the beneficiaries defined in the first paragraph above, free of charge, new or existing shares or other securities giving entitlement to equity securities of the Company in respect of (i) any contributions made pursuant to the regulations of a Company or Group savings plans and/or (ii) where appropriate, the discount;
- to note that this authorization supersedes any prior authorization with the same purpose.

The Board of Directors may or may not use this authorization, and take all measures and carry out all necessary formalities relating to it.

Fourteenth resolution: Amendment of the bylaws

Having considered the report of the Board of Directors, the shareholders resolve:

- to align paragraph 2 of Article 7 "Form of Shares" of the bylaws with the provisions of Articles L. 228-2 and L. 228-3-1 of the French Commercial Code, and to amend accordingly paragraph 2 of the said Article as follows, the remainder of the Article remaining unchanged:
  "The Company may, at any time, in accordance with the applicable laws and regulations, request that the central custodian in charge of the administration of its securities account identify the owners of bearer securities giving immediate or future voting rights at Shareholders' Meetings, as well as the number of securities held by each such owner and any restrictions that may apply to such securities.
  The Company is also entitled to request, in accordance with the applicable laws, the identity of the owners of securities and the amount of securities held by each such owner when it believes that certain holders whose identities have been disclosed may own securities on behalf of third parties.
  The Company may ask any legal person holding more than 2.5% of the share capital or voting rights to disclose the identity of persons directly or indirectly holding more than one-third of its shares or voting rights."
- to align paragraph 2 of Article 13, "Chairman and Chief Executive Officers" of the bylaws with Article L. 225-51 of the French Commercial Code as amended by the Act of August 1, 2003 and to amend accordingly paragraph 2 of this Article as follows, the remainder of the Article remaining unchanged:
  "The Chairman organizes and directs the work of the Board and reports to the Shareholders' Meeting. He ensures the proper functioning of the Company's governing bodies, and in particular ensures that the directors are able to fulfill their duties."

Fifteenth resolution: Powers of Attorney to carry out formalities

The Shareholders' Meeting grants full powers to the bearer of an original, a copy or an extract of the minutes of the meeting to carry out any and all legal filings and formalities.

— 8.3 — Report of the Board of Directors on the resolutions put to the Combined Shareholders' Meeting of April 30, 2014

Report of the Board of Directors on the Resolutions presented at the Ordinary Shareholders' Meeting

Approval of the 2013 parent company financial statements (1st resolution)

The **first resolution** seeks shareholder approval of the parent company financial statements for the year ended December 31, 2013, which show net profit of **€222,526,349**.

Appropriation of net income and determination of the dividend in respect of 2013 (2nd resolution)

The **second resolution** concerns the proposed appropriation of 2013 net profit and approval of the dividend recommended in respect of 2013.

	(in euros)
Retained earnings as of December 31, 2013	633,460,072
Net income for the year ended December 31, 2013	222,526,349
Total amount to be appropriated	855,986,421

If this resolution is adopted, the net dividend in respect of 2013 will amount to €0.33 per share, corresponding to a total payout of €51,142,417.

Upon payment, the dividend attributable to treasury shares held by the Company will be transferred to retained earnings.

Shares will trade ex-dividend from May 6, 2014, and the dividend will be paid on May 9, 2014.

Individual shareholders resident in France for tax purposes will qualify for the 40% tax relief provided for in Article 158-3-2 of the French General Tax Code on the total dividend.

As a reminder, the following dividends have been distributed over the past three years. The information provided below takes account of the two three-for-one stock splits occurring on May 10, 2011 and September 10, 2013.

The Board of Directors recommends that this amount be appropriated as follows:

	(in euros)
Total net dividend for 2013, to be paid as follows:	51,142,417
• from the net income for the year ended in the amount of	51,142,417
• from retained earnings in the amount of	0

Statutory Auditors' report on related-party agreements (3rd resolution)

The **third resolution** requests shareholder approval, as required by Article L. 225-38 of the French Commercial Code, of the related-party agreements described in the Special Report of the Statutory Auditors and concluded by Compagnie Plastic Omnium or remaining in effect in 2013.

Approval of the 2013 consolidated financial statements (4th resolution)

The **fourth resolution** seeks shareholder approval of the consolidated financial statements for the year ended December 31, 2013, which show net profit attributable to owners of the parent of €193,211 thousand.

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

At the Shareholders' Meeting of April 25, 2013, the shareholders authorized the Company to trade in its own shares under the following terms and conditions:

Maximum purchase price	€20* per share
Maximum number of shares that may be held:	10% of the outstanding shares
Maximum investment in the buyback program:	€309,954,000

* After adjustment to allow for the division of the par value by three on September 10, 2013.

Between April 25, 2013 and February 28, 2014, the Company:

- purchased 3,168,259 shares in a total amount of €45,245,332, i.e. an average of €14.28 each, of which 1,284,178 under the liquidity contract and 1,884,081 outside the liquidity contract;
- sold 1,306,655 shares under the liquidity contract in a total amount of €22,193,087, or an average of €16.98 each.

