ANNUAL REPORT 2013

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MGI COUTIER

SOMMAIRE

GROUP PROFILE

The MGI COUTIER Group is an independent automotive equipment manufacturer active in two broad families of products: fluid transfers and mechanisms.

With an industrial footprint of 35 manufacturing sites in fifteen countries spanning five continents, it provides its customers with innovative and reliable solutions at competitive prices thanks to the competencies of its 7,511 employees.

The MGI COUTIER Group designs, manufactures and sells components, sub-assemblies or complete mechanisms.

In order to effectively anticipate and meet its customer requirements, MGI COUTIER is organised around seven Divisions including six Product Divisions:

- ✓ FUEL SYSTEMS
- ✓ ARTICULATED SYSTEMS
- ✓ AVON AUTOMOTIVE
- ✓ MECHATRONICS
- ✓ POWERTRAIN
- ✓ CLOSING SYSTEMS

And a Division dedicated to Aftermarket activities

Ten Functional Departments ensure the coherence of the strategies, organisations and systems over the group as a whole and the optimisation of resources between the operational companies.

MESSAGE BY THE MANAGEMENT BOARD CHAIRMAN

Ladies and Gentlemen,

The year 2013 serves to confirm the Group's momentum and the sound choices we have made.

In a context that has remained difficult in Europe, the MGI COUTIER Group has achieved its fifth consecutive year of growth in the Group's net profit. Sales revenues, EBITDA, EBIT and net profit have all reached historic highs.

The Group's financial indebtedness has returned to a very reasonable level, less than three years after the structuring acquisition of AVON AUTOMOTIVE, which has enabled us to virtually double our business stream with North American manufacturers and to become a major player in engine cooling systems.

The year 2013 has also been a very satisfying year for innovation, quality and operational efficiency. Logically, the orders secured during the financial year are at a particularly high level and allow us to face the future serenely.

It is in this particularly favourable context that we have taken certain major decisions to accelerate the Group's growth and development worldwide. A new production site in Portugal will start up in 2014. We have also taken the decision to create an industrial presence over the next three years in Morocco, Russia and Thailand in order to be able to support our customers, i.e. car manufacturers throughout their globalisation.

It is along the same lines that we decided, a few weeks ago, to acquire the Swedish Group AUTOTUBE AB, which brings us deal complementarity in terms of customers, products, technology and geography.

New challenges await us in 2014, particularly with the growing production of Adblue tanks for SCR.

The motivation and competence of our teams and the trust bestowed on us by our customers make me very confident that we will achieve a consolidated turnover exceeding Euros 800 million in 2015.

André COUTIER
Chairman of the Management Board

ADMINISTRATION, MANAGEMENT AND CONTROL

Supervisory Board

Mr. Roger COUTIER .... Chairman

Mr. Paul DEGUERRY .... Deputy Chairman

Mr. Nicolas JOB

Mr. Bertrand MILLET

Mr. Jean-Claude SEVE

COUTIER JUNIOR represented by Mrs. Geneviève COUTIER

Board of Directors

Mr. André COUTIER .... Chairman

Mr. Benoît COUTIER

Mr. Christophe COUTIER

Mr. Mathieu COUTIER

Mr. Nicolas COUTIER

Mr. Jean-Louis THOMASSET .... Vice Chairman

Mr. Jean-François VILLANEAU

Management Team

Mr. Philippe BILLEROT

Mr. Frédéric DAGAULT

Mr. Maxime DELORME

Mr. Dominique GALUS

Mr. Alain GIROUX

Mr. Philippe JEAN

Mr. David LETELLIER

Mr. Philippe MAO

Mr. Frédéric MARIER

Mr. Christophe REVY

Mr. Lee RICHARDS

Mr. Roger SANCHEZ

Statutory Auditors

Permanent auditors:

✓ ORFIS BAKER TILLY
Mrs. Valérie MALNOY
149, boulevard Stalingrad – 69100 VILLEURBANNE
Appointed at the OGM held on June 22, 2012

✓ MAZARS SA
Mr. Bruno POUGET
P.A.E. Les Glaisins – 13, avenue du Pré Félin
74940 ANNECY-LE-VIEUX
Appointed at the OGM held on June 22, 2012

Alternate auditors:

✓ Mr. Olivier BRISAC
149, boulevard de Stalingrad – 69100 VILLEURBANNE
Appointed at the OGM held on June 22, 2012

✓ Mr. Olivier BIETRIX
131, boulevard de Stalingrad – 69100 VILLEURBANNE
Appointed at the OGM held on June 22, 2012

Information Manager

Mr. André COUTIER - Tel.: +33 4.50.56.98.98

OVERVIEW

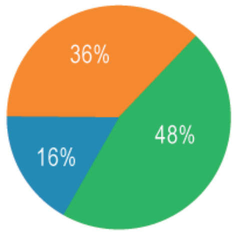
Leader in its fields of expertise, the MGI COUTIER Group supports its customers in providing vehicles tailored to their market requirements (more reliable, more environmentally friendly and better driving experience).

The alternative to major equipment suppliers

Its positioning where complete systems are concerned and the control of its environment enable MGI COUTIER to make:

- ✓ **The best Technological choice** hinging on the creativity of its teams and their product specialisation.
- ✓ **The best professional choice** through its expertise with numerous materials and processes
- ✓ **The best Industrial choice**, whether global or low cost.

2013, december the 31th turnover breakdown by customers



French OEMs 36%
PSA 19%
RENAULT 16%

International OEMs 48%
FORD 17%
GM 7%
FIAT-CHRYSLER 5%
TATA JLR 4%
VOLVO 3%
NISSAN 2%
Others inter. OEMs 10%

Others customers 16%

Fluid Transfer

Air intake	Coolant
Fuels	Additives
Oil Vapours	Windscreen Fluid
Air regulation T°	Air Vacuum

Mechanisms

Locks & Strikers	Door Handles
Hinges	Pedalboxes

As a specialist in fluid transfers and mechanisms, the Group is organised in six Product Divisions and a Market Division (or "AFTERMARKET") wholly dedicated to after-sales activities for markets. This organisation was established in 1998 and is still operational

Although MGI COUTIER's turnover was essentially Franco-British up to early 1997, the Group is now highly internationalised.

Fluid Transfer

	Avon Automotive	Fuel Systems	Powertrain	Mecatronics
Turnover	44%	12%	10%	8%
Core product	Air ducts Coolant hoses Fuel lines and sensors	Fuel lines Depolution systems Brake booster lines	Air ducts Air intake manifolds Air cleaners Cam covers and oil separation	Washer systems (reservoirs, pumps, nozzles, ...) Eco-fluids Additivation (SCR)

Mechanisms

	Articulated Systems	Closing Systems
Turnover	9%	10%
Core product	Hinges Pedal boxes	Latches & Strikers Handle Seat locks Fuel filler flaps

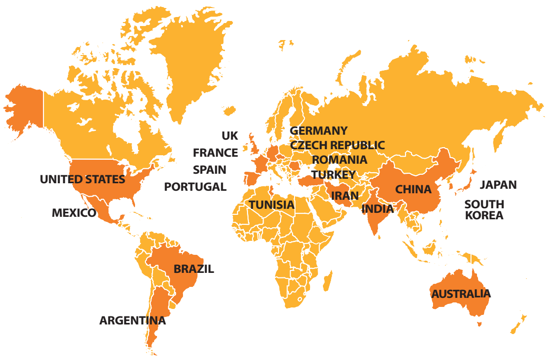
Aftermarket

	Service parts
Turnover	5%

Miscellaneous

Turnover	2%

MGI COUTIER is present in 19 countries across 5 continents. It has 35 industrial sites and nearly 7,511 employees.



The Group's strategy between now and 2020: Towards a stronger leadership

Aim No 1 – Globalisation of Product Lines

- ✓ To be present in all ca manufacturers' countries of origin
- ✓ To manufacture close to assembly plants
- ✓ To have at least 30% of the market share with all our current customers
- ✓ To gain new customers

Aim No 2 – To develop new products tailored to:

- ✓ The new environmental standards (CO2, NOX, particulates, etc.)
- ✓ The specific needs of emerging economies (Russia, China, etc.)
- ✓ Vehicles in higher-end segments and/or in development (Premium, SUV, etc.)

Implementation

- ✓ **A structured, efficient approach to innovation in order to meet** tomorrow's requirements (emissions and mass reduction, etc.) enabling 16 patents to be issued in 2013.
- ✓ **A "2S2D" approach that is 100% LEAN (Simple, Solid, Dependable, Do-able)** applied on a daily basis to bring serenity, continuous improvement and customer satisfaction.
- ✓ **Excellence in Quality.** In 2013, with 5 PPM, the Group achieved a growth rate of 96% in 10 years.
- ✓ **A wide product range.** The Group stands out thanks to its complete management of fluids (storage, dosing, reheating, etc.) and many areas of intervention where mechanisms are concerned (bonnet, side doors, rear doors, boot, etc.).
- ✓ **Proven organisation and experienced teams**
- ✓ **A desire for integration** combined with an open-minded approach to design, making it possible to offer the most suitable solutions, whilst maximising added value.
- ✓ **Know-how in acquisitions.** Constant search for complementarities and synergies (customer portfolios, geographical expansion, product families, etc.)

Strong, structural values

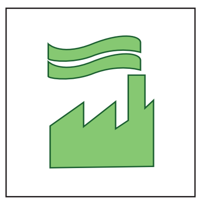
- ✓ **Main shareholders faithful to the Group**. Nearly 70% of the Group shares are held by the COUTIER family.
- ✓ Sound **financial management** based in particular on full ownership of the assets (plants, equipment, information systems, etc.)
- ✓ **Human resources teams operating at the heart of the business** for whom loyalty and ethics are the basis for effective teamwork.

Responsiveness to environmental challenges

MGI COUTIER provides its customers, i.e. automotive manufacturers, with innovative solutions or concepts that take into account present-day questions and challenges related to the environment.

Finally, Group sites are ISO-14001-certified and compliant with associated management standards. The reduction of energy expenditure, waste and emissions are at the heart of our concerns within each of our facilities.

2S	***Simple*** ***Solide***
2F	***Fiable*** ***Facile à réaliser***



MANAGEMENT REPORT

Submitted by the Management Board to the Ordinary and Extraordinary Annual General Meeting held on June 26, 2014.

Comments and salient facts on the consolidated accounts

Accounts benchmark

MGI COUTIER's consolidated financial statements were prepared in accordance with IFRS standards adopted by the European Union.

During the course of the financial year, the Group adopted the mandatory rules, amendments and interpretations to be applied over the period. These texts have no impact on the Group's net profit/loss or on its financial position.

A new increase in the Products and Functions activity

For the financial year 2013, the MGI COUTIER Group achieved a turnover of Euros 663.8 million, down 0.9% from the previous year. Given a comparable perimeter and exchange rate, growth in the Products & Functions activity, the most representative activity, would work out at +2.7%, in line with the growth of the worldwide vehicle market. Over the financial year, AVON AUTOMOTIVE has built on its First Division place in MGI COUTIER Group and achieved 44.5% of the Products and Functions activity thanks to a 3.5% increase in its activity (6.9% given a comparable boundary and exchange rate). The Fluid Transfer activities represent 74.6% of the Group total turnover (74.4% in 2012). The share of manufacturers other than PSA and Renault rose from 46.3% of the Group's activity in 2012 to 48.5% in 2013. Ford has become the Group's second largest customer. The French automotive manufacturers that represented 64.6% of the activity in 2010 fell to 36.0% in 2013. The share of turnover achieved with equipment manufacturers remains contained at 13.0% (13.5% in 2012).

The 2013 financial year highlights

Over the last financial year, the significant operations where the perimeter or organisation is concerned are as follows:

- ✓ Purchase of the building used by AVON AUTOMOTIVE PORTUGAL;
- ✓ The search for second industrial sites in China and Portugal with the aim of starting production in the first half of 2015 and the second half of 2014 respectively;
- ✓ Transfer of Metal Mechanisms production from the Vigo site in Spain to the historical Mechanism sites situated in France;
- ✓ Implementation and start-up of the Group ERP at AVON AUTOMOTIVE PORTUGAL.

Improving profitability

The consolidated key figures for the financial year 2013 are as follows:

(in millions of Euros)	31.12.13 (12 months)	31.12.12 (12 months)
Turnover excluding tax	663.8	669.9
EBITDA	77.0	57.6
EBIT	55.2	40.2
Operating profit/loss	54.0	40.4
Group share net profit/ loss	**37.0**	**28.4**
Self-financing capacity	**58.5**	**47.1**

The added value stand at Euros 266.3 million, up 7.5% compared to the previous financial year. These figures are a direct reflection of continued efforts to reduce purchase prices, improve industrial efficiency and bring back in-house production that was formerly subcontracted in a context that remains difficult.

Taxes and expenses stand at Euros 6.1 million, up by 15.6% over the financial year.

Personnel costs, including temporary staff and employee profit sharing for the French companies, stand at Euros 183.2 million, down by 0.9% in relation to the previous financial year. The rise in payroll over the financial year reflects the efforts made regarding productivity and wage moderation across all the Group companies.

EBITDA stands at Euros 77.0 million, up by 33.8% in relation to the previous financial year and represents 11.6% of the consolidated turnover (8.6% in 2012). In terms of value, it is a new all-time high.

Allocations to amortisation stand at Euros 19.7 million, up by 30.4%. This growth is the consequence of significant investments made from the 2012 financial year onwards.

Net allocations to provisions stand at Euros 2.1 million compared to Euros 2.3 million in 2012. There have not been any significant individual events.

The current operating income stands at Euros 55.2 million, up by 37.4% in relation to the previous financial year. This is the best current operating income in terms of value for the last fifteen years. Foreign subsidiaries make a contribution of Euros 53.7 million to the operating income. This is an all-time high. All companies where MGI COUTIER is the majority shareholder show positive profitability with the exception of MGI COUTIER BRASIL, MGI COUTIER ENGINEERING, GSAP (India) and INDUSTRIAL FLEXO (Spain). GSAP and MGI COUTIER ENGINEERING are two companies whose activity has not yet stabilised. Their profitability is therefore not yet representative of their normal financial performance.

The other forms of non-current profit and expenses stand at Euros -1.2 million, as opposed to Euros +0.2 million in the previous financial year. A provision was made for penalties following a dispute with a French administration to the tune of Euros 1.0 million.

The cost of net financial indebtedness stands at Euros -2.0 million, compared to Euros -3.2 million in 2012. This change is a direct consequence from a reduction in the financial debts contracted for purchasing AVON AUTOMOTIVE Group, from particularly low reference indices (variable rates) and from the virtual disappearance of the indebtedness of subsidiaries outside the Euro zone, which took interest rates to much higher levels than those applying to the Group on average.

The other financial profits and losses stand at Euros -1.0 million (the amount was not insignificant for the previous financial year). During the financial year, it was decided to make provision for the full current account balance in relation to MGI COUTIER ILIA, which was included in the consolidated financial statements, taking account of the risk of not recovering this credit.

The tax burden on profits stands at Euros 14.2 million in 2013, as opposed to Euros 9.1 million in 2012. The Group has in particular benefited from generally lower average tax rates abroad than in France.

The Group's net profit (exclusive of subsidiaries' profit) stands at Euros +37.0 million compared with Euros +28.4 million in 2012. This is the best figure ever published by the Group and the fifth consecutive year of improvement in the Group share net income in terms of value.

Non-financial investments stand at Euros 24.0 million compared to Euros 32.8 million in 2012. Over the financial year, the investments have remained close to the historic average (including AVON AUTOMOTIVE), as the SCR activity ramp-up have been somewhat slowed down by our main client for this family of products.

Net financial indebtedness remains under control, standing at Euros 40.1 million, down by Euros 19.4 million over one year.

The Group shareholders' equity stands at Euros 185.1 million, compared with Euros 161.0 million in 2012. This is also an all-time high in spite of the very significant impact of exchange differences pertaining to shareholders' equity outside the Euro zone

Continuous Research and Development efforts

In 2013, the MGI COUTIER Group maintained its effort to devote substantial resources for the Research and Development field.

Research and development costs stood at Euros 33.5 million, i.e. 5.0% of the consolidated turnover, compared with Euros 31.5 million in 2012.

These Research and Development costs have been listed in the accounts as expenses for the period, as they do not meet all the criteria laid down by accounting rules for being treated as fixed assets.

The Group benefits from a research tax credit to the tune of Euros 2.7 million (Euros 4.3 million in 2012).

The main lines of Research and Development seek to find answers to environmental concerns, particularly:

- ✓ The reduction and processing of polluting emissions,
- ✓ The reduction of CO2 (by designing lighter parts),
- ✓ The implementation of solutions compatible with bio-fuels or meeting hybrid or electric vehicles' requirements,
- ✓ Eco-design and product recycling.

Favourable prospects for 2014

MGI COUTIER Group remains extremely attentive to preserving its economic and financial performance.

The financial year 2014 should show a growing activity thanks to the integration of AUTOTUBE AB Group from April 1, 2014. The financial year will also be marked by particularly high investments linked to the pick-up of SCR activity.

MGI COUTIER (Limited Company with a Management Board and Supervisory Board)

Comments on the company accounts and significant events

As a reminder, the company accounts were drawn up in accordance with the accounting principles applicable in France.

The turnover stands at Euros 241.6 million, down by 4.9% in relation to the previous year. MGI COUTIER has benefited from the start-up or development of new products coming from Research & Development and transfer of MGI COUTIER Spain's Metal Mechanisms activity. In the opposite direction, the activity has suffered from the weakness of the vehicle market in Europe and by the shrinkage of vehicle production volumes in France. The turnover achieved with MGI COUTIER's foreign subsidiaries represents Euros 32.0 million, i.e. 13.2% of its activity (10.2% in 2012). This growth is particularly linked to plastic tube production to meet the needs of the European AVON AUTOMOTIVE companies.

The added value stands at Euros 81.2 million, down by 2.2% in relation to the previous year. The competitive environment has remained particularly difficult but it has been possible to increase the value-added rate slightly. The company continues to seize any opportunities to integrate or reintegrate added value.

Taxes and expenses stand at Euros 4.3 million, up by 0.5% in relation to the previous financial year.

Personnel costs stand at Euros 72.6 million and represent 30.1% of gross turnover, as opposed to 28.5% in 2012. The company continues to be penalised by some plants that have experienced particularly weak activity during the financial year and by the resources mobilised in MECHATRONICS division to ensure the design and development of SCR systems.

EBITDA stands at Euros 4.3 million, down by 31.1% in relation to the previous financial year. This is the lowest figure over the last ten years.

The allocations to amortisation, standing at Euros 7.9 million, are up by 11.7% taking account of the significant investments made since the financial year 2011.

Net allocations to provisions stand at Euros 0.4 million compared to a net reversal of 1.5 million in 2012. The company did not face any major loss over the financial year.

In the light of the above elements, the operating profit/loss stands at Euros -4.0 million, as opposed to Euros +0.4 million in 2012. This is the weakest profit for at least twenty years.

The financial profit/loss stands at Euros +16.8 million as opposed to Euros +49.0 million in 2012. During the financial year 2013, the company benefited from the payment of dividends by certain subsidiaries (AVON AUTOMOTIVE Holdings Inc, NINGBO MGI COUTIER and MGI COUTIER ARGENTINA for the financial year ended). Net financial allocations to provisions stand at Euros 3.4 million (the figure was not significant over the previous financial year). In 2013, the company had to make provisions for the risk of non-repayment of current accounts by MGI COUTIER ILIA. The sound financial performance of other subsidiaries, particularly MGI COUTIER ARGENTINA, could not offset the above expenses.

The exceptional profit/loss stands at Euros -2.0 million as opposed to Euros +0.1 million in 2012. This figure includes penalties linked to a dispute with an administration to the tune of about Euros 1.0 million.

Over the financial year, the company shows a profits tax yield of Euros 4.2 million as opposed to Euros 3.7 million in the previous financial year. A research tax credit was granted to the tune of Euros 2.7 million (Euros 4.3 million in 2012). The employment competitiveness tax credit (CICE) stood at Euros 1.5 million. It can only be repaid in 2017 unless it is offset against profits tax payable before then.

In the light of the above elements, the company's net profit/loss stands at Euros +15.0 million as opposed to Euros +53.2 million in 2012.

Acquisitions of tangible and intangible fixed assets stand at Euros 11.9 million compared to Euros 15.4 million in the previous financial year. The level of investment nonetheless remains clearly higher than the historic average.

Acquisitions of financial fixed assets stand at Euros 2.1 million compared to Euros 100.6 million over the previous financial year. A capital increase was made in favour of MGI COUTIER ENGINEERING (India). The other figures reflect the increasing financial needs of certain subsidiaries.

Based on the above elements, MGI COUTIER's net indebtedness (financial debts + debts to other shareholders – Available Assets & Marketable Securities) stands at Euros 88.8 million compared to Euros 96.1 million in 2012. This level of indebtedness still seems very reasonable in relation to the size and profitability of the Group.

Shareholders' equity before distribution of the profit/loss stands at Euros 154.9 million as opposed to Euros 140.3 million for the previous financial year. Shareholders' equity represents 49.8% of the total balance sheet. The objective is to be above 50%.

In accordance with decree no 2008-1492 dated 30 December 2008, we would inform you that debts to suppliers stood at Euros 27.0 million at December 31, 2013 (excluding invoices not received) (Euros 30.1 million at December 31, 2012). This figure includes Euros 0.9 million that are due (Euros 1.3 million at the end of 2012). As for the balance of unmatured debts, Euros 13.8 million were to fall due within one month (Euros 16.4 million in 2012), Euros 9.2 million were to fall due within two months (Euros 9.5 million in 2012), Euros 2.9 million were to fall due within three months (Euros 2.7 million in 2012) and Euros 0.2 million were to fall due within more than three months (Euros 0.2 million in 2012).

Corporate information

Average headcount

	2013	2012
Management staff	409	406
Employees, Technicians & Supervisors (ETAM)	2,559	2,521
Workers	4,685	4,778
Total	**7,653**	**7,705**

Headcount at December 31, 2013

	2013	Percentage of females
Executives	384	17.2%
ETAM (Employees, Technicians & Supervisors)	2,538	27.5%
Workers	4,589	46.6%
Total	**7,511**	**38.6%**

Departures

Staff Departures	2013	2012
Voluntary	1,583	2,157
Redundancies and termination	280	406
Retirement	58	36
Total	**1,921**	**2,599**

Employment

Hirings	2013	2012
Permanent personnel	1,575	1,537
Fixed-term personnel	674	640
Total	**2,249**	**2,177**

Further information

	2013	2012
Total personnel expenses (thousands of Euros)	183,231	184,958
Expenses allocated to training (percentage of the wage bill)	1.55%	1.30%

Environmental information

The information below covers all the Group's sites with the exception of those in China, India and Mexico (Juarez site).

Resources Consumption

Consumption	2013	2012
Water (m3)	708,677	684,221
Plastic materials (tons)	12,265	13,265
Metal materials (tons)	18,543	19,119
Rubber materials (tons)	33,575	34,777
Electricity (MWh)	92,695	89,796
Gas (MWh)	75,075	73,511
Fuel (m3)	44,350	60,020

Consumption	2013	2012
Ordinary industrial waste produced (tons)	18,364	10,361
Specific industrial waste produced (tons)	520	1,296
Total costs incurred for waste management (thousands of Euros)	405	718
Savings made thanks to waste recycling (excluding metal waste) (thousands of Euros)	336	631

Shareholders and Stock Exchange

We would inform you of the significant holdings, in terms of both capital and voting rights, confirmed as at December 31, 2013.

