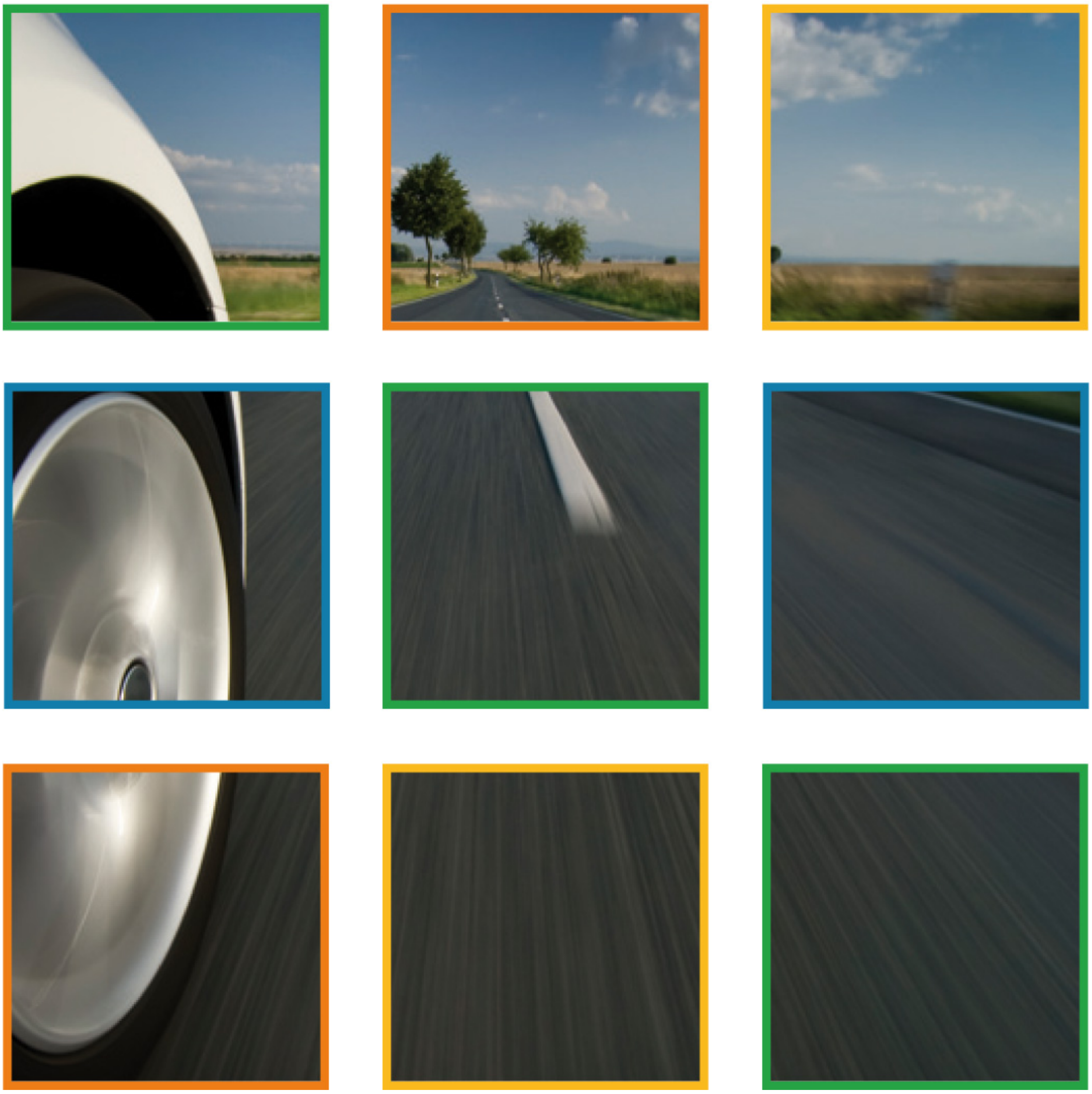
ANNUAL REPORT 2017



MGI COUTIER

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

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MESSAGE FROM THE CHAIRMAN OF THE BOARD

Dear Sir, Madam,

In 2017, MGI COUTIER consolidated its performance and continued its transformation in order to align itself with the changes on a market in the midst of a revolution.

The ecosystem of automotive and HGV manufacturers is being profoundly reshaped and the added value equation is gradually changing. This means that market participants need to quickly adapt in order to offer consumers autonomous, connected, ecologically responsible and competitively priced vehicles in the near future. This is a unique opportunity for the stakeholders on this automotive market to challenge and reposition themselves in order to offer manufacturers the innovative solutions that will enable them to stand out from the crowd tomorrow.

The MGI COUTIER Group is firmly committed to a long-term relationship of trust with its stakeholders. The Group intends to offer its strategic customers ever-more reliable and competitive solutions as close as possible to their production and delivery locations in order to enable them to continue positioning themselves among the market's top manufacturers in this unprecedented revolution that is sweeping the automotive and HGV industry today. This is taking place thanks in particular to the agility and imagination of a challenger that provides an alternative to the major equipment manufacturers and whose relationship of trust formed on a daily basis with its customers will in the near future be particularly decisive in an environment experiencing far-reaching changes.

Beyond this evolution, the appraisal of the year is very positive. Revenue passed the historic barrier of €1 billion one year ahead of initial forecasts, while profitability continued to improve. We can all be proud of these results and we must take the necessary steps to continue in this direction. We must step up our efforts and remain concentrated on our goals: the Safety of People, Customer Satisfaction, and the Drive for Competitiveness and Performance.

To this end, the international roll-out continued. Three new sites completed their first production runs: Chongqing and Wuhan in China, and Ixtaczoquitlan in Mexico. Other sites will be up and running, such as Rayong in Thailand in 2018 and Vidin in Bulgaria in 2019.

The priority placed on industrial performance over the last two years has been crystallised with the creation of two new cross-functional divisions, the industrial performance division and the industrialisation and standardisation division. Their role will be to further enhance standardisation, planning and production deployment, process innovation and continuous improvement in the products and services delivered to our customers.

Thanks to this dynamic and the commitment of each of our employees, and subject to a favourable environment, MGI COUTIER intends to achieve €1.2 billion by 2020.

Mathieu Coutier
Chairman of the Management Board

ADMINISTRATION, MANAGEMENT & CONTROL

Supervisory Board

Mr André Coutier	Chairman
Mrs Geneviève Coutier	
Mrs Emilie Coutier	
NJ CONSULTING SAS represented by Mr Nicolas Job	
COUTIER DEVELOPPEMENT SA represented by Mr Christophe Coutier	

Management Board

Mr André Coutier	Chairman
Mr Benoît Coutier	
Mr Nicolas Coutier	
Mr Jean-Louis Thomasset	Vice-Chairman
Mr Frédéric Marier	

Executive Committee

Mr Sébastien Boivin
Mr Maxime Delorme
Mr Huashan Feng
Mr Philippe Mao
Mr Ludovic Mercier
Mr Dave Nielsen
Mr Lee Richards
Mr Roger Sanchez

Statutory Auditors

Principal Auditors:

- ORFIS BAKER TILLY

Mr Jean-Louis Fleche
149, Boulevard Stalingrad
69100 VILLEURBANNE
Appointed at the Ordinary General Meeting of 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 Ordinary General Meeting of 22 June 2012

Substitute Auditors:

- Mr Olivier Brisac

149, Boulevard de Stalingrad
69100 VILLEURBANNE
Appointed at the Ordinary General Meeting of 22 June 2012

- Mr Olivier Bietrix

131, Boulevard de Stalingrad
69100 VILLEURBANNE
Appointed at the Ordinary General Meeting of 22 June 2012

Information Officer

Mr Mathieu Coutier
Tel.: 04 50 56 98 98

MANAGEMENT REPORT

Presented by the Management Board to the Ordinary and Extraordinary Annual General Meeting of 30 May 2018

Results, financing and perspectives

Comments & significant milestones on 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. Theses texts have no impact on the net income and the financial situation of the Group.

A new growth of the activity

During the 2017 financial year, the MGI COUTIER Group generated record revenue of €1.0242 billion, up 6.3% compared with the previous year and 8.9% at a comparable scope of business and exchange rates. This growth, significantly higher than on the global automotive market, was achieved thanks to a further increase in deliveries of Adblue® tanks for SCR and numerous introductions on nearly all sites. The sales activity in the field of expertise of Fluid Management experienced an increase of 6.0% to reach a new all-time high. Business in the field of expertise of Mechanisms also advanced, by 6.9%. The two French incumbent manufacturers accounted for 44.9% of business, versus 46.2% in 2016, taking into account the rise in sales to Ford and FCA. In total, the Group's 12 strategic customers accounted for 86.9% of revenue, compared with 84.2% during the previous financial year. The deliveries to customers located in France amount to 26% of total sales versus 25% in 2016.

The 2017 financial year highlights

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

- New rise in productions of Adblue® tanks for SCR.
- High order placements following four also very strong years in terms of new allocations.
- Launch of two new plants in Chongqing and Wuhan in China and Ixtaczoquitlan in Mexico.
- Acquisition of a plant in Rayong, Thailand, and creation of a local team to prepare the first productions scheduled for 2018.
- Creation of a legal entity and search for land and buildings in Bulgaria.
- Further improvement to the profitability of historical entities thanks in particular to a return to near-normal operating profits at MGI COUTIER SA.
- Industrial investments at an all-time record level.
- Continuation of the gradual implementation of the new organisational structure focused on plants and product lines.
- Creation of two new cross-functional divisions focused on industrial performance, the standardisation of production resources and processes, and industrialisation.
- Faster deployment of the Group ERP (28 sites using this ERP at the end of December 2017).

The consolidated key figures for the 2017 financial year are as follows:

(in millions of euros)	31/12/2017 (12 months)	31/12/2016 (12 months)
Revenue excluding tax	1,024.2	963.6
Income from ordinary activities	115.1	111.1
Operating income	115.4	115.4
Group share net profit	**84.8**	**86.4**
Self-financing ratio	**113.7**	**125.0**

The added value rate in 2017 totalled 42.4% of consolidated revenue. This is the second-best performance in the last 25 years following the all-time record in 2016 at 42.6%. As such, despite the increases in raw materials, the rise in the cost of the main energies, negative foreign exchange effects, operational difficulties at certain sites close to saturation and the declines in sale prices, the Group managed to maintain an added value rate almost identical to the rate during the previous financial year. Aside from the impact of the growth in business, this result also reflects continued efforts to reduce sale prices, improve industrial efficiency and reintegrate previously outsourced productions.

Personnel costs, including temporary staff and employee profit-sharing at the French entities, totalled €281.9 million, up 11.1% compared with the previous financial year. The payroll increase during the financial year reflects efforts to grow the Research, Development, Industrialisation and Robotisation teams. Recruitments at the new plants also had a negative effect on personnel costs, as the teams need to be in place and trained around six months before the first production runs begin.

EBITDA totalled €145.3 million, down 3.5% compared with the previous year, and represented 14.2% of consolidated revenue (15.6% in 2016). By value, this is nearly an all-time record. By percentage, the Group remains in line with the average figures of the top-performing equipment manufacturers.

Amortisation allowances totalled €30.3 million, up 6.8%. This increase is due to the key investments made since the financial year 2012, a significant portion of which is devoted to real estate (land and buildings).

Allowances for provisions were €-0.2 million, versus €11.1 million in 2016. Net allowances during the 2016 and 2015 financial years primarily arose from warranty provisions directly linked to a very significant increase in warranty returns observed over the last nearly three years. This atypical situation was due to the high growth in business and the number of new parts launched during this period. The efforts made over the last two years and in particular in 2017 resolved the problems identified and prevented further major failures emerging in 2017. This subject remains a priority for all of the teams, as the number of upcoming introductions remains particularly high.

Income from ordinary activities totalled €115.1 million, up 3.6% versus the previous financial year. This is the best result by value since the Group was founded, even though external and internal factors were far less favourable than in 2016. All of the historical entities posted positive profitability for the first time. Entities whose business has not yet stabilised (MGI COUTIER MAROC SARL, AVON AUTOMOTIVE COMPONENTS CHONGQING, SINFA CABLES SARL, WUHAN MGI COUTIER AUTO PARTS CO LTD and MGI COUTIER THAILAND CO LTD) posted operating losses again during the financial year, at €6.4 million versus €2.8 million in 2016.

Other non-current revenue and charges totalled €0.2 million, compared with €4.3 million during the previous financial year. This is a normal level. Note that the 2016 financial year was atypical due to the resale of energy certificates and the sale of the shares in MEIPL (an Indian joint venture that was consolidated using the equity method).

The cost of net financial debt was €1.9 million, versus €2.7 million in 2016. This change is mainly the result of near-stability in gross financial debts as references of variable rates, a significant rise in interest on cash balances and the replacement of old medium-term loans with new financing under far more favourable conditions.

Other financial income and charges totalled €0 million, compared with €0.6 million in 2016. During the 2017 financial year, there were few effects on financial income from monetary fluctuations, unlike the previous financial year, which was more atypical.