Details of these transactions and a description of the authorization submitted to your vote can be found in the section entitled "Share buyback program" in the Management Report.

The authorization to trade in the shares of the Company granted by the Shareholders' Meeting of April 25, 2013 expires October 24, 2014.

You are being asked to grant the Board of Directors a new authorization to trade in the shares of the Company for a further period of **18 months.**

Share buybacks allow an investment service provider to make a market in the Company's shares under a liquidity contract complying with the Code of Ethics issued by the French Association of Financial Markets (AMAFI), while the subsequent cancellation of shares improves our return on equity and earnings per share.

Shares can also be repurchased to support external growth operations, to cover stock option and bonus share plans for employees or corporate officers, or for delivery in connection with financial transactions involving transfers, sales or exchanges, or for any market practice accepted by stock market authorities.

The Board would not be authorized to use this authorization during the course of a takeover bid for the Company's shares.

We are seeking the renewal of this authorization on the following terms:

Maximum purchase price	€60 per share
Maximum number of shares that may be held	10% of the outstanding shares
Maximum investment in the buyback program	€929,862,120

Renewal of the directorship of Mrs. Anne Asensio and Mr. Vincent Labruyère (6th and 7th resolutions)

The Shareholders' Meeting is being asked to renew, for statutory terms of three years, the directorship of Mrs. Anne Asensio and Mr. Vincent Labruyère as directors.

Their terms will expire at the close of the Shareholders' Meeting to be held in 2017 to approve the 2016 financial statements.

The biographical information of the candidates is presented in paragraph 2.2.1 – Composition of the Board of Directors. The Board of Directors considered that Mrs. Anne Asensio and Mr. Vincent Labruyère could be deemed to be independent in accordance with the AFEP-MEDEF Code (Code AFEP-MEDEF de gouvernement d'entreprise des sociétés cotées).

Amount of directors' fees (8th resolution)

The **eighth resolution** proposes that the Shareholders' Meeting raise the amount of directors' fees payable to members of the Board of Directors to €340,000 effective from 2014 due to the appointment of a new director and the creation of the Compensation Committee.

Opinion on the components of compensation due or allocated in respect of 2013 to the Chairman and Chief Executive Officer, and the Chief Operating Officers (9th to 11th resolutions)

The **ninth, tenth and eleventh resolutions** ask the Shareholders' Meeting to express an opinion on the components of compensation due or allocated in respect of 2013 to Laurent Burelle, Chairman and Chief Executive Officer, and Paul Henry Lemarié and Jean-Michel Szczerba, Chief Operating Officers, in accordance with the AFEP-MEDEF Code (the "Say on Pay" principle). The details of the proposed compensation can be found on pages 31 et *seq.* of this report.

Report of the Board of Directors on the Extraordinary Resolutions presented at the Annual Shareholders' Meeting

Authorization to the Board of Directors to cancel shares repurchased by the Company pursuant to the provisions of Article L. 225-209 of the French Commercial Code (12th resolution)

The **twelfth resolution** asks the Shareholders' Meeting to authorize the Board of Directors, pursuant to the provisions of Article L. 225-209 of the French Commercial Code, to reduce the share capital, on one or more occasions, in the proportions and at the times it deems appropriate, by canceling all or part of the shares purchased or potentially purchased by the Company under the authorization granted by the Shareholders' Meeting, within the limit of **10%** of share capital per period of **24 months,** it being stipulated that this limit applies to share capital adjusted, as necessary, for transactions affecting the share capital subsequent to the next Shareholders' Meeting.

This authorization will be valid for a period of **26 months** from the date of this Shareholders' Meeting.

Authorization to the Board of Directors to increase the share capital by issuing securities with cancellation of preferential subscription rights in favor of members of a Company savings plan pursuant to Articles L. 3332-18 et seq. of the French Labor Code (13th resolution)

The Company has to submit to the Shareholders' Meeting every three years a resolution bearing on a capital increase reserved for members of a Company savings plan.

In accordance with the law, the Shareholders' Meeting would cancel shareholders' preferential subscription rights.

Pursuant to Article L. 3332-19 of the French Labor Code, the issue price of these securities may not exceed the average closing price for the 20 trading days preceding the date of the decision setting the opening date of subscription. Neither can it be more than 20% below this average, unless the securities are subject to a lock-up period of at least ten years, in which case the issue price may not be less than 30% of the said average.

The Shareholders' Meeting is therefore asked to authorize the Board of Directors, within the limit of 3% of the share capital, to increase capital by issuing ordinary shares or securities giving access to the capital of the Company in favor of members of one or more Company or Group savings plans established by the Company and/or French or foreign companies related to it in accordance with the provisions of Article L. 225-180 of the French Commercial Code and the Article L. 3344-1 of the French Labor Code.

