2007 ANNUAL REPORT

INNOVATING FOR A WORLD ON THE MOVE

PLASTIC OMNIUM

PLASTIC OMNIUM

INDEPENDENCE AND LEADERSHIP: THE **2 PILLARS** OF PLASTIC OMNIUM

AUTOMOTIVE EQUIPMENT

> PLASTIC OMNIUM AUTO EXTERIOR

No. 2

worldwide in exterior components and modules

> INERGY AUTOMOTIVE SYSTEMS

No. 1

worldwide in plastic fuel systems

URBAN SYSTEMS

> PLASTIC OMNIUM ENVIRONMENT

No. 1

in Europe in at-source management solutions for household and industrial waste

> COMPAGNIE SIGNATURE

No. 1

in Europe in road and highway signage

ONE COMPANY, TWO BUSINESSES With leadership positions in its two core businesses, Plastic Omnium is leveraging its entrepreneurial spirit to drive sustainable, profitable growth.

Its broad international presence, capacity for innovation and powerful service culture have made it a leading partner to carmakers, local communities and public works contractors.

Dedicated to continuous progress, the Company partners with customers to respond to the daunting challenges of making automobiles lighter and roads safer and of reducing waste, while responsibly conducting its industrial operations and respecting the concerns of all its stakeholders.

Plastic Omnium operates on five continents with 86 plants and 38 forward supplier facilities. A multicultural enterprise, it has 14,200 employees, of whom 57% are based outside France. In 2007, it reported revenue of €2.7 billion, of which 70% generated outside France, and net profit of €51 million.

CONTENTS

MESSAGE FROM THE CHAIRMAN

2007: A YEAR OF STRATEGIC OPERATIONS

In today's world on the move, where competition is accelerating while growth opportunities are multiplying, 2007 was shaped by major strategic decisions that have firmly focused Plastic Omnium on two core businesses: Automotive Equipment and Urban Systems.

The transactions carried out between July and December 2007 illustrate the Company's business development model, which is based on independence and leadership.

A STRONGER URBAN SYSTEMS DIVISION

We kept our promise, announced in March 2007, of expanding the range of products and services for local communities, with the acquisitions of Germany's Sulo Environmental Technology and of Compagnie Signature and the creation of an equity partnership with Eurovia, a subsidiary of the Vinci Group. These external growth transactions have enabled us to strengthen our traditional expertise in waste management while expanding the business base to include road signage.

A NEW ROLE AND GROWTH PROSPECTS

At a time when waste production, urbanization and road traffic are all on the rise, we have revamped the services portfolio. The goal is to support local communities, businesses, and consumers by providing urban and highway equipment that optimize the quality of life and enhance road safety.

Market share is expected to increase thanks to the development of geographic and marketing synergies. In addition, the alliance with Eurovia provides competitive advantage at a time when public works projects are increasingly financed by public-private partnerships.

A NEW BALANCE BUILT ON TWO SOLID FOUNDATIONS

The strengthening of the Urban System Division is also guided by our determination to build future growth on two core businesses with differing, yet complementary cycles. While the Automotive Equipment Division accounted for 84% of consolidated revenue in 2007, the goal is for Urban Systems to increase its share, from 10% in 2006 to 20% in 2008. Consolidating Plastic Omnium Environment, SULO and Signature's operations should also strengthen the Division's contribution to consolidated earnings.

AN AUTOMOTIVE EQUIPMENT DIVISION WITH TRULY GLOBAL SCOPE

For the third year in a row, our automotive equipment operations outperformed the worldwide automobile market, posting a 12.2% increase in revenue over the previous year. Growth was led by the development of exterior modules and by strategic deployment in new, fast-growing markets. The module offer was supported by strong gains at HBPO, the worldwide leader in front-end modules, as well as the full consolidation of Inoplast, which specializes in rear-opening modules made from composite materials. After developing the fender module for the BMW X5, Plastic Omnium is now producing — also in the United States — the same module for the BMW X6, the world's first "sport activity coupe."

BOLSTERING OUR COMMITMENT IN CHINA

2007 saw the finalization of many projects in Asia and Eastern Europe. These included partnerships in China and India signed by Plastic Omnium Auto Exterior with two market-leading OEMs, the construction of an Inergy Automotive Systems plant in Russia, and the start-up of INERGY's first plant in China and Plastic Omnium Auto Exterior's first low-cost plant in Argentina.

Between 2003 and 2007, the percentage of Plastic Omnium Auto Exterior and Inergy Automotive Systems revenue generated in international markets rose by 70%.
In the years ahead, Plastic Omnium intends to strengthen its commitment to developing in China, pursue its expansion in Central and Eastern Europe and continue playing a major role in the Mercosur countries while fully leveraging its production base in North America and Europe.

FIVE STRENGTHS UNDERPINNING THE LONG-TERM STRATEGY

Our strategic vision is guided by five fundamentals: independence, with the same family holding a major stake in the Company since its founding; targeted investments; a recognized capacity for innovation; international scope; and the ability to integrate new technologies, new skills sets and new employees from different cultures and horizons.
In this respect, two figures stand out: in 2007, 60% of managers were hired outside France and 57% of employees were based in international markets. More than ever, we believe in the validity of these fundamentals—the strengths that they give us and the benefits they bring—not only for our Company and our employees but also for our customers.

IMPORTANT RESPONSIBILITIES

Our two core businesses are focused on issues linked to sustainable development and environmental protection, such as how to reduce waste volumes, make motor vehicles more environmentally friendly, and enhance the safety of pedestrians and road users. In all of these areas, innovation is playing a key role and driving growth by enabling us to design and market products that meet the expectations of our customers and consumers in general.

Our overall performance is also supported by a commitment to corporate social responsibility. This commitment strengthens social dialogue and cohesiveness within the organization and supports the integration and development of employees throughout their careers. Employee safety is a top priority, and the accident rate has declined steadily over the past five years, always with the goal of moving towards an accident-free workplace.

FINANCIAL REVIEW

Our 2007 results reflect a year of transition and preparation for the future. The Urban Systems Division began deploying a new organization to manage an expanded business base, remodeling its production resources, investing in a new supply chain and rationalizing its structures. The Automotive Equipment Division enjoyed a year of strong growth that varied from one market to another. With a record 48 product launches, of which two-thirds in the second-quarter, 2007 also saw a sharp rise in the number of international projects. Against this backdrop, operating margin and net profit were maintained at 2006 levels.

In line with our commitment to carefully controlled growth, the business generated free cash flow for the sixth consecutive year. Following the strategic operations carried out during the year, the debt-to-equity ratio stood at 84%. Once again, we need to gradually reduce this figure, as we did during the 2001-2006 period, which will enable us to pursue new opportunities.

STRATEGIC PRIORITIES

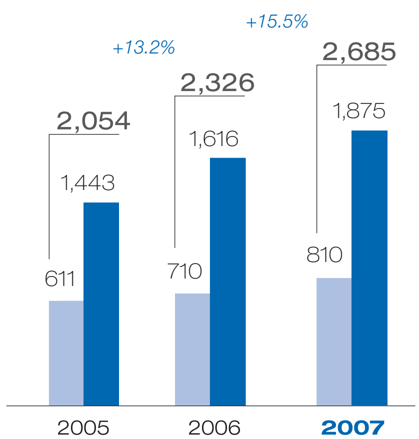
Plastic Omnium is a new Company in 2008, a more balanced enterprise that is built around two core businesses with clear strategies and ambitious goals. Our objective, in all our markets, is to meet the needs of carmakers with cost-effective, innovative solutions and to become a full-fledged urban equipment supplier by expanding our portfolio of products and services for local communities.
And although a new Company, Plastic Omnium will continue to build on the strengths that have always underpinned its success, namely an organization focused on optimized costs and industrial excellence, a highly responsive decision-making process, and a constant commitment to our 14,200 employees.

Backed by the ongoing confidence of our customers and suppliers and the total dedication of our employees, Plastic Omnium will once again enjoy very substantial growth in the years ahead.

Laurent Burelle

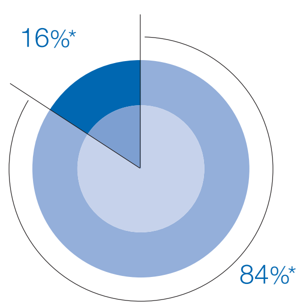
FINANCIAL HIGHLIGHTS

CONSOLIDATED REVENUE
(IN € MILLIONS)



France
International

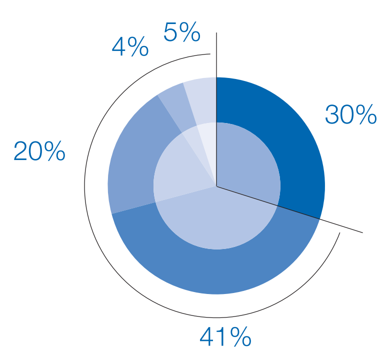
REVENUE BY BUSINESS



Automotive Equipment
Urban Systems

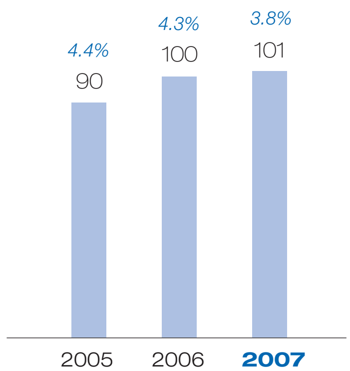
* 80% / 20% in pro forma revenue, following the acquisitions carried out in 2007 in the Urban Systems Division.

REVENUE BY REGION

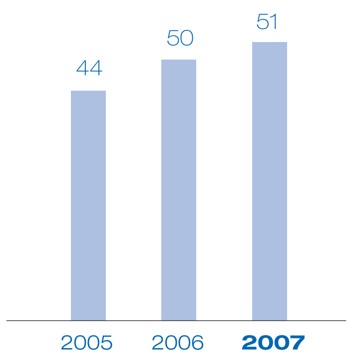


France
Rest of Europe
North America
South America
Asia

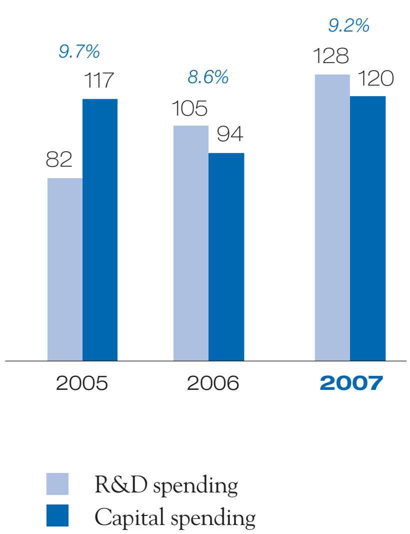
OPERATING MARGIN
(IN € MILLIONS AND AS A % OF REVENUE)



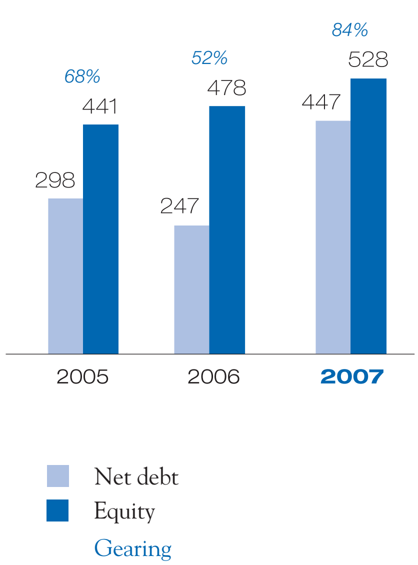
NET PROFIT
(IN € MILLIONS)



RESEARCH & DEVELOPMENT AND CAPITAL SPENDING
(IN € MILLIONS AND AS A % OF REVENUE)

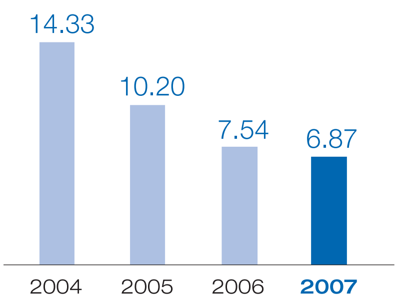


NET DEBT AND EQUITY
(IN € MILLIONS)



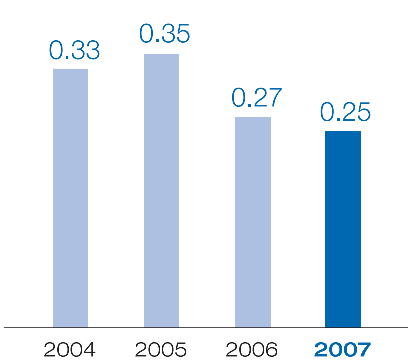
KEY SUSTAINABLE DEVELOPMENT INDICATORS

ACCIDENT FREQUENCY RATE



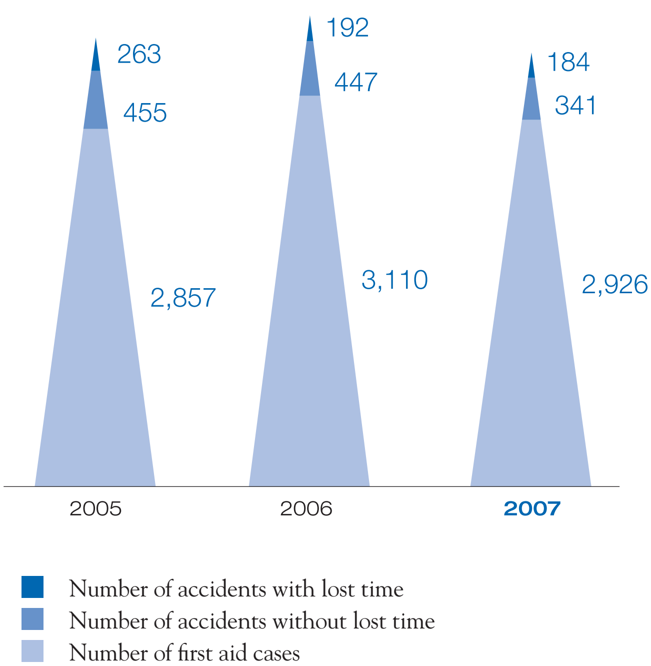
Number of accidents with lost time per one million hours worked

ACCIDENT SEVERITY RATE

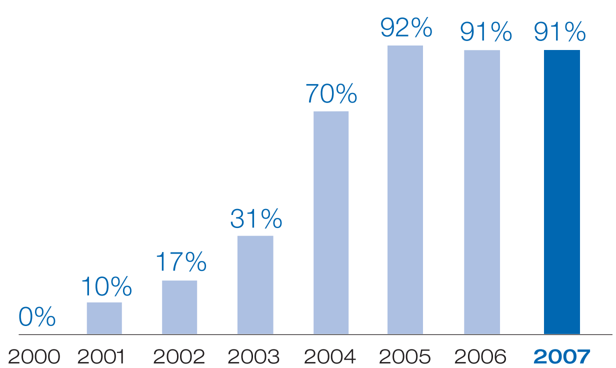


Number of days of accident-related lost time per 1,000 hours worked

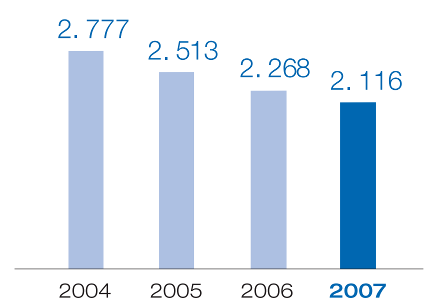
ACCIDENT PYRAMID



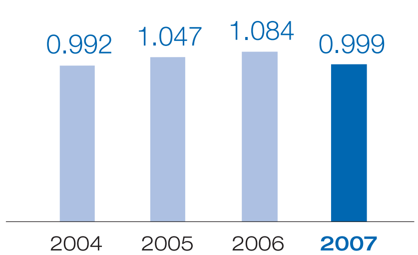
PERCENTAGE OF SITES CERTIFIED ISO 14001



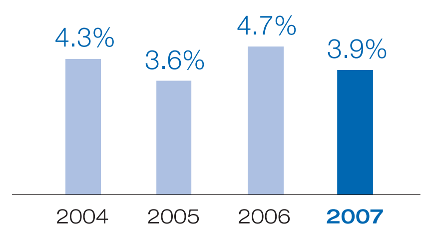
ELECTRICITY CONSUMPTION IN KWH PER KG OF PROCESSED MATERIAL



GAS CONSUMPTION IN KWH PER KG OF PROCESSED MATERIAL

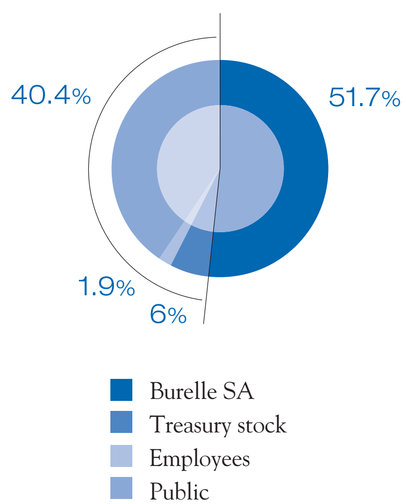


ULTIMATE WASTE FROM PRODUCTION FACILITIES AS A % OF PROCESSED MATERIAL



PLASTIC OMNIUM AND THE STOCK MARKET

SHAREHOLDER STRUCTURE AT 31 DECEMBER 2007



40% of outstanding shares are held by the public, of which **7%** by private shareholders, **15%** by French investors and **18%** by foreign investors

SHARE PERFORMANCE AND VOLUMES TRADED

SUMMARY SHARE DATA

	2005*	2006	2007
SHARE PRICE (IN €)			
High	33.94	38.35	45.37
Low	19.01	28.55	33.10
Average	31.25	34.17	38.25
At 31 December	28.85	34.05	36.65
SHARES OUTSTANDING AT 31 DECEMBER	**18,717,662**	**18,894,842**	**18,671,332**
Market value *(at 31 December, in € millions)*	540	643	684
Equity *(at 31 December, in € millions)*	441	478	528
Equity per share *(at 31 December, in €)*	23.50	25.25	28.28

**Adjusted for the two-for-one stock split on 18 May 2005.*

YIELD DATA

	2005	2006	2007
Earnings per share *(in €)*	2.53	2.67	2.81
DIVIDEND PER SHARE (IN €)	**0.60**	**0.66**	**0.70**
Dividend payout	23.7%	26.6%	26.5%
Net yield *(based on share price at 31 December)*	2.1%	1.9%	1.9%

THE PLASTIC OMNIUM SHARE

- Plastic Omnium founded: 1946
- Initial public offering: 1965
- Listed on Euronext Paris, Compartiment B
- Stock market indices: SBF 250, CAC Mid 100
- ISIN code: FR0000124570
- Reuters code: PLOF.PA

MANAGEMENT'S DISCUSSION AND ANALYSIS

As presented by the Board of Directors of Compagnie Plastic Omnium to shareholders at the Annual Meeting of 24 April 2008

DESCRIPTION OF BUSINESSES

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

In **Automotive Equipment,** which accounted for 84% of 2007 revenue, the Company holds leadership positions in two business segments.

Plastic Omnium Auto Exterior is ranked second worldwide in exterior components and modules. It designs and delivers a wide array of parts and modules, including bumpers and energy absorption systems, fender modules, front-end assemblies and rear-closure modules. The Division designs customized solutions made from high value-added materials that deliver a greater number of functions, while enhancing the car's safety performance and making it more attractive.

Inergy Automotive Systems, in which Compagnie Plastic Omnium holds a 50% stake, is the world's leading producer of plastic fuel systems. A fuel system is an integrated, multi-functional safety module that includes the car's filler, storage, ventilation, engine supply and fuel level gauge systems.

Both businesses operate around the world, with 69 industrial facilities on five continents and more than 10,900 employees, and work with practically every global carmaker.

The **Urban Systems** business was strengthened in 2007, in line with the Company's strategy. In 2006, it comprised the operations of **Plastic Omnium Environment,** the world leader in at-source waste management, providing upstream solutions through a broad range of products that includes wheeled containers, public drop-off receptacles and litter bins, as well as customized services designed to improve sorting performance while optimizing waste management costs.

2007 saw the acquisition of Germany's Sulo Environmental Technology and Compagnie Signature, and the creation of a partnership between Signature and Eurovia, a Vinci Group subsidiary. These transactions are described in the Year in Review section of this report. Taking into account these transactions as from 1 January 2007, Urban Systems would have contributed nearly 20% of consolidated revenue (16% as reported). The Division's objective is to become an equipment provider to local communities through an expanded range of products and services.

RESEARCH AND DEVELOPMENT

An integral part of Plastic Omnium's long-term strategy, innovation supports the Company's performance and its reputation as a leader in automotive equipment and services for local communities. In 2007, a total of €127.9 million was allocated for research and development, equivalent to 4.8% of revenue. A total of 1,190 engineers and technicians – 8% of the workforce – are employed worldwide in 27 R&D centers located near carmaker decision-making centers. The Company manages a portfolio of 635 patents, of which 47 were filed in 2007.

In Automotive Equipment, research focuses on reducing CO_2 and particle emissions, making body components lighter and cars more attractive, developing more fully functioned modules and improving pedestrian safety. To achieve these goals, the Company leverages its expertise in component architecture, injection and paint technologies, and materials formulation.

In Urban Systems, the focus is on improving product ergonomics and developing waste prevention services, notably through high-performance information systems.

YEAR IN REVIEW

Strengthening of the Urban Systems Division

In March 2007, Plastic Omnium announced its strategic commitment to strengthening – mainly through acquisitions – its range of products and services in Europe for local communities. During the year, this strategy took shape with the acquisitions of Sulo Environmental Technology and Compagnie Signature and the partnership with Eurovia.

Acquisition of Sulo Environmental Technology

Like Plastic Omnium Environment, Sulo Environmental Technology is a European leader in the manufacture and sale of wheeled bins, underground containers, litter bins, public drop-off receptacles and other waste collection equipment.

Its plant in Germany and its sales in Central Europe help to expand the manufacturing and marketing base of Plastic Omnium Environment, which already produces waste collection equipment in France, Spain and South Africa for sale around the world.

The acquisition also includes SULO subsidiary Envicomp, which designs information systems for identifying, weighing and lifting waste containers. The integration of Envicomp extends Plastic Omnium's Ecosourcing service package, which aims to improve waste sorting and raise awareness among equipment users.

The acquisition also enables Plastic Omnium Environment to diversify into two other businesses in which Sulo Environmental Technology is already present – logistics (transport and storage) and the production of metal containers for the chemicals and pharmaceutical industries.

With 540 employees, mainly in Germany, Sulo Environmental Technology generated €179 million in revenue and €12.4 million in operating profit in 2006. On 25 September 2007, the transaction was finalized for an enterprise value of €142 million.

Acquisition of Compagnie Signature

Compagnie Signature is a European leader in urban, road and motorway signage.

It provides equipment and maintenance solutions for roads and city streets that improve user comfort and safety, with products and services in four areas:

- Vertical signage, with the manufacture and sale of traffic signs and variable message electronic display panels.
- Horizontal signage, with the production of road marking paints, the manufacture of paint-application machines and the provision of roadway marking services.
- Safety equipment and services dedicated to worksite signage and enhanced road safety, such as speed bumps and lane delineators.
- Urban furniture, such as passenger shelters.

Compagnie Signature has 1,270 employees and reported 2006 revenue of €235 million. Its production base comprises 11 plants in France, Germany, Switzerland, Turkey and the United Kingdom. Through its sales network and 24 subsidiaries, it operates in 40 countries.

Compagnie Signature was acquired on 26 July 2007 (retroactive to July 1) from Burelle SA, Plastic Omnium's parent company. The shares were purchased for €90 million and paid in cash.

Partnership with Eurovia

In late December 2007, Compagnie Signature signed a road signage partnership with Eurovia, a subsidiary of the Vinci Group and a world leader in road construction and maintenance.

The equity agreement, which consists of cross-shareholdings between Compagnie Signature and Eurovia, has been in effect since 1 January 2008. It is expected to speed growth in France and elsewhere in Europe by enhancing both companies' financial, sales and innovation resources through the development of public-private partnerships. The two units will market turnkey road infrastructure packages, with Eurovia to build the roads and Signature to supply the marking products and vertical signage equipment.

The new Urban Systems Division brings together integrated capabilities in at-source waste management and signage. It generates pro forma revenue of approximately €550 million, or 20% of the consolidated total.

As a partner to local communities, regional authorities and businesses, it will expand:

- By strengthening its presence in Central and Eastern Europe and around the Mediterranean basin.
- By offering an ever-expanding array of services that help to optimize the living environment and improve road safety.

Sustained growth in Automotive Equipment

France: Acquisition of a production facility and all outstanding shares in Inoplast

In January 2007, Plastic Omnium acquired Cadence Innovation's plant in Vernon, Normandy, which was in compulsory liquidation. The plant produces bumpers for the Citroën C2 and C3, Peugeot 1007 and Renault Twingo.

With the support of PSA Peugeot Citroën, which has committed to maintaining its order volumes over the medium term, the acquisition has strengthened Plastic Omnium's positions in France. The plant generated revenue of €26 million in 2007.

In July, Inoplast, the European leader in hatchbacks made of thermoset composites, became a wholly owned Plastic Omnium subsidiary following the buyout of minority interests (16%).

New operations in fast-growing automobile-producing regions

Pursuing its strategy of supporting carmakers, the Automotive Equipment Division continued to develop in fast-growing automobile-producing regions:

- In China, with the creation in April 2007 of Yanfeng Plastic Omnium Automotive Exterior Systems Co., Ltd. (YFPO), in which Plastic Omnium Auto Exteriors holds a 49.95% stake. A manufacturer of exterior components, YFPO came on stream in late first-half 2007, supplying a large number of customers from its two production facilities in Anting and Chongqing. The company has 500 employees.

  The creation of YFPO follows Inoplast's April 2006 acquisition of a 60% stake in XieNO, which mainly supplies truck manufacturers FAW and China National Heavy Trucks.

  Inergy Automotive Systems is also building a plant in Wuhan (Hubei Province) that is scheduled to come on stream in 2008 to deliver fuel systems to Nissan and General Motors, while HBPO will supply front-end modules to Chrysler, also beginning in 2008, from a new assembly plant in Fuzhou.

  Present in China only since 2006, Plastic Omnium expects to generate revenue of roughly €200 million in the country by 2012.
- In Argentina, with the late-year start-up of a new exterior components plant in Pilar.
- In India, where Plastic Omnium Varroc, a joint venture with India's Varroc, was created in October. The new company will deliver exterior components to Indian and global carmakers. In December, construction began of a fuel system plant that will begin supplying Toyota in 2009.

Ongoing plant restructuring programs

In the Automotive Equipment Division, the Company closed its fuel system plant in Oppama, Japan, and announced its decision to close its plant in Blenheim, Canada, in 2008.

In the Urban Systems Division, the production facilities in Telford, United Kingdom, and Valencia, Spain, were closed. Household waste containers are now produced at the plant in Langres, France, while litter bins are being manufactured at a new plant in Valencia. To strengthen the new manufacturing organization, the supply chain has been entirely revamped, with the installation of an integrated ERP system. These measures are intended to support the business' new structure following the acquisitions made during the year.

Proposed disposal of Performance Plastics Products – 3P

Performance Plastics Products – 3P, a leader in the processing of fluoropolymers and other high-performance resins, was recognized in "assets held for sale." The unit, which generates full-year revenue of €60 million and has around 400 employees, is currently in the process of being divested.

ACCOUNTING PRINCIPLES AND METHODS

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

RISK MANAGEMENT

The main risks are presented in detail in the Chairman's report on internal control procedures. They mainly concern:

- Risks related to financing activities, including liquidity, interest rate and currency risks.
- Operational risks related to development and manufacturing operations and the recovery of receivables from the sale of products and services.
- Environmental risks, which are described below.

REMARKS ON CONSOLIDATED RESULTS

Compagnie Plastic Omnium's consolidated **revenue** rose 15.5% to €2,685.1 million in the year ended 31 December 2007.

The increase was 9.2% at constant scope of consolidation and 11.7% at constant exchange rates and scope of consolidation.

Revenue growth by business and region broke down as follows:

(in € millions, by business)	2006	**2007**	% change: Reported	% change: At constant exchange rates and scope of consolidation
Automotive Equipment	2,005.5	2,249.5	+12.2%	+12.3%
Urban Systems	241.5	435.6	+80.4%	+6.0%
Performance Plastics Products - 3P	78.6	-	-	-
Consolidated revenue	**2,325.6**	**2,685.1**	**+15.5%**	**+11.7%**

(in € millions and as % of revenue by region)	2006	**2007**	% change: Reported	% change: At constant exchange rates and scope of consolidation
France	*710.4*	809.8	+14.0%	+0.0%
	30%	*30%*		
Rest of Europe	873.8	1,090.7	+24.8%	+17.2%
	38%	*41%*		
North America	557.7	544.1	-2.4%	+14.4%
	24%	*20%*		
Asia, South America	183.7	240.5	+30.9%	+22.1%
	8%	*9%*		
Consolidated revenue	**2,325.6**	**2,685.1**	**+15.5%**	**+11.7%**
	100%	***100%***		

The Automotive businesses continued to outperform the global automobile market. Revenue rose by 12.2% for the year (following increases of 16% in 2005 and 15% in 2006), led by the development of exterior modules and new plants in fast-growing automobile-producing regions.

