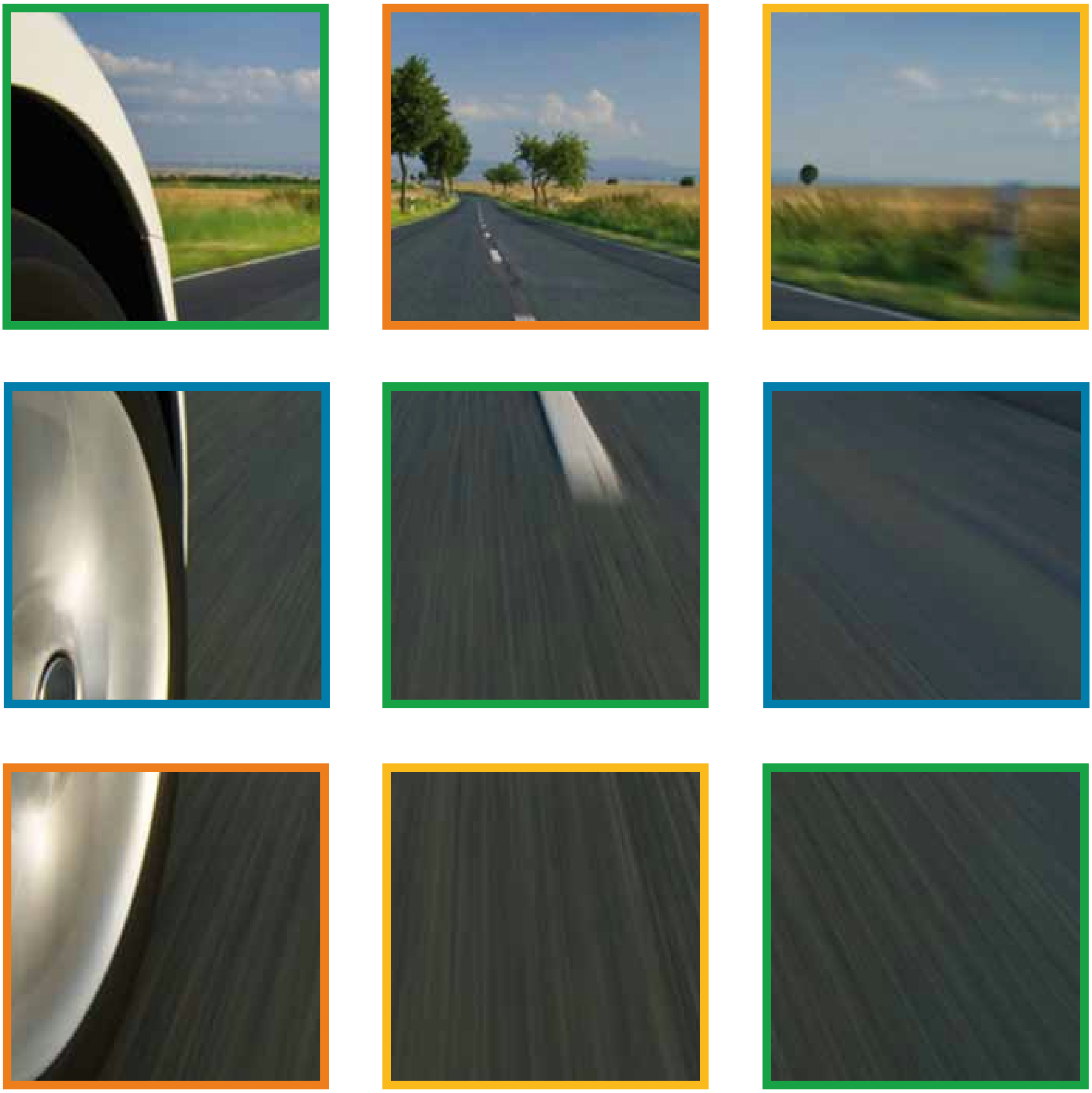
ANNUAL REPORT 2015



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MGI COUTIER

SOMMAIRE

GROUP PROFILE

MGI COUTIER Group is deemed as an independent automotive supplier operating in two significant product families: Fluid Transfer and Mechanisms.

With an industrial presence across seventeen countries covering five continents, and a range of 40 manufacturing sites, MGI COUTIER brings to its automotive clients innovative and reliable solutions at competitive prices due to the competence of its 8.958 employees.

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

In order to properly anticipate and effectively respond to the clients' needs, MGI COUTIER is organized around eight Divisions including seven Product Divisions:

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

and a Division devoted to activities of aftermarket sales.

Eleven Functional Departments maintain the coherence of strategies, organizations and systems across the entire Group as well as the optimisation of resources around the operating units.

MESSAGE BY THE MANAGEMENT BOARD CHAIRMAN

Ladies and Gentlemen,

I would like to start this message by thanking MGI COUTIER's shareholders for the trust they granted to me, admitting my pride to manage the Group today and the whole of its team with which I grew up and to which I am deeply committed.

With the new Direction team, we will proceed with the adventure initiated in 1972 by André, Joseph and Roger COUTIER, maintaining the course and pursuing the Group development.

MGI COUTIER has an aspiration to become a worldwide supplier of topnotch, profitable, independent, reputable and appreciated manufacturer. We will work then on meeting the clients' requirements with the expected level of service and the good products.

The conquest of a strong worldwide presence will be met through greater dynamics in Asia, the holding of market shares in new Product Lines in America, even a broader positioning on the African continent.

To meet this end, we can count on as 2015 as one historic year for the Group in terms of the turnover and the operational profitability. This performance was secured thanks to strong market activity, well-distributed growth and an enhancement in nearly all the Divisions. The growth encompassed almost all Products Lines, clients and continents, with Asia and North America at the forefront. The SCR activity exceeded our expectations with a turnover of almost 100 million Euros during the period, despite the disturbance in the the market of diesel engines.

The speed of the Group globalization, the strong growth of turnover and the continuation of the integration of AVON AUTOMOTIVE and AUTOTUBE AB led the team management to ponder over its organization. Will it always allow us to highlight the future challenges, to satisfy the customers expectations and to effectively manage the teams and to ensure the profitability on the long run? The analysis raised some weak points which need to be rectified, while being careful not to jeopardize what worked. A new organization organized by production Sites, Products Lines and regions is gradually being developed in order to be fully operational by the end of 2016.

In the end, the solid dynamics of our clients and our teams' investment for the operational performance allow us to be confident that we will exceed the 900 million Euros of turnover in 2016, before reaching the one billion level in turnover in 2018.

Mathieu COUTIER
Chairman of the Management Board

ADMINISTRATION, MANAGEMENT & CONTROL

Supervisory Board

Mr. André COUTIER...Chairman

Mr. Paul DEGUERRY...Vice-Chairman

Mr. Nicolas JOB

Mrs. Geneviève COUTIER

COUTIER DEVELOPPEMENT represented by Mr. Christophe COUTIER

Management Board

Mr. Mathieu COUTIER.. Président

Mr. Benoît COUTIER

Mr. Nicolas COUTIER

Mr. Jean-Louis THOMASSET... Vice-Président

Mr. Jean-François VILLANEAU

Management Team

Mr. Philippe BILLEROT

Mr. Franck CLEMENT

Mr. Frédéric DAGAULT

Mr. Maxime DELORME

Mr. Dominique GALUS

Mr. Alain GIROUX

Mr. Philippe JEAN

Mr. David LETELLIER

Mr. Pär LINDGREN

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 A.G.O. on 22 June 2012

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

Alternate auditors:

✓ Mr. Olivier BRISAC
149 boulevard de Stalingrad – 69100 VILLEURBANNE
Appointed at the A.G.O. on 22 June 2012

✓ Mr. Olivier BIETRIX
131 boulevard de Stalingrad – 69100 VILLEURBANNE
Appointed at the A.G.O. on 22 June 2012

Information Manager

Mr. Mathieu COUTIER - Tél. : 04 50 56 98 98

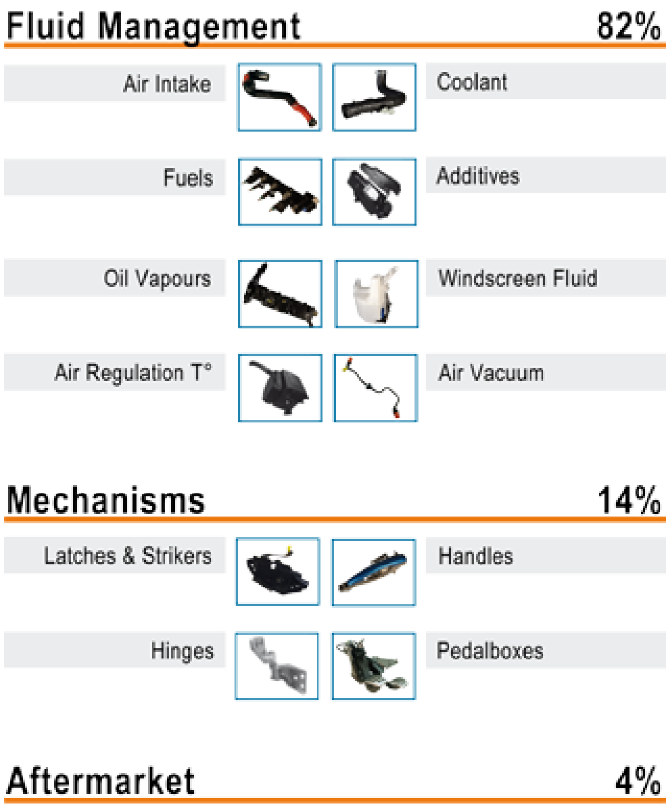
GENERAL OVERVIEW

Leader in its field of expertise, MGI COUTIER Group assists its clients in offering vehicles suitably tailored to market requirements (more reliable, more environmentally-friendly and more fun to drive)

The alternative to major equipment suppliers

Relying on its products rank and complete systems as well as its environmental efficiency, MGI COUTIER is able to deliver:

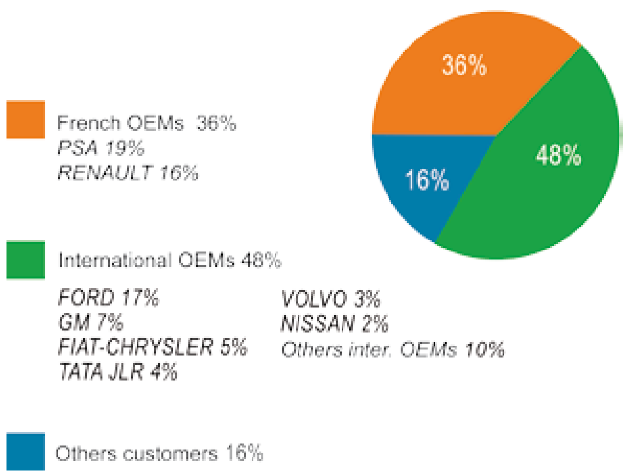
- ✓ **The best Technological choice** counting on the team creativity and their product specialization.
- ✓ **The best Business choice** due to the management of several materials and processes.
- ✓ **The best Industrial choice** whether global or low-cost.



MGI COUTIER is highly internationalized. The Group exists in 21 countries located in 5 continents. It has 40 industrial sites, 6 representative offices and almost 9 000 employees.

Being a specialist in Fluid Management and Mechanisms, the Group is arranged in seven Product Departments and a Market Division («AFTERMARKET»). AFTERMARKET is entirely devoted to aftermarket activities for manufacturer or independent markets.

2015, december the 31th turnover breakdown by customers



This organization is still in place. From April 2016, the Divisions were removed and 5 Product Line Departments were created: Air Intake & Cam Cover, Fuel & Control, Cooling, Mechanisms & Washing Systems and SCR.

The production sites are grouped by geographical area in 4 Industrial Units (North America, China, 2 Europe areas).

This organization will be entirely operational by the end of 2016.

Strong and structured values

- ✓ **Customers' satisfaction is at the heart of our concerns.** The quality of our service across the world is a witness for our customers' trust and satisfaction.
- ✓ **Family-owned business.** COUTIER family stands as a long term stockholder with an aspiration to expand the Group.
- ✓ **Human capital.** Loyalty and equity are the pillars to effectively work together.

The Group objective by the year 2020: Consolidate the leadership

Globalize the Product Lines

- ✓ Stand as a preferred supplier among the existing clients on all our Product Lines,
- ✓ Stand in all the countries of origin of the manufacturers,
- ✓ Produce close to assembly plants,
- ✓ Seek out new customers.

Develop new products

- ✓ Tailored according to the new environmental standards (CO_2, NO_X, particulates, etc.).
- ✓ Cater to the specific needs of emerging countries (Russia, China, etc.).
- ✓ For the vehicles of higher value segments (Premium, SUV, etc.).

Implemented strategy

- ✓ **A broad product range.** The Group is characterized by its comprehensive Management of Fluid (transfer, storage, dosing, reheating ...) and by numerous areas of intervention in Mechanisms (bonnet, side doors, swing doors, cases,...).
- ✓ **Proven organisation and experienced teams.**
- ✓ **An innovative approach** that is powerful, structured, and responsive to the future needs (processing the polluting emissions, reduction of the vehicle weight...) enabling the submission of 13 new patents in 2015.
- ✓ **A «2S2D» and 100% LEAN approach** which, applied on a daily basis, brings serenity, continuous progress and customers' satisfaction.
- ✓ **An excellent Quality level** with only 7 PPM in 2015.
- ✓ **A drive for integration** mixed with a highly open-minded spirit in the design process creating the most suitable solutions while maximizing added value.
- ✓ **Know-how regarding external growth** searching for complementing and synergistic opportunities (customers' portfolios, geographical expansion, product families...).

Responsiveness to environmental problems

MGI COUTIER tailors solutions or innovative concepts for its customers that meet or exceed the current environmental regulations.

Finally, the Group sites are certified in accordance with the standard of ISO 14001 environmental management. The reduction in energy consumption, waste and polluting emissions lie at the very core of concerns within each of our plants.

MANAGEMENT REPORT

Introduced by the Management Board to the Ordinary and Extraordinary Annual Meeting of June 29, 2016

1. Results, financing and perspectives

Comments & significant milestones of consolidated accounts

Accounting standards

The consolidated financial statements of MGI COUTIER Group were prepared in accordance with the IFRS standards, as approved by the European Union.

During the course of the financial year, the Group adopted the mandatory standards, amendments and implemented interpretations over the period. These texts have no impact on the net income or the financial situation of the Group.

A new growth in the Products & Functions' activity

For the financial year 2015, MGI COUTIER Group has reached turnover of EUR 860.4 million with a rise of 24,3% in comparison with the previous year. On a comparable basis and exchange rate, the growth of the Products and Functions' activity, increasd by +17,1%.

This increase, sharply higher than that of the global automobile market, is the resultof the surge of tank deliveries of Adblue® for SCR, of numerous introductions of new references and favorable currency exchange rate effects. The sales activity in the field of expertise of Fluid Management experienced an increase of +32,1% to reach a new all-time high level. The sales activity in the field of expertise of Mechanisms is +1,2% compared to the previous year. The Division of AVON AUTOMOTIVE remains the chief Division of MGI COUTIER Group in terms of its size and accounts for 41,5% of Products and Functions' turnover. French historic manufacturers account for 41,8% of the activity. The deliveries to customers located in France amount to 24% of total sales versus 20% in 2014.

The 2015 financial year highlights

Over the last financial year, the major activities of the organization are displayed hereafter:

- ✓ Continuation of the power surge of tank production of Adblue® for SCR accounting for EUR 99,4 million over the financial year (versus EUR 15,4 million in 2014).
- ✓ Order intake reaching a record level following three very dynamic years regarding new allocations;
- ✓ Acquisition of 55% of the Moroccan company capital SINFA CABLES;
- ✓ Building of a new plant in Mexico in Juarez (as an alternative to the current site), in China in Chongqing and in Morocco in El Jadida;
- ✓ Acquisition of the plant of St Just (Spain) which was previously a rental property;
- ✓ Search for land for the construction of a new plant in Mexico (near Orizaba) and in China (near Wuhan);
- ✓ André COUTIER leading the company since its creation granted the Presidency of the Management Board to Mathieu COUTIER.

A year recorded with profitability consolidation

The consolidated key-figures of 2015 financial year are as follows:

(in millions of Euros)	31.12.15 (12 months)	31.12.14 (12 months)
Turnover excluding tax	860,4	692,1
EBITDA	119,7	74,4
Current operating profit	79,1	51,9
Operating profit	79,3	51,6
Group share net profit	**50,9**	**33,6**
Self-financing ratio	**88,5**	**51,4**

The added value rises to EUR 359,8 million, showing an increase of 27,9% compared to the previous financial year. As part of the impact of the added value increase, these figures equally reflect the continued efforts aimed at reducing purchase product costs, boosting industrial efficiency and reinstating formerly sub-contracted products.

The taxes and charges amount to EUR 5,7 million with an increase of 15,7% over the financial year.

The personnel expenses, including temporary workers & employees' contribution for the French entities, rose to EUR 234,5 million, achieving an increase of 16,1 compared to the previous financial year. The growth in payroll over the financial year demonstrates the efforts achieved to push the production of SCR Adblue® tanks forward and the development activity in the sites of Eastern Europe, Tunisia and Turkey.

The EBITDA stands at EUR 119,7 million, showing an increase of 61,0% compared the previous year and represents 13,9% of consolidated turnover (10,7% in 2014). In terms of value, it is a truly historical figure. In terms of percentage, the Group is comparable in magnitude to the average of listed equipment suppliers.

The amortisation expenses amount to EUR 28,1 million with an increase of 31,1%. This increase is due to the key investments made since the financial year 2012.

The net provisions stand at EUR 12,6 million versus EUR 1,1 million in 2014. The net allocations of the financial year are mainly generated from defective provisions for defective products directly linked to the sharp rise of warranty returns highlighted over the financial year. This situation, which is not typical, is attributed to the high rise of the activity and to the number of new references initiated over the financial year.

The current operating profit stands at EUR 79,1 million, an increase of 52,5% compared to the previous financial year. It is the highest current operating profit in terms of value over the last fifteen years. The foreign subsidiaries contributed EUR 84,6 million to the current operating profit. This is a historical record. All entities where MGI COUTIER is the major stockholder display positive profitability with the exception of MGI COUTIER BRASIL, MGI COUTIER ENGINEERING (India), INDUSTRIAL FLEXO (Spain), MGI COUTIER MAROC, AVON AUTOMOTIVE CHINA and MGI COUTIER SA.

MGI COUTIER MAROC, MGI COUTIER ENGINEERING and AVON AUTOMOTIVE CHINA are three entities whose activity has not stabilized yet. Their profitability is thus not yet representative of their normal expected financial performance.

The other non-current profits and charges rose to EUR 0,2 million versus EUR (0,3) million in the previous financial year. No significant events were highlighted in the past financial year.

The cost of net financial debt decreased to EUR 2,8 million versus EUR 2,9 million in 2014. This development is mainly due to the stability of gross financial debts as references to the rate of variables compared to the previous financial year.

The other financial profits and charges amount to EUR (1,0) as opposed to EUR (2,6) million in 2014. The sharp monetary fluctuations occurring in the financial year 2015 generated the impact of net exchange losses of EUR 0,7 million (EUR 1,0 million on the previous financial year). There are no significant elements as compared to 2014.

The tax charge on the profits stands at EUR 24,7 million in 2015 against EUR 13,0 million in 2014. The effective tax rate refers a more normal level of 32,7% for the financial year.

The Group share net income amounts to EUR 50,9 million as compared to EUR 33,6 million in 2014. This is the best figure ever reported by the Group.

The non-financial investments amount to EUR 50,7 million against EUR 42,5 million over the prior financial year. As expected, the investments occurring in 2015 have reached a historically elevated level mainly related to the production surge of SCR Adblue® tanks as well as to the construction of three new plants.

The net financial debt remains under control. This balance of EUR 56,6 million is a decrease of EUR 8,2 million over one year.

The Group's stockholder equity amounts to EUR 284,9 milion representing an increase of 26,2% compared to the preceding financial year and a historical record as well. Apart from the Group's share of net income, the exchange variations of stockholders' equity of subsidiaries out of the Euro area have equally had a critical impact on the level of stockholders' equity at the closing.

Continuation of efforts around the field of Research and Development

In 2015, MGI COUTIER Group continued devoting significant resources to the field of Research and Development.

The costs of Research and Development rose to EUR 49,0 million, being 5,7% of consolidated turnover, compared to EUR 41,1 million in 2014.

The costs related to Research and Development have been recorded as charges during the periodand do not comply with the whole criteria to be considered as fixed assets as provided for by accounting standards.