Shareholders	Shares	Percentage of capital	% of voting rights
Sté COUTIER JUNIOR	1,533,117	57.33	57.35
Sté COUTIER SENIOR	325,948	12.18	12.19
Natural person executives	6,147	0.23	0.23
BNP/PARIBAS	69,973	2.62	2.62
BESTINVER GESTION SGIIC SA and other funds	122,549	4.58	4.58
EXCHEQUER 2 FUNDING. Fund: AR21	70,000	2.62	2.62
Public & Staff self-held shares	545,709	20.40	20.41
Treasury shares	661	0.02	0.00
Total	**2,674,104**	**100.00**	**100.00**

MGI COUTIER has been listed continuously in Compartment B of Euronext Paris since 4 April 2011 under stock code FR 00000 53027. The highest closing price achieved during the course of the financial year was € 100.00 (in December 2013), the lowest closing rate was € 37.80 (in January 2013). The closing rate at December 31, 2013 was € 97.94, which valued MGI COUTIER Group at € 261.9 million. The total volumes traded over the years stood at 625,806 shares, up by 195.4% in relation to the previous financial year for a total number of transactions of 16,132, up by 295.4%.

Mandates exercised in other companies

In accordance with the enforced legal provisions, we would like to list below the functions performed and interests held in other companies, including foreign ones, and those in the Group held by the managers and shareholders of MGI COUTIER.

Manager concerned	Functions exercised and interests held in other companies, including foreign ones, and the Group		
	Name or company name	Legal form, town and location of registered office	Functions performed
COUTIER André, born 15/02/1949 **Chairman of the Management Board**	COUTIER JUNIOR	SA (Champfromier, France)	Director
	POLE EUROPEEN DE PLASTURGIE	SAS (Oyonnax, France)	Permanent representative of MGI COUTIER
	MGI COUTIER ESPAÑA	S.L. (Vigo, Spain)	Chairman of the Board of Directors
	MGI COUTIER ITALIA	S.R.L. (Asti, Italy)	Chairman of the Board of Directors
	MGI COUTIER UK	LTD (Minworth, Great Britain)	Represents MGI COUTIER Director
	MGI COUTIER MAKINA	Anonim Sirketi (Bursa, Turkey)	Director, Deputy Chairman of the Board
	MGI COUTIER MEJICO	SA de CV (Saltillo, Mexico)	Chairman of the Board of Directors
	NINGBO MGI COUTIER AUTO PLASTICS	CO LTD (Cixi, China)	Director
	M.E.I.P.L.	Private Limited (Pune, India)	Director
	MGI COUTIER ROM	SRL (Timisoara, Romania)	Chairman of the Board of Directors
	AVON AUTOMOTIVE HOLDINGS	INC (Cadillac, Michigan, USA)	Director
	AVON AUTOMOTIVE A.S.	A.S. (Rudnik, Czech Republic)	Chairman of the Supervisory Board
	AVON POLYMERES FRANCE	SAS (Vannes, France)	MGI COUTIER representative Single APF shareholder
COUTIER Roger, born 18/10/1952 **Chairman of the Supervisory Board**	COUTIER JUNIOR	SA (Champfromier - France)	Chairman of the Board of Directors
	COUTIER SENIOR	Société Civile (Champfromier - France)	Manager
	MGI COUTIER ITALIA	S.R.L. (Asti, Italy)	Director
	MGI COUTIER UK	LTD (Minworth, Great Britain)	Director
	MGI COUTIER ESPAÑA	S.L. (Vigo, Spain)	Director

COUTIER Mathieu, born 25/5/1975 **Member of the Management Board**	COUTIER JUNIOR	SA (Champfromier, France)	Director
	AVON AUTOMOTIVE HOLDINGS	INC (Cadillac - Michigan, USA)	Director
	AVON AUTOMOTIVE DEUTSCHLAND	GMBH (Eppstein, Germany)	Director
	AVON AUTOMOTIVE A.S.	A.S. (Rudnik, Czech Republic)	Director
	INDUSTRIAL FLEXO SL	S.L (Sant Just Desvern, Spain)	Director
	AVON OTOMOTIV SANAYI SIRKETI	Anonim Sirketi (Gebze, Turkey)	Director
COUTIER Benoît born 19/10/1978 **Member of the Management Board since 20/12/2013**	COUTIER JUNIOR	SA (Champfromier, France)	Director
	MGI COUTIER BRASIL	LDA (Jundiai, Brazil)	Manager - Director
	MGI COUTIER ROM	SRL (Timis, Romania)	Director and Managing Director
	MGI COUTIER ILIA	CO PJS (Ghaemshahr, Iran)	Director, MGI COUTIER representative
	MGI COUTIER ENGINEERING	PVT LTD (Chakan, India)	Chairman of the Board of Directors
COUTIER Christophe born 06/05/1978 **Member of the Management Board since 20/12/2013**	COUTIER JUNIOR	S.A. (Champfromier, France)	Director
COUTIER Nicolas, born 02/01/1981 **Member of the Management Board**	COUTIER JUNIOR	SA (Champfromier, France)	Director
	MEIPL	PVT LTD (Pune, India)	Director
	MGI COUTIER ENGINEERING	PVT LTD (Chakan, India)	Director
	GOLD SEAL AVON POLYMERS	PVT LTD (Mumbai, India)	Director
VILLANEAU Jean-Francois, born 22/10/1960 **Member of the Management Board**	MGI COUTIER ROM	SRL (Timis, Romania)	Director
	MGI COUTIER ILIA	CO PJS (Ghaemshahr, Iran	Chairman of the Board of Directors
	MGI COUTIER ENGINEERING	PVT LTD (Chakan, India)	Director
	MGI COUTIER FINANCE	LTD (Chippenham, United Kingdom)	Director
	AVON AUTOMOTIVE PORTUGAL-	LDA (Tondela, Portugal)	Director

Jean-Louis THOMASSET, born 04/01/1965 **Vice-chairman of the Management Board**	MGI COUTIER ESPAÑA	S.L. (Vigo, Spain)	Director,Deputy Chairman
	MGI COUTIER MAKINA	Anonim Sirketi (Bursa, Turkey)	Director
	MGI COUTIER MEJICO	SA de CV (Saltillo, Mexico)	Director, deputy Chairman of the Board of Directors
	NINGBO MGI COUTIER AUTO PLASTICS	CO LTD (Cixi, China)	Director
	AVON AUTOMOTIVE AS	AS (Rudnik, Czech Republic)	Member of the Supervisory Board
Bertrand MILLET, born 9/01/1948 **Member of the Supervisory Board**	FRANCAISE DE FIXATION	SA (Lyon, France)	Director
	COMPAGNIE DU RAIL	SA (Lyon, France)	Director
Jean-Claude SEVE, born 15/02/1944 **Member of the Supervisory Board**	S2M FINANCIERE	SA (Lyon, France)	Chairman and managing Director
	MONNET SEVE	SA (Outriaz, France)	Chairman of the Board of Directors
	RICHOMME	SA (Blain, France)	Chairman of the Board of Directors
	BOIS & SCIAGES DE SOUGY	SA (Sougy, France)	Chairman of the Supervisory Board
Nicolas JOB, born 02/02/1955 **Member of the Supervisory Board**	NJ CONSULTING	SARL	Manager

Information about compensation paid to company agents

In accordance with the provisions of article L.225-102-1 of the Commercial Law, the gross individual compensations of company agents, including benefits in kind and attendance fees are specified below:

By compensation categories

	Fin. year. 2013		Fin. year. 2012	
	Due	Paid	Due	Paid
Members of the Management Board				
Fixed compensation	1,005,863	1,005,863	1,115,669	1,115,669
Variable compensation	207,485	190,978	180,779	238,376
Exceptional compensation	-	-	-	-
Benefits in kind	8,983	8,983	10,163	10,163
Members of the Supervisory Board				
Fixed compensation	406,760	406,760	358,489	358,489
Variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Benefits in kind	1,186	1,186	1,554	1,554

By compensation recipients

	Fin. year. 2013 (paid)	Fin. year 2012 (paid)
André COUTIER	332,429	380,429
Roger COUTIER	352,446	312,043
Henri TABORIN	-	303,449
Jean-Louis THOMASSET	310,945	297,168
Mathieu COUTIER	151,192	138,363
Jean-François VILLANEAU	265,324	244,799
Benoît COUTIER	59,032	-
Christophe COUTIER	30,261	-
Nicolas COUTIER	56,641	-
Other persons	55,500	48,000

We would also point out that no manager enjoys particular benefits as far as retirement is concerned (complementary pension schemes on top of conventional mandatory schemes). The compensations are examined by the compensation Committee, with the variable part being awarded depending on quantitative and qualitative objectives.

In accordance with the AMF recommendations dated 12 July 2010, the extent to which the quantitative and qualitative objectives are reached has been established accurately, but for confidentiality reasons it has not been made public.

Operations conducted involving shares in the company

In accordance with law, no senior manager has, in an individual capacity, carried out any operations in 2013 involving shares in the company. The same applies to the staff members closely associated with them.

Besides, in accordance with law, the shares acquired and resold during the financial year 2013 within the framework of the liquidity and market making agreement with GILBERT DUPONT, effective since 11 July 2013 following the authorisation of the assemblies held on 30 June 2011, June 22, 2012 and 27 June 2013.

Month	No of shares purchased	No of shares sold	Balance of shares at end of month	Average price (in Euros)	Value at end of month (in Euros)
January 2013	4,229	5,585	1,150	44.88	51,612.00
February 2013	4,617	2,854	2,913	40.38	117,626.94
March 2013	5,132	6,143	1,902	43.86	83,421.72
April 2013	3,732	3,660	1,974	46.35	91,494.90
May 2013	7,438	7,679	1,733	46.32	80,772.56
June 2013	5,561	5,533	1,761	55.99	98,598.39
July 2013	3,607	4,833	535	65.00	34,775.00
August 2013	6,910	5,636	1,809	70.00	126,630.00
September 2013	5,816	6,606	1,019	81.28	82,824.32
October 2013	4,202	3,993	1,228	90.40	111,011.20
November 2013	2,434	2,851	811	95.00	77,045.00
December 2013	0	150	661	97.94	64,738.84

Elements that might have an impact in the event of a public offer

- ✓ The capital structure and the known direct holdings in the capital of MGI COUTIER SA are described above and below.
- ✓ There is a concerted action in accordance with article 233-10 of the Commerce Law between COUTIER JUNIOR SA, COUTIER SENIOR (family holding companies controlled by Mr André, Mr Roger, Mr Joseph COUTIER's heirs and their family) and Mr André, Mr Roger and the heirs of Mr. Joseph COUTIER, who represent 69.74% of the capital and voting rights. These shareholders en-

tered into an agreement whereby they decided to act jointly to implement a common shareholders policy vis-à-vis the company. This agreement has been drawn up under the regulatory declarations of the supervisory authorities that published the agreement (SBF Notice no 94-2365 dated 29 July 1994). The duration of this shareholders' agreement is five years and is automatically renewable for further periods of five years each, unless terminated by one of the parties prior to its expiry. The remaining members in the agreement would, in this case, continue to be bound by the obligations resulting from the agreement.

✓ There are no double voting rights.

✓ The company's articles of association do not stipulate any particularity, notably regarding the rules on the appointment and dismissal of the members of the Management Board and the Supervisory Board and the regulations governing powers management within these bodies.

✓ The company's articles of association are modified in accordance with the legal and regulatory provisions.

Information about the taking of holdings or control

Over the past financial year, MGI COUTIER has not taken control of any new companies, but has carried out a capital increase of MGI COUTIER ENGINEERING PVT company amounting to €294k.

Risk Management

There are no risk factors specific to MGI COUTIER Group, as the main risks are those inherent in the activity carried out almost entirely in the field of vehicle- and OEM equipment. A detailed presentation of the main risk factors identified is given in the appendix to the consolidated accounts (note 26).

Events having occurred between the closing date and statement of consolidated accounts date

On April 3, 2014, MGI COUTIER acquired 100% of AUTOTUBE Group AB shares. AUTOTUBE AB Group is a Swedish vehicle equipment manufacturer specialised in metal pipes. This acquisition contributes in the expansion of the Group's presence with Swedish original equipment manufacturers and completes the Group's product range, which has hitherto been limited in fluid transfer, plastic and rubber. This is the Group's second-largest acquisition following that of AVON AUTOMOTIVE in July 2011.

Delegation of powers

In accordance with the enforced legal provisions, we would like to stress that to date there are no valid delegations of powers agreed upon during a general meeting of shareholders in the Management Board (excluding the market making agreement).

Proposals

We would like to ask you to approve the operations listed in income statements and balance sheets that are submitted to you, and then to decide on the appropriation of the financial year profit, which stands, as stated previously, at Euros 15,022,503.76. The Management Board proposes to distribute a dividend of Euros 0.50 net per share for the previous financial year and to carry forward the remaining balance.

In accordance with the provisions of article 243 bis of the General Tax Law, we would like to inform you that the dividend amounts distributed and corresponding to the last three financial years were as follows:

Financial year end	Dividend per share (in Euros)	Income eligible or not for relief allowances
December 31, 2010	0.50	Relief of 40% when applicable
December 31, 2011	0.50	Relief of 40% when applicable
December 31, 2012	0.50	Relief of 40% when applicable

In accordance with the provisions of article 223 quarter of the French general tax law, we would like ask you to approve the expenditure stipulated in article 39.4 of this law, which stand at a total of Euros 19,158 million, which gave rise to tax of Euros 6,385.

We propose renewing the liquidity agreement implemented last year in order to reduce market volatility and increase the liquidity of MGI COUTIER share, while raising the maximum purchase price in order to take account of the rate increase over the last twelve months. The resources allocated to these operations remain limited to what is strictly necessary, with a maximum of 0.5% of the company's share capital.

The amount recommended for attendance fees remains unchanged at Euros 45,000.

The proposals submitted to you capture the elements of our report. We would like to ask that you approve them and we thank you for your trust and your loyalty to the company.

The situation of staff share ownership on the last day of the financial year

In accordance with the provisions of article L.225-102 of the Commercial Law, this report must give an account of the staff share ownership within the share capital at the last day of the financial year, and must establish the proportion of the capital represented by the shares held by company staff and by the staff of associated companies in compliance with the provisions of article L.225-180 of the Commercial Law within the framework of the savings scheme provided for by articles L.443-1 to L.443-9 of the French Employment Law, and by current as well as former staff members within the framework of the company's joint investment fund. The shares held directly by staff during the periods of inaccessibility provided for by articles L.225-194 and L.225-197, in article 11 of law no 86-912 dated 6 August 1986 on privatisation modalities and article L.442-7 of the French Employment Law are also taken into account.

To our knowledge, staff members hold less than 1% of the company's share capital.

Information about subsidiaries and holdings

(in thousand Euros)	Shareholder capital bef. income allocation	Quota share of capital held (%)	Book value of shares held	
			Gross	Net
Holdings by MGI COUTIER and its subsidiaries				
SCI PAYS DE BRAY SUD	190	100.00	762	762
MGI COUTIER ITALIA	(44)	100.00	50	-
MGA COUTIER TUNISIE	12,301	100.00	4,424	4,424
NINGBO MGI COUTIER	10,650	100.00	4,658	4,658
MGI COUTIER ARGENTINA	719	100.00	12,658	3,952
MGI COUTIER BURSA	8,647	100.00	6,721	6,721
MGI COUTIER BRASIL	(6,965)	100.00	5,118	-
MGI COUTIER UK LTD	110,848	100.00	96,517	96,517
MGI COUTIER ESPAÑA	18,292	100.00	4,772	4,772
MGI COUTIER MEJICO	(11,443)	100.00	6	-
MEIPL	2,269	50.00	750	750
MGI COUTIER ROM	10,429	100.00	1,963	1,963
MGI COUTIER ILIA	(862)	50.00	1,164	-
DEPLANCHE FABRICATION	1,164	100.00	895	895
AVON AUTOMOTIVE HOLDINGS INC	(5,306)	100.00	28,402	28,402
AVON POLYMERES FRANCE	(8,725)	100.00	-	-
MGI COUTIER ENGINEERING	(485)	99.00	1,253	-
Others	-	-	58	11
Total	**141,679**	**-**	**170,171**	**153,827**

(in thousands of Euros)	Gross advances granted(1)(2)	Turnoverat 31.12.13	Net income at31.12.13	Dividends paid by Company in 2013	Guarantees
Holdings by MGI COUTIER and its subsidiaries					
SCI PAYS DE BRAY SUD	(208)	95	46	-	-
MGI COUTIER ITALIA	16	-	-	-	-
MGI COUTIER TUNISIE	(6,215)	25,290	1,065	-	1,136
NINGBO MGI COUTIER	116	13,457	3,053	4,995	-
MGI COUTIER ARGENTINA	2,581	14,108	1,498	723	-
MGI COUTIER BURSA	(500)	29,642	2,575	-	-
MGI COUTIER BRASIL	5,537	10,812	(4,169)	-	-
MGI COUTIER UK LTD	(14,678)	17,126	5,477	-	-
MGI COUTIER ESPAÑA	(12,402)	42,365	(440)	-	12,000
MGI COUTIER MEJICO	11,464	-	-	-	-
MEIPL	-	9,568	(92)	-	2,750
MGI COUTIER ROM	1,500	28,118	3,572	-	300
MGI COUTIER ILIA	2,426	3,864	172	-	-
DEPLANCHE FABRICATION	(301)	1,695	81	-	-
AVON AUTOMOTIVE HOLDINGS INC	-	4,078	194	16,040	-
AVON POLYMERES FRANCE	(281)	23,082	171	-	-
MGI COUTIER ENGINEERING	1,241	848	(626)	-	
Others	3,277	-	-	-	4,939
Total	**(6,517)**	**224,148**	**12,577**	**21,758**	**21,125**

(1) Net amounts including:	*credits*	*€27,978k*	*thousand euros*
	debts	*€(34,495)k*	*thousand euros*
	Total	*€(6,517)k*	*thousand euros*

(2) Debts of Brazilian, Mexican and Iranian subsidiaries and MGI COUTIER ENGINEERING are impaired respectively to the tune of €5,357k, €11,456k, €2,426k and €485k.

CERTIFICATION OF THE ANNUAL FINANCIAL REPORT

I, hereby certify, that to the best of my knowledge, the accounts have been drawn up in accordance with the applicable accounting rules and provide a faithful image of the capital, financial situation and income of the company as well as all the companies included in the consolidated statements, and that the above management report gives a true picture of the development of business, profit/loss and financial situation of the company and all the companies included in the consolidated statements, and provides a description of the main encountered risks.

André COUTIER
Chairman of the Management Board

REPORT BY THE SUPERVISORY BOARD

to the Ordinary and Extraordinary Annual General Meeting HELD ON June 26, 2014

Ladies and Gentlemen,

First, the Board would like to advise you of the good relationships maintained throughout the financial year with the Management Board, which has regularly sent the activity reports and all the information required by the Board to carry out diligently its mission of permanent control.

In the same line, the Management Board submitted to us the company accounts for the financial year 2013, the consolidated financial statements and the management report drawn up on the accounts and operations of the financial year ending December 31, 2013.

The accounts of the financial year ending December 31, 2013 show the following main items:

(in thousands of Euros)	Consolidated accounts	Company accounts
Balance sheet total	383,332	311,162
Turnover	663,797	241,609
Financial year income	36,680	15,022

During the course of the financial year, the activity was notably marked by:

- ✓ The continuous integration of AVON AUTOMOTIVE Group,
- ✓ The speeding up of actions in terms of organisation, systems and efficiency,
- ✓ The intensification of Research & Development endeavours.

The Supervisory Board was informed by the Management Board that, for 2014, MGI COUTIER Group will seek to further the integration of AVON AUTOMOTIVE Group, to start on the integration of AUTOTUBE AB Group acquired on April 3, 2014 and will pursue its development plan established lately, while remaining highly focused on preserving its economic and financial performance.

Taking the above into account, we do not have any particular observations to make, with regard to the Management Board's management report, the company accounts and consolidated accounts for the financial year ending December 31, 2013.

Finally, we ask you to approve all the resolutions submitted to you.

Mr. Roger COUTIER

Chairman of the Supervisory Board

REPORT ON INTERNAL CONTROL PROCEDURES, RISK MANAGEMENT AND COMPANY GOVERNANCE

Financial year ending December 31, 2013

Dear Shareholders,

The law dated 1 August 2003 on financial security, where limited companies are concerned, has strengthened the information obligations regarding aimed at both shareholders and third parties.

Communication on the operating modes of limited companies is therefore provided for by this text in order to boost investors trust.

In this context, the law sought to keep you informed of the processes and operating methods of the management's bodies.

The purpose of the present document is therefore to report on:

- ✓ The conditions governing the preparation and organisation of your Supervisory Board's activities;
- ✓ The potential power restrictions imposed by your Supervisory Board on the Chairman of the Management Board;
- ✓ The internal control procedures implemented by the company;

and this, in accordance with the provisions of article L.225-68, last subparagraph, of the French Commercial Law.

I am therefore pleased, in my capacity as Chairman of the Supervisory Board, to submit this report to you.

1 Conditions governing the preparation and organisation of the Supervisory Board's activities

We would like to remind you that your Supervisory Board is made up of the following six members:

- ✓ Mr. Roger COUTIER, Chairman of the Supervisory Board, whose term of office was renewed for three years at the General Meeting on June 27, 2013
- ✓ Mr. Paul DEGUERRY, Deputy Chairman of the Supervisory Board, whose term of office was renewed for three years at the General Meeting on June 27, 2013
- ✓ Mr. Nicolas JOB, whose term of office was renewed for three years at the General Meeting on June 27, 2013,
- ✓ Mr. Bernard MILLET, whose term of office was renewed for three years at the General Meeting on June 27, 2013
- ✓ Mr. Jean-Claude SEVE, whose term of office was renewed for three years at the General Meeting on June 27, 2013
- ✓ COUTIER JUNIOR SA, a legal entity represented by an appointed permanent agent: Mrs. Geneviève COUTIER, whose term of office was renewed for three years at the General Meeting on June 27, 2013.

During the course of the financial year, your Supervisory Board met on six occasions: on February 7, 2013; April 25, 2013; June 28, 2013; August 28, 2013; October 17, 2013 and December 20, 2013.

The article 16, subparagraph 5 of the articles of association provides that the "Supervisory Board shall meet as often as the interests of the company so require" and at least twice a year. Please note also "in accordance with the law and article 16, subparagraph 4 on the company's articles of the association, the Chairman of the Supervisory Board organises and directs the Board's activities and reports on them to the Shareholders at the General Meeting". For this purpose, in my capacity as Chairman of the Supervisory Board, I convene the meetings of your Supervisory Board and set the items on the agenda depending either on the legal or regulatory requirements, or the obligations incumbent upon me in accordance with the procedures and power limitations in force.

In my capacity as Chairman of the Supervisory Board, I am required to send to each member of your Supervisory Board a convening notice specifying the date, time and place of the meeting as well as the detailed agenda.

Any documents enabling a full examination of the points on the agenda are sent at the same time as the convening notice (reports, draft minutes of the meeting, etc.).

On the day of the meeting, I am required -in my capacity as Chairman of the Supervisory Board- to ensure that the attendance sheet is signed by all the present members.

The decisions taken by your Supervisory Board are made on the conditions regarding quorum and voting majority provided for by the articles of association.

In accordance with the law and article 16, subparagraph 5 of the articles of association, the resolutions of the Supervisory Board are recorded in meeting minutes and signed on a special register and flipcharts. In my capacity as Chairman of the Supervisory Board, I will henceforth ensure that all the resolutions of your Supervisory Board are recorded in the special register and signed by each member.

The Supervisory Board has created internal committees intended to improve the activities of the Board and to contribute effectively to the preparation of its decisions. The Board has thus created the following permanent committees: Strategy, Compensation and Audit.

The Strategy Committee is made up of five members: Mr. Roger COUTIER, Paul DEGUERRY, Bertrand MILLET, Nicolas JOB and Jean-Claude SEVE. During the financial year 2013, the members met five times. The Strategy Committee is responsible for:

- ✓ Reporting to the Board on the company and the group's broad strategic lines, and on any other important strategic question raised by the Board or the Chairman;
- ✓ Examining and forming an opinion for the Board on any submitted questions regarding significant acquisitions and disposal operations;

The Compensation Committee is made of four members: Mr. Paul DEGUERRY, Bertrand MILLET, Nicolas JOB and Jean-Claude SEVE. During the financial year 2013, it met once.