Growth accelerated in the second half. The Company's French plants saw a return to revenue growth with the launch of new production programs for Renault and Peugeot, while the United States benefited from a sharp increase in demand from BMW and General Motors.

Renault/Nissan and General Motors are the Division's biggest customers, representing about 20% of sales each, followed by PSA Peugeot Citroën (16%), Volkswagen (11%) and BMW (11%).

As announced, the Urban Systems Division strengthened its portfolio of products and services for local communities in Europe.

- Acquired in July, Compagnie Signature contributed €127 million to consolidated revenue. Later in the year, it forged an equity partnership with Eurovia, a Vinci Group subsidiary.
- Germany's Sulo Environmental Technology, which was acquired on 25 September, is a major European player in waste collection. It generated fourth-quarter revenue of €55.4 million.

Taking into account these transactions as from 1 January 2007, the Urban Systems Division would have contributed 19% of consolidated revenue (16% as reported), a total of €533 million. Calculated in this manner, 2007 consolidated revenue would have totaled €2,785.0 million, operating margin would have been €105.3 million and net profit €55.4 million.

During the year, Compagnie Plastic Omnium strengthened its positions in all its **operating regions**, especially outside of France. Europe (excluding France) was the largest contributor to consolidated revenue, accounting for 41% of the total, followed by France at 30% and North America at 20%. Revenue in North America was especially hard-hit by the lower dollar. Since 2001, North America is the region that has seen greatest increase in revenue (in dollars), with an 80% rise for the period. Asia accounted for 5% of revenue and South America for 4%.

Gross margin rose by 5% to €342.9 million. It represented 12.8% of revenue, compared with 14% in 2006, due in particular to the higher contribution of modules to automotive revenue and the reorganization of the Urban Systems Division.

Operating expenses excluding the cost of sales amounted to €241.8 million, representing 9% of revenue versus 9.8% in 2006.

Research and development costs came to a net €48.3 million, or 1.8% of revenue, compared with €55.2 million and 2.4% of revenue in 2006. Gross R&D costs (*i.e.* before deducting amounts re-invoiced to customers) rose 22% to €127.9 million, compared with €104.8 million in the previous year.

Administrative and distribution expenses amounted to €193.5 million, or 7.2% of revenue, versus a prior-year total of €171.6 million (7.4%).

Operating margin amounted to €101.2 million, versus €99.9 million in 2006. It represented 3.8% of revenue in 2007, compared with 4.3% in the previous year. The amount included a negative currency effect of €8 million related to the depreciation of the dollar against the euro.

By business, the change in operating profit was as follows:

(in € millions)	2006	2007
Automotive Equipment	**84.8**	**78.4**
% of Division revenue	*4.2%*	*3.5%*
Urban Systems	**16.6**	**22.8**
% of Division revenue	*6.9%*	*5.2%*
3P	**(1.5)**	**0**
% of Division revenue	*(1.9%)*	-
TOTAL	**99.9**	**101.2**
% of total revenue	*4.3%*	*3.8%*

Operating profit in the **Automotive businesses** decreased by €7.4 million in the first half because of lower volumes, especially in France. The decline was not offset by the second half's sharp growth, which resulted in occasional production malfunctions. For the year, Automotive operating profit was down by €6.4 million and represented 3.5% of Division revenue, compared with 4.2% in 2006.

Operating profit in the **Urban Systems** Division rose to €22.8 million, from €16.6 million in 2006. Representing 5.2% of revenue in 2007, versus 6.9% the year before, it was impacted by a €2.5 million increase in raw materials costs and by the deployment of a new organization to manage the expanded business base.

Net of fair-value adjustments to non-current assets and gains and losses on sales of securities, **other expenses** totaled €14.8 million. This amount includes restructuring costs and industrial reorganization costs related to the Company's strategy of supporting global carmakers outside Western Europe and the strengthening of the Urban System Division.

As a result, **operating profit** totaled €86.3 million, compared with €79.7 million in 2006.

Financial cost net totaled €36.4 million, *versus* €25.7 million in 2006. The increase was due mainly to higher interest rates and to debt taken on to finance the year's acquisitions.

The Company recorded a **net tax benefit** of €1.8 million, compared with an expense of €3.9 million in 2006, reflecting the recognition of deferred tax assets for tax loss carryforwards following the ongoing improvement in results of the subsidiaries concerned.

The net loss from discontinued operations of €3.2 million concerns the losses of Performance Plastics Products – 3P.

Net profit increased by 2% to €51.0 million, from €50.1 million in 2006. Net profit from continuing operations rose by 8% to €54.2 million.

Earnings per share stood at €2.81, *versus* €2.67 in 2006.

Balance sheet

Funds from operations amounted to €167 million, or 6.2% of revenue, compared with €176.5 million in 2006.

After €153 million in net capital expenditure and capitalized research and development costs and a €27 million decline in working capital requirement, free cash flow totaled €40 million.

The acquisitions of SULO and Compagnie Signature, net of the capital transaction with Eurovia, increased debt by €237 million.

After a total dividend payout of €12 million and a favorable currency effect of €9 million, net debt stood at €448 million, compared with €247 million at 31 December 2006.

Equity and government grants totaled €528 million at 31 December 2007, compared with €477 million one year earlier. The amount included:

- Eurovia share issues in the amount of €35 million.
- A negative currency effect of €17 million.

The net debt-to-equity ratio stood at 84%, compared with 52% at 31 December 2006.

Outlook for 2008

For 2008, the Automotive Equipment businesses should once again outperform a market expected to remain flat in Western Europe and North America, Plastic Omnium's two leading production and sales regions.

Development in fast-growing automobile production markets will continue with:

- The start-up of a plant in Russia to supply fuel systems for the Renault Logan.

- Production launches in China of the Company's first fuel systems and front-end modules.
- The construction of an exterior components plant and a fuel system plant in India, which will come on stream in 2009.

These facilities will extend Plastic Omnium's production base of 69 automotive equipment plants, of which more than half are located outside Western Europe.

Research and development spending will be maintained to provide carmakers with solutions to make vehicles lighter and more environmentally friendly, notably by reducing CO_2 emissions.

In the Urban Systems Division, synergies will be developed among the various activities, with the goal of increasing margins.

Based on current market conditions, Compagnie Plastic Omnium expects to improve its profitability indicators and strengthen its balance sheet in 2008.

ENVIRONMENTAL AND SOCIAL INFORMATION PROVIDED IN COMPLIANCE WITH ARTICLE L.225-102-1 OF THE COMMERCE CODE

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

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

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

Compared to 2006, the scope of consolidation for 2007 includes Signature's three industrial facilities in France. However, environmental and safety data for Plastic Omnium Auto Exterior and Inoplast's plants in China and SULO's plants are not taken into account in this year's report.

Environmental information

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

It is built around an environmental data management and reporting system based on the empowerment of everyone involved in the process of applying ISO 14001 standards, with responsibilities decentralized to each unit. Only the general strategy and the consolidation of raw site data are centralized.

Partners and suppliers are gradually being integrated into this general process.

The active involvement of Senior Management and the deployment of a Safety and Environmental Issues organization in 2002 led to further improvement in a number of indicators in 2007:

- Despite business growth, the ratios of energy used compared to the volume of materials processed improved in 2007, as in 2006:
  - Electricity: 2.116 kWh/kg of materials processed in 2007 versus 2.268 in 2006, a reduction of 6.7%.
  - Gas: 0.999 kWh/kg of materials processed in 2007 versus 1.084 in 2006, a reduction of 7.8%.
- The percentage of ultimate waste was reduced to 3.9% in 2007, from 4.7% in 2006, an improvement of 17%.
- In the area of safety, the year saw a further improvement in the accident frequency rate with lost time, which declined 9% to 6.87, from 7.54 in 2006. This represents a 50% reduction in three years. The accident severity rate rose slightly to 0.25, from 0.24 in 2006, which nonetheless represents a 16% improvement over three years.

  In real terms, this means three fewer accidents with lost time per month over the past two years.

The ISO 14001 accreditation program was pursued throughout the year, with 72 out of 79 sites certified at 31 December 2007, or 91% of the total (versus 69 sites out of 76 at year-end 2006).

An OHSAS 18001 certification program was launched in late 2005. As of 31 December 2007, a total of 30 facilities had been certified, representing 43% of the scope of certification, compared with 5 out of 74 at year-end 2006.

Plastic Omnium's safety management system received OHSAS 18001 certification in December 2006.

Environmental Data

Environmental impacts

> Consumption of water, electricity and gas

	2005	2006	2007
Water in cu.m			
Annual consumption	941,635	2,624,820	2,294,136
Response rate in % of revenue covered	*97%*	*98%*	*99%*
Electricity in kWh			
Annual consumption	454,804,535	519,829,466	551,391,816
Response rate in % of revenue covered	*97%*	*99%*	*99%*
Gas in kWh			
Annual consumption	189,535,968	248,523,888	260,430,353
Response rate in % of revenue covered	*97%*	*98%*	*99%*

> Consumption of plastics

(in tonnes)	2005	2006	2007
New plastic			
Annual consumption	147,623	191,864	214,949
Response rate in % of revenue covered	*97%*	*98%*	*99%*
Recycled plastic			
Annual consumption	20,382	23,176	21,635
Response rate in % of revenue covered	*97%*	*98%*	*99%*
Total plastic			
Annual consumption	168,005	215,039	236,584
Response rate in % of revenue covered	*97%*	*98%*	*99%*

> Consumption of paints and solvents

(in tonnes)	2005	2006	2007
Paints			
Annual consumption	2,420	3,061	3,830
Response rate in % of revenue covered	*96%*	*97%*	*99%*
Solvents			
Annual consumption	6,494	7,316	7,889
Response rate in % of revenue covered	*96%*	*97%*	*99%*
Paints and solvents			
Annual consumption	8,914	10,377	11,719
Response rate in % of revenue covered	*96%*	*97%*	*99%*

> Atmospheric releases

Volatile organic compounds (VOCs)

(in tonnes)	2005	2006	2007
VOCs (in tonnes of carbon equivalent)	1,320	1,933	1,797
% of revenue covered by concerned facilities	*95%*	*96%*	*97%*

Greenhouse gases

(in tonnes)	2005	2006	2007
Greenhouse gases	182,817	186,938	196,683
% of revenue covered by concerned facilities	*97%*	*99%*	*98%*

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

> Waste

(in tonnes)	2005	2006	2007
Recycled			
Volume of waste	8,335	11,391	15,690
Response rate in % of revenue covered	*97%*	*98%*	*99%*
Reused			
Volume of waste	10,867	8,975	11,430
Response rate in % of revenue covered	*97%*	*98%*	*99%*
Ultimate waste			
Volume of waste	6,443	10,797	10,153
Response rate in % of revenue covered	*97%*	*98%*	*99%*
Total			
Volume of waste	25,645	31,163	37,274
Response rate in % of revenue covered	*97%*	*98%*	*99%*

- Total cost of waste processing: €3.8 million (on sites that contribute 93% of consolidated revenue).
- Income generated by the sale of waste for recycling: €1.9 million (on sites that contribute 97% of consolidated revenue).

> Used of recycled materials in 2007

- Consumption of recycled plastic: 21,635 tonnes.
- Plastic Recycling, a subsidiary equally owned with CFF Recycling, regenerated 5,500 tonnes of plastic during the year.

Certification

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

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

> ISO 14001

72 of 79 sites are now certified to ISO 14001 standards. This represents 91% of the scope of certification.

Plastic Omnium regularly acquires and/or builds new plants. As a result, the objective of 100% certification for 2007 could not be achieved. The new facilities are, however, involved in this process.

The target for 2008 is to obtain certification for 95% of all sites.

> OHSAS 18001

30 of 70 sites are now certified to ISO 18001 standards. This represents 43% of the scope of certification.

The target for 2008 is to obtain certification for 92% of all sites.

In addition, Plastic Omnium's safety management system was certified in December 2006.

> Organization

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

- A Safety and Environmental Issues coordinator, who reports to the Senior Executive Vice-President.
- A Group Safety Issues Director, who leads and coordinates action plans related to the Safety Management System.
- An Environmental network and a Safety network with dedicated correspondents in each operating unit.
- The integration of safety performance goals in individual objectives.
- Monthly reporting of the main safety and environmental indicators, which are discussed, along with financial indicators, at each Executive Committee meeting.

Safety and Environmental Training

- Information/awareness: 8,558 hours for 5,448 participants (on sites that contribute 99% of consolidated revenue).
- Training: 16,596 hours for 4,895 participants (on sites that contribute 99% of consolidated revenue).
- Deployment of the Top Safety training program continued in 2007. Introduced in 2005, it is designed to instill a culture of safety that, over the long term, will help the Company create an accident-free workplace.

Personnel from industrial facilities in Europe, the United States and Mexico participated in various programs. In all, 316 managers received training and 4,325 people took part in information/awareness sessions.

As part of a Company-wide strategic deployment process, each division launched a three-year safety improvement plan in late 2005 that was extended to all sites in 2006.

Environmental spending and investment

- Research and development: €127.9 million, or 4.8% of consolidated revenue.
- Environmental and Safety spending: €4.5 million (on sites that contribute 99% of consolidated revenue).
- Capital spending: €121.1 million.
- Dedicated Environmental and Safety investments: €2.2 million (on sites that contribute 99% of consolidated revenue).
- Provisions for environmental risks: €1.4 million (on sites that contribute 99% of consolidated revenue).
- No products are made using asbestos.

Differences in the number of sites, the allocation base and the response rate between 2006 and 2007 had a slight influence on changes in indicators.

In addition, certain data from previous years (raw material and energy consumption, atmospheric releases) have been adjusted through the use of dedicated software in all units, which was not previously available. The tables below were prepared using the adjusted data for all years.

Safety Data

Safety indicators

	2005	2006	**2007**
Number of first aid cases	2,857	3,110	2,926
Number of accidents without lost time	455	447	341
Number of accidents with lost time	263	192	184
Number of days of accident-related lost time	9,032	6,977	6,734

Accident frequency and severity

	2005	2006	**2007**
Accident frequency rate with lost time			
Number of accidents per million hours worked.	*10.20*	*7.54*	*6.87*
Accident frequency rate with and without lost time			
Number of accidents per million hours worked.	*27.90*	*25.04*	*19.59*
Accident severity rate			
Number of days of accident-related lost time per 1,000 hours worked.	*0.35*	*0.27*	*0.25*

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

Social information

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

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

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

The number of Company employees increased by a net 2,565 in 2007, taking into account 1,234 employees at Signature, 564 at SULO and 248 at the YFPO joint venture.

Employees outside France accounted for 57% of the workforce in 2007, compared with 52% in 2006.

Social information

2007 consolidated financial data

(in € millions)	2005	2006	2007
Wages, salaries and benefits	312.5	334.9	359.1
Employer payroll taxes	99.1	120.6	130.1
Statutory profit sharing	3.2	3.1	5.3
Pension obligations	0.7	0.9	0.9
Share-based compensation	0.5	1.0	1.4
Other personnel expenses	14.0	10.6	8.1
TOTAL	**430.0**	**471.1**	**504.9**

Other 2007 data

The following information, which includes all Company businesses, excluding HBPO, concerns:

- 11,385 people out of a consolidated total of 11,631 (98%) for 2006.
- 13,824 people out of a consolidated total of 14,196 (97%) for 2007.

In the following tables, the 919 employees of XieNO, Inoplast's Chinese subsidiary, are included only in the figures concerning employees at 31 December.

	2005	2006	2007
Employees at 31 December	**9,324**	**11,385**	**13,824**
Permanent employment contracts	8,669	10,636	12,759
Fixed-term employment contracts	655	749	1,065
Men	7,027	8,575	10,513
Women	2,297	2,810	3,311
Operators	4,803	6,087	7,482
Employees, engineers and supervisors	2,825	3,310	3,839
Managers	1,696	1,988	2,503
Hirings during the year			
Hirings under permanent employment contracts	1,036	1,243	1,698
Hirings under fixed-term employment contracts	442	526	1,161
Total new hires	1,478	1,769	2,859
Terminations during the year			
Redundancies	398	377	298
Terminations for other reasons	361	369	662
Total terminations	759	746	960
Overtime			
Hours worked per week: 35 to 48, depending on the country			
Overtime (full-time equivalent)	359	292	301
Temporary workers			
Temporary workers, full-time equivalent	1,426	1,689	2,367

	2005	2006	2007
Employees working in shifts			
Total employees working in shifts	4,957	6,337	6,945
Of which employees working only nights	678	739	790
Of which employees working only weekends	48	64	85
Part-time employees	**153**	**224**	**357**
Absenteeism and reasons (% of hours worked)			
Absenteeism rate due to industrial accidents	0.12	0.15	0.19
Absenteeism rate due to other causes	3.22	2.64	2.88
Total absenteeism rate	3.33	2.79	3.07
Gender equality			
Number of women managers at 31 December	352	390	433
Number of women managers hired during the year	61	56	76
Employee relations			
Number of works councils	132	140	152
Other committees (training/suggestions)	34	45	53
Number of unions represented	30	29	33
Number of agreements signed during the year	66	58	104
Training			
Number of employees who received training	28,885	43,301	31,592
Number of sessions per employee per year	3.0	4	2.5
Total expenditure on outside training (in € thousand)	2,604	3,269	3,524
Total training hours	214,542	258,004	268,100
Training hours per year per employee	22.6	23.7	20.8
Disabled employees			
Number of disabled workers	130	194	211
Employee welfare programs (France only)			
Total contribution to works council employee welfare programs	700	606	1,669

PARENT COMPANY FINANCIAL REVIEW

Earnings performance

Compagnie Plastic Omnium reported operating revenue of €19.2 million in 2007, versus €16.0 million the previous year. The 2007 total consisted mainly of:

- €10.2 million in trademark license fees received from subsidiaries.
- €6.6 million in billings to subsidiaries of costs incurred on their behalf.

The Company ended the year with operating profit of €3.5 million, compared with €1.1 million in 2006.

Net interest income rose to €40.5 million from €4.3 million in 2006, reflecting the net impact of:

- A €5.4 million net reversal of provisions for impairment in value and financial risks on financial assets versus a €12.9 million net charge the year before.
- An increase in dividends received from subsidiaries to €32.3 million from €18.1 million in 2006.
- A €4.5 million foreign exchange gain, net of provisions, *versus* a foreign exchange loss of almost zero in 2006.

Following net joint-venture gains of €0.1 million and net non-operating income of €3.1 million, profit before tax amounted to €47.2 million, *versus* €6.5 million the year before.

The Company recorded a net income tax charge of €0.6 million in 2007 as opposed to a €4.2 million net benefit in 2006. The 2006 benefit reflected a €3.2 million reversal from the provision to cover tax credits repayable to loss-making companies in the tax group, *versus* a €0.6 million reversal in 2007.

As a result, net income for the year came to €46.6 million *versus* €10.7 million in 2006.

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

Balance sheet structure

Compagnie Plastic Omnium ended 2007 with net debt of €37.5 million compared with €59.0 million at 31 December 2006, primarily due to the €32.3 million in dividends received from subsidiaries during the year.

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

MANAGEMENT COMPENSATION

The total compensation and benefits paid to directors in 2007 is presented below (information disclosed in application of Article L. 225-102-1 of the French Commercial Code):

- Paid by Compagnie Plastic Omnium:
  - Laurent Burelle €24,164
  - Françis Gavois €21,364
  - Vincent Labruyère €19,764
  - Laurence Danon €19,764
  - Thierry de La Tour d'Artaise €17,164
  - Jean-Pierre Ergas €17,164
  - Jérôme Gallot €17,164
  - Paul Henry Lemarié €17,164
  - Jean Burelle €15,864
  - Pierre Burelle €15,864
  - Alain Mérieux €14,564
- Paid by Compagnie Plastic Omnium subsidiaries and Burelle SA:
  - Laurent Burelle €86,238
  - Pierre Burelle €49,838
  - Jean Burelle €63,277
  - Paul Henry Lemarié €46,160
  - Vincent Labruyère €6,000

Compensation consists of attendance fees.

Gross compensation paid to Executive Directors by Burelle SA and billed on to Compagnie Plastic Omnium and its subsidiaries was calculated based on the estimated time spent by each director on business relating to the Plastic Omnium Group. In accordance with Act no. 2005-842 of 26 July 2005, these amounts are presented below:

	Gross compensation paid by Burelle SA	*O/w bonus*	Amount billed on to the Plastic Omnium Group	*O/w bonus*
Laurent Burelle	1,325,059	*1,247,185*	1,176,980	*1,108,062*
Paul Henry Lemarié	906,350	*828,676*	487,562	*446,006*
Jean Burelle	1,067,779	*989,935*	209,299	*193,731*
Pierre Burelle	380,874	*303,014*	28,974	*23,134*

The variable compensation paid by Burelle SA is determined based on the Burelle Group's operating cash flow, as published in its annual report. No exceptional compensation was paid in 2007.

Each of the above Executive Directors has the use of a company car.

Options to purchase existing shares granted to Executive Directors under the 14 May 2003 plan vested in 2007. The related transactions are shown in the following table:

(in euros)	Options exercised	Shares sold
Laurent Burelle	649,440	2,042,800
Paul Henry Lemarié	568,260	249,540
Jean Burelle	649,440	

The following options to purchase existing shares have been granted to Executive Directors under the 24 April 2007 plan:

(number of options)	
Laurent Burelle	50,000
Paul Henry Lemarié	30,000
Jean Burelle	30,000

In 2003, the Board of Directors of Compagnie Plastic Omnium decided to set up a supplementary pension plan for the members of the Company's Executive Committee. Under this plan, beneficiaries receive a guaranteed pension equal to 1% of the average of the compensation paid to them during the five years preceding their retirement, for every year worked with the company, subject to a ceiling of 10% of their current salary. The entitlement to this pension is conditional on the beneficiary having at least seven years' seniority within the Group. The Board of Directors of Burelle SA approved a similar plan in the same year for its Executive Directors. The portion of the related annual cost billed on by Burelle SA to Compagnie Plastic Omnium and its subsidiaries amounted to €46,386 in 2007. The other retirement schemes for Executive Directors are the same as those for the Group's other managerial employees.

SHARE CAPITAL

At 31 December 2007, the Company's share capital amounted to €9,335,666, represented by 18,671,332 common shares with a par value of €0.50 each, compared with 18,894,842 shares with a par value of €0.50 at 31 December 2006. This decrease reflected the net result of i) the issuance of shares on the exercise of stock options under the 4 May 2001 plan, which increased the Company's capital by €19,570; and ii) the cancellation of 262,650 shares held in treasury, which reduced the capital by €131,325. The shares were cancelled by the Board of Directors on 24 July 2007, under the authorization granted by shareholders on 24 April 2007.

OWNERSHIP STRUCTURE

At 31 December 2007, 51.73% of the capital of Compagnie Plastic Omnium was held by Burelle SA. To the best of the Company's knowledge, no other shareholder owns 5% or more of the capital.

Stock option plans

Compagnie Plastic Omnium has set up a number of stock option plans, whose characteristics were as follows at 31 December 2007:

					After the six-for-one stock split		
Shareholders' Meeting **Board of Directors meeting**	Type of option	Original exercise price *(in euros)*	Number of grantees	Number of options granted	Exercise price *(in euros)*	Number of options granted [Outstanding at end-2007]	Options exercised in 2007
18 May 2000 **4 May 2001**	New shares	93.65	115	60,000	15.61	360,000 [41,180]	39,140
16 May 2002 **14 May 2003**	Existing shares	81.18	15	60,000	13.53	360,000 [63,500]	248,500
22 April 2004 **11 March 2005**	Existing shares	42.30	54	118,500	21.15	237,000 [235,000]	
28 April 2005 **25 April 2006**	Existing shares	34.90	11	267,000	34.90	267,000 [267,000]	
24 July 2007 **24 April 2007**	Existing shares	39.38	65	330,000	39.38	330,000 [330,000]	

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

Share buyback program

At 31 December 2007, Compagnie Plastic Omnium held 1,126,916 of its own shares, representing 6.04% of the Company's capital. During the year, i) 681,362 shares were acquired at an average price of €35.18; ii) 521,619 shares were sold at an average price of €36.52; iii) 248,500 shares were allocated on exercise of stock options granted on 14 May 2003, at an average price of €13.53; and iv) 262,650 shares were cancelled by the Board of Directors on 24 July 2007 to reduce the Company's capital, under the authorization granted by shareholders on 24 April 2007. The stock purchases and sales were also carried out using this authorization, which was given to the Board, in application of Article L. 225-209 of the French Commercial Code, for the purpose of:

- Buying back shares for cancellation in order to increase earnings per share.
- Acquiring shares for allocation on exercise of employee and management stock options.
- Acquiring shares for allocation under stock grants made to Group employees or officers.
- Buying back shares to be held in treasury.
- Acquiring shares for delivery in exchange for stock in another company, including in connection with external growth transactions.

Company shares held at 31 December 2007 break down as follows, taking into account the stock splits carried out in 2003 and 2005:

Purpose	Number of options outstanding	Purchase price (in euros)
Allocation on exercise of the 14 May 2003 stock option plan	63,500	16.91
Allocation on exercise of the 11 March 2005 stock option plan	235,000	17.81
Allocation on exercise of the 25 April 2006 stock option plan	267,000	18.05
Allocation on exercise of the 24 July 2007 stock option plan	330,000	20.67
Other purposes (external growth transactions, etc.)	188,318	28.29
Stabilize the share price	43,098	40.64

At 31 December 2007, the 1,894 members of the employee stock ownership plan set up in January 1997 held 346,770 Compagnie Plastic Omnium shares purchased on the market, representing 1.86% of the Company's capital. Employees do not hold any other shares under the employee stock ownership provisions of Articles L. 225-129 and L. 225-138 of the Commercial Code. In addition, no employee profit shares have been reinvested in Company stock.

RECOMMENDED INCOME APPROPRIATION

Compagnie Plastic Omnium ended the year with net income of €46,559,629.

Income available for distribution totaled €152,812,293, as follows:

■ Retained earnings brought forward from prior year	€106,252,664
■ Profit for the period	€46,559,629
	€152,812,293

The Board is recommending payment of a total dividend of €13,069,932, representing a dividend per share of €0.70. If approved, this dividend will be paid on a total of 18,671,332 shares, corresponding to the Company's total issued capital. All of the dividends will be eligible for the 40% tax relief provided for in Article 158-3-2 of the French General Tax Code.

The balance of income available for distribution (€139,742,361) will, subject to shareholder approval, be credited to retained earnings.

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

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

	2004	2005	**2006**
Number of shares carrying dividend rights	8,653,491	17,399,950	17,442,938
Dividends paid* *(in euros)*	1.15	0.60	0.66

* *Since 2004, all of the dividend has been eligible for the tax relief provided for in Article 158-3-2 of the French General Tax Code. The 2004 dividends were paid before the two-for-one stock split effective 18 May 2005.*

OTHER INFORMATION

After considering the Auditors' report on the financial statements and their special report prepared in application of Article L. 225-40 of the Commercial Code, shareholders will be asked to approve the financial statements and to give discharge to the directors for the performance of their functions during 2007.

In accordance with Articles L.225-209 et seq. of the Commercial Code and European Commission Regulation 2273/2003 of 22 December 2003, shareholders will then be asked to renew the authorization given to the Company at the Annual Shareholders' Meeting of 24 April 2007 to purchase Company shares.

- The authorization will be used for the following purposes:
  - Ensuring liquidity of the Company's shares under a liquidity contract with an investment firm, in compliance with the Code of Ethics issued by the French Association of Investment Firms (AFEI).
  - Buying back shares for cancellation as part of a capital reduction authorized by shareholders in Extraordinary Meeting.
  - Acquiring shares for allocation on exercise of employee and management stock options.
  - Acquiring shares for allocation under stock grants made to Group employees or officers under the terms of Articles L.225-197-1 et seq. of the Commercial Code.
  - Acquiring shares to be held in treasury for subsequent delivery in exchange or payment for stock in another company, particularly in connection with external growth transactions.
- The use of the authorization will be governed by the following principles:
  - The shares may be purchased by any appropriate method on the stock market or over-the-counter.
  - The purchase price may not exceed €60.00 per share.
  - The number of shares that may be acquired may not exceed 1,867,133, representing 10% of the shares making up the Company's capital stock.

The Auditors' special report sets out the purpose of the 2007/2008 share buyback program, including the exact allocation of the shares acquired under the previous program.

At the next Annual Meeting, shareholders will be informed of the exact allocation of shares acquired in connection with all of the share buyback programs.

This authorization is being sought for a period of 18 months, from the date of the Shareholders' Meeting.

Shareholders will also be invited to re-elect Vincent Labruyère as Director for a three-year term.

Lastly, shareholders will be requested to approve an increase in the attendance fees awarded to the Board of Directors to €220,000, as from 1 January 2008.