The Group has benefited from a research tax credit in the amount of EUR 2,7 million (EUR 3,1 million in 2014).

The main areas of focus related to Research and Development aim to meet the environmental issues, and in particular:

- ✓ The prevention and the processing of pollutant emissions,
- ✓ The reduction of CO_2 emissions (by designing lighter parts),
- ✓ The implementation of solutions adaptable to the biofuels or meeting the requirements of hybrid or electric vehicles,
- ✓ Eco-design and product recycling.

Favorable perspectives for 2016

The MGI COUTIER Group remains highly attentive to maintain its economic and financial performance.

The 2016 financial year will continue to bring high sales growth activity thanks to the continuation of the increase of SCR Adblue® tank deliveries as well as the impact of new products related to significant order intake of the previous years.

The target is to reach in 2016 a consolidated turnover higher than EUR 900 million with an operational profitability superior in value to that of the financial year 2015.

Risk management

There are no risk factors related to MGI COUTIER Group, the principal risks being inherent in an activity developed almost entirely in the field of automobile original equipment manufacturers. A detailed presentation of the fundamental risk factors highlighted is shown in the appendix of consolidated accounts (note 24).

Incurred events between the financial year's closing and financial accounts' approval date

No significant events have arisen between the date of the financial year's closing and the date of the financial accounts' approval.

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

Comments on the Parent-company financial statements and year highlights

It is recalled that the Parent-company financial statements were prepared in compliance with the accounting principles applicable in France.

The turnover amounts to EUR 325,2 million witnessing an increase of 35,9% compared to the previous year. The company of MGI COUTIER has benefited from the surge in power of SCR Adblue® tanks and the growth of the automobile market in Europe. The turnover achieved with the foreign subsidiaries of MGI COUTIER represents EUR 48,3 million with 14,9% of its activity (14,5% in 2014). This growth is mainly related to the sales of components and semi-manufactured products in foreign subsidiaries focusing on the manufacturing or assembling of SCR Adblue® tanks.

The added value stands at EUR 88,5 million with an increase of 22,9% compared to the previous year. Over the financial year, the company was penalized by high costs related to the production launch of SCR Adblue® tanks and of the gross margin rates of these products which is far below the average of other references.

The taxes and charges stand at EUR 4,4 million recording an increase of 8,9% compared to the preceding financial year.

The personnel costs amount to EUR 73,1 million and represent 22,5% of turnover against 30,5% in 2014. The company remains mainly penalized by the resources being expended to maintain the studies and developments as well as the production of SCR Adblue®.

The EBITDA amounts to EUR 11,0 million against EUR (5,1) million over the preceding financial year. Despite the developments over the financial year, the ratio of EBITDA on the turnover remains still far away from the standards of our activity's sector.

The amortisation expenses, being EUR 11,0 million, are up by 13,0% taking account of the significant investments recorded since the financial year 2011.

Net provisions are up to EUR 11,2 million against (1,0) million in 2014. Over the financial year, the company was placed at a disadvantage due to the increase of warranty returns which have equally produced a sharp rise in corresponding provisions.

With reference to the preceding elements, the operating profit/loss amounts to EUR (12,3) million against EUR (14,9) million in 2014.

The financial profit rises to EUR 14,5 million against EUR 6,1 million in 2014. The company pursued to gain advantage of the payments of dividends from AVON AUTOMOTIVE HOLDINGS INC in the financial year 2015. The net provisions linked to financial elements stand at EUR (8,3) million as opposed to EUR 4,0 million in the previous year. In 2015, the major part of current accounts with MGI COUTIER MEXICO may be refunded by the subsidiary enabling us to regain the corresponding financial provisions.

The exceptional profit/loss amounts to EUR (1,4) million as opposed to EUR (1,2) million in 2014. This amount almost entirely corresponds to excess tax depreciation.

During the financial year, the company presents a tax profit of EUR 4,8 million against EUR 4,8 million over the preceding financial year. A research tax credit was recorded in the amount of EUR 2,7 million (EUR 3,1 million in 2014). The employment competitive tax credit (CICE) was increased to EUR 2,4 million (EUR 3,1 million in 2014). It will only be refunded against taxes on profits payable prior to the maturity date of 2019.

Taking account of the before mentioned elements, the net profit of the company rises to EUR 5,6 million against EUR (5,0) million in 2014.

The acquisitions of tangible and intangible fixed assets rose to EUR 16,2 million against EUR 15,0 million over the prior financial year. The level of investment remains higher than the historical average. The acquisitions of financial fixed assets increased to EUR 5,5 million against EUR 41,3 million over the preceding year (year of acquisition of AUTOTUBE AB capital).

With reference to the above elements, net indebtedness of MGI COUTIER amounts to EUR 133,7 million against EUR 136,0 million in 2014. This level of indebtedness appears to be reasonable compared with the size and the profitability of the Group.

The stockholders' equity before profit distribution stands at EUR 155,6 million against EUR 149,8 million over the preceding year. The stockholders equity accounts for 39,4% of the total balance sheet. The main objective is to reach a level above 50% in the long term.

In compliance with decree n° 2008-1492 dated 30 December 2008, we would like to inform you that the trade payables amounted to EUR 41,2 million at 31 December 2015 (excluding not received invoices) (EUR 21,1 million dated 31 December 2014). This amount of EUR 1,6 million had fallen due (0,9 million end of 2014). The balance of unmatured debts, 26,2 million were to become due within one month (10,6 million in 2014), EUR 10,0 million were to become due within two months (8,2 million in 2014), EUR 3,2 million were to become due within three months (1,2 million in 2014) and EUR 0,1 million were to become due in more than three months (0,2 million in 2014).

2. Group report on the corporate social responsibility

Human resources information

Average headcount

	2015	2014
Executives	496	421
Employees, technicians & Managers (ETAM)	2.519	2.468
Operatives	5.596	4.792
Total	**8.611**	**7.681**

Headcount as of December 31, 2015

	2015	Female share
Executives	491	15,7 %
ETAM	2.565	29,3 %
Operatives	5.902	51,6 %
Total	**8.958**	**43,3 %**

Staff mouvement - Departures

Departures	2015	2014
Voluntary	3.266	1.521
Lay-offs and terminations	368	302
Retirement	76	71
Total	**3.710**	**1.894**

Staff movement - Employment

Hiring	2015	2014
Open-term contract personnel	3.482	1.053
Fixed-term contract personnel	1.175	811
Total	**4.657**	**1.864**

Other employment information

	2015	2014
Total personnel costs (in thousands of Euros)	234.462	202.018
Amount allocated to training (in payroll percentage)	1,11%	1,51%

Environmental information

The information delivered bellow pertains to the whole Group sites excluding the Indian sites.

Resources consumption

Consumptions	2015	2014
Water (m3)	775.662	686.694
Plastic materials (tons)	16.857	12.117
Metal materials (tons)	20.972	16.720
Rubber materials (tons)	31.512	24.744
Electricity (Mwh)	107.150	92.434
Gas (Mwh)	86.530	18.069
Fuel (m3)	1.653	28.900

Wastes

Consumptions	2015	2014
Non-hazardous industrial wastes produced (tons)	11.766	18.069
Special industrial wastes produced (tons)	1.794	1.176
Total costs induced by waste management (thousands of Euros)	620	401
Secured savings due to waste-to-energy conversion (excluding metal wastes) (thousands of Euros)	341	342

The balance sheet of gas emissions said to be «of greenhouse effect» in accordance with the decree of July 11, 2011 is available on the website (www.mgicoutier.fr).

3. Legal information about the company and its capital

Stockholders & Stock Exchange

We would like to inform you of the significant equity investments in terms of capital and voting rights, confirmed on December 31, 2015.

Stockholders	Stocks	% of capital	% of voting rights
COUTIER DEVELOPPEMENT	15.331.170	57,33	57,34
COUTIER SENIOR	3.259.480	12,19	12,19
Natutal person executives	61.470	0,23	0,23
Public & Staff	8.083.759	30,23	30,24
Treasury stocks	5.161	0,02	exclues
Total	**26.741.040**	**100,00**	**100,00**

MGI COUTIER is recorded continuously in the Compartment B of Euronext Paris since 4 April 2011 under the stock code FR 00000 53027. The highest rate reached along the financial year was EUR 19,28 (2 December 2015), the lowest rate was EUR 10,93 (January 13, 2015). The closing rate on 31 December 2015 was EUR 18,90 promoting MGI COUTIER Group to EUR 505,4 million. The total trade volumes over the financial year stood at 6.837.003 securities for a total transaction number of 57.315 increased by 57.315 compared to the previous financial year.

Performed terms of office in other companies

In compliance with the legal provisions laid down, we would like to draw your attention to the performed functions and interests held in other companies including foreign ones and those in the Group managed by the managers and stockholders of MGI COUTIER.

Mr. André COUTIER, chairman of the Supervisory Board and founder of MGI COUTIER Group which he has managed since 1972 has upgraded the governance to plan for the future of the family-owned company.

In this context, the holding company COUTIER JUNIOR (69,53% of Group capital of MGI COUTIER SA), will take on a greater role to become the active holding company of MGI COUTIER and will henceforth be named COUTIER DEVELOPPEMENT SA to Management Board and Supervisory Board from June 26, 2015.

MGI COUTIER SA: Table of terms of office until 26 June 2015	
Members of Supervisory Board	
COUTIER Roger	Chairman of the Supervisory Board
COUTIER JUNIOR SA	Member of the Supervisory Board represented by Geneviève COUTIER
DEGUERRY Paul	Vice-Chairman of the Supervisory Board
MILLET Bertrand	Member of the Supervisory Board
SEVE Jean-Claude	Member of the Supervisory Board
JOB Nicolas	Member of the Supervisory Board
Members of Management Board	
COUTIER André	Chairman of the Management Board
COUTIER Mathieu	Member of the Management Board
THOMASSET Jean-Louis	Vice-Chairman of the Management Board
VILLANEAU Jean-François	Member of the Management Board
COUTIER Benoît	Member of the Management Board
COUTIER Christophe	Member of the Management Board
COUTIER Nicolas	Member of the Management Board

MGI COUTIER SA: Table of office terms after development of governance after 26 June 2015	
Members of Supervisory Board	
COUTIER André	Chairman of the Supervisory Board
DEGUERRY Paul	Vice-Chairman of the Supervisory Board
COUTIER DEVELOPPEMENT SA	Member of the Management Board
at Management Board & Supervisory Board	represented by Christophe COUTIER
JOB Nicolas	Member of the Supervisory Board
COUTIER Geneviève	Member of the Supervisory Board
Members of Management board	
COUTIER Mathieu	Chairman of the Management Board
THOMASSET Jean-Louis	Vice-Chairman of the Management Board
VILLANEAU Jean-François	Member of the Management Board
COUTIER Benoît	Member of the Management Board
COUTIER Nicolas	Member of the Management Board

Manager concerned	Performed functions and interests held in other companies including foreign and Group's companies – Dated 31.12.2015		
	Name or company name	**Legal form, town & country of head office**	**Job titles**
André COUTIER, Born 15.02.1949 **Chairman of the Supervisory Board of MGI COUTIER SA**	COUTIER DEVELOPPEMENT	SA at Management Board and Supervisory Board (Champfromier - France)	Member and Chairman of the Management Board
	POLE EUROPEEN DE PLASTURGIE	SAS (Oyonnax - France)	Permanent Representative of MGI COUTIER
	MGI COUTIER ITALIA	S.R.L. (Asti - Italy)	Chairman of the Management Board
	MGI COUTIER UK	LTD (Minworth – Great Britain)	Represents MGI COUTIER Executive Director
	MGI COUTIER MAKINA	Anonim Sirketi (Bursa - Turkey)	Executive Director Vice-Chairman of the Board
	MGI COUTIER MEJICO	SA de CV (Veracruz - Mexico)	Chairman of the Management Board
	M.E.I.P.L.	Private Limited (Pune - India)	Executive Director
	AVON AUTOMOTIVE HOLDINGS	INC (Cadillac - Michigan - USA)	Executive Director
	AVON AUTOMOTIVE A.S.	A.S. (Rudnik - Czech Republic)	Chairman of the Supervisory Board
	COFA2M	SAS (Champfromier - France)	Chief Executive Officer
	COFA2B	SAS (Champfromier - France)	Chief Executive Officer
	FOREX	SAS (Champfromier - France)	Chief Executive Officer

Mathieu COUTIER, **Born 25.05.1975** **Chairman of the Management Board of MGI COUTIER SA**	COUTIER DEVELOPPEMENT	SA at Management Board and Supervisory Board (Champfromier - France)	Member of the Management Board
	AVON AUTOMOTIVE HOLDINGS	INC (Cadillac - Michigan - USA)	Executive Director
	AVON AUTOMOTIVE DEUTSCHLAND	GMBH (Stuttgart - Germany)	Executive Director
	AVON AUTOMOTIVE A.S.	A.S. (Rudnik - Czech Republic)	Executive Director
	INDUSTRIAL FLEXO SL	S.L (Sant Just Desvern - Spain)	Executive Director
	AVON OTOMOTIV SANAYI SIRKETI	Anonim Sirketi (Gebze - Turkey)	Executive Director
	AUTOTUBE AB	AB (Aktiebolag) (Varberg - Suède)	Executive Director
	AUTOTUBE Group	AB (Aktiebolag) (Varberg - Sweden)	Chairman and Executive Director
	COFA2M	SAS (Champfromier - France)	Chairman

Benoît COUTIER **Born 19.10.1978** **Member of the Management Board MGI COUTIER SA**	COUTIER DEVELOPPEMENT	SA at Management Board and Supervisory Board (Champfromier - France)	Member of the Management Board
	MGI COUTIER BRASIL	LDA (Jundiai - Brazil)	Manager-Director
	MGI COUTIER ROM	SRL (Timis - Romania)	Executive Director and CEO
	MGI COUTIER ILIA	CO PJS (Ghaemshahr - Iran)	Executive Director, MGI COUTIER Representative
	NINGBO MGI COUTIER AUTO PLASTICS	CO. LTD (Cixi - China)	Executive Director
	COFA2B	SAS (Champfromier - France)	Manager

COUTIER Christophe, Born 06.05.1978 **Member of the Supervisory Board of MGI COUTIER SA as Permanent Representative of COUTIER DEVELOPPEMENT**	COUTIER DEVELOPPEMENT	SA at Management Board and Supervisory Board (Champfromier - France)	Member of the Management Board
	COFA2C	SAS (Champfromier - France)	Manager
	FOREX	SAS (Champfromier - France)	Manager

COUTIER Nicolas, Born 02.01.1981 **Member of the Management Board of MGI COUTIER SA**	COUTIER DEVELOPPEMENT SA	SA at the Management Board and the Supervisory Board (Champfromier - France)	Member of the Management Board
	MEIPL	PVT LTD (Pune - India)	Executive Director
	MGI COUTIER ESPANA	SL (Vigo - Spain)	Executive Director
	MGI COUTIER LUSITANIA	Unipessoal Lda (Paredes de Coura - Portugal)	Manager
	MGI COUTIER ENGINEERING	PVT LTD (Pune, Chakan - India)	Executive Director
	GOLD SEAL AVON POLYMERS	PVT LTD (Mumbai - India)	Executive Director
	AUTOTUBE AB	AB Aktiebolag (Varberg - Sweden)	Executive Director
	COFA2N	SAS (Champfromier - France)	Manager

VILLANEAU Jean-François, Born 22.10.1960 **Member of the Management Board MGI COUTIER SA**	MGI COUTIER ROM	SRL (Timis - Romania)	Executive Director
	MGI COUTIER ILIA	CO PJS (Ghaemshahr - Iran)	Chairman of the Management Board
	MGI COUTIER ENGINEERING	PVT LTD (Chakan, Pune - India)	Executive Director
	MGI COUTIER FINANCE	LTD (Chippenham - Great-Britain)	Executive Director
	AVON AUTOMOTIVE PORTUGAL	LDA (Tondela - Portugal)	Executive Director
	AUTOTUBE AB	AB Aktiebolag (Varberg - Sweden)	Executive Director
	MGI COUTIER MEJICO	SA de CV (Veracruz - Mexico)	Executive Director

THOMASSET Jean-Louis, Born 04.01.1965 **Member of the Management Board Vice-Chairman of MGI COUTIER SA**	MGI COUTIER ESPAÑA	S.L. (Vigo - Spain)	Executive Director Vice-Chairman
	MGI COUTIER MAKINA	Anonim Sirketi (Bursa - Turkey)	Executive Director
	MGI COUTIER MEJICO	SA de CV (Veracruz - Mexico)	Executive Director Vice-Chairman of the Management Board
	NINGBO MGI COUTIER AUTO PLASTICS	CO LTD (Cixi - China)	Executive Director
	AVON AUTOMOTIVE	AS (Rudnik - Czech Republic)	Member of the Supervisory Board
	AUTOTUBE AB	AB (Aktiebolag) (Varberg - Sweden)	Executive Director
	ATF	SARL (Lyon - France)	Majority Stakeholder

JOB Nicolas, Born 02.02.1955 **Member of the Supervisory Board of MGI COUTIER SA**	NJ CONSULTING	SARL	Manager

Information about the remuneration of Company representatives

In accordance with the provisions of the article L.225-102-1 of the Commercial Law, we acknowledge the gross individual earnings paid to corporate officers including fees, fringe benefits and attendance fees:

By remuneration categories

	Financial year 2015		Financial year 2014	
	Due	Paid	Due	Paid
Members of the Management Board				
Fixed remuneration	891.200	891.200	1.154.245	1.154.245
Variable remuneration	286.315	315.660	271.955	218.573
Fees and exceptional remuneration	209.722	209.722	-	-
Benefits in kind	7.928	7.928	13.146	13.146
Members of the Supervisory Board				
Fixed remuneration (including attendance fees)	304.559	304.559	113.000	113.000
Variable remuneration	9.498	9.498	-	-
Exceptional remuneration	-	-	-	-
Benefits in kind	1.214	1.214	-	-

By remuneration recipients

	Financial year 2015 (Paid)	Financial year 2014 (Paid)
André COUTIER	188.714	332.429
Roger COUTIER	28.750	57.500
Jean-Louis THOMASSET*	477.121	320.451
Mathieu COUTIER	267.931	174.698
Jean-François VILLANEAU	355.227	308.127
Benoît COUTIER	175.779	111.591
Christophe COUTIER	47.557	47.609
Nicolas COUTIER	148.453	91.059
Other recipients	50.250	55.500

*including EUR 209.722 of fees

We would like to inform you that no manager gains particular retirement benefits (additional pension schemes on top of mandatory schemes). The remunerations are examined by the Remuneration Committee, where the variable pay part is allotted according to the quantitative and qualitative objectives.

In compliance with the AMF recommendations dated 12 July 2010, it is stated that the level of performing quantitative and qualitative criteria was precisely developed but it is not made public for privacy reasons.

Performed operations with the Company's stocks

In accordance with the law, we would like to highlight that no manager has, on an individual basis, in 2015 made any transactions aquiring the company stock. The same applies to members closely related to them.

Furthermore, in compliance with the law, we wish to draw to your attention to the secured and resold stocks over the financial year 2015 within the framework of the liquidity and market making agreement with GILBERT DUPONT implemented since 11 July 2011 following the assemblies authorization dated 30 June 2011, 22 June 2012, 27 June 2013 and 26 June 2014 and 25 June 2015.

2015 Month of	Number of purchased stocks	Number of sold stocks	Balance of stocks at the end of month	Average rate (in Euros)	Value at end of month (in Euros)
January	53.915	54.792	4.279	13,48	57.681
February	42.398	42.572	4.105	13,08	53.693
March	52.502	49.629	6.978	12,80	89.318
April	38.750	40.340	5.388	12,70	68.428
May	20.252	20.262	5.378	15,50	83.359
June	30.160	31.332	4.206	14,20	59.725
July	37.436	34.911	6.731	14,80	99.619
August	26.406	26.491	6.646	13,45	89.389
September	35.732	36.467	5.911	14,23	84.114
October	22.257	22.146	6.022	16,25	97.858
November	21.852	24.642	3.232	18,71	60.471
December	21.705	19.776	5.161	18,90	97.543

Elements likely to have an impact in case of public offer

In accordance with article L.225-100-3 of Commercial Law, we kindly inform you about the following specifications: :

- ✓ The capital structure and the known direct holdings in the capital of MGI COUTIER SA are highlighted above and below.
- ✓ There is a concerted action in accordance with article 233-10 of Commercial Law between the companies COUTIER JUNIOR SA, COUTIER SENIOR (family holding companies controlled by Mr. André, Roger, Mr. Joseph COUTIER's heirs and their family), and Mr. André, Mr. Roger and the heirs of Mr. Joseph COUTIER, representing 69,75% of capital and voting rights. These stockholders have reached an agreement in which they decided to act in concert to put into practice a common policy of stockholders with respect to the company. This agreement was initiated under the regulatory declarations to the supervisory authorities emphasizing the agreement's publication. (SBF Notice n°94-2365 dated 29 July 1994).
- ✓ The duration of this stockholders agreement takes five years that is tacitly renewed along a period of five years unless terminated by one of the parties before the expiring date. The members remaining in the agreement, in this case, shall be subject to duties under the agreement.
- ✓ There are double voting rights since the General Assembly dated 25 June 2015.
- ✓ Every crossing by section of 1% of the detention of capital whether increasing or decreasing must be circulated to the company.
- ✓ The company's articles of association do not involve any other specification in terms of the rules of appointment and dismissal of the members of the Management Board and the Supervisory Board and the rules governing the power management within these bodies.
- ✓ The amendment of the Company's articles of association is initiated in accordance with the legal and regulatory provisions.