The income tax expense was €28.6 million, compared with €27.0 million in 2016. The effective tax rate was 25.2% during the financial year due to tax credits received by certain entities and the recognition of deferred tax assets concerning tax loss carry forwards on subsidiaries that permanently returned to positive profitability in 2017. Conversely, the tax reform in the US had a negative but non-recurring impact of €3.6 million on the tax expense for the financial year.

Net income Group share was €84.8 million, compared with €86.4 million in 2016. This is the second-best figure ever published by the Group.

Non-financial investments totalled €87.3 million, compared with €53.1 million during the previous financial year. As expected, 2017 investments reached a historically high level due in large part to the construction of three new plants, the acquisition of additional production resources required to contend with new projects and the roll-out of the robotisation business project.

Financial debt increased slightly, totalling €25.3, up €12.0 million year on year.

Shareholders' equity Group share totalled €409.3 million, up 13.0 % versus the previous financial year. Shareholders' equity covers more than 54% of the total balance sheet. They are also all-time records.

Continuation of efforts in Research and Development

In 2017, MGI COUTIER Group continued devoting significant resources to Research and Development. Research and Development costs were €60.8 million, or 5.9% of consolidated revenue, compared with €50.5 million in 2016. The costs related to Research and Development have been recorded as charges during the period and do not comply with the whole criteria to be considered as fixed assets as provided for by accounting standards.

The Group received a Research Tax Credit worth €2.2 million (€2.7 million in 2016).

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 polluting emissions,
- the reduction in CO_2 emissions (by designing lighter parts),
- the implementation of solutions adaptable to the bio-fuels or meeting the requirements of hybrid or electric vehicles,
- eco-design and product recycling.

2018 outlook

The MGI COUTIER Group will keep a sharp focus on maintaining its business and financial performances.

The 2018 financial year is expected to show further growth in business thanks to the continually high level of deliveries of Adblue® tanks for SCR and the favourable impact from the launch of new productions linked to significant order entries in previous years.

The goal is now to achieve consolidated revenue equal to or higher than €1.2 billion in 2020.

Risk management

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

Events occurring between the closing date and the reporting date

One single significant event occurred between the closing date and the reporting date. This was MGI COUTIER SA's acquisition of a 25% interest in BIONNASSAY M&P TECHNOLOGY S.A.S. founded (together with its holding company BIONNASSAY REAL ESTATE SAS, also founded), and registered under number 834 266 934 on the ANNECY Commercial Register (74), comprised of a consortium of shareholders: ALPEN’TECH and KARTESIS + MGI COUTIER for the acquisition of the assets of FRANK & PIGNARD and PRECIALP, which went into administration in 2017, accompanied by CREDIT AGRICOLE DES SAVOIE following a joint offer accepted and approved by the GRENOBLE COMMERCIAL COURT on 21 February 2018.

MGI COUTIER SA (Limited Company with an Executive Board and Supervisory Board)
Comments on the parent-company financial statements & key events

The parent-company financial statements were prepared in compliance with the accounting principles applicable in France.

Revenue totalled €429.4 million, up 6.3 % versus the previous financial year. The company MGI COUTIER benefited in particular from the further increase in deliveries of Adblue® tanks for SCR and the growth on the automotive market in Europe.

Added value was €118.0 million, up 8.2 % versus the previous year. During the financial year, the lower gross margin rate on productions of Adblue® tanks for SCR was more than offset by an improvement in industrial performances (note that these significantly declined in 2015 and that the 2016 financial year only marked the start of a return to normal).

Taxes and dues totalled €5.3 million, down 4.5% versus the previous financial year.

Personnel costs totalled €76.5 million, up 1.6%. They accounted for 17.8% of revenue, versus 18.6% in 2016. During the financial year, the company directly benefited from the increased use of outsourcing (primarily intra-group) and the initial impacts of robotisation projects.

EBITDA was €36.2 million, up 28.1%. However, it is necessary to note that the EBITDA ratio is still a long way from the standards in our sector of business.

Amortisation allowances totalled €11.7 million, up 6.2%, with investments during the financial year slightly higher than the average of previous years.

Net allowances for provisions were €-3.3 million, versus €11.1 million in 2016. During the financial year, the company stopped being adversely affected by the increase in warranty returns, which generated a particularly high level of provisions in both 2016 and 2015.

Given the previous items, operating income was €26.8 million, compared with €5.3 million in 2016. Note that the company had previously posted operating losses every year since the 2012 financial year.

Financial income was €2.2 million, compared with €23.9 million in 2016. This change was almost exclusively due to the level of dividends received (in 2016, the company received all-time high dividend payments, notably from AVON AUTOMOTIVE HOLDINGS INC).

Exceptional income was €-1.1 million, compared with €5.5 million in 2016. This exceptional figure is almost exclusively due to exceptional amortisations. Note that the 2016 financial year was entirely atypical, with MGI COUTIER SA having benefited from the disposal of MEIPL shares, which generated a significant capital gain, as well as from the resale of energy savings certificates.

During the financial year, the company posted a tax profit of €1.4 million, versus €2.6 million during the previous financial year. A Research Tax Credit worth €2.2 million was granted (€2.7 million in 2016). The Competitiveness and Employment Tax Credit (CICE) was €2.7 million (€2.4 million in 2016). It will only be refunded against income taxes payable prior to the maturity date of 2021.

Given the previous items, the company's net income was €29.4 million, compared with €37.3 million in 2016.

Acquisitions of intangible and tangible fixed assets totalled €14.3 million, compared with €11.5 million during the previous financial year. Non-financial investments were once again at a level close to the historical average during the financial year. Acquisitions of financial fixed assets totalled €31.4 million, compared with €14.4 million during the previous financial year. A significant proportion of the €31.4 million came from refinancing transactions concerning AVON AUTOMOTIVE HOLDING INC, MGI COUTIER LUSITANIA UNIPESSOAL LDA and MGI COUTIER ESPAÑA SL, as well as financing the requirements of new entities being constructed, in the start-up phase or in the ramp-up phase.

Given the previous items, MGI COUTIER's net debt was €114.5 million, compared with €102.5 million in 2016. This level of debt still seems very reasonable given the Group's size and profitability. Shareholders' equity before the appropriation of earnings totalled €211.2 million, compared with €188.5 million during the previous financial year. Shareholders' equity now accounts for 43.2% of the balance sheet. The objective is still to achieve over 50% in the long term.

Payment terms for suppliers and customers

Trade accounts payable (in thousands of euros)	2017
Debts not due	50,041
Term between 0 and 30 days	968
Term between 30 and 60 days	99
Term over 60 days	375
Total	**1,442**

Trade accounts receivable (in thousands of euros)	2017
Accounts receivable not yet due	71,675
Term between 0 and 30 days	315
Term between 30 and 60 days	409
Term over 60 days*	(87)
Total	**637**

* Credit notes not deducted

Group report on corporate social responsibility

Aware of its responsibility and the potential impact of its decisions and activities on the company and on the environment, the Group makes several commitments to its stakeholders: the Safety of and Respect for individuals, Quality and Performance to satisfy our Customers, Environmental Protection and the Preservation of energy resources.

The Group conducts its activities in a constantly changing context involving multiple challenges and participants (customers, competitors, suppliers, local authorities, investors, etc.). The risks and opportunities (past, present and future) linked to our environment are identified, assessed and handled in order to gain control over our future.

These challenges and our continuous improvement culture provide input for our policies and action plans. They are embodied in our SMQSE[2], or Quality, Safety, Environment and Energy Management System. Developed and rolled out within the Group, it brings together our best practices and tools in a single system that applies to all of our teams in their day-to-day activities. Fed by the Group's values, it insures that we reach the level of standard performance and satisfy the legal requirements, norms and regulations in effect at our customers and in dealings with local authorities. It is regularly audited both internally and externally to verify its implementation and to improve it.

Human resources information

The diverse and well-balanced nature of the teams is a real asset. Our organisation is bound together by trust and mutual respect and is clear about its aim to ensure compliance with legal requirements, standards and ethical, professional and anti-corruption regulations in effect.

Firmly engaged in a lasting relationship of trust with its stakeholders, the Group maintains healthy relations with its participants based on compliance with universal ethical rules. To promote this corporate culture and share these rules with everyone, the SMQSE[2] is supplemented by an ethical charter and an anti-corruption code that aims to implement measures to ensure that our employees, executives and directors, wherever they are located, can recognise and prevent any involvement by our company in any corruption or influence peddling and, where applicable, to report either of these practices.

Headcount as at 31 December 2017

	2017	2016
Total	**10,887**	**9,824**

At 31 December 2017, the group employed 10,887 employees (on open-ended and fixed-term contracts), an increase of 1,063 persons compared with 2016. This increase is due to the growth in business and the integration of new entities in Ixtaczoquitlan in Mexico, Wuhan in China and Rayong in Thailand.

Breakdown of employees by age

	2017	2016
Under 25	1,833	1,542
25 to 29 years	1,730	1,445
30 to 39 years	3,006	2,783
40 to 49 years	2,668	2,512
50 years and over	1,650	1,542
Total	**10,887**	**9,824**

Employees in the under-30 age group accounted for 32.73% of the total headcount in 2017 and 30.41% in 2016. Those aged 50 and over accounted for 15.16% of the total headcount in 2017 and 15.70% in 2016.

Breakdown of employees by gender

	2017	2016
Male	6,478	5,866
Female	4,409	3,958
Total	**10,887**	**9,824**

MGI COUTIER employs 4,409 women (40.50% of the total headcount) and 6,478 men (59.50%).

Breakdown of employees by geographical region

	2017	2016
France	1,849	1,828
Rest of Europe, Russia and Africa	3,942	3,473
North America	3,251	2,890
Asia and the Middle East (incl. Turkey)	1,752	1,526
South America	93	107
Total	**10,887**	**9,824**

The Group's workforce is spread across 19 countries. 36.2% of the Group's workforce is located in the Europe (excluding France), Russia and Africa region; 29.9% in the North America region; 17.0% in France; 16.1% in the Asia and Middle East region (including Turkey) and less than 1% in the South America region.
The biggest increase between 2016 and 2017 was in the Asia and Middle East region, with a 14.8% rise in the headcount.

Staff movement – Employment and Departures

Departures	**2017**	**2016**
Voluntary	3,827	4,782
Lay-offs and terminations	596	350
Retirement	76	87
Total	**4,499**	**5,219**

Recruitments	**2017**	**2016**
Total	**5,562**	**6,002**

In 2017, the MGI COUTIER Group registered 5,562 recruitments and 4,499 departures, the majority of which were natural departures (3,827).

Number of employees who work in a team

	2017	2016
Total	**7,727**	**7,049**

7,727 persons worked in a team, notably in production (2x8, 3x8).

Weekly working time

	2017	2016
Weekly working time	**35 hrs to 48 hrs**	**35 hrs to 48 hrs**

Working time varies according to the country, from 35 hrs to 48 hrs of work weekly.

Absenteeism

	2017	2016
Total rate of absenteeism	**4.39%**	**3.59%**
Rate of absenteeism excluding maternity leave	**3.92%**	**3.13%**

At all of the Group's sites, the level of absenteeism in 2017 was 3.92% not including absences due to maternity leave.

Work accidents, notably their frequency and severity

Safety is our priority and is a core component of all of our processes, every day, in each action. Every individual involved with MGI COUTIER (employees, service providers, suppliers, etc.) is entitled to work in a healthy and safe working environment.
The Safety at Work policy and the associated objectives are adjusted and defined locally, taking into account the specific characteristics of each establishment.

	2017	**2016**
OSHA frequency rate	2.1	2.75
Severity rate	0.24	0.30

The OSHA frequency rate is the number of work accidents divided by the number of hours worked multiplied by 200,000.
The severity rate is the number of days lost multiplied by 1,000 and divided by the number of hours worked.

Appraisal of collective agreements, notably on health and safety at work

	2017	**2016**
Number of agreements concluded during the year	**25**	**16**
of which health and safety at work agreements	**1**	**2**

Across all of the Group's sites, negotiations resulted in the signature of 25 collective agreements.

Equal treatment: the measures taken to promote the employment and integration of persons with a disability

	2017	**2016**
Number of employees with a disability	**168**	**146**

MGI COUTIER employs 168 people recognised as workers with a disability.

Other employment information

	2017	**2016**
Total personnel costs (in thousands of euros)	281,943	253,642
Amount allocated to training (in payroll percentage)	1.00%	1.18%

Training at MGI COUTIER acts as a driver of team performance and professionalism. It serves to support developments in our professions and to adapt to new technological developments.

Environmental information

We offer our customers innovative solutions and concepts that aim to provide responses to environmental challenges (lighter components, pollution reduction) and energy challenges (local production, recycling).

To protect biodiversity and ecosystems, reducing our environmental impact and generating savings on natural resources form an integral part of our activities. The various solutions and materials possible during development (use of sustainable resources, recycling of products) are identified from the product design phase.

Our local production strategy, which reduces transportation and polluting logistics operations that impact climate change, helps to reduce the overall environmental and energy rating of the products.

Each of our facilities aims to act as a responsible manufacturer by reducing energy consumption, emissions and rejects. The policy and the associated environmental and energy objectives are adjusted and defined locally, taking into account the specific characteristics of each establishment.