The Compensations Committee is entrusted with:

- ✓ Examining and making proposals about the compensation of the company's agents;
- ✓ Putting forward to the Board proposals on the rules for the distribution of attendance fees;
- ✓ Considering any questions submitted by the Chairman of the Supervisory Board.

The Audit Committee is made up of six members: Mrs. Geneviève COUTIER, Mr. Roger COUTIER, Paul DEGUERRY, Bertrand MILLET, Nicolas JOB and Jean-Claude SEVE. During the financial year 2013, the Committee met twice. The Audit Committee is entrusted in particular with monitoring:

- ✓ The process of compiling financial information;
- ✓ The effectiveness of the internal control procedures and management systems;
- ✓ The legal control of the annual and consolidated accounts by the auditors;
- ✓ The independence of auditors.

By application of the law dated 3 July 2008 translating the Directive 2006/CE dated June 14, 2006;the AFEP-MEDEF code amended accordingly, is the reference document of the company when producing the report provided for by article L.225-37 of the French Commercial Law from the financial year 2008 onwards, with the exception of the rule on cumulative terms of office and employment contracts by virtue of current terms of office.

2 Potential powers limitations on the General Management

In accordance with law 2001-420 dated 15 May 2001 on new financial regulations, the management of your company is vested in Mr. André COUTIER, who serves as Chairman of the Management Board.

The Supervisory Board meeting held on December 11, 2012 that nominated the Chairman of the Management Board has not imposed any limits on the powers vested in him. According to the law provisions, he has the broadest powers vis-à-vis third parties to represent the company's name in all instances. He operates within the limits of corporate purposes and is subject to the powers vested by law in the shareholders' meetings and the Supervisory Board.

3 Internal control procedures implemented by the company

In accordance with article 117 of law 2003-706 dated 1 August 2003, completing article L.225-68 of the French Commercial Law, this part of the report is descriptive in nature and does not contain any assessment.

3.1. Reminder of the company's objectives regarding internal control procedures

The internal control procedures in force in the company seek to:

- ✓ Ensure that the management decisions or operations execution, as well as the behaviour of staff fall within the framework defined by the guidelines laid down for company activities by the corporate bodies, by the laws and regulations applicable and by the company's in-house values and rules.

- ✓ Ascertain that accounting, financial and managerial information passed on to the company organs faithfully reflects the company's activity and situation.

One of the objectives of the internal control mechanism is to prevent and control risks resulting from the company's activity and to avoid error or fraud, particularly in the fields of accounting and finance. Like any control system, it cannot however provide an absolute guarantee that such risks are wholly eliminated.

The control and management of risks associated with the company's activity rest on the following principles:

- ✓ Organisation decentralisation thanks to management distribution over Divisions and Subsidiaries in order to favour responsiveness and customer proximity;
- ✓ A monthly budgetary and reporting procedure, which constitutes an essential tool in the execution of MGI COUTIER's operations;
- ✓ Widespread and frequent initiatives to raise staff awareness about risks;
- ✓ Setup of strong Functional Divisions entrusted with implementing the company's policies and controlling their effective application within their areas of responsibility;
- ✓ Site specialisation by product family to strengthen and speed up the expertise process;
- ✓ Formal delegation by the Chairman of the Management Board of the control and management of certain risks to the most directly involved Directors (Functional Directors and Operational Directors);
- ✓ Separation of functions (between Operational and Supporting staff; between staff incurring expenditure and staff recording and managing payments; between executive staff and controlling staff; and so on).
- ✓ The definition of objectives corresponding to best worldwide practices and regular measurement of the difference between the objectives and the performance achieved;
- ✓ The involvement of all hierarchical levels and all sites in the improvement of performance and control of activities;
- ✓ The prior authorisation of any investment exceeding €3,000 by the Management Board member responsible for Operations.

In addition, the welcome booklet gives a reminder of the ethical obligations of all MGI COUTIER staff. It is sent and commented on to every new employee. In addition, each site has internal procedure rules that are widely distributed to all staff.

3.2. Analysis of the internal control environment

A. Summary description of the organisation of general internal control procedures

The powers of the Chairman of the Management Board are limited by the Supervisory Board. He formally delegates some of the powers conferred on him to the different Directors.

The company draws up the procedures and distinguishes between two categories of them: procedures relating to a function (financial procedures, for example) and those relating to a process (delivery, treatment of non-conformities, etc). 13 processes have been identified within the company (five customer-oriented processes and eight management support processes). They cover all the company's activities (from the company promotion to new customers to the improvement of supplier performance). 54 obligatory indicators cover these 13 processes and make it possible to ascertain that these operating modes are implemented and performing well).

All procedures are approved beforehand by the Management Board. Their updating is also covered by the formal approval by Management Board members.

These procedures are available on an Intranet network that allows their immediate dissemination to all concerned.

Internal memos or company service notices may serve to complete, expand upon or give a reminder of these procedures.

The Functional Departments and Organisational process Pilots seek to oversee the sound implementation of processes under their responsibility. They must report, at least once a year, to the Management Board, on the outcomes obtained within their field of expertise.

The Quality Department seeks to ensure that these procedures are soundly applied by controlling the periodic reports and carrying out internal audits.

The Legal and Finance Department specifically makes sure that the accounting and financial rules are soundly applied. The department also has an internal auditor.

In addition, there is a Health and Safety committee at each of company's sites. Each Health and Safety committee meets regularly with the aim of examining, proposing and validating any Health and Safety measures intended to protect the company's staff and its capital assets.

Every year, the Management Board devotes two half-days per Division and Subsidiary, as follows:

- ✓ One to the validation of strategic options (products, markets, customers, action plans) within the framework of medium-term plans,

- ✓ One to the validation of short-term financial options within the framework of the end-of-year budgets and forecasts review.

For each of the six Divisions, the Management Board devotes half a day every year to reviewing and validating the broad lines of Research and Innovation (product and/or process).

In addition, in 2008, a specific half-day meeting was introduced for each of the more important Divisions and Subsidiaries. This meeting is dedicated to reviewing each of the main actions implemented in the field of productivity and the actions planned for the coming twelve months.

B. Summary description of the accounting system

The accounting system is used internally within the legal and Financial Department.

The accounting teams are located on two of the company's sites and they work as a Shared Services Centre (SCC) for all the company's institutions. One team, known as 'Centre' handles customer-related aspects (invoicing, cash collection, receivables follow-up, customer disputes, etc.). The other Centre handles supplier-related aspects, cash flow and general accounting. Each centre comes under the responsibility of a centre manager who directly reports to the Accounts Manager.

The software used is an ERP (SAP). All modules, except the one covering Human Resources, have been deployed across all the company's sites. The accounting module (FI) benefits directly from these choices. No significant specific development has been carried out on this ERP.

There are management inspectors present on each of the company's sites. The separation between the management teams and the accounting teams is total, even if information is exchanged on a permanent basis.

Reference manuals are used for producing:

- ✓ The annual accounts (PCG, i.e. French general accounting principles),
- ✓ The consolidated financial statements
- ✓ The internal monthly reports.

Checks are regularly carried out by the company staff on the communicated financial data.

Furthermore, our auditors carry out accounting controls on an annual basis as part of the legal obligations to accounts audit.

Application of the principle of gender-balanced representation on the Supervisory Board

The law no 2011-103 dated 27 January 2011 stipulates that the proportion of members of each sex on the Supervisory Board shall not be lower than 20% after 2014 general meeting, and 40% after the 2017 general meeting. In December 31, 2013, this proportion was 16.7% (one member of the Supervisory Board represented by a woman, plus five male members of the MGI COUTIER Supervisory Board).

Mr. Roger COUTIER

Chairman of the Supervisory Board

STATUTORY AUDITORS' REPORT

ORFIS BAKER TILLY
149, boulevard de Stalingrad
69100 Villeurbanne

MAZARS
P.A.E. Les Glaisins
13, avenue du Pré Félin
74940 Annecy-le-Vieux

Statutory auditors' report drawn up under article l.225-235 of the french commercial law on the report by the chairman of the supervisory board of MGI COUTIER company

Financial year ending December 31, 2013

To the shareholders,

In our capacity as statutory auditors of MGI COUTIER Company, and under the provisions of article L.225-235 of the French Commercial Law, we now submit our audit report on the report produced by the Chairman of your company, in accordance with the provisions of article L.225-68 of the French Commercial Law for the financial year ending December 31, 2013.

The Chairman shall be responsible for drawing up and submitting for the approval of the Supervisory Board a report setting out the internal control and risk management procedures implemented in the company and providing other information required by article L.225-68 of the French Commercial Law, particularly information about the mechanism of corporate governance.

We shall be responsible for:

- ✓ Communicating our observations on the information contained in the Chairman's report, concerning the internal control and risk management procedures that are relevant to drawing up and processing the accounting and financial information, and;
- ✓ Certifying that the report contains other information required by article L.225-68 of the French Commercial Law, while we remind that it is not up to us to verify the accuracy of the other information.

We have completed our mission in accordance with the applicable standards of professional practice in France.

Information about the internal control and risk management procedures relevant to drawing up and processing the accounting and financial information

The standards of professional practice call for the implementation of certain steps intended to assess the accuracy of the information on the internal control and risk management procedures relevant to drawing up and processing the accounting and financial information contained in the Chairman's report.

These steps consist particularly of the following:

- ✓ Taking note of the internal control and risk management procedures involved in drawing up and processing the accounting and financial information set out in the Chairman's report and existing documentation;
- ✓ Taking note of the activities that contributed in drawing up this information and the existing documentation;
- ✓ Determining whether the major internal control deficiencies involved in drawing up and processing the accounting and financial information that we observed in the course of our mission have been covered by appropriate information in the Chairman's report.

On the basis of these tasks, we do not have any remarks to make about the information involved in drawing up and processing the accounting and financial information contained in the Report produced by the Chairman of the Supervisory Board, drawn up in accordance with the provisions of article L.225-68 of the French Commercial Law.

Other information

We certify that the report of the Chairman of the Supervisory Board contains the other information required under article L.225-68 of the French Commercial Law.

Drawn up in Villeurbanne and Annecy-le-Vieux
on April 30, 2014
The Auditors

ORFIS BAKER TILLY
Valérie MALNOY

MAZARS
Bruno POUGET

Consolidated balance sheet
At December 31, 2013
(in thousands of Euros)

ASSETS	Note No	31.12.13 Net amounts	31.12.12 Net amounts
Intangible fixed assets			
Acquisition differentials	7	30,028	31,006
Other intangible fixed assets	8	1,663	2,134
		31,691	**33,140**
Tangible fixed assets	9		
Land		8,322	8,061
Buildings		41,882	42,588
Technical installations & equipment		59,779	61,862
Other tangible fixed assets		7,577	7,624
Current fixed assets, advances & payments in account		8,502	6,047
		126,062	**126,182**
Non-current financial assets	10	**2,832**	**4,573**
Deferred tax credits	11	**2,888**	**3,194**
Total non-current assets		**163,473**	**167,089**
Inventory and WIP	12	56,809	60,081
Accounts receivables	13	101,967	110,533
Other debts	14	21,542	25,550
Cash and cash equivalents	17	39,510	20,196
Total current assets		**219,828**	**216,360**
Assets intended for transfer	19	31	32
Total assets		**383,332**	**383,481**

LIABILITIES	*Note No*	31.12.13	31.12.12
Shareholders' equity			
Equity capital	*15*	21,393	21,393
Land revaluation differences		2,333	2,333
Reserves and retained earnings		124,417	108,849
Advances on dividends			
Financial profit, Group share		**36,966**	**28,377**
Shareholders' equity – Group share		**185,109**	**160,952**
Minority interest		**126**	**448**
Shareholders' equity		**185,235**	**161,400**
Long-term reserves	*16*	15,242	13,071
Medium- and long-term financial debts	*17*	57,356	56,970
Unearned tax liabilities	*11*	7,650	10,181
Total non-current liabilities		**80,248**	**80,222**
Financial debts at less than 1 year	*17*	22,294	22,810
Accounts payable		63,421	79,350
Other debts	*18*	32,134	39,699
Total current liabilities		**117,849**	**141,859**
Liabilities intended for transfer			
Total liabilities		**383,332**	**383,481**

Consolidated profit and loss accountat At December 31, 2013 (in thousands of Euros)

	Note No	31.12.13 (12 months)	31.12.12 (12 months)
TURNOVER	*3*	**663,797**	**669,980**
Variation of stored production		(1,095)	5,141
Consumption		(257,603)	(273,811)
Other external expenses		(138,760)	(153,419)
VALUE ADDED		**266,339**	**247,801**
Taxes and expenses		(6,605)	(5,245)
Permanent and temporary staff expenses		(183,231)	(184,958)
OPERATING PROFIT BEF. DEPR & AMORT.		**77,043**	**57,598**
Allocations to amortisation		(19,717)	(15,120)
Net allocations to provisions/write-offs		(2,090)	(2,283)
CURRENT OPERATING INCOME	**3**	**55,236**	**40,195**
Other net non-current income	**4**	**(1,240)**	**154**
OPERATING INCOME		**53,996**	**40,349**
Cash proceeds and cash equivalentsCost of gross financial indebtedness		*567(2,600)*	*262(3,503)*
Cost of net financial indebtedness	*5*	*(2,033)*	*(3,241)*
Other financial proceeds and expenses	**5**	**(1,039)**	**9**
Current and deferred taxes	6	(14,244)	(9,906)
Share of associated businesses in profit/loss			**308**
NET PROFIT OF RETAINED ACTIVITIES		36,680	28,329
Net tax profit on confirmed or current transfer activities			
NET PROFIT/LOSS		36,680	28,329
*** including share coming to consolidated Group**		**36,966**	**28,377**
* including share coming to minority interests		(286)	(48)
Net Group share earnings per share (in Euros)		13.82	10.61
Net diluted Group earnings per share (in Euros)		**13.82**	**10.61**

Other elements of the global profit/loss
At December 31, 2013
(in thousands of Euros)

	31.12.13 (12 months)	31.12.12 (12 months)
NET INCOME	**36,680**	**28,329**
Conversion differences	(11,361)	(3,593)
Actuarial differences on retirement commitments net of tax	(84)	711
Own shares held	(63)	(80)
PROFITS AND LOSSES ACCOUNTED IN SHAREHOLDERS' EQUITY	**(11,508)**	**(2,962)**
GLOBAL INCOME	**25,172**	**25,367**
***including share directed to the consolidated Group**	**25,494**	**25,441**
*including share directed to minority interests	**(322)**	**(74)**
*including share directed to minority interests	(322)	(74)

Note: all the components of the other elements of the global profit/loss are intended to be recycled into profit/loss, with the exception of the actuarial differences related to post-employment commitments.

Consolidated cash flow statement
At December 31, 2013
(in thousands of Euros)

	31.12.13 (12 months)	31.12.12 (12 months)
NET INCOME	**36,966**	**28,377**
Allocations to amortisation	19,717	15,120
Capital gains/losses on asset transfers	261	62
Variation of provisions and other operating resources	1,559	3,841
Elimination of net profits/losses of associated companies		(308)
SELF-FINANCING	**58,503**	**47,092**
Variation of other short-term assets and liabilities	(12,062)	(1,441)
CASH FLOW VARIATION ARISING OUT OF OPERATING TRANSACTIONS"	**46,441**	**45,651**
Acquisition of tangible and intangible fixed assets	(24,008)	(32,778)
Acquisition of financial fixed assets	(522)	(198)
Transfers of fixed assets	1,113	543
Incidence of boundary variations		
CASH FLOW VARIATION ARISING OUT OF INVESTMENTS	**(23,417)**	**(32,433)**
Distribution of dividends	(1,337)	(1,337)
Variation of indebtedness	(250)	(5,816)
CASH FLOW VARIATION ARISING OUT OF FINANCE	**(1,587)**	**(7,153)**
Effect of foreign exchange variations	(1,066)	(2,949)
NET CASH FLOW VARIATION	**20,371**	**3,116**
CASH FLOW AT OPENING	**18,401**	**15,285**
CASH FLOW AT CLOSING	**38,772**	**18,401**

Variation of consolidated shareholders' equity (in thousands of Euros)

	Capital	Premiums	Reserves	Profits & losses accounted in shareholders' equity	Total Group share	Minority interests	Total
Shareholders' equity at 31 December 2011	**21,393**	**9,704**	**106,907**	**469**	**138,473**		**138,473**
P/L fin. yr 2012			28,377		28,377	(48)	28,329
P&L accounted in shareholders' equity				(2,936)	(2,936)	(26)	(2,962)
S/Total global P&L					**25,441**	**(74)**	**25,367**
Distribution of dividends (1)			(1,337)		(1,337)		(1,337)
Other dividends (2)			(1 625)		(1 625)	522	(1,103)
Shareholders' equity at 31 December 2012	**21,393**	**9,704**	**132,322**	**(2,467)**	**160,952**	**448**	**161,400**
P&L for fin. yr 2013			36,966		36,966	(286)	36,680
Profits and losses accounted in shareholders' equity				(11,472)	(11,472)	(36)	(11,508)
S/total global P/L					**25,494**	**(322)**	**25,172**
Distribution of dividends			(1,337)		(1,337)		(1,337)
Other variations							
Shareholders' equity at 31 December 2013	**21,393**	**9,704**	**167,951**	**(13,939)**	**185,109**	**126**	**185,235**

(1) General Meeting of 22 June 2012; dividend of 0.50 Euro per share (released for payment on 25 June 2012)

(2) Group reserves (-1 625 K€) = definitive adjustment of goodwill relating to AVON AUTOMOTIVE.

Minority reserves: (+ 522 K€) = concerns the shift from proportional integration to global integration of the GSAP company

The proposed amount by way of dividends for distribution on the next mixed annual meeting on June 26, 2014 is €1,337,052

The Group's financial consolidated statements at December 31, 2013 were closed by the Management Board on April 22, 2014.

Unless stated otherwise, they are expressed in thousands of Euros.

1 Accounting rules and methods

Declaration of conformity

Under European regulations 1606/2002 and 1725/2003, MGI COUTIER's consolidated financial statements are prepared in accordance with the international accounting regulations applicable in the European Union as at December 31, 2013. The international accounting standards include the IFRS (International Financial Reporting Standards), the IAS (International Accounting Standards), the SIC amendments and their interpretation, and IFRIC (Standards Interpretations Committee and International Financial Reporting Interpretations Committee) available on the following website: http://eur-lex.europa.eu/fr/index.htm

The consolidated accounts are presented in Euros and are rounded off to the nearest thousand.

New standards, new amendments and new interpretations applicable in 2013

The standards, amendments and interpretations applied compulsorily as of January 1, 2013; and particularly IFRS 13 – valuation at fair value, IFRS 7 on offsetting of potential assets and liabilities, annual developments and IAS 1 amendments on the presentation of other elements of the profit or loss, do not have any significant consequences on the Group's net profit/loss or its financial position, or on the presentation of the accounts and financial information.

Amendment IAS 19 on staff benefits had been applied on January 1, 2012.

Moreover, the Group has not brought forward any IFRIC standards, amendments or interpretations where their application is not obligatory at December 31, 2013, either because these texts had not yet been adopted in Europe, or because the Group decided not to apply them in advance. These texts are as follows:

- ✓ Annual improvements (text published by the IASB on December 12, 2013): annual improvements made to different standards,
- ✓ IAS 19: amendments concerning employees' contributions,
- ✓ IAS 27 revised: individual financial statements,
- ✓ IAS 28 revised: holdings in associated companies and co-enterprises,
- ✓ IAS 32: amendments concerning the offsetting of financial assets and liabilities,
- ✓ IAS 36: amendments concerning the recoverable amount by way of non-financial assets,
- ✓ IAS 39: amendment concerning the novation of derivatives and continuity of hedge accounting,
- ✓ IFRS 9: standard concerning financial instruments that will gradually replace the provisions of IAS 39,
- ✓ IFRS 10: consolidated financial statements,
- ✓ IFRS 11: partnerships,
- ✓ IFRS 12: information to be supplied about interests held in other companies,
- ✓ IFRS 10, IFRS 11, and IFRS 12: amendments regarding transition modalities,
- ✓ IFRS 10, IFRS 12 and IAS 27: amendments regarding investment companies,
- ✓ IFRIC 21: levies.

At this stage, the Group is not affected by these texts, and does not anticipate any significant impact on the accounts for the coming financial years, whilst the two companies consolidated by the proportional integration method are not significant in relation to the consolidated whole.

Use of projections and assumptions

The financial statements reflect the projections and estimations adopted by the Group Management. The presentation of the financial statements calls for the use of projections and assumptions in order to value certain assets, liabilities, proceeds, expenses and commitments. The final data may differ from these projections and assumptions. Acquisition differentials, deferred taxes and provisions recorded under the liabilities in the balance sheet, including retirement commitments and similar items, are the main elements of the consolidated financial statements involved in the use of assumptions and projections.

In order to value provisions for retirement, the actuarial value of the obligation and cost of post-employment benefits are calculated using actuarial assumptions (updating rates, salary increase rates, mortality rates and staff turnover rates) (cf. note 1.3.i).

1.1. Consolidation scope

The significant companies where MG COUTIER SA has – directly or indirectly – exclusive control, are fully integrated.

The significant associated companies where MGI COUTIER SA directly or indirectly exerts significant influence are shown using the equivalence method. The equivalence method consists of replacing the asset value of shares held by the share value that they represent in the shareholders' equity of the associate company, including the profit/loss of the financial year.

The significant companies where MGI COUTIER SA exercises joint control and where both partners share the voting rights, administrative organs and operational management of the business are integrated using the proportional method.

The list of companies included in the consolidation scope at December 31, 2013 is given in note 2.

All the significant transactions between the integrated companies are eliminated, the same goes for the internal unrealised profits, included in the fixed assets and in the consolidated companies' stock.

1.2. Conversion of financial statements and transactions into foreign currency

The financial statements of foreign companies are drawn up in the operating currency, i.e. in the currency that is significant for the activity concerned, which is usually the local currency.

The Group implements the closing price method for converting the subsidiaries' financial statements:

- ✓ All the items in the foreign companies' balance sheets are converted at the closing price, with the exception of shareholders' equity.
- ✓ The items in the P/L account of foreign companies, given in the local currency, are converted at the average price for the financial year.
- ✓ The Group's share of shareholders' equity is converted at the historical rate: the profit retained is the one shown in the P/L account. The profit/loss is converted at the average rate, and the other movements are converted at the actual transaction rate.
- ✓ Translation differential are recorded in other elements of the global profit/loss.
- ✓ The goodwill observed for foreign subsidiaries are recorded in the currency used by the subsidiary concerned.

Exchange differences arising from transactions in foreign currencies over the financial year are included in the P/L account under other financial profit and losses. The translation differential relating to a monetary element, which form an integral part of the net investment in a foreign subsidiary are capitalised directly in the consolidated shareholders' equity under the item "translation differential".

1.3. Accounting principles and methods

The accounts of the companies within the Group, drawn up in accordance with the accounting rules in force in the country in which they operate, are withdrawn before being consolidated when divergences from the accounting principles adopted by the Group exist.

A. Intangible assets

The intangible assets are shown in the balance sheet at their cost of acquisition, and mainly correspond to the following elements:

- ✓ Patents (amortised over their period of IP protection)
- ✓ Software programmes (amortised over a period of 1 to 3 years)

Research costs are accounted under the expenses for the financial year during which they are incurred. Development costs may be shown as intangible fixed assets when the conditions associated with technical feasibility, market potential, capacity to accurately assess the attributable costs and generate future economic advantages, are met. The development costs are reviewed every year in order to determine whether the accounting criteria of an intangible asset are met.

