PLASTIC OMNIUM

Paris, July 23, 2015,

# Strong growth in interim results
# New orders pick up

- **Economic sales(1) up by 11.8% to €2,945 million**
- **Operating margin(3) rose 18.5% to 9.6% of consolidated sales(2)**
- **Net income increased by 31% to €142 million**
- **Free cash flow tripled to €107 million**

Laurent Burelle, Chairman and CEO of Plastic Omnium, said:

*"Results for the first-half 2015 are in line with the strategic plan presented in December 2014. Our results grew strongly to achieve historical highs, allowing us to step up our industrial investments and technological innovation while simultaneously increasing free cash flow.*

*We have booked some big orders, significantly strengthening our leadership positions in exterior body parts and fuel systems and showing the market's appetite for our innovative weight and emission reduction products.*

*As a result, we are one year ahead of schedule on meeting our growth targets and will hit €7 billion in sales(1) by 2017 rather than 2018 as initially planned.*

*95% of this €7 billion is already in our order book."*

**Financial information** Tel.: +33 (0)1 40 87 64 49 Fax: +33 (0)1 40 87 96 62 investor.relations@plasticomnium.com

The Board of Directors of Compagnie Plastic Omnium met on July 21, 2015 and approved the consolidated financial statements at June 30, 2015.

| in millions of euros | First-half 2014 | First-half 2015 | Change as a % |
|---|---|---|---|
| Economic sales[1] | 2,635.6 | 2,945.3 | +11.8% |
| Consolidated sales[2] | 2,246.3 | 2,474.3 | +10.2% |
| Operating margin[3] | 200.3 | 237.3 | +18.5% |
| *as a % of sales* | *8.9%* | *9.6%* | |
| Net profit (loss)-group share | 108.4 | 141.8 | +30.9% |
| *as a % of sales* | *4.8%* | *5.7%* | |

| | | | |
|---|---|---|---|
| EBITDA[4] | 301.4 | 346.9 | +15.1% |
| *as a % of sales* | *13.4%* | *14.0%* | |
| Free cash flow[5] | 33 | 107 | +224.2% |
| Net debt[6] | 423 | 354 | -16.3% |
| *Net debt/equity* | *44%* | *30%* | |

## Strong growth in sales

**Economic sales** for the first-half 2015 was €2,945.3 million, up 11.8%.

The Group's strategy of globalization is bearing fruit, driving strong sales growth in strong currency zones such as North America and Asia.

| In €m, by segment | First-half 2014 | First-half 2015 | Change | Like-for-like change |
|---|---|---|---|---|
| Automotive | 2,428.8 | 2,753.0 | +13.3% | +3.5% |
| Environment | 206.8 | 192.3 | -7.0% | -3.7% |
| **Economic sales[1]** | **2,635.6** | **2,945.3** | **+11.8%** | **+3.0%** |
| **Consolidated sales[2]** | **2,246.3** | **2,474.3** | **+10.2%** | **+1.1%** |

Automotive sales rose 3.5% at constant exchange rates, compared to a 1.3% rise in automobile manufacturing in the first-half 2015. As expected, sales outperformed the market by more than 2 percentage points over the period.

In the Environment division, sales fell by 3.7% in like for like terms. In an environment of local government budget cuts, Plastic Omnium consolidated market share in Europe, winning new contracts in Paris, Bordeaux and Orléans (France), Gent (Belgium) and Ravensburg (Germany).

## Strong growth in Europe and Asia

Economic sales growth by region was as follows:

| In €m and as a % of sales by region | First-half 2014 | First-half 2015 | Change | Like-for-like change |
|---|---|---|---|---|
| Europe | 1,424.0<br>*54%* | 1,529.3<br>*52%* | +7.4% | +6.9% |
| North America | 705.6<br>*27%* | 804.4<br>*27%* | +14.0% | -6.4% |
| South America | 109.6<br>*4%* | 112.7<br>*4%* | +2.8% | +0.2% |
| Asia | 396.4<br>*15%* | 498.9<br>*17%* | +25.9% | +6.4% |
| **Economic sales(1)** | **2,635.6**<br>*100%* | **2,945.3**<br>*100%* | **+11.8%** | **+3.0%** |
| **Consolidated sales(2)** | **2,246.3**<br>*100%* | **2,474.3**<br>*100%* | **+10.2%** | **+1.1%** |

Growth was driven by **Europe** where sales rose 6.9% at constant exchange rates. The Group was helped by 27 new program launches, including:

- the new Renault Espace, for which the Group supplies bumpers, rear floor, tailgate with spoiler and fuel system;
- bumpers for the new Jaguar XE and XF;
- the SCR system to reduce nitrogen oxide emissions in the Audi Q7.