The list of other directorships held by the members of the Compagnie Plastic Omnium Board of Directors is provided at the end of this report, together with a summary of the Company's results for the last five years, both of which form an integral part of this report.

CHAIRMAN'S REPORT

prepared in accordance with Article L. 223-37 of the French Commercial Code
(Art. 117 of the French Financial Security Act)
Year ended 31 December 2007

This report has been prepared in accordance with Article L. 225-37 of the French Commercial Code to report to shareholders on the preparation and organization of the work of the Board of Directors during 2007 and the internal control procedures in place within the Company.

1. PREPARATION AND ORGANIZATION OF THE WORK OF THE BOARD OF DIRECTORS

The Board of Directors has adopted internal rules describing its organization and procedures and setting out the obligations of directors. These internal rules add to the provisions of the law and of the Company bylaws.

1.1. Membership of the Board of Directors

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

As of 31 December 2007, the Board of Directors of Compagnie Plastic Omnium had eleven directors, including seven independent directors.

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

1.2. Roles and responsibilities

The main roles and responsibilities of the Board of Directors, in line with the law and the Company bylaws, are to:

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

1.3. Board procedures and practices

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

- Earnings forecasts.
- Changes in debt and the Company's financial position.
- The management report, financial statements and internal control report.
- Changes in environmental and workplace safety indicators.

In addition, under the Board's internal rules, transactions that the Chairman believes might impact the Group's strategy or considerably modify its financial position or business base – such as acquisitions, mergers, divestments or demergers – must be submitted to the Board of Directors for prior approval.

The principles and rules applied by the Board to determine the compensation and benefits of corporate officers are presented on pages 21 and 22 of the Compagnie Plastic Omnium management report.

1.4. Board of Directors' Self-Assessment

The Board's internal rules provide for a self-assessment exercise to be carried out each year, based on directors' replies to a questionnaire on the Board's procedures and practices over the past year, including:

- The appropriateness of matters addressed by the Board and the manner in which they were dealt with.
- The frequency and length of Board meetings.
- The timely provision of information to the Board and to individual directors.
- The procedures and membership of the Audit Committee.

The replies to the questionnaire showed that directors were fully satisfied with the Board's procedures and practices in 2007.

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

1.5. Activities of the Board in 2007

The Board met five times in 2007 with an average attendance rate of 95%. Each meeting lasted an average of three hours.

At each meeting, a detailed analysis of the Group's financial results was presented to the Board, which reviewed the 2006 full-year financial statements at the meeting on 9 March and the 2007 interim financial statements at the meeting on 24 July.

The Board also gave its opinion concerning the acquisition of Compagnie Signature and Germany's Sulo Environmental Technology as well as the equity partnership with Eurovia in the area of road signage.

1.6. Audit Committee

1.6.1. Creation – membership

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

1.6.2. Role

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

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

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

1.6.3. Activities of the Audit Committee in 2007

The Committee met twice in 2007, to review the 2006 full-year financial statements and the 2007 interim financial statements.

Both meetings were attended by Corporate Finance executives and the Statutory Auditors.

2. RESTRICTIONS ON THE POWERS OF THE CHIEF EXECUTIVE OFFICER

In application of French corporate governance legislation ("NRE" Act of 15 May 2001), the Shareholders' Meeting of 16 May 2002 approved an amendment to the bylaws allowing the Board of Directors to decide whether or not to separate the functions of Chairman and Chief Executive Officer.

At its meeting on 11 September 2002, the Board of Directors decided not to separate the two functions.

The Board has not introduced any specific restrictions on the powers of the Chairman and Chief Executive Officer. In all cases, he must exercise his powers within the limits of the Company's corporate purpose, and subject to the powers expressly vested in the Board of Directors by law.

3. INTERNAL CONTROL PROCEDURES

This report describes the system of internal control at the level of Compagnie Plastic Omnium, the parent company of the Plastic Omnium Group. It therefore focuses on describing the procedures in place to optimize the parent company's control over its subsidiaries and affiliates, and to guarantee the reliability of the consolidated financial statements.

3.1. Internal control objectives

The purpose of the internal control procedures in place at Compagnie Plastic Omnium is to:

- Ensure that all acts of management, all transactions, and the behavior of all Company employees comply with the general strategic guidelines established by the Board of Directors, the applicable laws and regulations, and the Company's corporate values, standards and internal rules.
- Ensure that all accounting, financial and management information reported to the Company's Board of Directors gives a true and fair view of the Company's business and financial position.

One of the objectives of a system of internal control is to prevent and manage business risks, as well as the risk of accounting and financial errors and fraud. However, no system of controls can provide an absolute guarantee that all such risks have been completely eliminated.

3.2. Overview of the system of internal control

3.2.1. Key participants

The Plastic Omnium Group is organized around two cash-generating units (CGUs):

- Automotive Equipment.
- Urban Systems.

Each corresponds to a Division that consolidates different businesses:

- For Automotive Equipment, components and modules, and fuel systems.
- For Urban Systems, waste management and collection products and services, road signage and playgrounds.

Within the Divisions, certain companies are less than wholly owned.

The CGUs are each responsible for their pre-tax earnings and return on capital employed (ROCE). Overseen and directly controlled by Compagnie Plastic Omnium, they independently determine the resources and organization structure required to fulfill their objectives. Each CGU is responsible for its own dedicated subsidiaries.

The 3P Division, which is to be divested, is still subject to the same internal controls as before.

This business-focused organization is guided and supported by the Group's Corporate functions, which under the leadership of the Chairman and Chief Executive Officer:

- Manage and decide among the different interests of the Group's businesses, with a focus on maintaining financial independence and profitable growth.
- Define and lead improvement programs, budgets and strategic plans.
- Confirm and deploy the Plastic Omnium model and its operating structures through the Group's policies and procedures.
- Control the Group and protect its interests and those of its employees.

The Executive Committee reflects the business-focused organization structure backed by Corporate functions. Headed by the Chairman and Chief Executive Officer, its members include the Chief Operating Officer, the Senior Executive Vice-President, Finance, the Corporate Secretary, the Presidents of the Operating Divisions and the Executive Vice-Presidents of the Corporate Departments.

The Committee meets once a month to review the Group's business performance, recent developments and outlook. It also provides a cross-functional forum for reviewing sales targets, capital expenditure projects, employee-related and legal issues, R&D strategies, mergers and acquisitions, financial policies and the Sustainable Development Report, which includes all safety, environmental and compliance data for all Group facilities worldwide, with the constant aim of driving improvement. Each month, the Committee analyzes results and balance sheet ratios, notably capital expenditure, and working capital, for each Division and each subsidiary, compared with prior-year figures and the monthly budget. At the end of each quarter, it approves the revised forecast for the current year.

In July of each year, the Executive Committee reviews each Division's five-year business plan, which is then used in preparing the budget, whose final version is approved in December.

The directors who represent Compagnie Plastic Omnium on the Boards of companies in which it has direct or indirect shareholdings exercise their control in the same way.

All of the main assumptions and strategies for Compagnie Plastic Omnium are approved by Group management for submission to the Board of Directors.

In countries where the Group has a significant presence, the divisional organization is supported, where necessary, by a national structure, a Board of Directors with members that are external to the Group and national management boards that oversee all the divisions in the country concerned.

Compagnie Plastic Omnium has an **internal audit department** made up of seven auditors, including an Information Systems auditor, reporting directly to Corporate Finance. The internal auditors submit regular reports to the Corporate Secretary and the Executive Vice-President of Finance-Management Control. Their role consists in assisting the management of the Divisions by performing analyses and independent reviews and meeting the following control and support objectives:

- Optimize the performance of each entity by highlighting areas for improvement.
- Guarantee the integrity, relevance and consistency of financial information reported to the Group.
- Obtain assurance that the Group entities comply fully with the laws in force in each country.
- Obtain assurance that Group procedures are properly implemented.
- Protect and preserve the Group's assets.

The results of each internal audit are reported to the **Internal Audit Committee**. Chaired by the Corporate Secretary and made up of senior executives from the Corporate Finance and Legal Affairs Departments, the Committee approves internal audit reports and obtains confirmation from the Divisions that the audited units have implemented any necessary action plans. It defines the internal audit strategy and validates the annual audit program proposed by the corporate Departments and Divisions. In 2007, the Committee met four times.

The specific risks of each Group facility or subsidiary are taken into account when determining how often they will be audited. The Group exercises internal control of its joint ventures through internal audits. Internal audits of Inergy Automotive Systems and HBPO are carried out jointly with the other parent companies' internal auditors.

3.2.2. Summary information about the Company's internal controls

Since 2003, Compagnie Plastic Omnium has expressed its ethical commitments in a **code of conduct** that is distributed to all managers that applies to the Company and to all of its majority-owned subsidiaries and affiliates. Plastic Omnium does everything in its power to encourage the other subsidiaries and affiliates to adopt processes and practices that reflect the provisions of the code.

Based on the rule of law, the code of conduct covers the areas of employment, safety and the environment. It also defines the type of relationship that the Group seeks to establish with its partners (customers, shareholders, suppliers, etc.) in connection with its Sustainable Development strategy and particularly in its international expansion. By identifying best practices, the code describes the conduct to be adopted in today's global market.

Group management, members of the Executive Committee, Division Presidents, executives of the subsidiaries and facility managers are all responsible for ensuring that all employees receive the requisite information and have access to the necessary resources to comply with the rules set out in the code. In return, each employee must behave in a way that demonstrates his or her constant personal commitment to complying with the laws and regulations of the country where he or she works, as well as the ethical rules defined in the code.

Group-level internal control procedures are described in a **procedure manual** presenting the main rules governing the Group's accounting and financial procedures, operations and expenditure commitments.

The *accounting and financial procedures* were reviewed and audited by the Statutory Auditors, in preparation for the transition to IFRS as of 1 January 2005. These procedures are applicable to all subsidiaries in which Compagnie Plastic Omnium holds a majority or minority stake.

The *operating procedures* describe the internal and external responsibilities of the Division Presidents and the Executive Vice-Presidents of the Corporate Departments, as well as the procedures to be followed for delegations of their authority. These procedures concern the Company's routine operations as well as non-recurring operations, such as the issue of letters of intent concerning the disposal or acquisition of companies or businesses. These letters of intent may be signed only by Senior Management, up to a certain amount authorized by the Board of Directors.

The *expenditure commitment procedures* describe the authorizations to be obtained before entering into expenditure commitments, including capital expenditures, recruitments and overhead expenses. Each item of expenditure must be authorized in advance, according to a system providing for different levels of expenditure authority.

The procedures also cover authorizations to operate bank accounts. The aim is to optimize the use of bank accounts, as well as to control the opening of such accounts, signature authorizations and banking terms and conditions.

Employees can access the full list of procedures via the Group intranet.

Internal audit report

In 2007, a total of 47 internal audits were performed. They mainly consisted of overall audits of facilities and companies but also included some audits of specific or cross-functional topics. None of these audits revealed serious weaknesses that could compromise the effectiveness of the Group's overall system of internal control.

In 2007, Compagnie Plastic Omnium prepared its first corporate risk map, which will serve to prioritize measures intended to improve the internal control system.

During the year, 95 of the Group's operating units carried out their second internal control self-assessment by completing a questionnaire. The 2007 exercise, which was primarily based on the reference framework published by the Autorité des Marchés Financiers and its application guide for internal control procedures related to reported accounting and financial information, is a tool that will help to measure improvements in control quality over the long term.

Risk Monitoring

> Market risks

Compagnie Plastic Omnium has set up a global cash management system organized around Plastic Omnium Finance, which manages currency, interest rate and liquidity risks on behalf of all subsidiaries. The market risks strategy, which may involve entering into balance sheet and off-balance sheet commitments, is approved every quarter by senior management and the Chairman and Chief Executive Officer.

Liquidity risk

The Group needs to have access, at all times, to adequate financial resources not only to finance operations and the investments required to support its growth, but also to withstand the effects of any exceptional developments. This need is met by raising long-term financing on the capital markets, ensuring that all of the Group's net debt can be maintained over a long period, as well as through short-term commercial paper programs. The cash position of each Division is reviewed on a daily basis and a cash report is submitted to the Chairman and Chief Executive Officer every week. At 31 December 2007, the Group had access to confirmed medium-term financing of €733 million, compared with a financing need of €447 million.

Currency hedges

Because Plastic Omnium's business is based mainly on local production facilities, exposure to currency risks is limited, except for the translation of the financial statements of foreign subsidiaries. Group policy consists in systematically hedging currency risks arising from cross-border transactions, without carrying out any trading transactions. All hedging positions are taken by Plastic Omnium Finance, in liaison with the Divisions and national structures.

Interest rate risk

Interest rate risk on net debt is managed with the prime objective of hedging risks over a five-year time frame, in order to achieve acceptable levels of interest cover. At 31 December 2007, 47% of borrowings in euros and 74% of borrowings in US dollars were hedged respectively over four years and three years, using non-speculative financial instruments.

> Operational risks

Environmental risks

Compagnie Plastic Omnium's employee health and safety policies and its environmental stewardship commitment are described in the Sustainable Development section of the Annual Report. Rolled down to each subsidiary via a network of correspondents—whose activities are coordinated by the Safety and Environmental Issues Department managers and, at the corporate level, by the Coordinator-Safety and Environmental Issues—these policies place considerable emphasis on individual empowerment and accountability. They are led by the Executive Committee, which receives monthly safety and environmental data for all sites worldwide.

The Division Presidents are responsible for managing and tracking environmental risks, in coordination with the Corporate Secretary and the Vice-President, Safety and Environment Issues and Innovation. Ongoing corrective and improvement action plans have been introduced and included in the ISO 14001 and OHSAS 18001 certification programs. At its monthly meetings, the Health, Safety and Environment Committee tracks improvements and extends the deployment of best practices, such as the Top Safety training program. In 2007, the Group deployed a project-based approach to integrate European REACH legislation into all the Divisions.

Risks related to products and services sold by the Group

The Group is exposed to the risk of warranty and liability claims from customers in respect of the products and services it sells. Provisions have been booked for all risks that can be reasonably estimated. The Group is also exposed to the risk of product liability claims. The potential financial consequences of these risks for all majority-owned subsidiaries are covered by liability insurance.

Risks related to automobile projects

All automobile projects are the subject of a standard profitability analysis, based on profitability and return on investment criteria determined by division management. Once a project has been accepted, it is closely monitored from the launch date to the end of the first six months of production. The monitoring process is based on project milestones; when each milestone is reached, the financial and technical data are analyzed and adjusted if necessary.

Customer risk

At each Executive Committee meeting, a schedule of trade receivables and a receivables ageing analysis are presented by subsidiary, country and business.

> Legal risks

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

> Tax risks

The Corporate Tax Affairs Department is supported as needed by local committees and a network of correspondents in the main countries. The department helps subsidiaries to meet their tax obligations and directly monitors the management of risks revealed during audits or resulting from special operations.

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

Insurance – Risk coverage

Compagnie Plastic Omnium has set up a global insurance program offering the same guarantees to all subsidiaries.

Local insurance policies are also taken out in the Group's host countries. The program, which covers all risks affecting the Group's business, results and assets, is approved once a year by the Chairman and Chief Executive Officer.

The levels of cover and the insured amounts are in line with industry practice.

3.2.3. Internal controls over the preparation of parent company financial and accounting information

Each subsidiary is responsible for producing its own accounts. First-tier controls and analyses of the subsidiaries' financial statements are performed at the local level. Second-tier controls are performed at Division level. Third-tier controls are performed by Corporate Finance, which is also responsible for recording consolidation adjustments and preparing the consolidated financial statements.

Corporate Finance has overall responsibility for internal controls over the preparation of the financial and accounting information of Compagnie Plastic Omnium, the Group's parent company, and accordingly for:

1. Managing the Group's consolidated cash position.
2. Defining Group financial standards and managing Group financial information systems.
3. Preparing and checking Group financial information.
4. Conducting internal audits.

1. Managing the Group's consolidated cash position

In 1995, Compagnie Plastic Omnium set up a global, real time cash pooling and netting system, with daily calculation of the consolidated cash position of all Group subsidiaries, except in countries where local laws prohibit this practice.

Plastic Omnium Finance, the "Group bank," is responsible for managing financing, cash flows, currency risks and interest rate risks for the entire Group.

Consequently, no Group companies can negotiate their own financing without the authorization of Group management. At the beginning of each year, Plastic Omnium Finance allocates a line of credit to each subsidiary, the amount of which is determined for each month after Group management has approved the monthly rolldown of the annual budget. When 95% of the line of credit has been used, additional financing from any further drawdowns is released only on the basis of a formal request made by the subsidiary's Senior Executive or the President of the division to the Group Chairman and Chief Executive Officer, depending on the amounts involved and the explanations given to Corporate Finance.

The Chairman and Chief Executive Officer receives weekly cash reports providing an analysis of the cash position of each subsidiary and division, together with comparisons with the same period of the previous year and with the monthly budget for the current year.

2. Defining Group financial standards and managing financial information systems

The consistency of the consolidated financial statements is assured primarily by the use of a standard accounting plan by all Group units. The plan, which takes into account the specific characteristics of the various businesses, was developed by the "standards and accounting policies" department. This department reports to the Corporate Accounting and Tax Department, which has sole authority to make any changes to the plan.

As a further guarantee of consistency, the financial information systems used throughout the Group, comprising accounting, reporting and consolidation applications, are also managed by Corporate Finance.

3. Preparing and checking Group financial informatione

Group financial information is prepared by Corporate Finance for:

- Monthly management reporting and the budget process.
- The interim and annual statutory consolidation process.

All of this information is prepared in a centralized information system.

All subsidiaries controlled directly and indirectly by Compagnie Plastic Omnium are included in the reporting system and submit a consolidation package to the Group.

> Monthly management reporting and the budget process

Monthly reporting data are submitted to Group management on the 8th of the following month—a gain of three days compared with 2006—and are discussed at the Executive Committee meeting.

The reporting package comprises a detailed income statement presented by function, as well as an analysis of production costs and overheads. It also includes complete cash flow information and environmental and safety data, analyzed by division and subsidiary.

Four sets of figures are provided—monthly actual, year-to-date actual, prior-year actual and current year budget—together with an analysis of material variances.

The package also includes rolling three-month sales forecasts.

The budget process operates in parallel with the reporting process. The exercise begins in September, when the Divisions prepare their budgets for the following year, for submission to Group management in November and final approval in December for presentation to the Board of Directors. The budget package includes the same data as the monthly reporting package, for y+1, plus key indicators for y+2. Revised forecasts are produced three times a year: in April incorporating first-quarter actual, in June incorporating actual results for the first five months and estimated results for the remaining seven months, and in October incorporating actual results for the first nine months plus estimated results for the last three months. These forecasts represent a management tool and do not lead to any adjustment of the budget, which continues to represent the benchmark. The forecasts serve to adjust action plans, if necessary, to ensure that budget targets are met, and they are also used by Group management to ensure that all financial communications are as transparent as possible.

The budget is based on the rolling five-year business plan approved in July of each year by Group management. The business plan comprises income statement and balance sheet projections prepared on the basis of the marketing, manufacturing and financial strategies of the Group and the individual divisions.

No material incidents occurred during 2007 that could have compromised the effectiveness of the internal control system described above.

2008
ACTION PLAN

The development of an internal control reference tool adapted to the Group's needs has been undertaken. It will help to strengthen the quality of internal controls by formalizing control standards and procedures in the following areas:

- Legal affairs and Corporate Governance.
- Information systems.
- Human resources.
- Financial commitments.
- Sales and customer receivables.
- Purchasing.

AUDITORS' REPORT
ON THE CHAIMAN'S REPORT

Report of the Statutory Auditors prepared in application of article L. 225-235 of the French Commercial Code on the report of the Chairman of the Board of Directors describing internal control procedures related to the preparation and processing of accounting and financial information.

To the shareholders,

In our capacity as Statutory Auditors of Compagnie Plastic Omnium and in application of article L. 225-235 of the French Commercial Code, we present below our report on the report prepared by the Chairman of Compagnie Plastic Omnium in application of article L. 225-37 of the French Commercial Code for the year ended 31 December 2007.

In his report, the Chairman of the Board of Directors is required to comment on the conditions applicable for the preparation and organization of the work carried out by the Board of Directors and the internal control procedures implemented within the Company.

Our responsibility is to report to shareholders our comments on the information contained in the Chairman's report concerning the internal control procedures related to the preparation and processing of accounting and financial information.

We performed our procedures in accordance with the professional standards applicable in France. Those standards require us to perform procedures to assess the fairness of the information set out in the Chairman's report about internal control procedures relating to the preparation and processing of accounting and financial information. These procedures included:

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

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

Courbevoie and Paris-La Défense, 9 April 2008

The Statutory Auditors

MAZARS & GUERARD	ERNST & YOUNG Audit
Thierry Colin	Jean-Marc Montserrat

INCOME STATEMENT

(in thousands of euros)	Note	2007	%	2006	%
Revenue		**2,685,072**	**100%**	**2,325,600**	**100%**
Cost of sales	5.1	(2,342,161)	-87.2%	(1,998,880)	-86.0%
Gross profit		**342,912**	**12.8%**	**326,720**	**14.0%**
Research and development costs		*(127,902)*	*-4.8%*	*(104,805)*	*-4.5%*
Capitalized and customer-financed R&D costs		*79,637*	*3.0%*	*49,572*	*2.1%*
Net research and development costs	5.1	(48,266)	-1.8%	(55,233)	-2.4%
Distribution costs	5.1	(52,573)	-2.0%	(44,274)	-1.9%
Administrative expenses	5.1	(140,918)	-5.2%	(127,322)	-5.5%
Operating margin		**101,155**	**3.8%**	**99,890**	**4.3%**
Other income and expenses – net	5.3	(14,822)	-0.6%	(20,154)	-0.9%
Operating profit		**86,333**	**3.2%**	**79,736**	**3.4%**
Share of profit of associates		2,489	0.1%	-	
Finance costs, net	5.4	(37,335)	-1.4%	(25,246)	-1.1%
Other financial income and expense, net	5.4	921		(456)	
Income tax expense	5.5	1,765	0.1%	(3,901)	-0.2%
Net profit from continuing operations		**54,173**	**2.0%**	**50,133**	**2.2%**
Net loss from discontinued operations	3.2	(3,164)	-0.1%	(32)	
Net profit		**51,009**	**1.9%**	**50,101**	**2.2%**
Net profit attributable to minority interests		1,660	0.1%	3,092	0.1%
Net profit attributable to equity holders of the parent		49,349	1.8%	47,009	2.0%
Earnings per share attributable to equity holders of the parent					
Basic earnings per share *(in euros)**	5.6	2.81		2.67	
Diluted earnings per share *(in euros)***	5.6	2.81		2.67	
Earnings per share of discontinued operations attributable to equity holders of the parent					
Basic earnings per share *(in euros)**	5.6	2.99		2.67	
Diluted earnings per share *(in euros)***	5.6	2.99		2.67	

**Basic earnings per share have been calculated using the number of shares outstanding less treasury stock deducted from equity.*

***Diluted earnings per share are determined after excluding treasury stock deducted from equity and including shares to be issued on exercise of stock options.*

BALANCE SHEET

ASSETS

(in thousands of euros)	Note	**31 December 2007**	31 December 2006
Goodwill	6.1.1	288,733	132,325
Intangible assets	6.1.1	139,445	122,425
Property, plant and equipment	6.1.2	614,078	581,906
Investment property	6.1.3	1,520	1,436
Investments in associates	6.1.4	9,072	-
Available-for-sale financial assets		2,235	740
Other financial assets*	6.1.5-6.2.4b	5,084	4,881
Deferred tax assets	6.1.9	50,500	54,251
Total non-current assets		**1,110,667**	**897,964**
Inventories	6.1.6	293,290	251,416
Finance receivables*	6.1.8-6.2.4b	7,721	12,329
Trade receivables	6.1.7a-6.1.7c	369,423	323,809
Other receivables and accruals	6.1.7c	120,465	98,093
Other short-term finance receivables*	6.1.8-6.2.4b	98,821	23,236
Hedging instruments*	6.2.4b	7,216	6,822
Cash and cash equivalents*	6.1.10-6.2.4b	142,462	103,580
Total current assets		**1,039,398**	**819,285**
Assets held for sale		**43,000**	**-**
TOTAL ASSETS		**2,193,065**	**1,717,249**

**See footnote to “Equity and liabilities”, page 37.*

EQUITY AND LIABILITIES

(in thousands of euros)	Note	31 December 2007	31 December 2006
Share capital	6.2.1	9,336	9,447
Treasury stock		(23,977)	(28,383)
Additional paid-in capital		102,005	108,076
Other reserves and retained earnings		326,685	314,027
Profit for the period		49,349	47,009
Equity attributable to equity holders of the parent		**463,398**	**450,176**
Minority interests		50,679	12,159
Total equity		**514,077**	**462,335**
Long-term borrowings*	6.2.4a-b	413,693	196,310
Provisions for pensions and other post-employment benefits	6.2.6-6.2.7	33,565	25,041
Government grants	6.2.3	13,922	15,148
Deferred tax liabilities	6.1.9	10,152	29,867
Total non-current liabilities		**471,331**	**266,366**
Short-term borrowings*	6.2.4a-b	192,215	136,963
Other short-term debt*	6.2.4b	100,188	59,544
Hedging instruments*	6.2.4b	2,969	4,921
Short-term provisions	6.2.6	20,866	17,022
Trade payables	6.2.5	548,560	507,633
Other operating liabilities	6.2.5	307,735	262,463
Total current liabilities		**1,172,533**	**988,547**
Liabilities related to assets held for sale		**35,124**	**-**
TOTAL EQUITY AND LIABILITIES		**2,193,065**	**1,717,249**

**Net debt totaled €447.8 million at 31 December 2007 versus €246.9 million at 31 December 2006.*

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of euros)	**December 2007**	December 2006
I - Cash flows from operating activities		
Net profit attributable to equity holders of the parent	**49,349**	**47,009**
Adjustments to reconcile net profit attributable to equity holders of the parent to funds from operations	**(3,975)**	
Depreciation, amortization and provisions for impairment of fixed assets	150,836	143,772
Provisions for impairment in value of receivables and inventories	3,081	(4,342)
Changes in other provisions	(3,242)	(3,740)
Net (gains)/losses on disposals of fixed assets	(8,411)	(336)
Share of profit of associates	(2,489)	-
Minority interests	1,660	3,092
Government grants and deferred taxes	(22,672)	(9,008)
Net (profit)/loss from discontinued operations	3,164	32
Funds from operations	**167,301**	**176,480**
Changes in working capital		
Inventories	(26,495)	(37,920)
*- Transfers to intangible assets (automobile projects)***	*33,550*	*44,469*
- Increase in inventories	*(60,046)*	*(82,389)*
Trade receivables	(16,357)	21,890
Trade payables	51,207	52,114
Other operating assets and liabilities	18,310	8,363
Change in working capital	**26,665**	**44,447**
II - Cash flows from investing activities		
Acquisitions of property, plant and equipment	(121,129)	(94,278)
Acquisitions of other non-current assets	(56,090)	(58,994)
*- Transfers from inventories (automobile projects)***	*(33,550)*	*(44,469)*
- Other non-current assets	*(22,540)*	*(14,525)*
Proceeds from disposals of property, plant and equipment	21,629	19,011
Proceeds from disposals of other non-current assets	2,078	6,857
Free cash flow	**40,454**	**93,523**
Acquisitions of non-current financial assets	(279,057)	(16,339)
Proceeds from disposals of non-current financial assets	579	1,302
Impact in changes in scope of consolidation	33,533	(32,574)
Total	**(398,457)**	**(175,015)**
III - Cash flows from financing activities		
Purchases of treasury stock, net	(2,456)	(6,168)
Issuance of shares	610	2,765
Dividends paid	(11,624)	(10,439)
Government grants received	(174)	1,512
Fair value adjustments to financial assets other than financial instruments	2,169	4,355
Total	**(11,475)**	**(7,975)**
Discontinued operations	6,022	(360)
Effect of exchange rate changes on net debt	9,073	13,799
Increase/(decrease) in net debt	**(200,871)**	**51,379**
Net debt at beginning of period*	(246,890)	(298,269)
NET DEBT AT END OF PERIOD*	**(447,761)**	**(246,890)**

**See Note 6.2.4.b for details.*

***In accordance with the accounting policy presented in Note 1.15.*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

								Equity		
(in thousands of euros or thousands of shares, where appropriate)	Number of shares	Capital	Additional paid-in capital	Treasury stock	Other reserves and retained earnings	Translation differences	Profit for the period	Attributable to equity holders of the parent	Attributable to minority interests	Total equity
Equity at 31 December 2004 after net profit	**18,712**	**9,356**	**106,036**	**(20,975)**	**255,317**	**(25,907)**	**55,069**	**378,896**	**569**	**379,465**
Dividends paid					(9,786)			(9,786)	(16)	(9,802)
Treasury stock transactions				(937)	(32)			(969)	(1)	(970)
Appropriation of 2004 profit					55,069		(55,069)	-		-
Issuance of shares	6	3	(3,318)		3,395			80		80
Changes in scope of consolidation								-		-
Effect of changes in accounting method					(1,831)			(1,831)	(2)	(1,833)
Exchange differences on translating foreign operations						21,787		21,787	22	21,809
Net actuarial losses on pension and other post-employment benefit obligations recognized in equity					(1,173)			(1,173)	(2)	(1,175)
Other actuarial gains and losses recognized in equity					(173)			(173)		(173)
Stock option costs								-		-
Fair value adjustments to financial instruments								-		-
Other movements					-			-		-
Equity at 31 December 2005 before net profit	**18,718**	**9,359**	**102,718**	**(21,912)**	**300,786**	**(4,120)**	**-**	**386,831**	**570**	**387,401**
2005 net profit							44,024	44,024	79	44,103
Equity at 31 December 2005 after net profit	**18,718**	**9,359**	**102,718**	**(21,912)**	**300,786**	**(4,120)**	**44,024**	**430,855**	**649**	**431,504**
Dividends paid					(10,134)			(10,134)	(305)	(10,439)
Treasury stock transactions				(6,168)				(6,168)		(6,168)
Appropriation of 2005 profit					44,024		(44,024)	-		-
Issuance of shares	176	88	2,677					2,765		2,765
Changes in scope of consolidation								-	8,860	8,860
Exchange differences on translating foreign operations						(16,557)		(16,557)	(137)	(16,694)
Net actuarial losses on pension and other post-employment benefit obligations recognized in equity					(1,127)			(1,127)		(1,127)
Stock option costs					972			972		972
Fair value adjustments to financial instruments					2,561			2,561		2,561
Other movements								-		-
Equity at 31 December 2006 before net profit	**18,894**	**9,447**	**105,395**	**(28,080)**	**337,082**	**(20,677)**	**-**	**403,167**	**9,067**	**412,234**
2006 net profit							47,009	47,009	3,092	50,101
Equity at 31 December 2006 after net profit	**18,894**	**9,447**	**105,395**	**(28,080)**	**337,082**	**(20,677)**	**47,009**	**450,176**	**12,159**	**462,335**
Dividends paid					(11,624)			(11,624)		(11,624)
Treasury stock transactions	(262)	(131)	(3,980)	4,103	(2,448)			(2,456)		(2,456)
Appropriation of 2006 profit					47,009		(47,009)	-		-
Issuance of shares	40	20	590					610		610
Changes in scope of consolidation					(6,640)			(6,640)	37,223	30,583
Exchange differences on translating foreign operations						(17,095)		(17,095)	(363)	(17,458)
Net actuarial losses on pension and other post-employment benefit obligations recognized in equity					(1,236)			(1,236)		(1,236)
Stock option costs					1,086			1,086		1,086
Fair value adjustments to financial instruments					543			543		543
Other movements					685			685		685
Equity at 31 December 2007 before net profit	**18,672**	**9,336**	**102,005**	**(23,977)**	**364,457**	**(37,772)**	**-**	**414,049**	**49,019**	**463,068**
2007 net profit							49,349	49,349	1,660	51,009
EQUITY AT 31 DECEMBER 2007 AFTER NET PROFIT	**18,672**	**9,336**	**102,005**	**(23,977)**	**364,457**	**(37,772)**	**49,349**	**463,398**	**50,679**	**514,077**

STATEMENT OF RECOGNIZED INCOME AND EXPENSE

(in thousands of euros)	**December 2007**	December 2006
Net profit attributable to equity holders of the parent	**49,349**	**47,009**
Effect of changes in accounting method		
Exchange differences on translating foreign operations	(17,095)	(16,557)
Net actuarial losses on pension and other post-employment benefit obligations recognized in equity	(1,236)	(1,127)
Stock option costs	1,086	972
Fair value adjustments to financial instruments	543	2,561
Fair value adjustments to property, plant and equipment	301	
Total income and expense recognized directly in equity	**(16,401)**	**(14,151)**
Total recognized income and expense attributable to equity holders	**32,948**	**32,858**
Net profit attributable to minority interests	**1,660**	**3,092**
Effect of changes in accounting method		
Exchange differences on translating foreign operations	(363)	(137)
Total income and expense recognized directly in equity	**(363)**	**(137)**
Total recognized income and expense attributable to minority interests	**1,297**	**2,955**
Total recognized income and expense	**34,245**	**35,813**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

1.1. Financial statement presentation

The consolidated financial statements of Plastic Omnium for the year ended 31 December 2007 were approved by the Board of Directors for publication on 11 March 2008.