In 2013 and 2012, no development costs were shown as fixed assets because the capitalisation criteria were not met. In fact, in order to be shown as fixed assets, the development costs incurred within the framework of a project for a new product or significant development of an already-existing product must meet six criteria:

Among these criteria, there is one that makes it necessary to demonstrate the existence of a market for the production arising from the project. The existence of a market is demonstrated when the Group has received constructor homologation and the volumes proposed by the constructor generate sufficient profitability. So, the corresponding development costs are incurred in an earlier stage of the project prior to constructor homologation. The total research and development costs shown under expenses for the financial year 2013 stand at Euros 33.5 million (Euros 31.5 million in 2012).

B. Acquisition differential

The positive differential in value recorded between the cost price of acquired shares and the fair value of assets and liabilities of the subsidiary at that date, constitutes a goodwill recorded as a fixed asset under assets in the consolidated balance sheet under the heading "acquisition differential". The unaffected goodwill is also regarded as acquisition differential.

The determination of fair values and goodwill is completed within a period of one year following the date of acquisition. Modifications coming about after this date are recorded in the statement P/L account, including those concerning deffered asset taxes.

The acquisition price includes the estimated impact of potential adjustments on the acquisition price, such as price supplements. The price supplements are determined by applying the criteria given in the acquisition contract (turnover, profit/loss, etc.) to the most probable forecasts. They are re-estimated on each closing, the potential variations are set against the profit/loss after the date of acquisition (within a period of one year following the date of acquisition). They are discounted when the profit is significant. Should the need arise, the effect of the "accretion" of the debt entered in the liabilities is accounted for under the heading "Cost of net financial indebtedness". The acquisition costs are recorded directly under expenses.

The Group values the minority interests when control is taken at their fair value (complete goodwill method), or based on their share in the net assets of the acquired company (partial goodwill method). The option is implemented for each acquisition.

The impact of the scope variations without change of control is recorded directly under consolidated reserves.

Under the exception provided for by the IFRS 1 standard, the value of positive acquisition differential determined under the French standards was not modified in the IFRS standards during the changeover to IFRS in 2005.

The acquisition differential is not redeemed. They are however covered by impairment tests (cf. Note 7). The depreciations observed in the acquisition differential of the globally integrated companies are irreversible, unless in cases of disposal of the asset or Group of assets.

Impairment tests of non-current, non-financial assets:

In accordance with the IAS 36 standard, impairment tests are carried out at least once a year for the non-amortised assets (essentially acquisition differentials), and for the other tangible and intangible assets, if there are loss of value indices.

For carrying out impairment tests on acquisition differentials, the latter are broken down between the cash generating units (CGU) flow that correspond to uniform sets generating independent cash flows.

Where acquisition differentials are concerned, the Groups of cash flow generating units correspond to the countries in which they are located (France, Spain, Turkey, China, USA, etc.). No change of CGU (cash flow generating units) came about in the presented financial years.

The carrying value of the assets grouped in this way is compared to the highest amount between their utility value and the net market value of transfer costs. In practice, only the utility value is applied. The utility value corresponds to the updated cash flows method, including implementation methodologies are described in note 7.

When the tests show an impairment, the latter is allocated in priority to the goodwill, then to the other assets of the CGU, subject to the limit of their recoverability value. The depreciations are recorded under the current or non-current operating profit/loss, depending on the generating event at the origin of the depreciation. Depreciations of goodwill are irreversible up to the date on which the generating units concerned are disposed of.

C. Tangible fixed assets

The fixed assets are valued at their cost of acquisition or net carrying value following mergers or partial contributions of assets. The Group has opted for revaluation of lands as set out below in note 9.

Capital lease agreements on real estate and furniture or financial leasing are reprocessed, in order to reflect the acquisition cost of these assets, under fixed assets and financial debts. These assets are depreciated according to the rules detailed below.

Simple lease contracts are not reprocessed under assets. The rent expenses are maintained under operating expenses and spread in a straight-line distribution over the contract period.

For the sake of conformity, the amortisations are reprocessed following the straight-line method over the useful life of the assets.

The depreciation periods generally adopted are as follows:

✓ Buildings:	25 to 40 years
✓ Fittings of constructions:	5 to 10 years
✓ Technical installations:	6 to 10 years
✓ Industrial equipment and tooling:	6 to 10 years
✓ General installations:	10 years
✓ Furniture, office equipment:	5 to 10 years

In compliance with IAS 36 standard, the company would carry out impairment tests, using a methodology close to that used for acquisition differentials, if signs of impairment indicators were identified.

The assets held by the Group are not affected by the expenditure covered by multiannual programmes for major maintenance or major overhaul works. The expenditure incurred is intended solely to ensure the proper operating condition of installations and maintain them without extending their lifespan beyond the useful life planned initially.

The tangible fixed assets held by MGI COUTIER Group have no significant residual value.

D. Non-current financial assets

This item includes on the one hand the financial assets available for sale (unconsolidated holdings), and on the other hand the financial fixed assets made up essentially of deposits and sureties paid by the companies of MGI COUTIER Group.

The shareholdings represent the shares in unlisted companies whose valuation at a fair value may give rise to uncertainties. In the final instance, the Group values the financial assets at the historical cost, with a deduction for any potential loss of value, when no reliable projection of fair value may be made using a valuation technique, in the absence of an active market. They are maintained in the balance sheet, yet with a potentially depreciated cost.

E. Inventories

The inventories are valued their purchase price in the case of raw materials and at factory cost price for finished and semi-finished products. General costs that are not contributing to production and financial costs are excluded from the cost price. All these costs are determined by reference to the “First in, First out” method, and given stock turnover, they are close to the previous cost prices.

A depreciation provision is observed when the net value of inventories is lower than their net realisation value, and/or when signs of value loss are evident (turnover, obsolescence, etc).

Tooling is valued at the full cost price (external costs) within the limit of the price invoiced to the client.

F. Customer debts (accounts receivable)

Commercial debts are recorded at the initial accounting date at the fair value of the receivable compensation. The fair value of customer debts is equivalent to their nominal value taking account of payment terms generally less than or equal to 3 months. Customer debts are reprocessed at the closing date of payments presented for collection and not due, as well as the payments subject to discounting. Customer debts that are not due but which are assigned under a factoring agreement, and non-compliant with the derecognition conditions under the IAS 39 standard, are maintained under the Customers and associated accounts heading.

Should this happen, customer debts may be subject to depreciation. If a sign of value loss is detected and occurs during the course of the financial year following the initial recording of the debt, the depreciation will be determined by comparing estimated future cash flows with the value recorded in the balance sheet. The signs of value loss are linked to different criteria (payment delays, disputes, customer financial hard times, etc.).

G. Cash and cash equivalents

The available cash assets are made up essentially of bank accounts receivables.

Cash equivalents are marketable securities that meet IAS 7 criteria for classification in “cash and cash equivalents”: short-term, highly liquid investments that are easily convertible into a known amount of cash and subject to low risk of value variation.

They are initially accounted at their acquisition cost, and then valued at their fair value that corresponds to the market value at the date of accounts closing. The variation of fair value is recorded in the financial profit/loss.

H. Deferred taxes

Deferred taxes reflect the differences in time, between the expenses and profit used for drawing up the consolidated financial statements, and those used for calculating the tax on company profit.

These deferred taxes determined using the variable carry forward method, result mainly from:

- ✓ Temporarily non deductible provisions,
- ✓ Reprocessing operations of consolidation (mode of amortisation, capital-lease, retirement payment, etc),
- ✓ The elimination of internal profit included in stock.

Active deferred tax on temporal deductible differences and deficits that may be carried forward are only recorded as far as it is likely that a taxable profit, where these temporal deductible differences and deficits may be carried forward, will be available. The time projection used for estimating future profits is at most 5 years, where a review of projections and assumptions used is made periodically.

In accordance with the IAS 12 standard, deferred taxes are not updated.

I. Retirement commitments

Where defined contribution regimes are concerned, the payments made by the Group are shown as expenses for the period to which they relate.

For the defined contribution schemes, where post-employment benefits are concerned, the Group had opted for an early implementation in 2012 of the IAS 19R standard as indicated in note 1. The costs of those benefits are estimated thanks to the method of projected credit units with end of career compensation.

The amounts of dues acquired by employees under the different wage bargaining agreements are valued based on actuarial assumptions: salary increases, retirement age, mortality, staff turnover, and then brought back to their current value based on an updating rate. The provision corresponding to these acquired dues is accounted for in full in the provisions for retirement and other benefits.

The updating rate has been determined while taking account of the yield rates from private bonds that do not include risks, and having a maturity close to the bonds maturity.

The figures were calculated based on an updating rate of 3.0%, salary increases of 2% for executives and non-executives, a retirement age of 65 years and with average assumptions in terms of staff turnover.

The active and former members of administrative and management bodies do not enjoy any particular retirement benefits.

The cost of delivered services and financial cost are noted in the consolidated P/L account.

The actuarial differences (related to changes of actuarial assumptions and previous experience) are recorded under other elements of the global profit/loss account and the impact of scheme changes is recorded immediately in the consolidated profit/loss statement. No change of regime came about in the presented financial years.

Finally, the Group did not opt for raising capital for the commitment from funds.

J. Payments based on shares

Under the IFRS 2, the share subscription or purchase options granted to staff and which are settled in the form of shares, are valued at their fair value. This value is recognised in the P/L statement over the period where employees are entitled the right of deployment, while taking into account the possibility of acquisition of these rights, reassessed at each closing. The amount of the cumulative benefit is set at the date of entitlement to their rights, depending on the rights actually acquired.

K. Reserves

In general, each one of the known disputes, where the Group is involved, was examined on the closure date of the management accounts, and after the consultation of external bodies, the provisions deemed necessary have been constituted to cover the estimated risks as appropriate.

The potential assets are mentioned in the annex when their occurrence is probable and their amounts are significant. The potential liabilities are mentioned in the annex when the amounts involved are significant.

L. Derivative financial instruments

Exchange risk:

The trade flows achieved between MGI COUTIER SA and its subsidiaries abroad are mainly invoiced in Euros. Consequently, the Group has not resorted, to date, to financial instruments to cover these trade flows.

Interest Rate risk:

The Group's companies do not historically have any cover agreements intended to guarantee a fixed maximum rate on part of the implemented variable-rate financing. Within the framework of implementing a syndicated loan at the financial year 2011 to acquire AVON AUTOMOTIVE GROUP, MGI COUTIER SA signed, in accordance with its contractual obligations vis-à-vis member financial institutions of the syndicated loan, a rate cover for a three-year term as of end of September 2011 to the tune of 66% of the quarterly outstanding loan amounts.

M. Assets/liabilities classified as held for sale, discontinued activities

The assets and liabilities classified as held for sale are valued at the lower amount between the accounts carrying value and the fair value minus the costs of sale.

Otherwise, the profits of discontinued activities are recorded on a separate line in the P/L account.

N. Business combinations

Since 2010, the Group has implemented the new revised IFRS 3 standards "Business combinations" and IAS 27 "Consolidated and separate financial statements".

Under this method, the Group accounted for the assets, liabilities and potential liabilities identified on this date at their fair value on the date of taking control.

The cost of acquisition corresponds to the fair value, at the date of the exchange, of assets passed on, the liabilities incurred and/or the shareholder equity instruments issued in exchange for control of the acquired entity.

The expenses associated with business combinations are not included in the fair value exchanged. They are therefore accounted for as expenses, i.e. no longer integrated into the cost of shares acquisition.

When the business combinations agreement provides for an adjustment of the purchase price depending on future events, the Group includes the amount of adjustment in the cost of business combinations on the acquisition date, if this adjustment is probable and may be reliably measured.

The Group is granted a period of 12 months as of the acquisition date to complete the accounting for the considered business combinations. Any change of the acquisition price (relevant to a debt instrument) that is carried out beyond the allocation period, will result in an unmodified cost of the acquisition or the goodwill.

O. Treasury stock

The shares of the parent company and held by itself or by one of its integrated subsidiaries are accounted for as deduction from shareholders' equity at their acquisition cost by the Group up to the date of assignment.

The assignment profits of these shares are accounted for directly in shareholders' equity net of the corresponding tax.

1.4. Presentation of the Profit/loss Account (income statement)

A. Turnover

Sales of parts and toolings are recorded under profit at the time of goods delivery, in accordance with the specific terms of each agreement or order.

B. Personnel costs

Personnel costs include the temporary staff compensation and staff profit sharing. The Group opted for the presentation of a research tax credit (CIR) and an employment competitiveness tax credit (CICE), by reference to the IAS 20 (accounting for Government grants), as deducted from personnel costs.

C. Regional economic contribution (Contribution économique territoriale - CET)

The French Company added value contribution (CVAE) and the regional economic contribution (CET) are classified as operating expenses, with no change in the classification adopted in 2010 and earlier for the professional tax.

D. Current operating profit/loss

The Group uses the current operating profit/loss in particular as a performance indicator.

The current operating profit/loss corresponds to the net profit/loss before taking account of the following:

- ✓ Miscellaneous profits and expenses including mainly restructuring costs,
- ✓ Losses, profits and variation of reserves covering exceptional events, i.e. either because they are abnormal in terms of the amounts involved or their incidence, or because they rarely arise,
- ✓ Capital gains or losses,
- ✓ Non-current depreciations of acquisition differentials,
- ✓ The financial profit/loss account,
- ✓ Current and deferred taxes,
- ✓ The net profit/loss account of associated companies.

This presentation is made in compliance with ANC recommendation no 2013-03 dated November 7, 2013.

1.5. Profit/loss per share

The profit/loss per share is calculated based on the average number of shares in circulation during the course of the financial year, based on the Group share net of profit/loss.

The diluted profit/loss per share takes into account potential shares arising from the execution of rights related to the issued share subscription bonds. At December 31, 2013, there were no new shares that could potentially be created, and no subscription options in progress or already completed.

1.6. Financial instruments – Financial assets and liabilities

The financial assets and liabilities are recoded under several headings in the balance sheet (non-current financial assets, customer debts, other current assets, suppliers' debts, other current debts, financial debts, cash and cash equivalents). The financial instruments are assigned to five categories that do not correspond to the headings identified in the balance sheet, given the assignment determines the rules of accounting and valuation.

The five categories are as follows:

- ✓ Assets retained up to due date: not applicable within the Group over the presented financial years.
- ✓ Financial assets and liabilities at fair value by profit/loss: this heading includes in particular potentially marketable securities. The fair value variations of elements assigned to this heading are shown in the profit/loss account at each closing.
- ✓ Loans, payments and debts: the other elements included in this category are accounted for and valued, appropriate, "at cost" or "at amortised cost".

  - The assets and liabilities accounted for "at cost" concern mainly account receivables and account payables as well as non-current financial assets (e.g. deposits and sureties). These elements are accounted for initially at the fair value, which corresponds in the Group to their nominal value. In cases of loss of value, these elements are depreciated.
  - The assets and liabilities accounted for "at amortised cost" concern mainly the financial debts. The amortised cost of these elements corresponds to the initial value of the asset or liability reduced by reimbursements in principle, adjusted, as appropriate, using the effective interest rate method and corrected by a potential depreciation.

- ✓ Assets available for sale: this category includes instruments not assigned to one of the above headings. This is the case with non-consolidated shares. The utility value of non-consolidated shares and associated payments is valued by taking account of the profitability prospects, probability of debts recovery, and the share of the net profit/loss held by the Group. If the utility value is lower than the one entered in the balance sheet, a depreciation is recorded for the amount of difference.
- ✓ Derivatives: these instruments are accounted for at the fair value.

In accordance with the IFRS 13 standard, effective as from 2013, which is very similar to the IFRS 7 amendment implemented previously, the financial instruments are set out in three (3) categories (cf. note 23), in accordance with a hierarchal organisation of methods for determining fair value:

- ✓ Level 1: fair value is calculated by reference to the non-adjusted prices listed on an active market for identical assets and liabilities;
- ✓ Level 2: fair value is calculated by reference to observable market data for the asset or liability concerned (adjusted level 1 prices listed on stock exchange), i.e. indirectly from data derived from prices, using valuation techniques based on observable data such as the prices of similar assets or liabilities or parameters listed on an active market;
- ✓ Level 3: fair value calculated by reference to data relevant to the asset or liability that are not based on observable market data (e.g. using valuation techniques based wholly or partly on non-observable data such as prices on an inactive market or valuation on the basis of multiple unlisted shares).

The implementation of this standard for calculating the fair value of financial instruments has not lead to the identification of adjustments with respect to asset and liability counterparty risks, in relation to the calculations carried out previously.

1.7. Sector-based information

MGI COUTIER Group has only defined one sector-based activity, which revolves around design, manufacture and delivery of components, parts or equipment functions for vehicles.

1.8. Risk factors

MGI COUTIER Group exerts more than 90% of its activity in the automotive sector as an OEM equipment supplier. The risks inherent in this sector of activity are therefore likely to have a significant incidence on the Group's activity or profitability.

Moreover, MGI COUTIER Group achieves directly more than 36% of its turnover with PSA and RENAULT groups (including DACIA and SAMSUNG). This high concentration of turnover on two automobile manufacturers of French origin gives rise to further elements of risk.

2 Consolidation scope

Companies	% held	Consolidationmethod	Location
MGI COUTIER FRANCE (PARENT COMPANY)			Champfromier, France
PAYS DE BRAY SUD SCI	100	Global integration	Champfromier France
NINGBO MGI COUTIER	100	Global integration	Cixi, China
MGI COUTIER TUNISIE	100	Global Integration	Mateur, Tunisia
MGI COUTIER ITALIA	100	Global integration	Asti, Italy
MGI COUTIER ARGENTINA	100	Global integration	Cordoba, Argentina
MGI COUTIER BRASIL	100	Global integration	Jundiai, Brazil
MGI COUTIER UK LTD	100	Global integration	Minworth UK
MGI COUTIER TURQUIE	100	Global integration	Bursa, Turkey
MGI COUTIER ESPAÑA	100	Global integration	Vigo, Spain
MGI COUTIER MEJICO	100	Global integration	Saltillo, Mexico
MEIPL LTD	50	Proportional integration	Pune, India
MGI COUTIER ROM	100	Global integration	Timisoara, Romania
MGI COUTIER ILIA	50	Proportional integration	Ghaemshahr, Iran
VOSS EXOTECH	24	Equivalence method	Pune, India
DEPLANCHE FABRICATION	100	Global integration	Treffort, France
MGI COUTIER ENGINEERING LTD	99	Global integration	Pune, India
MGI COUTIER FINANCE LTD	100	Global integration	Chippenham, UK
AVON AUTOMOTIVE HOLDINGS INC	100	Global integration	Cadillac, USA
PETROL AUTOMOTIVE HOLDINGS INC	100	Global integration	Cadillac, USA
CADILLAC RUBBER & PLASTICS INC	100	Global integration	Cadillac, USA
CADILLAC INDUSTRIES DE MEXICO SA DE CV	100	Global integration	Orizaba, Mexico
CADIMEX SA DE CV	100	Global integration	Orizaba, Mexico
CADILLAC RUBBER & PLASTICS DE MEXICO SA DE CV	100	Global integration	Orizaba, Mexico
CADILLAC RUBBER & PLASTICS DE MEXICO SA DE CV	100	Global integration	Orizaba, Mexico
AVON AUTOMOTIVE UK AUTOMOTIVE HOLDINGS LIMITED	100	Global integration	Chippenham, UK
AVON AUTOMOTIVE SANAYI VETICARET LIMITED SIRKETI	100	Global integration	Gebze, Turkey
AVON AUTOMOTIVE GMBH	100	Global integration	Eppstein, Germany
AVON AUTOMOTIVE FRANCE HOLDINGS SAS	100	Global integration	Vannes, France
AVON POLYMERES FRANCE	100	Global integration	Vannes, France
AVON AUTOMOTIVE A.S.	100	Global integration	Rudnik, Czech Republic
INDUSTRIAL FLEXO S.L.	100	Global integration	St. Just, Spain
AVON AUTOMOTIVE PORTUGAL LDA	100	Global integration	Tondela, Portugal
GOLD SEAL AVON POLYMERS PRIVATE LIMITED	55	Global integration	Daman, India
AVON AUTOMOTIVE JAPAN CO LTD*	100	Global integration	Tokyo, Japan

** brought into the scope in 2013*

All the subsidiaries in MGI COUTIER Group close their financial years on December 31, each year; with the exception of MEIPL, VOSS EXOTECH, MGI COUTIER ENGINEERING , which close their financial year on March 31, every year; and MGI COUTIER ILIA whose financial year ends as at March 20.

Taking account of the decision taken by the Management Board in 2008 on closing the Mexican subsidiary, this company's assets and liabilities were recorded under "assets and liabilities to be transferred".

3 Information by geographical area

A breakdown of turnover and fixed assets per geographical area is given for information purposes in the table below:

(in thousands of Euros)	France	Western Europe	North America	Rest of the world	Internal offsetting	Total
At December 31, 2013						
Total turnover	266,387	116,000	199,983	185,727	(104,300)	663,797
Current operating profit	1,564	6,253	33,960	13,459	-	55,236
At December 31, 2012						
Total turnover	277,835	113,183	205,023	175,988	(102,140)	669,890
Current operating profit	1,603	3,604	25,691	9,297	-	40,195

The breakdown of fixed assets (intangible and tangible) by geographical area is analysed as follows:

(in thousands of Euros)	Gross values	Netvalues
France	234,080	65,952
Western Europe	46,691	14,446
North America	20,834	10,398
Rest of the world	74,789	36,929
Total fixed assets	**376,394**	**127,725**

4 Net non-current profit and expenses

(in thousands of Euros)	31.12.2013	31.12.2012
Restructuring costs (net)	-	-
Capital gains	(261)	(62)
Others	(979)	216
Total	**(1,240)**	**154**

A provision of Euros 1.0 million was established for penalties following a dispute with a French administrative authority.

5 Financial profit/loss

(in thousands of Euros)	31.12.2013	31.12.2012
Net cost of financial debt	(2,033)	(3,241)
Net exchange profits and (losses)	766	(183)
Other profits (expenses)	(1,805)	192
Total	**(3,072)**	**(3,232)**

6 Taxes on the profits/losses

(in thousands of Euros)	31.12.2013	31.12.2012
Current taxes	(16,662)	(7,996)
Deferred taxes	2,418	(1,100)
Total	**(14,244)**	**(9,096)**

The tax calculation is implemented individually at the level of each consolidated legal entity. The positions of deferred taxes were recognised by taking account of a global rate of 33.33%.

The reconciliation of the total corporate tax accounted for in the consolidated accounting profit & loss and the theoretical corporate tax is as follows:

(in thousands of Euros)	
Profit before tax of the integrated companies:	50,924
Non-tax Profits (temporary exemption)	(1,065)
Different tax rates	(3,024)
Use of deficits not recorded beforehand	(3,104)
Permanent and other differences	(2,324)
Tax base	**41,407**
Tax at standard rate of 33.33%	(13,801)
Other impacts (including tax recoveries)	(443)
Effective corporate tax	**(14,244)**

7 Acquisition differentials

(in thousands of Euros)	31.12.2013	31.12.2012
Net value at January, 1st	31,006	31,577
Acquisitions during financial year	-	-
Adjustment of the AVON AUTOMOTIVE acquisition differential, resulting from final acquisition price	-	(1,625)
Adjustment of asset and liability values for operations acquired prior to financial year	-	-
Disposals	-	-
Conversion differential (and other transactions)	(978)	(1,054)
Depreciation	-	-
Net amount	**30,028**	**31,006**

The acquisition differentials concern mainly AVON AUTOMOTIVE companies in the USA, MGI COUTIER ESPAÑA and MGI COUTIER SA.