Post closing events

None

Information about acquisitions or control

Over the past year, MGI COUTIER has acquired 55% of SINFA CABLES Moroccan company's capital holding 50% of the capital of TEC-INJECT SARL Company. Furthermore, MGI COUTIER has contributed to the increase in capital of MGI COUTIER LUSITANIA Company (Portugal) for EUR 2.400 k as well as that of MGI COUTIER ENGINEERING (India) company for EUR 142 k.

Delegation of powers

According to the provisions set by the law, we kindly inform you that no delegation of power granted by a stockholders' General Assembly to the Management Board shall remain valid to date (excluding the market making agreement).

Proposals

We would like to ask you to approve the operations recorded by the Profit and Loss statements and the balance-sheets presented to you, then to decide on the appropriation of the financial year profit, as already stated in this report, at EUR 5.617.556,16. The Management Board suggests to you to approve a gross dividend of EUR 0,20 on the basis of the previous financial year and to allocate the balance to retained earnings account.

In compliance with the provisions of article 243 bis of the general tax law, we would like to inform you that the dividend amounts distributed over the last three financial years, were as follows:

Financial year end	Dividend per stock (in Euros)	Earnings eligible or not for relief allowances
December 31, 2012	0,50	Relief of 40% when applicable
December 31, 2013	0,50	Relief of 40% when applicable
December 31, 2014	0,05	Relief of 40% when applicable

In accordance with the provisions of article 223 quater of the General Tax Law, we kindly ask you to approve the expenses and charges targeted in article 39.4 of the said law, highlighting an amount valued at EUR 13.565 which initiated a tax worth EUR 4.522.

We suggest to renew the liquidity agreement set up since July 2011 in order to reduce market volatility and increase the stocks' liquidity of MGI COUTIER. The allocated resources for these operations remain limited to what is absolutely necessary with a maximum of 0,5% of the company's capital.

The amount suggested for the attendance fees is EUR 46.160. The draft resolutions presented to you assume the elements of our report. We kindly request your approval of these resolutions and would like to thank you for your trust and loyalty toward this company.

Statement on staff stock ownership on the last day of the financial year

In compliance with the provisions of article L.225-102 of the Commercial Law, this report must give an account to the status of staff stock ownership within the equity capital at the last day of the financial year and must develop the proportion of the capital represented by the stocks held by the company's staff and by the staff of associated companies in compliance with the provisions of article

L.225-180 of the Commercial Law within the scope of the company's savings scheme provided for by the articles L.443-1 to L.443-9 of the French Employment Law and by current and former staff within the framework of the company's joint investment fund. The stocks held directly by the staff during the periods of inaccessibility provided by articles L.225-194 and L.225-197, in article 11 of the law n°86-912 dated 6 August 1986 associated with the modalities of privatization and article L.442-7 of the French Employment Law are also taken into account.

According to our knowledge, the staff holds less than 1% of the company's stock capital.

Information about subsidiaries and holdings

(in thousands of Euros)	Stockholder capital before profit allocation	Quota-share of capital held (%)	Book value of stocks held	
			Gross	Net
Holdings by MGI COUTIER and its subsidiaries				
SCI PAYS DE BRAY SUD	279	100,00	762	762
MGI COUTIER ITALIA	(44)	100,00	50	-
MGI COUTIER TUNISIE	8.231	100,00	4.424	4.424
NINGBO MGI COUTIER	17.590	100,00	4.658	4.658
MGI COUTIER ARGENTINA	14	100,00	12.658	2.122
MGI COUTIER BURSA	12.171	100,00	6.721	6.721
MGI COUTIER BRASIL	(8.285)	100,00	5.118	-
MGI COUTIER UK LTD	123.666	100,00	96.517	96.517
MGI COUTIER ESPAÑA	21.880	100,00	4.772	4.772
MGI COUTIER MEJICO	(10.021)	100,00	6	-
MEIPL	2.770	50,00	812	812
MGI COUTIER ROM	17.814	100,00	1.963	1.963
MGI COUTIER ILIA	6	50,00	1.164	-
DEPLANCHE FABRICATION	1.819	100,00	895	895
AVON AUTOMOTIVE HOLDINGS INC	(18.240)	100,00	28.402	28.402
AVON POLYMERES FRANCE	(8.486)	100,00	-	-
MGI COUTIER ENGINEERING	(1.255)	99,00	1.395	-
AUTOTUBE AB GROUP	11.691	100,00	32.881	32.881
MGI COUTIER LUSITANIA	8.340	100,00	7.350	7.350
MGI COUTIER MAROC	(140)	100,00	5	5
SINFA CABLES	454	55,00	563	563
Others	-	-	57	10
Total	**180.254**	**-**	**211.173**	**192.857**

(in thousands of Euros)	Gross advances made (1) (2)	Turnover at 31.12.15	Net profit at 31.12.15	Dividends paid by the company in 2015	Approvals & Guarantees
Holdings by MGI COUTIER and its subsidiaries					
SCI PAYS DE BRAY SUD	(275)	95	45		
MGI COUTIER ITALIA	16	-	-		
MGI COUTIER TUNISIE	-	37.590	1.755		750
NINGBO MGI COUTIER	87	17.452	2.546		
MGI COUTIER ARGENTINA	1.094	10.505	23		
MGI COUTIER BURSA	(521)	34.252	1.841		
MGI COUTIER BRASIL	7.402	6.287	(147)		
MGI COUTIER UK LTD	(26.630)	18.888	5.363		
MGI COUTIER ESPAÑA	(12.374)	55.985	2.060		9.500
MGI COUTIER MEJICO	2.476	68	(97)		
MEIPL	-	14.003	138		347
MGI COUTIER ROM	-	48.740	4.249		
MGI COUTIER ILIA	2.339	2.884	-		
DEPLANCHE FABRICATION	(634)	2.249	352		
AVON AUTOMOTIVE HOLDINGS INC	-	10.447	574	9.000	
AVON POLYMERES FRANCE	(930)	30.310	1.167		
MGI COUTIER ENGINEERING	2.011	1.163	(422)		
AUTOTUBE AB GROUP	-	-	-		
MGI COUTIER LUSITANIA	-	33.843	1.673		
MGI COUTIER MAROC	2.027	-	(98)		
SINFA CABLES	207	1.400	(454)		
Others	(1.733)	-	-		
Total	**(25.438)**	**326.161**	**20.568**	**9.000**	**10.597**

(1) Net values including:	*Receivables*	*EUR 17.698 k*
	Liabilities	*EUR (43.136) k*
	Total	***EUR (25.438) k***

(2) Debts of Brazilian, Mexican and Iranian subsidiaries and MGI COUTIER ENGINEERING are depreciated respectively at a rate of EUR 7.402 k, EUR 2.476 k, EUR 2.339 k and EUR 1.255 k.

CERTIFICATION OF THE ANNUAL FINANCIAL REPORT

I declare, to the best of my knowledge, that the accounts are prepared according to the applicable accounting norms and delivers a genuine image of the capital, the financial situation and the company's profit/loss, as well as the whole companies encompassed in the consolidation perimeter, and that the above management report offers a transparent view of the business growth, profit/loss and the financial situation of the company and all the companies included in the consolidation perimeter as well as presents a description of the main risks and uncertainties to which they are confronted.

Mathieu COUTIER
Chairman of the Management Board

REPORT BY THE SUPERVISORY BOARD

To the Ordinary and Extraordinary Annual General Meeting dated 29 June 2016

Ladies and Gentlemen,

First and foremost, the Board kindly informs you of the well maintained relationships during the financial year with the Management Board which regularly circulates the activity reports and all the required information enabling the Supervisory Board to accomplish to its due diligence mission of permanent control.

Along this line, the Management Board presents the Parent-company financial statements of the financial year 2015, the consolidated financial statements as well as the management report drawn upon the accounts and the operations of the financial year ending December 31, 2014.

The accounts of the financial year ending December 31, 2015 display the following main elements:

(in thousands of Euros)	Consolidated accounts	Parent-company financial statements
Total of Balance Sheet	580.552	395.065
Turnover	860.356	325.201
Financial year profit	50.765	5.618

During this financial year, the activity was notably marked by:

- ✓ The ram-up of SCR Adblue® tanks delivery,
- ✓ The continuation of actions regarding organization, systems and efficiency,
- ✓ The intensification of endeavours related to the Research and Development.

The Supervisory Board was notified by the Management Board that MGI COUTIER Group will attempt to foster then implement the new organization of the Group while remaining highly attentive to maintain its economic and financial performances. The objectives communicated by the Management Board for the 2016 financial year (turnover higher than EUR 900 million and operating profit higher than the one reported for the 2015 financial year) are ambitious but achievable.

Taking the above mentioned into account, we have no particular observations to report, regarding the management report of the Management Board or the Parent-company financial statements and consolidated accounts of the financial year ending 31 December 2015.

Ultimately, we would like you to approve all the resolutions introduced to you.

Mr. André COUTIER

Chairman of the Supervisory Board

REPORT ON THE INTERNAL CONTROL PROCEDURES, RISKS MANAGEMENT AND THE COMPANY GOVERNANCE

Financial year ending December 31, 2015

Dear stockholders,

The law dated August 1, 2003 regarding financial security pertaining to limited companies, has fostered the information requirements addressed for both stockholders and third parties.

The communication on the operating modes pertaining to the limited company is then provided for by this text to promote the investors' trust.

In this scope, the legislation is aimed to enlighten you on the processes and operating modes of governing bodies.

The goal of this report is also to report on:

- ✓ The conditions related to the preparation and organisation of your Supervisory Board's activities;
- ✓ The possible restrictions enforced by your Supervisory Board on the powers of the Chairman of the Management Board;
- ✓ The procedures of internal control initiated by the company.

This is made in compliance with the provisions of article L.225-68, last sub-paragraph, of the Commercial Law.

Regarding the company's governance, our company refers, since the formation of the Supervisory Board dated 26 June 2015, to the Law of the company governance for the average and small values of MiddleNext dated December, 2009 and made available on the site www.middlenext.com. It also appears to the Supervisory Board that the Law of company's governance Middlenext will be adopted in the company in terms of its size and the structure of the stock capital.

I am, therefore, endowed with the honour, as the Chairman of the Supervisory Board, to submit this report to you.

1 In terms of conditions pertaining to the preparation and organisation of activities of your Supervisory Board

It is reminded that your Supervisory Board is composed of the following five members:

- ✓ Mr. André COUTIER, Chairman of the Supervisory Board, appointed and co-opted on June 26, 2015
- ✓ Mr. Paul DEGUERRY, Vice-Chairman of the Supervisory Board, whose term of office was renewed for three years by the General Meeting dated June 27, 2013
- ✓ Mr. Nicolas JOB, whose term of office was renewed for three years by the General Meeting dated June 27, 2013
- ✓ Mrs. Geneviève COUTIER appointed and co-opted on June 26, 2015
- ✓ COUTIER DEVELOPPEMENT SA a legal entity appointed as a permanent member: Mr. Christophe COUTIER

During the 2015 financial year, your Supervisory Board gathered five times: on January 22, 2015; April 30, 2015; June 26, 2015; August 26, 2015 and October 29, 2015.

The article 16 sub-paragraph 5 of the articles of association provides that the «Supervisory Board shall also meet as often as the company's interests so requires» and at least twice a year. It is also noted that «in compliance with the law of article 16 sub-paragraph 4 of the company's articles of association, the Chairman of the Supervisory Board shall organize and lead the Board's activities and reports on them at the General Meeting». To meet this end, as the Chairman of the Supervisory Board, I am keen on convening meetings of your Supervisory Board and the determining the items on the agenda according to either the legal or regulatory requirements, or the obligations addressed to me under the terms of the enforced procedures and power limitations.

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

All the documents enabling the full examination of the different items of the agenda are addressed at the same time as the convening (reports, draft minutes of the meeting, etc.).

On the date of the Supervisory Board's meeting, as the Chairman of the Supervisory Board, I shall be in charge of ensuring the signing of the attendance sheet by each present member.

The decisions of the Supervisory Board are adopted in terms of the conditions of quorum and the majority provided for by the articles of association.

In accordance with the law of article 16, sub-paragraph 5 of the articles of association, the decisions of the Supervisory Board are listed in the meeting minutes, developed and signed under a special register and flip-charts. As the Chairman of the Supervisory Board, I will therefore ensure that all the decisions of the Supervisory Board are recorded in the special register and signed by each member.

The Supervisory Board constituted in its center committees intended to improve the functioning of the Board and to effectively contribute in the decisions' preparation. The Board has also created the permanent committees as follows: the Strategic Committee, the Committee of Remuneration and the Committee of Audit.

During the year 2015 following the official statement dated June 29, 2015, there was a progress of the Governance of MGI COUTIER Group. It sounds that COUTIER JUNIOR SA holding that holds directly or indirectly 69,53% of MGI COUTIER Group will take on a greater role to become the active holding company of MGI COUTIER and will henceforth be named COUTIER DEVELOPPEMENT SA at its Management Board and Supervisory Board with nominations of its new bodies (Supervisory Board, Management Board, Strategic Committee). This also leads to the suspension of the activity of the Strategic Committee of MGI COUTIER.

Since June 26, 2015 the Remuneration Committee is composed of three members: Mr. André COUTIER, Paul DEGUERRY and Nicolas JOB. They held meetings twice during the financial year 2015. The Remuneration Committee is granted with the mission:

- ✓ of analysing and making suggestions regarding the remuneration of company representatives;
- ✓ of proposing the rules of distribution of attendance fees to the Board;
- ✓ of considering every issue submitted by the Chairman of the Supervisory Board.

Since June 16, 2015, the Audit Committee is composed of four members: Mrs. Geneviève COUTIER and Mr. André COUTIER, Mr. Paul DEGUERRY and Mr. Nicolas JOB; this latter was named the Chairman of the Audit Committee. During the financial year 2015, the committee gathered twice. The Audit Committee is notably in charge of ensuring the monitoring of:

- ✓ the process of developing the financial data;
- ✓ the effectiveness of the internal control systems and risk management;
- ✓ the legal control of annual and consolidated accounts by the statutory auditors;
- ✓ the independence of the statutory auditors.

2 Regarding the potential power limitations brought to the General Management

According to the law 2001-420 dated May 15, 2001 pertaining to the new financial regulations, the Management of our company is held by Mr. Mathieu COUTIER endowed with the responsibility of the Chairman of the Management Board since June 26, 2015.

The Supervisory Board dated June 26, 2015 which was appointed and confirmed its powers, has not enforced any limits on the powers of the Chairman of the Management Board that holds, according to the law and vis-à-vis third parties, the broadest powers to react in all circumstances in the name of the company. The Supervisory Board performs its powers within the limits of the company objective and under the powers allocated by the law particularly to the Stakeholders and to the Supervisory Board's meetings.

3 As far the internal control procedures implemented by the company

In accordance with the article 117 of the law 2003-706 dated 1 August 2003, completing article L.225-68 of the French Commercial Law, this part of the report has a descriptive feature and does not encompass any evaluation.

3.1. Reminder of the Company's objectives in terms of the internal control procedures

The internal control procedures enforced in the company aim to:

- ✓ monitor that the management acts or achievement of operations as well as the staff behaviors comply with the framework drawn up by the orientations provided to the company's activities by corporate bodies, by the laws and applicable regulations and by the values, norms and internal rules of the company.
- ✓ check that the information pertaining to accounting, finances and management provided to the corporate bodies of the company truly reflects the activity and situation of the company.

One of the objectives of internal control is to prevent and control the risks generated from the company's activity and errors or fraud risks, in particular in the accounting and finance fields. As all control systems, it cannot however provide an absolute guarantee that such risks are completely eliminated.

The control and management of risks related to the company's activities rely on the following principles:

- ✓ A decentralized organization in Divisions and Subsidiaries in order to promote responsiveness and clients' proximity;
- ✓ A monthly reporting and budgetary procedure as a pivotal tool for MGI COUTIER in managing its operations;
- ✓ Broad and frequent endeavors raising the awareness of the entire personnel Group toward risks;
- ✓ The implementation of strong Functional Directions in charge of enforcing the company's policies and controlling the effective application;
- ✓ The specialization of sites by product family enables to foster and accelerate the expertise process;
- ✓ The formal delegation by the Chairman of the Management Board of the control and the management of certain risks to the most concerned Directors (Functional Directors and Operational Managers);
- ✓ Separation of functions (between Operational and supporting Functions, between those incurring expenditure and those recording and regulating expenditure, between executive and controlling staff, etc.);
- ✓ The definition of objectives corresponding to the best global or internal practices and the regular measurement of the difference between the secured performance and its objectives;
- ✓ The implication of all hierarchical levels and all sites in the improvement of performance and the control of activities;
- ✓ A prior authorization of all investments exceeding the value of EUR 3.000 by the Management Board's member in charge of operations.

Furthermore, the booklet of reception points out the ethical obligations of all the MGI COUTIER staff. It is given and reviewed with each employee during his/her recruitment. Moreover, each site is endowed with an internal procedure manual distributed to all staff.

3.2. Analysis of the internal control environment

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

The powers of the Chairman of the Management Board are restricted by the Supervisory Board. He formally delegates a part of his powers conferred upon him to the different Directors.

The company elaborates the procedures and distinguishes between two types of procedures: the ones related to a function (example of financial procedures) and the ones related to a process (delivery, treatment of non-conformities, etc.). Thirteen processes have been identified within the company (five customer-oriented processes and eight management or support processes). They cover all the Company's activities (from the Company activities' promotion to new customers, to the improvement of supplier performance). Fifty four obligatory indicators cover these thirteen processes and ensure the proper implementation and performance of these operating modes.

All procedures are approved beforehand by the Management Board. Their update is also subject to the formal approval by Management Board members.

These procedures are available in an Intranet network enabling them to immediately be distributed to all the staff in question.

Internal memos or notices can be used to complete, to examine or recall these procedures.

The Functional Departments, the Organizational Managers of processes ensure the sound application of processes under their responsibility. They must report, at least once a year, to the Management Board, on the results obtained within their field of expertise.

The Quality Department ensures the sound application of these procedures by the control of periodic reports and the achievement of internal audits.

The Finance Department specifically ensures the proper application of the accounting and financial rules. The department also has an internal auditor.

Furthermore, there is a Health and Safety committee in each of the Company's sites. Each Health and Safety committee regularly meets with the aim to examine, propose and validate any Health and Safety measures intended to protect the Company's staff and its assets.

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

- ✓ One on the validity of strategic options (Products, Markets, Customers, Action Plans) within the framework of medium term plans,
- ✓ One on the validity of financial options of a short term nature within the perimeter of the year end budgets and forecast reviews.

For each of the eight Divisions, the Management Board devotes half a day each year to review and validate the Research and Innovation axes (Product and/or Process).

Furthermore, since 2008, a particular meeting of half a day was initiated by all the most important Divisions and subsidiaries. This meeting is devoted to reviewing the main actions carried out regarding productivity and those actions envisaged for the next twelve months.

B. Brief description of accounting system

The accounting system is internally provided within the Legal and Financial Department.

The accounting teams are placed in two sites in the company and work under a logic of Shared Services Centre (SCC) for all the company's plants. 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 or specific developments were introduced on this ERP.

There are management controllers present on each of the Company's sites. Management control teams and Accounting teams are completely separate, even if information is exchanged on a permanent basis.

There are reference manuals adopted for the creation of:

- ✓ Annual accounts (PCG, i.e. French general accounting principles),
- ✓ Consolidated financial statements,
- ✓ Monthly internal reports.