Also, in Russia, rigorous management ensured the division continued to break even.

In **Asia**, sales were also strong, with revenue rising 6.4% at constant exchange rates. There were 31 new program launches in the region, including 22 in China where four new production plants came onstream (in Wuhan, Hangzhou, Changsha and Beijing) and the first equipment deliveries were made to Chinese carmakers Geely and BAIC. In Japan, the SCR system for Toyota went into production in Kitakyushu.

In **North America**, nine new programs in the second-half 2015, accelerating sales of the Ford F150 and the start-up of the Chattanooga plant for Volkswagen in late August will spur development in the region.

In **South America**, sales held steady despite a 16% drop in automobile manufacturing thanks to new launches for Peugeot and Honda and a tight grip on selling prices.

## Major new orders confirm market share gains and the Group's strong potential

The first-half 2015 brought in many new orders. In Mexico, the Group booked orders for General Motors and Daimler to supply bumpers produced at a new plant coming onstream in 2017. Plastic Omnium also won two global platform tenders to supply fuel systems to Daimler Group (Sprinter and MFA2). These will be delivered to Europe, Brazil, China and Mexico, which will mean building a new fuel systems plant in Mexico during 2016. Lastly, the Group won an order from Volvo-Geely to supply fuel systems for a new platform in Europe and China.

In Asia, a new contract for fuel systems to Suzuki will be supplied from a new plant to be built in Gujarat India.

Also, the success of SCR nitrogen oxide emissions control systems was confirmed with two new clients placing orders, taking the total number of clients supplied with this Plastic Omnium technology to 13.

## Strong growth in results

**Operating margin** rose by 18.5% to €237.3 million, 9.6% of sales compared to 8.9% in the first-half 2014. In Automotive, operating margin grew 20% to €226.2 million or 9.9% of sales. In Environment, margin was 5.8% of sales compared to 6.3% in 2014.

Non-current items were a negative €24 million and basically comprised restructuring costs and asset impairment writedowns.

Net profit - group share rose 31% to €142 million, 5.7% of sales.

## Free cash flow triples amid sustained investment policy

EBITDA rose 15% to €347 million, 14% of sales.

The Group has embarked on a sustained investment program and invested €164 million in the first-half 2015, 6.6% of sales for the period.

Free cash flow tripled to €107 million.

At June 30, 2015, Group net debt fell to €354 million, after €20 million spent on acquiring treasury shares.

Net debt stands at 30% of equity and 0.5 times EBITDA.

## Outlook

The major new orders taken since the start of 2015 in global platforms and with clients diversifying the Group's portfolio will help Plastic Omnium grow market share substantially from 2016. Expansion will be led by the eight new plants planned for construction by 2017. By end-2017, the Group will have 123 state-of-the-art plants running at high rates of capacity utilization.

As a result, the Group will hit its sales target of €7 billion [(1)] one year ahead of schedule, in 2017 rather than 2018 as previously announced.

95% of those sales is already covered by firm orders.

## Calendar

Third-quarter revenue: October 22, 2015

## Glossary

(1) Economic sales is the consolidated sales plus a proportional share of sales from associates: BPO, HBPO and YFPO, in the case of Plastic Omnium Automobile. This metric reflects the operating and managerial realities of the Group.

(2) Consolidated sales, in line with IFRS 10-11-012, do not include proportional shares of associates accounted for by the equity method.

(3) Operating margin is operating profit, including the proportional share in profit (loss) of associates reported by the equity method, less amortization of intangible assets acquired, before other operating income and expenses.

(4) EBITDA is operating margin before depreciation, amortization and operating provisions.

(5) Free cash flow refers to operating cash flow less expenditure on property, plant and equipment and intangible assets net of disposals, and net disbursements for taxes and financial interest, +/-change in net working capital (net cash generated by operating activities).

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

For more detailed financial information see www.plasticomnium.com