The utility value of acquisition differentials corresponds to the value determined based on future cash flows updated in the CGUs (cash flow generating units) under the following economic assumptions and operating forecasts:

✓ The cash flows used come from 2014 budgets and extend over an explicit global period of five years, with an operating profit /stable turnover;

✓ Beyond that period, the terminal value corresponding to ad infinitum capitalisation is calculated (with a growth rate ad infinitum of 1%) of the last flow for the explicit period.

✓ The updating rate corresponds to a weighted average cost of capital after tax. Its use leads to the determination of recoverable values identical to those obtained using a before-tax rate on non tax cash flows.

As the utility value is higher than the accounting value at December 31, 2013, there is no need to record any depreciation of the assets concerned.

The updating rate adopted at December 31, 2013 to update future cash flows stands at 10.32% as opposed to 10.29% at December 31, 2012, and was calculated based on the main following assumptions:

✓ Cash flows estimated over a period of five years, given these cash flows and underlying assumptions were reviewed in March 2014.

✓ Risk-free rate of 2.30%

✓ Risk premium of 7.30%

✓ Debt-free beta of 1.17

✓ Leveraged beta of 1.33

✓ Growth rate ad infinitum of 1% (identical to that of the previous financial year)

In the absence of identified local risks, the Group has not separated by CGU the updating rate and growth rate ad infinitum.

The variation of the updating rate of more or less 1 point would be insignificant on the conclusions of impairment tests, with no depreciation being recorded on the acquisition differentials. Likewise, the financial sensitivity tests on the business plan did not lead to the identification of reasonably plausible variations of the key operating assumptions, leading to a risk of acquisition differential depreciation.

8 Other intangible fixed assets

The other intangible fixed assets developed as follows:

(in thousands of Euros)	Software	Others	Total
Gross accounted amounts			
Value at January 1, 2013	11,247	413	11,660
Acquisitions	286	91	377
Disposals	(2,296)	-	(2,296)
Conversion and other differential	22	51	73
Value at December 31, 2013	**9,259**	**555**	**9,814**
Cumulative amortisation and loss of value			
Value at January 1, 2013	(9,113)	(413)	(9,526)
Amortisation	(806)	(35)	(841)
Net value loss	-	-	-
Disposals	2,296	-	2,296
Conversion and other differential	(181)	101	(80)
Value at December 31, 2013	**(7,804)**	**(347)**	**(8,151)**
Net accounted amounts at December 31, 2013	**1,455**	**208**	**1,663**

The Group has not identified any signs of value loss likely to generate a depreciation risk over the financial years presented.

9 Tangible fixed assets

The tangible fixed assets have evolved as follows:

(in thousands of Euros)	Land	Buildings	Technical installations, equipment and tooling	Other tangible fixed assets	Current fixed assets	Total
Gross accounted amounts						
Value at January 1, 2013	8,182	76,218	234,311	30,205	6,047	354,963
Acquisitions	510	2,700	12,072	1,486	6,863	23,631
Disposals	-	(29)	(6,720)	(956)	-	(7,705
Conversion and other differential	(235)	546	(446)	234	(4,408)	(4,309)
Value at December 31, 2013	**8,457**	**79,435**	**239,217**	**30,969**	**8,502**	**366,580**
Cumulative depreciation and value loss						
Value at January 1, 2013	(121)	(33,630)	(172,449)	(22,581)	-	(228,781)
Depreciation	(15)	(3,037)	(14,141)	(1,684)		(18,877)
Net value loss	-	-	-	-	-	-
Disposals	-	29	6,032	956	-	7,017
Conversion and other differential	1	(915)	(1,120)	(83)	-	123
Value at December 31, 2013	**(135)**	**(37,553)**	**(179,438)**	**(23,392)**	**-**	**(240,518)**
Net amounts accounted for at December 31, 2013	**8,322**	**41,882**	**59,779**	**7,577**	**8,502**	**126,062**

The Group did not identify any value losses likely to generate a depreciation risk over the financial years presented.

The analysis of the properties acquired thanks to capital lease are classified according to their nature as follows:

(in thousands of Euros)	Gross values	Depreciation and provisions	Net values
Lands	266	-	266
Buildings	19,248	(12,494)	36,754
Technical installations	10,221	(7,162)	3,059
Other fixed assets	406	(406)	-
Total	**30,141**	**(20,062)**	**10,079**

The lands located in France have been accounted for at fair value in the expert's opinion at the transition to the IFRS. This mode of accounting has led to a net increase in the tangible fixed assets of €3,500k, compared with accounting based on historical cost. Shareholders' equity and deferred liability taxes were affected by this revaluation of land to the tune of €2,333k and €1,167k respectively.

10 Non-current financial assets

The non-current financial assets have evolved as follows:

(in thousands of Euros)	Holdings	Others	Total
Gross accounted amounts			
Value at January 1, 2013	85	4,774	4,859
Acquisitions	-	522	522
Disposals	-	(908)	(908)
Conversion and other differential	(1)	(367)	(368)
Value at December 31, 2013	**84**	**4,021**	**4,105**
Cumulative depreciation and value loss			
Value at January 1, 2013	(47)	(239)	(286)
Depreciation	-	(1,213)	(1,213)
Net value loss	-	-	-
Disposals	-	-	-
Conversion and other differential	-	226	226
Value at December 31, 2013	**(47)**	**(1,226)**	**(1,273)**
Net accounted amounts at December 31, 2013	**37**	**2,795**	**2,832**

The column headed "Other" includes, in particular, shares in other associated companies standing at €1,188k at December 31, 2013. They only involve VOSS EXOTECH company (India) whose contribution to the profit/loss for 2013 is €0k.

11 Deferred taxes

The deferred taxes (€2,888k in assets, and €7,650k in liabilities, i.e. a net sum of €4,762k) may be analysed as follows:

(in thousands of Euros)	31.12.2013	31.12.2012
Revaluation of lands in France in expert's opinion	1,167	1,167
Derogatory depreciation and other regulated provisions	7,207	6,900
Retirement	(1,514)	(1,299)
Other differentials	(2,098)	219
Total	**4,762**	**6,987**

The deferred asset and liability taxes have been offset, as they apply to a single legal entity. At the Group level, as the potential deferred taxes on liabilities relate to tax deficits recorded at the end of the financial year, they have not been recognised in the case of certain subsidiaries because of uncertainties about their future use and the absence of a precise projections schedule for the use of fiscal losses (cf. note 1.3h).

The main tax deficits to be carried forward at December 31, 2013 (excluding subsidiaries put into liquidation) and not taken into account in the financial statements are analysed as follows:

(in thousands of Euros)	31.12.2013	31.12.2012
INDUSTRIAL FLEXO	24,196	22,461
AVON POLYMERES FRANCE	9,661	9,839
AVON AUTOMOTIVE HOLDINGS FRANCE	8,657	3,202
Total	**42,514**	**35,502**

12 Inventories

(in thousands of Euros)	Gross value	Obsolescence provision	Net value	31.12.2012
Raw materials, components and goods	20,971	(4,115)	16,856	17,532
Semi-finished and finished products	25,134	(1,706)	23,428	22,993
Work in Progress	16,926	(401)	16,525	19,556
Total	**63,031**	**(6,222)**	**56,809**	**60,081**

13 Customers and related accounts

(in thousands of Euros)	31.12.2013	31.12.2012
Customer debts (receivables)	103,352	112,804
Provisions for debts	(1,385)	(2,271)
Net value	**101,967**	**110,533**

Customer debts fall due within less than one year.

14 Other current debts

(in thousands of Euros)	31.12.2013	31.12.2012
Deferred expense	916	1,735
Tax credits – MGI COUTIER SA	11,951	7,043
Fiscal and other credits	7,085	13,810
Advances and deposits paid on orders	2,419	3,382
Gross value	**22,371**	**25,970**
Depreciation	(829)	(420)
Net value	**21,542**	**25,550**

All the debts classified under the heading "other debts" are regarded as falling due at less than one year.

15 Share capital

At December 31, 2013, the capital was made up of 2,674,104 shares having a nominal value of €8. The family Group holds 69.74% of the capital and voting rights, including 57.33% through COUTIER JUNIOR SA.

The company is not subject to any specific regulatory or contractual obligation where share capital is concerned.

The company does not have a specific management policy where capital is concerned. The arbitrage between external financing and capital increase is implemented on a case-by-case basis according to of the proposed operations. Shareholders' equity that is monitored by the Group includes the same components as the consolidated shareholders' equity.

16 Long term provisions

(in thousands of Euros)	31.12.2012	Increases	Uses	Unallocated write-backs/ others	31.12.2013
Retirement & severance benefits	7,815	754	(85)	89	8,573
Other risks and losses provisions	5,256	4,424	(2,040)	(971)	6,669
Total	**13,701**	**5,178**	**(2,125)**	**(882)**	**15,242**

Retirement benefits were calculated in accordance with note 1.3.i).

17 Net financial indebtedness

The financial debts are analysed as follows:

(in thousands of Euros)	31.12.2013	31.12.2012
Debts and borrowings from credit bodies	74,402	73,155
Capital lease	2,656	3,987
Other financing sources	2,214	843
Bank credit balances	738	1,795
Sub-total of financial debts	**79,650**	**79,780**
Sub-total of Cash and cash equivalents	**39,510**	**20,196**
Net financial indebtedness	**40,140**	**59,584**

At December 31, 2013, the financial debts are analysed as follows depending on their due dates:

- ✓ At less than one year: €22,294k (€22,810k in 2012)
- ✓ From one to five years: €57,356k (€56,970k in 2012)
- ✓ At more than five years: - thousands of Euros (- thousands of Euros in 2012).

The fixed rate debts stand at €4,389k while the debts at variable rates stand at €75,261k.

Moreover, at December 31, 2013, the Group's companies only held one cover agreement intended to guarantee a maximum fixed rate on a part of the implemented variable financing rate.

Certain bank loans are subject to financial covenants (based on criteria of profitability, indebtedness and capitalisation). All the companies of MGI COUTIER Group abide by all these covenants at December 31, 2013.

18 Other debts

(in thousands of Euros)	31.12.2013	31.12.2012
Advances and received deposit payments	4,479	4,419
Deferred profit	727	1,667
Other debts	26,928	33,613
Total	**32,134**	**39,699**

19 Assets to be divested

As the Management Board decided in the financial year 2008 to close the Mexican subsidiary and to divest the assets and liabilities associated with that company. They were recorded under "assets to be divested" and under "liabilities intended to be divested" in the accounts at December 31, 2009 and at December 31, 2010. The net assets associated with this subsidiary stood at €31k at December 31, 2013 (assets of €31k, liabilities of €0k). At December 31, 2012, the net assets associated with the "assets to be divested" stood at €32k (assets of €32k, liabilities of €0k).

20 Off-balance sheet commitments and granted guarantees

Commitments linked to external growth operations: none

Commitments linked to financial operations:

At December 31, 2013, the amount of other commitments to financial organisations stood at:

- ✓ €21,125k, under the guarantees provided by the parent company to the Group's foreign subsidiaries, including:
  - MGI COUTIER ESPAÑA €12,000k
  - GSAP: €4,939k
  - MEIPL: €2,750k
- ✓ €79,300k as part of mortgages or guarantees provided on non-financial assets (this sum was already included in the Group's financial debts).

Commitments related to trading transactions and other investments: not significant

Other commitments:

Our three English subsidiaries, MGI COUTIER UK LIMITED, MGI COUTIER Finance Ltd and AVON AUTOMOTIVE UK HOLDINGS LIMITED, which are owned directly or indirectly in-full, benefit from the provisions of article 479a of Companies Act 2006 on the exemption from audit for subsidiary companies. As a shareholder, MGI COUTIER SA has agreed that these three subsidiaries will not be subject to legal audit. Consequently, MGI COUTIER SA has provided a legal guarantee as required by article 479c of the British Companies act 2006 with respect to debts incurred by MGI COUTIER UK Limited, MGI COUTIER Finance Ltd and AVON AUTOMOTIVE UK HOLDINGS LIMITED at December 31, 2013.

21 Shareholders' equity

At December 31, 2013, the Group held 661 of its own shares through liquidity contract with GILBERT DUPONT brokerage firm.

22 Headcount

The breakdown of employees' number by category may be analysed as follows:

	31.12.2013	31.12.2012
Management	384	428
Employees and technicians	2,538	2,613
Operatives	4,589	4,473
Total	**7,511**	**7,514**

At December 31, 2013, the total headcount of MGI COUTIER Group stands at 7,511, with 1,900 employees operating in France. Headcount development is specified below:

	31.12.2013	31.12.2012
MGI COUTIER	1,690	1,744
DEPLANCHE FABRICATION	17	17
AVON POLYMERES FRANCE	193	210
Total, France	**1,900**	**1,971**
MGI COUTIER TUNISIE	557	569
MGI COUTIER ARGENTINA	98	107
MGI COUTIER NINGBO	227	229
MGI COUTIER BURSA	363	297
MGI COUTIER BRASIL	138	145
MGI COUTIER UK	80	88
MGI COUTIER ESPAÑA	260	260
MEIPL	71	73
MGI COUTIER ROM	353	300
MGI COUTIER ILIA	23	28
MGI COUTIER ENGINEERING	12	6
AVON AUTOMOTIVE sub-Group	3,429	3,441
Total	**7,511**	**7,514**

23 Financial instruments

2013 balance sheet headings (in thousands of Euros)	**Description of Financial instruments**	**Fair value level (cf. infra)**	**Net accounts value**	**Fair value**
Assets				
Non-consolidated shares and related debts	A	2	90	90
Other non-current financial assets	D	-	2,742	2,742
Debtors and related accounts	D	-	101,967	101,967
Other current assets (excluding deferred expenses & tax and corporate debts)	D	-	20,626	20,626
Fair value of financial instruments	B	2		
Cash and cash equivalents	B	1	39,510	39,510
Liabilities				
Funding liabilities (share at more and less than one year)	C	2	78,912	78,912
Share acquisition debts (share at more and less than one year)	C	2	-	-
Bank credit facilities	D	2	738	738
Fair value of financial instruments	B	2		
Creditors and related accounts	D	-	63,421	63,421
Other current liabilities (excluding products deferred expenses and tax and corporate liabilities)	D	-	31,407	31,407

A – Available-for-sale assets
B – Assets and liabilities at fair value by profit/loss
C – Assets and liabilities values at amortised cost
D – Assets and liabilities valued at cost
E – Held-to-maturity assets, valued at amortised cost

When the fair value is used, either to value the financial assets/liabilities (as is the case with marketable securities) or in order to provide information attached in the above annex on the fair value of other financial assets/liabilities, the financial instruments are broken down according to the hierarchy defined by standard IFRS 13 introduced in 2013 (cf. note 23), which is very close to IFRS 7 implemented previously:

Level 1: Fair value calculated from the rates/prices listed on an active market for identical assets and liabilities (cash equivalents);

Level 2: Fair value calculated by reference to observable market data for the asset or liability concerned, either directly (level 1 quoted prices, adjusted), or indirectly, namely from price-derived data, from valuation techniques based on observable data such as the prices of similar assets or liabilities, or parameters quoted on an active market: swaps and future sales, borrowings and financial liabilities;

Level 3: Fair value calculated by reference to data relevant to the asset or liability, that are not based on observable market data (e.g. from valuation techniques based wholly or in part in non-observable data such as prices on an inactive market or valuation on the basis of multiple unlisted shares): non-consolidated company shares.

No valuation level is given when the net carrying value is close to the fair value.

24 Compensation paid to Directors

Compensation amounts paid to the members of the Management Board and the Supervisory Board, according to the functions performed within the companies controlled by MGI COUTIER SA Group, cannot be dissociated from the overall total sum paid by MGI COUTIER SA.

Payments allocated to the members of the Management Board stand in total at €1,205,824 for the financial year ending December 31, 2013 (€1,364,208 in 2012), whilst compensation paid to members of the Supervisory Board stand at €407,946 (€360,043 in 2012).

25 Purchase share options

The company has not authorised or agreed any purchase share options for managers

26 Risks and disputes

26.1. Market risks

A. Risks associated with exchange rate fluctuations

MGI COUTIER performs an activity that rests essentially on proximity manufacturing plants. As a result, the Group is rarely affected by exchange rate fluctuations, other for the translation of financial statements. Therefore, no exchange risk coverage has been implemented.

B. Risks associated with raw material prices

The raw materials used by MGI COUTIER Group are plastic materials, rubber, silicone and steel. Historically, the Group has never introduced any risk coverage to reduce its exposure to price fluctuations of raw materials.

C. Interest rate risks

The Group's net profit/loss can be influenced by interest rate changes insofar as they have a direct effect on the cost of borrowing. MGI COUTIER considers interest rate risks as part and parcel of any funding policy. No interest rate risks coverage has therefore been implemented with the exception of the syndicated coverage introduced during the financial year 2011 in order to fund the acquisition of AVON AUTOMOTIVE Group. This coverage makes it possible to pay an interest rate that cannot exceed a certain level on two thirds of the outstanding syndicated loan amounts over a three–year period.

D. Liquidity risks

MGI COUTIER must, at all times, have sufficient financial resources to fund its current activity and the investments required for the Group's development, but also to be able to face any exceptional events. This objective is achieved by making use of capital markets in the form of long-term resources intended to secure the entirety of its net indebtedness over a long-term period (medium-term lines of credit) on the one hand, and on the other hand, short-term financial instruments (discount account).

All the medium-term lines of credit granted to MGI COUTIER SA since the financial year 2003 have been covered by financial covenants. On the historical basis of the last 15 years, these covenants have always been met, other than in the financial year 2001. In addition, MGI COUTIER's cash flow is monitored on a daily basis, the same goes for its subsidiaries with monitoring performed on a monthly basis.

E. Non-performance risks (counterparty credit risk)

The analysis made in accordance with the IFRS 13 standard introduced in 2013 has not led to the identification of any adjustment with respect to the risk of non-performance (counterparty credit risk) in the fair value assessment of the financial assets, funding liabilities and derivatives (1st tier bank counterparties, insignificant derivatives, etc.).

26.2. Industrial and environmental risks

A. Environmental risks

In the various companies in which they are performed, MGI COUTIER's activities are subject to diverse and changing environmental regulations that require from the Group to abide by more and more strict standards in the field of environmental protection, particularly air and water pollutant emissions, the use of hazardous substances and the disposal of waste. In order to comply with this environment-friendly approach, MGI COUTIER has introduced a health, safety and environment policy in favour of its employees and the respect of environment under the ISO 14001 standard. Plant managers in France and Foreign subsidiary Directors are responsible for the management and monitoring of risks relating to the environment in conjunction with the Industrial Development Director.

B. Risks associated with products and services sold

MGI COUTIER is exposed to the risks of warrantee or product liability claims issued by its customers with respect to products and services sold. The current risks are covered by reasonable provisions. MGI COUTIER is also subject to the risk of product liability claims involving the failure and damage of products and services. In order to protect itself against this risk, MGI COUTIER has subscribed to a liability insurance policy designed to protect the Group from the financial consequences of such civil liability claims. However, MGI COUTIER's liability towards its customers is often unlimited, whereas insurance coverage is generally subject to maximum amount limits. Therefore, there is a theoretically a residual risk.

26.3. Other risks

A. Risks associated with dependence on the automotive sector and customers

MGI COUTIER's profit is directly dependent on the level of worldwide vehicle production, particularly in Europe, North America, Turkey and South America. This production can be affected by the general economic situation, government policies, namely incentive schemes of vehicle purchasing, trade agreements, regulatory changes and industrial relations (including strikes and work disruptions). Moreover, MGI COUTIER performs 36% of its activity directly with two automobile manufacturers, PSA and RENAULT. The performance of these two manufacturers has therefore a considerable influence on MGI COUTIER's profits.

B. Risks associated with new projects

Any acceptance of a new project is subject to a standardised profitability study, where the Management Board lays down profitability projections and return on investment criteria. Once the project is accepted, it is monitored, from start-up to the launch of mass production, thanks to progress milestones where all the financial and technical data are analysed and corrected as appropriate.

C. Risks associated with dependence on new models

Supply contracts take the form of open orders for all or a part of equipment requirements for a vehicle model, with no guarantees on production volume. They are agreed separately for each of the vehicle's functions and are generally valid for the life span of the model. MGI COUTIER's turnover, profit/loss and financial situation may therefore be affected by the commercial failure of a model and/or by the fact that MGI COUTIER is not retained for a new generation of models. Moreover, in certain cases, the car manufacturer may reserve the right to change the supplier in an arbitrary manner during the life of the model. However, these risks are spread around, in the sense that MGI COUTIER offers a wide range of products spread or implemented over a large number of vehicle product lines.

D. Risks associated with contractual dependence

MGI COUTIER operates with a number of suppliers, which significantly reduces the risk where its profits are dependent on a specific contract or contractual clause.

E. Customer risks

Every month, the Finance Department distributes a statement of outstanding and past due liabilities per customer as well as a summary statement of disputes per Division. Since the financial year 2006, a credit insurance has been implemented to reduce the risk of non-payment across a part of MGI COUTIER companies situated in France and Spain.

F. Industrial relations risks

MGI COUTIER considers that relations with its employees are overall good. However, although the industrial relations policy of MGI COUTIER seeks to minimise social risks, the Group is not immune from employees' industrial action that could affect its performance and profits.

G. Risks associated with intellectual property rights (patents)

MGI COUTIER's industrial know-how and the innovations developed by the Group's Research teams are -whenever possible and justified by the technological stakes- subject to patent-filing process seeking to protect the individual property rights. The geographical scope and protection period will depend on usual industry practices and will be adapted to the Division needs; as they are systematically and regularly revised. As risks of infringement exist, this approach constitutes an effective legal instrument to overcome them.

27 Business combinations

Not applicable.

28 Post-closing events

On April 3, 2014, MGI COUTIER Group completed the acquisition of the Swedish equipment manufacturer AUTOTUBE AB.

29 Statutory auditors' fees

	MAZARS SA – MAZARS			ORFIS SA – ORFIS BAKER TILLY		
(in Euros)	**Total (excl. tax)**		**%(N)**	**Total (excl. tax)**		**%(N)**
	N	**N-1**		**N**	**N-1**	
Audit						
Auditing of accounts, certification, examination of individual and consolidated accounts:						
- Issuer	93,700	93,700		81,300	81,300	
- Globally-integrated subsidiaries	146,798	157,882		127,663	132,087	
Other diligence procedures and services fees directly associated with Auditors' mission.						
- Issuer	11,000	-	-	11,000	11,700	
- Globally-integrated subsidiaries	-	-	-	-	-	
Sub-total	251,498	251,582	91%	219,963	225,087	98%
Other services delivered by the networks of globally-integrated subsidiaries						
Legal, tax, social	24,075	23,208		4,391	4,537	-
Others	-	-			-	-
Sub-total	24,075	23,208	9%	4,391	4,537	2%
Total	**275,574**	**274,790**	**100%**	**224,354**	**229,624**	**100%**

Statutory auditors' report on the consolidated accounts

ORFIS BAKER TILLY
149, boulevard de Stalingrad
69100 Villeurbanne

MAZARS
P.A.E. Les Glaisins
13, avenue du Pré Félin
74940 Annecy-le-Vieux

Financial year ending December 31, 2013

To the shareholders,

In the course of the mission entrusted to us by your Shareholders of the General Meeting, we now submit our opinion for the financial year ending December 31, 2013 on:

- ✓ The inspection of the consolidated accounts of MGI COUTIER SA company, as attached in this report,
- ✓ The justification of our assessments,
- ✓ The specific verification called for by the law.

The consolidated accounts were closed by the Management Board. It is up to us, on the basis of our audit, to voice an opinion on these accounts.

I. Opinion of the consolidated accounts

We conducted our audit in accordance with the applicable rules of professional practice in France. These rules call for the implementation of diligence procedures to obtain a reasonable assurance that the consolidated accounts do not contain any significant anomalies. An audit consists of verifying, by sampling or other selection methods, the elements justifying the figures and information given in the consolidated accounts. It also consists of assessing the accounting principles followed, the significant estimations used and the overall presentation of the accounts. We believe that the elements we have gathered are sufficient and appropriate for supporting our opinion.