In accordance with European Commission regulation 1606/2002/EC adopted on 19 July 2002, Plastic Omnium's 2007 consolidated financial statements have been prepared in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) and related interpretations adopted by the European Union as of the date of preparation.

New accounting standards, amendments to existing standards and interpretations effective for annual periods beginning on or after 1 January 2007 had no impact on the financial statements in 2007, but led to more detailed disclosures in the notes to the financial statements.

In accordance with IFRS 7, which is effective for annual periods beginning on or after 1 January 2007, additional disclosures are provided concerning the risks associated with financial instruments and receivables, together with an aging analysis of receivables.

No other IFRS standards or interpretations (such as IFRS 8 – Operating Segments) adopted by the European Union but not yet effective have been early adopted in the financial statements at 31 December 2007.

Assets are recognized at historical cost, with the exception of investment property, land, the headquarters building in Nanterre, derivative instruments and available-for-sale financial assets, which are measured at fair value.

1.2. Use of estimates

The preparation of the financial statements requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income, expenses and commitments (mainly provisions, deferred taxes and the values used for impairment testing purposes). These estimates and assumptions are reviewed at regular intervals. Actual results may differ from these estimates if the underlying assumptions are changed to reflect actual experience or changes in circumstances or economic conditions.

1.3. Consolidation principles

Entities controlled directly or indirectly by Compagnie Plastic Omnium are fully consolidated. Entities in which the Group owns less than half of the voting power, but over which the Group has the power to govern financial and operating policies so as to obtain benefits from the entities' activities, are also fully consolidated.

Entities over which the Group has significant influence are accounted for using the equity method. Jointly controlled entities in which control is shared with one or more parties are proportionately consolidated, irrespective of the percentage of voting power held, by incorporating in the Group's financial statements its proportionate share of assets, liabilities, income and expenses.

1.4. Minority interests

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

The Group uses the equity method to account for transactions with minority interests that do not result in loss of control. Under this method:

- Dilution/accretion gains and losses are accounted for in reserves.
- Goodwill is not adjusted following acquisition of control.

1.5. Segment information

The Group reports primary segment information on the basis of three business segments:

- Automotive Equipment
- Urban Systems, which now includes:
  - The traditional environment-related operations.
  - The newly acquired operations of Sulo Environmental Technology.
  - The vertical and horizontal road signage operations of Compagnie Signature, acquired from Burelle SA at the beginning of second-half 2007 and fully consolidated as from 1 July 2007.
- Performance Plastics Products – 3P, which is in the process of being sold, has been reclassified in "assets held for sale" since 1 January 2007.

Each of these business segments is a distinguishable and autonomous component of the Group that is subject to risks and returns that are different from those of other business segments, has its own asset structure and is identified separately in the Group's internal reporting system.

The consolidated financial statements also include secondary segment information by geographical area.

1.6. Business combinations

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

1.7. Capital management

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

As part of its capital management strategy, the Group provides shareholders with a return primarily by paying dividends, which may be increased or reduced to take into account changing business and economic conditions. The capital structure may also be adjusted by paying ordinary or special dividends, buying back and canceling Company shares, returning a portion of the share capital to shareholders or issuing new shares and/or securities carrying rights to shares.

1.8. Translation of the financial statements of foreign subsidiaries

Plastic Omnium uses the euro as its presentation currency in the consolidated financial statements. Financial statements of foreign subsidiaries are prepared in their functional currency[1] and translated into euros as follows:

- Assets and liabilities, other than equity, are translated at the exchange rate on the balance sheet date.
- Income and expenses are translated at the average exchange rate for the period.
- Differences arising on translation are recognized in equity under "Translation reserve".

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

1.9. Translation of transactions in foreign currencies

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rate on the transaction date. At the balance sheet date, foreign currency monetary items are translated using the closing rate. The resulting exchange difference is recognized in "Other income and expense from operating activities", for transactions related to operating activities, and in "Financial income or expense" for financial transactions.

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

1.10. Revenue

Revenue from the sale of goods and services is recognized when it is probable that the economic benefits associated with the transaction will flow to the Group and when the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, taking into account the amount of any trade discounts and volume rebates allowed by the Group. Revenue must fulfill the following specific criteria in order to be recognized.

Sales of goods

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

Sales of services

- Tooling and development revenue is recognized at series production start-up of the model concerned.
- The majority of Plastic Omnium Urban Systems lease-maintenance contracts are operating leases. Revenue from lease-maintenance contracts classified as operating leases is recognized on a straight-line basis over the lease term. The limited number of contracts classified as finance-leases are recognized immediately as a sale, for an amount corresponding to the sum of survey and installation costs and the estimated sale price of the leased equipment.

1.11. Receivables

Receivables are initially recognized at fair value. Provisions for doubtful accounts are recorded when there is objective evidence that the receivables are impaired. The amount of any provisions is determined separately for each customer, based on a review of each individual receivable or on a statistical basis for pools of small receivables representing the same level of risk.

Finance receivables correspond primarily to Plastic Omnium Environment lease-maintenance contracts classified as finance leases, and to sales of “development units” billed at a specific unit price for which payment is contractually guaranteed by the customer. The corresponding finance income is recognized in revenue. Finance receivables are deducted from the calculation of net debt.

Sold receivables are removed from the balance sheet when substantially all the risks and rewards of ownership are transferred to the buyer.

1.12. Nature and extent of risks arising from financial instruments – Receivables and aging analysis

In accordance with IFRS 7, which applies to recognized and unrecognized financial instruments and concerns the nature and extent of financial instrument risks to which the entity is exposed during the period and at the reporting date, information is provided in these notes concerning:

- Liquidity risk, including the total amount of confirmed bank lines of credit and the undrawn amount.
- Market risk, including:
  - Details of borrowings at 31 December, by currency and by type of interest rate.
  - Details of trade receivables and other receivables at 31 December, by currency.
  - Details of trade payables and other payables at 31 December, by currency.
  - An aging analysis of receivables (in gross value) at 31 December.

1.13. Operating margin and operating profit

The Group’s main performance indicator is operating margin, which corresponds to operating profit from fully consolidated companies, before other operating income and expenses, which consist mainly of:

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

Operating profit includes both recurring and non-recurring income and expenses that are directly related to Group activities.

1.14. Research tax credit

Certain research expenditures by Group subsidiaries qualify for French tax credits. These credits are now considered to be a form of government grant and are therefore recognized in operating profit, whereas previously, they were recognized under “Income tax”.

1.15. Research and development costs

Automotive business development costs

Automotive business tooling and engineering costs, which are covered by a customer payment guarantee, are recorded in inventory during the development phase. Revenue from the developed products, corresponding to customer payments, is recognized on the date of technical acceptance, or, at the latest, on the first day of series production. Amounts received in the period prior to technical acceptance are recorded under "Customer prepayments".

Any development costs not covered by a customer payment guarantee are recognized as intangible assets in progress. Prior to 1 January 2007, they were recorded in inventory until the launch of series production and then reclassified to intangible assets.

Capitalized development costs are amortized when daily ramp up 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. Previously, the portion financed by the specific "development unit" price paid by customers was recognized in profit on a units-of-delivery basis and the remaining costs were recognized in profit on a straight-line basis over the estimated period of series production.

Other research and development costs

Research costs are recognized as an expense for the period in which they are incurred. Other development costs are recognized as an intangible asset when they fulfill the criteria in IAS 38 - Intangible Assets. This is the case, in particular, of development costs that are expected to generate probable future economic benefits based on reasonable estimates and assumptions. Development costs that do not fulfill the criteria in IAS 38 are also recognized immediately as an expense.

1.16. Start-up costs

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

1.17. Goodwill

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

In compliance with IFRS, goodwill is not amortized but is tested for impairment at least once a year. The test consists of comparing the carrying amount of the assets of the cash-generating unit (CGU) to which the goodwill is allocated, including the goodwill, with the CGU's recoverable amount. The recoverable amount of a CGU corresponds to the higher of fair value less costs to sell and value in use, determined by the discounted cash flows method. Future cash flows are estimated based on the Group's three-year business plan. The terminal value is calculated by capitalizing projected cash flows for the last year covered by the business plan, using a growth rate that reflects the outlook for the market concerned and a discount rate determined separately for each CGU.

At 31 December 2007, a 2% growth rate and a 7.5% discount rate were applied to all CGUs to reflect the Group's expected future average cost of capital, based on its market capitalization and actual borrowing costs.

Based on impairment testing, no impairment losses were recognized on goodwill at 31 December 2007.

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

1.18. Property, plant and equipment

Cost

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

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

On 1 January 2004, the Group made limited and targeted revaluations of Compagnie Plastic Omnium's administrative headquarters in Nanterre, covering both the land and the building, based on an external valuation and used this revaluation as the deemed cost of the property on the IFRS transition date, as allowed under IFRS 1 – First-Time Adoption of IFRS for property, plant and equipment (IAS 16) and investment property (IAS 40).

Maintenance and repair costs incurred to restore or maintain the future economic benefits expected based on the asset's estimated level of performance at the time of acquisition are recognized as an expense.

In accordance with IAS 17, assets acquired under finance leases are recognized in property, plant and equipment at the lower of their fair value at the inception of the lease and the present value of future minimum lease payments. They are depreciated at the same rate as assets that are owned outright. Contracts classified as finance leases primarily concern industrial buildings, major functional assemblies such as paint lines and presses, and containers leased by Plastic Omnium Environment.

Depreciation

Property, plant and equipment are depreciated by the straight-line method over the following estimated useful lives:

Buildings and fixtures	20-40 years
Presses, blow-molding and transformation machines	$6^{2/3}$-12 years
Machining, finishing and other equipment	3-$6^{2/3}$ years
Containers (Plastic Omnium Environment)	8 years

In accordance with IAS 16 – Property, Plant and Equipment, each significant part of property assets and major functional assemblies, such as paint lines, presses and blow-molding machines, is depreciated separately over its specific estimated useful life.

Provisions for impairment

Property, plant and equipment are tested for impairment when the decision has been made to withdraw a product manufactured using the assets concerned.

1.19. Inventories

Raw materials and supplies

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

Finished and semi-finished products

Finished and semi-finished products are measured at standard production cost, adjusted annually. Cost includes raw materials and direct and indirect production costs. It does not include any administrative overheads or data processing costs that do not contribute to bringing the products to their present location and condition, or any research and development or distribution costs.

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

1.20. Provisions for liabilities and charges

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

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

1.21. Provisions for pensions and other post-employment benefits

The cost of defined contribution benefit plans is recognized in the period to which the contributions relate.

Plan descriptions

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

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

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

- Other long-term benefits, mainly jubilees payable to employees of French companies in the Group.
- Pension and supplementary pension plans, mainly in the United States and France.
- Plans for the payment of healthcare costs of retired employees, mainly in the United States.

These calculations take into account:

- Retirement age assumptions based on local legislation. In France, a retirement age of 65 has been used for managers and 61 for other employees (with retirement at the employee's initiative).
- Mortality assumptions.
- The probability of active employees leaving the Group before retirement age.
- Estimated salary increases up to retirement.

- Discount and inflation rate assumptions.
- Assumptions concerning the long-term yield on plan assets.

Actuarial gains and losses are recognized immediately in equity.

The assets of funded defined benefit plans are valued each year by qualified actuaries and deducted from the related obligation.

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

- The interest cost, which is recognized in financial expense as allowed under IAS 19.
- Actuarial gains and losses on post-employment benefit obligations, which are recognized in equity in accordance with the amendment to IAS 19 – Employee Benefits: Actuarial Gains and Losses, Group Plans and Disclosures.
- Translation adjustments and changes in the scope of consolidation.

Actuarial assumptions

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

- Age at start of career:
  - 24 for managers, 20 for other employees.
- Retirement age of employees of Group companies in France:
  - 65 for managers (retirement with full benefits)
  - 61 for other employees (retirement at the employee's initiative)
- Retirement age of employees of Group companies in the United States:
  - between 55 and 65.
- Discount rate:
  - 5.25% for length-of-service awards payable to employees of Group companies in France (4.5% in 2006).
  - 4.75% for jubilees payable to employees of Group companies in France (4.0% in 2006).
  - 6.0% for post-employment benefit plans in the United States (6.0% in 2006).
- Annual inflation rate:
  - 2% in France.
- Future salary increases:
  - 2 to 5.5% in France (average rates depending on age and on whether the employee is manager or not); 3% for supplementary pension plans.
  - 4.5% in the United States.
- Estimated long-term yield on plan assets:
  - 4.5% in France.
  - 8.0% in the United States.

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

- Growth in healthcare costs in the United States: 10.5% in 2007 falling by 0.5% per year to 5% in 2019.
- Payroll tax rate: between 45% and 55% in France.

1.22. Government grants

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

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

1.23. Treasury stock

Treasury stock is recorded as a deduction from equity, regardless of the purpose for which the shares are being held. Gains and losses on sales of treasury stock are recorded directly in equity, without affecting profit for the year.

1.24. Stock option plans

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

The fair value is recognized in employee benefits expense on a straight-line basis over the option vesting period, with a corresponding adjustment to reserves. In accordance with the transitional provisions of IFRS 2, employee benefits expense is recognized only for options granted after 7 November 2002.

1.25. Financial assets (other than derivatives)

Financial assets include equity interests in companies that are not consolidated because the Group does not control them or exercise significant influence over their management, loans and securities.

Marketable securities are measured at fair value at the balance sheet date and changes in fair value are recognized in financial income or expense.

Equity interests in companies other than subsidiaries and associates that represent material amounts or are intended to be sold are classified as available-for-sale financial assets. Equity interests that are quoted on an active market are measured at fair value at the balance sheet date, and changes in fair value are recognized directly in equity. A provision for impairment is recognized when there is objective evidence that the recoverable amount of the shares is less than their cost. The corresponding charge is recorded in the income statement.

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

1.26. Cash and cash equivalents

Cash comprises cash on hand and demand deposits, excluding bank overdrafts recognized in financial liabilities. Cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash. They include cash investments, units in money market mutual funds and money market securities. Cash equivalents are measured at fair value, and changes in their fair value are recognized in the income statement.

1.27. Derivative instruments and hedge accounting

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

The effective portion of the change in fair value of interest rate hedges is recognized in the statement of changes in equity and the ineffective portion is recognized in financial income or expense.

1.28. Income tax expense

In accordance with IAS 12, deferred taxes recognized on temporary differences between the carrying amount of assets and liabilities and their tax base are not discounted.

Deferred taxes are calculated using the liability method based on the most recent enacted tax rate at the balance sheet date that is expected to apply to the period in which the temporary differences reverse.

Deferred tax assets corresponding to tax credits, tax loss carryforwards and other temporary differences are measured based on the probability of their future use.

2. CHANGES IN SCOPE OF CONSOLIDATION

Changes in the scope of consolidation were as follows:

2.1. As from 1 January 2007

- The following newly created companies were fully consolidated:
  - Plastic Omnium Auto Exterior Argentina, with the launch of a new automotive components plant in October 2007.
  - Plastic Omnium Medio Ambiente in Argentina, for the Urban Systems business' wholesale operations.
  - Performance Plastics Products – 3P China, for wholesale operations (classified under "Assets and liabilities held for sale).
  - Plastic Omnium Vernon, in the Automotive Equipment business, to repurchase the Vernon plant from Cadence Innovation.
- The following companies were proportionately consolidated as part of the Automotive Equipment business:
  - HBPO Canada (33.33%)
  - HBPO South Korea (33.33%)
  - HBPO Japan (33.33%)
  - HBPO United Kingdom (33.33%)
  - INERGY Middle East (25.5%)
- The Performance Plastics Products – 3P companies in the process of being sold at 31 December 2007 were classified in "Assets and liabilities held for sale" in the balance sheet and "Profit/(loss) from discontinued operations" in the income statement. These companies were fully consolidated in 2006.

2.2. As from 1 July 2007

- Full consolidation of:
  - The Signature Group (30 companies), Europe's leading road and highway signage operator, which was acquired from Plastic Omnium's parent company Burelle SA and included in the Urban Systems business.
  - On 21 December 2007, Eurovia acquired a 35% interest in Signature Vertical and a 65% interest in Signature Horizontal, leading to the recognition of minority interests in Signature Vertical and the use of the equity method to account for Signature Horizontal as from that date.
    Signature Horizontal was not a major line of business and was included in the Urban Systems division. Because it did not qualify as a separate major line of business within the meaning of IFRS 5, Signature Horizontal continued to be fully consolidated in the second half of 2007, but was accounted for by the equity method at year-end. Moreover, its assets were not reclassified in "Assets and liabilities held for sale" and its profit was not included in "profit or loss from discontinued operations.".
    Following the acquisition, goodwill was recognized in an amount of €75 million for Signature Vertical and €2 million for the operations retained in Germany.
  - The total purchase price for Signature Group shares came to €90 million.
    The Signature Group contributed €126,7 million to consolidated revenue in second-half 2007.
  - The goodwill arising on the acquisition was provisionally estimated at 31 December 2007. The final amount will be determined within a year of the acquisition, i.e. before 26 July 2008.
- Application of the equity method to account for the Sulo Environmental Technology group, owned by Compagnie Plastic Omnium, then full consolidation from 1 October 2007 following the purchase of additional shares:
  - Germany's Sulo Environmental Technology (16 companies), a major European manufacturer of waste collection equipment was acquired from Veolia Waste Management and included in the Urban Systems business.
    Goodwill on the acquisition was recognized in an amount of €79 million.
  - The total price of the Sulo Environmental Technology shares, plus the company's land and buildings in Herford, Germany, amounted to €177 million.
    Sulo Environmental Technology contributed to €55.4 million to consolidated revenue in the fourth quarter of 2007
  - The goodwill arising on the acquisition was provisionally estimated at 31 December 2007. The final amount will be determined within a year of the acquisition, i.e. before 30 September 2008.
- Proportional consolidation of the YFPO joint venture, 49.95%-owned by Compagnie Plastic Omnium:
  - The joint venture manufactures automotive exterior components and is a part of the Automotive Equipment business. The other partner is Yanfeng Visteon.
- Purchase of the 15% stake held by minority shareholders in Inoplast, which is part of the Automotive Equipment business.

2.3. Summary

The following table presents the assets, liabilities and contingent liabilities acquired and sold during the year, measured at the acquisition or disposal date. They primarily concern SULO and Compagnie Signature:

(in thousands of euros)	Acquisitions	Disposals
Intangible assets and property, plant and equipment	153,115	30,416
Equity interests	956	811
Other financial assets	547	456
Deferred tax assets	6,288	705
Total non-current assets	**160,906**	**32,388**
Inventories	42,662	10,469
Trade receivables	103,424	59,349
Other receivables	0	0
Other short-term finance receivables	33,553	45,257
Cash and cash equivalents	24,255	3,639
Total current assets	**203,894**	**118,714**
TOTAL ASSETS	**364,800**	**151,102**
Total equity	**164,310**	**3,215**
Provisions for pensions and other post-employment benefits	8,982	3,159
Government grants	48	17
Long-term borrowings	42,123	2,809
Deferred tax liabilities	3,527	193
Total non-current liabilities	**54,680**	**6,178**
Short-term borrowings	36,835	78,450
Provisions for liabilities and charges	8,719	576
Trade and other payables	100,256	62,683
Total current liabilities	**145,810**	**141,709**
TOTAL LIABILITIES	**364,800**	**151,102**

3. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

3.1. Material assets held for sale and discontinued operations

Plastic Omnium Lander, an Urban Systems subsidiary, was wound up in December 2006 and its net loss was recognized in the "Net loss from discontinued operations" for the year.

Following the early 2007 decision to sell Performance Plastics Products – 3P, the assets and liabilities of the companies in this business were classified under "Assets and liabilities held for sale" in the balance sheet at 31 December 2007 and their losses were recognized in the "Net loss from discontinued operations" for the year.

3.2. Net loss from discontinued operations

Plastic Omnium Lander accounted for all of the net loss from discontinued operations in 2006, while the companies in the Performance Plastics Products – 3P business accounted for all of it in 2007, as analyzed in the following table:

(in thousands of euros)	**2007**	2006
Revenue	58,696	
Operating margin	(214)	
Operating profit	(2,135)	(32)
Finance costs, net and other financial income and expenses, net	(854)	
Income tax expense	(175)	
Net loss from discontinued operations	**(3,164)**	**(32)**
Capital gains/(losses) on disposal of discontinued operations		
Fair value adjustment to assets held for sale		
Total net loss of discontinued operations	**(3,164)**	**(32)**

3.3. Carrying amount of net assets held for sale

The Performance Plastics Products – 3P companies accounted for all of this item at 31 December 2007.

(in thousands of euros)	**31 December 2007**	31 December 2006
Intangible assets and property, plant and equipment	12,547	
Trade and other receivables	13,894	
Inventories	8,726	
Cash and cash equivalents	2,801	
Borrowings and overdrafts	(13,990)	
Trade and other payables	(15,452)	
Provisions for liabilities and charges	(649)	
Net assets held for sale	**7,876**	**N/A**

4. SEGMENT INFORMATION

4.1. By business segment

4.1.1. Consolidated income statement by business segment

2007 *(in millions of euros)*	Automotive Equipment	Urban Systems	3P	Other	**Consolidated total**
Sales to third parties	2,247.5	435.8		1.8	2,685.1
Sales between business segments	2.0	(0.2)		(1.8)	
Revenue	**2,249.5**	**435.6**			**2,685.1**
% of revenue	*83.7%*	*16.2%*			*100%*
Operating margin	**78.4**	**22.8**			**101.2**
% of revenue	*3.5%*	*5.2%*			*3.8%*
Operating profit	**66.8**	**19.5**			**86.3**
% of revenue	*3.0%*	*4.5%*			*3.2%*
Share of profit of associates					2.5
Finance costs, net and other financial income and expenses, net					(36.4)
Income tax expense					1.8
Net loss from discontinued operations					(3.2)
NET PROFIT					**51.0**

2006 *(in millions of euros)*	Automotive Equipment	Urban Systems	3P	Other	**Consolidated total**
Sales to third parties	2,001.4	244.1	78.6	1.5	2,325.6
Sales between business segments	4.1	(2.6)		(1.5)	0
Revenue	**2,005.5**	**241.5**	**78.6**		**2,325.6**
% of revenue	*86.2%*	*10.4%*	*3.4%*		*100%*
Operating margin	**84.8**	**16.6**	**(1.5)**		**99.9**
% of revenue	*4.2%*	*6.9%*	*-1.9%*		*4.3%*
Operating profit	**70.1**	**11.7**	**(2.1)**		**79.7**
% of revenue	*3.5%*	*4.8%*	*-2.7%*		*3.4%*
Finance costs, net and other financial income and expenses, net					(25.7)
Income tax expense					(3.9)
Net loss from discontinued operations					
NET PROFIT					**50.1**

4.1.2. Consolidated balance sheet by business segment

(in thousands of euros)	Automotive Equipment	Urban Systems	3P	Other	**Consolidated total**
31 December 2007					
Goodwill	114,641	172,078	299	1,716	288,733
Intangible assets	109,459	27,905		2,081	139,445
Property, plant and equipment	491,973	102,263		19,842	614,078
Investment property				1,520	1,520
Other financial assets	4,187	11,353		851	16,390
31 December 2006					
Goodwill	115,563	14,712	334	1,716	132,325
Intangible assets	112,983	7,523	661	1,258	122,425
Property, plant and equipment	467,875	79,700	12,300	22,032	581,906
Investment property	-	-	-	1,436	1,436
Other financial assets	3,501	946	202	972	5,621

4.1.3. Other consolidated information by business segment

(in thousands of euros)	Automotive Equipment	Urban Systems	3P	Other	**Consolidated total**
31 December 2007					
Acquisitions of intangible assets	49,692	4,899		1,499	56,090
Capital expenditure	101,523	19,355		250	121,129
Depreciation and amortization expense	129,913	20,432		491	150,836
31 December 2006					
Acquisitions of intangible assets	56,290	4,091	241	(1,629)	58,993
Capital expenditure	71,425	19,409	2,660	784	94,278
Depreciation and amortization expense	124,268	18,460	2,349	(1,567)	143,510

4.2. By geographical area

4.2.1. Revenue by geographical area

(in millions of euros)	**2007**	2006
France	809.8	710.4
	30.2%	*30.5%*
North America	544.1	557.7
	20.3%	*24.0%*
Europe excluding France	1,090.7	873.8
	40.6%	*37.6%*
South America	80.2	49.7
	3.0%	*2.1%*
Africa	24.5	23.4
	0.9%	*1.0%*
Asia	135.8	110.6
	5.0%	*4.8%*
TOTAL	**2,685.1**	**2,325.6**