There are regular examinations provided by the company's staff on the communicated financial data.

Moreover, within the framework of legal obligation of the accounting audit, our statutory auditors provide an accounting control annually.

4 The application of the principle of a gender-balance representation in the Supervisory Board

The law n°2011-103 dated 27 January 2011 anticipates that the proportion of members in the Supervisory Board from each sex shall not be lower than 20% after the General Meeting dated 2014 and 40% after 2017 General Meeting. In December 31, 2015, this proportion was 20% (one female member and four male members or representative of a member of MGI COUTIER's Supervisory Board).

Mr. André 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 of the Chairman of the Supervisory Board of MGI COUTIER Company.

Financial year ending December 31, 2015

To the stockholders,

As statutory auditors of MGI COUTIER Company, and under the provisions of article L.225-235 of the French Commercial Law, we present our report on the report drawn up by the Chairman of our company in accordance with the provisions of article L.225-68 of the French Commercial Law under the scope of the financial year ending December 31, 2015.

The Chairman is in charge of tailoring and submitting for the approval of the Supervisory Board a report giving account of the internal control and risk management procedures implemented within the company and providing the other required information by article L.225-68 of the French Commercial Law related notably to company's governance.

It is up to us:

- ✓ to communicate the observations recalling the information included in the report of the Chairman, regarding the internal control procedures and risk management pertaining to the drawing up and the handling of accounting and finance information, and;
- ✓ to witness that the report includes the other information required by article L.225-68 of the French Commercial Law, while emphasizing that we are not in charge of checking the reliability of the other information.

We have performed our tasks in accordance with the standards of the professional practice applicable in France.

Information about the internal control and risk management procedures pertaining to the preparing and handling of accounting and financial information

The standards of professional practice require the implementation of necessary procedures aimed at highlighting the transparency of the information regarding the internal control procedures and risk management pertaining to the preparing and processing of the accounting and financial data contained in the Chairman's report.

These procedures notably consist of:

- ✓ grasping the procedures of internal control and risk management related to the preparing and processing of accounting and financial information underlying the information displayed in the Chairman's report as well as the existing information;
- ✓ reviewing the activities enabling the preparing of this information and the existing documentation;
- ✓ determining whether the significant internal control deficiencies related to the preparing and processing of accounting and financial information that we have identified within the scope of our mission are the object of an adequate information in the Chairman's report.

Based on these activities, we have no observation to formulate on the information about the internal control procedures and risk management of the company related to the preparing and processing of accounting and finance information contained in the report of the Chairman of the Supervisory Board, implementing provisions of article L.225-68 of the French Commercial Law.

Other information

We witness that the report of the Chairman of the Supervisory Board involves the other data required under article L.225-68 of the French Commercial Law.

Drawn up in Villeurbanne and Annecy-le-Vieux
on April 29, 2016

The Statutory Auditors

ORFIS BAKER TILLY
Valérie MALNOY

MAZARS
Bruno POUGET

MGI COUTIER GROUP

Consolidated balance sheet
At December 31, 2015
(in thousands of Euros)

ASSETS	Notes n°	31.12.15 Net amounts	31.12.14 Net amounts
Intangible fixed assets			
Acquisition differentials	7	55.490	52.132
Other intangible fixed assets	8	1.124	961
		56.614	**53.093**
Tangible fixed assets	9		
Lands		12.552	10.311
Buildings		46.527	45.349
Technical installations & equipment		94.426	76.686
Other tangible fixed assets		8.123	8.010
Current fixed assets, advances & payment in account		18.529	17.332
		180.157	**157.688**
Non-current financial assets	10	**3.473**	**4.182**
Deferred tax credits	11	**8.077**	**7.693**
Total non-current assets		**248.321**	**222.656**
Stocks and WIP	12	86.146	64.387
Accounts receivables	13	138.099	116.011
Other debts	14	40.105	27.402
Cash and cash equivalents	17	67.881	58.809
Total current assets		**332.231**	**266.609**
Assets intended for transfer	19	0	31
Total asset		**580.552**	**489.296**

LIABILITIES	*Notes n°*	31.12.15	31.12.14
Stockholders' equity			
Equity capital	*15*	21.393	21.393
Land revaluation difference		2.333	2.333
Reserves and retained earnings		210.232	168.483
Advance dividends			
Group's share of financial year profit		**50.932**	**33.615**
Group's share of shareholders' equity		**284.890**	**225.824**
Minority interests		**190**	**107**
Stockholders' equity		**285.080**	**225.931**
Long-term reserves	*16*	10.704	10.281
Medium and long-term funding liabilities	*17*	91.180	97.147
Deferred tax liabilities	*11*	5.949	4.471
Total non-current liabilities		**107.833**	**111.899**
Current provisions	*16*	17.153	6.607
Funding debts at less than 1 year	*17*	33.326	26.460
Accounts payables		92.638	72.764
Other debts	*18*	44.522	45.635
Total current liabilities		**187.639**	**151.466**
Liabilities intended for transfer			
Total liabilities		**580.552**	**489.296**

Consolidated Profit and Loss Account At December 31, 2015 (in thousands of Euros)

	Notes n°	**31.12.15 (12 months)**	**31.12.14 (12 months)**
TURNOVER	*3*	**860.356**	**692.073**
Variation of stored production		14.398	3.868
Consumption		(365.469)	(280.445)
Other external charges		(149.445)	(134.236)
VALUE ADDED		**359.840**	**281.260**
Taxes		(5.656)	(4.888)
Permanent and temporary staff expenses		(234.462)	(202.018)
EBITDA		**119.722**	**74.354**
Amortization expenses		(28.055)	(21.404)
Provisions/Net provision write-offs		(12.556)	(1.061)
CURRENT OPERATING PROFIT	*3*	**79.111**	**51.889**
Other net non-current profits (charges)	*4*	166	(328)
OPERTAING PROFIT		**79.277**	**51.561**
Cash receipt and cash equivalents		*647*	*734*
Cost of gross funding liabilities		*(3.465)*	*(3.672)*
Cost of net funding liabilities	**5**	**(2.818)**	**(2.938)**
Other financial income and charges	*5*	(968)	(2.579)
Current and deferred taxes	*6*	(24.676)	(12.958)
Share of associated business profit/loss		(50)	500
NET PROFIT/LOSS OF RETAINED ACTIVITIES		**50.765**	**33.586**
Net tax income on halted or pending transfer activities			
NET PROFIT/LOSS		**50.765**	**33.586**
* including share relevant to consolidated Group		50.932	33.615
* including share relevant to minority interests		(167)	(29)
Group's share of net income per share (in Euros)		**1,90**	**1,26**
Diluted Group's share of net income per share (in Euros)		**1,90**	**1,26**

Other elements of the global profit/loss
At December 31, 2015
(in thousands of Euros)

	31.12.15 (12 months)	31.12.14 (12 months)
NET EARNINGS	**50.765**	**33.586**
Conversion differences	9.387	9.303
Actuarial differences on retirement commitments net of tax (1)	110	(829)
Stocks held by the company	(13)	(27)
PROFITS AND LOSSES ACCOUNTED IN STOCKHOLDERS' EQUITY	**9.484**	**8.447**
GLOBAL PROFIT AND LOSS	**60.249**	**42.033**
* including share relevant to consolidated Group	60.403	42.023
* including share relevant to minority interests	(154)	10

(1) including tax effect on 2015 profits for EUR 36 k and in 2014 for EUR 414 k (equally see note 16 of appendix to consolidated accounts)

Further details: all the components of other elements in the global profit/loss are intended to be recycled into profit/loss, excluding the actuarial differences related to post-employment commitments.

Consolidated cash flow table
At December 31, 2015
(in thousands of Euros)

	31.12.15 (12 months)	31.12.14 (12 months)
NET INCOME	**50.765**	**33.586**
Amortization expenses	25.610	21.404
Capital gains/losses on asset transfers	(7)	(46)
Variation of provisions and other operating resources	12.118	(3.005)
Elimination of net profits/losses of associated companies	50	(500)
SELF-FINANCING	**88.536**	**51.439**
Variation of other short-term assets and liabilities	(31.282)	(2.871)
CASH FLOW VARIATION INITIATED FROM OPERATING TRANSACTIONS	**57.254**	**48.568**
Acquisitions of tangible and intangible fixed assets	(50.376)	(42.521)
Acquisitions of financial fixed assets	(46)	(86)
Transfers of fixed assets	1.108	330
Incidence of scope variations (1)	(1.119)	(29.676)
CASH FLOW VARIATION INITIATED FROM INVESTMENTS	**(50.433)**	**(71.953)**
Distribution of dividends	(1.337)	(1.337)
Variation of indebtedness	640	41.527
CASH FLOW VARIATION INITIATED FROM FUNDING	**(697)**	**40.190**
Impact of foreign exchange variations	2.922	2.488
NET CASHFLOW VARIATION	**9.046**	**19.293**
CASHFLOW AT OPENING	**58.065**	**38.772**
CASHFLOW AT CLOSING	**67.111**	**58.065**

(1) Notably related to the introduction of SINFA CABLES in the scope.

Variation of Consolidated Stockholders' Equity (in thousands of Euros)

	Capital	Primes	Reserves	Profits & losses accounted in stockholders' equity	Total Group share	Minority interests	Total
Stockholders' equity at December 31, 2013	**21.393**	**9.704**	**167.951**	**(13.939)**	**185.109**	**126**	**185.235**
P/L financial year 2014			33.615		33.615	(29)	33.586
P/L accounted in shareholders' equity				8.437	8.437	10	8.447
S/Total global P/L					**42.052**	**(19)**	**42.033**
Dividends distribution			(1.337)		(1.337)		(1.337)
Other variations							
Stockholders' equity at December 31, 2014	**21.393**	**9.704**	**200.229**	**(5.502)**	**225.824**	**107**	**225.931**
P/L of financial year 2015			50.932		50.932	(167)	50.765
Profits and Losses accounted in shareholders' equity				9.471	9.471	13	9.484
S/Total global P/L					**60.403**	**(154)**	**60.249**
Dividends distribution			(1.337)		(1.337)		(1.337)
Other variations						237	237
Stockholders' equity at December 31, 2015	**21.393**	**9.704**	**249.824**	**3.969**	**284.890**	**190**	**285.080**

The amount of dividends put forward for the distribution during the next mixed annual General Meeting dated June 29, 2016 is valued at EUR 5.348.208.

1 Note 1 – Accounting rules and methods

The consolidated accounts of MGI COUTIER were closed by the Management Board dated April 25, 2016.

Declaration of conformity

Following the European regulations 1606/2002 and 1725/2003, the consolidated financial statements of MGI COUTIER Group were prepared in compliance with the international accounting standards applicable within the European Union at 31 December 2015. The international accounting standards encompass the IFRS (International Financial Reporting Standards), the IAS (International Accounting Standards), the amendments and their SIC and IFRIC interpretations (Standards Interpretations Committee and International Financial Reporting Interpretations Committee), accessible in 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, amendments and interpretations applicable in 2015

The new standards and following interpretations applicable over the period, have no significant effect on the consolidated accounts at December 31, 2015:

- ✓ The interpretation IFRIC 21 «Rights and Taxes»,
- ✓ The annual improvement standards cycle 2011-2013,
- ✓ The clarifications provided by the IFRIC on the classification of a partnership on the basis of other events and circumstances.

These new standards do not cause any significant impact on the financial situation and the Group's performance.

The Group opted not to implement in advance the standards, interpretations and amendments adopted by the European Union before 31 December 2015, and which comes into force after this date. It is mainly about the annual improvement standards, cycles 2010-2012 and 2012-2014. Taking account of the ongoing analysis, these standards, amendments and interpretations must not raise a significant impact on the consolidated stockholders' equity.

In addition, the Group does not expect that the standards, amendments and interpretations published by the IASB and of mandatory application in 2015 but not yet approved at the European level (and whose expected application is not potential at the European level) have a significant impact on the accounts of future financial years.

Furthermore, the Group has not yet analysed the impact of IFRS 15 standards «profits of ordinary activities» and IFRS 9 "financial instruments" voted by the IASB with a first application for the financial years from 1 January 2018. These standards have not yet been adopted by the European Commission and structuring points are under discussion and must be subject to the IASB amendments.

Use of estimates and assumptions

The financial statements reflect the assumptions and estimates used by the Group's Management. The presentation of the financial statements requires the use of estimates and assumptions for the evaluation of certain assets, liabilities, profits, charges and commitments. The final information can be different from these estimates and assumptions. The goodwill, deferred taxes and provisions recorded under the liabilities of the balance sheet are the main elements of consolidated financial statements concerned with the use of assumptions and estimates.

The MGI COUTIER Group has not noted any significant impact over the financial year in terms of the uncertainties linked to these estimates and assumptions, except for the extremely high volatility of the discount rate used to calculate the payroll commitments (cf. note 1.3.i) and those linked to conversion differences.

1.1. Consolidation scope

As stated below, MGI COUTIER Group applied the new standards of consolidation starting from January 1, 2015.

The significant companies in which MGI COUTIER SA holds directly or indirectly exclusive control are globally integrated. The exclusive control analysis is carried out according to the IFRS 10 standard (direct or indirect power to lead the financial and operational policies on relevant activities, exposure to variable profitability and capacity to exert its power to influence the profitability). This control is generally supposed to exist in the companies where MGI COUTIER SA directly or indirectly retains more than 50% of voting rights of the controlled company. To assess this control, the potential voting rights immediately exercisable, including those retained by another entity, are taken into account.

The significant associated companies where MGI COUTIER SA performs directly or indirectly a notable influence are evaluated using the equity method. The significant influence is seen as the power to take part in the financial and operational policies of a company without exerting control over these policies. It is considered when the Group holds whether directly or indirectly between 20% and 50% of voting rights. The equity method consists of adjusting to book value the securities held and the amount of the share they represent in the capital equity of the associate company, including the profit/loss of the financial year.

The analysis of partnership achieved depending on criteria defined by the standard IFRS 11 has only led to the identification of joint-ventures, with no joint activity. The joint-ventures are consolidated by the equity method.

The list of companies related to the consolidation at December 31, 2015 is provided in note 2.

All the significant transactions between the integrated companies are eliminated as well as the unrealized internal profit/loss, including the fixed assets and the consolidated companies' stocks.

Business Combinations

Since 2010, the Group applied the new revised standards IFRS 3 «Business combinations» and IAS 27 «Separate and Consolidated Financial Statements».

According to this method, the Group lists at fair value at the acquisition date the assets, liabilities and potential liabilities highlighted at this date.

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

The costs pertaining to business combinations are not part of the fair exchange value. They are then recorded as charges and no longer included in the cost of securities' acquisition.

The Group evaluates the minority interests during the acquisition either at the fair value (full goodwill method), or on the basis of their quota in the net asset of the acquired company (partial goodwill method). The option is taken in each acquisition.

The impact of scope variations without modification of control is noticed directly in consolidated reserves.

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

The Group is bound to a deadline of twelve months starting from the acquisition date in order to complete the recording of a considered business combination. Any modification in the acquisition price, applied outside the assignment deadline, has as a counterpart in the profit/loss without changing the acquisition or goodwill cost.

1.2. Conversion of financial statements and transactions into foreign currency

The financial statements of foreign companies are established in their operating currency, i.e. in the currency significant for the activity of the concerned subsidiary. It usually refers to the local currency.

The Group carries out the closing rate method for converting the subsidiaries' financial statements:

- ✓ All the items in the foreign companies' balance sheet are converted at the closing rate, with the exception of stockholders' equity.
- ✓ The items in the profit/loss account of foreign companies, drawn up in local currency, are converted at the average rate for the financial year.
- ✓ The Group's share of the stockholders' equity is converted at the historic rate except for the profit/loss of the financial year converted at the average rate.
- ✓ The translation differences of conversion are recognized in other elements of the global profit/loss.
- ✓ The goodwill observed on foreign subsidiaries is recorded in the currency of the subsidiary.

The exchange differences generated from the transactions in foreign currency performed over the financial year are included in the profit/loss account in the other financial profits and charges.

MGI COUTIER Group did not implement during the presented financial years instruments of currency risk coverage.

The translation differences pertaining to a monetary element, which is an integral part of the net investments in a foreign subsidiary, are directly recorded in the consolidated stockholders' equity in the element «translation differential», when the criteria defined by the standard are respected.

1.3. Accounting principles and methods

The accounts of the companies' Group, are prepared according to the accounting rules enforced in their country of activity, are restated before being consolidated when differences of accounting principles exist with the principles held by the Group.

A. Intangible assets

The intangible assets are presented in the balance-sheet at their acquisition cost and mainly correspond to the following elements:

- ✓ Patents (amortized in straight-line method over their protection period),
- ✓ Computer software (amortized in straight-line method over a period ranging from 1 to 3 years).

The research expenses are accounted in the profit/loss of the financial year during which they are incurred. The development costs are recorded in intangible assets when the conditions linked to the technical feasibility, to the market potential, to the capacity to reliably assess the assignable expenses and to raise future economic advantages are met. The development costs are annually reviewed in order to determine if the accounting criteria of an intangible asset are met.

In 2015 and 2014, no development costs were recorded as fixed assets considering that the capitalization criteria were not met. Indeed, the development costs committed within the framework of a new product project or a significant evolution of an existing product must meet six criteria in order to be recorded as fixed assets.

Among these criteria, there is one that forces us to demonstrate the existence of a market for the project's outputs. The existence of a market is demonstrated when the Group receives the manufacturers' approval certificate and the suggested volumes by the manufacturers raise a sufficient profitability. However, the corresponding development expenses are incurred at an earlier stage of the project, prior to manufacturers' approval process. The amount of Development and Research expenses recorded under the charges of the 2015 financial year increases to EUR 49,0 million (EUR 41,1 million in 2014).

B. Goodwill

The positive difference in value recorded between the cost of acquired stocks and the fair value of assets and liabilities of the subsidiary at this date, constitutes goodwill recorded as a fixed asset in the consolidated balance sheet in «goodwill». The non-affected business intangibles are equally considered as goodwill.

The acquisition price encompasses the estimated impact of potential adjustments on the acquisition price, such as the price supplements. The price supplements are determined by implementing the criteria provided in the acquisition contract (turnover, profit/loss, etc.) to forecasts considered as the most probable. They are re-estimated at each closing, the potential variations are charged against the profit/loss after the acquisition date (including in the period of one year following the acquisition date). When the impact is significant they are updated. The effect of the "accretion" of the debt recorded in the liabilities is accounted for in the heading "net financial indebtedness cost". The acquisition expenses are directly recorded as charges in the profit/loss.

By the application of the exception provided by the standard IFRS 1, the positive goodwill value determined under the French standards was not adapted to the IFRS standards during the changeover to IFRS in 2005.

When the goodwill is negative, it is immediately recognized under profit/loss.

The goodwill is not amortized. It is subject to impairment tests (cf. note 7).

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

In accordance with the IAS 36 standard, impairment tests are implemented at least once a year for the non-amortized assets (essentially goodwill), and for the other tangible and intangible assets, if there are indicators of value loss.

In practice, the non-current and non-financial assets correspond essentially to goodwill and land.

For the completion of impairment tests on goodwill, the latter is broken down between the cash generating units (CGU) corresponding to homogenous sets raising independent cash flows.

Regarding goodwill, the Groups of cash flow generating units correspond to the countries in which they are located (France, Spain, Turkey, China, USA, Sweden, etc.). No change of CGU (cash flow generating units) occurred in the presented financial years.

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

When the tests highlight impairment, it is allocated in priority of the goodwill, then the other assets of the CGU, within the limit of their recoverable value. The impairments are recorded under the current or non-current operating profit/loss, depending on the generating event at the origin of the impairment. Impairments of goodwill are irreversible until the date on which the linked generating units concerned are disposed of.

C. Tangible fixed assets

The fixed assets are recorded at their acquisition cost or at their fair value in the case of business combinations. The Group opted for the reevaluation of land as displayed hereafter in note 9.

Capital lease agreements on real estate and furniture or financial leasing are restated, 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 restated as fixed assets. The rent expenses are recorded as operating charges and distributed in a straight-line over the contract period.

The analysis initiated according to the IAS 23 standard did not result in the capitalizing costs of borrowing.

For conformity purposes, the depreciation is restated following the straight-line method over the assets useful life.

The generally adopted amortization periods are as follows:

- ✓ Building: 25 to 40 years;
- ✓ Fittings of constructions: 5 to 10 years;
- ✓ Technical installations: 5 to 10 years;
- ✓ Industrial equipment and tools: 5 to 10 years;
- ✓ General installations: 10 years;
- ✓ Furniture, office equipment: 5 to 10 years.