We certify that the consolidated accounts for the financial year are, in the light of the IFRS framework as adopted in the European Union, regular and true in nature, and give a true picture of the capital, financial situation and the profit or loss achieved by all the people and entities involved in the consolidation.

Without calling the above opinion into question, we would draw your attention to the note 1 of the annex to the consolidated accounts, which describes the new standards, amendments and interpretations that your company has applied since January 1, 2013.

II. Justification of the assessments made

In accordance with the provisions of article L. 823-9 of the French Commercial Law relating to the justification of our assessments, we would like to bring the following elements to your attention:

- ✓ Note 1 of the annex to the consolidated accounts sets out the new standards, amendments and interpretations that your company has applied since January 1, 2013. Within the framework of our assessment of the accounting principles followed by your company, we have examined the information given in this regard in note 1 of the annex to the consolidated accounts.
- ✓ Your company makes provisions to cover known disputes, as mentioned in note 1.3.k) in the annex. On the basis of the information available to date, our assessment of the provisions is based on the analysis of the processes implemented by the Group in order to identify and estimate the risks, and on the examination of the significant files. Within the framework of our assessments, we were able to reassure ourselves of the reasonable nature of these estimations.
- ✓ Your company also proceeds systematically, on each closing, to carry out impairment tests of the acquisition differentials in accordance with the methods described in notes 1.3.b) and 7 of the annex to the consolidated accounts. We have examined the modalities of implementation of these impairment tests as well as the data and assumptions used, and we have ascertained that notes 1.3.b) and 7 provide appropriate information. Within the framework of our assessments, we were able to reassure ourselves of the reasonable nature of these estimations.

The assessments made in this regard fall within our activity of auditing consolidated accounts taken as a whole, and have therefore contributed to the development of our opinion as expressed in the first part of this report.

III. Specific verification

We equally conducted, in accordance with the rules on professional practice applicable in France, the specific verification called for by the law on the information given in the management report about the Group.

We do not have any observations to make about their truthfulness or agreement with the consolidated accounts.

Drawn up in Villeurbanne and Annecy-Le-Vieux,
on April 30, 2014
Statutory Auditors

ORFIS BAKER TILLY	*MAZARS*
Valérie MALNOY	*Bruno POUGET*

Balance sheet
Financial statements
as of December 31, 2013
(in thousands of Euros)

ASSETS	Notes n°	31.12.13 Gross amounts	31.12.13 Depreciation or provisions	31.12.13 Net amounts	31.12.12 Net amounts
Fixed intangible assets	*3.1*	**13,377**	**10,316**	**3,061**	**3,542**
Fixed tangible assets	*3.1*				
Lands		653	128	525	532
Buildings		24,066	12,621	11,445	11,847
Technical installations, material and toolings		120,669	94,585	26,084	24,946
Other tangible assets		19,870	14,388	5,482	5,852
Current assets, advance deposits		4,175		4,175	253
		169,433	**121,722**	**47,711**	**43,430**
Financial assets	*3.2*				
Equity investments and related debts		198,150	36,084	162,066	172,416
Other financial assets		519	98	421	227
		198,669	**36,182**	**162,487**	**172,643**
Stocks	*3.3*	**26,607**	**3,888**	**22,719**	**23,891**
Advances and received downpayment		**1,004**		**1,004**	**2,808**
Accounts receivable					
Receivables and related accounts	*3.4*	36,355	502	35,853	32,549
Other receivable	*3.5*	24,912	452	24,460	15,498
		61,267	**954**	**60,313**	**48,047**
Cash and marketable securities	*3.6*	**13,564**		**13,564**	**7,526**
Deferred expenses		**288**		**288**	**177**
Asset translation differentials		**15**		**15**	**4**
Total assets		**484,224**	**173,062**	**311,162**	**302,068**

LIABILITIES	Notes no.	31.12.13	31.12.12
SHAREHOLDERS' EQUITY	*3.8*		
Corporate capital		21,393	21,393
Premiums arising from mergers, assets brought into business		9,704	9,704
Legal reserve		2,139	2,139
Regulated reserves		41	41
Other reserves			
Profits/losses brought forward		84,972	33,100
Advances on dividends			
Profit/Loss for the year		15,022	53,207
Regulated provisions	*3.8*	21,624	20,700
Net before appropriation of income		**154,895**	**140,284**
Other shareholders' equity			
Conditional advances		**350**	**440**
Provisions for risks and charges	*3.9*	**2,709**	**1,522**
Liabilities			
Funding liabilities	*3.10*	66,218	69,491
Associates – various financial liabilities	*3.10*	36,120	34,104
Payables and related accounts		34,622	38,802
Tax and corporaye liabilities	*3.11*	12,662	13,087
Other debts	*3.11*	3,586	4,338
		153,208	**159,822**
Deferred profit			
Liability translation differential			
Total liabilities		**311,162**	**302,068**

Profit and loss account for the financial year ending December 31, 2013 Financial statements (in thousands of Euros)

	Notes no.	31.12.13 (12 months)	31.12.12 (12 months)
NET TURNOVER	*4.2*	241,609	254,101
Change in stock of finished goods		(1,179)	4,609
Operating subsidies		35	13
Other operating profit		3,223	2,251
OPERATING PROFIT		**243,688**	**260,974**
Purchases		(83,943)	(92,998)
Change in stock and work in progress		340	(105)
Other purchases and external charges		(78,866)	(84,846)
ADDED VALUE		**81,219**	**83,025**
Taxes		(4,297)	(4,276)
Staff costs		(72,624)	(72,508)
EBITDA		**4,298**	**6,241**
Amortisation expense		(7,890)	(7,062)
Provision write-offs and provision expenses		(381)	1,470
Other profits and (expenses)		(69)	(297)
OPERATING INCOME		**(4,042)**	**352**
Financial profit and (expenses)	*4.3*	16,807	49,014
CURRENT PROFIT BEFORE TAX		**12,765**	**49,366**
Exceptional profit and (expenses)	*4.4*	(1,933)	138
Employee profit-sharing			
RESULT BEFORE TAX		**10,832**	**49,504**
Tax provisions	*4.5*	4,190	3,703
NET RESULT		**15,022**	**53,207**

1 Presentation of the company and main events of the financial year

MGI COUTIER SA's business consists of designing, developing and producing tooling equipment and car parts, and selling them in particular to French as well as foreign car manufacturers, together with other car equipment manufacturers. Its mission is to be simultaneously a designer, manufacturer and functions assembler.

MGI COUTIER SA also coordinates industrial and financial business activities for all the subsidiaries in MGI COUTIER Group, which represents the parent company.

The annual accounts are drawn up in thousands of Euros.

2 Accounting principles and valuation methods

2.1. Accounting principles

The annual accounts are presented in accordance with the Generally accepted accounting principles in France and take into account:

- ✓ regulation 99-03 issued by the French Committee for regulatory accounting (CRC) ratified by the decree of June 22, 1999;
- ✓ accounting rules on the definition of assets, amortisation and depreciation arising from regulations CRC 2002-10, CRC 2004-06; applicable to financial years starting as of January 1st, 2005;
- ✓ subsequent applicable regulations issued by CRC and the French Accounting Standards Authority (ANC), as well as the applicable comments and recommendations issued by the French National Accounting Council (CNC) or the ANC.

The general accounting conventions have been applied in accordance with the precautionary principle and the basic assumptions of:

- ✓ operating continuation,
- ✓ consistency of accounting methods from one financial year to another,
- ✓ independence of financial years,

and in accordance with the general rules for drawing up and presenting annual accounts

2.2. Fixed assets and amortisation

Fixed assets are valued at their acquisition or production cost.

A. Intangible assets

Costs of design and development are entered as expenses over the financial year in which they were incurred.

Goodwill is entered based on its transfer value. Goodwill appearing on the balance sheet will be subject to a provision for depreciation if the stock value is lower than the carrying value. The inventory value is determined based on criteria linked to observed profitability and future projections for the activity concerned. Following the implementation on January 1st, 2005 of the regulation 2002-10, MGI COUTIER no longer amortises the goodwill entered as an asset on the balance sheet.

IT equipment and software programmes are amortised over a period of 12 months. Other software packages or expenses incurred when a new computer system (SAP) is installed are capitalised and amortised over a period of three years.

Patents are amortised over their protection period.

B. Tangible assets

Depreciation of tangible assets is calculated over the period of useful life of the assets on a straight-line or declining-balance method.

The main periods of depreciation used can be summarised as follows:

✓ Buildings	25 to 40 years
✓ Building fixtures and fittings	5 to 10 years
✓ Technical installations	6 to 10 years
✓ Equipment and industrial tooling	6 to 10 years
✓ General installations	10 years
✓ Furniture, office equipment	5 to 10 years

Additional depreciation resulting from the implementation of tax provisions (declining, exceptional balance) are treated as accelerated tax depreciation, which are entered under "regulated provisions".

C. Financial assets

Shares and other fixed-income securities are entered on the assets side of the balance sheet at their acquisition cost.

Equities are subject to a provision for depreciation if their value in use appears lower than their carrying value. The utility value of equity interests is appreciated using several criteria, in particular shareholders' equity, multiples of gross operating margin, development and profitability projections.

2.3. Receivables attached to ownership equity

Starting from January 2, 2002, MGI COUTIER Group has implemented cash management agreements between all the subsidiaries in the Group. The agreements stipulate that all the receivables and commercial inter-Group debts due for more than one month and not settled are considered as cash advances. As the settlement of these advances is not planned, they are entered under the headings "receivables attached to ownership equity" or "debts attached to ownership equity".

Receivables concerned are valued at their nominal value and may be depreciated in line with the analysis of equity interests to take account of non-recovery risks to which they may be exposed according to the information noted at the date of accounts closing.

2.4. Inventories

Inventories are valued at the purchase price of raw materials in accordance with the first-in first-out method, and at the factory cost price for finished and work-in-process products. The cost price excludes general costs not contributing to production and financial costs.

The necessary provisions are made for inventories presenting a risk of obsolescence, or where the cost price is greater than the realisable value. Toolings are valued at the full cost price (external costs) within the limit of the price invoiced to customers.

2.5. Account receivables (Debtors)

Accounts receivable and debts are valued at their nominal value. Provisions for bad debts are established according to aging criteria of outstanding receivables. A provision is also recorded every time an actual and serious dispute is noted, or when a customer is the object of legal proceedings.

Otherwise, provisions for depreciation of account receivables are also calculated in accordance with ageing criteria for uncollected invoices and according to the following terms:

- ✓ provision equal to 25% of the amount before tax of unpaid account receivables whose due date is exceeded by more than 150 days and less than 360 days,
- ✓ provision equal to 100% of the amount before tax of unpaid accounts receivable whose due date is exceeded by more than 360 days.

The purchase price by the factor of assigned receivables is reclassified under the item "Other account receivables".

Expected notes that are not due and the notes presented for collection are removed from accounts receivable and related accounts. The counterpart of this removal is recorded under the item "cash and marketable securities".

2.6. Provisions for risks and losses

In general, each of the known disputes involving the company is examined on the date of accounts closing by the Directors and after external consultation; otherwise, the provisions considered necessary were established to cover the estimated risks.

2.7. Retirement payments

No provision has been made for the rights acquired by staff members in terms of retirement compensation. They are nevertheless valued and the amount at the end of the financial year is recorded under financial commitments (c.f. note 5.1).

Retirement payments are estimated using the retrospective method of projected credit units with a final salary. The sums of employees' entitlements under the various applicable collective agreements are valued based on development assumptions for salaries, retirement age, mortality rate and staff turnover; then is calculated at current value based on a discount rate. Estimates were performed based on 3.0%, discount rate, 2.0% salaries' increase for management (non-management likewise), a retirement age at 65 and average assumptions for staff turnover.

MGI COUTIER considered the impact on the valuation of its commitments to workforce under the new law no. 2010-1330 of November 9, 2010; concerning retirement reform. After examining the characteristic features of its employees (age, start-up of professional life, skills profile etc.), the company has maintained its assumption for retirement at the age of 65.

No risks and losses provisions have been made for work award medals as the corresponding commitments are not significant. The collective agreements applied to MGI COUTIER sites do not include these commitments, and the practices of the company remain subordinate in this matter.

2.8. Exceptional expenses and profits

The exceptional profit includes in particular earnings and expenses resulting from events or operations that are clearly different from the company's ordinary activities and therefore not likely to be reproduced frequently or regularly. Exceptional expenses and profits include in particular exceptional amortisation expenses or reversals, profits from assets disposal as well as profit and loss not linked to current business activities.

2.9. Foreign currency transactions

Expenses and profits in foreign currency are recorded at their equivalent value on the date of the transaction. Account receivables and debts in foreign currency are valued at the exchange rate enforced at the closing date. The differential resulting from discounting debts and account receivables in foreign currency at the closing rate is recorded in the balance sheet as conversion differential. A provision for the risk of unrealised exchange rate losses has been made.

3 Notes on the balance sheet

3.1. Tangible and intangible assets

(in thousands of Euros)	31.12.2012	Increase	Reduction	31.12.2013
Intangible assets	15,212	256	(2,091)	13,377
Lands	653	-	-	653
Buildings	23,642	424	-	24,066
Technical installations, equipment and toolings	115,385	6,798	(1,514)	120,669
Other tangible assets	19,785	486	(401)	19,870
Assets under construction, advances and payment on account	253	3,922	-	4,175
Gross values	**174,930**	**11,886**	**(4,006)**	**182,810**
other intangible assets	(11,670)	(737)	2,091	(10,316)
Provisions for lands	(121)	(7)	-	(128)
Buildings amortisation	(11,795)	(826)	-	(12,621)
Technical installations amortisation	(90,439)	(5,459)	1,313	(94,585)
Amortisation of other assets	(13,933)	(860)	405	(14,388)
Total amort./prov.	**(127,958)**	**(7,889)**	**3,809**	**(132,038)**
Net value	**46,972**	**3,997**	**(197)**	**50,772**

"Intangible assets" on December 31, 2013 are broken down as follows:

(in thousands of Euros)	Gross amount	Amortisation	Net amount
Software packages	7,050	(5,590)	1,460
Goodwill	6,327	(4,726)	1,601
Other intangible assets	-	-	-
Total	**13,377**	**(10,316)**	**3,061**

Research and Development costs recorded in the accounts over the financial year amount to €24,184k (€22,559k in 2012).

3.2. Financial assets

(in thousands of Euros)	31.12.2012	Increases	Reductions	31.12.2013
Equity investment	169,877	294	-	170,171
Debts linked to equity investments	35,283	1,610	(8,914)	27,979
Other financial assets	386	150	(17)	519
Gross values	**205,546**	**2,054**	**(8,931)**	**198,669**
Provisions for shares	(18,312)	(826)	2,794	(16,344)
Provisions for related liabilities	(14,432)	(5,308)	-	(19,740)
Provisions for other assets	(159)	-	61	(98)
Total provisions	**(32,903)**	**(6,134)**	**2,855**	**(36,182)**
Net value	**172,643**	**(4,080)**	**(6,076)**	**162,487**

3.3. Inventories

(in thousands of Euros)	31.12.2013	31.12.2012
Raw materials	7,681	7,532
Production-in-progress	7,568	9,980
Semi-finished and finished products	11,328	9,904
Goods	30	32
Gross value	**26,607**	**27,448**
Provisions for depreciation	(3,888)	(3,557)
Net value	**22,719**	**23,891**

3.4. Account receivables

(in thousands of Euros)	31.12.2013	31.12.2012
Account receivables	36,355	33,065
Provisions for depreciation	(502)	(516)
Net value	**35,853**	**32,549**

3.5. Other account receivables

(in thousands of Euros)	31.12.2013	31.12.2012
Tax on profits	11,951	7,043
VAT	1,531	1,777
Factoring accounts	11,128	6,126
Other	302	1,003
Gross value	**24,912**	**15,949**
Provision for depreciation	(452)	(451)
Net value	**24,460**	**15,498**

3.6. Cash and marketable securities

(in thousands of Euros)	31.12.2013	31.12.2012
Cash	13,564	7,526
Net value	**13,564**	**7,526**

3.7. Accounts receivable and debts maturity

Accounts receivable are payable in less than one year with the exception of those entered under the headings below:

(in thousands of Euros)	Due dates> 1 year
Funding debts/equity investments	27,979
Other financial assets	519
Customer debt provisions	502
Other debt provisions	452
Total	**29,452**

Debts are payable within one year with the exception of those under entered the headings below:

(in thousands of Euros)	Due within1 – 5 years	Due> 5 years	Total
Financial liabilities	47,692	-	47,692
Associates – Various financial liabilities	36,120		36,120
Total	**83,812**	**-**	**83,812**

3.8. Shareholders' equity

Share capital consists of 2,674,104 shares with a value of €8 each. There is an action in concert as defined in article 233-10 of the French Commercial Law between the companies COUTIER JUNIOR SA, COUTIER SENIOR (family holding companies controlled by Mr André, Mr Roger, the heirs of Mr Joseph COUTIER and their family), and Mr André, Roger and the heirs of Mr Joseph COUTIER, who represent 69.74% of the capital and voting rights. These shareholders entered into an agreement whereby they decided to act in concert to implement a common shareholder policy vis-à-vis the company. This agreement was drawn up under the regulatory declarations of the supervisory authorities that publicised the agreement (SBF notice no. 94-2365 of July 29, 1994). This shareholders' agreement is effective for five years and is renewable by tacit agreement for further periods of five years each, unless terminated by one of the parties prior to its expiry. Should this happen, the remaining members in the agreement would remain bound by the obligations resulting from the agreement.

Shareholders' equity development during the financial year 2013 is analysed as follows:

(in thousands of Euros)	Amounts
Shareholders'quity as at 31/12/2012	140,284
Distribution of dividends	(1,336)
Profit & loss for the year	15,022
Regulated provision transactions	925
Total	**154,895**

3.9. Provisions for risks and losses

The provisions for risks and losses corresponding in particular to current disputes with third parties, severance procedures and unrealised exchange rate losses, are broken down as follows:

(in thousands of Euros)	31.12.2012	Transfers	Utilisation	Unallocated write-backs/ other transactions	31.12.2013
Provisions for disputes	1,518	3,212	(1,456)	(580)	2,694
Provisions for exchange rate losses	4	15	(4)	-	15
Total	**1,522**	**3,227**	**(1,460)**	**(580)**	**2,709**

3.10. Financial debts

(in thousands of Euros)	31.12.2013	31.12.2012
Group debts	34,495	33,223
Debts exclusive of Group:- Loans	65,960	69,460
- Interest payable	41	31
- Other	1,842	881
Total	**102,338**	**103,595**

Some bank loans are subject to financial covenants. As at December 31, 2013, the company is compliant with all these covenants.

3.11. Other debts

(in thousands of Euros)	31.12.2013	31.12.2012
Social welfare bodies	5,749	5,909
Personnel payroll	5,034	4,698
State taxes (VAT, corporation tax etc.)	1,879	2,040
Advances and payment on account	3,542	4,273
Other debts, accrued expenses	44	505
Total	**16,248**	**17,425**

3.12. Related undertakings (consolidated companies)

The main items on the balance sheet representing transactions with related undertakings are the following:

(in thousands of Euros)	31.12.2013	31.12.2012
Loans related to shares	27,979	35,283
Debtors and related accounts receivable	13,191	12,835
Other financial assets	-	-
Other accounts receivable	-	-
Creditors and related accounts payable	8,995	9,743
Loans and financial debts	36,120	34,065
Other debts	-	-

3.13. Accounts receivable

Payments to be received consist mainly of supplier credit notes for €310k (€105k in 2012) and invoices to be issued for €7,593k (€6,803k in 2012). Accruals mainly relate to accrued invoices for €9,686k (€11,650k in 2012), credit notes to be issued for €2,129k (€1,667k in 2012) and tax and corporate liabilities of €7,627k (€7,433k in 2012).

3.14. Trade bill (commercial bill)

Accounts receivable amount to €7,850k (€6,591k in 2012) corresponding to undiscounted and received trade bills. Accounts payable include trade bills amounting to €5,610k (€6,269k in 2012).

4 Notes on the profit and loss account

4.1. Profits and expenses with related undertakings and parties

Sales to related undertakings rose to €31,993k (€25,804k in 2012).

Purchases from related undertakings amounted to €35,051k (€35,530k in 2012).

Financial profits with related undertakings rose to €393k (€1,789k in 2012) (excluding profits of shares and provision reversals are detailed in paragraph 4.3).

Financial expenses with related undertakings rose to €568k (€202k in 2012) (excluding write-offs and provision expenses detailed in paragraph 4.3).

Information on related parties, as provided for in ANC Regulations 2010-02 and 2010-03 of September 2, 2010 is available in the specific report by the Statutory Auditors included in the 2013 annual report.

4.2. Breakdown of turnover

Turnover in France amounts to €123.5m, i.e. 51.5% of total turnover (55.3% in 2012). Export turnover account for €118.1m, i.e. 48.9% of total turnover (44.7% in 2012).

4.3. Financial profits and expenses

(in thousands of Euros)	31.12.2013	31.12.2012
Share profits	21,758	49,476
Net exchange rate differentials	1	(35)
Expenses/net reversal of provisions	(3,291)	(10)
Write-offs	-	-
Interest expenses and other financial liabilities (net)	(1,661)	(417)
Total	**16,807**	**49,014**

Share provisions amount to €826k (€612k in 2012). The latter mainly concern the MGI COUTIER ENGINEERING subsidiary. Reversals of provisions have been undertaken on securities for an amount of €2,794k (€1,423k in 2012), mainly with respect to the Argentinean subsidiary. Loan provisions related to securities amount to €5,308k (€1,310k in 2012). They mainly concern the Brazilian and Iranian subsidiaries. No reversals were recorded during the financial year (€532k in 2012).

4.4. Exceptional profit

(in thousands of Euros)	31.12.2013	31.12.2012
Depreciation and provisions (net)	(1,874)	(315)
Net disposal of assets	(58)	(18)
Other profits (expenses)	(1)	471
Total	**(1,933)**	**138**

4.5. Breakdown of tax between current and exceptional profit

(in thousands of Euros)	Profit before tax	Tax	Net profit after tax
Current profit (and securities)	12,766	4,190	16,956
Exceptional profit	(1,933)	-	(1,933)
Accounts profit	**10,833**	**4,190**	**15,023**

4.6. Increase and relief of future tax debt

The items resulting in tax deferral lead to a future tax increase of €7,054k (€6,742k in 2012) based on a tax base of 33.33%.

5 Other information

5.1. Retirement

The cumulative amount of undertakings associated with retirement payments that are not subject to provisions at the closing date is €3,209k. Calculation assumptions are detailed in note 2.7 above.

5.2. Capital Lease

The original value of acquired fixed assets through capital lease amounts to €29,736k, whereas their net value would stand at €10,079k when acquired under full ownership and amortised. The schedule for outstanding payments at the closing date for the financial year is analysed below:

(in thousands of Euros)	Amounts
One year at most	1,354
More than one year to five years at most	1,354
More than five years	-

Payments made during the financial year amount to €1,402k.

5.3. Identity of acquiring company

The individual accounts of the company MGI COUTIER SA are included in the consolidated accounts of MGI COUTIER Group, according to the global integration method.

5.4. Other financial commitments

As at December 31, 2013, other commitments to funding institutions are analysed as follows:

- ✓ €21,125k for sureties granted (€13,394k in 2012),
- ✓ €79,300k for mortgages or pledge over financial assets (this amount is already included in financial liabilities) (€79,300k in 2012),
- ✓ €4,904k for trade bills subject to discount windows as at December 31, 2013 (€8,373k in 2012)
- ✓ €8,735k for debtors' accounts subject to invoice discounting (€9,362k in 2012).