The QSE² Division (Quality, Safety, Environment and Energy) has expanded the ISO 14001 certification to all of the MGI COUTIER Group's sites. The MGI COUTIER Group sets itself numerical targets every year. These are defined and rolled out for each site. They are presented and approved during the QSE² Division Review of the entity concerned.

The information provided below covers all of the Group's sites.

Resource consumption

Quantities consumed	2017	2016
Water (m^3)	944,506	844,475
Plastic materials (tons)	22,518	23,408
Metal materials (tons)	23,474	26,244
Rubber materials (tons)	30,240	22,790
Electricity (MWh)	111,747	114,656
Gas (MWh)	109,137	126,343
Fuel (m^3)	3,900	1,102

Waste

Quantities consumed	2017	2016
Ordinary industrial waste produced (tons)	18,352	13,327
Special industrial waste produced (tons)	1,972	1,798
Total costs incurred by waste management (thousands of euros)	1,144	813
Secured savings due to waste-to-energy conversion (excluding metal waste) (thousands of euros)	405	331

In 2017, MGI COUTIER's sites increased their production of Ordinary Industrial Waste (OIW) by 48%. This increase can be attributed to the integration of new plants (Ixtaczoquitlan in Mexico, Wuhan and Chongqing in China and El Jadida in Morocco) and the increase in revenue. The tonnage of Hazardous Industrial Waste (HIW) saw virtually no increase compared with the previous year.
Gains following energy recovery from waste fell 22% compared with the previous year. Finally, waste processing costs have risen very significantly in recent years (28% compared with the previous year).

Climate change: greenhouse gas emissions – adaptation to the consequences of climate change

MGI COUTIER updated its Greenhouse Gas (GHG) assessment at the end of 2015 with the 2014 values in line with decree no. 2011-829 of 11 July 2011 concerning the assessment of GHG emissions and the territorial climate-energy plan.
It is available on the Group's website (www.mgicoutier.fr) and the ADEME's database has been updated *(*www.bilans-ges.ademe.fr*)*.
The GHGs in question are those laid out in the order of 24 August 2011 concerning GHGs covered by GHG emission assessments, namely:

- Carbon dioxide (CO_2)

- Methane (CH_4)
- Nitrous oxide (N_2O)
- Hydrofluorocarbons (HFC)
- Perfluorinated hydrocarbons (PFC)
- Sulphur hexafluoride (SF_6)

The scope of the report encompasses the French sites included in the SIREN number of the MGI COUTIER France scope. The operational scope used for MGI COUTIER's GHG assessment is that of the strict regulatory obligation (scope 1 and scope 2).
The total emissions of the assessment were 4,683 tonnes of CO_2, broken down as follows:

- 2,285 tonnes of CO_2 regarding direct emissions of GHG (or 49%)
- 2,398 tonnes of CO_2 regarding indirect emissions associated with energy (or 51%)

Electricity consumption is the highest-emission item, with emissions accounting for more than half of the total tonnage (51%). The second-highest emission item is linked to the consumption of energy from fixed combustion sources, i.e. primarily natural gas consumption, which alone accounts for 35%. Consumption of energy mobile sources was the third-highest item (10%).
Based on these results, MGI COUTIER has put together an action plan with the aim of cutting its GHG emissions. Furthermore, the Group has undertaken an energy management approach (ISO 50 001) at six of its French sites to manage the energy performance and thereby cut its GHG emission (six sites selected account for 75% of the French energy bill).

Biodiversity protection: measures taken to preserve or restore biodiversity

The activities of MGI COUTIER's sites have few direct impacts on the surrounding natural habitats.

All direct discharges that could pollute the receiving environment are collected and processed. Every year, new processing resources are put in place to reduce these impacts to a minimum.

Sites whose main activity is related to rubber have a high impact on the natural environment due to their discharge of wastewater.

All of the sites have introduced the sorting of hazardous and ordinary waste. This waste is disposed of in specific accredited channels.

Noise and odour pollution

The sites regularly conduct measurements of the noise emitted to the exterior of the plants in accordance with their applicable regulation.

The organisational structure put in place to contend with pollution accidents that have consequences on the environment

On each site, the environmental emergency situations have been identified. These usually involve risks of spillages, fire or explosion. For each emergency situation, the procedures for responding, as well as the prevention resources, are identified, listed and formalised in a security plan or another document. They are periodically tested, insofar as possible, on all personnel.

The actions put in place and common to all sites are as follows:

- Each site identifies in a document (e.g. security plan) the risks that could prevent delivery to the customer (including fire, serious pollution of the natural environment, flooding, etc.). The risk situations and the instructions to follow are incorporated into this document.
- Smoking is forbidden.
- Widespread use of the prevention plan for hazardous works and of the fire permit.
- Positioning of drip trays underneath all areas where pollutant liquid products are stored.
- Provision of spillage kits in case of a major spillage of pollutant products at various points in the plant and floor resins in the majority of production areas.
- Implementation of response teams in the event of a fire.
- Provision of washable mats and cloths on all sites in case of minor spillages.
- Group operating procedure on the conduct of QSE² audits to verify the environmental and safety instructions.

Costs incurred to prevent the environmental consequences of MGI COUTIER's activity

(in thousands of euros)	2017	2016
Investments to prevent environmental consequences	922	651

In 2017, several sites incurred expenses to more effectively control their energy consumption, either by conducting studies to assess their energy performances and identify areas for improvement (Gournay, Mateur and Varberg) or by financing installations following these studies (such as the installation of 800 new LED lights in Cadillac to achieve an annual electricity consumption reduction of 2,000,000 KWh; the replacement of air conditioning units with high-efficiency units, the installation of two sub-metering units and the fitting of ventilation grilles in the compressor in Mateur to reduce the ambient temperature responsible for excess consumption).

Assessment and certification procedures undertaken regarding the environment and energy

MGI COUTIER has adopted an integrated management system called SMQSE² Quality, Safety, Environment and Energy.
Internal audits of the SMQE² are conducted annually at the initiative of the QSE² division in all entities of the MGI COUTIER Group.
External audits of the SMQE² are conducted by two certification bodies (UTACERAM and BUREAU VERITAS).
All of the Group's sites are ISO 14 001 certified. The French sites in Champfromier, Beaurepaire, Confort, Vieux-Thann, Monteux and Romans are ISO 50 001 certified.

Employee training and education on the environment

As part of the SMQSE², education in the environment and energy consumption for all personnel present on-site is included in the practices and modes of operation of the MGI COUTIER Group.

Societal information

Consideration of social and environmental issues in the group's Procurement policy

At the initiative of the MGI COUTIER teams, all partners (suppliers, subcontractors, workers, etc.) must engage in this drive to respect individuals, protect the environment and control energy consumption.

These suppliers and subcontractors are required to follow the Code of Ethics and are included in the Group's procedures.

Legal information about the company and its capital

Shareholders & Stock Exchange

We bring to your attention the significant participating interests both in terms of capital and voting rights, as at 31 December 2017.

Shareholders	Shares	% of capital	% of voting rights
COUTIER DEVELOPPEMENT	15,331,170	57.33	57.34
COUTIER SENIOR	3,259,480	12.19	12.19
Natural person executives	42,824	0.16	0.16
Public & Staff	8,103,051	30.30	30.31
Treasury shares	4,515	0.02	excluded
Total	**26,741,040**	**100.00**	**100.00**

MGI COUTIER has been listed on Compartment B of Euronext Paris in the continuous training category since 4 April 2011 under share code FR 00000 53027. The highest price during the last financial year was €39.39 (on 29 May 2017), while the lowest was €25.85 (18 January 2017). The closing price on 31 December 2017 was €33.71, which valued the MGI COUTIER Group at €901.4 million. Total volumes traded during the year were 4,849,567 shares, with a total number of transactions of 86,914, up 64.4% compared with the previous financial year.

Assignments performed in other companies

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

MGI COUTIER SA: Table of elections at 31 December 2017	
Members of the Supervisory Board	
André Coutier	Chairman of the Supervisory Board
Emilie Coutier	Member of the Supervisory Board
COUTIER DEVELOPPEMENT Limited Company with a Management Board and Supervisory Board	Member of the Supervisory Board represented by Mr Christophe Coutier
NJ CONSULTING SAS	Member of the Supervisory Board represented by Mr Nicolas Job
Geneviève Coutier	Member of the Supervisory Board
Members of the Management Board	
Mathieu Coutier	Chairman of the Management Board
Jean-Louis Thomasset	Vice-Chairman of the Management Board
Benoît Coutier	Member of the Management Board
Nicolas Coutier	Member of the Management Board
Frédéric Marier	Member of the Management Board

Manager concerned	Performed functions and interests held in other companies including foreign and Group companies – Dated 31.12.2017		
	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	Limited Company with a Management Board and Supervisory Board (Champfromier - France)	Chairman and Member of the Management Board
	PEP VALORISATION	SAS (Oyonnax - France)	Permanent representative of MGI COUTIER
	MGI COUTIER ITALIA	SRL (Asti - Italy)	Chairman of the Board of Directors
	AVON AUTOMOTIVE HOLDINGS	INC (Cadillac - MI, United States)	Executive Director
	AVON AUTOMOTIVE A.S.	AS (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 on 25.05.1975 **Chairman of the Management Board of MGI COUTIER SA**	COUTIER DEVELOPPEMENT	Limited Company with a Management Board and Supervisory Board (Champfromier - France)	Member of the Management Board
	AVON AUTOMOTIVE HOLDINGS	INC (Cadillac - MI, United States)	Chairman, Executive Director and Officer
	AVON AUTOMOTIVE DEUTSCHLAND	GMBH (Eppstein - Germany)	Executive Director
	AVON AUTOMOTIVE A.S.	AS (Rudnik - Czech Republic)	Executive Director
	INDUSTRIAL FLEXO SL	SL (Sant Just Desvern - Spain)	Chairman and Executive Director
	AVON OTOMOTIV SANAYI SIRKETI	AS (Gebze - Turkey)	Executive Director
	AUTOTUBE AB	AB (Varberg - Sweden)	Executive Director
	AUTOTUBE Group	AB (Varberg - Sweden)	Chairman and Executive Director
	COFA2M	SAS (Champfromier - France)	Chairman
	SCI BRAY SUD	Property holding company (Champfromier - France)	Representative of MGI COUTIER SA Single partner
	MGI COUTIER UK	LTD (West Midlands - United Kingdom)	Representative of MGI COUTIER SA Single partner

MGI COUTIER MAKINA YEDEK PARÇA IMALAT VE SANAYI	AS (Bursa - Turkey)	Vice-Chairman and Executive Director
MGI COUTIER ROM	SRL (Timis - Romania)	Executive Director
AVON POLYMERES FRANCE	SAS (Vannes - France)	Representative of MGI COUTIER SA Single partner
NINGBO MGI COUTIER AUTO PLASTICS	CO LTD (Cixi - China)	Executive Director
WUHAN MGI COUTIER AUTO PARTS	CO LTD (Wuhan - China)	Chairman and Executive Director
MGI COUTIER MEJICO	SA DE CV (Veracruz - Mexico)	Executive Director
AVON AUTOMOTIVE JAPAN	CO LTD (Tokyo - Japan)	Executive Director
AVON AUTOMOTIVE CHONGQING	CO LTD (Chongqing - China)	Chairman and Executive Director
GOLD SEAL AVON POLYMERS	PVT LTD (Daman - India)	Executive Director
PETROL AUTOMOTIVE INC	INC (Cadillac - MI, United States)	Chairman and Executive Director
MGI COUTIER ILIA	CO PJS (Ghaemshahr - Iran)	Executive Director
CADIMEX	SA DE CV (Juarez - Mexico)	Executive Director and Officer = treasurer)
CADILLAC RUBBER & PLASTICS DE MEXICO	SA DE CV (Orizaba - Mexico)	Executive Director and Officer = treasurer)

	COUTIER DEVELOPPEMENT	Limited Company with a 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)	Chairman and Executive Director
	MGI COUTIER ILIA	CO PJS (Ghaemshahr - Iran)	Executive Director Represents MGI COUTIER
Benoît Coutier, born on 19.10.1978 **Member of the Management Board of MGI COUTIER SA**	NINGBO MGI COUTIER AUTO PLASTICS	CO LTD (Cixi - China)	Executive Director
	COFA2B	SAS (Champfromier - France)	Chairman
	MGI COUTIER MEJICO	SA DE CV (Veracruz - Mexico)	Chairman and Executive Director
	MGI COUTIER THAILAND	CO LTD (Rayong - Thailand)	Executive Director
	WUHAN MGI COUTIER AUTO PARTS (sub-subsidiary of NINGBO)	CO LTD (Wuhan - China)	Executive Director
	GOLD SEAL AVON POLYMERS	PVT LTD (Daman - India)	Executive Director
	MGI COUTIER UK	CO LTD (West Midlands - United Kingdom)	Executive Director
	AUTOTUBE AB	AB (Varberg - Sweden)	Executive Director