4.2.2. Industrial assets by geographical area

(in thousands of euros)	France	North America	Europe excluding France	South America Asia	**Total**
31 December 2007					
Industrial assets	647,549	230,495	517,260	66,330	1,461,633
Depreciation	(396,829)	(127,385)	(296,581)	(25,240)	(846,035)
Including capital expenditure for the year	39,441	19,611	45,887	16,189	121,129
31 December 2006					
Industrial assets	640,778	244,603	370,347	50,563	1,306,291
Depreciation	(375,320)	(128,558)	(198,534)	(21,871)	(724,284)
Including capital expenditure for the year	47,318	12,194	30,268	4,499	94,278

5. NOTES TO THE INCOME STATEMENT

5.1. Cost of sales, development, distribution and administrative costs

(in thousands of euros)	**2007**	2006
Cost of sales includes		
Raw materials (purchases and changes in inventory)	1,607,849	1,388,750
Direct production outsourcing	31,676	25,930
Utilities and fluids	50,485	45,261
Employee benefits expense	320,078	300,233
Other production costs	209,202	128,144
Depreciation	122,979	114,411
Provisions	(107)	(3,848)
TOTAL COST OF SALES	**2,342,161**	**1,998,880**
Research and development costs include		
Employee benefits expense	70,595	69,557
Amortization of capitalized development costs	18,020	21,364
Other	(40,350)	(35,687)
TOTAL RESEARCH AND DEVELOPMENT COSTS	**48,266**	**55,233**
Distribution costs include		
Employee benefits expense	34,618	29,081
Depreciation and provisions	(214)	(368)
Other	18,169	15,561
TOTAL DISTRIBUTION COSTS	**52,573**	**44,274**
Administrative costs include		
Employee benefits expense	79,588	72,204
Other administrative expenses	55,543	52,835
Depreciation	8,109	7,509
Provisions	(2,321)	(5,226)
TOTAL ADMINISTRATIVE EXPENSES	**140,918**	**127,322**

5.2. Employee benefits expense

(in thousands of euros)	**2007**	2006
Wages and salaries	359,076	334,920
Payroll taxes	130,086	120,577
Non-discretionary profit-sharing	5,326	3,093
Pension and other post-employment benefit costs	864	867
Share-based compensation	1,402	972
Other employee benefits expenses	8,125	10,646
TOTAL	**504,879**	**471,075**

5.3. Other income and expenses from operating activities

(in thousands of euros)	**2007**	2006
Movements in non-current assets measured at fair value	3,145	789
Restructuring costs	(12,162)	(7,999)
Start-up and industrial reorganization costs	(5,607)	(4,607)
Other operating expenses	(5,631)	(9,180)
Other operating income	5,433	843
- Accretion gains on Signature and Eurovia transactions	*3,975*	-
- Other	*1,458*	-
TOTAL	**(14,822)**	**(20,154)**

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

(in thousands of euros)	**2007**	2006
Finance costs – net	(35,934)	(24,996)
Financial expense of pension obligations	(1,401)	(250)
Net exchange gains/(losses)	497	(243)
Hedging gains/(losses)	424	(213)
TOTAL	**(36,414)**	**(25,702)**

5.5. Income tax expense

Income tax expense breaks down as follows:

(in thousands of euros)	**2007**	2006
Consolidated income statement		
Current taxes		
Current income tax (expense)/benefit	(20,375)	(10,090)
Tax (expense)/benefit on exceptional items	480	(1,100)
Deferred taxes		
Deferred tax (expense)/benefits on timing differences arising or reversing during the period	21,254	7,446
Effect of change in tax rates or the introduction of new taxes	406	(157)
INCOME TAX EXPENSE RECOGNIZED IN THE CONSOLIDATED INCOME STATEMENT	**1,765**	**(3,901)**

(in thousands of euros)	**2007**	2006
Consolidated profit before tax	**49,244**	**54,034**
Tax at current tax rate (33 $^{1/3}$ %)	(16,413)	(18,010)
Impact of differences in foreign tax rates	4,251	2,345
Effect on opening deferred taxes of changes in tax rates	406	291
Deferred tax assets recognized in prior periods on tax loss carryforwards	11,688	5,432
Unrecognized tax loss carryforwards	(4,165)	(3,646)
Tax credits and other tax savings	11,957	7,275
Non-deductible expenses and non-taxable income	(1,186)	(1,056)
Other	(4,773)	3,468
Tax at the effective tax rate	**1,765**	**(3,901)**
Effective tax rate	*-3.6%*	*7.2%*

5.6. Earnings per share

Earnings per share attributable to equity holders	2007	2006
Basic earnings per share (in €)	2.81	2.67
Diluted earnings per share (in €)	2.81	2.67

Earnings per share from continuing operations, attributable to equity holders	2007	2006
Basic earnings per share from continuing operations (in €)	2.99	2.67
Diluted earnings per share from continuing operations (in €)	2.99	2.67
Weighted average number of ordinary shares used to calculate basic earnings per share	**17,544,416**	**17,416,519**
Dilutive effect* on number of shares	-	80,320
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES USED TO CALCULATE DILUTED EARNINGS PER SHARE	**17,544,416**	**17,496,839**

**The dilutive effect corresponds to outstanding stock options at 31 December 2007.*

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

6. NOTES TO THE BALANCE SHEET

6.1. Assets

6.1.1. Intangible assets

Changes in intangible assets in 2007

(in thousands of euros)	Goodwill	Patents and licenses	Software	Development costs	Other intangible assets	Total
Carrying amount at 1 January 2007	**132,325**	**5,292**	**12,699**	**97,036**	**7,397**	**254,750**
Acquisitions	45	2,971	6,196	46,563	311	56,090
Disposals - net		(811)	19	(1,410)	10	(2,192)
Companies consolidated for the first time	171,324	15,360	551	1,234	5,051	193,521
Companies removed from the scope of consolidation	(11,979)	(970)	(327)	(363)	(2,436)	(16,076)
Reclassifications	178	146	3,370	128	(3,981)	(158)
Amortization for the period	6	(822)	(6,012)	(44,048)	(210)	(50,515)
Translation adjustment	(3,165)	(59)	(186)	(3,050)	(207)	(6,667)
CARRYING AMOUNT AT 31 DECEMBER 2007	**288,733**	**21,107**	**16,310**	**96,091**	**5,936**	**428,178**

(in thousands of euros)	Goodwill	Patents and licenses	Software	Development costs	Other intangible assets	**Total**
Analysis of carrying amount at 1 January 2007						
Cost	178,411	10,991	47,560	213,157	6,286	456,405
Accumulated amortization and impairment	(46,086)	(5,699)	(34,861)	(116,121)	1,111	(201,655)
Carrying amount at 1 January 2007	**132,325**	**5,292**	**12,699**	**97,036**	**7,397**	**254,750**
Analysis of carrying amount at 31 December 2007						
Cost	332,166	27,903	57,940	237,202	5,059	660,270
Accumulated amortization and impairment	(43,433)	(6,796)	(41,630)	(141,111)	877	(232,092)
Carrying amount at 31 December 2007	**288,733**	**21,107**	**16,310**	**96,091**	**5,936**	**428,178**

Changes in intangible assets in 2006

(in thousands of euros)	Goodwill	Patents and licenses	Software	Development costs	Other intangible assets	**Total**
Carrying amount at 1 January 2006	**130,557**	**4,844**	**11,726**	**91,891**	**5,046**	**244,065**
Acquisitions	390	927	6,688	48,518	2,471	58,994
Disposals - net	(2,575)	142	(88)	(4,662)	(34)	(7,216)
Companies consolidated for the first time	4,593	187	(10)	2,076	822	7,668
Companies removed from the scope of consolidation	(106)	-	-	-	(2)	(108)
Changes in scope of consolidation	(564)	-	12	104	-	(448)
Reclassifications	3,599	165	(413)	(81)	34	3,305
Amortization for the period		(973)	(4,938)	(38,423)	(900)	(45,234)
Translation adjustment	(3,570)	1	(279)	(2,386)	(41)	(6,275)
Carrying amount at 31 December 2006	**132,325**	**5,292**	**12,699**	**97,036**	**7,397**	**254,750**

(in thousands of euros)	Goodwill	Patents and licenses	Software	Development costs	Other intangible assets	**Total**
Analysis of carrying amount at 1 January 2006						
Cost	183,571	8,410	43,770	185,532	2,162	423,444
Accumulated amortization and impairment	(53,014)	(3,565)	(32,044)	(93,641)	2,885	(179,379)
Carrying amount at 1 January 2006	130,557	4,844	11,726	91,891	5,046	244,065
Analysis of carrying amount at 31 December 2006						
Cost	178,411	10,991	47,560	213,157	6,286	456,405
Accumulated amortization and impairment	(46,086)	(5,699)	(34,861)	(116,121)	1,111	(201,655)
Carrying amount at 31 December 2006	**132,325**	**5,292**	**12,699**	**97,036**	**7,397**	**254,750**

6.1.2. Property, plant and equipment

Property, plant and equipment excluding investment property

Changes in property, plant and equipment, excluding investment property, in 2007

(in thousands of euros)	Land and buildings	Technical equipment and tooling	Assets under construction	Other	Total
Carrying amount at 1 January 2007	**231,637**	**241,059**	**31,211**	**77,998**	**581,905**
Acquisitions	12,930	52,009	40,819	15,370	121,129
Disposals - net	(7,152)	(6,627)	-	(5,176)	(18,955)
Companies consolidated for the first time	36,789	23,075	617	4,931	65,411
Companies removed from the scope of consolidation	(16,034)	(7,142)	(535)	(1,561)	(25,271)
Reclassifications	180	28,917	(30,825)	(981)	(2,709)
Depreciation for the period	(12,645)	(68,311)	(10)	(19,138)	(100,104)
Fair value adjustment	4,652	3,915	-	-	8,567
Translation adjustment	(7,067)	(7,509)	(1,179)	(140)	(15,895)
CARRYING AMOUNT AT 31 DECEMBER 2007	**243,292**	**259,386**	**40,097**	**71,304**	**614,078**

(in thousands of euros)	Land and buildings	Technical equipment and tooling	Assets under construction	Other	Total
Analysis of carrying amount at 1 January 2007					
Cost	337,827	736,810	31,335	200,213	1,306,185
Accumulated depreciation and impairment	(106,190)	(495,751)	(124)	(122,215)	(724,280)
Carrying amount at 1 January 2007	**231,637**	**241,059**	**31,211**	**77,998**	**581,905**
Analysis of carrying amount at 31 December 2007					
Cost	359,012	856,052	40,199	204,849	1,460,113
Accumulated depreciation and impairment	(115,720)	(596,666)	(102)	(133,546)	(846,035)
Carrying amount at 31 December 2007	**243,292**	**259,386**	**40,097**	**71,304**	**614,078**

Changes in property, plant and equipment, excluding investment property, in 2006

(in thousands of euros)	Land and buildings	Technical equipment and tooling	Assets under construction	Other	**Total**
Carrying amount at 1 January 2006	**198,385**	**191,518**	**70,300**	**82,839**	**543,042**
Acquisitions	6,555	33,198	37,036	17,474	94,263
Disposals - net	(8,377)	(7,598)	4	(3,626)	(19,597)
Companies consolidated for the first time	23,776	44,512	5,510	3,110	76,908
Companies removed from the scope of consolidation	41	(39)	(399)	(114)	(511)
Changes in scope of consolidation	1,270	1,390	614	39	3,313
Reclassifications	28,238	50,597	(78,579)	(26)	230
Depreciation for the period	(11,759)	(65,958)	(42)	(20,516)	(98,275)
Translation adjustment	(6,492)	(6,561)	(3,233)	(1,182)	(17,468)
CARRYING AMOUNT AT 31 DECEMBER 2006	**231,637**	**241,059**	**31,211**	**77,998**	**581,905**

(in thousands of euros)	Land and buildings	Technical equipment and tooling	Assets under construction	Other	**Total**
Analysis of carrying amount at 1 January 2006					
Cost	285,219	603,988	70,384	201,102	1,160,694
Accumulated depreciation and impairment	(86,834)	(412,471)	(84)	(118,263)	(617,652)
Carrying amount at 1 January 2006	**198,385**	**191,518**	**70,300**	**82,839**	**543,042**
Analysis of carrying amount at 31 December 2006					
Cost	337,827	736,810	31,335	200,213	1,306,185
Accumulated depreciation and impairment	(106,190)	(495,751)	(124)	(122,215)	(724,280)
Carrying amount at 31 December 2006	**231,637**	**241,059**	**31,211**	**77,998**	**581,905**

Equipment leased under operating leases where the Group is lessor

(in thousands of euros)	**December 2007**	December 2006
Cost	77,819	81,745
Accumulated depreciation	(44,768)	(41,488)
Including depreciation over the period	*(8,022)*	*(7,569)*
CARRYING AMOUNT AT 31 DECEMBER 2007	**33,051**	**40,257**

The above figures correspond to container fleets leased to customers by the Urban Systems Division under contracts that have not been restated as finance leases.

(in thousands of euros)	**December 2007**	December 2006
Minimum lease payments under non-cancelable operating leases and/or lease-maintenance contracts		
Due within one year	48,781	41,292
Due in one to five years	82,761	70,637
Due beyond five years	8,687	10,025
TOTAL	**140,229**	**121,955**

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

Finance leases included in the table on the previous page concern plants, research and development centers, production equipment and containers acquired for leasing to customers.

(in thousands of euros)	Land and buildings	Technical equipment and machinery	**Total at 31 December 2007**
Cost	52,523	47,028	99,551
Accumulated depreciation	(23,291)	(37,616)	(60,907)
CARRYING AMOUNT	**29,232**	**9,412**	**38,644**

(in thousands of euros)	Minimum lease payments at 31 December 2007	Present value at 31 December 2007
Due within one year	7,915	7,582
Due in one to five years	12,392	11,130
Due beyond five years	5,823	5,513
TOTAL	**26,130**	**24,225**

6.1.3. Investment property

(in thousands of euros)	**31 December 2007**
Fair value at 1 January 2007	**1,436**
Fair value adjustment	84
Fair value at 31 December 2007	**1,520**
Rental revenue from investment property	177
Direct expenses related to lease revenue from investment property (including maintenance and repairs)	48

Investment property corresponds to the Nanterre offices, which are occupied by Euromark employees.

6.1.4. Investments in associates

Investments in associates correspond to Plastic Omnium's investment in Euromark at 31 December 2007.

6.1.5. Other (non-current) financial assets

(in thousands of euros - net)	**31 December 2007**	31 December 2006
Loans	488	68
Deposits and bonds	4,516	4,254
Other receivables	80	559
TOTAL	**5,084**	**4,881**

6.1.6. Inventories

(in thousands of euros)	**31 December 2007**	31 December 2006
Raw materials and supplies	81,956	68,913
Moulds, tooling and engineering	147,993	133,061
Other work in progress	3,122	1,208
Merchandise		
Cost	6,312	6,143
Net realizable value	5,967	5,110
Finished products		
Cost	55,879	45,366
Net realizable value	54,253	43,124
TOTAL INVENTORIES AT THE LOWER OF COST AND NET REALIZABLE VALUE	**293,290**	**251,416**

6.1.7. Trade and other receivables

a. Trade and other receivables and the related provisions are as follows:

	31 December 2007			31 December 2006		
(in thousands of euros)	**Cost**	**Provisions**	**Carrying amount**	Cost	Provisions	Carrying amount
Trade receivables	375,117 (*)	(5,694)	369,423	329,089(*)	(5,280)	323,809

b. Receivables break down as follows by age (before provisions)

31 December 2007 *(in thousands of euros)*	Total receivables	Not yet due	Due and past-due	0-1 month	1-2 months	2-4 months	4-6 months	6-12 months	Over 12 months
Auto Exterior	205,682	186,859	18,823	7,086	6,666	1,463	1,698	1,291	619
Inergy Automotive Systems	67,803	63,951	3,852	2,225	447	330	441	265	144
Environment	75,895	47,913	27,982	11,348	3,475	1,849	829	2,415	8,066
Signature	22,550	18,398	4,152	2,448	865	438	255	60	86
Unallocated	3,187	3,187							
TOTAL*	**375,117**	**320,308**	**54,809**	**23,107**	**11,453**	**4,080**	**3,223**	**4,031**	**8,915**

31 December 2006 *(in thousands of euros)*	Total receivables	Not yet due	Due and past-due	0-1 month	1-2 months	2-4 months	4-6 months	6-12 months	Over 12 months
Auto Exterior	194,216	160,651	33,565	27,878	3,130	1,308	539	578	132
Inergy Automotive Systems	66,676	60,650	6,026	3,058	849	1,343	255	313	208
Environment	49,702	29,223	20,479	8,313	3,274	2,153	972	1,910	3,857
3P	13,362	11,522	1,840	1,336	189	80	59	176	0
Unallocated	5,133	5,133							
TOTAL*	**329,089**	**267,179**	**61,910**	**40,585**	**7,442**	**4,884**	**1,825**	**2,977**	**4,197**

c. Trade and other receivables can be analyzed as follows by currency (net of provisions)

		Receivables At 31 December 2007			Receivables At 31 December 2006		
Foreign currency, in thousands		Local currency	Euros	%	Local currency	Euros	%
ARS	Argentine peso	24,472	5,286	1%	727	178	-
BRL	Brazilian real	10,426	4,007	1%	6,647	2,364	1%
CAD	Canadian dollar	4,206	2,903	1%	107	70	-
CHF	Swiss franc	12,480	7,542	2%	575	358	-
CLP	Chilean peso	1,081,050	1,478	-	667,418	952	-
CZK	Czech koruna	86,173	3,236	1%	69,173	2,517	1%
EUR	Euro	334,132	334,132	68%	265,476	265,476	63%
GBP	Pound sterling	14,680	20,018	4%	14,072	20,956	5%
JPY	Japanese yen	702,824	4,261	1%	514,884	3,281	1%
MXN	Mexican peso	79,783	4,964	1%	60,465	4,250	1%
PLN	Polish zloty	9,930	2,763	1%	8,439	2,203	1%
SEK	Swedish krona	3,084	327	-	3,091	342	-
SKK	Slovak koruna	37,679	1,122	-	4,818	140	-
THB	Thai baht	166,493	3,801	1%	42,636	912	-
TRL	Turkish lira	12,087	7,040	1%	11,155	5,984	1%
USD	United States dollar	99,518	67,603	14%	126,208	95,830	23%
KRW	South Korean won	9,214,954	6,687	1%	8,541,913	6,974	2%
ZAR	South African rand	15,236	1,519	-	4,226	459	-
CNY	Chinese yuan	105,685	9,829	2%	89,029	8,661	2%
ROL	Romanian lei	-	-	-	-	-	-
	Other		1,370	-		(5)	-
TOTAL			**489,888**	**100%**		**421,902**	**100%**

6.1.8. Finance receivables

Short-term finance receivables

(in thousands of euros)	31 December 2007	31 December 2006
Current account advances	9,489	17,715
Other short-term finance receivables*	89,332	5,521
TOTAL	**98,821**	**23,236**

*: Other short-term finance receivables break down as follows at 31 December 2007:

(in thousands of euros)	31 December 2007
Finance receivable from EUROVIA related to the contributions to SIGNATURE	**79,133**
Of which:	
- to Signature Vertical Holding	*25,133*
- to Euromark Holding	*54,000*
Compagnie Plastic Omium finance receivables from external companies	4,588
Plastic Omnium Vernon finance receivables from external companies	2,346
Other	3,265
TOTAL	**89,332**

Finance lease receivables

	31 December 2007		31 December 2006	
(in thousands of euros)	Finance lease receivables	Discounted future minimum lease receivables	Finance lease receivables	Discounted future minimum lease receivables
Due within one year	5,845	5,730	6,350	6,191
Due in one to five years	1,543	1,481	5,979	5,777
Due beyond five years	333	279		
TOTAL	**7,721**	**7,490**	**12,329**	**11,968**

6.1.9. Deferred taxes

Following the improvement in the German subsidiaries' results and the inclusion of new companies in the German tax groups, German deferred tax assets of €7.3 million were recognized at 31 December 2007, *versus* €0.9 million a year earlier. This was in line with Plastic Omnium Group policy, which consists of recognizing deferred tax assets for tax loss carryforwards when it is highly probable that sufficient taxable profit will be generated in the next three years to permit their utilization. The deferred tax asset is not included when calculating positive or negative goodwill on newly acquired entities.

Deferred taxes relate to the following items:

(in thousands of euros)	31 Dec. 2007	31 Dec. 2006
Property, plant and equipment	(28,786)	(29,532)
Post-employment benefit obligations	8,963	4,168
Provisions	4,392	8,858
Financial instruments	(1,452)	(985)
Tax loss carryforwards	52,686	34,829
Other	4,545	7,046
TOTAL	**40,348**	**24,384**

Details of tax loss carryforwards totaling €16,029,000 for which no deferred tax asset has been recognized in the consolidated balance sheet at 31 December 2007 are as follows:

(in thousands of euros)	**31 Dec. 2007**
Evergreen tax loss carryforwards	13,833
Tax loss carryforwards available for more than 5 years	546
Tax loss carryforwards available for up to 5 years	833
Tax loss carryforwards available for up to 4 years	81
Tax loss carryforwards available for up to 3 years	56
Tax loss carryforwards available for less than 3 years	680

6.1.10. Cash and cash equivalents

(in thousands of euros)	**31 Dec. 2007**	31 Dec. 2006
Cash at bank and in hand	126,116	92,291
Short-term deposits	16,347	11,289
TOTAL	**142,462**	**103,580**

6.2. Equity and liabilities

6.2.1. Share capital

(in euros)	**31 Dec. 2007**	31 Dec. 2006
Share capital at 1 January	9,447,421	9,358,831
Shares issued during the year	19,570	88,590
Shares cancelled during the year	(131,325)	
Share capital at 31 December (ordinary shares with a par value of €0.5)	**9,335,666**	**9,447,421**
Treasury stock	(563,458)	(739,161)
TOTAL NET OF TREASURY STOCK	**8,772,208**	**8,708,260**

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

6.2.2. Dividends voted and distributed in 2007

(in thousands of euros)	**31 Dec. 2007**	31 Dec. 2006
Dividends on ordinary shares	12,471	11,230
Dividends on treasury stock	964	791
Net dividends voted by shareholders and distributed	**11,507**	**10,439**
Dividend per share (in €)	0.66	0.60

6.2.3. Government grants

(in thousands of euros)	31 December 2007	31 December 2006
Grants based on profit	-	-
Grants based on assets	13,922	15,148
TOTAL	**13,922**	**15,148**

Government grants are recorded under non-current liabilities in the consolidated balance sheet.

6.2.4. Long and short-term debt

a. Short-term borrowings

	31 December 2007		31 December 2006	
(in thousands of euros)	Current	Non-current	Current	Non-current
Finance lease liabilities	7,090	17,025	10,244	27,607
Bank borrowings	185,125	396,667	126,719	168,703
TOTAL	**192,215**	**413,693**	**136,963**	**196,310**

b. Analysis of net debt by maturity

(in thousands of euros)	31 Dec. 2007	Less than 1 year	1 to 5 years	More than 5 years	December 2006	Less than 1 year	1 to 5 years	More than 5 years
Long-term borrowings	413,693		399,442	14,251	196,310		181,802	14,508
Long-term financial receivables	(5,084)		(5,084)		(4,881)		(4,881)	
Current financial assets	(256,220)	(256,220)			(145,967)	(139,988)	(5,979)	
Short-term borrowings	192,215	192,215			136,963	136,963		
Other short-term debt	100,188	100,188			59,544	59,544		
Hedging instruments	2,969	2,969			4,921	4,921		
NET DEBT	**447,762**	**39,153**	**394,358**	**14,251**	**246,890**	**61,440**	**170,942**	**14,508**

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

None of the Group's loan agreements include any covenants based on financial ratios.

At 31 December 2007, the Group had access to several confirmed bank lines of credit with an average maturity of more than three years. These confirmed credit lines, which have not been fully drawn down, totaled €733 million at 31 December 2007 and €633 million at 31 December 2006.

The unused portion amounted to €333 million at 31 December 2007 and €437 million at 31 December 2006.

Analysis of debt by currency

As a % of total debt	31 December 2007	31 December 2006
Euros	85%	56%
US dollars	14%	36%
Pounds sterling	1%	6%
Other currencies	-	2%

Analysis of debt by type of interest rate

As a % of total debt	31 December 2007	31 December 2006
Hedged floating rates	40%	72%
Unhedged floating rates	54%	18%
Fixed rates	6%	10%
TOTAL	**100%**	**100%**

The average borrowing cost was 5.4% in 2007 and 4.5% in 2006.

6.2.5. Operating and other liabilities

Trade payables

(in thousands of euros)	31 December 2007	31 December 2006
Trade payables	524,849	482,462
Due to suppliers of fixed assets	23,711	25,171
TOTAL	**548,560**	**507,633**

Other operating liabilities

(in thousands of euros)	31 December 2007	31 December 2006
Accrued employee benefits expense	71,345	59,780
Accrued taxes	20,711	11,497
Other payables	106,460	94,676
Customer prepayments	109,216	96,510
TOTAL	**307,732**	**262,463**

Trade payables and other operating liabilities, by currency

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

		Liabilities at 31 December 2007			Liabilities at 31 December 2006		
Foreign currency, in thousands		Local currency	Euros	%	Local currency	Euros	%
ARS	Argentine peso	31,481	6,800	1%	5,703	1,398	-
BRL	Brazilian real	58,761	22,585	3%	31,269	11,118	1%
CAD	Canadian dollar	6,120	4,224	-	787	515	-
CHF	Swiss franc	13,146	7,945	1%	461	287	-
CLP	Chilean peso	369,299	505	-	307,060	438	-
CZK	Czech koruna	105,917	3,978	-	86,780	3,157	-
EUR	Euro	606,779	606,779	71%	541,903	541,903	70%
GBP	Pound sterling	28,087	38,299	4%	27,927	41,588	5%
JPY	Japanese yen	704,639	4,272	-	543,288	3,462	-
MXN	Mexican peso	162,254	10,095	1%	131,412	9,236	1%

Foreign currency, in thousands		Liabilities at 31 December 2007 Local currency	Euros	%	Liabilities at 31 December 2006 Local currency	Euros	%
PLN	Polish zloty	9,063	2,522	-	8,628	2,252	-
SEK	Swedish krona	3,645	386	-	2,168	240	-
SKK	Slovak koruna	197,617	5,884	1%	132,548	3,849	-
THB	Thai baht	164,286	3,751	-	96,922	2,072	-
TRL	Turkish lira	5,530	3,221	-	5,391	2,892	-
USD	United States dollar	164,374	111,660	13%	164,745	125,091	16%
KRW	South Korean won	13,592,389	9,864	1%	11,508,050	9,396	1%
ZAR	South African rand	27,645	2,756	-	38,507	4,180	1%
CNY	Chinese yuan	106,306	9,887	1%	63,050	6,134	1%
ROL	Romanian lei	-	-	-	-	-	-
	Other	-	882	-	-	888	-
TOTAL			**856,295**	**100%**		**770,096**	**100%**

6.2.6 Provisions for liabilities and charges

(in thousands of euros)	31 December 2006	Charges	Utilizations	Releases of surplus provisions	Reclassi-fications	Actuarial gains and losses	Changes in scope of consolidation	Translation adjustment	**31 December 2007**
Customer warranties	3,888	1,191	(2,397)	(513)	536		(203)	(11)	2,491
Reorganization plans	4,726	4,992	(3,562)	(221)	202		(976)	(279)	4,882
Tax risks	1,012	1,571	(1,581)		247		1,903	(7)	3,145
Contract risks	2,209	1,499	(2,123)	250			501	(6)	2,330
Extension to container fleet	930		(479)						451
Claims and litigation	1,247	763	(239)	(105)	46		2,374	(27)	4,058
Other*	3,010	622	(2,917)		(844)		3,660	(22)	3,508
Provisions for liabilities and charges	**17,022**	**10,638**	**(13,298)**	**(589)**	**187**		**7,257**	**(352)**	**20,865**
Provisions for pensions and other post-employment benefits	25,041	3,703	(1,440)		282	1,721	5,046	(789)	33,565
TOTAL	**42,064**	**14,341**	**(14,738)**	**(589)**	**469**	**1,721**	**12,303**	**(1,141)**	**54,430**

"Other" corresponds to various provisions representing non-material amounts.