5.5. Compensation paid to Directors

Compensation paid to members of the Management Board amounts to a total of €1,205,824 for the financial year ending on December 31, 2013 (€1,364,208 in 2012). The total amount of compensation and attendance allowances paid to members of the Supervisory Board amounts to €407,946 for the financial year ending on December 31, 2013 (€360,043 in 2012).

5.6. Average headcount

	2013	2012
Management staff	328	294
Employees, Technicians & Supervisors (ETAM)	718	686
Workers	810	787
Total	**1,856**	**1,767**

The company's financial profit over the past five financial years

(Article R. 225-83 and R. 225-102 of the French Commercial Law)
(in Euros, unless stated otherwise)

FINANCIAL YEARS CONCERNEDTYPE OF ITEMS **Capital at financial year end**	**From 01.01.09 to 31.12.09**	**From 01.01.10 to 31.12.10**	**From 01.01.11 to 31.12.11**	**From 01.01.12 to 31.12.12**	**From 01.01.13 to 31.12.13**
a) Equity capital in francs	-	-	-	-	-
Equity capital in Euros	21,392,832	21,392,832	21,392,832	21,392,832	21,392,832
b) Existing shares					
- number	2,674,104	2,674,104	2,674,104	2,674,104	2,674,104
- nominal value of shares in francs	-	-	-	-	-
- nominal value of shares in Euros	8	8	8	8	8
c) Number of shares with priority dividend (without voting rights)	-	-	-	-	-
d) Maximum number of future shares to be created					
- by conversion of bonds	-	-	-	-	-
- by performance of subscription rights	-	-	-	-	-
Operations and profits of the financial year		-	-	-	-
a) Turnover before tax	**244,992,485**	**276,342,016**	**292,197,594**	**254,101,392**	**241,609,158**
b) Profit before tax, employee profit-sharing, amortisation expense and depreciation	17,465,275	22,778,604	9,481,329	54,846,417	24,430,758
c) Corporate tax	1,013,287	2,630,529	(2,186,463)	(3,702,885)	(4,189,704)
d) Employee profit-sharing due for the Finan. year	980,370	2,029,242	-	-	-
e) Profit after tax, employee profit-sharing, amortisation expense and depreciation	8,168,485	11,783,689	4,553,807	53,207,388	15,022,504
f) Total dividends	1,256,829	1,337,052	1,337,052	1,337,052	1,337,052*
Profit per share		1,337.052	1,337.052	1,337.052	1,337.052*
a) Profit after tax and employee profit-sharing but before amortisation expense and depreciation	**5.79**	**6.78**	**4.36**	**21.98**	**10.70**
b) Profit after tax, employee profit-sharing, amortisation expense and depreciation	3.05	4.41	1.70	19.90	5.62
c) Net dividend assigned to each share	0.47	0.50	0.50	0.50	0.50*
Employees					
a) Average number of employees over the Finan. year	**1,898**	**1,823**	**1,812**	**1,767**	**1,856**
b) Total pay roll for the Finan. year	51,348,571	51,270,272	54,187,530	53,087,693	52,856,871
c) Social contributions for the Finan. year (social security benefits, social welfare etc.	15,680,853	18,333,702	18,993,532	19,420,456	19,767,261
c) Amount paid in social contributions for the year (social security, social welfare etc.	15,680.853	18,333.702	18,993.532	19,420.456	19,767.261

** This is the dividend distribution that the Management Board will propose at the General Meeting of Shareholders in June 2014*

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MAZARS
P.A.E. Les Glaisins
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74940 Annecy-le-Vieux

Financial Year closed on December 31, 2013

To the shareholders,

In the execution of this mission entrusted to us by your Shareholders at the General Meeting, we present in our capacity as statutory auditors our report for the financial year closed on December 31, 2013 on:

- ✓ The examination of the MGI COUTIER's annual accounts, as they are attached to this report,
- ✓ The explanatory notes on our assessment,
- ✓ The specific checks and information required by law.

The annual accounts were closed by the Management Board. Our task is to express an opinion on these accounts, in respect of our audit mission.

1 Audit opinion on annual accounts

We have conducted our audit mission in accordance with the professional standards applicable in France. In compliance with these standards, we performed the checks and due diligences necessary to give reasonable assurance that the annual accounts do not include any significant irregularities. An audit consists of examining the elements relevant to the amounts and information appearing in the annual accounts, by way of surveys or other sample selection methods. The audit also includes the assessment of the relevance of significant estimates and judgements made by the Directors in the preparation of the Group accounts, and of whether the accounting policies followed were appropriate to the Group's circumstances, consistently applied and adequately disclosed. In forming our opinion, we also evaluated the overall adequacy of the information collected that is present in the Group financial statements.

In accordance with French accounting policies and principles, we certify that the annual accounts give a true and fair representation of the profit for the past financial year, the financial health, and assets of the company at the end of this year.

2 Explanatory notes on our assessment

In accordance with the provisions of article L. 823-9 of the French Commercial Law relative to the basis of our assessment, we would like to draw your attention to the following elements:

- ✓ Notes 2.2 c), 2.3 and 2.5 of the annex set out the accounting rules and methods relative to assessment of securities, related debts and accounts receivable.

As part of our assessment of the accounting rules and principles implemented by your company and the significant estimates used in preparing the accounts, we have reviewed the approach used on the basis of items available to date, and assessed the valuations resulting from these. This work has enabled us to check the adequacy of the accounting methods set out above and the information disclosed in the appendix notes, and to give reasonable assurance that the estimates used are free from fraud or misrepresentation.

- ✓ Your company establishes provisions to cover known legal disputes, as mentioned in note 2.6 of the appendix

Based on the elements available to date, our assessment of the provisions is based on the analysis of processes set up by the company to identify and conduct risk assessments on the one hand; and on the examination of the significant files collected. As part of our assessment work, we have assured that the assessment findings are reasonable.

The assessments performed are part and parcel of our audit of the annual accounts, and overall, they have therefore contributed to forming our opinion as expressed in the first part of this report.

3 Specific checks and information

In accordance with the professional standards applicable in France, we also conducted the specific checks required by law.

We have no comments to make on the fairness and consistency with the annual accounts of the information given in the Directors' management report and in the documents submitted to shareholders on the financial health and the annual accounts.

As for the information supplied in accordance with the provisions of article L.225-102-1 of the French Commercial Law on compensation and benefits in kind paid to the company representatives and on compensation allocated to them, we have checked their consistency with the accounts or with the information required to issue these accounts with the elements collected by your company from controlling or controlled companies, where applicable. On the basis of this work, we certify the accuracy and faithfulness of the information provided.

In accordance with the law, we give reasonable assurance that the various information relevant to the identification of shareholders and voting rights have been communicated to you in the Management report. We would like to point out that the Management report does not include all the company and environmental information provided for in article L.225-102-1 of the French Commercial Law, and that the company has not appointed any independent third parties to verify this information.

Drawn up in Annecy-le-Vieux and Villeurbanne,

April 30, 2014

Statutory Auditors

ORFIS BAKER TILLY	*MAZARS*
Valérie MALNOY	*Bruno POUGET*

General Shareholders' Meeting on the approval of the accounts for the previous financial year ending December 31, 2013

Financial year ending December 31, 2013

To the Shareholders

In our capacity as statutory auditors of your company, we submit our report on regulated agreements and undertakings.

We are required to present to you, based on the information submitted to us, the characteristics and essential methodologies of the agreements and undertakings that we were reported to us or that we observed during our audit mission, without having to decide on their usefulness or validity, or to seek whether other agreements and undertakings exist.

It is your responsibility, under the terms of article R. 225-58 of the French Commercial Law, to understand the relevance of concluding and then approving these agreements and undertakings.

It is our responsibility to pass on, as appropriate, the information provided for in article R. 222-58 of the French Commercial Law relevant to the implementation during the previous financial year of the agreements and undertakings already approved by the Shareholders at the General Meeting.

We conducted the procedures that we considered necessary to perform this mission in accordance with the professional requirements of the Compagnie nationale des commissaires aux comptes (French National Institute of Statutory Auditors). These procedures consisted of checking that the submitted information was consistent with the originating documents.

1 Agreements and undertakings submitted to the approval of shareholders at the general meeting

1.1. Agreements and undertakings authorised during the previous financial year

In accordance with article L. 225-88 of the French Commercial Law, we have been advised of the following agreements and undertakings that were subject to the prior authorisation by your Supervisory board.

The staff members involved in these agreements and undertakings are listed in the table attached to the last page of this report.

Services fees

Your company charges its subsidiaries for services provided corresponding to 2.2% or 1.8% of turnover exclusive of the Group (parts and toolings) respectively for foreign subsidiaries that are using as well as the ones, which are not using SAP.

The service fees invoiced may be revised based on actual costs recalculated at the end of the year in the form of costs + 6% margin.

For the 2013 financial year, the following profits have been recorded in the accounts:

Companies	Country	Rate	Amounts (in Euros)
MGI COUTIER ARGENTINA	Argentina	1.8 %	139,298
MGI COUTIER BRASIL	Brazil	1.8 %	103,765
MGI COUTIER ESPANA	Spain	2.2 %	591,069
NINGBO MGI COUTIER AUTO PLASTICS	China	1.8 %	119,945
MGI COUTIER TUNISIE	Tunisia	2.2 %	311,657
MGI COUTIER MAKINA YEDEK PARCA IMALAT VE SANAYI	Turkey	2.2 %	437,465
MGI COUTIER ROM	Romania	1.8 %	356,153
MGI COUTIER UK	England	2.2 %	263,180
MGI COUTIER ENGINEERING	India	1.8 %	6,859
DEPLANCHE FABRICATION	France	1.8 %	17,226
AVON AUTOMOTIVE HOLDINGS	USA	1.8 %	1,287,014
AVON AUTOMOTIVE UK HOLDINGS	England	1.8 %	819,640

The agreements signed with the relevant subsidiaries are automatically renewed annually.

These agreements were renewed for the 2013 financial year by the Supervisory Board on October 29, 2012 and were renewed for the 2014 financial year by the Supervisory Board on October 17, 2013.

Invoicing of sales promotion and coordination activities

Your company charges its subsidiaries costs of coordination activities and sales promotion provided for them by the divisions of MGI COUTIER based on 0.5% of turnover exclusive of the Group (parts and toolings).

The following profits were recorded for the 2013 financial year:

Companies	Country	Amounts (in Euros)
MGI COUTIER ARGENTINA	Argentina	65,750
MGI COUTIER BRASIL	Brazil	53,771
MGI COUTIER ESPANA	Spain	28,331
NINGBO MGI COUTIER AUTO PLASTICS	China	27,649
MGI COUTIER TUNISIE	Tunisia	2,401
MGI COUTIER MAKINA YEDEK PARCA IMALAT VE SANAYI	Turkey	119,949
MGI COUTIER ROM	Romania	137,824
MGI COUTIER UK	England	82,746

The agreements signed with the subsidiaries concerned are renewed annually by tacit agreement.

These agreements were renewed for the 2013 financial year by the Supervisory Board on October 29, 2012 and were renewed for the 2014 financial year by the Supervisory Board on October 17, 2013.

Invoicing R &D package fees

Your company invoices its subsidiaries for R&D package fees at the actual cash cost paid or if not applicable, at 4% of parts turnover, which is invoiced for old parts with a service life limited to 6 years (turnover achieved by subsidiaries relevant to toolings/parts developed in France).

The following profits were recorded in the accounts for the 2013 financial year:

Companies	Country	Amounts (in Euros)
MGI COUTIER BRASIL	Brazil	53,810

The agreements signed with the subsidiaries concerned are automatically renewed annually.

These agreements were renewed for the 2013 financial year by the Supervisory Board on October 29, 2012 and were renewed for the 2014 financial year by the Supervisory Board on October 17, 2013.

Agreements to convert commercial debts into financial liabilities

After one month, following the contractual due date, any unsettled or unpaid invoice raised by MGI COUTIER for a subsidiary is converted into a financial liability.

This conversion of commercial debts into financial liabilities also applies to operations from a subsidiary to another; nevertheless, MGI COUTIER remains the hub of the operation.

The sums converted into financial liabilities are paid within the framework of centralised cash management agreements.

These agreements were authorised or renewed for the 2013 financial year by the Supervisory Board on October 29, 2012 and were renewed for the 2014 financial year by the Supervisory Board on October 17, 2013.

Loan agreement signed between MGI COUTIER SA and MGI COUTIER BRASIL LTDA

Due to its needs in cash, the Brazilian subsidiary requested from your company a short-term loan be of €483,000, over a period of three years.

This loan, to be repaid either monthly or quarterly (at the convenience of MGI COUTIER BRASIL LTDA), was approved by MGI COUTIER SA with a LIBOR interest rate (in Euros) of + 0.6%, and released on July 24, 2013.

This agreement was approved by your Supervisory Board on August 28, 2013.

Loan agreement between MGI COUTIER SA and MGI COUTIER ENGINEERING PVT LTD and capital increase to the benefit of the Indian subsidiary

On July 31, 2013; your company granted its Indian subsidiary a 3-year loan amounting to €40,000, to be paid for at EONIA rate plus 0.6% and to be repaid either annually or quarterly at the convenience of the subsidiary.

This agreement was approved by the Supervisory Board on August 28, 2013.

On October 17, 2013; your Supervisory Board authorised Directors to convert the loan granted on July 31, 2013 and to include the sum of €40,000 converted into Indian rupees into a payment of share capital to pay for shares previously subscribed to but not fully paid-up.

Loan agreement between MGI COUTIER SA, MGI COUTIER and MGI COUTIER MAKINA YEDEK PARCA IMALAT VE SANAYI Anonim Sirketi

A loan agreement was signed between your company and its subsidiary MGI COUTIER MAKINA YEDEK PARCA IMALAT VE SANAYI Anonim Sirketi on September 17, 2013. The loan conditions are the following:

- ✓ Loan Amount : €500,000;
- ✓ Period: (1) one year;
- ✓ Drawdown date: September 17, 2013 in a single payment;
- ✓ Interest rate: statutory local rate applicable in Turkey (confirmed quarterly);
- ✓ Calculation of interest: four quarters on a monthly basis;
- ✓ Repayment: due in a single payment (bullet repayment) on September 18, 2014;
- ✓ Possibility of renewal after its first term and early repayment of loan.

This agreement was approved by your Supervisory Board on October 17, 2013.

Agreement between MGI COUTIER SA and AVON AUTOMOTIVE HOLDINGS INC on the compensation of loan reimbursement

AVON AUTOMOTIVE HOLDINGS INC. made four cash advances renewed from September 2012 to June 2013, amounting respectively to Euros 5 million, Euros 3 million, Euros 3 million and Euros 4 million and amounting therefore in total to Euros 15 million.

Following the decision by the Board of Directors of AVON AUTOMOTIVE HOLDINGS INC. on October 1st, 2013, it has been proposed that the repayment of these advances by MGI COUTIER could be compensated for by deduction from a dividend by the AVON AUTOMOTIVE Group to be paid to MGI COUTIER SA for the said sum of Euros 15 million so as to settle the four cash advance payments.

This agreement was approved by your Supervisory Board on October 17, 2013.

Security granted to bank RPV BIAT

On May 3, 2013, your company granted a bank security to the bank RPV BIAT BANQUE in Tunisia for a credit line "FED EXPORT" of €750,000 (equivalent to 1,500,000.00 Tunisian Dinars) granted to the subsidiary MGIC TUNISIE for foreign currency funding exported for one year -due on April 30, 2014- to be taken up and released at the convenience of MGI, subject to an Euribor interest rate of 3 months + 1%.

This agreement was approved by your Supervisory Board on June 28, 2013.

Support Letter for AVON POLYMERES FRANCE

On April 15, 2013, you company signed a letter for financial support provided to the subsidiary AVON POLYMERES FRANCE SAS until the approval of accounts for the financial year 2013.

This agreement was approved by your Supervisory Board on June 28, 2013.

Bank Comfort Letter granted to the bank BANCO DE SABADELL SA for credit facilities granted to the subsidiary MGO COUTIER España SL

Following the request of the Spanish subsidiary, your company was asked to approve a comfort letter in favour of the bank BANCO de SABADELL SA in Vigo - Spain, for a line of credit of €6,000,000 signed on October 9, 2013.

This agreement was authorised by the Supervisory Board on October 17, 2013.

Security granted to the plastic materials supplier SENSATA on behalf of the subsidiary MGI COUTIER TUNISIE

Your company received a request for a security or guarantee in its capacity as the parent company of MGI COUTIER TUNISIE SARL on behalf of SENSATA TECHNOLOGIES HOLLAND BV, a pressure sensors supplier supporting the Tunisian subsidiary, for a purchase amount of €230,000/month with a maximum due invoices amount of €386,000.

This guarantee, signed on September 30, 2013, was approved by the Supervisory Board on October 17, 2013.

Agreement on "adjustment of profit – profitability monitoring for operating profits/turnover" between MGI COUTIER TUNISIE SARL and MGI COUTIER SA

Starting from the financial year 2008, the Management Board established for MGI COUTIER TUNISIE an operating profit target of 5% of turnover, in order to prevent adverse effects on the profitability of divisions for which the Tunisian subsidiary is a sub-contractor.

Thus, in the event of profits lower than 5%, MGI COUTIER TUNISIE issues an additional annual invoice to MGI COUTIER SA.

In the event of profits higher than 5%, the Tunisian subsidiary issues an annual credit note to MGI COUTIER.

Your Supervisory Board authorised, as an exceptional measure, the signature of an agreement on December 20, 2013 with retroactive effect as at January 1st, 2008 to regulate operations undertaken since 2008.

The agreement was furthermore renewed for the 2014 financial year.

Compensation paid to Management Board members: combined employment/corporate representation contract

Mr. Mathieu COUTIER, Jean-Louis THOMASSET and Jean-Francois VILLANEAU, members of the Board, have employment contracts with respect to their technical responsibilities.

The gross annual compensation was maintained at the same level effective on June 27, 2013:

- ✓ Mr. Mathieu COUTIER: €97,440
- ✓ Mr. Jean-Louis THOMASSET: €205,920
- ✓ Mr. Jean-François VILLANEAU: €175,000.

This agreement was authorised by the Supervisory Board on June 28, 2013.

Compensation paid to the Supervisory Board Chairman: combined employment/corporate representation contract

Mr. Roger COUTIER, member and Chairman of the Supervisory Board, has an employment contract with respect to his technical responsibilities.

Mr. Roger COUTIER's gross annual compensation remains €201,240.

This agreement was authorised by the Supervisory Board on June 28, 2013.

As Mr. Roger COUTIER resigned from his post under his employment contract as Director of Purchases to claim his retirement entitlements on July 31, 2013, the regulated agreement concerning the combined corporate representation and employment contract expired on the same date.

The Supervisory Board acknowledged this resignation on August 28, 2013.

Compensation paid to the new members of the Management Board: combined employment/corporate representation contract

Mr. Benoît COUTIER, Christophe COUTIER and Nicolas COUTIER, members of the Management Board since their appointments following the Supervisory Board meeting on December 20, also have employment contracts with respect to their technical responsibilities.

The gross annual compensation of these new members of the Board, under the terms of their employment contracts, remained as it was on December 20, 2013.

This agreement was approved by the Supervisory Board on December 20, 2013.

1.2. AGREEMENTS AND UNDERTAKINGS APPROVED SINCE THE CLOSING DATE

We have been advised of the following agreements and undertakings approved since the closing date of the past financial year, which were subject to prior authorisation by your Supervisory Board.

Renewal of a guarantee with respect to a line of credit granted to GSAP

Your company provided a guarantee to the bank Société Générale in Mumbai for the issuing and signature by the latter of a "standby letter of credit" within the context of a short-term loan facility granted to the company GSAP for a maximum amount of 55 million Indian rupees.

This agreement was approved by the Supervisory Board on February 7, 2014.

As the undertaking expires on January 31, 2014, your Supervisory Board approved the renewal of the guarantee for a one-year period starting from February 6, 2014.

Change in payment terms

For all inter-Group reinvoicing agreements approved on October 17, 2013 and applicable from January 1st, 2014, the payment terms applicable to the settlement of corresponding invoices has been changed in accordance with the enforced French law to 30 days end of month the 15th (instead of 60 days end of month on the 15th as applied previously up to December 31, 2013).

This agreement was approved by the Supervisory Board on February 7, 2014.

Capital increase in favour of MEIPL subsidiary

Within the context of an increase in capital, the joint venture MEIPL requested from your company a capital increase of INR 10,000,000 to raise its capital of INR 30,000,000 to INR 40,000,000. This capital increase entails that both joint venture associates would have to contribute equally (50%) in this increase. For MGI COUTIER, it represents a payment of around €60,000, an amount that could change according to the exchange rate.

This agreement was approved by your Supervisory Board on April 24, 2014.

Loan granted to MGIC BRASIL

In view of the encountered cash difficulties, MGI COUTIER BRASIL requested a loan of €550,000 from your company on April 10, 2014 to fund its operating capital requirements. The loan was agreed for a period of three years, subject to an annual LIBOR interest rate of + 0.6% and following the drawdown date on April 10, 2014.

This agreement was authorised by the Supervisory Board on April 24, 2014.

MGI COUTIER LUSITANIA: implementation of the centralised cash management agreement

The centralised cash management agreement between your Company and its subsidiary MGI COUTIER LUSITANIA, Unipessoal LDA was implemented while taking into account the financial needs of the Portuguese subsidiary.

The centralised cash management agreement is governed by the payment of EONIA interest rate of + 0.6% across MGI COUTIER SA scope.

This agreement was approved by the Supervisory Board on February 7, 2014.

Change in control within MGI COUTIER LUSITANIA

For the purposes of incorporation and legal registry, two co-directors were appointed on January 15, 2014 for the management of this Portuguese subsidiary, Mr. Roger SANCHEZ, already director of the subsidiary MGI COUTIER ESPANA SL and Mr. Nicolas COUTIER.

As this subsidiary was expected to start its operational phase after purchase of the building, the resignation of the co-director Mr. Roger SANCHEZ was taken into account as of April 7, 2014, Mr. Nicolas COUTIER remaining hence the sole director of MGIC LUSITANIA.

Your Supervisory Board took into account this appointment on April 24, 2014.

2 Agreements and undertakings already approved by the shareholders at the general meeting

2.1. Agreements and undertakings approved during previous financial years and implemented during the past financial year

In accordance with article R. 225-57 of the French Commercial Law, we have been informed that implementation of the following agreements and undertakings, already approved by Shareholders at the General Meeting during previous financial years, has taken place during the past financial year.

Trademark royalty rates

Your company charges its subsidiaries a fee related to MGI COUTIER trademark based on:

- ✓ 0.6% of turnover excluding VAT exclusive of the Group (parts & toolings) for the companies AVON AUTOMOTIVE HOLDINGS and AVON AUTOMOTIVE UK HOLDINGS;
- ✓ 1.2% of turnover exclusive of the Group (parts & toolings) for other companies.

Fees for trademark use may be revised as a function of the actual cost that is recalculated at the end of the year on the basis of costs + 6% margin.

The following profits were recorded in the accounts in the financial year 2013:

Companies	Country	Amounts (in Euros)
MGI COUTIER ARGENTINA	Argentina	165,790
MGI COUTIER BRASIL	Brazil	128,936
MGI COUTIER ESPANA	Spain	446,086
NINGBO MGI COUTIER AUTO PLASTICS	China	157,871
MGI COUTIER TUNISIE	Tunisia	5,733
MGI COUTIER MAKINA YEDEK PARCA IMALAT VE SANAYI	Turkey	286,411
MGI COUTIER ROM	Romania	329,052
MGI COUTIER UK	England	197,553
MGI COUTIER ENGINEERING	India	11,488
AVON AUTOMOTIVE HOLDINGS	USA	659,747
AVON AUTOMOTIVE UK HOLDINGS	England	420,162

The agreements signed with the subsidiaries concerned have an initial period of 10 years and are renewable by tacit agreement, either for one or several periods of three years, or for an indefinite period.