MGI COUTIER ENGINEERING	PVT LTD (Chakan - India)	Executive Director
MGI COUTIER MAKINA YEDEK PARÇA IMALAT VE SANAYI	AS (Bursa - Turkey)	Executive Director
AVON AUTOMOTIVE PORTUGAL	LDA (Tondela - Portugal)	Manager
MGI COUTIER FINANCE	LTD (Chippenham - United Kingdom)	Executive Director
INDUSTRIAL FLEXO SL	SL (Sant Just Desvern - Spain)	Executive Director
AVON AUTOMOTIVE JAPAN	CO LTD (Tokyo - Japan)	Executive Director
AVON AUTOMOTIVE CHONGQING	CO LTD (Chongqing - China)	Executive Director
AVON AUTOMOTIVE HOLDINGS INC	INC (Cadillac - MI, United States)	Officer: secretary
CADIMEX	SA DE CV (Juarez - Mexico)	Vice-President and Executive Director
MGI COUTIER BULGARIA	EOOD (Sofia - Bulgaria)	Manager

Christophe Coutier, born on 06.05.1978 **Permanent representative of COUTIER DEVELOPPEMENT Member of the Supervisory Board of MGI COUTIER SA**	COUTIER DEVELOPPEMENT	Limited Company with a Management Board and Supervisory Board (Champfromier - France)	Member of the Management Board
	COFA2C	SAS (Champfromier - France)	Chairman
	FOREX	SAS (Champfromier - France)	Chairman
	GFFM	Groupement Forestier (Champfromier - France)	Manager
	COUTIER DEVELOPMENT	LCC (Cadillac - MI, United States)	Chairman
Nicolas Coutier, born on 02.01.1981 **Member of the Management Board of MGI COUTIER SA**	COUTIER DEVELOPMENT	Limited Company with a Management Board and Supervisory Board (Champfromier - France)	Member of the Management Board
	MGI COUTIER ESPANA	SL (Vigo - Spain)	Executive Director
	MGI COUTIER ENGINEERING	PVT LTD (Pune, Chakan - India)	Executive Director
	AUTOTUBE AB	AB (Varberg - Sweden)	Executive Director
	COFA2N	SAS (Champfromier - France)	Chairman

Jean-Louis Thomasset, born on 04.01.1965 **Member of the Management Board Vice-Chairman of MGI COUTIER SA**	MGI COUTIER MEJICO	SA DE CV (Veracruz - Mexico)	Executive Director Vice-Chairman of the Board of Directors
	MGI COUTIER ESPANA	SL (Vigo - Spain)	Executive Director and Vice-Chairman
	AVON AUTOMOTIVE	AS (Rudnik - Czech Republic)	Member of the Supervisory Board
	AUTOTUBE	AB (Varberg - Sweden)	Executive Director
	ATF	SARL (Lyon - France)	Majority stakeholder
Frédéric Marier, born on 09.07.1963 **Member of the Management Board of MGI COUTIER SA**	No other elected office		
Nicolas Job, born on 02.02.1955 **Member of the Supervisory Board of MGI COUTIER SA as a permanent representative of NJ CONSULTING SAS**	NJ CONSULTING	SAS (Champagne au Mont d'Or - France)	Manager

Geneviève Coutier, born on 07.06.1948 **Member of the Supervisory Board of MGI COUTIER SA**	No other elected office		
Emilie Coutier, born on 06.06.1982 **Member of the Supervisory Board of MGI COUTIER SA**	COFA2E	SAS (Champfromier - France)	Chairwoman
	COUTIER DEVELOPPEMENT	Limited Company with a Management Board and Supervisory Board (Champfromier - France)	Member of the Supervisory Board Permanent representative of COFA2E SAS

Performed operations with the Company's shares

In accordance with the law and the AMF regulation, we bring to your attention that one single executive officer, Mr Mathieu Coutier, conducted share sales in 2017 amounting to 18,646 shares in MGI COUTIER and that, as a consequence, no other director conducted transactions on an individual basis. The same applies to persons closely related to them.

Furthermore, in accordance with the law, we bring to your attention the shares acquired and sold during the 2017 financial year as part of the liquidity and market-making contract with GILBERT DUPONT put in place on 11 July 2011 following authorisation by the AGMs of 30 June 2011, 22 June 2012, 27 June 2013, 26 June 2014, 25 June 2015, 29 June 2016 and 28 June 2017.

Month	Number of shares purchased	Number of shares sold	Balance of shares at the end of month	Average price (in euros)	End-of-month value (in euros)
January 2017	20,161	16,757	5,984	26.04	155,823.36
February 2017	5,079	7,636	3,427	30.97	106,134.19
March 2017	0	551	2,876	32.50	93,470.00
April 2017	419	172	3,123	33.85	105,713.55
May 2017	0	251	2,872	38.02	109,193.44
June 2017	1,327	775	3,424	35.02	119,908.48
July 2017	16,993	14,250	6,167	33.94	209,307.98
August 2017	16,256	18,108	4,315	32.91	142,006.05
September 2017	21,034	20,266	5,083	37.40	190,104.20
October 2017	16,386	17,518	3,951	34.88	131,972.26
November 2017	18,581	19,680	2,852	33.71	96,140.92
December 2017	18,874	17,211	4,515	33.71	152,200.65

Elements likely to have an impact in case of a public offer

In accordance with article L.225-100-3 of the French Commercial Code, we point out the following:

- The capital structure and the known direct holdings in the capital of MGI COUTIER SA are highlighted above and below.
- There was one concerted action as defined by article 233-10 of the French Commercial Code between the companies COUTIER DEVELOPPEMENT (a family holding company controlled by Mr André, Mr Roger, the heirs of Joseph Coutier and their family) and Mr André, Mr Roger and the heirs of Joseph Coutier, which represented 69.68% of the capital and voting rights. These shareholders formed an agreement in which they decided to join forces to implement a common shareholder policy concerning the company. This agreement was initiated under the regulatory declarations to the supervisory authorities emphasising the agreement's publication (SBF Notice no.94-2365 dated 29 July 1994). The duration of this shareholder pact is five years, renewable by tacit renewal for periods of five years each, provided that one of the parties does not terminate its involvement before the end of the period. In such an event, the members remaining in the pact would continue to be bound by the resulting obligations.
- There are double voting rights since the General Assembly dated 25 June 2015.
- Every crossing by section of 1% of the ownership 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

The key and major event since 31 December 2017 is MGI COUTIER SA's acquisition of a 25% interest in BIONNASSAY M&P TECHNOLOGY S.A.S. founded (together with its holding company BIONNASSAY REAL ESTATE SAS, also founded), and registered under number 834 266 934 on the ANNECY Commercial Register (74), comprised of a consortium of shareholders: ALPEN'TECH , KARTESIS and MGI COUTIER for the acquisition of the assets of FRANK & PIGNARD and PRECIALP, which went into administration in 2017, accompanied by CREDIT AGRICOLE DES SAVOIE following a joint offer accepted and approved by the GRENOBLE COMMERCIAL COURT on 21 February 2018.

Information about acquisitions or control

Over the past year, MGI COUTIER has:

- created the subsidiary MGI COUTIER BULGARIA EOOD (single partner) in SOFIA, BULGARIA, and paid up 100% of said company's capital, namely BGN 1,950,000;
- increased the capital of the subsidiary MGI COUTIER THAILAND CO LTD, which was registered for 8,000,000 baht, 4,000,000 baht of which paid up in 2016, bringing it to 10,214,000 baht on the AGM of 22 February 2017 following a payment of 6,250,000 baht on 20 February 2017, broken down as follows:
  - For paying up the balance of the capital, 4,000,000 baht
  - For increasing the capital, 2,214,000 baht

  giving a total of 6,214,000 baht and 36,000 baht for foreign exchange differences and charges;
- increased the capital of MGI COUTIER MAROC SARL AU from 10,000,000 Moroccan Dirhams to 50,000,000 Moroccan Dirhams on 15 September 2017 through the incorporation of receivables;
- noted the capital increase conducted indirectly within AVON AUTOMOTIVE COMPONENTS CHONGQING CO LTD by AVON AUTOMOTIVE HOLDINGS INC USA for a paid amount

of USD 6,500,000, increasing the capital from USD 13,000,000 to USD 19,500,000 (by two respective payments of USD 3m on 10 March 2017 and USD 3.5m on 6 September 2017).

Delegation of authority

In accordance with the provisions provided for by law, we inform you that no delegation of authority granted by a General Meeting of shareholders to the Management Board remains valid to date (excluding the market-making agreement).

Proposals

We ask you to prove the transactions reflected in the profit and loss statements and the balance sheets that are submitted to you, then to give a verdict on the allocation of earnings for the financial year which, as we have indicated to you in this report, total €29,377,936.59. The Management Board proposes to distribute a gross dividend of €0.30 in respect of the last financial year and to allocate the balance to retained earnings.

In accordance with the provisions of article 243a of the French General Tax Code, we inform you that the dividend amounts distributed corresponding to the previous three financial years were as follows:

Financial year ended	**Dividend per share (in euros)**	**Income eligible or otherwise for tax relief**
31 December 2014	0.05	Relief of 40% where applicable
31 December 2015	0.20	Relief of 40% where applicable
31 December 2016	0.30	Relief of 40% where applicable

In accordance with the provisions of article 223 quater of the French General Tax Code, we ask you to approve the expenses and charges stated in article 39.4 of said code, which total €21,496 and which resulted in taxation of €7,165.

We propose renewing the liquidity agreement set up since July 2011 in order to reduce market volatility and increase the liquidity of MGI COUTIER shares. 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 proposed for attendance fees is €120,000.

We propose changing the company name of MGI COUTIER SA. "MGI COUTIER" will be replaced with "AKWEL". The purpose of this name change is to unite all of the Group's identities around our corporate development plan, to reflect our international dimension and to support our growth.

The draft resolutions presented to you incorporate 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 share ownership on the last day of the financial year

In accordance with the provisions of article L.225-102 of the French Commercial Code, this report must specify the status of employees' participating interest in the share capital on the last day of the financial year and must establish a proportion of the capital represented by shares held by the company's personnel and by the personnel of related companies as defined by the provisions of article L.225-180 of the French Commercial Code, as part of the company savings plan referred to in articles L.443-1 to L.443-9 of the French Labour Code and by employees and former employees in respect of corporate mutual funds. The shares 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 no.86-912 dated 6 August 1986 associated with the procedures of privatisation and article L.442-7 of the French Employment Law are also taken into account.

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

Information about subsidiaries and participating interests

(in thousands of euros)	Shareholders' equity before allocation of profits	Share of capital held (%)	Book value of shares held	
			Gross	Net
Holdings by MGI COUTIER and its subsidiaries				
SCI PAYS DE BRAY SUD	368	100.00	762	762
MGI COUTIER ITALIA SRL	(44)	100.00	50	-
MGI COUTIER TUNISIE SARL	10,926	100.00	4,424	4,424
NINGBO MGI COUTIER AUTO PLASTICS CO LTD	16,966	100.00	4,658	4,658
MGI COUTIER ARGENTINA SA	(130)	100.00	12,658	222
MGI COUTIER MAKINA YEDEK PARÇA IMALAT VE SANAYI AS	14,511	100.00	6,721	6,721
MGI COUTIER BRASIL LTDA	1,213	100.00	13,919	4,344
MGI COUTIER UK LTD	134,790	100.00	96,517	96,517
MGI COUTIER ESPAÑA SL	30,361	100.00	4,772	4,772
MGI COUTIER MEJICO SA DE CV	(10,207)	100.00	6	-
MGI COUTIER ROM SRL	28,218	100.00	1,963	1,963
MGI COUTIER ILIA CO PJS	6	50.00	1,164	-
DEPLANCHE FABRICATION SARL	2,716	100.00	895	895
AVON AUTOMOTIVE HOLDINGS INC	216,478	100.00	28,402	28,402
AVON POLYMERES FRANCE SAS	(3,427)	100.00	-	-
MGI COUTIER ENGINEERING PRIVATE LTD	(1,675)	100.00	1,429	-
AUTOTUBE AB GROUP	10,924	100.00	32,881	32,881
MGI COUTIER LUSITANIA	10,444	100.00	7,350	7,350
MGI COUTIER MAROC	1,509	100.00	4,508	2,999
SINFA CABLES SARL	(527)	74.00	563	467
MGI COUTIER THAILAND CO LTD	(807)	100.00	275	275
MGI COUTIER BULGARIA EOOD	901	100.00	1,000	1,000
Other	-	-	57	11
Total	**463,514**	**-**	**224,975**	**198,663**