6.2.7 Provisions for pensions and other post-employment benefits

Change in balance sheet provisions and costs for defined benefit plans

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

	Post-employment benefit plans			Other long-term benefit plans			Total		
(in thousands of euros)	**2007**	2006	2005	**2007**	2006	2005	**2007**	2006	2005
Projected benefit obligation at 1 January	**26,303**	**22,210**	**17,013**	**4,076**	**2,279**	**2,155**	**30,379**	**24,489**	**19,168**
Service cost	3,048	3,121	2,066	285	592	239	3,333	3,713	2,305
Interest cost	1,274	163	867	127	87	81	1,401	250	948
Curtailments, settlements and other	(384)	(521)	423		(139)	(34)	(384)	(660)	389
Actuarial gains and losses	1,730	931	1,276	98	101	24	1,828	1,032	1,300
Expected participant contributions	(261)	(900)	(122)				(261)	(900)	(122)
Expected company contributions	(550)	(267)	(375)	(431)	(250)	(220)	(981)	(517)	(595)
Changes in scope of consolidation	14,683	2,633		2,328	316		17,011	2,949	
Reclassifications of provisions for liabilities and charges	282				1,187		282	1,187	
Translation adjustment	(1,479)	(1,067)	1,062	(46)	(97)	34	(1,525)	(1,164)	1,096
Projected benefit obligation at 31 December	**44,646**	**26,303**	**22,210**	**6,437**	**4,076**	**2,279**	**51,083**	**30,379**	**24,489**
Change in projected benefit obligation	**18,343**	**4,093**	**5,197**	**2,361**	**1,797**	**124**	**20,704**	**5,890**	**5,321**
Fair value of plan assets at 1 January	**5,338**	**4,997**	**3,290**				**5,338**	**4,997**	**3,290**
Return on plan assets	308	316	190				308	316	190
Employer contributions	782	1,537	1,175				782	1,537	1,175
Employee contributions		20						20	
Actuarial gains and losses	107	(95)	126				107	(95)	126
Benefit payments funded by plan assets	(261)	(900)	(122)				(261)	(900)	(122)
Curtailments, settlements and other	15	(204)					15	(204)	
Changes in scope of consolidation	11,965						11,965		
Translation adjustment	(736)	(333)	338				(736)	(333)	338
Fair value of plan assets at 31 December	**17,518**	**5,338**	**4,997**				**17,518**	**5,338**	**4,997**
Change in fair value of plan assets	**12,180**	**341**	**1,707**				**12,180**	**341**	**1,707**
Excess of projected benefit obligation over plan assets = provision recorded in the balance sheet	**27,128**	**20,965**	**17,214**	**6,437**	**4,076**	**2,279**	**33,565**	**25,041**	**19,493**
- of which France	*16,822*	*13,152*	*10,027*	*2,653*	*2,671*	*1,883*	*19,475*	*15,823*	*11,910*
- of which United States	*5,599*	*6,016*	*6,360*	*305*	*884*	*290*	*5,904*	*6,900*	*6,650*
- of which other regions	*4,707*	*1,797*	*827*	*3,479*	*521*	*106*	*8,186*	*2,318*	*933*

The present value of partially funded obligations was €11,194,000 at 31 December 2007, including €4,874,000 for France and €6,320,000 for the United States.

Post-employment benefit obligations include:

In France, €16,710,000 for length-of-service awards and €112,000 for senior management pensions at 31 December 2007 versus €13,053,000 and €99,000 respectively at 31 December 2006.

In the United States, €2,566,000 for pensions and €3,033,000 for healthcare plans at 31 December 2007 versus €3,123,000 and €2,893,000 respectively at 31 December 2006.

Other long-term benefits in France correspond to jubilees.

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

	Post-employment benefit plans			Other long-term benefit plans			Total		
(in thousands of euros)	**2007**	2006	2005	**2007**	2006	2005	**2007**	2006	2005
Net position at 1 January	**20,965**	**17,213**	**13,723**	**4,076**	**2,279**	**2,155**	**25,041**	**19,492**	**15,878**
Expense/(income) for the period									
- Service cost	3,048	3,121	2,066	285	592	239	3,333	3,713	2,305
- Interest cost	1,274	163	867	127	87	81	1,401	250	948
- Expected return on plan assets	(308)	(316)	(190)				(308)	(316)	(190)
- Curtailments, settlements and other	(399)	(317)	423		(139)	(34)	(399)	(456)	389
Benefits paid by the company	(550)	(267)	(375)	(431)	(250)	(220)	(981)	(517)	(595)
Employer contributions	(782)	(1,537)	(1,175)				(782)	(1,537)	(1,175)
Employee contributions		(20)						(20)	
Changes in scope of consolidation	2,718	2,633		2,328	316		5,046	2,949	
Actuarial gains and losses recognized in equity	1,623	1,026	1,150	98	101	24	1,721	1,127	1,174
Reclassifications of provisions for liabilities and charges	282				1,187		282	1,187	
Translation adjustment	(743)	(734)	724	(46)	(97)	34	(789)	(831)	758
NET POSITION AT 31 DECEMBER	**27,128**	**20,965**	**17,213**	**6,437**	**4,076**	**2,279**	**33,565**	**25,041**	**19,492**

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

(in thousands of euros)	Increase	Decrease
Effect on service cost and interest cost	146	(114)
Effect on provisions for post-employment benefit obligations	467	(383)

7. OTHER INFORMATION

7.1. Off-balance sheet commitments

Commitments given/received

(in millions of euros)	**Total**	Intangible assets	Property, plant and equipment	Financial assets/liabilities	Other non-financial current assets/ liabilities
Surety bonds given	(33,314)	(108)	(289)	(26,776)	(6,141)
Commitments to purchase property, plant and equipment	(3,199)	(291)	(2,908)		
Debt collateral (mortgages)	(7,538)		(7,538)		
Other off-balance sheet commitments	(6,640)	(1,582)		(3,524)	(1,629)
Total commitments given	**(50,786)**	**(1,981)**	**(10,735)**	**(30,300)**	**(7,770)**
Surety bonds received	1,808		1,503	305	
Total commitments received	**1,808**		**1,503**	**305**	
TOTAL COMMITMENTS – NET	**(48,978)**	**(1,981)**	**(9,232)**	**(29,995)**	**(7,770)**

Operating leases where the group is lessee

(in thousands of euros)	**31 December 2007**	31 December 2006
Minimum lease payments under non cancelable operating leases		
Due within one year	20,874	18,179
Due in one to five years	44,870	39,538
Due beyond five years	26,750	17,539
TOTAL	**92,494**	**75,256**

7.2. Right to individual training

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

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

The total number of training hours accumulated under the new law but not used by the Group's employees comes to 177,650 for the years 2004 to 2007.

7.3. Related party transactions

(in thousands of euros)	Revenue	Current accounts	Deposits	Trade payables	Trade receivables	Financial investment
Signature Group (first-half 2007)	71.2	3	-	84.5	336.8	
Signature Group at 1 July 2007*	-	-	-	-	-	90,000
Sofiparc	-	56,531**	551	11	-	
Burelle SA	-	(50)	-	-	(2)	

**On 1 July 2007, Plastic Omnium acquired the Signature Group from Burelle SA for €90 million. See section 2 – "Changes in scope of consolidation".*

***Loan granted by Sofiparc to Plastic Omnium.*

7.4. Joint ventures

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

(in thousands of euros)	**31 December 2007**	31 December 2006
Revenue	17,630	15,277
Trade receivables	6,505	7,982
Trade payables	(1,780)	(1,287)
Dividends	6,349	8,450
Current accounts	2,475	3,478

7.4.1. Balance sheets of joint ventures

(in thousands of euros)	**31 December 2007**	31 December 2006
Non-current assets	213,248	193,703
Current assets	305,681	284,634
Total assets	**518,929**	**478,337**
Equity	192,605	164,368
Non-current liabilities	34,774	41,286
Current liabilities	291,550	272,683
Total liabilities	**518,929**	**478,337**

7.4.2. Income statements of joint ventures

(in thousands of euros)	**2007**	2006
Revenue	950,018	899,697
Cost of sales	(849,921)	(803,516)
Research and development costs	(21,713)	(23,147)
Distribution costs	(5,425)	(5,583)
Administrative expenses	(35,616)	(39,370)
Operating margin	**37,343**	**28,081**
Other operating income and expenses	(8,857)	(601)
Operating profit	**28,486**	**27,479**
Finance costs, net and other financial income and expenses, net	(3,817)	(2,916)
Profit before tax	24,669	24,564
Income tax expense	(6,157)	(6,666)
NET PROFIT	**18,512**	**17,897**

7.5. Share-based compensation

7.5.1. Outstanding stock options

Grant date	Type of options	Grantees	Vesting conditions	Maximum number of options available under the plan
4 May 2001	Stock subscription options	115	Employment contract in force on the option exercise date, except in the case of transfer by the employer, early retirement or retirement	360,000
14 May 2003	Stock purchase options	15		360,000
11 March 2005	Stock purchase options	54		237,000
25 April 2006	Stock purchase options	11		267,000
24 July 2007	Stock purchase options	65		330,000

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

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

		Increases	Decreases			Options outstanding at 31 December 2007	
Outstanding options	Options outstanding at 1 January 2007	Options granted during the period	Options forfeited during the period	Options that expired during the period	Options exercised during the period	Total	of which, options exercisable as of 31 Dec. 2007
14 May 2003 plan							
Number of options	312,000				248,500	63,500	63,500
Share price at the grant date	12.48					12.48	
Option exercise price	13.53					13.53	
Life	7 years					7 years	
Unrecognized cost at period-end	96,300					0	
Cost recognized during the period	96,300						
Remaining life	3 years					2 years	
11 March 2005 plan							
Number of options	237,000		(2,000)			235,000	None
Share price at the grant date	21.15					21.15	
Option exercise price	21.15					21.15	
Life	7 years					7 years	
Unrecognized cost at period-end	646,000					351,000	
Cost recognized during the period	295,000						
Remaining life	5 years					4 years	

Outstanding options	Options outstanding at 1 January 2007	Increases: Options granted during the period	Decreases: Options forfeited during the period	Decreases: Options that expired during the period	Decreases: Options exercised during the period	Options outstanding at 31 December 2007: Total	Options outstanding at 31 December 2007: of which, options exercisable as of 31 Dec. 2007
25 April 2006 plan							
Number of options	267,000					267,000	None
Share price at the grant date	35.25					35.25	
Option exercise price	34.9					34.9	
Life	7 years					7 years	
Unrecognized cost at period-end	2,133,000					1,489,700	
Cost recognized during the period	643,300						
Remaining life	6 years					5 years	
24 July 2007 plan							
Number of options		330,000				330,000	None
Share price at the grant date		39.29				39.29	
Option exercise price		39.38				39.38	
Life		7 years				7 years	
Unrecognized cost at period-end		4,161,000				3,762,000	
Cost recognized during the period		399,000					
Remaining life		7 years				6 years	

7.6. Management compensation

Details of the total compensation and benefits paid to officers of the Plastic Omnium Group are disclosed in the report of the Board of Directors on the accounts of Compagnie Plastic Omnium. Aggregate information is as follows:

- Directors' fees paid by Group companies (other than Compagnie Plastic Omnium): €258,000 in 2007 and €241,000 in 2006.
- Gross compensation paid by the Group (other than Compagnie Plastic Omnium): €1,903,000 in 2007 and €1,868,000 in 2006.
- Supplementary pension plan costs paid by the Group: €46,000 in 2007 and €417,000 in 2006.

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

7.7. Interest rate hedges

Interest rate hedges used in 2007 included swaps, caps and collars. Their purpose is to hedge variable rate debt against increases in the Euribor and Libor.

In application of IAS 39, these financial instruments are measured at their fair value in the amount of €7,230,000 at 31 December 2007.

At 31 December 2007, all interest rate derivatives in the portfolio qualified for hedge accounting under IAS 39. Accordingly:

- The effective portion of the change in their fair value was recognized in the statement of changes in equity in the amount of €814,000 before tax and €543,000 after tax.
- The ineffective portion, representing a negative €101,000, is recognized in hedging gains and losses which represent a positive €264,000.

Premiums payable on interest rate hedging instruments at 31 December 2007 amounted to €2,984,000.

7.8. Currency hedges

(Foreign currency, in millions – notional amounts)	Expiry date		Exchange rate
	First-half 2008	Second-half 2008	
Forward sales			
USD	-	11	1.4354

Currency hedges, comprising forward purchases and sales, are measured at fair value.

7.9. Market risks

Compagnie Plastic Omnium has set up a global cash management system organized around Plastic Omnium Finance, which manages currency, interest rate and liquidity risks on behalf of all subsidiaries. The market risks strategy, which may involve entering into balance sheet and off-balance sheet commitments, is approved every quarter by senior management and the Chairman and Chief Executive Officer.

Liquidity risk

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

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

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

At 31 December 2007, the Group had access to confirmed medium-term financing of €703 million, compared with a financing need of €447.8 million.

Currency risk

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

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

Interest rate risk

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

At 31 December 2007, 47% of borrowings in euros and of 74% of borrowings in US dollars were hedged respectively over four years and three years, using non-speculative financial instruments.

Counterparty risk

Financial transactions, particularly interest rate hedges, are carried out with a number of leading financial institutions. A competitive bidding approach is used for all material transactions, one of the selection criteria being satisfactory resource and counterparty diversification.

7.10. Sales of receivables

Plastic Omnium Auto Extérieur SA (France), Plastic Omnium Equipamientos Exteriores (Spain), Inergy Automotive Systems SA (France), Inergy Automotive Systems SA (Spain), Plastic Omnium Systèmes Urbains SA (France), Plastic Omnium Vernon (France), Temaco, Beauvais Diffusion, Sodilor and Inoplast (France), pursued their receivable sales programs in 2007. Based on IFRS, at 31 December 2007, sold receivables amounted to €190 million compared with €165 million at the previous year-end.

7.11. Changes in exchange rates

Currency	At 1 January 2006	**At 31 December 2007**	2006 Average	**2007 Average**
Euro	1	1	1	1
Thai baht	46.773	43.802	47.529	44.170
Slovak koruna	34.435	33.580	37.092	33.772
Swedish krona	9.041	9.441	9.253	9.264
Czech koruna	27.488	26.631	28.265	27.732
Canadian dollar	1.528	1.449	1.427	1.467
US dollar	1.317	1.472	1.263	1.380
Swiss franc	1.607	1.655	1.577	1.646
Romanian lei	3.384	3.608	3.513	3.341
Pound sterling	0.672	0.733	0.682	0.687
Turkish lira	1.864	1.717	1.816	1.780
Argentine peso	4.078	4.629	3.891	4.305
Chilean peso	699.301	729.927	666.667	719.424
Mexican peso	14.229	16.075	13.785	15.156
South African rand	9.212	10.030	8.633	9.683
Brazilian real	2.812	2.602	2.738	2.655
South Korean won	1,219.512	1,369.863	1,204.819	1,282.051
Japanese yen	156.986	165.017	146.843	162.075
Chinese yuan	10.280	10.753	10.048	10.455
Polish zloty	3.831	3.594	3.900	3.775

7.12. Consolidating entity

Compagnie Plastic Omnium is fully consolidated in the accounts of Burelle SA, which owns 51.73% of its capital, or 55.05% after the impact of canceling treasury stock.

Burelle SA – 19 Avenue Jules Carteret – 69342 Lyon Cedex 07.

7.13. Number of employees at year-end

Employees	31 December 2007	31 December 2006	Change
France	6,139	5,536	10.9%
%	43.2%	48%	
European Union other than France	4,028	2,946	36.7%
%	28.4%	25%	
Outside the European Union	4,029	3,150	27.9%
%	28.4%	27%	
TOTAL	**14,196**	**11,631**	**22.1%**
Of which, employees of joint ventures adjusted on the basis of the Group's percentage interest in the joint ventures	*2,849*	*2,714*	*18.8%*
Of which, employees of newly acquired companies			
Signature Group	1,234	-	-
Sulo Group	564	-	-

7.14. Subsequent events

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

8. PRO FORMA INFORMATION

In order to evaluate the impact on Plastic Omnium's consolidated financial statements of the various transactions carried out in 2007, pro forma information has been prepared as if the following entities had been consolidated from 1 January 2007:

- Sulo Environmental Technology – fully consolidated.
- Vertical Signage – fully consolidated.
- Horizontal Signage – accounted for by the equity method.

The main pro forma indicators are as follows:

- Revenue: €2,785 million
- Operating margin: €105.3 million
- Net profit: €55.4 million

9. LIST OF CONSOLIDATED COMPANIES AT 31 DECEMBER 2007

Name	31 December 2007			31 December 2006			Tax groups
	Consolidation method	% voting rights	% interest	Consolidation method	% voting rights	% interest	
France							
COMPAGNIE PLASTIC OMNIUM SA	Parent company			Parent company			1
PLASTIC OMNIUM SYSTEMES URBAINS SA	F	100.00	99.98	F	100.00	99.98	1
PRODUITS PLASTIQUES PERFORMANTS – 3 P SA	HFS	100.00	99.99	F	100.00	99.99	1
METROPLAST SAS	F	100.00	99.96	F	100.00	99.96	1
LA REUNION VILLE PROPRE SAS	F	100.00	100.00	F	100.00	100.00	1
PLASTIC OMNIUM CARAIBES SAS	F	100.00	99.95	F	100.00	99.95	1
INERGY AUTOMOTIVE SYSTEMS FRANCE SA	P	50.00	50.00	P	50.00	50.00	
PLASTIC CFF RECYCLING SAS	P	50.00	50.00	P	50.00	50.00	
PLASTIC OMNIUM AUTO EXTERIEUR SA	F	100.00	100.00	F	100.00	100.00	1
TRANSIT SAS	F	100.00	100.00	F	100.00	100.00	1
PLASTIC OMNIUM GESTION SNC	F	100.00	100.00	F	100.00	100.00	1
GIE PLASTIC OMNIUM FINANCE	F	100.00	98.16	F	100.00	98.16	1
LUDOPARC SAS	F	100.00	99.99	F	100.00	99.99	1
PLASTIC OMNIUM AUTO SAS	F	100.00	100.00	F	100.00	100.00	1
PLASTIC OMNIUM PLASTIQUES HAUTES PERFORMANCES SAS	HFS	100.00	100.00	F	100.00	100.00	1
PLASTIC OMNIUM SERVICES SAS	F	100.00	100.00	F	100.00	100.00	1
PLASTIC OMNIUM AUTO EXTERIORS SAS	F	100.00	100.00	F	100.00	100.00	1
INOPLASTIC OMNIUM SAS	F	100.00	100.00	F	92.34	92.34	
INERGY AUTOMOTIVE SYSTEMS SA	P	50.00	50.00	P	50.00	50.00	2
INERGY AUTOMOTIVE SYSTEMS MANAGEMENT SA	P	50.00	50.00	P	50.00	50.00	2
PLASTIC OMNIUM ENVIRONNEMENT GUYANE SAS	F	100.00	100.00	F	100.00	100.00	1
VALEO PLASTIC OMNIUM SNC	P	50.00	50.00	P	50.00	50.00	
BEAUVAIS DIFFUSION SA	F	100.00	100.00	F	100.00	100.00	1
PLASTIC OMNIUM VERNON***	F	100.00	100.00	-	-	-	1
TECHNIQUES ET MATERIELS DE COLLECTE – « TEMACO »	F	100.00	100.00	F	100.00	100.00	1
INOPART	F	100.00	100.00	F	100.00	100.00	
INOPLAST SA**	F	100.00	100.00	F	84.68	84.68	3
MECELEC COMPOSITES ET RECYCLAGE – MCR**	F	100.00	100.00	F	84.68	84.68	3
MIXT COMPOSITES AUCH - MCA**	F	100.00	100.00	F	84.68	84.68	3
ATMC INDUSTRIE**	F	100.00	100.00	F	84.68	84.68	3
ALLEVARD RESSORTS COMPOSITES - « ARC »**	P	50.00	50.00	P	50.00	42.34	
COMPAGNIE SIGNATURE SAS***	F	100.00	100.00	-	-	-	
SIGNATURE HOLDING SAS***	F	100.00	100.00	-	-	-	
SIGNATURE SA***	F	100.00	100.00	-	-	-	
SIGNATURE VERTICAL HOLDING - POCC***	F	100.00	65.00	-	-	-	
ATLAS SAS****	E	26.25	26.25	-	-	-	
SOCIETE D'APPLICATIONS ROUTIERES SAS****	E	35.00	35.00	-	-	-	
EUROLINERS SAS****	E	35.00	35.00	-	-	-	
SDS SA****	E	17.29	17.29	-	-	-	

Name	31 December 2007 Consolidation method	31 December 2007 % voting rights	31 December 2007 % interest	31 December 2006 Consolidation method	31 December 2006 % voting rights	31 December 2006 % interest	Tax groups
SIGNATURE TRAFFIC SYSTEMS SAS***	F	100.00	65.00	-	-	-	
SIGNALISATION SECURITE SARL****	E	35.00	35.00	-	-	-	
FARCOR SAS***	F	100.00	65.00	-	-	-	
SODILOR SAS***	F	100.00	65.00	-	-	-	
VANDIPAINT France SAS****	E	35.00	35.00	-	-	-	
SECTRA****	E	17.29	17.29	-	-	-	
SIGNALIS****	E	35.00	35.00	-	-	-	
SIGNALISATION TOULOUSAINE****	E	35.00	35.00	-	-	-	
EUROMARK HOLDING SAS - PO MANAGEMENT****	E	35.00	35.00	-	-	-	
SIGNATURE INTERNATIONAL***	F	100.00	100.00	-	-	-	
EUROMARK France SAS - SIGNATURE HORIZONTAL****	E	35.00	35.00	-	-	-	
SIGNATURE France SAS****	E	35.00	35.00	-	-	-	
SIGNATURE GESTION SAS****	E	35.00	35.00	-	-	-	
GTU SAS***	E	35.00	35.00	-	-	-	
SULO France SAS***	F	100.00	100.00	-	-	-	
Argentina							
INERGY AUTOMOTIVE SYSTEM ARGENTINA SA	P	50.00	50.00	P	50.00	50.00	
PLASTIC OMNIUM ARGENTINA AE***	F	100.00	100.00	-	-	-	
PLASTIC OMNIUM ARGENTINA SU***	F	100.00	100.00	-	-	-	
Belgium							
PLASTIC OMNIUM AUTOMOTIVE NV	F	100.00	100.00	F	100.00	100.00	
PLASTIC OMNIUM NV	F	100.00	100.00	F	100.00	100.00	
INERGY AUTOMOTIVE SYSTEMS BELGIUM RESEARCH NV	P	50.00	50.00	P	50.00	50.00	
INERGY AUTOMMOTIVE SYSTEMS BELGIUM SA	P	50.00	50.00	P	50.00	50.00	
DIDIER VANDENWEGHE NV****	E	35.00	35.00	-	-	-	
VANDIPAINT NV****	E	35.00	35.00	-	-	-	
SULO NV BELGIUM***	F	100.00	100.00	-	-	-	
Brazil							
INERGY AUTOMOTIVE SYSTEMS DO BRASIL LTDA	P	50.00	50.00	P	50.00	50.00	
PLASTIC OMNIUM DO BRASIL LTDA	F	100.00	100.00	F	100.00	100.00	
Canada							
INERGY AUTOMOTIVE SYSTEMS CANADA INC.	P	50.00	50.00	P	50.00	50.00	
HBPO CANADA	P	33.33	33.33	P	33.33	33.33	
Chile							
PLASTIC OMNIUM SA CHILI	F	100.00	100.00	F	100.00	100.00	

Name	31 December 2007			31 December 2006			Tax groups
	Consolidation method	% voting rights	% interest	Consolidation method	% voting rights	% interest	
China							
XIENO**	F	60.00	60.00	F	60.00	50.81	
INERGY A.S. CHINE	P	50.00	50.00	-	-	-	
3P CHINA***	HFS	100.00	100.00	-	-	-	
YANFENG PO AE SYSTEMS CO.LTD***	P	49.95	49.95	-	-	-	
Czech Republic							
HBPO CZECH S.R.O	P	33.33	33.33	P	33.33	33.33	
VODOROVNE DOPRAVNI ZNACENT S.A.R S.R.O****	E	35.00	35.00	-	-	-	
SULO SRO CZECH***	F	100.00	100.00	-	-	-	
Germany							
3P - PERFORMANCE PLASTICS PRODUCTS GmbH	HFS	100.00	100.00	F	100.00	100.00	
PLASTIC OMNIUM AUTOMOTIVE COMPONENTS GmbH	F	100.00	100.00	F	100.00	100.00	
PLASTIC OMNIUM ENTSORGUNGSTECHNIK GmbH	F	100.00	100.00	F	100.00	100.00	
INERGY AUTOMOTIVE SYSTEMS GERMANY GmbH	P	50.00	50.00	P	50.00	50.00	
HBPO Beteiligungsgesellschaft 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	
BERLACK GmbH****	E	35.00	35.00	-	-	-	
SIGNATURE VERKEHHRSTECHNIK GmbH***	F	100.00	100.00	-	-	-	
SIGNATURE MARKIERSTECHNIK GmbH****	E	35.00	35.00	-	-	-	
SIGNATURE DEUTSCHLAND GmbH***	F	100.00	100.00	-	-	-	
ENVICOMP SYSTEMLOGISTIK VERWARLTUNG GmbH***	F	100.00	100.00	-	-	-	
ENVICOMP SYSTEMLOGISTIK VERWARLTUNG GmbH & Co KG***	F	100.00	100.00	-	-	-	
WESTFALIA SPEDITIONSGESELLSCHAFT GmbH***	F	100.00	100.00	-	-	-	
SULO EINSENWERK STREUBER & LOHMANN GmbH***	F	100.00	100.00	-	-	-	
SULO UMWELTTECHNIK GmbH & Co KG***	F	100.00	100.00	-	-	-	
SULO UMWELTTECHNIK BETEILIGUNGS GmbH***	F	100.00	100.00	-	-	-	
SULO EMBALLAGEN BETEILIGUNS GmbH***	F	100.00	100.00	-	-	-	
SULO EMBALLAGEN GmbH & Co KG***	F	100.00	100.00	-	-	-	
BKV BETEILIGUNGS UND KUNSTSTOFFVERWERTUNGS GmbH***	E	0.20	0.20	-	-	-	
RIGK GES ZUR RUCKFUHRUNG GmbH***	E	3.50	3.50	-	-	-	
Greece							
SIGNATURE HELLAS	P	50.00	50.00	-	-	-	
Ireland							
INERGY AUTOMOTIVE SYSTEMS REINSURANCE LTD	P	50.00	50.00	P	50.00	50.00	

Name	31 December 2007			31 December 2006			Tax groups
	Consolidation method	% voting rights	% interest	Consolidation method	% voting rights	% interest	
Italy							
PRODUITS PLASTIQUES PERFORMANTS – 3P Spa	HFS	100.00	100.00	F	100.00	100.00	
PLASTIC OMNIUM LANDER Spa*	-	-	-	F	100.00	100.00	
Japan							
INERGY AUTOMOTIVE SYSTEMS KK	P	50.00	50.00	P	50.00	50.00	
HBPO JAPAN	P	33.33	33.33	P	33.33	33.33	
Mexico							
PLASTIC OMNIUM AUTO EXTERIORES SA DE CV	F	100.00	100.00	F	100.00	100.00	6
PLASTIC OMNIUM AUTOMOVIL SA DE CV	F	100.00	100.00	F	100.00	100.00	6
PLASTIC OMNIUM AUTO EXTERIORES RAMOS ARIZPE SA DE CV	F	100.00	100.00	F	100.00	100.00	6
PLASTIC OMNIUM AUTO EXTERIORES DEL BAJIO SA DE CV	F	100.00	100.00	F	100.00	100.00	6
INERGY AUTOMOTIVE SYSTEMS MEXICO SA DE CV	P	50.00	50.00	P	50.00	50.00	
INOPLASTIC OMNIUM SA DE CV**	F	100.00	100.00	F	92.34	92.34	
INOPLASTIC OMNIUM INDUSTRIAL SA DE CV**	F	100.00	100.00	F	92.34	92.34	
PLASTIC OMNIUM SISTEMAS URBANOS SA DE CV	F	100.00	100.00	F	100.00	100.00	
HBPO MEXICO SA DE CV	P	33.33	33.33	P	33.33	33.33	
PLASTIC OMNIUM MEDIO AMBIENTE SA DE CV	F	100.00	100.00	F	100.00	100.00	
Middle East							
INERGY MIDDLE EAST	P	50.00	50.00	P	50.00	50.00	
Netherlands							
PLASTIC OMNIUM BV	F	100.00	100.00	F	100.00	100.00	7
PLASTIC OMNIUM INTERNATIONAL BV	F	100.00	100.00	F	100.00	100.00	7
PERFORMANCE PLASTICS PRODUCTS – 3 P BV	HFS	100.00	100.00	F	100.00	100.00	
SIGNATURE WEGMARKERING BV****	E	35.00	35.00	-	-	-	
SULO BV NETHERLANDS***	F	100.00	100.00	-	-	-	
Poland							
INERGY AUTOMOTIVE SYSTEMS POLAND Sp. Z.O.O	P	50.00	50.00	P	50.00	50.00	
PLASTIC OMNIUM AUTO EXTERIORS SP Z.O.O	F	100.00	100.00	F	100.00	100.00	
Portugal							
PLASTIC OMNIUM SA PORTUGAL	F	100.00	99.60	F	100.00	99.60	
Romania							
INERGY AUTOMOTIVE SYSTEMS ROMANIA	P	50.00	50.00	P	50.00	50.00	
SIGNATURE SEMNALIZARE ROUMANIE****	E	18.20	18.20	-	-	-	