R&D costs invoicing

Your company charges its subsidiaries research costs, calculated based on 0.5% of turnover exclusive of the Group (parts only).

Over the 2013 financial year, the following profits were recorded in the accounts:

Companies	Country	Amounts (in Euros)
MGI COUTIER ARGENTINA	Argentina	65,424
MGI COUTIER BRASIL	Brazil	53,626
MGI COUTIER ESPANA	Spain	28,310
NINGBO MGI COUTIER AUTO PLASTICS	China	24,863
MGI COUTIER TUNISIE	Tunisia	2,401
MGI COUTIER MAKINA YEDEK PARCA IMALAT VE SANAYI	Turkey	115,968
MGI COUTIER ROM	Romania	137,824
MGI COUTIER UK	England	80,358

The agreements signed with the subsidiaries concerned have an initial period of 10 years and are renewable by tacit agreement, either for one or several periods of three years, or for an indefinite period.

Charging royalties to MGI COUTIER ILIA Company

Within the framework of a licence agreement dated September 1st, 2005, your Company charges royalties to the company MGI COUTIER ILIA (Iran) for research costs, fees for trademark use, transfer of expertise and consultancy activities in the following areas: finance, legal services, industrial development, purchasing, sales, IT, quality and marketing.

The royalties are calculated based on the net selling price of products sold by the subsidiary MGI COUTIER ILIA, based on the following rates:

- ✓ 0.5% for reinvoicing research costs
- ✓ 1.5% for consultancy activities
- ✓ 1% for trademark use
- ✓ 2.5% for transfer of expertise (beyond the contribution to the equity capital of the Iranian subsidiary).

Under the terms of this agreement, the profits recorded in the accounts for the 2013 financial year amount to €45,558.

Charging royalties to MEIPL Company

Your company charges royalties to the company MEIPL (India) relative to licences for transfer of expertise for the products “fuel pipes”, and to consultancy activities in the following areas: finance, legal services, industrial development, purchasing, IT, quality, marketing and sales.

The royalties are calculated based on the net selling price of products sold by the subsidiary MGI COUTIER MEIPL, based on the following rates:

- ✓ 0.95% on the basis of Base domestic turnover
- ✓ 2.85% on the basis of New domestic turnover
- ✓ 4.0% on the basis of Export turnover.

Under the terms of this agreement, the profits recorded in the accounts for the 2013 financial year amount to €121,364.

Lease of Gournay plant from SCI BRAY SUD

Your company is the tenant of the Gournay plant in Bray.

The rent paid for the 2013 financial year is €94,717.

Agreement on premises and support services procurement with COUTIER JUNIOR Company and COUTIER SENIOR société civile

Your company provides for both of these two companies premises to accommodate their Head offices , and provides legal services at the time of the annual accounts approval.

Under the terms of this agreement, the profits recorded in the accounts for the 2013 financial year amount to:

- ✓ COUTIER JUNIOR €1,150
- ✓ COUTIER SENIOR €383

Centralised cash management agreements

Within the framework of these agreements, MGI COUTIER ensures the coordination and centralisation of all the cash requirements and excess gains of the Group.

The advances agreed by MGI COUTIER, and vice versa, bear interest:

- ✓ at the rate of external costs + 0.1% or by default Euribor rate 3 months + 2% for the companies AVON AUTOMOTIVE HOLDINGS and AVON AUTOMOTIVE UK HOLDINGS;
- ✓ at the EONIA rate plus 0.60% for other companies.

Over the 2013 financial year, the financial costs and profits recorded in the accounts are as follows:

Companies	Financial liabilities (in Euros)	Financial profits (in Euros)
MGI COUTIER ARGENTINA		17,935
MGI COUTIER BRASIL		31,805
MGI COUTIER ESPANA	75,966	
NINGBO MGI COUTIER AUTO PLASTICS		4,020
MGI COUTIER TUNISIE	41,661	
MGI COUTIER MAKINA YEDEK PARCA IMALAT VE SANAYI	7,155	
MGI COUTIER ROM		22,816
MGI COUTIER UK	78,834	
MGI COUTIER ENGINEERING		5,778
MGI COUTIER SERVICE		314
DEPLANCHE FABRICATION	2,690	
SCI BRAY SUD	1,405	
COUTIER JUNIOR	8,382	
COUTIER SENIOR	239	
AVON AUTOMOTIVE HOLDINGS	360,539	
AVON AUTOMOTIVE UK HOLDINGS		310,461

Drawn up in Annecy-le-Vieux and Villeurbanne,
April 30, 2014

Statutory Auditors

ORFIS BAKER TILLY
Valérie MALNOY

MAZARS
Bruno POUGET

Annex: table

Staff members affected by agreements and undertakings pertaining to article L. 225-88 of the French Commercial Law

Companies	Roger COUTIER	André COUTIER	Mathieu COUTIER	Jean-Louis THOMASSET	Jean-François VILLANEAU	Benoît COUTIER	Christophe COUTIER	Nicolas COUTIER
MGI COUTIER	Chairman SB	Chairman of Mgt. SB	Mgt. Board member	Vice-chairman of Mgt. Board	Mgt. Board member	Mgt. Board member (1)	Mgt. Board member (1)	Mgt. Board member (1)
MGI COUTIER ARGENTINA								
MGI COUTIER BRASIL						Dir. & GM		
MGI COUTIER ESPAÑA	B. member	Chairman		B. member & VP				
NINGBO MGI COUTIER AUTO PLASTICS		B. member		B. member				
MGI COUTIER TUNISIE								
MGI COUTIER MAKINA YEDEK PARÇA IMALAT VE SANAYI		B. member & VP						
MGI COUTIER ROM		Chairman		B. member	Chairman & B. member			
MGI COUTIER UK	B. member							
MGI COUTIER SERVICES								
MEIPL PVT		B. member						B. member
MGI COUTIER ENGINEERING PVT					B. member	Chairman & B. member		Dir. & B. member.
MGI COUTIER ILIA					Chairman & B. member	B. member		
DEPLANCHE FABRICATION								
AVON POLYMÈRES FRANCE		Sole associate representative MGI COUTIER						

Companies	Roger COUTIER	André COUTIER	Mathieu COUTIER	Jean-Louis THOMASSET	Jean-François VILLANEAU	Benoît COUTIER	Christophe COUTIER	Nicolas COUTIER
COUTIER JUNIOR	Chairman	B. member	B. member			B. member	B. member	B. member
COUTIER SENIOR	GM							
AVON AUTOMOTIVE HOLDINGS INC.		B. member	B. member					
AVON AUTOMOTIVE DEUTSCHLAND GMBH			B. member					
INDUSTRIAL FLEXO SL		B. member						
AVON AUTOMOTIVE PORTUGAL					B. member			
AVON AUTOMOTIVE A.S.		Chairman of SB	B. member	SB				
AVON OTOMOTIV SANAYI VE TICARTET LIMITECD SIRKETI TURKEY			B. member					
GOLD SEAL AVON POLYMERS PRIVATE LTD								B. member
MGI COUTIER FINANCE					B. member			
MGI COUTIER LUSITANIA								GM

Dir: Director *SB: Supervisory Board*
VP: Vice President *Chairman SB: Chairman of Supervisory Board*
B. member : Board member *GM: General Manager*

(1) Appointed by the Supervisory Board on December 20, 2013

Proposed resolutions
To the General and Extraordinary Meeting of Shareholders on June 26, 2014

UNDER THE JURISDICTION OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

First resolution

After the review of and deliberation on the management report of the Group and the report by Statutory Auditors, the Shareholders approve the consolidated accounts as at December 31, 2013 as they have been presented, as well as the transactions recorded in these accounts and reports.

Second resolution

After the review of reports by the Management Board, the Supervisory Board and Statutory Auditors, the Shareholders approve the annual accounts as at December 31, 2013 as they have been represented, as well as the transactions recorded in the accounts or summarised in these reports.

The Shareholders equally approve the total amount of expenses not deductible from profits subject to corporate tax amounting to €19,158 and the tax incurred by virtue of these expenses amounting to €6,385.

The Shareholders consequently fully and without reservation release the members of the Board and members of the Supervisory Board from their mandates for the said financial year.

Third resolution

After the review of the report by the Management Board, the Shareholders decide to allocate the profit for the financial year, amounting to €15,022,503.66 as follows:

- ✓ on the one hand, to shareholders in the form of dividends, for an amount of €1,337,052, i.e. a net dividend of 0.50€ per share; with the proviso that there has been no advance on paid dividends, namely a net dividend of 0.50€ to pay per share which will be paid out at the Head office on July 4, 2014;
- ✓ on the other hand, as retained net earnings for the balance, i.e. an amount of €13,685,451.66.

The Shareholders resolve that if, at the time of payment of the dividend, the company would hold some of its own shares, the profit corresponding to the dividends not paid because of these treasury shares will be assigned to the "retained net earnings" account.

In accordance with the law, the Shareholders note that the dividends distributed during the three previous financial years were as follows:

Financial year ending	Dividend per share in Euros	Profit eligible for tax relief or not
December 31, 2010	0.50	Reduction of 40% if this was applicable
December 31, 2011	0.50	Reduction of 40% if this was applicable
December 31, 2012	0.50	Reduction of 40% if this was applicable

Fourth resolution

After the review of the special report by Statutory Auditors on the agreements and undertakings regulated by article L. 225-86, and in accordance with the French Commercial Law, the Shareholders approve the said report and agreements referred to herein.

Fifth resolution

The Shareholders fix the amount of attendance allowances to be distributed amongst members of the Supervisory Board for the financial year 2014 at €45,000.

Sixth resolution

Ruling under the quorum and majority conditions required for general shareholders' meetings and having taken note of the report of the Management Board, the Shareholders authorise the Management Board, with the ability to delegate this authority in accordance with the law,, to acquire shares in the company in compliance with the conditions and obligations stipulated in the provisions of article L. 225-209 of the French Commercial Law, and in accordance with the following conditions:

The Company may acquire on or off-market its own shares and sell all or part of the shares acquired, while observing the following limits:

- ✓ the total number of shares held shall not exceed 0.5% of the total number of shares making up the equity capital, equally worth noting this limit will apply to an amount of the company's equity capital that may, if applicable, be adjusted to take into account transactions affecting the equity capital during the approval period; the acquisitions made by the company must not under any circumstances contribute to holding, whether directly or indirectly, more than 0.5% of its own equity capital;
- ✓ the number of shares account for in calculating the 0.5% limit provided for above corresponds to the number of shares purchased, with a deduction made for shares resold during the approval period;
- ✓ the unit purchase price shall not exceed €200.00 (exclusive of acquisition costs). The Management Board may however, with the ability to delegate this authority in accordance with the law, adjust the maximum purchase price mentioned above in the event of incorporating reserves, profits or premium on share issue, merger or contribution, or any other sums whose capitalisation would be permitted, giving rise to either an increase in the nominal value of the share, or to the creation and free allocation of shares, and likewise in the event of the division in the share nominal value or in case of a consolidation of shares or any other operations with an impact on equity capital to take account of the impact of these operations on the share value;
- ✓ the acquisition, assignment or transfer of shares may be blocked by any means, on the market or by mutual agreement, including by acquisition or assignment of share blocks, under the conditions approved by the market authorities. These operations may be conducted at any time in compliance with enforced legal requirements and regulations.

This authorisation is intended to enable the Company to provide liquidity and promote the market through a liquidity contract via an investment services provider that is compliant with the AMAFI code of ethics (French association of financial markets) dated September 23, 2008 and acknowledged by the Financial Markets Authority decision of October 1, 2008.

The Shareholders give all powers to the Management Board, with the ability to delegate this authority in accordance with the law, in order to:

- ✓ decide whether it is advisable to implement this delegation of powers;
- ✓ determine the conditions and methods of acquisition and assignment, including in particular, the price of purchased shares;
- ✓ conduct, by any means, the acquisition, assignment or transfer of these shares, placing any orders on the stock exchange;
- ✓ complete any agreement in particular for the purpose of maintaining records of the sale and purchase of shares, making any necessary declarations to the Financial Markets Authority or any other body, completing all formalities;
- ✓ issue and publish the press release relevant to implementing the repurchase programme;
- ✓ in general, do everything necessary endeavour to execute and implement this decision.

Shareholders resolve that the authorisation is valid for a maximum period of 18 months starting from the date of this decision, i.e. until December 25, 2015.

This authorisation shall interrupt and replace the authorisation conferred by the Shareholders at the Ordinary General Meeting on June 27, 2013.

In the report required by article L.225-100 of the French Commercial Law, the Management Board shall provide to the shareholders attending the Annual General Meeting the information relevant to the implementation of share purchase operations authorised by the Shareholders, in particular the number and price of shares acquired as well as the volume of shares used.

Seventh resolution

The Shareholders attending the Ordinary Annual General Meeting confer on Mr André COUTIER, Chairman of MGI COUTIER's Management Board all powers to complete the necessary procedures, with the ability to delegate these powers in accordance with the law, when holding an original, copy or extract of the minutes of this meeting.

UNDER THE JURISDICTION OF THE EXTRAORDINARY GENERAL SHAREHOLDERS' MEETING

Eighth resolution

The Shareholders present at the General Meeting resolve to update the statements of the company (articles of association) in accordance with the provisions arising stipulated in article L225-82 of the French Commercial Law authorising meetings and attendance of the Management and Supervisory Boards to take place via telecommunication facilities, that enable the members to be identified and guarantee their actual attending and contribution as well as reference to the responsibility of members of management bodies in the company, and consequently enabling to amend articles 1 – 14 – 16 of the company's statements (articles of association) which will from now onwards be described as follows:

ARTICLE 1 - FORM

The company MGI COUTIER, established in the form of a public limited company with Management Board by private deed on 14 February 1988 in Lyons (69), adopted the form of a public limited company with Management Board and Supervisory Board as of 25 May 1998. These statements have been revised to this effect.

It is governed by enforced laws and regulations. These statements have been updated in accordance with law no. 2001-420 dated 15/5/2001 relevant to the "French New Economic Regulations" (published in the journal Officiel [French state gazette] on 16 May 2001) in accordance with law no. 2002-1303 of 29/10/2002 amending certain provisions of the French Commercial Law relative to company representation agents, and in accordance with the Financial Security Act no. 2003-706 of 01/08/2003.

The statements are updated in accordance with article L.225-82 of the French Commercial Law authorising meetings of the Management Board and Supervisory Board to be held and attended via telecommunication facilities.

The statements are updated to the effect that the nominal value of a share is changed by dividing by 10 the said value , amending consequently the article 7 entitled "equity capital".

It is listed on the Second market of Paris stock exchange.

ARTICLE 14 – MANAGEMENT BOARD

1 – The company is managed by a Management Board consisting of seven members at most, who will perform their responsibilities under the control of a Supervisory Board.

The members of the Management Board or the single General Manager must be natural persons for the appointment to be valid. They may be chosen from outside the shareholders.

A natural person may not exercise more than one office term as member of the Board or as Sole General Manager of limited companies with their head offices located on the French territory, subject to legal exemptions.

They are appointed by the Supervisory Board that also appoints one of them as Chairman.

If one seat becomes vacant, the Supervisory Board must either amend the number of seats that it has previously fixed, or fill the vacancy within two months.

2 – Members of the Board are appointed for a period of three years, ending at the end of the General Shareholders' Meeting that is called upon to approve the accounts of the previous financial year and held in the course of the year during which their term of office expires. Members of the Board are always eligible for reappointment.

No one over the age of 70 may be appointed to the Board. A member of the Board or Sole General Manager in office whose age exceeds the age limit, shall resign from office following the next Supervisory Board meeting.

3 – The Supervisory Board determines the compensation paid to members of the Management Board.

4 – The Management Board meets as often as required by the interests of the company, when convened by the Chairman or half of its members at the Head office or at any other place indicated in the convening notice of the meeting.

Members of the Management Board shall be convened by any method including verbally.

The agenda may be fixed at the time of the meeting.

Unless the Board has met to conduct the operations indicated in the 5th line of article L.225-68, according to the provisions of article L225-82 of the French Commercial Law, meetings may be held and members of the Board shall be able to attend via telecommunications means, or by videoconference enabling them to be identified and guaranteeing their effective attendance.

The Chairman of the Management Board chairs the meetings and may appoint a secretary who may be chosen from outside its members.

The presence of at least half of the members is necessary for the validation of decisions. Decisions are taken by majority vote of the members present or represented.

In the event of a tie, the meeting chair shall have the casting vote.

All decisions shall be recorded in minutes held in a special register and signed by the meeting chair and at least one member of the Board.

ARTICLE 16 - SUPERVISORY BOARD

1 - The Supervisory Board consists of at least three members and of eighteen members at most, subject to legal exemption in the event of a merger.

The members, natural persons and legal entities, are appointed by the Shareholders. In the event of a merger or split, the appointment may be made during an Extraordinary General Shareholders' Meeting.

In accordance with the provisions of article 32 of law no. 2006-1770 of 30 December 2006 for the development of profit sharing and employee shareholding, one or several members of the Supervisory Board may be elected by the Shareholders from amongst employee shareholders following the proposal by the latter in the event that the number of shares held by employees of the company or affiliated companies reaches the current legal threshold, in accordance with enforced regulations.

The period of their office term will span over three years, although it shall end if their contract of employment ends or is breached for any reason whatsoever, and they shall meet the same conditions as the appointed members of the Supervisory Board.

No member of the Supervisory Board may be part of the executive Management Board.

2 - The term of office for members of the Supervisory Board is three years, expiring following the General Shareholders' Meeting that had approved the accounts for the previous financial year and that was held in the course of the year during which the term of office expires.

Members of the Supervisory Board are eligible for reappointment. They shall be removed at any time at the Ordinary General Meeting.

The number of the Supervisory Board members who have reached the age of 70 may not be greater than one third of the Supervisory Board members in office.

3 – Each member of the Supervisory Board must own at least one share.

If, on the date of his appointment, a member of the Supervisory Board does not own the required number of shares or if, during his term of office, he ceases to own them, he shall resign from office unless he has settled his situation within a period of three months.

4 - The Supervisory Board will elect from amongst its members a Chairman and a Vice-Chairman, who are natural persons, that shall be responsible for convening the Board and leading its discussions. They are appointed for the period of their term of office on the Supervisory Board. The Board will determine their compensation, as appropriate.

The Supervisory Board will appoint a secretary, chosen from among the members of the Board or from outside the Board.

5 - The Supervisory Board meets as often as require by the interests of the company.

Meetings shall be convened by any method including verbally. Meetings take place at the head office or at any other place indicated in the meeting convening notice.

Any member of the Supervisory Board may request, in writing, another member to represent him at a meeting of the Supervisory Board.

Unless the Supervisory Board has met to conduct the operations indicated in the 5th line of article L.225-68, according to the provisions of article L225-82 of the French Commercial Law, meetings shall be held and members of the Board shall be able to attend via telecommunications means, or by videoconference enabling them to be identified and guaranteeing their effective attendance

The actual presence of at least half of the members of the Board is necessary for the validation of decisions.

Decisions are taken by majority vote of the members present or represented, each member present or represented having one vote and each member present shall be entitled to have only one proxy vote.

In the event of a tie, the meeting chair shall have the casting vote

All decisions shall be recorded in minutes compiled and archived as required by law,

6 – An employee cannot be elected as a member of the Supervisory Board unless his contract of employment corresponds to an actual job.

A natural person may not simultaneously be entitled to more than five mandates as a member of the Supervisory Board for limited companies whose Head office is located on French territory, and subject to legal exemptions.

This amendment to the statements will be filed with the clerk office of the Commercial court in BOURG-EN-BRESSE 01, for registration in the French Trade and Companies Register (RCS).

Ninth resolution

Ruling under the quorum and majority conditions required by Extraordinary General Meetings and having listened to the report by the Management Board and the Supervisory Board, the Shareholders:

- ✓ approve the proposal put forward by the Board to reduce the nominal value of the share from 8.00€ to 0.80€ (i.e. division by 10 of the nominal value of each share in the company), and therefore to multiply by 10 the number of shares comprising the equity capital, so that the equity capital remains unchanged; the purpose of this measure is to increase the share's liquidity and make MGI COUTIER shares more accessible to individual shareholders;
- ✓ resolve that the division of the nominal value shall give rise to an exchange of 10 new shares at 0.80€ of nominal value for one former share at 8.00€ nominal value and that accordingly there will be no "break";
- ✓ resolve that if at the time the division is conducted, the company holds some of its own shares; these shares would be exchanged under the same heading and with the same rights as the other shares;
- ✓ resolve that if, at the time of this operation of shares exchange, there are unclaimed shares, in accordance with article L.228-6 and the statutory procedure and methods fixed by the provisions of articles R228-11 and R228-12 and statutory notices, the Management Board shall, at its own convenience, put new shares up for sale;
- ✓ resolve that the company CM-CIC SECURITIES SA, located at 6 rue de Provence, 75441 PARIS Cedex 9, an investment company registered at RCS PARIS B 467 501 359, is appointed authorised representative to centralise operations of shares exchange and consolidation, and to ensure that the register of share movements and individual shareholders' accounts of MGI COUTIER company is duly held and maintained;
- ✓ resolve that the costs incurred while dividing the nominal share value shall be paid by MGI COUTIER and that the operation shall thus be performed without cost or formalities for the shareholders of MGI COUTIER and shall have no impact on their rights;
- ✓ resolve that the division of the nominal value will be carried out within a period of 6 months (at the closing of stock exchange trading session and effective the following day at the opening of trading). On this date, the number of shares comprising the equity capital will be multiplied by 10 and the share will be negotiated based on the opening rate divided by 10.
- ✓ resolve that as a consequence of the approval decisions stipulated above, the article 7 relevant to the statements entitled "Equity capital" shall be amended as follows:

Former text:

ARTICLE 7 – EQUITY CAPITAL

The equity capital is fixed at the sum of TWENTY ONE MILLION THREE HUNDRED AND NINETY TWO THOUSAND EIGHT HUNDRED AND THIRTY TWO (21,392,832) EUROS.

It is divided into TWO MILLION SIX HUNDRED AND SEVENTY FOUR THOUSAND ONE HUNDRED AND FOUR (2,674,104) shares of Euros 8 each, all in the same category, paid-up in full.

Amended text:

ARTICLE 7 – EQUITY CAPITAL

The equity capital is fixed at the sum of TWENTY ONE MILLION THREE HUNDRED AND NINETY TWO THOUSAND EIGHT HUNDRED AND THIRTY TWO (21,392,832) EUROS.

It is divided into TWENTY SIX MILLION SEVEN HUNDRED AND FORTY ONE FOUR THOUSAND AND FORTY (26,741,040) shares of Euros 0.80 each, all in the same category, paid-up in full.

As a result of adopting the above resolutions, the Shareholders at the Extraordinary General Meeting confer all powers on the Chairman of the Management Board, with the ability to delegate these powers in accordance with the law, under the conditions provided for by the provisions of article R.228-28 and R.228-31 to enable him to divide the nominal value of an MGI COUTIER share within a period of six months by exchanging 10 new shares for one former share; he shall take all the measures and arrange for all the procedures to be completed in order to submit to trading on a regulated market the rights and shares issued and created as a result of the division by 10 of the nominal value and the creation of new shares in terms of the number of shares resulting from the exchange.

Tenth resolution

The Shareholders present at the Extraordinary General Meeting confer all powers on Mr André COUTIER, Chairman of the Management Board of MGI COUTIER, with the ability to delegate these powers in accordance with the law, to complete all the necessary formalities, when holding an original, copy or extract of the minutes of this meeting.

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Limited company with Board of Directors
and Supervisory Board
Capitalised at 21,392,832 euros
Registered in the Register of
Trade and Companies 344 844 998,
Bourg-en-Bresse

www.mgicoutier.com

This document is an unofficial translation of the French language reference document of MGI COUTIER. It is for information purposes only.
In case of discrepancy with the original document in French, the latter shall prevail.

MGI COUTIER

Manufacturers of parts for cars and HGVs