(in thousands of euros)	Gross advances granted (1) (2)	Revenue at 31.12.17	Income at 31.12.17	Dividends paid by the company in 2017	Approvals & Guarantees
Holdings by MGI COUTIER and its subsidiaries					
SCI PAYS DE BRAY SUD	(362)	95	44		
MGI COUTIER ITALIA SRL	16	-	-		
MGI COUTIER TUNISIE SARL	2,326	52,695	3,371	426	
NINGBO MGI COUTIER AUTO PLASTICS CO LTD	1,106	13,872	2,021		
MGI COUTIER ARGENTINA SA	1,343	8,910	43		
MGI COUTIER MAKINA YEDEK PARÇA IMALAT VE SANAYI AS	2,420	51,160	4,437		
MGI COUTIER BRASIL LTDA	-	7,994	404		
MGI COUTIER UK LTD	(35,330)	20,716	5,203		
MGI COUTIER ESPAÑA SL	(6,962)	92,243	4,827		7,500
MGI COUTIER MEJICO SA DE CV	2,476	5,876	353		
MGI COUTIER ROM SRL	(1,971)	78,800	3,541		300
MGI COUTIER ILIA CO PJS	1,849	3,859	-		
DEPLANCHE FABRICATION SARL	(1,044)	2,868	485		
AVON AUTOMOTIVE HOLDINGS INC	7,635	-	-		
AVON POLYMERES FRANCE	(788)	43,530	2,488		
MGI COUTIER ENGINEERING PRIVATE LTD	2,544	1,488	71		
AUTOTUBE AB GROUP	-	-	3		
MGI COUTIER LUSITANIA UNIPESSOAL LDA	3,488	58,390	3,246	3,488	
MGI COUTIER MAROC SARL	8,477	3,723	(1,455)		91
SINFA CABLES SARL	774	2,141	(333)		1,650
MGI COUTIER THAILAND CO LTD	3,144	21	(1,086)		
MGI COUTIER BULGARIA EOOD	2,086	-	(97)		
Other	(9,497)	-	-		746
Total	**(16,270)**	**448,381**	**27,566**	**3,914**	**10,287**

(1) net amounts, of which: receivables €40.957 million

debt	(€57.227 million)
Total	**(€16.27 million)**

(2) Receivables from the subsidiaries MGI COUTIER MEJICO SA DE CV, MGI COUTIER ILIA CO PJS, SINFA CABLES SARL, MGI COUTIER ENGINEERING PRIVATE LTD and AVON AUTOMOTIVE COMPONENTS CHONGQING, respectively depreciated in the amount of €2.476 million, €1.849 million, €774,000, €1.675 million and €739,000.

Certification of the authority in charge 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 scope of consolidation, 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 scope of consolidation as well as presents a description of the main risks and uncertainties to which they are confronted.

Mr Mathieu Coutier
Chairman of the Management Board

REPORT BY THE SUPERVISORY BOARD

to the Ordinary and Extraordinary Annual General Meeting of 30 May 2018

Ladies and Gentlemen,

First and foremost, the Board kindly informs you of the well maintained relationship 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.

Following on from this, the Management Board presented to us the financial statements for the 2017 financial year, the consolidated financial statements and the management report prepared based on the financial statements and transactions during the financial year ended 31 December 2017.

The financial statements for the financial year ended 31 December 2017 show the following key items:

(in thousands of euros)	Consolidated financial statements	Parent-company financial statements
Total of Balance Sheet	754,861	488,689
Revenue	1,024,225	429,363
Income for the financial year	84,970	29,378

During this financial year, activity was notably marked by:

- A further increase in deliveries of Adblue® tanks for SCR;
- The continuation of actions regarding organisation, systems and efficiency;
- An all-time high revenue and operating income by value;
- A less favourable external environment (notably regarding foreign exchange rates and changes in the prices of the main commodities);
- A particularly high level of investments, although this is expected to fall starting from the 2018 financial year.

The Supervisory Board was notified by the Management Board that, for 2018, the MGI COUTIER Group will attempt to foster then implement the new organisation of the Group while remaining highly attentive to maintaining its business and financial performances. The target communicated by the Management Board for the 2020 financial year (revenue of around €1.2 billion) is ambitious but achievable.

Taking the above mentioned into account, we have no particular observations to report, either regarding the management report of the Management Board or the parent-company financial statements and consolidated financial statements for the financial year ended 31 December 2017.

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

Mr André Coutier
Chairman of the Supervisory Board

REPORT ON THE INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES AND ON CORPORATE GOVERNANCE

Financial year ended 31 December 2017

Dear Shareholders,

The act of 1 August 2003 regarding financial security pertaining to limited companies, fostered the information requirements addressed to both shareholders 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 pursuant to the provisions of the final paragraph of article L.225-68 of the French Commercial Code.

As far as corporate governance is concerned, our company has referred, since the Supervisory Board meeting of 26 June 2015, to the Corporate Governance Code in respect of mid and small caps of MiddleNext, available on www.middlenext.com. It emerged at the Supervisory Board meeting that the Middlenext Corporate Governance Code was well suited to the company, with regard to its size and the structure of its capital.

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

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, whose term of office was renewed for three years by the General Meeting dated 29 June 2016;
- Miss Emilie Coutier, appointed for three years by the General Meeting dated 29 June 2016;
- Mrs Geneviève Coutier, whose term of office was renewed for three years by the General Meeting dated 29 June 2016;
- NJ CONSULTING SAS, represented by its permanent representative Mr Nicolas Job, appointed for three years by the General Meeting dated 29 June 2016;
- COUTIER DEVELOPPEMENT, represented by its permanent representative Mr Christophe Coutier, appointed for three years by the General Meeting dated 29 June 2016.

Act no. 2011-103 of 27 January 2011 states that the proportion of the Members of the Supervisory Board of each gender may not be below 20% following the General Meeting of 2014 and below 40% following the General Meeting of 2017. As at 31 December 2017, this proportion was 40% (two women and three men members of or representing a Member of the Supervisory Board of MGI COUTIER).

During the 2017 financial year, your Supervisory Board met five times: on 26 January 2017, 10 February 2017, 27 April 2017, 24 August 2017 and 26 October 2017.

Article 16 sub-paragraph 5 of the articles of association states 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 organise 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 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 role as Chairman of the Supervisory Board, I am required to send to each member of your Supervisory Board a convening notice stating the dates, times and place of the meeting, as well as the detailed agenda: this convening notice is sent via email.

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 flipcharts. As the Chairman of the Supervisory Board, I will therefore ensure that all of the decisions of the Supervisory Board are recorded in the special register and signed by each member.

The Supervisory Board has formed, within the Board, committees intended to improve the functioning of the Board and to effectively contribute to the preparation of its decisions. The Board has thereby formed the following permanent committees: the Remuneration Committee and the Audit Committee.

Since 29 June 2016, the Remuneration Committee has been comprised of three members: Mr André Coutier, Mr Christophe Coutier and Mr Nicolas Job. During the 2017 financial year, it met twice. The Remuneration Committee is granted with the mission of:

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

Since 29 June 2016, the Audit Committee has been comprised of four members: Mrs Geneviève Coutier, Mr André Coutier, Mr Christophe Coutier and Mr Nicolas Job, this latter being named Chairman of the Audit Committee. During the 2017 financial year, the committee met twice.

The Audit Committee is notably in charge of ensuring the monitoring of:

- the process of preparing the financial information;
- the effectiveness of the internal control and risk management systems;
- the legal control of the annual and consolidated financial statements by the Statutory Auditors;
- the independence of the Statutory Auditors.

Regarding the potential power limitations brought to the General Management

According to act 2001-420 dated 15 May 2001 pertaining to the new financial regulations, the Management of our company is held by Mr Mathieu Coutier, endowed with the responsibility of Chairman of the Management Board since 26 June 2015 and renewed in June 2016.

The Supervisory Board meeting dated 26 June 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 exercises its powers within the limits of the company objective and under the powers allocated by the law particularly to the Shareholders and to the Supervisory Board's meetings.

Concerning the internal control procedures implemented by the company

In accordance with article 117 of act 2003-706 of 1 August 2003, supplementing article L.225-68 of the French Commercial Code, this part of the report is descriptive and does not contain any assessments.

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

The internal control procedures in place in the company aim to:

- ensure that acts of operational management or execution, as well as staff behaviour, comply with the framework drawn up by the guidelines provided to the company's activities by corporate bodies, by applicable laws and regulations and by the values, standards and internal rules of the company;
- check that the accounting, financial and management information provided to the corporate bodies of the company truly reflects the activity and position 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. Like 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 decentralised operational organisation based on plants grouped together by industrial region and product lines to foster industrial performance, responsiveness and proximity to customers.
- An annual budgetary and monthly reporting procedure that serves as a key tool for MGI COUTIER for steering its operations.
- Broad and frequent education of all personnel in risks.
- Strong cross-functional divisions tasked with ensuring the application of the company's policies within their scope and inspecting their actual application.
- Plants specialised by production technology in order to strengthen and accelerate the experience curves.
- Formal delegation by the Chairman of the Management Board of the control of and proficiency in certain risks to the Directors most concerned.
- 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 involvement of all hierarchical levels and all sites in the improvement of performance and the control of activities;

Furthermore, MGI COUTIER's employees are made aware of their ethical obligations by means of the instruction booklet, the ethical charter, the anti-corruption code, the stock market ethics code and the Group's IT charter.

Moreover, each site has an internal procedure manual, which is distributed to all staff.

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 procedures are developed by the company. The company identifies two categories of procedures: those concerning a function (e.g. financial procedures) and those concerning a process (delivery, handling of non-conformities, etc.). Eleven processes have been identified within the company (five customer-oriented processes and six management or support processes). They cover all the Company’s activities (from promoting the company to new customers to improving supplier performance). 22 mandatory indicators cover these 11 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 on an intranet network, enabling them to immediately be distributed to all staff in question.

Internal memos or notices can be used to supplement, detail or provide a reminder of these procedures.

The cross-functional divisions, which act as Organisational Leaders of the processes, ensure the correct application of the processes for which they are responsible. 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 all Health and Safety measures intended to protect the Company’s staff and its assets.

Every year, the Management Board holds at least two half-days per cross-functional division and industrial region:

- One on the validity of strategic options (Products, Markets, Customers, Action Plans) within the framework of Medium Term Plans,
- One on the validation of the short-term financial options as part of the end-of-year budgets and repeat forecasts.

For all of the Product Lines, the Management Board devotes one day every year to reviewing and validating the Research and Innovation core focuses (Product and/or Process).

Furthermore, since 2008, a specific half-day meeting has been held for each region. 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 Finance 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. Both centres report to the Accounting and taxes 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.

Management Controllers are present on each of the company's main sites. Management control teams and Accounting teams are completely separate, although information is exchanged on a permanent basis.

There are reference manuals adopted for the creation of:

- annual financial statements (general accounting plan),
- consolidated financial statements,
- monthly internal financial reports.

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

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

Remuneration of the corporate officers paid during the financial year ended 31 December 2017 (articles L.225-68 para.6 and L.225-37-3 of the French Commercial Code)

In order to comply with the provisions of article L.225-37-3 of the French Commercial Code applicable by referral of article L.225-68 para. 6 of the French Commercial Code, we report to you, based on the information in our possession, on the total remuneration and benefits of any nature paid by the Company during the financial year ended 31 December 2017, including in the form of the allocation of capital shares, debt securities or securities giving access to the capital or giving the right to the allocation of debt securities of the Company or of the companies stated in articles L. 228-13 and L. 228-93.

The aforementioned remuneration and benefits include those received from controlled companies as defined in article L. 233-16, as well as from the company that controls the Company.

We hereby state:

- that any Member of the Management Board or of the Supervisory Board is entitled, upon presentation of the corresponding supporting documentation, to travel expenses and expenses incurred during the conduct of their role and incurred in the interests of the Company; and
- that there is no commitment of any kind made by the Company for the benefit of its corporate officers, corresponding to remuneration items, gratuities or benefits due or liable to be due as a result of the commencement, cessation or change of role of one of the corporate officers subsequent to the conduct of this role, notably pension commitments, annuity benefits or similar items.

The information below is established by reference to the MiddleNext Corporate Governance Code as published in September 2016 and approved as a reference code by the *Autorité des Marchés Financiers*.

Summary tables of the remuneration of each Member of the Management Board during the financial years ended 31 December 2017 and 31 December 2016

	2017 financial year		2016 financial year	
	Due	**Paid**	**Due**	**Paid**
Mr Mathieu Coutier **Chairman of the Management Board**				
Fixed remuneration [1]	238,743	238,743	225,780	225,780
Variable remuneration [2]	113,583	46,296	90,312	83,630
Benefits in kind [3]	2,478	2,478	2,463	2,463
Total	**354,804**	**287,517**	**318,555**	**311,873**

[1] Pre-tax gross basis.
[2] The targets determining the award of the annual variable remuneration are based on quantitative criteria notably linked to the profitability of capital employed and quantitative criteria notably linked to customer satisfaction; these two criteria are assessed across the two halves of the financial year.
[3] Benefits in kind correspond to the end-of-year package and the provision of a vehicle by the Company.

	2017 financial year		2016 financial year	
	Due	**Paid**	**Due**	**Paid**
Mr Jean-Louis Thomasset **Vice-Chairman of the Management Board**				
Fixed remuneration [1]	24,658	24,658	24,450	24,450
Variable remuneration	0	0	0	0
Fees [2]	485,486	485,486	464,616	464,616
Benefits in kind [3]	15	15	0	0
Total	**510,159**	**510,159**	**489,066**	**489,066**

[1] Pre-tax gross basis.
[2] The Company concluded an agreement concerning the provision of financial appraisal services and, on an ancillary basis, legal and tax monitoring services, with the company ATF, of which Mr Jean-Louis Thomasset, Vice-Chairman of the Management Board, is a partner and majority manager.
[3] Benefits in kind correspond to the end-of-year package and the provision of a vehicle by the Company.