Name	31 December 2007			31 December 2006			Tax groups
	Consolidation method	% voting rights	% interest	Consolidation method	% voting rights	% interest	
Slovakia							
PLASTIC OMNIUM AUTO EXTERIORS S.R.O.	F	100.00	100.00	F	100.00	100.00	
INERGY AUTOMOTIVE SYSTEMS SLOVAQUIA S.R.O.	P	50.00	50.00	P	50.00	50.00	
HBPO SLOVAKIA S.R.O	P	33.33	33.33	P	33.33	33.33	
South Africa							
INERGY AUTOMOTIVE SYSTEMS SOUTH AFRICA	P	50.00	50.00	P	50.00	50.00	
PLASTIC OMNIUM URBAN SYSTEMS (Pty) LTD	F	100.00	100.00	F	100.00	100.00	
South Korea							
SAMLIP	P	16.67	16.67	P	16.67	16.67	
HBPO CORÉE DU SUD	P	33.33	33.33	P	33.33	33.33	
INERGY AUTOMOTIVE SYSTEM CO LTD	P	50.00	50.00	P	50.00	50.00	
Spain							
COMPAÑIA PLASTIC OMNIUM SA	F	100.00	100.00	F	100.00	100.00	4
PLASTIC OMNIUM EQUIPAMIENTOS EXTERIORES SA	F	100.00	100.00	F	100.00	100.00	4
PLASTIC OMNIUM SISTEMAS URBANOS SA	F	100.00	100.00	F	100.00	100.00	4
INERGY AUTOMOTIVE SYSTEMS VALLADOLID SL	P	50.00	50.00	P	50.00	50.00	
3P – PRODUCTOS PLASTICOS PERFORMANTES SA	HFS	100.00	100.00	F	100.00	100.00	4
INERGY AUTOMOTIVE SYSTEMS SA	P	50.00	50.00	P	50.00	50.00	
VALEO PLASTIC OMNIUM SL SPAIN	P	50.00	50.00	P	50.00	50.00	
LUDOPARC ESPAGNE	F	100.00	100.00	F	100.00	100.00	4
INOPLASTIC OMNIUM SA**	F	100.00	100.00	F	92.34	92.34	
CIUDALIMP SA	F	100.00	100.00	F	100.00	100.00	
JV UTE POSA UTE I	P	50.00	50.00	P	50.00	50.00	
JV UTE POSA UTE II	P	50.00	50.00	P	50.00	50.00	
JV UTE POSA UTE III	P	50.00	50.00	P	50.00	50.00	
HBPO IBERIA SL	P	33.33	33.33	P	33.33	33.33	
SIGNATURE SENALIZACIÓN SA***	F	100.00	65.00	-	-	-	
Sweden							
PLASTIC OMNIUM AB	F	100.00	100.00	F	100.00	100.00	
Switzerland							
PLASTIC OMNIUM INTERNATIONAL AG	F	100.00	99.99	F	100.00	99.99	
PLASTIC OMNIUM AG	F	100.00	100.00	F	100.00	100.00	
PLASTIC OMNIUM RE AG	F	100.00	100.00	F	100.00	90.00	
SIGNAL AG***	F	50.00	32.50	-	-	-	

Name	31 December 2007			31 December 2006			Tax groups
	Consolidation method	% voting rights	% interest	Consolidation method	% voting rights	% interest	
Thailand							
INERGY AUTOMOTIVE SYSTEMS THAILAND LTD	P	50.00	50.00	P	50.00	50.00	
Turkey							
B.P.O AS	P	50.00	49.98	P	50.00	49.98	
United Kingdom							
PERFORMANCE PLASTICS PRODUCTS – 3P LTD	HFS	100.00	100.00	F	100.00	100.00	8
PLASTIC OMNIUM AUTOMOTIVE LTD	F	100.00	100.00	F	100.00	100.00	8
PLASTIC OMNIUM LTD	F	100.00	100.00	F	100.00	100.00	8
PLASTIC OMNIUM URBAN SYSTEMS LTD	F	100.00	100.00	F	100.00	100.00	8
INERGY AUTOMOTIVE SYSTEMS UK LTD	P	50.00	50.00	P	50.00	50.00	
SIGNATURE Ltd***	F	100.00	65.00	-	-	-	
SULO MGB Ltd UK***	F	100.00	100.00	-	-	-	
HBPO UK	P	33.33	33.33	P	33.33	33.33	
United States							
EPSCO INTERNATIONAL INC.	HFS	100.00	100.00	F	100.00	100.00	5
PLASTIC OMNIUM AUTO EXTERIORS LLC	F	100.00	100.00	F	100.00	100.00	
PERFORMANCE PLASTICS PRODUCTS – 3 P INC.	F	100.00	100.00	F	100.00	100.00	5
PLASTIC OMNIUM INC.	F	100.00	100.00	F	100.00	100.00	5
PLASTIC OMNIUM INDUSTRIES INC.	F	100.00	100.00	F	100.00	100.00	5
INERGY AUTOMOTIVE SYSTEMS (USA) LLC	P	50.00	50.00	P	50.00	50.00	
PLASTIC OMNIUM AUTOMOTIVE SERVICES INC.	F	100.00	100.00	F	100.00	100.00	5
HBPO NORTH AMERICA INC.	P	33.33	33.33	P	33.33	33.33	
INERGY AUTOMOTIVE SYSTEMS INC.	P	50.00	50.00	P	50.00	50.00	
PLASTIC OMNIUM INDUSTRIES INC.	F	100.00	100.00	F	100.00	100.00	
SULO OF AMERICA INC***	F	100.00	100.00	-	-	-	

F: Full consolidation
P: Proportionate consolidation
E.: Equity method
HFS: Companies held for sale
**Liquidated companies*
***Change in percent consolidated*
****Newly consolidated companies*
*****Newly acquired companies fully consolidated in the 2007 income statement and accounted for by the equity method in the balance sheet at 31 December 2007*
Tax groups:
1: France Plastic Omnium
2: France Inergy
3: Inoplast
4: Spain
5: United States
6: Mexico
7: Netherlands
8: United Kingdom

REPORT OF THE STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders,

In compliance with the assignment entrusted to us by the Annual Shareholders' Meeting, we have examined the consolidated financial statements of Compagnie Plastic Omnium for the year ended 31 December 2007, as presented in the accompanying report.

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

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with the professional standards applicable in France. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the results of operations for the year ended 31 December 2007 and the financial position and assets of the Group at that date, in accordance with the International Accounting Standards and International Financial Reporting Standards adopted by the European Union.

Without qualifying the opinion expressed above, we draw your attention to the changes in scope of consolidation described in Note 2 to the consolidated financial statements.

II. Justification of our assessments

In accordance with the requirements of Article L.832-9 of the French Commercial Code relating to the justification of our assessments, we draw your attention to the following matters:

- Once a year, the Company systematically tests goodwill for impairment as explained in Note 1.17 to the consolidated financial statements. We reviewed the impairment testing method as well as the cash flow projections and assumptions used for the tests.

- Note 1.15 to the consolidated financial statements describes the accounting treatment of costs incurred on behalf of manufacturers for the design and development of equipment for new vehicle models, which are financed by the customer, as well as of the expected profits from these projects. We assessed the approach used to estimate these future profits based on the latest available information.
- Note 1.28 to the consolidated financial statements states that deferred tax assets are recognized for tax loss carryforwards based on the probability of their future use. We reviewed the methods used to assess the recoverability of these tax loss carryforwards, based on the latest available information, and verified their application on a test basis.

During our assessment of the estimates made by the Group, we obtained assurance concerning the reasonableness of these estimates. As explained in Note 1.2 to the consolidated financial statements, the estimated amounts are based on assumptions which, by definition, are uncertain. Actual results may differ – in some cases significantly – from the estimates.

We also obtained assurance that the changes in scope of consolidation described in Note 2 to the consolidated financial statements were accounted for in compliance with IFRS.

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

III. Specific verification

In accordance with professional standards applicable in France, we have also verified the information given in the Directors' management report. We have no matters to report regarding its fair presentation and conformity with the consolidated financial statements.

Courbevoie and Paris-La Défense, 9 April 2008

The Statutory Auditors

MAZARS & GUERARD	ERNST & YOUNG Audit
Thierry Colin	Jean-Marc Montserrat

INCOME STATEMENT

(in thousands of euros)	Note	2007	2006
Net sales	K	**6,611**	**5,836**
Provisions reversals and expense transfers	M	385	295
Other operating revenue	K	12,225	9,820
Total operating revenue		**19,221**	**15,951**
Purchases and other external charges	L	(14,612)	(12,787)
Taxes other than on income		(214)	(399)
Depreciation, amortization and provisions	M	(317)	(707)
Other expenses		(626)	(965)
Operating income		**3,452**	**1,093**
Joint-venture income/(loss)		133	(373)
Net interest income	N	**40,533**	**4,287**
Income before non-operating items		**44,118**	**5,008**
Non-operating items	O	3,063	1,490
Income before tax		47,181	6,498
Corporate income tax	P	(621)	4,176
NET INCOME		**46,560**	**10,674**

BALANCE SHEET

ASSETS

		2007			2006
(in thousands of euros)	Cost	Cost	Depreciation, amortization and provisions	Net	Net
Assets					
Fixed assets	A	4,130	2,149	1,981	1,751
Intangible assets	B	6,975	1,999	4,976	5,403
Investments	C	445,947	111,452	334,495	329,962
Total fixed assets		**457,052**	**115,600**	**341,452**	**337,116**
Current assets					
Trade receivables	D	6,324		6,324	11,045
Other receivables	D	391,414	619	390,795	124,019
Cash and cash requirements	E	24,867	455	24,412	36,608
Total current assets		**422,605**	**1,074**	**421,531**	**171,672**
Prepaid expenses		419		419	151
Conversion losses		10,296		10,296	460
TOTAL		**890,372**	**116,674**	**773,698**	**509,399**

LIABILITIES AND SHAREHOLDERS' EQUITY

(in thousands of euros)	Notes	2007		2006	
Shareholders' equity					
Share capital	F	9,336		9,447	
Additional paid-in capital	G	101,366		108,076	
Retained earnings and other reserves	H	149,294		150,131	
Net income for the year		**46,560**		**10,674**	
Untaxed provisions	I	393		354	
Total shareholders' equity			**306,949**		**278,682**
Provisions for contingencies and charges	I	8,897	8,897	3,281	3,281
Liabilities					
Bank borrowings		352,341		145,673	
Other borrowings		86,115		69,418	
Trade payables		6,075		4,726	
Accrued taxes and payroll costs		2,942		1,301	
Other liabilities		6,331		1,592	
Total liabilities	**J**		**453,804**		**222,710**
Conversion gains		4,048	4,048	4,727	4,727
TOTAL			**773,698**		**509,399**

STATEMENT OF CASH FLOWS

	2007		2006	
Cash and cash equivalents at 1 January		**38,077**		**25,814**
Cash flows from operating activities				
Net income for the year		46,559		10,674
Adjustments to reconcile net income to funds provided by operations		(3,860)		7,547
Depreciation, amortization and provisions	444		(1,409)	
Net losses on disposals of assets	(4,304)		8,956	
Funds provided by operations		42,699		18,221
Changes in operating working capital		1,166		(1,954)
Receivables	(1,315)		(4,481)	
Payables	2,481		2,127	
Net cash provided by operating activities		**43,865**		**16,267**
Cash flows from investing activities				
Acquisitions of intangible assets and property and equipment	(1,007)		(992)	
Disposals of intangible assets and property and equipment	5,175		3,475	
Acquisitions of investments	(210)		(32,129)	
Disposals of investments	208		0	
Net cash provided by/(used by) investing activities		**4,166**		**(29,646)**
Cash flows from financing activities				
Dividends paid	(11,510)		(10,440)	
Issuance of shares	611		2,766	
Capital decrease	(7,433)			
Change in medium and long-term debt	230,904		(38,864)	
Change in short-term loans	(252,962)		88,335	
Change in short-term debt	(20,851)		(16,153)	
Net cash (used by)/provided by financing activities		**(61,241)**		**25,644**
Net change in cash and cash equivalents		(13,210)		12,265
CASH AND CASH EQUIVALENTS AT 31 DECEMBER		**24,867**		**38,077**

NOTES TO THE FINANCIAL STATEMENTS

I. ACCOUNTING PRINCIPLES AND POLICIES

The financial statements have been prepared in accordance with French generally accepted accounting principles, as set out in the *Plan Comptable Général.*

(in thousands of euros)	**2007**
Financial position	
Share capital	9,336
Shareholders' equity	306,948
Borrowings	37,524
Net fixed assets	341,452
Total assets	**773,698**
Results of operations	
Operating revenue	19,221
Operating income	3,452
Income from ordinary activities	44,118
Non-operating items	3,063
Net income	**46,560**
EARNINGS PER SHARE (in euros)	**2.49**

II. NOTES TO THE BALANCE SHEET

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

A. Intangible assets

	2006	Increase	Decrease	2007
Patents and licenses	3,922	1,008	799	4,131
TOTAL	**3,922**	**1,008**	**799**	**4,131**

Compagnie Plastic Omnium has signed an exclusive licensing agreement with Plastic Omnium Auto Extérieur that includes sub-licensing rights. No license fee is payable but the Company has the right to invoice patent filing costs, which amounted to €775,000 in 2007.

B. Property, plant and equipment

	2006	Increase	Decrease	2007
Land	1,880		111	1,769
Buildings	2,663			2,663
Fixtures and fittings	2,459			2,459
Office equipment and furniture	43			43
Assets in progress	41			41
TOTAL	**7,086**		**111**	**6,975**

In July 2000, Compagnie Plastic Omnium acquired a multipurpose office building in Nanterre, which is leased to several related companies.

C. Investments

	2006	Increase	Decrease	2007
Shares in subsidiaries and affiliates	445,742	210	193	445,759
Loans	190	-	2	188
TOTAL	**445,932**	**210**	**195**	**445,947**

Investments are stated at cost.

The main additions to investments in 2007 concerned the purchase of Plastic Omnium Plastiques Hautes Performances for €60,000 from Plastic Omnium Systèmes Urbains and the creation of three holding companies, each capitalized at €37,500.

The decline in shares in subsidiaries and affiliates was due to the sale of the shares in Plastic Omnium Collecte Collectivités.

At 31 December 2007, no loans were due beyond one year.

Loans to related companies amounted to €188,000.

D. Receivables

	2007	Due within one year	Related companies
Prepayments to suppliers	3	3	
Trade receivables	6,324	6,324	6,316
Tax receivables	9,048	9,048	0
Short-term loans	376,065	376,065	376,065
Other receivables	6,298	6,298	1,892
TOTAL	**397,738**	**397,738**	**384,273**

The increase in short-term loans reflected an increase in GIE Plastic Omnium Finance's financing needs in connection with the SULO and Compagnie Signature acquisitions.

No receivables are due beyond one year.

E. Cash and cash equivalents

	2006	Increase	Decrease	2007
Marketable securities	29,941	23,967	29,844	24,064
Cash	8,136		7,333	803
TOTAL	**38,077**	**23,967**	**37,177**	**24,867**

Marketable securities include €23,977,000 worth of Compagnie Plastic Omnium shares pursuant to the authorizations granted at earlier Shareholders' Meetings for the purpose of i) stabilizing the share price by an investment firm; ii) canceling acquired shares as part of a capital reduction; iii) allocating shares on exercise of stock options; iv) allocating shares to Group employees or officers without consideration; and v) holding the acquired shares and subsequently exchanging them for stock in another company, or as payment for external growth transactions.

At 31 December 2007, Compagnie Plastic Omnium held:

- 63,500 shares purchased on the market for allocation on exercise of stock options granted under the plan decided by the Board of Directors on 14 May 2003, pursuant to the authorization given at the Extraordinary Shareholders' Meeting of 16 May 2002. The shares were purchased at an average price of €16.91.
- 235,000 shares purchased on the market for allocation on exercise of stock options granted under the plan decided by the Board of Directors on 11 March 2005, pursuant to the authorization given at the Extraordinary Shareholders' Meeting of 22 April 2004. The shares were purchased at an average price of €17.81.
- 267,000 shares purchased on the market for allocation on exercise of stock options granted under the plan decided by the Board of Directors on 25 April 2006, pursuant to the authorization given at the Extraordinary Shareholders' Meeting of 28 April 2005. The shares were purchased at an average price of €18.05.
- 330,000 shares purchased on the market for allocation on exercise of stock options granted under the plan decided by the Board of Directors on 24 July 2007, pursuant to the authorization given at the Extraordinary Shareholders' Meeting of 24 April 2007. The shares were purchased at an average price of €20.67.
- 43,098 shares purchased for stabilizing the share price. These shares were acquired at an average price of €40.64.
- 188,318 shares earmarked for other purposes, such as for allocation under current or future shareholder-approved share grant or stock option plans, or for cancellation. These shares were purchased at an average price of €28.29.

F. Share capital

The Company's share capital at 31 December 2007 amounted to €9,335,666, represented by 18,671,332 common shares with a par value of €0.50 each, compared with 18,894,842 shares at 31 December 2006.

The €19,570 increase in the Company's share capital is attributable to the issuance of shares for allocation on the exercise of 39,140 stock options under the 4 May 2001 stock option plan. In addition, on 24 July 2007, the Board of Directors decided to use the authorization granted by shareholders on 24 April 2007 to cancel 262,650 shares held in treasury, thereby reducing the Company's share capital by €131,325.

G. Additional paid-in capital

Additional paid-in capital totaled €101,366,000 at 31 December 2007. The €6,710,000 decrease from the prior-year amount reflected the net result of i) the issuance of shares for allocation on exercise of stock options as described in point F, for €591,000; and ii) the €7,301,000 reduction in additional paid-in capital following the cancellation of 262,650 shares.

H. Retained earnings and other reserves

	2006	Increase	Decrease	2007
Revaluation reserve	234			234
Legal reserve	948			948
Other reserves	41,859			41,859
Unappropriated retained earnings	107,088		836	106,252
TOTAL	**150,129**		**836**	**149,293**

I. Provisions

	2006	Increase	Decrease	2007
Untaxed provisions				
Excess tax depreciation	343	39	-	382
Other	11	-	-	11
TOTAL	**354**	**39**	**-**	**393**

	2006	Increase	Decrease	2007
Other provisions				
For exchange losses	329	6,341	328	6,342
For contingencies	475	80		555
For taxes	2,477	95	572	2,000
TOTAL	**3,281**	**6,516**	**900**	**8,897**

Provisions for contingencies carried in the balance sheet at 31 December 2007 are intended to cover the full amount of the losses of companies of which Compagnie Plastic Omnium is the principal shareholder or partner.

Provisions for taxes include €2,000,000 in provisions for group relief transferable to loss-making companies in the Compagnie Plastic Omnium tax group in the event that these companies return to profit. These provisions were reduced in 2007 due to the tax loss reported by the tax group.

J. Liabilities

	2007	Due within one year	Related companies
Bank borrowings	352,341	328,941	
Other borrowings	86,115	85,677	630
Trade payables	6,075	6,075	4,302
Accrued taxes and payroll costs	2,942	2,942	
Other liabilities	6,331	6,331	5,134
TOTAL	**453,804**	**429,966**	**10,066**

At 31 December 2007, bank borrowings due beyond one year totaled €23,399,000, while other borrowings due beyond one year amounted to €438,000.

No liabilities are due beyond five years, with the exception of a €5,415,000 bank loan and the security deposits received by the Company in the amount of €169,000 that have no fixed maturity.

Other liabilities consist mainly of tax current accounts with the various companies in the Compagnie Plastic Omnium tax group.

III. NOTES TO THE STATEMENT OF INCOME

K. Net sales and other operating revenues

Net sales and other operating revenues are analyzed in the tables below:

	2007	2006
By business segment		
- License and service fees	14,539	13,314
- Other	4,682	2,637
By region		
- France	14,709	12,998
- International	4,512	2,953

Operating revenues for 2007 include:

- Fees from the licensing of the Compagnie Plastic Omnium brands to operating subsidiaries and affiliates.
- Expenses and rental payments rebilled to these companies or to other related companies.

L. Purchases and other external charges

	2007	2006
Executive management services	522	755
Overheads and headquarters expenses	2,689	1,830
Fees	1,633	1,926
Catalogs and publications	1,544	815
Travel and entertainment	627	546
Bank charges	1,218	968
Other	6,379	5,947
TOTAL	**14,612**	**12,787**

In 2007, purchases and other external charges included services purchased on behalf of subsidiaries and rebilled to the companies concerned in an amount of €4,378,000 compared with €4,390,000 in 2006. The increase in the "Other" item primarily reflects the expenditure for the 60th anniversary celebration.

M. Depreciation: amortization and provisions

	2006	Increase	Decrease	2007
Deducted from assets				
Patents and licenses	2,171	1	23	2,149
Buildings	281	67		348
Fixtures and fittings	1,370	246		1,616
Office equipment and furniture	32	3		35
Investments	115,967	1,676	6,191	111,452
Other receivables	619			619
Marketable securities	1,468		1,014	454
TOTAL	**121,908**	**1,993**	**7,228**	**116,673**
Included in liabilities				
Untaxed provisions	354	39		393
Provisions for contingencies	804	6,422	328	6,898
Provisions for charges	2,477	95	572	2,000
TOTAL	**3,635**	**6,556**	**900**	**9,291**

Of which	Charges	Reversals
Included in operating income and expense	317	
Included in interest income and expense	8,098	7,533
Included in non-operating items	134	572

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

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

N. Net interest income

	2007	2006
Dividend income	32,301	18,106
Other income	1,802	827
Interest income and expense	(3,536)	(1,762)
Exchange gains and losses	10,529	(30)
Provision movements	(565)	(12,854)
TOTAL	**40,531**	**4,287**

Dividend income includes €17,599,000 in dividends from foreign subsidiaries and €14,702,000 from French subsidiaries.

Provision movements primarily reflect additions to provisions for impairment in value of shares in subsidiaries, less the reversal of the €4,516,000 provision for contingencies following the improvement in the financial situations of Plastic Omnium GmbH and Plastic Omnium Recycling.

Movements also included an additional €6,013,000 provision for foreign exchange losses.

O. Non-operating items

	2007		
	Income	Expense	Net
On revenue transactions		300	(300)
On capital transactions	5,852	2,449	3,403
Net provision movements		40	(40)
TOTAL	**5,852**	**2,789**	**3,063**

Non-operating income primarily reflected the €4,400,000 capital gain on the sale of land in Lyon, while non-operating expense included a €901,000 capital loss on the sale of treasury shares.

P. Corporate income tax

	2007		
	Income before non-operating items	Non-operating items	Net
- Income before tax	44,118	3,063	47,181
- Tax adjustment	(40,646)		(40,646)
= Tax base	3,472	3,063	6,535
Tax at standard rate	(1,157)	536	(621)
INCOME AFTER TAX	**42,961**	**3,599**	**46,560**

Compagnie Plastic Omnium is the parent company of a tax group comprising 17 companies, corresponding to substantially all of the Company's French subsidiaries. Group relief for 2007 amounted to €2,000,000, which was recognized in full in income at the level of Compagnie Plastic Omnium.

The tax group has tax loss carryforwards of €43,000,000 that have arisen since 2000, including €13 million in 2007.

Reversals of provisions for taxes to adjust the tax savings to be returned to loss-making subsidiaries in the tax group in the event of their return to profit totaled €572,000 for the year.

Unrecognized deferred tax assets, calculated at a tax rate of 33.33%, amounted to €51,000 at 31 December 2007 and related to exchange differences.

IV. OTHER INFORMATION

Commitments

Plastic Omnium has issued guarantees on behalf of subsidiaries, in a total amount of €142,272,000 at 31 December 2007.

Debts secured by collateral

Debts secured by collateral amounted to €7,538,000 under a conventional mortgage agreement.

Loans and advances to directors and officers

No loans or advances governed by Article L. 225-43 of the French Commercial Code have been granted to Directors or Officers.

Management compensation

The total compensation paid to the members of the Board of Directors in 2007 amounted to €200,000.

Other

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

At 31 December 2007, Burelle SA held 51.7% of the capital of Compagnie Plastic Omnium.

REPORT OF THE STATUTORY AUDITORS

on the Financial Statements

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

To the shareholders,

In compliance with the assignment entrusted to us by the Annual Shareholders' Meeting, we hereby report to you, for the year ended 31 December 2007, on:

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

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

I. Opinion on the financial statements

We conducted our audit in accordance with the professional standards applicable in France. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly the results of operations for the year ended 31 December 2007 and the financial position and assets of the Group at that date, in accordance with French generally accepted accounting principles.

II. Justification of our assessments

In accordance with the requirements of Article L. 832-9 of the French Commercial Code relating to the justification of our assessments, we draw your attention to the following matters:

- Your Company's assets are comprised primarily of shares in subsidiaries and affiliates. We reviewed the methods used to provide evidence that the fair values of these shares are at least equal to their carrying amounts. We also assessed the reasonableness of the methods applied and the resulting amounts.

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

III. Specific verifications and information

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

We have no matters to report regarding:

- the fair presentation and the conformity with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to the shareholders with respect to the financial position and the financial statements;
- the fair presentation of the information given in the management report concerning the compensation and benefits paid to Directors and Officers and the commitments given to them at the time of their appointment, termination or change in functions, or at any time thereafter.

As required by law, we have also verified that details of shareholders and holders of voting rights are disclosed in the management report of the Board of Directors.

Courbevoie and Paris-La Défense, 9 April 2008
The Statutory Auditors

MAZARS & GUÉRARD	ERNST & YOUNG Audit
Thierry Colin	Jean-Marc Montserrat

AUDITORS' SPECIAL REPORT

on Regulated Agreements

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

To the shareholders,

In our capacity as Auditors of Compagnie Plastic Omnium, we hereby present our report on regulated agreements.

Pursuant to Article L. 225-40 of the French Commercial Code, we were informed of agreements that received the prior approval of the Board of Directors.

Our responsibility does not include identifying any undisclosed agreements. We are required to report to shareholders, based on the information provided, about the main terms and conditions of agreements that have been disclosed to us, without commenting on their relevance or substance. Under the provisions of Article R. 225-31 of the French Commercial Code, it is the responsibility of shareholders to determine whether the agreements are appropriate and should be approved.

We conducted our audit in accordance with the professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the information we have been provided is consistent with the source documents.

Agreements entered into during the year

We were not informed of any new agreements signed during the year that would be governed by Article L. 225-38 of the French Commercial Code.

Agreements entered into since 1 January 2008

On 11 March 2008, the Board of Directors authorized an agreement providing Pierre Burelle with an assistant, an office, a car and a driver.

Agreements entered into in prior years that remained in force in 2007

In application of the French Commercial Code, we were advised of the following agreements approved in prior years that remained in force in 2007:

Service and trademark license fees

This agreement, which was authorized by the Board of Directors on 16 March 2000, concerns the provision of services to Inergy Automotive Systems Management and the granting of a license to the Inergy Group for the use of the Plastic Omnium name and logo, in exchange for an annual fee corresponding to 0.6% of net sales realized by the Inergy Automotive Systems entities.

Fees received from Inergy Automotive Systems Management during the year ended 31 December 2007 under this agreement totaled €7,504,795.

Management services supplied to the Group

Under the terms of this agreement with Burelle SA, the Company paid fees of €521,579 in 2007 for Group management services.

In addition, following approval by the Board of Directors of Compagnie Plastic Omnium SA on 11 December 2003, and by the Board of Directors of Burelle SA on 19 December 2003, a supplementary pension plan was set up providing Executive Directors with pension benefits representing up to 10% of their current compensation. Part of the related cost paid by Burelle SA was allocated to Compagnie Plastic Omnium based on the same ratio as that used to calculate its share of management fees. However, pursuant to the decision of the two companies' Boards, the amount billed to Compagnie Plastic Omnium does not include any portion of the expense loading. Payments made by Compagnie Plastic Omnium under this agreement amounted to €10,656 in 2007.

Trademark license fees

These licenses, granted in 1998, concern the use of Compagnie Plastic Omnium trademarks in exchange for an annual fee equal to 0.5% of external net sales by the licensees.

During the year, the Company recorded revenue of €1,887,525 in license fees from the following companies: Compañia Plastic Omnium SA, Epsco International Inc., Plastic Omnium Auto Exteriors LLC and Plastic Omnium GmbH.

For reasons of confidentiality, details of the fees paid by company are not disclosed because this would have the effect of revealing the sales realized by each company.

Courbevoie and Paris-La Défense, 9 April 2008

The Statutory Auditors

MAZARS & GUÉRARD

Thierry Colin

ERNST & YOUNG Audit

Jean-Marc Montserrat

REPORT OF THE BOARD OF DIRECTORS TO THE EXTRAORDINARY SHAREHOLDERS' MEETING

To the shareholders,

We have convened this Extraordinary Meeting today to submit the following resolutions for your approval.

The purpose of the first two resolutions is to enable the Board of Directors to continue to offer employees and officers an equity stake in your Company by authorizing the Board to grant options to purchase existing shares of Company stock or to grant existing shares of stock without consideration.

In the ninth resolution, the Board of Directors is seeking an authorization to grant options to purchase existing shares of Company stock to the employees and officers of Compagnie Plastic Omnium and any French and foreign related companies, exercisable for up to a maximum total of 350,000 shares. The life of the options may not exceed ten years from date of grant. The unit exercise price may not be set below the legal limits, *i.e.* less than 80% of the average share price over the 20 trading days preceding the date of grant and less than 80% of the average price paid for shares held by the Company for allocation on exercise of the options, in accordance with Articles L. 225-208 and L. 225-209 of the French Commercial Code.