In accordance with IAS 36 standard, the company conducts impairment tests, according to a methodology close to the one adopted for goodwill, if there are signs of loss of value on the assets.

Repairs and maintenance of the assets is charged directly to profit/loss.

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

D. Non-current financial assets

This item includes the financial assets available for sale (unconsolidated securities) and the financial fixed assets made up essentially of deposits and sureties held by the companies of MGI COUTIER Group.

The securities represent the stocks in unlisted companies whose valuation at fair value may present uncertainties. In this instance, the Group values the financial assets at the historical cost, net of any potential value loss, when no reliable projection of fair value is made by a valuation technique, in the absence of an active market. They are maintained on the balance sheet, at their net value.

E. Stocks or inventories

The stocks are valued at their purchase price for raw materials, and at manufactured cost for finished goods and work-in-process stocks. General costs not contributing to production and financial costs are excluded from the manufactured cost. All these costs are determined on a “first in, first out” basis.

A depreciation provision is recorded when the stocks net value is higher than their net realisable value, and/or when there are asset losses are highlighted (low or no turnover, obsolescence, etc.).

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

F. Account receivables

Receivables are recorded at the initial accounting date at the fair value of the receivable due. The fair value of receivables is equivalent to their nominal value due to payment terms that are generally less than or equal to 3 months. Receivables are restated at the closing date to their net realisable value, net of any factoring or discounting agreements under the IAS 39 standard, and are reported under the receivables and associated accounts heading; otherwise, they are recognized in cash assets.

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

G. Cash and cash equivalents

The available cash assets are made up essentially of bank account balances.

Cash equivalents are marketable securities that meet IAS 7 requirements for classification in “cash and cash equivalents”: as 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 recorded 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 charges and profit used for reporting the consolidated financial statements, and those used to calculate the tax on company profits.

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

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

Deferred taxes on temporary differences that may be carried forward are only recognized when the difference between the loss-value or depreciation of the asset is expected to offset future profit or when there is a possibility of tax optimization. The time projection used for estimating future profits is at most 5 years, bearing in mind that a review of projections and assumptions used is performed periodically, and that any limitation rules relevant to the use of deficits are recognized, as appropriate.

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

I. Retirement commitments

For defined contribution schemes, the payments made by the Group are recorded as charges in their corresponding period.

The defined contribution schemes involving post-employment benefits, the costs of those benefits are estimated based on projected benefit obligation units with end of career remuneration.

The amounts due to employees under the different wage bargaining agreements are valued based on actuarial assumptions: salary increases, retirement age, mortality rates, staff turnover, and then adjusted to their current value based on a discounting rate. The provision corresponding to these entitlements is accounted for in full in the provisions for retirement and other benefits.

The discount 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 bonds' maturity.

The amounts were calculated based on a discounting rate of 2.0% (against 1,9% at 2014 closing), a salary increase of 2.0% for executives and non-executives (compared to 1,9% at 2014 closing), a retirement age of 65 years and with average assumptions for staff turnover.

The current as well as former members of administrative and management fields are not entitled to any particular retirement benefits.

The cost of delivered services and financial charges are recognized in the consolidated profit/loss statement. The impact of pension scheme changes is equally recognized immediately in the consolidated profit. No changes were noted in the presented financial years.

The actuarial differences (related to changes of actuarial assumptions and their effects) are recorded under other elements of the global profit/loss account.

Finally, the Group did not opt for raising capital for the commitment from external funding sources.

J. Stock-based payment

If applicable, under the IFRS 2, the options of stock subscription or purchases granted to employees and which are settled in form of stocks are valued at their fair value. This fair value is noted in the profit/loss statement over the period where employees are entitled the right of deployment, while taking into account the possibility of acquisition of these rights, re-assessed 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 of the identified disputes involving the Group is examined at the accounts' closing date by the Management. After consultation with external bodies, the provisions deemed necessary are recorded, as appropriate, 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. Loans and financial debts

The loans and financial debts are valued according to the amortized cost method by using the effective interest rate.

M. Derivative financial instruments

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

Interest rate risk:
The Group's companies do not historically have any swaps intended to guarantee a maximum fixed rate on a part of the implemented variable-rate funding. Within the framework of AUTOTUBE AB Group's acquisition, MGI COUTIER SA signed, in accordance with its contractual obligations with respect to member financial institutions of the syndicated loan, an Interest Rate Swap for a three-year term starting end of April 2014 for 66% of the quarterly outstanding loan amounts.

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

The assets and liabilities classified as held for sale are valued at the lower of the net book value or the fair market value less the costs of sale.

The profits/losses of discontinued activities are recorded on a separate line in the P/L account. There were no further classifications during the previous financial years.

O. Capital stock

The stocks of the parent company and the shares held by itself or by one of its integrated subsidiaries are accounted by the Group through the deduction from stockholders' equity at their acquisition cost up to the date of sale.

The gains and losses from disposal of these stocks are allocated directly to stockholders' equity net of the associated tax.

1.4. Presentation of the profit/loss account (Income statement)

A. Turnover

Parts and tooling sales are recorded in profit/loss 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. Same as the 2013 financial year, the Group opted for the presentation of a research tax credit (CIR) and an employment competitiveness tax credit (CICE), with reference to the IAS 20 (accounting for government grants), as deducted from personnel costs.

In accordance with provisions of Article 76 of the Finance Law for 2015, we outline that our entity uses the CICE (tax credit), which is designed to fund the improvement of company competitiveness, for the following initiatives:

- ✓ Investment,
- ✓ Research and innovation,
- ✓ Training and staffing.

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

The "French Company added-value contribution" (CVAE) and the company property tax (CFE) are classified as operating expenses, with no change in the classification adopted formerly for the professional tax (corporate tax).

D. Résultat opérationnel courant

The Group adopts the current operating profit/loss statement as performance indicator.

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

- ✓ Miscellaneous profits and charges 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 occur,
- ✓ Capital gains or losses relevant to asset transfer or impairment,
- ✓ Non-current depreciation of acquisition differences where the cause of depreciation is non-current,
- ✓ The financial profit/loss account,
- ✓ Current and deferred taxes,
- ✓ The net profit/loss account of associated companies.

This presentation is made in compliance with the recommendation of French accounting standards authority (ANC) 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, 2014, 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 recorded under several headings in the balance sheet (non-current financial assets, account receivables, other current assets, account payables, 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, bearing in mind that the assignment determines the rules of accounting and valuation.

The five categories are presented below:

- ✓ Assets held up to maturity 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 recorded in the profit/loss account at each closing.
- ✓ Loans, receivables and debts: the other elements included in this category are recognized and valued "at amortized cost". In practice:
  - The account receivables and account payables as well as non-current financial assets (e.g. deposits and sureties) are accounted for "at fair cost". These elements are initially recognized at the fair value, which corresponds in the Group to their nominal value. In cases of value loss, these elements are subject to impairment.
  - The assets and liabilities recognized "at amortized cost" concern mainly the financial debts. The impaired cost of these elements corresponds to the initial value of the asset or liability reduced by reimbursements of borrowed amount, adjusted, as appropriate, using the effective interest rate method and corrected by a potential impairment.
- ✓ Assets held for sale: this category includes instruments not assigned to one of the above headings. This is the case with non-consolidated securities, valued at fair cost with impairment tests with the absence of fair value determinable in a reliable way. The utility value of non-consolidated securities and associated receivables is valued by taking account of profitability prospects, probability of recovery, and the share of the net profit/loss held by the Group. If the expected value is lower than the one entered in the balance sheet, an impairment cost is recorded for the amount of difference.
- ✓ Derivatives: these instruments are recognized at fair value.

In accordance with the IFRS 13 standard, effective as of 2013, the financial instruments are set out in three categories (cf. note 23), in accordance with an 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, either directly (adjusted level 1 prices listed on stock exchange), or indirectly namely 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 valuation multiples for unlisted securities).

The implementation of this standard for calculating the fair value of financial instruments has not led to the identification of adjustments by virtue of non-performance risks, in relation to the calculations performed previously.

1.7. Sector-based information

MGI COUTIER Group has only defined one sector-based activity, which revolves around the design, manufacturing and delivery of vehicle components, parts or equipment mechanisms.

The breakdown of the turnover and fixed assets according to geographical areas is presented for information purposes in note 3.

1.8. Cash flow chart

The Group uses the indirect method for the presentation of cash flows, based on a very similar presentation to the model put forward by the ANC in the framework of its 2013-13 recommendation dated November 7, 2003.

Cash flows for the financial year are broken down into the flows generated by the activity according to investment activities and financing operations (stockholder equity).

The cash flow chart is developed based on the following rules:

- ✓ The net cash corresponds to the net credit and debit positions;
- ✓ The gains or losses are presented at their net tax amount, if the company records a tax;
- ✓ Provisions on current assets are recorded as the difference of operating cash flows from Working Capital Requirement (WCR) and associated with corresponding asset items (inventory, customer, other receivables);
- ✓ Acquisitions of fixed assets are presented exclusive of debt relevant to asset acquisition. Transfer profits are presented exclusive of receivable differences relevant to asset transfer.

The impact of scope variations is presented as a net amount in investment flows. It corresponds to the actual amounts paid/collected during the financial year, adjusted for the acquired cash assets/liabilities.

2 Périmètre de consolidation

Companies	% held	Consolidation method	Localisation
MGI COUTIER SA (Parent Company)			Champfromier, France
PAYS DE BRAY SUD SCI	100	Full method	Champfromier, France
NINGBO MGI COUTIER	100	Full method	Cixi, China
MGI COUTIER TUNISIE	100	Full method	Mateur, Tunisia
MGI COUTIER ITALIA	100	Full method	Asti, Italy
MGI COUTIER ARGENTINA	100	Full method	Cordoba, Argentina
MGI COUTIER BRASIL	100	Full method	Jundiai, Brazil
MGI COUTIER UK LTD	100	Full method	Minworth, UK
MGI COUTIER TURQUIE	100	Full method	Bursa, Turkey
MGI COUTIER ESPAÑA	100	Full method	Vigo, Spain
MGI COUTIER MEJICO	100	Full method	Saltillo, Mexico
MEIPL LTD	50	Proportionate consolidation	Pune, India
MGI COUTIER ROM	100	Full method	Timisoara, Romania
MGI COUTIER ILIA	50	Proportionate consolidation	Ghaemshahr, Iran
VOSS EXOTECH	24	Equity method	Pune, India
DEPLANCHE FABRICATION	100	Full method	Treffort, France
MGI COUTIER ENGINEERING LTD	99	Full method	Pune, India
MGI COUTIER FINANCE LTD	100	Full method	Chippenham, UK
AVON AUTOMOTIVE HOLDINGS INC	100	Full method	Cadillac, USA
PETROL AUTOMOTIVE HOLDINGS INC	100	Full method	Cadillac, USA
CADILLAC RUBBER & PLASTICS INC	100	Full method	Cadillac, USA
CT RUBBER & PLASTICS INC	100	Full method	Cadillac, USA
CADILLAC INDUSTRIES DE MEXICO SA DE CV	100	Full method	Orizaba, Mexico
CADIMEX SA DE CV	100	Full method	Orizaba, Mexico
CADILLAC RUBBER & PLASTICS DE MEXICO SA DE CV	100	Full method	Orizaba, Mexico
AVON AUTOMOTIVE UK HOLDINGS LIMITED	100	Full method	Chippenham, UK
AVON AUTOMOTIVE SANAYI VE TICARET LIMITED SIRKETI	100	Full method	Gebze, Turkey
AVON AUTOMOTIVE GMBH	100	Full method	Stuttgart, Germany
AVON AUTOMOTIVE FRANCE HOLDINGS SAS	100	Full method	Vannes, France
AVON POLYMERES FRANCE	100	Full method	Vannes, France
AVON AUTOMOTIVE A.S.	100	Full method	Rudnik, Czech Republic
INDUSTRIAL FLEXO S.L.	100	Full method	St Just, Spain
AVON AUTOMOTIVE PORTUGAL LDA	100	Full method	Tondela, Portugal
GOLD SEAL AVON POLYMERS PRIVATE LIMITED	55	Full method	Daman, India
AVON AUTOMOTIVE JAPAN CO Ltd	100	Full method	Tokyo, Japan
AVON RUBBER MAURITIUS	100	Full method	Port Louis, Mauritius
AVON AUTOMOTIVE CHINA	100	Full method	Chongqing, China
AUTOTUBE AB GROUP	100	Full method	Varberg, Sweden
AUTOTUBE AB	100	Full method	Varberg, Sweden
MGI COUTIER LUSITANIA	100	Full method	Paredes, Portugal
MGI COUTIER MAROC	100	Full method	El Jadida, Morocco
SINFA CABLES*	55	Full method	Casablanca, Morocco
TEC-INJECT*	27,5	Proportionate consolidation	Casablanca, Morocco

**: Entry into the consolidation scope in 2015, either through acquisition or creation.*

The control percentages are identical to the interest percentages for the whole Group's subsidiaries except for VOSS EXOTECH and TEC-INJECT, respective subsidiaries of MEIPL and SINFA CABLES.

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

3 Information by geographical area

The 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, 2015						
Total turnover	357.400	235.337	243.084	233.488	(208.953)	860.356
Current operating profit	(5.513)	15.126	48.250	21.249	-	79.111
At December 31, 2014						
Total turnover	268.352	164.351	196.564	179.843	(117.038)	692.073
Current operating profit	(8.442)	10.737	32.605	16.989	-	51.889

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

(in thousands of Euros)	Gross values	Net value
France	255.193	70.634
Western Europe	99.215	38.880
North America	39.436	22.236
Rest of the world	93.777	49.531
Total fixed assets	**487.621**	**181.281**

4 Net non-current profits and charges

(in thousands of Euros)	31.12.2015	31.12.2014
Restructuring costs (net)	-	(320)
Capital gains	7	46
Others	159	(54)
Total	**166**	**(328)**

5 Financial profit/loss

(in thousand of Euros)	31.12.2015	31.12.2014
Net cost of financial debt	(2.818)	(2.938)
Net exchange profits and (losses)	(678)	(1.049)
Other profits (charges)	(290)	(1.530)
Total	**(3.786)**	**(5.517)**

6 Taxes on the profits/losses

(in thousands of Euros)	31.12.2015	31.12.2014
Current taxes	(23.487)	(17.704)
Deferred taxes	(1.189)	4.746
Total	**(24.676)**	**(12.958)**

The tax calculation is implemented individually at each consolidated legal entity. The positions of deferred taxes were recognized by taking account of an overall 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 established as follows:

(in thousands of Euros)	
Profit before tax of the integrated companies	75.491
Non-tax Profits (temporary exemption)	-
Use of deficits not recognized previously	(192)
Permanent and other differences*	(4.476)
Tax base	**70.823**
Tax at standard rate of 33,33%	(23.608)
Different tax rates	2.334
Other impacts (including tax recoveries)	(3.402)
Effective corporate tax	**(24.676)**

(*) including EUR 5.449 k for CIR (Research tax credit) and CICE (employment competitiveness tax credit).

Deferred taxes are presented below in note 11.

7 Goodwill

(in thousands of Euros)	31.12.2015	31.12.2014
Net value at January, 1st	52.132	30.028
Acquisitions during financial year	342	20.323
Adjustment of asset and liability values for operations acquired prior to financial year	-	-
Transfers	-	-
Conversion differential (and other transactions)	3.016	1.781
Depreciation	-	-
Net amount	**55.490**	**52.132**

The acquisition differences concern mainly the entities of AVON AUTOMOTIVE in the USA for 27.372 thousands of Euros, AUTOTUBE AB in Sweden for 19.591 thousands of Euros, MGI COUTIER ESPAÑA (Spain) for 2.307 thousands of Euros and the French entities for 4.505 thousands of Euros.

In connection with the entry in consolidation as of June 26, 2015, the estimation of consolidation excess for SINFA CABLES is still provisional.

The main operational hypotheses are as follows:

- ✓ The production volume by manufacturers (models, platforms and engines) are generated from IHS data;
- ✓ The turnover arising from known orders at the moment of budget preparation (for approximately 80% over the horizon 2018) and prospects of order intakes capable of having an impact over the period covered by the budgets (for the balance);
- ✓ The hypotheses of foreign currency based on the expectations of banks' panel.

The assumed value of goodwill corresponds to the value determined based on future cash flows updated in the CGUs (cash flow generating units) under the following estimated economic assumptions:

- ✓ The cash flows used are generated from the budgets 2016-2017-2018, and are extended over an explicit overall period of five years, with a stable operating profit/turnover rate;
- ✓ Beyond that period, the terminal value corresponding to ad infinitum capitalization with a growth rate ad infinitum of 1,5% (1,0% in 2014) of the last cash flow for the specific period is calculated;
- ✓ 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-taxed cash flows.

Similar to 2014, theassumed value is higher than the accounting value at December 31, 2014; there is no need to record any depreciation of the assets concerned.

The rate adopted at December 31, 2015 to update future cash flows stands at 9,0% as opposed to 8,27% at December 31, 2014.

In the absence of identified local risks, of identical business sectors, of a similar customer base and homogeneous businesses, the Group has not separated by CGU the updating rate and growth rate ad infinitum.

The variation of the discounting rate of more or less 1 point would have no impact on the conclusions of impairment tests. It would be the same in the case of a decrease in the operating profit/loss rate on the turnover used in calculating the terminal value of 0,5 point.

8 Other intangible fixed assets

The other intangible fixed assets have evolved as follows:

(in thousands of Euros)	Software	Others	Total
Gross accounted amounts			
Value at January 1, 2015	9.724	509	10.233
Acquisitions	565	-	565
Disposals	(789)	-	(789)
Conversion and other differences	30	(509)	(479)
Value at December 31, 2015	**9.530**	**-**	**9.530**
Cumulative amortisation and value loss			
Value at January 1, 2015	(8.945)	(327)	(9.272)
Amortisation	(719)	-	(719)
Net value loss	-	-	-
Disposals	789	-	789
Conversion and other differences	469	327	796
Value at December 31, 2015	**(8.406)**	**-**	**(8.406)**
Net amount recognized at December 31, 2015	**1.124**	**-**	**1.124**

The variations of scope occurred on the financial year are negligible.

The amounts of current fixed assets are not very significant.

9 Tangible fixed assets

The tangible fixed assets have evolved as follows:

(in thousands of Euros)	Lands	Buildings	Technical installations equipment & tooling	Other tangible fixed assets	Current fixed assets	Total
Gross reported amounts						
Value at January 2015	10.465	87.442	282.684	37.079	17.332	435.002
Acquisitions	2.168	4.132	34.424	2.029	7.423	50.176
Transfers	(1)	(929)	(7.079)	(1.157)	-	(9.166)
Conversion and other differences	99	644	7.311	252	(6.226)	2.080
Value at December 2015	**12.731**	**91.289**	**317.340**	**38.203**	**18.529**	**478.092**
Cumulative depreciation and value loss						
Value at January, 2015	(154)	(42.093)	(205.998)	(29.069)	-	(277.314)
Depreciation	(25)	(2.995)	(22.356)	(1.918)	-	(27.294)
Net value loss	-	-	-	-	-	-
Transfers	-	608	6.142	1.122	-	7.872
Conversion and other differences	-	(282)	(702)	(215)	-	(1.199)
Value at December 31, 2015	**(179)**	**(44.762)**	**(222.914)**	**(30.080)**	**-**	**(297.935)**
Net amounts accounted for at December 31, 2015	**12.552**	**46.527**	**94.426**	**8.123**	**18.529**	**180.157**

The scope variations incurred over the financial year are negligible.

The current fixed assets do not involve any project of a significant individual amount.

The analysis of properties acquired thanks to capital lease is classified below according to their nature:

(in thousands of Euros)	Gross values	Depreciations and provisions	Net values
Lands	266	-	266
Buildings	19.248	(13.662)	5.586
Technical installations	10.221	(9.210)	1.011
Other fixed assets	406	(406)	-
Total	**30.141**	**(23.278)**	**6.863**

The land located in France have been accounted for at fair value in the expert's view at the transition to the IFRS. This accounting mode has generated a net increase in the tangible fixed assets of EUR 3 500 k compared to the accounting value based on the historical cost. The stockholders' equity and deferred liabilities were affected by this revaluation of land in the amount of EUR 2.333 k and EUR 1.167 k respectively.