	2017 financial year		2016 financial year	
	Due	**Paid**	**Due**	**Paid**
Mr Jean-François Villaneau Member of the Management Board				
Fixed remuneration in respect of the Member of the Management Board mandate [(1)(2)]	1,793	1,793	240,965	240,965
Fixed remuneration in respect of the employment contract [(3)(2)]	46,790	46,790	24,450	24,450
Variable remuneration	0	3,205	52,105	100,263
End of employment contract gratuities [(3)]	611,870	611,870		
Benefits in kind [(4)]	318	318	191	191
Total	**660,771**	**663,976**	**317,711**	**365,869**

[(1)] Pre-tax gross basis.
[(2)] The Member of the Management Board mandate of Mr Jean-François Villaneau came to an end on 26 January 2017.
[(3)] Mr Jean-François Villaneau had an employment contract as Industrial Development Director concluded with the Company, which ended on 16 March 2017.
[(4)] Benefits in kind correspond to the provision of a vehicle by the Company.

	2017 financial year		2016 financial year	
	Due	**Paid**	**Due**	**Paid**
Mr Benoît Coutier Member of the Management Board				
Fixed remuneration [(1)]	148,761	148,761	127,886	127,886
Variable remuneration [(2)]	70,961	27,343	51,343	45,770
Benefits in kind [(3)]	2,408	2,408	1,795	1,795
Total	**222,130**	**178,512**	**181,024**	**175,451**

[(1)] Pre-tax gross basis.
[(2)] The targets determining the award of the annual variable remuneration are based on quantitative criteria notably linked to the profitability of capital employed and quantitative criteria notably linked to customer satisfaction; these two criteria are assessed across the two halves of the financial year.
[(3)] Benefits in kind correspond to the end-of-year package and the provision of a vehicle by the Company.

	2017 financial year		2016 financial year	
	Due	**Paid**	**Due**	**Paid**
Mr Nicolas Coutier Member of the Management Board				
Fixed remuneration [(1)]	145,803	145,803	119,997	119,997
Variable remuneration [(2)]	69,630	26,160	48,168	41,967
Benefits in kind [(3)]	2,408	2,408	1,795	1,795
Total	**217,841**	**174,371**	**169,960**	**163,759**

(1) Pre-tax gross basis.
(2) The targets determining the award of the annual variable remuneration are based on quantitative criteria notably linked to the profitability of capital employed and quantitative criteria notably linked to customer satisfaction; these two criteria are assessed across the two halves of the financial year.
(3) Benefits in kind correspond to the end-of-year package and the provision of a vehicle by the Company.

	2017 financial year		2016 financial year	
	Due	**Paid**	**Due**	**Paid**
Mr Frédéric Marier Member of the Management Board[(1)]				
Fixed remuneration in respect of the Member of the Management Board mandate [(2)]	21,948	21,948	N/A	N/A
Fixed remuneration in respect of the employment contract [(3)(2)]	187,469	187,469	N/A	N/A
Variable remuneration in respect of the employment contract	81,211	71,416	N/A	N/A
Benefits in kind in respect of the employment contract [(4)]	2,233	2,233	N/A	N/A
Total	**292,861**	**283,066**	**N/A**	**N/A**

(1) Mr Frédéric Marier was named a Member of the Management Board by deliberation of the Supervisory Board meeting of 10 February 2017.
(2) Pre-tax gross basis
(3) Mr Frédéric Marier has an employment contract as Industrial Performance Director concluded with the Company on 2 January 2017.
(4) Benefits in kind correspond to the end-of-year package and the provision of a vehicle by the Company.

Summary tables of the remuneration of each Member of the Supervisory Board during the financial years ended 31 December 2017 and 31 December 2016

	2017 financial year		2016 financial year	
	Due	**Paid**	**Due**	**Paid**
Mr André Coutier Chairman of the Supervisory Board				
Fixed remuneration in respect of his mandate as Chairman of the Supervisory Board of the Company[1]	71,537	71,537	53,712	88,712
Attendance fees in respect of his mandate as Chairman of the Supervisory Board of the Company	9,320	9,320	9,232	9,232
Fixed remuneration in respect of his mandate as Chairman of the Management Board of COUTIER DEVELOPPEMENT [1]	161,040	161,040	160,461	160,461
Benefits in kind in respect of the role of Chairman of the Management Board of COUTIER DEVELOPPEMENT [2]	1,619	1,619	2,227	2,227
Total	**243,516**	**243,516**	**225,632**	**260,632**

[1] Pre-tax gross basis
[2] Benefits in kind correspond to the provision of a vehicle

	2017 financial year		2016 financial year	
	Due	**Paid**	**Due**	**Paid**
N.J. CONSULTING				
Attendance fees	9,320	9,320	9,232	9,232
Mrs Geneviève Coutier				
Attendance fees	9,320	9,320	9,232	9,232
Mr Christophe Coutier representing COUTIER DEVELOPPEMENT				
Attendance fees	9,320	9,320	9,232	9,232
Mrs Emilie Coutier				
Attendance fees	9,320	9,320	9,232	9,232

Remuneration of the corporate officers and proposals of resolutions (articles L.225-82-2 and L.225-100 of the French Commercial Code)

During its meeting of 19 April 2018, the Supervisory Board finalised the following remuneration policy, proposed by the remuneration committee, for the Chairman of the Management Board, the

Members of the Management Board, the Chairman of the Supervisory Board and the Members of the Board of Directors.

This policy is applicable from 1 January 2018 and forms part of the remuneration policy approved by the Combined General Meeting of shareholders dated 28 June 2017, also taking into account, based on the specific characteristics of the Company, the recommendations of the Middlenext Corporate Governance Code to which the Company refers.

This policy is reviewed annually by proposal of the Remuneration Committee and submitted for the approval of the General Meeting of shareholders through the report of the Supervisory Board in accordance with article L.225-82-2 of the French Commercial Code.

Approval of the policy on the remuneration of the Chairman, Vice-Chairman and Members of the Management Board (hereinafter the "Executive Corporate Officer") in respect of the financial year ending 31 December 2018 (10th resolution)

The remuneration of the Executive Corporate Officer includes a fixed proportion, an annual variable proportion, a multi-annual variable portion and benefits in kind.

The fixed proportion (hereinafter the "Fixed Proportion") is submitted annually for review by the Remuneration Committee and to the Supervisory Board, which, by proposal of said committee, decides whether to leave it unchanged or to alter it, notably relative to the market context, developments specific to the Company, changes to the remuneration of the Group's employees and the remunerations provided by comparable companies.

The annual variable proportion (hereinafter the "Annual Variable Proportion") is intended to reflect the Executive Corporate Officer's personal contribution to the Group's development. It is balanced relative to the Fixed Proportion and limited to a share of the Fixed Proportion. The targets determining the award of the Annual Variable Proportion of the Executive Corporate Officer are based, in equal proportions, on quantitative criteria notably linked to the profitability of capital employed and quantitative criteria notably linked to customer satisfaction; these two criteria are assessed across the two halves of the financial year.

Based on the preceding, precise and demanding performance criteria are established each year by proposal of the Remuneration Committee and help to maintain a link between the Group's performance and the remuneration of the Executive Corporate Officer with a short-term outlook in mind.

The multi-annual variable proportion (hereinafter the "Multi-Annual Variable Portion") is intended to reflect the Executive Corporate Officer's personal contribution with a medium and/or long-term outlook in mind and is assessed based on several consecutive financial years. The Multi-Annual Variable Proportion is balanced relative to the Fixed Proportion and limited to a share of the total amount of the Fixed Proportion paid to the Executive Corporate Officer concerned over a benchmark period that may not be less than two financial years. The targets determining the award of the Multi-Annual Variable Proportion of the Executive Corporate Officer are based on quantitative criteria linked notably to prospective revenue levels or any other performance indicator, alternative or otherwise, chosen by the Supervisory Board.

In accordance with article L.225-100 of the French Commercial Code, the payment of remuneration items corresponding to the Annual Variable Proportion in respect of the financial year ending 31 December 2018 will be subject to the approval of the Annual Ordinary General Meeting of shareholders convened to approve in 2019 the financial statements for the financial year ending 31 December 2018.

The Executive Corporate Officer may be provided with a vehicle by the Company, which constitutes a benefit in kind.

Furthermore, the Executive Corporate Officer may benefit from the protection of collective social welfare and health care expense schemes that may be put in place within the Company and/or Group.

Approval of the policy on the remuneration of the Chairman of the Supervisory Board and of the Members of the Supervisory Board in respect of the financial year ending 31 December 2018 (11th resolution)

In accordance with article L.225-83 of the French Commercial Code, the Members of the Supervisory Board will be entitled to the payment of attendance fees, the amount of which will be divided in accordance with the criteria established by the Supervisory Board, notably taking into account the attendance of each member and his/her participation in any committees already existing or to be created.

Furthermore, in addition to the amount of attendance fees to which the latter is entitled as a Member of the Supervisory Board, the Chairman of the Supervisory Board may, in accordance with article L.225-81 para. 1 of the French Commercial Code, receive a fixed remuneration, the amount of which will be decided by the Supervisory Board, notably relative to the market context, developments specific to the Company, changes to the remuneration of the Group's employees and the remunerations provided by comparable companies.

Approval of the remuneration items paid or allocated to Mr Mathieu Coutier, Chairman of the Management Board, in respect of the financial year ended 31 December 2017 (12th resolution)

Pursuant to article L.225-100 of the French Commercial Code, taking into account the General Meeting of 28 June 2017 approving the remuneration policy envisaged for the financial year ended 31 December 2017, you are asked to approve the fixed, variable and exceptional items comprising the total remuneration and benefits of any nature paid or allocated to Mr Mathieu Coutier in his role as Chairman of the Management Board of the Company (12th resolution) in respect of the financial year ended 31 December 2017, as presented below:

Remuneration items paid or allocated in respect of the financial year ended 31 December 2017 (Article R.225-56-1 of the French Commercial Code)	**Amounts**	**Comments**
Annual fixed remuneration	€238,743	The annual fixed remuneration was revalued by 6.3%.
Multi-annual variable remuneration	10% of the total amount of the annual fixed remuneration paid during the period from 1 July 2016 to 31 December 2019	The award of the multi-annual variable remuneration will be assessed by the Supervisory Board during a meeting due to be held in 2020 in accordance with the extent to which Mr Mathieu Coutier meets the targets set. Pursuant to article L.225-100 of the French Commercial Code (in its version in

		effect on the date of the present document), the amount liable to be paid in respect of the multi-annual variable remuneration will first be approved by the General Meeting of shareholders due to be held in 2020 to approve the annual financial statements for the financial year ended 31 December 2019.
Exceptional remuneration	None	
Attendance fees linked to the conduct of the mandate	None	
Allocations of share subscription or purchase options	None	
Free allocations of shares	None	
Remuneration, gratuities or benefits due or liable to be due as a result of taking office	None	
Commitments stated in the first and sixth paragraphs of article L. 225-90-1 of the French Commercial Code	None	
Remuneration items and benefits of any nature due or liable to be due, in respect of agreements concluded, directly or via an intermediary, as a result of his/her mandate, with the Company, any company that it controls, as defined by article L.233-16, any company that controls it, as defined by the same article, or any company placed under the same control as it, as defined by this article	None	
Any other remuneration item that can be awarded in respect of the mandate	None	
Benefits of any nature awarded in respect of the corporate appointment	€2,478	
The following items, awarded in respect of the financial year ended 31 December 2017, will be paid in cash to Mr Mathieu Coutier subject to the adoption of the 12th resolution		
Annual variable remuneration	€113,583	

Approval of the remuneration items paid or allocated to Mr Jean-Louis Thomasset, Vice-Chairman of the Management Board, in respect of the financial year ended 31 December 2017 (13th resolution)

Pursuant to article L.225-100 of the French Commercial Code, taking into account the vote at the General Meeting of 28 June 2017 approving the remuneration policy envisaged for the financial year ended 31 December 2017, you are asked to approve the fixed, variable and exceptional items comprising the total remuneration and benefits of any nature paid or allocated to Mr Jean-Louis Thomasset in his role as Vice-Chairman of the Management Board of the Company (13th resolution) in respect of the financial year ended 31 December 2017, as presented below:

Remuneration items paid or allocated in respect of the financial year ended 31 December 2017 (Article R.225-56-1 of the French Commercial Code)	**Amounts**	**Comments**
Annual fixed remuneration	€24,658	The annual fixed remuneration was revalued by 0.9 %.
Annual variable remuneration	None	
Multi-annual variable remuneration	None	
Exceptional remuneration	None	
Attendance fees linked to the conduct of the mandate	None	
Allocations of share subscription or purchase options	None	
Free allocations of shares	None	
Remuneration, gratuities or benefits due or liable to be due as a result of taking office	None	
Commitments stated in the first and sixth paragraphs of article L. 225-90-1 of the French Commercial Code	None	
Remuneration items and benefits of any nature due or liable to be due, in respect of agreements concluded, directly or via an intermediary, as a result of his/her mandate, with the Company, any company that it controls, as defined by article L.233-16, any company that controls it, as defined by the same article, or any company placed under the same control as it, as defined by this article	None	
Any other remuneration item that can be awarded in respect of the mandate	None	
Benefits of any nature awarded in respect of the corporate appointment	€15	