Similar authorizations have been granted to, and used, by the Board in the past three years to set up the following stock option plans:

- 11 March 2005 plan: 237,000 options to purchase existing shares of Company stock granted to 54 grantees, exercisable until 10 May 2012 at a price of €21.15 per share (after the two-for-one stock split).
- 25 April 2006 plan: 267,000 options to purchase existing shares of Company stock granted to 11 grantees, exercisable until 24 April 2013 at a price of €34.90 per share.
- 24 July 2007 plan: 330,000 options to purchase existing shares of Company stock granted to 65 grantees, exercisable until 23 July 2014 at a price of €39.38 per share.

Shareholders are asked to give the Board of Directors all necessary powers to grant options to purchase existing shares of Company stock and to set the terms of grant, in accordance with Articles L. 225-177 and L. 225-179 of the French Commercial Code. This authorization, for use by the Board on one or several occasions, is being requested for a period of 38 months from the date of this Meeting.

In the tenth resolution, the Board of Directors is seeking an authorization to grant existing shares of Company stock, on one or several occasions, to employees and officers of Compagnie Plastic Omnium and any French or foreign related companies, without consideration. The number of shares granted would not exceed 45,000, representing 0.24% of total shares outstanding. The vesting period and lock-up period would both represent at least two years.

To date, no stock grants without consideration have been made to employees or officers.

Shareholders are asked to give the Board of Directors all necessary powers to make grants of existing shares without consideration and set the related terms, in accordance with Articles L. 225-197-1 et seq. of the French Commercial Code. This authorization, for use by the Board on one or several occasions, is being requested for a period of 38 months from the date of this Meeting.

In the eleventh resolution, the Board of Directors is seeking an authorization to modify Article 16 of the bylaws in compliance with new regulations.

Lastly, shareholders are asked to give full powers to the bearer of an original, copy or extract of the minutes of the Meeting to carry out all legal filing and other formalities.

The foregoing is a description of the purpose of the resolutions submitted to the Extraordinary Shareholders' Meeting.

AUDITORS' SPECIAL REPORT

on the granting of options to purchase existing shares of Company stock to employees and officers of Compagnie Plastic Omnium and related companies within the meaning of Article L. 225-180 of the French Commercial Code.
Extraordinary Shareholders' Meeting of 24 April 2008 (9^{th} resolution)

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

To the shareholders,

In our capacity as Auditors of your Company, and in application of the provisions of Articles L. 225-177, L. 225-179 and R. 225-144 of the French Commercial Code, we hereby submit our report on the granting of options to purchase existing shares of Company stock to selected employees and eligible officers of Compagnie Plastic Omnium and all of its French and foreign directly and indirectly related companies, within the meaning of Article L.225-180 of the French Commercial Code.

It is the responsibility of the Board of Directors to report to you on the reasons for granting options to purchase existing shares of Company stock and on the proposed method for determining the exercise price. Our responsibility is to express an opinion on the proposed method for determining the exercise price.

We conducted our review in accordance with professional standards applicable in France. Those standards require that we perform the necessary procedures to verify that the proposed method for determining the option exercise price is described in the Board of Directors' report, that it complies with the provisions of the law, that it is explained in a way to enable shareholders to make an enlightened decision, and that it is not obviously inappropriate.

Based on our review, we have no comments to make on the proposed method.

Courbevoie and Paris-La Défense, 9 April 2008

The Statutory Auditors

MAZARS & GUÉRARD	ERNST & YOUNG Audit
Thierry Colin	Jean-Marc Montserrat

AUDITORS' SPECIAL REPORT

on the Granting of existing Shares to employees and officers without consideration.
Extraordinary Shareholders' Meeting of 24 April 2008 (10th resolution)

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

To the shareholders,

In our capacity as Auditors of your Company, and in application of the provisions of Article L. 225-197-1 of the French Commercial Code, we hereby submit our report on the proposed granting of existing shares of Company stock, without consideration, to employees, selected employees or officers of Compagnie Plastic Omnium or related companies within the meaning of Article L. 225-197-2 of the French Commercial Code.

The Board of Directors is seeking an authorization to grant existing shares without consideration. It is the Board's responsibility to report to shareholders concerning the proposed grant. Our responsibility is to inform you of any observations we may have on the information given to you concerning the proposed grant.

In the absence of a professional standard applicable to stock grants without consideration, which were introduced in legislation passed on 30 December 2004 and 30 December 2006, we performed the procedures that we deemed necessary to verify that the proposed terms and conditions of the stock grants comply with the provisions of the law.

Based on our review, we have no comments to make on the information given in the Board of Directors' report on the proposed granting of existing shares without consideration.

Courbevoie and Paris-La Défense, 9 April 2008

The Statutory Auditors

MAZARS & GUÉRARD	ERNST & YOUNG Audit
Thierry Colin	Jean-Marc Montserrat

RESOLUTIONS

Submitted to the Annual Shareholders' Meeting of 24 April 2008

ORDINARY RESOLUTIONS

First Resolution

Approval of the parent company financial statements

Having considered the report of the Board of Directors and the Auditors' report on the parent company financial statements, the Shareholders' Meeting approves the parent company financial statements for the year ended 31 December 2007, as presented.

Second Resolution

Profit appropriation and dividend

The Shareholders' Meeting, having noted that net profit for the year amounts to €46,559,629 and retained earnings stand at €106,252,664, approves the Board of Directors' recommendation and resolves to appropriate the total net amount of €152,812,293 as follows:

- To dividends on the 18,671,332 shares outstanding at 31 December 2007	€13,069,932
- To retained earnings	€139,742,361
TOTAL	**€152,812,293**

Consequently, the Shareholders' Meeting sets the 2007 dividend at €0.70 per share. Individual shareholders resident in France for tax purposes qualify for the 40% tax relief provided for in Article 158-3-2 of the French General Tax Code on the total dividend.

The dividend will be paid as from 5 May 2008, the date proposed by the Board of Directors.

Compagnie Plastic Omnium shares held in treasury on the dividend payment date will be stripped of dividend rights and the related dividends will be credited to retained earnings.

In accordance with the law, the Shareholders' Meeting notes that, after deducting dividends not paid on treasury stock, dividends for the last three years were as follows:

Year	Number of shares carrying dividend rights	Total dividends (in €)	Dividend per share (1) (in €)
2004	8,628,389 shares carrying dividend rights	9,922,647	1.15
2005	17,399,950 shares carrying dividend rights	10,439,970	0.60
2006	17,442,938 shares carrying dividend rights	11,512,337	0.66

(1) Amount fully eligible for 50% tax relief in 2004 and for 40% tax relief in 2005 and 2006 as provided for in Article 158-3-2° of the French General Tax Code for individual shareholders resident in France for tax purposes.

Third Resolution

Regulated agreements

Having considered the Auditors' special report on regulated agreements governed by Article L. 225-38 of the French Commercial Code, the Shareholders' Meeting notes the information set out therein.

Fourth Resolution

Approval of the consolidated financial statements

Having considered the report of the Board of Directors and the Auditors' report on the consolidated financial statements, the Shareholders' Meeting approves the consolidated financial statements for the year ended 31 December 2007, as presented, showing net profit of €51,009,000, as well as the transactions referred to in these reports or reflected in these financial statements.

Fifth Resolution

Discharge given to Directors

Further to the adoption of the first, second, third and fourth resolutions, the Shareholders' Meeting gives discharge to the Directors for the performance of their functions during the year.

Sixth Resolution

Authorization to trade in the Company's shares

Having considered the report of the Board of Directors and the Auditors' special report on the share buyback program, the Shareholders' Meeting authorizes the Board of Directors to purchase the Company's shares, in accordance with Article L. 225-209 of the French Commercial Code, for the purpose of:

- Maintaining a liquid market for the Company's shares under a liquidity contract with an investment firm that complies with the Code of Ethics issued by the French Association of Investment Firms (AFEI).
- Buying back shares for cancellation pursuant to an authorization given by shareholders in Extraordinary Meeting.
- Purchasing shares for allocation on exercise of employee and management stock options.
- Purchasing shares for allocation under stock grants made to Group employees or officers in accordance with Articles L. 225-197-1 et seq. of the French Commercial Code.
- Purchasing shares to be held in treasury for subsequent delivery in exchange or payment for stock in another company, particularly in connection with external growth transactions.

The use of the authorization will be subject to the following restrictions:

- The number of shares that may be purchased for delivery in exchange or payment for stock in another company may not exceed 5% of the Company's capital at the date of this Meeting and the total number of shares that may be bought back under this authorization may not exceed 1,867,133, representing 10% of the shares making up the Company's capital at the date of this Meeting.
- The purchase price may not exceed €60.
- At 31 December 2007, the Company held 1,126,916 shares in treasury. If these shares are canceled or used, the total amount that the Company may invest to buy back 1,867,133 shares will not exceed €112,027,980.

The shares may be purchased, sold or transferred at any time and by any appropriate method, on the stock market or over-the-counter, including through the use of derivatives traded on an organized market or over-the-counter, as well as through purchases and sales of puts or calls.

In the case of a bonus share issue paid up by capitalizing reserves or of a stock split or reverse stock split, the above prices will be adjusted based on the ratio between the number of shares outstanding before and after the transaction.

This authorization is given for a period of eighteen months commencing on the date of this Meeting and supersedes the unused portion of the authorization given in the sixth resolution of the Annual Shareholders' Meeting of 24 April 2007.

The Shareholders' Meeting gives full powers to the Board of Directors to use this authorization and to enter into any and all agreements, carry out any and all filing and other formalities, and generally, do whatever is necessary.

The Shareholders' Meeting notes the information contained in the Auditors' special report on the share buyback program, including the allocation of shares bought back under the previous program.

Seventh Resolution

Re-election of a Director (Vincent Labruyère)

Having considered the report of the Board of Directors, the Shareholders' Meeting re-elects Vincent Labruyère for a three-year term, expiring at the close of the Annual Shareholders' Meeting to be held to approve the 2010 financial statements.

Eighth Resolution

Attendance fees awarded to the Board of Directors

The Shareholders' Meeting resolves to increase the attendance fees awarded to the Board of Directors to €220,000 for 2008 and subsequent years. This amount shall be payable until a new amount is set by the shareholders.

EXTRAORDINARY RESOLUTIONS

Ninth Resolution

Authorization to grant stock options exercisable for existing shares

The Shareholders' Meeting, having considered the report of the Board of Directors, resolves, in accordance with the provisions of the French Commercial Code including Articles L. 225-177 and L. 225-179:

- To give the Board of Directors the necessary powers to grant, on one or several occasions, to the categories of grantees listed below, options to purchase shares of the Company that have been bought back in accordance with the law.
- That this authorization is given for a period of 38 months from the date of this Meeting and supersedes the authorization given in the ninth resolution of the Annual Shareholders' Meeting of 24 April 2007.
- That the options may be granted solely to employees or selected employees and officers (as defined by law) of Compagnie Plastic Omnium and all of its French and foreign directly and indirectly related companies, within the meaning of Article L. 225-180 of the French Commercial Code.
- That the total number of options granted under this authorization will be exercisable for a maximum of 350,000 common shares.
- That the option exercise price will be set on the date of grant by the Board of Directors and shall not represent less than 80% of the average of the prices quoted for the Company's shares over the 20 trading days preceding the date of grant and 80% of the average price paid for shares held by the Company under Articles L. 225-208 and L. 225-209 of the French Commercial Code.
- That the Board of Directors shall have full powers to use this authorization in accordance with the law, and to:
  - Set the terms of grant of the options, draw up the list of grantees, decide on the basis for adjusting the option exercise price and the number of shares per option.
  - Decide the option exercise period, provided that the life of the options does not exceed ten years from the date of grant.

Tenth Resolution

Stock grants to employees and officers

The Shareholders' Meeting, having considered the report of the Board of Directors, resolves, in accordance with Articles L. 225-197-1 et seq. of the French Commercial Code:

- To authorize the Board of Directors to grant, on one or several occasions to the categories of grantees listed below, existing shares of Compagnie Plastic Omnium common stock.
- That the stock may be granted solely to employees or selected employees and officers (as defined by law) of Compagnie Plastic Omnium and all of its French and foreign directly and indirectly related companies, within the meaning of Article L.225-197-2 of the French Commercial Code.
- That the total number of stock grants made under this authorization may not exceed 45,000, representing 0.24% of the shares making up the Company's capital at the date of this Meeting.
- That the rights to the stock shall vest over a period of at least two years. At the time of each grant, the Board of Directors shall decide the duration of the vesting period, provided that said period may not be less than two years.
- That the lock-up period shall not be less than two years.

The Shareholders' Meeting gives full powers to the Board of Directors to use this authorization within the limits specified herein, and to:

- Make stock grants.
- Decide the duration of the lock-up period – corresponding to the period during which the vested stock may not be sold – provided that said period may not be less than two years.
- Set the terms of grant and any allocation criteria, as well as the dates on which said grants will be made, in accordance with the provisions of the law.
- Draw up the list of grantees, the number of shares granted to each grantee, the vesting period and the lock-up period.
- Make any and all adjustments, during the vesting period, to take into account the effects of any corporate actions and, in particular, determine the circumstances in which the number of shares received shall be adjusted.
- Generally, enter into any and all agreements, sign any and all documents, place on record the capital increases resulting from the issuance of shares at the end of the vesting period, amend the bylaws to reflect the new capital, apply for the new shares to be listed, carry out any and all formalities and do whatever is necessary, either directly or through a legally-recognized representative.

Each year, the Board of Directors shall report to the Annual Shareholders' Meeting on the stock grants made during the year pursuant to this resolution, in accordance with Article L.225-197-4 of the French Commercial Code.

This authorization, which may be used by the Board on one or several occasions, is given for a period of 38 months from the date of this Meeting.

Eleventh Resolution

Amendment of the bylaws to reflect regulatory changes

The Extraordinary General Meeting, having considered the report of the Board of Directors, resolves to bring the bylaws into compliance with new regulations introduced by Decree no. 2006-1566 dated 11 December 2006 concerning shareholder participation in General Meetings and, accordingly, to amend Article 16 – Shareholders' Meetings, paragraphs three and six as follows:

Article 16

[...]

3) All shareholders may participate in General Meetings either in person or by proxy, by demonstrating evidence, by midnight CET three days prior to the Meeting, of their identity and ownership of registered or bearer shares, in application of Article L. 228-1, seventh paragraph, of the French Commercial Code. The shares must be recorded in the Company's share register or in a securities account kept by an accredited intermediary. In the latter case, a shareholding certificate must be mailed to the address provided in the notice of meeting for receipt by the abovementioned deadline.

[…]

6) All shareholders may vote by correspondence in accordance with the law. In order to be taken into account, shareholder voting forms must be received by the Company at least three days prior to the Meeting, accompanied by evidence of ownership of registered or bearer shares as described above.

[…]

The remainder of this article is unchanged.

Twelfth Resolution

Powers to carry out formalities

The Shareholders' Meeting gives full powers to the bearer of an original, a copy or an extract of the minutes of this Meeting to carry out any and all legal publication formalities.

FIVE-YEAR FINANCIAL SUMMARY

(In thousands of euros)	2003	2004	2005	2006	**2007**
1 – CAPITAL AT YEAR-END					
a) Share capital	9,356	9,356	9,359	9,447	9,336
b) Number of shares outstanding *	9,356,256	9,356,256	18,717,662	18,894,842	18,671,332
c) Number of convertible bonds outstanding	0	0	0	0	0
2 – RESULTS OF OPERATIONS					
a) Net sales	13,376	14,428	15,168	15,951	19,221
b) Income before tax, depreciation, amortization and provisions	3,074	26,546	11,307	8,288	48,101
c) Corporate income tax	(2,167)	801	4,465	4,176	(621)
d) Net income	37,115	16,896	12,210	10,674	46,560
e) Distributed income	8,746	9,922	11,230	12,471	13,070
3 – PER SHARE DATA *(in euros)*					
a) Income after tax, before depreciation, amortization and provisions	0.56	2.75	0.84	0.66	2.54
b) Net income	3.97	1.81	0.65	0.56	2.49
c) Dividend	1.00	1.15	0.60	0.66	0.70
4 – EMPLOYEE DATA					
a) Number of employees	0	0	0	0	0
b) Total payroll	0	0	0	0	0
c) Total benefits	0	0	0	0	0

**Reflecting the two-for-one split on 18 May 2005.*

SUBSIDIARIES AND AFFILIATES

	Share capital	% interest
Subsidiaries		
PLASTIC OMNIUM PLASTIQUES HAUTES PERFORMANCES SAS 19, avenue Jules Carteret - 69007 Lyon - France	**€150,000**	**100.0%**
PLASTIC OMNIUM AUTO SAS 19, avenue Jules Carteret - 69007 Lyon - France	**€15,021,440**	**100.0%**
TRANSIT SAS 19, avenue Jules Carteret - 69007 Lyon - France	**€37,500**	**100.0%**
PLASTIC OMNIUM SERVICES SAS 19, avenue Jules Carteret - 69007 Lyon - France	**€4,900,000**	**100.0%**
PLASTIC OMNIUM AUTO EXTERIORS SAS 19, avenue Jules Carteret - 69007 Lyon - France	**€54,037,500**	**100.0%**
PLASTIC OMNIUM GESTION SNC 19, avenue Jules Carteret - 69007 Lyon - France	**€2,011,500**	**100.0%**
PLASTIC OMNIUM VERNON 19, avenue Jules Carteret - 69007 Lyon - France	**€150,000**	**100.0%**
PLASTIC OMNIUM PTE Ltd 1301 Bedok North Ave 4- 04-1415 Singapore 489945	**SGD1,000,000**	**100.0%**
PLASTIC OMNIUM KK Komoriya bldg no. 3 - 7/16 Hamamatsu-cho 2 - chome Minato-Ku Tokyo 105-0013 - Japan	**¥95,000,000**	**100.0%**
PLASTIC OMNIUM INTERNATIONAL AG Grabenstrasse 25 - CH-6340 Baar (Zug) - Switzerland	**CHF400,000**	**100.0%**
PLASTIC OMNIUM GmbH Romanstrasse 35 - 80639 Munich - Germany	**€19,500,000**	**100.0%**
COMPAÑIA PLASTIC OMNIUM SA Calle Poeut de Nasio - Parcela no. 5 - Ribarroja del Turia - Valencia - Spain	**€30,350,000**	**100.0%**
PLASTIC OMNIUM AUTOMOTIVE NV Grensstraat 10B-2200 Herentals - Belgium	**€5,949,600**	**100.0%**
PLASTIC OMNIUM RE AG Sternengasse 21 - CH - 4010 Basel - Switzerland	**CHF5,000,000**	**90,0 %**
PLASTIC OMNIUM HOLDING SAS 19, avenue Jules Carteret - 69007 Lyon - France	**€37,500**	**100.0%**
PLASTIC OMNIUM HOLDING MANAGEMENT SAS 19, avenue Jules Carteret - 69007 Lyon - France	**€37,500**	**100.0%**
PLASTIC OMNIUM INTERNATIONAL SAS 19, avenue Jules Carteret - 69007 Lyon - France	**€37,500**	**100.0%**
PLASTIC OMNIUM FINANCE 19, avenue Jules Carteret - 69007 Lyon - France	**€1,552**	**91.5%**

	Share capital	% interest
Affiliates		
PLASTIC OMNIUM GESTION SNC	**TRL million 410,000**	**10.6%**
Halaskargazi Cad. Ciftkurt Apt. No 368/10 Sisli - Istanbul - Turkey		
PLASTIC OMNIUM Ltd	**£18,000,000**	**17.1%**
Halesfield 7 Telford - Shropshire TF 7 4RQ - United Kingdom		
INERGY AUTOMOTIVE SYSTEMS SA	**€119,796,330**	**26.8%**
15/25, Boulevard de l'Amiral Bruix - 75016 Paris - France		
BPO AS	**TRL million 1,100,000**	**50.0%**
Y.Yalova Yolu 8 km, Panayir - Bursa - Turkey		
PLASTIC RECYCLING SAS	**€75,000**	**50.0%**
ZA du Monay - Saint Eusèbe - 71210 Montchanin - France		

	Subsidiaries		Affiliates	
(in thousands of euros)	French	International	French	International
Book value of shares				
- Cost	221,312	114,582	101,467	8,398
- Net	*149,652*	*80,352*	*99,758*	*4,548*
Loans and advances granted	188,808	585		
Guarantees given				
Dividends received	10,679	15,000	4,023	2,599

DIRECTORSHIPS AND FUNCTIONS HELD BY THE DIRECTORS OF THE COMPANY

Directorships and functions held by Laurent Burelle

In 2007

Country	Company	Function
Germany	PLASTIC OMNIUM GmbH	Legal Manager
Spain	COMPAÑIA PLASTIC OMNIUM SA	Chairman and Managing Director (since 31 December 2007)
		Director (until 31 December 2007)
United States	PERFORMANCE PLASTICS PRODUCTS – 3P Inc. (in liquidation)	Chairman
	EPSCO INTERNATIONAL Inc.	Chairman
	PLASTIC OMNIUM AUTO EXTERIORS LLC	Chairman
	PLASTIC OMNIUM Inc.	Chairman
	INERGY AUTOMOTIVE SYSTEMS LLC	Director
France	BURELLE SA	Chief Operating Officer
		Director
	SOGEC 2 SA	Chief Operating Officer
		Director
	BURELLE PARTICIPATIONS SA	Director
	SOFIPARC SAS	Member of the Supervisory Board
	COMPAGNIE PLASTIC OMNIUM SA	Chairman and Chief Executive Officer
	PLASTIC OMNIUM SERVICES SAS	Chairman
	PLASTIC OMNIUM AUTO SAS	Chairman
	VALEO PLASTIC OMNIUM SNC	Co-Managing Partner (SNC) – Legal representative of Plastic Omnium Auto Exteriors
	PLASTIC OMNIUM AUTO EXTERIORS SAS	Chairman
	PLASTIC OMNIUM PLASTIQUES HAUTES PERFORMANCES SAS	Chairman
	COMPAGNIE SIGNATURE SAS	Chairman
	LA LYONNAISE DE BANQUE	Director
	CIE FINANCIÈRE DE LA CASCADE SAS	Chairman
United Kingdom	PLASTIC OMNIUM Ltd (in liquidation)	Chairman
Netherlands	PLASTIC OMNIUM INTERNATIONAL BV	Chairman
Switzerland	SIGNAL AG	Director

Directorships and functions held by Jean Burelle

In 2007

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

Directorships and functions held by Pierre Burelle

In 2007

Country	Company	Function
Spain	COMPAÑIA PLASTIC OMNIUM SA	Director
France	BURELLE SA	Chief Operating Officer
		Director
	SOFIPARC SAS	Chairman
	COMPAGNIE PLASTIC OMNIUM SA	Permanent representative of Burelle SA, director
	PLASTIC OMNIUM SERVICES SAS	Member of the Supervisory Board
	SOGEC 2 SA	Chairman and Chief Executive Officer
	COMPAGNIE SIGNATURE SAS	Member of the Supervisory Board until 3 October 2007
	UNION INDUSTRIELLE	Chairman of the Supervisory Board
Switzerland	PLASTIC OMNIUM INTERNATIONAL AG	Chairman

Directorships and functions held by Paul Henry Lemarié

In 2007

Country	Company	Function
Germany	PLASTIC OMNIUM GmbH	Member of the Board
Spain	COMPAÑIA PLASTIC OMNIUM SA	Director
United States	INERGY AUTOMOTIVE SYSTEMS HOLDING Inc.	Director
	INERGY AUTOMOTIVE SYSTEMS LLC	Director
France	BURELLE SA	Chief Operating Officer
		Director
	BURELLE PARTICIPATIONS SA	Chief Operating Officer
		Director
	COMPAGNIE PLASTIC OMNIUM SA	Chief Operating Officer
		Director
	PLASTIC OMNIUM SERVICES SAS	Member of the Supervisory Board
	COMPAGNIE SIGNATURE SAS	Member of the Supervisory Board until 3 October 2007
	INERGY AUTOMOTIVE SYSTEMS SA	Director
	INERGY AUTOMOTIVE SYSTEMS MANAGEMENT	Director until 21 June 2007
	INOPLAST	Permanent representative of Plastic Omnium Auto until 14 February 2007
United Kingdom	PLASTIC OMNIUM AUTOMOTIVE Ltd	Director until 23 March 2007
	PLASTIC OMNIUM Ltd	Director until 21 March 2007

Directorships and functions held by Jean-Pierre Ergas

In 2007

Country	Company	Function
France	COMPAGNIE PLASTIC OMNIUM SA	Director
		Member of the Audit Committee
	APLIX SA	Director
	AMERICAN UNIVERSITY OF PARIS	Trustee
United States	BWAY CORPORATION	Chairman
		Director
	DOVER CORPORATION	Director

Directorships and functions held by Alain Mérieux

In 2007

Country	Company	Function
France	BIOMÉRIEUX SA	Chairman and Chief Executive Officer
	FONDATION MÉRIEUX	Chairman of the Board of Directors
	FONDATION RODOLPHE MÉRIEUX	Honorary Chairman and Director
	FONDATION PIERRE FABRE	Director
	FONDATION PIERRE VEROTS	Director
	MÉRIEUX ALLIANCE SA	Chairman of the Board of Directors
	COMPAGNIE PLASTIC OMNIUM SA	Director
	EURAZEO	Member of the Supervisory Board until 3 May 2007
	TRANSGENE	Director
	SYNERGIE LYON CANCER	Director
Netherlands	AKZO NOBEL	Member of the Supervisory Board until 1 May 2007
Italy	BIOMÉRIEUX ITALIA SPA	Chairman of the Board of Directors
Greece	BIOMÉRIEUX HELLAS	Chairman of the Board of Directors
United States	SILLIKER GROUP CORPORATION	Director

Directorships and functions held by Francis Gavois

In 2007

Country	Company	Function
France	COMPAGNIE PLASTIC OMNIUM SA	Director
		Chairman of the Audit Committee
	CONSORTIUM DE RÉALISATION	Director
Netherlands	STMICROELECTRONICS HOLDING NV	Member of the Supervisory Board

Directorships and functions held by Vincent Labruyère

In 2007

Country	Company	Function
France	SOCIÉTÉ COMMERCIALE DE BIOUX SAS	Member of the Executive Board
	GRANDS MAGASINS LABRUYÈRE SAS	Member of the Executive Committee
	SOCIÉTÉ FINANCIÈRE DU CENTRE SAS	Chairman
	COMPAGNIE PLASTIC OMNIUM SA	Director
	PLASTIC OMNIUM SERVICES SAS	Member of the Supervisory Board
	SOCIÉTÉ FINANCIÈRE LABRUYÈRE EBERLÉ SAS	Chief Executive Officer
		Member of the Executive Board
	CLARANOR SA	Permanent representative of SAS Financière du Centre
	SA PERROUX et Fils	Director
	PIGE SA	Permanent representative of Société Labruyère Eberlé

Directorships and functions held by Jérôme Gallot

In 2007

Country	Company	Function
France	CDC ENTREPRISES	Chairman
	COMPAGNIE PLASTIC OMNIUM	Director
	GROUPE DE LA CAISSE DES DÉPÔTS	Member of the Executive Committee
	ICADE	Director
	CNP ASSURANCES SA	Director
	NEXAMS SA	Director
	CNP ASSURANCES	Member of the Supervisory Board until 9 July 2007
	COMPAGNIE NATIONALE DU RHÔNE (CNR)	Member of the Supervisory Board until 1 September 2007
	NRJ GROUP	Member of the Supervisory Board
	SCHNEIDER ELECTRIC SA	Member of the Supervisory Board
	OSEO	Advisor
Brazil	CAIXA SEGUROS	Director

Directorships and functions held by Laurence Danon

In 2007

Country	Company	Function
France	FRANCE-PRINTEMPS	Chairman and Chief Executive Officer until 30 January 2007
	PROFIDA	Director until 30 January 2007
	PRINTEMPS.COM	Director until 30 January 2007
	COMPAGNIE PLASTIC OMNIUM SA	Director
	EDMOND DE ROTHSCHILD CORPORATE FINANCE	Member of the Executive Board
United Kingdom	DIAGEO plc	Director
	EXPERIAN GROUPE LIMITED	Member of the Board

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

In 2007

Country	Company	Function
France	COMPAGNIE PLASTIC OMNIUM SA	Director
	SEB SA	Chairman and Chief Executive Officer
	SEB INTERNATIONALE	Chairman
	SIPAREX Associés	Director until 23 January 2007
	CLUB MÉDITERRANÉE SA	Director
	LYONNAISE DE BANQUE	Permanent representative of Sofinaction
	LEGRAND	Director
United Kingdom	TEFAL UK	Director until 12 July 2007
Netherlands	ROWENTA INVEST BV	Member of the Supervisory Board until 31 December 2007
Japan	GROUPE SEB	Director until December 2007
Mexico	GROUPE SEB MEXICANA	Director until December 2007

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PLASTIC OMNIUM

1, rue du Parc - 92593 Levallois cedex, France
Tel.: + 33 (0)1 40 87 64 00 - Fax: + 33 (0)1 47 39 78 98
www.plasticomnium.com

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