10 Non-current financial assets

The non-current financial assets are as follows:

(in thousands of Euros)	Holdings	Others	Total
Gross value recognized			
Value at January 1, 2015	57	6.563	6.620
Increases	-	46	46
Decreases	-	(770)	(770)
Conversion and other differences	-	(24)	(24)
Value at December 31, 2015	**57**	**5.815**	**5.872**
Cumulative depreciation and value loss			
Value at 1 January 2015	(46)	(2.392)	(2.438)
Depreciations	-	-	-
Net value loss	-	-	-
Transfers / write-backs	-	39	39
Conversion and other differnces	-	-	-
Value at December 31, 2015	**(46)**	**(2.353)**	**(2.399)**
Net amount recognized at December 31, 2015	**11**	**3.462**	**3.473**

The column entitled «Others» includes the stocks in associated companies standing at EUR 2.596 k at December 31, 2015. They involve the companies of VOSS EXOTECH (India) and MEIPL (India).

11 Deferred taxes

The deferred taxes (EUR 8.077 k in asset, EUR 5.949 k in liability, i.e. a net amount of EUR 2.128 k can be analysed as follows:

(in thousands of Euros)	31.12.2015	31.12.2014
Revaluation of land in France in expert's view	(1.167)	(1.167)
Derogatory depreciation and other regulated provisions	(8.104)	(9.436)
Retirement	1.209	1.917
Tax deficit	13.259	10.681
Other differences	(3.069)	1.227
Total	**2.128**	**3.222**
Including assets deferred taxes	**8.077**	**7.693**
Including liability deferred taxes	**(5.949)**	**(4.471)**

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

The application of principles defined in note 1.3h cause us not to recognize the asset deferred taxes on tax deficits carried forward by certain subsidiaries (except subsidiaries put under liquidation). This refers to the following companies:

(in thousands of Euros)	31.12.2015	31.12.2014
INDUSTRIAL FLEXO	26.447	26.147
AVON POLYMERES FRANCE	9.309	10.196
AVON AUTOMOTIVE HOLDINGS FRANCE	9.419	9.384
Total	**45.175**	**45.727**

12 Stocks or Inventories

(in thousands of Euros)	Gross value	Obsolescence provision	Net value	31.12.2014
Materials, components & goods	31.866	(4.876)	26.990	20.418
Semi-finished and finished products	37.299	(2.504)	34.795	25.832
Work in progress	24.835	(474)	24.361	18.137
Total	**94.000**	**(7.854)**	**86.146**	**64.387**

13 Customer receivables and associated accounts

(in thousands of Euros)	31.12.2015	31.12.2014
Customer debts (receivables)	139.048	117.056
Provisions for bad debts	(949)	(1.045)
Net value	**138.099**	**116.011**

Customer debts fall due within less than one year. The debts more than six months old are not significant. There are no other significant debts not depreciated.

Nearly all provisions for depreciation related to bad debts which are depreciated in total are net of tax. No significant provisions occurred during the financial year.

14 Other current debts

(in thousands of Euros)	31.12.2015	31.12.2014
Deferred expenses	1.413	1.592
Tax claims	32.640	22.898
Other credits	4.383	798
Advances and deposits paid on orders	2.435	2.567
Gross value	**40.871**	**27.855**
Depreciation	(766)	(453)
Net value	**40.105**	**27.402**

All the debts classified under the heading «other debts» are deemed as falling due in less than one year.

15 Equity capital

At December, 31, 2015, the capital is composed of 26.741.040 stocks with a nominal value of EUR 0,8. The family Group holds 69,75% of the capital and voting rights, including 57,33% by the company COUTIER DEVELOPPEMENT SA.

The company is not subject to any obligation related to a regulatory or contractual nature regarding equity capital.

The company does not adopt a specific management policy concerning capital. The arbitration between external funding and capital increase is achieved on a case-by-case basis according to the estimated operations. The stockholder equity monitored by the Group encompasses the same components as the consolidated stockholder equity.

16 Long-term provisions

(in thousands of Euros)	31.12.2014	Increases	Uses	Unallocated write-backs Others	31.12.2015
Retirement & severance benefits	10.281	1.984	(1.252)	(309)	10.704
Other risks and charges provisions	6.607	15.882	(4.152)	(1.184)	17.153
Total	**16.888**	**17.866**	**(5.404)**	**(1.493)**	**27.857**

The variations of scope occurring over the financial year are not significant.

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

The increase in other provisions for risks and charges is mainly related to risks pertaining to warranty returns. The amounts recognized in provisions have been estimated on the basis of guaranteed known returns recorded during the financial year, of guaranteed contractual periods and available histories.

At the closing of presented financial years, there are no potentially impairments of the assets and liabilities.

17 Net financial indebtedness

The financial indebtedness are analysed as displayed below:

(in thousands of Euros)	31.12.2015	31.12.2014
Debts and borrowings from credit entities	120.491	118.270
Others	240	-
Capital lease	-	1.302
Other financing (1)	3.004	3.291
Bank credit balances	771	744
Sub-total of financial debts	**124.506**	**123.607**
Sub-total of Cash and cash equivalents	**67.881**	**58.809**
Net financial indebtedness	**56.625**	**64.798**

(1) The other funding mainly corresponds to current accounts with COUTIER SENIOR and COUTIER DEVELOPPEMENT companies.

At December 31, 2015, the financial indebtedness is presented according to their due dates as follows:

- ✓ at less than one year: EUR 33.326 k (EUR 26.460 k in 2014)
- ✓ from one to five years: EUR 60.706 k (EUR 67.147 k in 2014)
- ✓ at more than five years: EUR 30.474 k (EUR 30.000 k in 2014)

At the closing of the presented financial years, the Group has no debts on security acquisition loans.

Fixed rate debts stand at EUR 44.425 k and variable rate debts stand at EUR 80.081 k.

Furthermore, on December 31, 2015, the Group's companies only hold one cover agreement intended to guarantee a maximum fixed rate on a part of financing at an implemented variable rate (not a significant amount at the closing).

Certain banking loans are subject to the financial covenants (based on criteria of profitability, indebtedness and capitalisation). All the companies of MGI COUTIER Group comply with the covenants at December 31, 2015.

18 Other debts

(in thousands of Euros)	31.12.2015	31.12.2014
Advances and received deposit payments	6.130	5.352
Deferred payments	479	1.131
Tax liabilities	10.808	8.380
Payroll tax expenses	26.956	21.214
Other debts	149	9.558
Total	**44.522**	**45.635**

19 Off-balance sheet commitments and granted guarantees

Commitments related to external growth operations: none.

Commitments related to financial operations:
At December 31, 2015, the amount of other commitments to funding organizations stood at:

- ✓ EUR 11.361 k, under the guarantees provided by the parent company to meet the needs of foreign subsidiaries of the Group, including:
  - MGI COUTIER ESPAÑA: EUR 9.500 k;
  - MGI COUTIER TUNISIE: EUR 750 k;
  - GSAP: EUR 764 k;
- ✓ EUR 79.600 k, under mortgages or guarantees provided on non-financial assets (this amount was already included in the Group's financial liabilities).

Commitment related to operating transactions and other investments: not significant.

Other commitments: The three English subsidiaries, MGI COUTIER UK LIMITED, MGI COUTIER FINANCE LTD and AVON AUTOMOTIVE UK HOLDINGS LIMITED, held directly or indirectly 100% by MGI COUTIER SA, benefit from the provisions of article 479a of Companies act 2006, pertaining to the exemption from audit for subsidiary companies. As a stockholder, MGI COUTIER SA has granted its agreement for these three subsidiaries in order not to be subject to a legal audit of accounts. Consequently, MGI COUTIER SA has provided a legal guarantee as required by article 479c of the British companies act 2006 companies regarding debts contracted by the companies of MGI COUTIER UK LIMITED, MGI COUTIER FINANCE LTD and AVON AUTOMOTIVE UK HOLDINGS LIMITED at December 31, 2015.

20 Headcount

The breakdown of employees by category, at the closing, can be analysed as follows:

	31.12.2015	31.12.2014
Management/Executives	491	425
Employees and technicians	2.565	2.451
Operatives	5.902	4.782
Total	**8.958**	**7.658**

At December 31, 2015, the total headcount of MGI COUTIER Group stands at 8.958 employees including 1.850 in France. Developments in headcount are specified below:

	31.12.2015	31.12.2014
MGI COUTIER	1.645	1.680
DEPLANCHE FABRICATION	18	18
AVON POLYMERES FRANCE	187	183
Total France	**1.850**	**1.881**
MGI COUTIER TUNISIE	669	604
MGI COUTIER ARGENTINA	55	64
MGI COUTIER NINGBO	173	188
MGI COUTIER BURSA	502	404
MGI COUTIER BRASIL	72	94
MGI COUTIER UK	110	91
MGI COUTIER ESPAÑA	287	249
MGI COUTIER ROM	491	352
MGI COUTIER ENGINEERING	14	15
MGI COUTIER LUSITANIA	155	58
MGI COUTIER MAROC	3	-
SINFA CABLES	67	-
AVON AUTOMOTIVE Sub-Group	4.198	3.337
AUTOTUBE AB Sub-Group	312	321
Total	**8.958**	**7.658**

21 Financial instruments

2015 Balance sheet heading (in thousands of Euros)	Description of financial instruments	Fair value levels (cf. infra)	Net book value	Fair value
Assets				
Non-consolidated securities and related receivables	A	2	48	48
Other non-current financial assets	D	-	3.425	3.425
Receivables and associated accounts	D	-	138.099	138.099
Other current assets (excluding deferred expenses, tax receivables)	D	-	6.257	6.257
Fair value of financial instruments	B	2	-	-
Cash and cash equivalents	B	1	67.881	67.881
Liabilities				
Financial liabilities (share at more and less than one year)	C	2	123.735	123.735
Stock acquisition debts (share at more and less than one year)	C	2	-	-
Bank credit facilities	D	2	771	771
Fair value of financial instruments	B	2	-	-
Payables and associated accounts	D	-	92.638	92.638
Other current liabilities (excluding deferred revenue, tax liabilities and payroll tax expenses)	D	-	6.280	6.280

A – Assets held for sale
B – Assets and liabilities at fair value by profit/loss
C – Assets and liabilities valued at amortized cost
D – Assets and liabilities valued at cost
E – Assets held to maturity, valued at amortized cost

When the fair value is used, either to value the financial assets/liabilities (as is the case with short-term investments) or in order to provide information in appendix in the preceding table on the fair value of other financial assets/liabilities, the financial instruments are broken down according to the organisation defined by standard IFRS 13, which was introduced in 2013 (cf. note 23) and which is very close to the IFRS 7 implemented previously.

The definitions of fair value levels are presented in note 1.6.

No valuation level is highlighted when the net book value is close to the fair value.

22 Directors' remuneration

The remuneration paid to the members of the Management Board regarding MGI COUTIER SA stands at a total of EUR 1.424.510 for the financial year ending December 31, 2015 (EUR 1.385.964 in 2014), while the remuneration paid to the members of the Supervisory Board stand at EUR 315.271 (EUR 113.000 in 2014).

23 Stock purchase options

The company has not authorized or agreed upon any purchase stock option for Directors.

24 Risks and disputes

24.1. Market risks

A. Risks associated with exchange rate fluctuations

MGI COUTIER performs an activity based essentially upon the proximity of manufacturing plants. As a result, the Group is rarely affected by exchange rate fluctuations, except for the translation of financial statements. The main foreign currencies used are the Euro (for 45,9% of the activity), the American dollar (for 25,2%) and the Swedish crown (for 8,6%). Therefore, no exchange risk coverage has been implemented.

B. Risks associated with raw material prices

The main raw materials used by the Group MGI COUTIER are plastic materials, rubber, silicone and steel. Even though the signed contracts with key customers do not provide for automatic and integral repercussion of the variations of exchange rate of the raw materials, the uses will allow it after negotiations on a case-by-case basis. Historically speaking, the Group has never introduced any risk coverage to mitigate 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 contractual coverage enabled by the syndicated loan which was introduced during the financial year 2014 in order to fund the acquisition of AUTOTUBE AB Group. This coverage makes it possible to pay an interest rate that cannot exceed a certain level above two thirds of the outstanding syndicated loan amounts over a three–year period. A variation of reference indexes of 1 point would be an incidence inferior to EUR 500 k on the amount of paid financial interests.

D. Liquidity risks

MGI COUTIER must, at all times, have sufficient financial resources to fund its current activites and the investments required for the Group's expansion, but also to be able to face any exceptional events. Accordingly, capital markets are used 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 respected, except for the financial year 2001. In addition, MGI COUTIER's cash flow is monitored on a daily basis, the same goes for its subsidiaries where cash flow monitoring is performed on a monthly basis.

As the current assets are higher than current liabilities, no information was given on maturity periods of less than one year.

E. Non-performance risks (counterparty risk and own credit risk)

The analysis made in accordance with the IFRS 13 standard and implemented in 2014 has not led to the identification of any adjustments with respect to the risk of non-performance (counterparty credit risk) in the fair value assessment of the financial assets, financial liabilities and derivatives (1st tier bank counterparties, insignificant derivatives, etc.).

24.2. Industrial and environmental risks

A. Environmental risks

In the various countries where MGI COUTIER is operating, the Group's activities are subject to diverse and changing environmental regulations that require 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 favor of its employees and in accordance with the ISO 14001 standard. Plant managers in France and Foreign subsidiary Directors are responsible, in conjunction with the Industrial Development Director, for the management and monitoring of risks related to the environment.

B. Risks associated with products and services sold

MGI COUTIER is exposed to the risks of claims under warranty 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 or damage caused by 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 theoretically a residual risk.

24.3. 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 labour relations (including strikes and work disruptions). Moreover, MGI COUTIER performs 40% 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 award of a new project is subject to a standardized profitability study, where the Management Board establishes profitability projections and return on investment criteria. Once the project is awarded, it is monitored, from start-up to the launch of mass production thanks to 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 upon separately for each of the vehicle's functions and are generally valid for the life cycle 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 cycle of the model. However, these risks are mitigated thanks to MGI COUTIER's wide range of products installed or assembled on a large number of vehicle parts.

D. Risks associated with contractual dependence

MGI COUTIER works with a number of suppliers, which significantly mitigates the risk of its dependence on a specific contract or contractual clause. The first supplier including the top five and the top ten suppliers respectively account for 4,1% & 16,5% & 26,7% of the Group production purchases.

E. Customer risks

Every month, the Finance Department distributes a statement of outstanding and past due receivables per customer as well as a summary statement of disputes per Division. Raising the financial and commercial teams' awareness toward these subjects allow for very few bad debts (cf. note on customers debts).

F. Risks related to labour relations

MGI COUTIER considers that relations with its employees are generally good. However, although the labour relations policy of MGI COUTIER seeks to minimize such risks, the Group is not immune to employees' movements 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 in order to protect the intellectual property rights. The geographical scope and protection period are compliant with established practices of the field and adapted to Division needs; as they are subject to systematic and regular revisions. As risks of infringement still exist, this approach constitutes an effective legal instrument to overcome them.

25 Business combinations

The acquisition impacts over the period are not significant.

26 Post-closing events

No major post-closing events were observed.

27 Statutory auditors' fees

(in Euros)	MAZARS SA - MAZARS			ORFIS SA - ORFIS BAKER TILLY		
	Total (excl. tax)		%	Total (excl. tax)		%
	Y	Y-1	(Y)	Y	Y-1	(Y)
Audit						
Auditing of accounts, certification, examination of individual and consolidated accounts:						
- Issuer	87.900	91.000		71.100	79.000	
- Fully-consolidated subsidiaries	148.275	140.402		166.624	144.793	
Other diligence procedures and service fees directly associated with Auditors' mission						
- Issuer	5.498	5.000		10.500	10.500	
- Fully-consolidated subsidiaries	-	-		-	-	
Sub-total	241.673	236.402	100%	248.224	234.293	100%
Other services delivered by the networks to fully-consolidated subsidiaries						
Legal, tax, social	-	16.000		-	-	
Others	-	-		-	-	
Sub-total	-	16.000	0%	-	-	0%
Total	**241.673**	**252.402**	**100%**	**248.224**	**234.293**	**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, 2015

To the stockholders,

Under the performance of our mission granted by your General Meeting, we provide you with our report pertaining to the financial year ending on December 31, 2015.

- ✓ The monitoring of consolidated accounts of MGI COUTIER company, as enclosed in this report,
- ✓ The justification of our assessments,
- ✓ The specific verification provided by the law.

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

I. Opinion on 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 due 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 standards as adopted in the European Union, regular and true in nature; and give a true picture of the capital, the financial situation and the profit/loss achieved by the people and entities involved in the consolidation.

Without calling the above opinion into question, we would draw your attention to the Note 1 -in the annex to the consolidated accounts- which describes the new standards, amendments and interpretations that your company has applied as of 1 January 2015.

II. Justification of the assessments

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, 2015. 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 the identified 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 listed significant files. Within the framework of our assessments, we were able to reassure ourselves of the reasonable nature of these estimations.
- ✓ Your Company also undertakes systematically, on each closing, to carry out impairment tests on the goodwill in accordance with the methods described in notes 1.3.b) and 7 of the annex to the consolidated accounts. We have examined the methods of implementation of these impairment tests as well as the data and assumptions used, and we have verified 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 have equally proceeded, in accordance with the standards of professional practice applicable in France, with the specific verification provided by the law on the information pertaining to the Group given in the report on management.

We have no observation to formulate regarding their transparency and their agreement with the consolidated accounts.

ORFIS BAKER TILLY
Valérie MALNOY

MAZARS
Bruno POUGET

Drawn up in Villeurbanne and Annecy-le-Vieux,
on April 29, 2016

Statutory Auditors

Balance sheet
Parent-company financial statements
At December 31, 2015
(in thousands of Euros)

ASSETS	Notes n°	Gross amounts	Depreciation or provisions	31.12.15 Net amounts	31.12.14 Net amounts
Fixed intangible assets	*3.1*	**13.603**	**11.410**	**2.193**	**2.374**
Fixed tangible assets	*3.1*				
Land		661	142	519	518
Buildings		24.789	13.710	11.079	11.133
Technical installations, material and toolings		142.683	104.255	38.428	30.116
Other tangible assets		19.891	15.224	4.667	5.053
Current assets, advance deposits		1.419		1.419	4.993
		189.443	**133.331**	**56.112**	**51.813**
Financial assets	*3.2*				
Equity investments and related debts		228.870	31.805	197.065	194.179
Other financial assets		487	107	380	357
		229.357	**31.912**	**197.445**	**194.536**
Stocks	*3.3*	**32.125**	**4.173**	**27.952**	**22.051**
Advances and received downpayment		**1.011**		**1.011**	**1.325**
Accounts receivable					
Receivables and related accounts	*3.4*	63.009	97	62.912	37.961
Other receivables	*3.5*	25.352	0	25.352	27.950
		88.361	**97**	**88.264**	**65.911**
Cash and short-term investment	*3.6*	**21.869**		**21.869**	**12.385**
Deferred expenses		**217**		**217**	**603**
Translation gains/losses on assets		**2**		**2**	**1**
Total assets		**575.988**	**180.923**	**395.065**	**350.999**

LIABILITIES	Notes n°	31.12.15	31.12.14
Equity	*3.8*		
Equity capital		21.393	21.393
Premiums from mergers, infusion of assets into business		9.705	9.704
Legal reserve		2.139	2.139
Regulatory reserves		41	41
Other reserves			
Retained earnings		92.342	98.657
Advances on dividends			
Profit & Loss of the financial year		5.618	(4.977)
Regulatory provisions	*3.8*	24.312	22.828
Net provision before distribution		**155.550**	**149.785**
Other equity			
Conditional subsides		**240**	**240**
Provisions for risks & charges	*3.9*	**13.456**	**2.376**
Debts			
Funding liabilities	*3.10*	112.422	110.560
Associates - various funding liabilities	*3.10*	43.136	37.850
Payables and related accounts		51.306	33.560
Tax liabilities and personnel expenses	*3.11*	14.017	12.603
Other debts	*3.11*	4.936	4.010
		225.817	**198.583**
Deferred revenue		**0**	**7**
Translation gains/losses on liabilities		**2**	**8**
Total liabilities		**395.065**	**350.999**

Profit and loss account
At December 31, 2015
Parent-company financial statements
(in thousands of Euros)

	Notes n°	**31.12.15 (12 months)**	**31.12.14 (12 months)**
NET TURNOVER	*4.2*	325.201	239.240
Variation in stored production inventory		4.612	(911)
Operating subsidies		8	25
Other operating profits		2.798	2.587
OPERATING PROFITS		**332.619**	**240.941**
Purchases		(87.363)	(83.617)
Variation in inventory and WIP		1.631	185
Other purchases and external charges		(158.405)	(85.540)
ADDED VALUE		**88.482**	**71.969**
Taxes		(4.377)	(4.020)
Staff costs		(73.111)	(73.084)
GROSS OPERATING SURPLUS		**10.994**	**(5.135)**
Amortisation expenses		(11.026)	(9.755)
Write-offs and provisions		(11.198)	1.011
Other profits and (expensess)		(1.031)	(1.023)
OPERATING RESULT		**(12.261)**	**(14.902)**
Financial profit and (expenses)	*4.3*	14.503	6.126
CURRENT PROFIT BEFORE TAX		**2.242**	**(8.776)**
Exceptional profit and (expenses)	*4.4*	(1.402)	(1.209)
Employee profit-sharing			
PROFIT BEFORE TAX		**840**	**(9.985)**
Tax provisions	*4.5*	4.778	5.008
NET RESULT		**5.618**	**(4.977)**

Annex to the parent-company financial statements December 31, 2015

1 Presentation of the company and financial year highlights

MGI COUTIER SA's business consist in designing, developing and producing tooling equipment and car parts, and selling them to notably French and foreign car manufacturers, as well as other car equipment manufacturers. Its mission is to be simultaneously a designer, manufacturer and functional assembler.