Approval of the remuneration items paid or allocated to Mr Jean-François Villaneau, Member of the Management Board, in respect of the financial year ended 31 December 2017 (14th resolution)

Pursuant to article L.225-100 of the French Commercial Code, taking into account the vote at the General Meeting of 28 June 2017 approving the remuneration policy envisaged for the financial year ended 31 December 2017, you are asked to approve the fixed, variable and exceptional items comprising the total remuneration and benefits of any nature paid or allocated to Mr Jean-François Villaneau in his role as Member of the Management Board of the Company (14th resolution) in respect of the financial year ended 31 December 2017, as presented below:

Remuneration items paid or allocated in respect of the financial year ended 31 December 2017 (Article R.225-56-1 of the French Commercial Code)	**Amounts**	**Comments**
Annual fixed remuneration	€1,793	Given that Mr Villaneau's mandate ended on 26 January 2017, this amount corresponds to a pro rata percentage of the annual fixed remuneration over 26 days.
Annual variable remuneration	None	
Multi-annual variable remuneration	None	
Exceptional remuneration	None	
Attendance fees linked to the conduct of the mandate	None	
Allocations of share subscription or purchase options	None	
Free allocations of shares	None	
Remuneration, gratuities or benefits due or liable to be due as a result of taking office	None	
Commitments stated in the first and sixth paragraphs of article L. 225-90-1 of the French Commercial Code	None	
Remuneration items and benefits of any nature due or liable to be due, in respect of agreements concluded, directly or via an intermediary, as a result of his/her mandate, with the Company, any company that it controls, as defined by article L.233-16, any company that controls it, as defined by the same article, or any company placed under the same control as it, as defined by this article	None	

Any other remuneration item that can be awarded in respect of the mandate	None
Benefits of any nature awarded in respect of the corporate appointment	None

Approval of the remuneration items paid or allocated to Mr Benoît Coutier, Member of the Management Board, in respect of the financial year ended 31 December 2017 (15th resolution)

Pursuant to article L.225-100 of the French Commercial Code, taking into account the vote at the General Meeting of 28 June 2017 approving the remuneration policy envisaged for the financial year ended 31 December 2017, you are asked to approve the fixed, variable and exceptional items comprising the total remuneration and benefits of any nature paid or allocated to Mr Benoît Coutier in his role as Member of the Management Board of the Company (15th resolution) in respect of the financial year ended 31 December 2017, as presented below:

Remuneration items paid or allocated in respect of the financial year ended 31 December 2017 (Article R.225-56-1 of the French Commercial Code)	**Amounts**	**Comments**
Annual fixed remuneration	€148,761	The annual fixed remuneration was revalued by 17.6%.
Multi-annual variable remuneration	10% of the total amount of the annual fixed remuneration paid during the period from 1 July 2016 to 31 December 2019	The award of the multi-annual variable remuneration will be assessed by the Supervisory Board during a meeting due to be held in 2020 in accordance with the extent to which Mr Benoît Coutier meets the targets set. Pursuant to article L.225-100 of the French Commercial Code (in its version in effect on the date of the present document), the amount liable to be paid in respect of the multi-annual variable remuneration will first be approved by the General Meeting of shareholders due to be held in 2020 to approve the annual financial statements for the financial year ended 31 December 2019.
Exceptional remuneration	None	
Attendance fees linked to the conduct of the mandate	None	
Allocations of share subscription or purchase options	None	
Free allocations of shares	None	

Remuneration, gratuities or benefits due or liable to be due as a result of taking office	None
Commitments stated in the first and sixth paragraphs of article L. 225-90-1 of the French Commercial Code	None
Remuneration items and benefits of any nature due or liable to be due, in respect of agreements concluded, directly or via an intermediary, as a result of his/her mandate, with the Company, any company that it controls, as defined by article L.233-16, any company that controls it, as defined by the same article, or any company placed under the same control as it, as defined by this article	None
Any other remuneration item that can be awarded in respect of the mandate	None
Benefits of any nature awarded in respect of the corporate appointment	€2,408
The following items, awarded in respect of the financial year ended 31 December 2017, will be paid in cash to Mr Benoît Coutier subject to the adoption of the 15th resolution	
Annual variable remuneration	€70,961

Approval of the remuneration items paid or allocated to Mr Nicolas Coutier, Member of the Management Board, in respect of the financial year ended 31 December 2017 (16th resolution)

Pursuant to article L.225-100 of the French Commercial Code, taking into account the vote at the General Meeting of 28 June 2017 approving the remuneration policy envisaged for the financial year ended 31 December 2017, you are asked to approve the fixed, variable and exceptional items comprising the total remuneration and benefits of any nature paid or allocated to Mr Nicolas Coutier in his role as Member of the Management Board of the Company (16th resolution) in respect of the financial year ended 31 December 2017, as presented below:

Remuneration items paid or allocated in respect of the financial year ended 31 December 2017 (Article R.225-56-1 of the French Commercial Code)	**Amounts**	**Comments**
Annual fixed remuneration	€145,803	The annual fixed remuneration was revalued by 22.9%.
Multi-annual variable remuneration	10% of the total amount of the annual fixed remuneration paid	The award of the multi-annual variable remuneration will be assessed by the Supervisory Board during a

	during the period from 1 July 2016 to 31 December 2019	meeting due to be held in 2020 in accordance with the extent to which Mr Nicolas Coutier meets the targets set. Pursuant to article L.225-100 of the French Commercial Code (in its version in effect on the date of the present document), the amount liable to be paid in respect of the multi-annual variable remuneration will first be approved by the General Meeting of shareholders due to be held in 2020 to approve the annual financial statements for the financial year ended 31 December 2019.
Exceptional remuneration	None	
Attendance fees linked to the conduct of the mandate	None	
Allocations of share subscription or purchase options	None	
Free allocations of shares	None	
Remuneration, gratuities or benefits due or liable to be due as a result of taking office	None	
Commitments stated in the first and sixth paragraphs of article L. 225-90-1 of the French Commercial Code	None	
Remuneration items and benefits of any nature due or liable to be due, in respect of agreements concluded, directly or via an intermediary, as a result of his/her mandate, with the Company, any company that it controls, as defined by article L.233-16, any company that controls it, as defined by the same article, or any company placed under the same control as it, as defined by this article	None	
Any other remuneration item that can be awarded in respect of the mandate	None	
Benefits of any nature awarded in respect of the corporate appointment	€2,408	
The following items, awarded in respect of the financial year ended 31 December 2017, will be paid in cash to Mr Nicolas Coutier subject to the adoption of the 16th resolution		
Annual variable remuneration	€69,630	

Approval of the remuneration items paid or allocated to Mr Frédéric Marier, Member of the Management Board, in respect of the financial year ended 31 December 2017 (17th resolution)

Pursuant to article L.225-100 of the French Commercial Code, taking into account the vote at the General Meeting of 28 June 2017 approving the remuneration policy envisaged for the financial year ended 31 December 2017, you are asked to approve the fixed, variable and exceptional items comprising the total remuneration and benefits of any nature paid or allocated to Mr Frédéric Marier in his role as Member of the Management Board of the Company (17th resolution) in respect of the financial year ended 31 December 2017, as presented below:

Remuneration items paid or allocated in respect of the financial year ended 31 December 2017 (Article R.225-56-1 of the French Commercial Code)	**Amounts**	**Comments**
Annual fixed remuneration	€21,948	Mr Frédéric Marier's mandate as a Member of the Management Board began on 10 February 2017.
Annual variable remuneration	None	
Multi-annual variable remuneration	None	
Exceptional remuneration	None	
Attendance fees linked to the conduct of the mandate	None	
Allocations of share subscription or purchase options	None	
Free allocations of shares	None	
Remuneration, gratuities or benefits due or liable to be due as a result of taking office	None	
Commitments stated in the first and sixth paragraphs of article L. 225-90-1 of the French Commercial Code	None	
Remuneration items and benefits of any nature due or liable to be due, in respect of agreements concluded, directly or via an intermediary, as a result of his/her mandate, with the Company, any company that it controls, as defined by article L.233-16, any company that controls it, as defined by the same article, or any company placed under the same control as it, as defined by this article	None	
Any other remuneration item that can be awarded in respect of the	None	

mandate		
Benefits of any nature awarded in respect of the corporate appointment	None	

Approval of the remuneration items paid or allocated to Mr André Coutier, Chairman of the Supervisory Board, in respect of the financial year ended 31 December 2017 (18th resolution)

Pursuant to article L.225-100 of the French Commercial Code, taking into account the General Meeting of 28 June 2017 approving the remuneration policy envisaged for the financial year ended 31 December 2017, you are asked to approve the fixed, variable and exceptional items comprising the total remuneration and benefits of any nature paid or allocated to Mr André Coutier in his role as Chairman of the Supervisory Board of the Company (18th resolution) in respect of the financial year ended 31 December 2017, as presented below:

Remuneration items paid or allocated in respect of the financial year ended 31 December 2017 (Article R.225-56-1 of the French Commercial Code)	**Amounts**	**Comments**
Annual fixed remuneration	€71,537	The annual fixed remuneration was revalued by 33.19%.
Annual variable remuneration	None	
Multi-annual variable remuneration	None	
Exceptional remuneration	None	
Attendance fees linked to the conduct of the mandate	€9,320	
Allocations of share subscription or purchase options	None	
Free allocations of shares	None	
Remuneration, gratuities or benefits due or liable to be due as a result of taking office	None	
Commitments stated in the first and sixth paragraphs of article L. 225-90-1 of the French Commercial Code	None	
Remuneration items and benefits of any nature due or liable to be due, in respect of agreements concluded, directly or via an intermediary, as a result of his/her mandate, with the Company, any company that it controls, as defined by article L.233-16, any	None	

company that controls it, as defined by the same article, or any company placed under the same control as it, as defined by this article		
Any other remuneration item that can be awarded in respect of the mandate	None	
Benefits of any nature awarded in respect of the corporate appointment	None	

Approval of the remuneration items paid or allocated to Mr Christophe Coutier, representing the company COUTIER DEVELOPMENT, Member of the Supervisory Board, in respect of the financial year ended 31 December 2017 (19th resolution)

Pursuant to article L.225-100 of the French Commercial Code, taking into account the General Meeting of 28 June 2017 approving the remuneration policy envisaged for the financial year ended 31 December 2017, you are asked to approve the fixed, variable and exceptional items comprising the total remuneration and benefits of any nature paid or allocated to Mr Christophe Coutier, permanent representative of the company COUTIER DEVELOPPEMENT, in his role as Member of the Supervisory Board of the Company (19th resolution) in respect of the financial year ended 31 December 2017, as presented below:

Remuneration items paid or allocated in respect of the financial year ended 31 December 2017 (Article R.225-56-1 of the French Commercial Code)	**Amounts**	**Comments**
Annual fixed remuneration	None	
Annual variable remuneration	None	
Multi-annual variable remuneration	None	
Exceptional remuneration	None	
Attendance fees linked to the conduct of the mandate	€9,320	
Allocations of share subscription or purchase options	None	
Free allocations of shares	None	
Remuneration, gratuities or benefits due or liable to be due as a result of taking office	None	
Commitments stated in the first and sixth paragraphs of article L. 225-90-1 of the French Commercial Code	None	

Remuneration items and benefits of any nature due or liable to be due, in respect of agreements concluded, directly or via an intermediary, as a result of his/her mandate, with the Company, any company that it controls, as defined by article L.233-16, any company that controls it, as defined by the same article, or any company placed under the same control as it, as defined by this article	None
Any other remuneration item that can be awarded in respect of the mandate	None
Benefits of any nature awarded in respect of the corporate appointment	None

Approval of the remuneration items paid or allocated to Ms Geneviève Coutier, Member of the Supervisory Board, in respect of the financial year ended 31 December 2017 (18th resolution)

Pursuant to article L.225-100 of the French Commercial Code, taking into account the General Meeting of 28 June 2017 approving the remuneration policy envisaged for the financial year ended 31 December 2017, you are asked to approve the fixed, variable and exceptional items comprising the total remuneration and benefits of any nature paid or allocated to Ms Geneviève Coutier in her role as Member of the Supervisory Board of the Company (20th resolution) in respect of the financial year ended 31 December 2017, as presented below:

Remuneration items paid or allocated in respect of the financial year ended 31 December 2017 (Article R.225-56-1 of the French Commercial Code)	**Amounts**	**Comments**
Annual fixed remuneration	None	
Annual variable remuneration	None	
Multi-annual variable remuneration	None	
Exceptional remuneration	None	
Attendance fees linked to the conduct of the mandate	€9,320	
Allocations of share subscription or purchase options	None	
Free allocations of shares	None	