Where applicable, the additional amount of ordinary shares to be issued so as to preserve, in accordance with the law and any potential contractual stipulations, the rights of holders of securities giving entitlement to equity securities of the Company, may be added to this amount.

This new authorization will be valid for a period of **26 months** from the date of this Shareholders' Meeting, and will supersede any prior authorization.

Within the limits set forth above, the Board of Directors has the powers necessary to set the conditions of the issue(s), to duly record the completion of the resulting capital increases, to make any corresponding amendments to the bylaws, to allocate, when it deems necessary, issue-related costs to the corresponding share premiums and to deduct the amounts required to increase the legal reserve to one-tenth of the new share capital from said premiums, and generally take all requisite action for this purpose.

Amendment of the bylaws (14th resolution)

The fourteenth resolution proposes:

- to align Article 7 "Form of Shares" of the bylaws with the provisions of Article L. 228-2 and L. 828-3-1 of the French Commercial Code and Article 13 "Chairman and Chief Executive Officers" of the bylaws with the provisions of Article L. 225-51 of the French Commercial Code removing the provision pursuant to which the Chairman represents the Board.

Powers of Attorney to carry out formalities (15th resolution)

The **fifteenth resolution** authorizes the bearer of an original, a copy or an extract of the minutes of the Shareholders' Meeting to carry out any and all legal filings and formalities in relation to the execution of the decisions of this Shareholders' Meeting.

— 8.4 — Statutory Auditors' report on the reduction in capital

Extraordinary Meeting of Shareholders held on April 30, 2014

12th resolution

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

To the Shareholders,

In our capacity as Statutory Auditors of Compagnie Plastic Omnium and in compliance with article L. 225-209 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, February 27, 2014

The Statutory Auditors

ERNST & YOUNG AND OTHERS	MAZARS
French original signed by	*French original signed by*
Gilles Rabier	Jean-Luc Barlet

— 8.5 — Statutory Auditors' report on the increase in capital reserved for employees who are members of a company savings scheme

Extraordinary Meeting of Shareholders held on April 30, 2014

13th resolution

In our capacity as statutory auditors of your Company and in compliance with articles L. 225-135 of the French Commercial Code (Code de commerce), we hereby report on the proposal to authorize your Board of Directors to decide whether to proceed with an increase in capital by an issue of ordinary shares with cancellation of preferential subscription rights, reserved for employees and/or corporate officers, of the Company or companies or groupings that are related to it in the conditions set out in Article L. 225-180 of the French Commercial Code, in the limit of 3% of the capital stock, an operation upon which you are called to vote.

This increase in capital is submitted for your approval in accordance with articles L. 225-129-6 of the French Commercial Code and L. 3332-18 et seq. of the French Labour Code (Code du travail).

Your Board of Directors proposes that, on the basis of its report, it be authorized for a period of twenty-six months, as from the date of this General Assembly, to decide on whether to proceed with an increase in capital and proposes to cancel your preferential subscription rights. If applicable, it shall determine the final conditions of this operation.

It is the responsibility of the Board of Directors to prepare a report in accordance with articles R. 225-113 and R. 225-114 of the French Commercial Code. Our role is to report on the fairness of the financial information taken from the accounts, on the proposed cancellation of preferential subscription rights and on other information relating to the share the issue provided in the report.

We have performed those procedures which we considered necessary to comply with the professional guidance issued by the French National Auditing Body (Compagnie nationale des Commissaires aux Comptes) for this type of engagement. These procedures notably consisted in verifying the information provided in the Board of Directors' report relating to this operation and the methods used to determine the issue price of the shares.

Subject to a subsequent examination of the conditions for the increase in capital that would be decided, we have no matters to report as to the methods used to determine the issue price for the ordinary shares to be issued provided in the Board of Directors' report.

As the final conditions in which the increase in capital would be performed have not yet been determined, we cannot report on these conditions and, consequently, on the proposed cancellation of preferential subscription rights.

In accordance with article R. 225-116 of the French Commercial Code, we will issue a supplementary report, if necessary, when your Board of Directors has exercised this authorization.

We have no matters to report as to the methods proposed.

Paris-La Défense, February 27, 2014

The Statutory Auditors

ERNST & YOUNG AND OTHERS	MAZARS
French original signed by	*French original signed by*
Gilles Rabier	Jean-Luc Barlet

Declaration by the person responsible for the Annual Report

Laurent Burelle, Chairman and Chief Executive Officer

“I declare that, to the best of my knowledge, all reasonable care has been taken to ensure that the information contained in this Annual Report reflects the facts and contains no omission likely to affect its import.

I declare that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, the financial position and the results of both the Company and the consolidated companies. The information in the management report gives a fair view of the business development, results and financial position of the Company and the companies the Group consolidates, and describes the main risks and uncertainties to which they are exposed.”

Levallois, February 28, 2014

Laurent Burelle

Chairman and Chief Executive Officer

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