As the parent company, MGI COUTIER SA equally ensures the coordination of industrial and financial activities for all the subsidiaries of MGI COUTIER Group.

The annual accounts are presented in thousands of Euros.

There are no major events observed over the 2015 financial year.

2 Accounting principles and valuation methods

2.1. Accounting principles

The accounts on December 31, 2015 are presented in accordance with the provisions of the French Commercial Law (articles L.123-12 to L.123-28), of the ANC regulation (French accounting standards authority) N° 2014-03 dated 05.06.2014 pertaining to the French GAAP and regulation of the CRC (Accounting Rules Committee).

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

- ✓ continuous operation,
- ✓ consistency of accounting methods from one financial year to another,
- ✓ independence of financial years,

and in accordance with the general rules for preparing 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 inventory value is lower than the book 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 1, 2005 of the regulation 2002-10, MGI COUTIER no longer amortizes the goodwill entered as an asset on the balance sheet.

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

Patents are amortized 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 applicable periods of depreciation can be summarized as follows:

✓ Buildings	25 to 40 years;
✓ Building fixtures and fittings	5 to 10 years;
✓ Technical installations	5 to 10 years;
✓ Equipment and industrial tooling	5 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 is entered under "regulated provisions".

C. Financial assets

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

Securities are subject to a depreciation provision if their value in use appears lower than their book value. The utility value of securities is appreciated using several criteria, in particular stockholders' equity, multiples of gross operating margin, development and profitability projections.

2.3. Receivables attached to ownership equity

Starting 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. Stocks

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

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

2.5. Debtors and accounts receivables

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 subject to legal proceedings.

Otherwise, provisions for depreciation of accounts receivable are also calculated in accordance with aging 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 accounts receivable”.

Expected notes that are not due as well as 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 charges

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 2,0% discount rate, 2,0% salary 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 law n°2010-1330 of November 9, 2010; concerning retirement reform. After examining the characteristic features of its employees (age, start of professional life, skills profile etc.), the company has maintained its assumption for retirement at the age of 65.

No risks and charges provisions were 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 charges and profits

The exceptional profit includes in particular earnings and charges 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 charges 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

Charges and profits in foreign currency are recorded at their equivalent value on the date of the transaction. Accounts receivable and debts in foreign currency are valued at the exchange rate enforced at the closing date. The difference resulting from discounting debts and accounts receivable in foreign currency at the closing rate is recorded in the balance sheet as conversion difference. A provision for the risk of unrealized exchange rate losses has been made.

3 Notes on the balance sheet

3.1. Tangible and intangible assets

(in thousands of Euros)	31.12.2014	Increase	Reduction	31.12.2015
Intangible assets	13.690	447	(534)	13.603
Land	653	8	-	661
Buildings	24.573	995	(779)	24.789
Technical installations, equipment and tooling	128.203	17.786	(3.306)	142.683
Other tangible assets	20.060	493	(662)	19.891
Assets in process, receipt in advance and advance deposits	4.993	(3.574)	-	1.419
Gross values	**192.172**	**16.155**	**(5.281)**	**203.046**
Other intangible assets amortization	(11.316)	(628)	534	(11.410)
Provisions for land	(135)	(7)	-	(142)
Buildings amortization	(13.440)	(815)	545	(13.710)
Technical installations amortization	(98.087)	(8.702)	2.534	(104.255)
Amortization of other assets	(15.007)	(872)	655	(15.224)
Total amortization/provisions	**(137.985)**	**(11.024)**	**4.268**	**(144.741)**
Net value	**54.187**	**5.131**	**1.013**	**58.305**

The «intangible assets» dated December 31, 2015 are analysed as follows:

(in thousands of Euros)	Gross amount	Amortization	Net amount
Software	7.277	(6.684)	593
Goodwill	6.327	(4.726)	1.601
Other intangible assets	-	-	-
Total	**13.604**	**(11.410)**	**2.194**

Research and Development costs recorded as expenses in the accounts during the financial year amount to EUR 26.664 k (EUR 25.499 k in financial year 2014).

3.2. Financial assets

(in thousands of Euros)	31.12.2014	Increases	Reductions	31.12.2015
Equity investment	208.067	3.105	-	211.172
Receivables linked to equity investments	26.161	2.408	(10.871)	17.698
Other financial assets	487	-	-	487
Gross values	**234.715**	**5.513**	**(10.871)**	**229.357**
Provisions for stocks	(18.103)	(291)	78	(18.316)
Provisions for related liabilities	(21.946)	(567)	9.024	(13.489)
Provisions for other assets	(130)	-	23	(107)
Total provisions	**(40.179)**	**(858)**	**9.125**	**(31.912)**
Net value	**194.536**	**4.655**	**(1.746)**	**197.445**

3.3. Inventories

(in thousands of Euros)	31.12.2015	31.12.2014
Raw materials	9.498	7.846
WIP	8.154	7.039
Semi-finished and finished products	14.444	10.946
Goods	29	51
Gross value	**32.125**	**25.882**
Provisions for depreciation	(4.173)	(3.831)
Net value	**27.952**	**22.051**

3.4. Accounts receivable

(in thousands of Euros)	31.12.2015	31.12.2014
Account receivables	63.009	38.259
Provisions for depreciation	(97)	(298)
Net value	**62.912**	**37.961**

3.5. Other debts

(in thousands of Euros)	31.12.2015	31.12.2014
Tax on profits	20.735	17.798
TVA	4.238	1.485
Factoring accounts	-	8.586
Others	379	102
Gross value	**25.352**	**27.971**
Provision for depreciation	-	(21)
Net value	**25.352**	**27.950**

3.6. Cash assets and marketable securities

(in thousands of Euros)	31.12.2015	31.12.2014
Cash assets	21.869	12.385
Net value	**21.869**	**12.385**

3.7. Accounts receivables and debts maturity

Accounts receivable are due in less than one year except for those recorded under the following headings:

(in thousands of Euros)	Due dates >1 year
Financial debts/equity investments	17.698
Other financial assets	487
Customer debt provisions	97
Other debt provisions	0
Total	**18.282**

Debts are payable within one year with the exception of those displayed under the following headings:

(in thousands of Euros)	Due within 1-5 years	Due >5 years	Total
Financial liabilities	58.369	30.000	88.369
Various financial liabilities	43.136	-	43.136
Total	**101.505**	**30.000**	**131.505**

3.8. Stockholders' equity

Stock capital consists of 26.741.040 stocks of EUR 0,8 stated value. There is an action in concert as defined in article 233-10 of the French Commercial Law between the companies COUTIER DEVELOPPEMENT SA, COUTIER SENIOR (family holding company controlled by Mr. André COUTIER, Mr. Roger COUTIER, the heirs of Mr. Joseph COUTIER and their families), and Mr. André COUTIER, Mr. Roger COUTIER and the heirs of Joseph COUTIER, representing 69,75% of the capital and voting rights. These stockholders have drawn up an agreement by which they decided to act in concert to put into practice a common stockholder policy with respect to the company. This agreement was the object of regulatory declarations of the supervisory authorities that ensured the publication of the agreement (SBF notice n°94-2365 of July 29, 1994). This stockholders' agreement is effective for five years and is renewable by tacit agreement for an additional five years, unless terminated by one of the parties prior to its expiration. In this instance, the members remaining in the agreement shall abide by the obligations resulting from the agreement. The agreement was updated following the amendments in the capital structure with COUTIER JUNIOR becoming COUTIER DEVELOPPEMENT in 2015.

The change in stockholders' equity during the financial year 2015 is analysed as follows:

(in thousands of Euros)	Total
Stockholders' equity on 31.12.2014	149.785
Dividends' distributed	(1.337)
Profit/loss for the Financial Year	5.618
Regulated provisions transactions	1.484
Total	**155.550**

3.9. Provisions for risks and charges

The provisions for risks and charges mainly related to current disputes with third parties, severance procedures, unrealized exchange rate losses, and are analysed as follows:

(in thousands of Euros)	31.12.2014	Transfers	Utilisation	Unallocated write-backs/ Other transactions	31.12.2015
Provisions for disputes	2.375	14.662	(3.105)	(478)	13.454
Provisions for exchange rate losses	1	2	(1)	-	2
Total	2.376	14.664	(3.106)	(478)	13.456

The transfers for disputes are mainly related to risks of warranty returns during the 2015 financial year. The amounts were estimated based on warranty returns recorded over the financial year, of contractual periods of warranty and available historical data.

3.10. Financial liabilities

(in thousands of Euros)	31.12.2015	31.12.2014
Group Debts	43.136	35.398
Debts exclusive of Group:		
- Loans	109.451	109.858
- Interest payable	564	565
- Others	2.407	2.589
Total	**155.558**	**148.410**

Some bank loans are subject to financial covenants. On December 31, 2015, the company is in compliance with these covenants.

3.11. Tax liabilities & payroll tax expenses and other debts

(in thousands of Euros)	31.12.2015	31.12.2014
Social welfare costs	5.975	6.033
Payroll expenses	4.950	4.902
Statutory taxes (VAT., corporate tax, etc.)	3.092	1.667
Advances on payment of account	4.929	3.972
Accrued debts and expenses	7	39
Total	**18.953**	**16.613**

3.12. Related party disclosure

The main items of the balance sheet representing transactions with related parties are as follows:

(in thousands of Euros)	31.12.2015	31.12.2014
Loans related to shareholders	17.697	26.161
Rceivables and attached accounts	10.344	13.269
Other financial assets	-	-
Other receivables	-	-
Payables and related accounts	21.213	7.381
Loans and financial debts	43.136	35.398
Other debts	-	-

3.13. Accounts payables

Payments to be received consist mainly of supplier credit notes for EUR 2.374 k (EUR 728 k in 2014) and invoices to be issued for EUR 6.732 k (EUR 7.569 k in 2014). Accrued expenses mainly concern accrued invoices for EUR 14.516 k (EUR 9.701 k in 2014), credit notes to be issued for EUR 3.936 k (EUR 2.276 k in 2014) as well as tax and funding liabilities EUR 7.873 k (EUR 7.346 k in 2014).

3.14. Negotiable instruments

Accounts receivable amount to EUR 16.994 k (EUR 13.578 k in 2014) corresponding to undiscounted and receivable trade bills. Accounts payable include trade bills amounting to EUR 5.025 k (EUR 5.406 k in 2014).

4 Notes to the profit and loss account

4.1. Profits and charges with related parties

Sales to related parties rose to EUR 48.317 k (EUR 34.624 k in 2014).

Purchases from related partoes represented EUR 101.735 k (EUR 38.448 k in 2014).

Financial profits with related parties rose to EUR 60 k (EUR 83 k in 2014) (excluding profits of equity investments and provisions reversals detailed in paragraph 4.3).

Financial charges with related parites amounted to EUR 246 k (EUR 298 k in 2014) (excluding write-offs and provisions detailed in paragraph 4.3).

Information on related parties, as provided for in ANC Regulations 2010-02 and 2010-03 of September 2, 2010 are available in the specific report by Statutory Auditors involved in the annual report 2015.

4.2. Breakdown of turnover

The turnover in France represents EUR 176.596 k, i.e. 54.3% of total turnover (50.8% in 2014). The export turnover accounts for EUR 148.605 k, i.e. 45.7% of total turnover (49.2% in 2014).

4.3. Financial profits and charges

(in thousands of Euros)	31.12.2015	31.12.2014
Equity investment profits	9.000	13.030
Net translation differences	(20)	(9)
(Expenses)/net reversal of provisions	8.267	(3.983)
Write-offs	-	-
Interest expenses and other financial expenses (net)	(2.744)	(2.912)
Total	**14.503**	**6.126**

Security provisions rose to EUR 213 k (EUR 1.759 k in 2014). This concerns subsidiaries of MGI COUTIER ARGENTINA and MGI COUTIER ENGINEERING. No reversals were recorded over the financial year (the same as 2014). Loan provisions related to securities amount to EUR 567 k (EUR 2.255 k in 2014). They relate to the Brazilian and Indian subsidiaries. Reversals were introduced on loan provisions related to securities for an amount of EUR 9.026 k (EUR 49 k in 2014). These reversals pertain to the Mexican subsidiary.

4.5. Exceptional profit

(in thousands of Euros)	31.12.2015	31.12.2014
Depreciation and provisions (net)	(1.484)	(1.203)
Net asset sales	82	(5)
Other profits (charges)	-	(1)
Total	**(1.402)**	**(1.209)**

4.6. Breakdown of tax between current and exceptional profit/loss

(in thousands of Euros)	EBT	Tax	Net result after tax
Current profit/loss (and securities)	2.242	4.778	7.020
Exceptional profit/loss	(1.402)	-	(1.402)
Profit/loss	**840**	**4.778**	**5.618**

4.7. Increase and relief of future tax debt

The items generating a tax deferral entail a future tax increase of EUR 7.898 k (EUR 7.530 k in 2014), based on a tax rate of 33,33%.

5 Other information

5.1. Retirement

The cumulative amount of undertakings related to the retirement payments that are not subject to provisions at the closing date rose to EUR 4.220 k. The calculation assumptions are highlighted in note 2.7 above.

5.2. Capital Lease

The original value of acquired fixed assets through capital leases amounts to EUR 30.141 k whereas their net value would stand at EUR 6.864 k when acquired under full ownership and amortized. The schedule for outstanding repayments at the closing of the financial year is analysed below:

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

Payments made during the financial year amount to EUR 1.370 k.

5.3. Identity of the acquiring company

MGI COUTIER SA is the leader of its Group's consolidation and thus presents the consolidated accounts under its sole name.

5.4. Other financial commitments

As at December 31, 2015, other commitments to funding institutions are analysed as follows:

- ✓ EUR 11.361 k for sureties granted (EUR 11.326 k in 2014),
- ✓ EUR 79.600 k for mortgages or pledge over financial assets (this amount is already included in financial liabilities) (EUR 79.600 k in 2014),
- ✓ EUR 0 k for negotiating instruments subject to discount windows as at December 31, 2015 (EUR 394 k in 2014),
- ✓ EUR 0 k for debtors' accounts subject to invoice discounting (EUR 7.957 k in 2014).

5.5. Remuneration paid to Directors

Remuneration paid to members of the Management Board amounts to a total of EUR 1.424.510 for the financial year ending on December 31, 2015 (EUR 1.385.964 in 2014). The total amount of remuneration and attendance allowances paid to members of the Supervisory Board amounts to EUR 315.271 for the financial year ending on December 31, 2015 (EUR 113.000 in 2014).

5.6. Average headcount

	2015	2014
Executives	292	299
Employees, Technicians & Supervisors (ETAM)	620	616
Operatives	762	787
Total	**1.674**	**1.702**

5.7. C.I.C.E (French tax credit for the promotion of competitiveness and employment)

- ✓ The CICE is calculated through the reduction of the entity's tax.
- ✓ Pursuant to the provisions of the article 76 of 2015 Finance Law, MGIC COUTIER SA draws on the CICE tax credit that is designed to fund the improvement of business competitiveness in order to support a number of initiatives, including:
  - investment,
  - research and innovation,
  - training and staffing.

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

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

FINANCIAL YEARS CONCERNED TYPE OF ITEMS	From 01.01.11 to 31.12.11	From 01.01.12 to 31.12.12	From 01.01.13 to 31.12.13	From 01.01.14 to 31.12.14	From 01.01.15 to 31.12.15
Capital at financial year end					
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	26.741.040	26.741.040
- nominal value of shares in francs	-	-	-	-	-
- nominal value of stocks in Euros	8	8	8	0,8	0,8
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) EBT	292.197.594	254.101.392	241.609.158	239.239.654	325.201.166
b) Profit before tax, employee profit-sharing, amortisation expense and depreciation	9.481.329	54.846.417	24.430.758	3.945.969	16.280.180
c) Income tax	(2.186.463)	(3.702.885)	(4.189.704)	(5.007.805)	(4.778.339)
d) Employee profit-sharing due for the finanancial. year	-	-	-	-	-
e) Profit after tax, employee profit-sharing, amortisation expense and depreciation	4.553.807	53.207.388	15.022.504	(4.977.172)	5.617.556
f) Total dividends	1.337.052	1.337.052	1.337.052	1.337.052	5.348.208*
Profit per stock					
a) Profit after tax, employee profit-sharing but before amortisation expense and depreciation	4,36	21,98	10,70	0,33	0.79
b) Profit after tax, employees profit-sharing and amortisation expense and depreciation	1,70	19,90	5,62	0,19	0.21
c) Net dividend assigned to each stock	0,50	0,50	0,50	0,05	0.20*
Employees					
a) Average number of employees over the financial year	1.812	1.767	1.856	1.702	1.674
b) Total pay roll for the financial year	54.187.530	53.087.693	52.856.871	52.737.013	53.213.606
c) Social contributions for the financial year (social security benefits, social welfare etc.)	18.993.532	19.420.456	19.767.261	20.346.570	19.897.029

** This is the dividend distribution that the Executive Board will suggest at the General Meeting of Stockholders in June 2016.*

Statutory Auditors' report on the annual 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 closed on December 31, 2015

To the stockholders,

Under the performance of the mission granted to us by your General Meeting, we present to you our report pertaining to financial year ending December 31, 2015 on:

- ✓ The control of the MGI COUTIER's annual accounts, as attached to this report,
- ✓ The justification of our assessment,
- ✓ The specific checks and information required by the law.

The annual accounts were closed by the Management Board. It is our responsibility to express an opinion regarding 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 diligence procedures 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 aims to assess the accounting principles followed, the significant estimates retained and overall presentation of accounts.

We aim that the collected audit information is sufficient and relevant to shape our opinion.

In compliance with the French accounting rules and principles, we certify that the annual accounts are regular and reliable and provide a fair representation of the past financial year's profits as well as the financial situation and Company's assets at the end of this financial year.

2 Explanatory notes on our assessment

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

- ✓ The notes 2.2 c), 2.3 and 2.5 of the annex set out the accounting rules and methods pertaining to the assessment of securities, receivables and related accounts.

  As part of our audit mission on the accounting rules and principles implemented by your company and the significant estimates used in preparing the accounts, we have reviewed on the basis of evidence available to date the retained approach and assessed the valuations that it generates. These activities have enabled us to check the adequacy of accounting methods detailed above as well as the information disclosed in the annex notes and to ensure the reasonable feature of the adopted estimates.
- ✓ Your company sets provisions in order to cover known disputes, as stated in note 2.6 of the annex.

  Based on the available information to date, our assessments of provisions is based on the analysis of processes implemented by the Company to highlight and conduct risk assessments; as well as on the examination of the registered significant files. In our assessment mission, we have assured the reasonable feature of these assessments.

The performed assessments lie within the scope of our audit approach of the annual accounts, and as a whole, they have contributed to tailoring our opinion as disclosed 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 observations to deliver regarding the fairness and consistency with the annual accounts of the information given in the Management report of the Management Board and in the documents submitted to stockholders on the financial health and the annual accounts.

With reference to the information provided in accordance with the provisions of article L.225-102-1 of the French Commercial Law on remunerations and benefits in kind paid to the company representatives and on compensations 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 compliance with the law, we are confident that the various information pertaining 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 encompass all the corporate environmental information provided for in article L.225-102-1 of the French Commercial Law, and that it has not conducted the appointment of any independent third parties in charge of checking this information.

Drawn up in Annecy-le-Vieux and Villeurbanne,
April 29, 2016

Statutory Auditors

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

Special report by Statutory Auditors on regulated agreements and undertakings

General Stockholders' Meeting on the approval of the accounts for the financial year ending December 31, 2015

Financial year ending December 31, 2015

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 as well as the motives justifying the benefit for the company of the agreements and undertakings that 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 assess 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 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 evidence was consistent with the originating documents.

1 Agreements and undertakings subject to the approval of the General Meeting

1.1. Agreements and undertakings authorized 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 authorization of your Supervisory Board.

The persons concerned with these agreements and undertakings are listed in the table attached in the last page of this report.

Royalties related to the representation services invoiced to MGI COUTIER ENGINEERING

Your company invoices a royalty related to representation services to its subsidiary MGI COUTIER ENGINEERING.

This royalty is calculated by the applicable rate on turnover exclusive of the Group (Parts and Tooling) of the subsidiary. The aim of this royalty is to cover the costs supported by MGI COUTIER SA plus a margin of 6%, which will lead to adjustments of the applicable rate to turnover to comply with this logic.

Your Supervisory Board dated January 22, 2015 has authorized the adjustment of the applicable rate to turnover exclusive of the Group of the subsidiary to bring it back to 1,35%.

Over the financial year 2015, the royalty profit recorded in the accounts and invoiced to the subsidiary MGI COUTIER ENGINEERING amount to EUR 10.547.

Invoicing sales promotion and coordination activities for MGI COUTIER ENGINEERING

Your company invoices its subsidiary MGI COUTIER ENGINEERING the costs of coordination activities and sales promotion provided for them by MGI COUTIER divisions, based on 0,5% of turnover exclusive of the Group (Parts and Tooling).

The royalty profit recorded for the 2015 financial year and invoiced to the company MGI COUTIER ENGINEERING amount to EUR 3.761.

The agreement is tacitly renewed on a yearly basis. It was authorized for 2015 financial year by the Supervisory Board dated 29 October 2014.

Trade mark royalties invoiced to MGI COUTIER ENGINEERING

Your company invoices its subsidiary MGI COUTIER ENGINEERING trade mark royalties referring to MGI COUTIER.

This royalty is recorded by the applicable rate to turnover (Parts and Tooling) exclusive of the Group of the subsidiary. The aim of this royalty is to cover the costs supported by MGI COUTIER SA plus a margin of 6%, bringing adjustments to the applicable rate of turnover to comply with this logic.

Your Supervisory Board dated 22 January 2015 has authorized the adjustment of applicable rate to turnover exclusive of the Group of the subsidiary to bring it back to 0,7%.

During the 2015 financial year, the royalty profit recorded and invoiced to the subsidiary MGI COUTIER ENGINEERING amount to EUR 6.886.

Invoicing MGI COUTIER ENGINEERING R&D package fees

Your company invoices R&D package fees for its subsidiary MGI COUTIER ENGINEERING calculated at a base of 0,5% of turnover, exclusive of the Group (Parts only).

The profits recorded for the 2015 financial year and invoiced to the subsidiary MGI COUTIER ENGINEERING amount to EUR 3.761.

This agreement is tacitly renewed on a yearly basis. It was authorized for the 2015 by the supervisory board meeting dated 29 October 2014.

Invoicing MGI COUTIER ILIA royalty payments

Your company invoices MGI COUTIER ILIA (Iran) charges related to research costs, trade mark royalties, expertise transfer and consulting services in the following areas: finance, legal requirements, industrial development, purchasing, product development, information systems, quality and marketing.

These royalty rates are calculated on the basis of the "net selling price" of products sold by the subsidiary MGI COUTIER ILIA in the amount of:

- ✓ 0,5% for research costs re-invoicing,
- ✓ 1,5% for consulting activities,
- ✓ 1% for trade mark royalties.

Under the terms of this agreement, no profits were recorded in the financial year.

The agreement was authorized for the 2015 financial year by the Supervisory Board dated October 29, 2014.

Invoicing MEIPL company royalty payments

Your Company invoices MEIPL company (India) charges related to expertise transfer licenses on "Fuel Lines" profits and consulting fees in the following areas; finance, legal requirements, industrial development, purchasing, information systems, quality, marketing and product development.

These royalty rates are calculated on the basis of the "net selling price" of products sold by MEIPL company in the amount of:

- ✓ 0,95% of «Basic Domestic Turnover»,
- ✓ 2,85% of «New Domestic Turnover»,
- ✓ 4,00% of «Export Turnover».

Under the terms of this agreement, the profits recorded in the 2015 amount to EUR 166.704.

The agreement was authorized for the 2015 financial year by the Supervisory Board dated October 29, 2014.

Agreements to convert liabilities into debts for MGI COUTIER ILIA and MGI COUTIER ENGINEERING PVT

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 liabilities into debts also applies to operations from one subsidiary to another; nevertheless, MGI COUTIER remains the hub of the operation.

The sums converted into debts are paid within the framework of centralized cash management agreements.

The renewal of these agreements was authorized for the 2015 financial year by the Supervisory Board dated October 29, 2014.

Support agreement concluded with COUTIER DEVELOPPEMENT

The company has entered into a support agreement with the company COUTIER DEVELOPPEMENT.

The goal of this agreement is the contribution of COUTIER DEVELOPPEMENT of its own resources, its supports and its advices within the framework of the definition of the general policy and the strategy of MGI COUTIER Group by meeting, planning, organization and coordination of the Group's activities internally as well as externally.

This agreement was renewed for a 3 year period by tacit agreement starting from July 1, 2015.

The given services of support will not be the subject of any remuneration.

Under this agreement, no charge was recorded in 2015.

The agreement was authorized for 2015 financial year by the Supervisory board of June 26, 2015.

Agreement on technical contracted services with COUTIER DEVELOPPEMENT Company

The company has concluded an agreement of technical contacted services with COUTIER DEVELOPPEMENT Company.

The purpose of this agreement is mainly the assistance in the technical definition of new products, in the identification of new markets, in the research, on the industrialization within the logic of « Takt Time » and « One Piece Flow » for the future plant and on the optimization of the tooling design.

This agreement was concluded for 3 years period that is tacitly renewed starting from 1st July 2015.

The agreement's remuneration corresponds to the costs supported by COUTIER DEVELOPPEMENT Company plus one margin of 8%.

Under this agreement, the recorded costs over the 2015 financial year amount to EUR 124.500.

The agreement was authorized for the 2015 financial year by the Supervisory Board dated June 26, 2015.

Provision of financial expertise services with ATF

MGI COUTIER SA has concluded an agreement on the provision of financial expertise services and on an additional basis of legal and financial monitoring with the company ATF, with which Jean-Louis THOMASSET, Vice-President of the Management Board is associated and majority manager.

This convention was agreed for a 18 month period starting July 1, 2015. It is renewable by tacit agreement in order to enable MGI COUTIER SA to continue to profit from the knowledge and the experience of Mr. Jean-Louis THOMASSET.

Under this convention, the charges recorded on 2015 financial year rose to EUR 209,723.

The agreement was authorized for the 2015 financial year as well as for the 2016 financial year by the Supervisory Board dated June 26, 2015.

Renewal of a guarantee by virtue of 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 “stand-by letter of credit” within the context of a short-term loan facility granted to the company GSAP for a maximum amount of INR 55 million.

The undertaking ending on January 31, 2015, your Supervisory Board dated August 26, 2015 has authorized the renewal of the guarantee for a one-year period starting from August 30, 2015.

2 Agreements and undertakings already approved by the General Meeting

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

In accordance with article R.225-57 of the French Commercial Law, we have been informed that the execution of the following agreements and undertakings, already approved by the General Meeting during previous financial years, were continued during the past financial year.

Agreement on premises and support services with COUTIER DEVELOPPEMENT and COUTIER SENIOR société civile

Your Company provides for both companies premises to accommodate their Head office and provides legal assistance services at the time of annual accounts approval.

Under the terms of this agreement, the profits recorded in the accounts for the 2015 financial year amount to:

- ✓ COUTIER DEVELOPPEMENT EUR 1 150
- ✓ COUTIER SENIOR EUR 383

Centralized cash management agreements

Within the framework of these agreements, MGI COUTIER ensures the coordination and centralisation of all cash requirements 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 AVON AUTOMOTIVE HOLDINGS and AVON AUTOMOTIVE UK HOLDINGS;
- ✓ at the EONIA rate 0,60% for other companies.

Over the 2015 financial year, the financial costs and profits recorded in the accounts by virtue of the subsidiaries owned at less than 100% as well as COUTIER DEVELOPPEMENT and COUTIER SENIOR, are as follows:

Companies	Financial costs (in Euros)	Financial profits (in Euros)
MGI COUTIER ENGINEERING		8.830
MGI COUTIER SERVICE		169
COUTIER JUNIOR	11.925	
COUTIER SENIOR	246	
Total	**12.171**	**8.999**

Review of the remuneration paid to members of the Management Board: combination of employment contract

Jean-François VILLANEAU and Christophe COUTIER, members of the Board, operate by virtue of their technical responsibilities under an employment agreement.

The annual gross remuneration of these members of the Board, under their employment contracts, was revised during the previous financial year as follows:

	Gross annual base pay	Variable pay
Jean-François VILLANEAU	180.640	Incentive schemes and bonus pay
Christophe COUTIER (*)	27.860	Incentive schemes and bonus pay

(*) : Christophe COUTIER resigned of his mandate within the company dated June 26, 2015.

Drawn up in Annecy-le-Vieux and Villeurbanne,
April 29, 2016

Statutory Auditors

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

ANNEX TABLE

Staff members affected by the agreements and undertakings pertaining to article L.225-88 of the French Commercial Code starting from 26 June 2015

Companies	André COUTIER	Benoît COUTIER	Jean-Louis THOMASSET	Mathieu COUTIER	Jean-François VILLANEAU	Christophe COUTIER	Nicolas COUTIER
MGI COUTIER	Chairman of S.B	MNGT. Board member	V.Chairman MNGT.Board	Chairman of MNGT.Board	MNGT.Board member	Representative COUTIER DEVELOPPEMENT At S.B	MNGT.Board member
MEIPL PVT	Executive Direc-tor						Executive Director
MGI COUTIER ENGINEERING PVT					Executive Director		Executive Director
MGI COUTIER ILIA		Executive Director			Chairman of D.B		
GOLD SEAL AVON POLYMERS PRIVATE LTD							Executive Director
MGI COUTIER FINANCE LTD					Executive Director		
COUTIER DEVELOPPEMENT	Member and Chairman of MNGT.Board	MNGT. Board member		MNGT.Board member		MNGT.Board member	MNGT.Board member
COUTIER SENIOR							

S.B: Supervisory Board *D.B: Board of Directors* *MNGT.Board: Management Board*

Proposed resolutions To the General Ordinary and Extraordinary Meeting of June 29, 2016

UNDER THE JURISDICTION OF THE ANNUAL ORDINARY GENERAL MEETING OF STOCKHOLDERS

First resolution

After the review of reports by the Management Board, the Supervisory Board and Statutory Auditors, the General Meeting approves the annual accounts as at December 31, 2015 as they have been presented, as well as the transactions recorded in the accounts or summarized in these reports.

The General Meeting equally approves the total amount of the expenses and charges not deductible from profits that are subject to corporate tax amounting to EUR 13.565 and to the tax incurred by virtue of these expenses and charges amounting to EUR 4.522.

Consequently, the General Meeting releases fully and without reservation the members of the Management Board and members of the Supervisory Board from their mandates for the said financial year.

Second resolution

After the review of and deliberation on the Management report of the Group and the report by the Statutory Auditors, the General Meeting approves the consolidated accounts as at December 31, 2015 as they have been presented, as well as the transactions recorded in these accounts and reports.

Third resolution

After the review of the report by the Management Board, the General Meeting decides to allocate the profit for the financial year, amounting to EUR 5.617.556,16 as follows:

- ✓ to stockholders in the form of dividends, for an amount of EUR 5.348.208; i.e. a net dividend of EUR 0,20 per stock; specifying that there has been no advance on paid dividends, namely a net dividend of EUR 0,20 to pay per share which will be paid out at the Head Office on July 7, 2016;
- ✓ as retained net surplus for the balance, i.e. an amount of EUR 269.348,16.

This distribution is higher in value compared to the previous financial year 2014 (EUR 0,05 gross).

The General Meeting resolves 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 General meeting notes that the dividends distributed during the three previous financial years were as follows:

Financial year ending	Dividend per stock in Euros	Profit eligible for tax relief or not
December 31, 2012	0,50	Reduction of 40% if applicable
December 31, 2013	0,50	Reduction of 40% if applicable
December 31, 2014	0,05	Reduction of 40% if applicable

Fourth resolution

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

Fifth resolution

Ruling under the quorum and majority conditions of ordinary meetings, the general assembly ratify the appointment by the Supervisory Board dated June 26, 2015 of Mr. André COUTIER as Chairman and a member of the Supervisory board, replacing Mr. Roger COUTIER, resigning, for the remainder of his term of office still to run, i.e. until the conclusion of the meeting of the general assembly called for to decide on the accounts of the financial year ending on December 31, 2015, given that this mandate thus expires with the present approval of the accounts of the financial year ending on 12.31.2015 and to be held this June 29, 2016.

The general meeting also ratifies the appointments of Mr. André COUTIER in his capacity as member of the Audit Committee and the Remuneration Committee of MGI COUTIER SA carried out according to the Board's minutes of the Supervisory Board dated June 26, 2015 within the framework of his mandate of member of the Supervisory Board.

Sixth resolution

The general meeting, ruling under the quorum and majority conditions of ordinary meetings, ratifies the appointment by the Supervisory Board dated June 26, 2015 of Mrs. Genevieve COUTIER as a member of the Supervisory Board by replacing Mr. Bertrand MILLET, resigning, for the remainder of his term of office still to run i.e. until the conclusion of the meeting of the general assembly called for to decide on the accounts of the financial year ending on December 31, 2015, given that this mandate thus expires with the present approval of the accounts of the financial year ending on 12.31.2015, to be held this June 29, 2016.

Seventh resolution

The General Meeting notifies that the mandate of a member of the Supervisory Board:

- Mr. André COUTIER

came to a end, decides to renew the mandate of

- Mr. André COUTIER, born in February 15, 1949 in BELLEGARDE SUR VALSERINE 01 France, resident in 71 Côte de la Pierre in 01410 CHAMPFROMIER France, of French nationality, and holder of the passport N° 14AF69616 delivered in 03.26.2014 by the Prefecture of AIN (01 - France)

who here presents and states to accept this position and is not affected by any incompatibility or prohibition likely to prevent his appointment,

for a three year period which will end at the conclusion of the shareholders' meeting called for to decide on the accounts of the financial year ending December 31, 2018 to be held in the year 2019.

Eighth resolution

The general meeting notifies that the mandate of a member of the Supervisory Board:

- Mr. Paul DEGUERRY

came to an end, decides not to renew the aforementioned mandate, and decides to name:

- Miss Emilie COUTIER, born in 06.06.1982 in NANTUA 01 France, resident in 1033 Route des Burgondes 01410 CHAMPFROMIER France, of a French nationality and holder of the identity card N° 140801400004 delivered in 08.01.2014 by the Sub-prefecture of NANTUA 01 France

who here presents and states to accept this position and is not affected by any incompatibility or prohibition likely to prevent her appointment,

for a three year period which will end at the conclusion of the stockholders meeting called for to decide on the accounts of the financial year ending on December 31, 2018 to be held in the year 2019.

Ninth resolution

The general meeting notes that the mandate of a member of the Supervisory Board:

- Mr. Nicolas JOB

came to an end, decides not to renew the aforementioned mandate and decides to designate the company a legal entity:

- NJ CONSULTING Private Limited company whose head office is located in 11 Chemin des Anciennes Vignes Le Soleil Levant – Immeuble Sendaï - 69410 CHAMPAGNE-AU-MONT-D' OR - France, registered with the RCS LYON under the n° 531 193 738

represented by his permanent representative the manager Mr. Nicolas JOB born in 02.02.1955 in PARIS 8th 75 - France, resident in 15 Rue du Paillet 69570 DARDILLY- France, of a French nationality, holder of passport N°13CK98182 delivered in 09.10.2013 by the Prefecture of the RHONE - 69 LYON-F,

who here presents and states to accept this position and is not affected by any incompatibility or prohibition likely to prevent his appointment,

for a three year period which will end at the conclusion of the shareholder meeting called for to decide on the accounts of the financial year ending on December 31, 2018 to be held in the year 2019.

Tenth resolution

The general meeting notes that the mandate of a member of the Supervisory Board:

- COUTIER DEVELOPPEMENT SA with Management Board and Supervisory Board located in 975 Route des Burgondes 01410 CHAMPFROMIER France, registered in the Trade and Companies Register Bourg-in-Bresse 395 006 398 and represented by his permanent representative Mr. Christophe COUTIER

came to a end, decides to renew the aforementioned mandate and decides to be reappointed in the company

- Company COUTIER DEVELOPMENT SA, limited company with Management Board and Supervisory Board of a capital of EUR 46 249,840, whose head office is located in 975 Route des Burgondes in 01410 CHAMPFROMIER - France, registered under the number 395,006,398 in the Trade and Companies Register Bourg-in-Bresse,

represented by his permanent representative Mr. Christophe COUTIER born in 05.06.1978 in NANTUA 01 - France, resident in 1177 Route de Monnetier Hameau in 01410 CHAMPFROMIER - France, of a French nationality and holder of the identity card N° CI120301400429 delivered in 03.15.2015 by the Sub-prefecture of NANTUA 01 France

who here presents and states to accept this position and is not affected by any incompatibility or prohibition likely to prevent his appointment,

for a three year period which will end at the conclusion of the shareholder meeting called for to decide on the accounts of the financial year ending on December 31, 2018 to be held in the year 2019.

Eleventh resolution

The general meeting noting that the mandate of member of the Supervisory Board of:

- Mrs. Genevieve COUTIER

came to an end, decides to renew the mandate of

- Mrs. Genevieve COUTIER born BRETON, in June 7, 1948 in FLORAC 48 France, resident in 71 Côte de la Pierre in 01410 CHAMPFROMIER France, of a French nationality, holder of the passport N° 14AY41039 delivered in 04.09.2014 by the Prefecture of AIN (01 - France)

Who here presents and states to accept this position and is not affected by any incompatibility or prohibition likely to prevent his appointment,

for a three year period which will end at the conclusion of the shareholder meeting called for to decide on the accounts of the financial year ending on December 31, 2018 to be held in the year 2019.

Twelfth resolution

The General Assembly fixes the amount of the attendance fees to be divided between the members of the Supervisory Board for the 2016 financial year to EUR 46.160.

Thirteenth resolution

Ruling under the quorum and majority conditions required for general meetings and having taken note of the Management Board's report, the General Meeting authorizes 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 et seq. and articles 241-1 et seq. 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 be, if applicable, adjusted to take into account the 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 accounted for in calculating the 0,5% limit specified 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 EUR 30.00 (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 shares 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 shares, or to the creation and free allocation of shares, or the division in the shares 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, sale or transfer of shares may be realized by any means, on the market or by mutual agreement, including the acquisition or sale 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 service provider that is compliant with the AMAFI code of ethics (French society of financial markets) dated September 23, 2008 and acknowledged by the AMF's decision (Financial Markets Authority) of October 1, 2008.

The General Meeting gives all powers to the Board, with the ability to delegate this authority in order to:

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

General Meeting resolves that the authorisation is valid for a maximum period of 18 months starting from the date of this decision, i.e. until December 28, 2017.

This authorisation shall interrupt and replace the authorisation conferred by the Ordinary and Extraordinary General Meeting dated June 25, 2015.

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

Fourteenth resolution

The Ordinary Annual General Meeting confers on Mr. Mathieu COUTIER, Chairman of MGI COUTIER's Management Board all powers, with the ability to delegate these powers in accordance with the law, with an original and a copy or extract of the minutes of this meeting, to complete the required procedures.

UNDER THE JURISDICTION OF THE EXTRAORDINARY ANNUAL GENERAL MEETING

Fifteenth resolution

The general meeting of the stockholders, after having heard the reading of the management report of the Management Board, and taken account of the provisions of subparagraph 2 of the article L.225-129 VI of the Commercial law, and noting that the employees' contribution of the Company and of the related Companies within the meaning of the article L.225,180 of the Commercial Law, representing less than 3% of the capital, decides not to increase the equity capital.

Sixteenth resolution

The Extraordinary General Meeting confers all powers to Mr. Mathieu COUTIER, Chairman of the Management Board of MGI COUTIER, along with the ability to sub-delegate these powers in accordance with the law, to complete all the necessary formalities, when holding an original, a copy or extract of the minutes of this meeting.

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MGI COUTIER

Automotive & Heavy Trucks Supplier