Remuneration, gratuities or benefits due or liable to be due as a result of taking office	None
Commitments stated in the first and sixth paragraphs of article L. 225-90-1 of the French Commercial Code	None
Remuneration items and benefits of any nature due or liable to be due, in respect of agreements concluded, directly or via an intermediary, as a result of his/her mandate, with the Company, any company that it controls, as defined by article L.233-16, any company that controls it, as defined by the same article, or any company placed under the same control as it, as defined by this article	None
Any other remuneration item that can be awarded in respect of the mandate	None
Benefits of any nature awarded in respect of the corporate appointment	None

Approval of the remuneration items paid or allocated to Ms Emilie Coutier, Member of the Supervisory Board, in respect of the financial year ended 31 December 2017 (21st resolution)

Pursuant to article L.225-100 of the French Commercial Code, taking into account the General Meeting of 28 June 2017 approving the remuneration policy envisaged for the financial year ended 31 December 2017, you are asked to approve the fixed, variable and exceptional items comprising the total remuneration and benefits of any nature paid or allocated to Ms Emilie Coutier in her role as Member of the Supervisory Board of the Company (21st resolution) in respect of the financial year ended 31 December 2017, as presented below:

Remuneration items paid or allocated in respect of the financial year ended 31 December 2017 (Article R.225-56-1 of the French Commercial Code)	**Amounts**	**Comments**
Annual fixed remuneration	None	
Annual variable remuneration	None	
Multi-annual variable remuneration	None	
Exceptional remuneration	None	

Attendance fees linked to the conduct of the mandate	€9,320	
Allocations of share subscription or purchase options	None	
Free allocations of shares	None	
Remuneration, gratuities or benefits due or liable to be due as a result of taking office	None	
Commitments stated in the first and sixth paragraphs of article L. 225-90-1 of the French Commercial Code	None	
Remuneration items and benefits of any nature due or liable to be due, in respect of agreements concluded, directly or via an intermediary, as a result of his/her mandate, with the Company, any company that it controls, as defined by article L.233-16, any company that controls it, as defined by the same article, or any company placed under the same control as it, as defined by this article	None	
Any other remuneration item that can be awarded in respect of the mandate	None	
Benefits of any nature awarded in respect of the corporate appointment	None	

Approval of the remuneration items paid or allocated to the company NJ CONSULTING, Member of the Supervisory Board, in respect of the financial year ended 31 December 2017 (22nd resolution)

Pursuant to article L.225-100 of the French Commercial Code, taking into account the General Meeting of 28 June 2017 approving the remuneration policy envisaged for the financial year ended 31 December 2017, you are asked to approve the fixed, variable and exceptional items comprising the total remuneration and benefits of any nature paid or allocated to the company NJ CONSULTING in its role as Member of the Supervisory Board of the Company (22nd resolution) in respect of the financial year ended 31 December 2017, as presented below:

Remuneration items paid or allocated in respect of the financial year ended 31 December 2017 (Article R.225-56-1 of the French Commercial Code)	**Amounts**	**Comments**
Annual fixed remuneration	None	

Annual variable remuneration	None
Multi-annual variable remuneration	None
Exceptional remuneration	None
Attendance fees linked to the conduct of the mandate	€9,320
Allocations of share subscription or purchase options	None
Free allocations of shares	None
Remuneration, gratuities or benefits due or liable to be due as a result of taking office	None
Commitments stated in the first and sixth paragraphs of article L. 225-90-1 of the French Commercial Code	None
Remuneration items and benefits of any nature due or liable to be due, in respect of agreements concluded, directly or via an intermediary, as a result of his/her mandate, with the Company, any company that it controls, as defined by article L.233-16, any company that controls it, as defined by the same article, or any company placed under the same control as it, as defined by this article	None
Any other remuneration item that can be awarded in respect of the mandate	None
Benefits of any nature awarded in respect of the corporate appointment	None

Mr André Coutier
Chairman of the Supervisory Board

MGI COUTIER GROUP

CONSOLIDATED BALANCE SHEET

On 31 December 2017
(in thousands of euros)

ASSETS	***Notes no.***	**31.12.2017 Net amounts**	**31.12.2016 Net amounts**
Goodwill	*7*	51,537	55,480
Other intangible assets	*8*	1,287	2,025
Intangible assets		**52,824**	**57,505**
Land		15,783	15,681
Buildings		62,044	52,335
Equipment		113,013	97,295
Other tangible assets		9,663	8,989
Assets under construction, advance and progress payments		44,068	26,340
Property, Plant & Equipment	*9*	**244,571**	**200,640**
Non-current financial assets	*10*	**752**	**1,052**
Deferred tax assets	*11*	**8,825**	**7,441**
Total non-current assets		**306,972**	**266,638**
Inventory	*12*	125,397	98,924
Trade accounts receivable	*13*	174,723	155,582
Non-trade receivables	*14*	39,578	44,095
Cash and cash equivalents	*17*	108,191	114,593
Total current assets		**447,889**	**413,194**
Assets held for sale	*19*	-	-
Total assets		**754,861**	**679,832**

LIABILITIES	*Notes no.*	31/12/2017	31/12/2016
Share capital	*15*	21,393	21,393
Revaluation adjustment for land		2,333	2,334
Reserves and retained earnings		300,738	252,033
Interim dividends		-	-
Group's share of financial year profit		**84,847**	**86,408**
Group's share of shareholders' equity		**409,311**	**362,167**
Minority interests		**137**	**(18)**
Shareholders' equity		**409,448**	**362,149**
Long term provisions	*16*	13,690	11,449
Medium and long-term financial debts	*17*	86,586	90,377
Deferred tax liabilities	*11*	5,748	3,379
Total non-current liabilities		**106,024**	**105,205**
Current provisions	*16*	23,188	27,810
Financial debts falling due within one year	*17*	46,954	37,559
Trade accounts payable		122,318	104,493
Other creditors	*18*	46,929	42,616
Total current liabilities		**239,389**	**212,478**
Liabilities held for sale		**-**	**-**
Total liabilities		**754,861**	**679,832**

CONSOLIDATED INCOME STATEMENT

On 31 December 2017
(in thousands of euros)

	Notes No.	31/12/2017 (12 months)	31 December 2016 (12 months)
REVENUE	*3*	**1,024,225**	**963,637**
Change in the inventory stocked		15,759	8,968
Quantities consumed		(472,223)	(420,609)
Other external expenses		(133,904)	(141,549)
VALUE ADDED		**433,857**	**410,447**
Taxes and dues		(6,631)	(6,223)
Payroll expenses (including temporary staffing)		(281,943)	(253,642)
GROSS OPERATING SURPLUS		**145,283**	**150,582**
Amortisation allowances		(30,312)	(28,384)
Provisions/net write-back of provisions		178	(11,074)
CURRENT OPERATING INCOME	*3*	**115,149**	**111,124**
Other net non-current profits (charges)	*4*	211	4,270
OPERATING INCOME		**115,360**	**115,394**
Income from cash and cash equivalents		725	*148*
Cost of gross financial debt		(2,586)	*(2,861)*
Cost of net financial debt	*5*	**(1,861)**	**(2,713)**
Miscellaneous financial income and expenses	*5*	31	646
Current and deferred taxes	*6*	(28,560)	(27,035)
Proportionate interest of the affiliated companies in the result		-	-
NET RESULT FROM OPERATIONS TO BE CONTINUED		**84,970**	**86,292**
Net income before tax from operations that have been discontinued or are in the process of being sold		-	-
NET RESULT		**84,970**	**86,292**
* including share relevant to consolidated Group		84,847	86,408
* including the share accruing to minority interests		123	(116)
Group's share of net income per share (in euros)		**3.17**	**3.23**
Net income, Group's share, per share diluted (in euros)		**3.17**	**3.23**

OTHER ELEMENTS OF THE GLOBAL PROFIT/LOSS

On 31 December 2017
(in thousands of euros)

	31/12/2017 (12 months)	31/12/2016 (12 months)
NET INCOME	**84,970**	**86,292**
Conversion differences	(29,092)	(3,307)
Actuarial differences on retirement commitments net of tax	(484)	(283)
PROFITS AND LOSSES ACCOUNTED IN SHAREHOLDERS' EQUITY	**(29,576)**	**(3,590)**
GLOBAL PROFIT AND LOSS	**55,394**	**82,702**
* including share relevant to consolidated Group	55,303	82,810
* including the share accruing to minority interests	91	(108)

Clarification: all of the components of the other items of total income are intended to be recycled under income, with the exception of actuarial gains and losses linked to long-term employee benefits.

CONSOLIDATED CASH FLOW STATEMENT

On 31 December 2017
(in thousands of euros)

	Notes No.	31/12/2017 (12 months)	31.12.16 (12 months)
NET INCOME		**84,970**	**86,292**
Amortisation allowances		30,312	28,384
Capital gains/losses on asset transfers		(6)	(1,387)
Variation of provisions		(1,559)	11,728
Elimination of net profits/losses of associated companies		-	-
SELF-FINANCING		**113,717**	**125,017**
Variation of other short-term assets and liabilities		(28,614)	(31,193)
VARIATION IN CASH FROM OPERATING OPERATIONS		**85,103**	**93,824**
Acquisitions of tangible and intangible fixed assets		(87,253)	(49,308)
Acquisitions of financial fixed assets		(90)	(51)
Transfers of fixed assets		995	869
Effect of variations in the scope of business	*18*	4	4,390
CASH FLOW VARIATION INITIATED FROM INVESTMENTS		**(86,344)**	**(44,100)**
Dividend distribution		(8,021)	(5,348)
Variation of indebtedness	*17*	5,969	4,016
CASH FLOW VARIATION INITIATED FROM FUNDING		**(2,052)**	**(1,332)**
Impact of foreign exchange variations		(3,320)	(1,528)
NET CASHFLOW VARIATION		**(6,613)**	**46,864**
CASHFLOW AT OPENING		**113,975**	**67,111**
CASHFLOW AT CLOSING	*17*	**107,358**	**113,975**

VARIATION IN CONSOLIDATED SHAREHOLDERS' EQUITY

(in thousands of euros)

	Capital	Bonuses	Reserves	Gains and losses recognised under shareholders' equity	Total Group's share	Minority interests	Total
Shareholders' equity at 31 December 2015	**21,393**	**9,704**	**249,824**	**3,969**	**284,890**	**190**	**285,080**
Income for the 2016 financial year			86,408		86,408	(116)	86,292
Gains and losses recognised under shareholders' equity				(3,598)	(3,598)	8	(3,590)
S/Total global P/L			**86,408**	**(3,598)**	**82,810**	**(108)**	**82,702**
Dividend distribution			(5,348)		(5,348)		(5,348)
Other variations			(185)		(185)	(100)	(285)
Shareholders' equity at 31 December 2016	**21,393**	**9,704**	**330,699**	**371**	**362,167**	**(18)**	**362,149**
Income for the 2017 financial year			84,847		84,847	123	84,970
Gains and losses recognised under shareholders' equity				(29,544)	(29,544)	(32)	(29,576)
S/Total global P/L			**84,847**	**(29,544)**	**55,303**	**91**	**55,394**
Dividend distribution			(8,021)		(8,021)		(8,021)
Other variations				(138)	(138)	64	(74)
Shareholders' equity at 31 December 2017	**21,393**	**9,704**	**407,525**	**(29,311)**	**409,311**	**137**	**409,448**

The amount of dividends proposed for distribution during the next annual Combined General Meeting of 30 May 2018 is €8,022,312.

APPENDIX TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2017

Note 1 - Accounting rules and methods

MGI COUTIER's consolidated financial statements were closed by the Management Board on 11 April 2018.

Key events during the last financial year

Over the last financial year, the major activities of the organisation are displayed hereafter:
- New rise in productions of Adblue® tanks for SCR.
- High order placements following four also very strong years in terms of new allocations.
- Launch of two new plants in Chongqing and Wuhan in China and Ixtaczoquitlan in Mexico.
- Acquisition of a plant in Rayong, Thailand, and creation of a local team to prepare the first productions scheduled for 2018.
- Creation of a legal entity and search for land or buildings in Bulgaria.
- Further improvement to the profitability of historical entities thanks in particular to a return to near-normal operating profits at MGI COUTIER SA.
- Industrial investments at an all-time record level.
- Continuation of the gradual implementation of the new organisational structure focused on plants and product lines.
- Creation of two new cross-functional divisions focused on industrial performance, the standardisation of production resources and processes, and industrialisation.
- Faster deployment of the Group ERP (28 sites using this ERP at the end of December 2017).

Declaration of conformity

Pursuant to the European regulations 1606/2002 and 1725/2003, the consolidated financial statements of the MGI COUTIER Group are prepared in compliance with international accounting standards applicable within the European Union on 31 December 2017. The international accounting standards include 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) are available on the following website: http://eur-lex.europa.eu/fr/index.htm.

The consolidated financial statements are presented in euros and are rounded off to the nearest thousand.

New standards, amendments and interpretations applicable in 2017

The following new standards and interpretations applicable during the period do not apply to the Group or do not have a significant effects on the consolidated financial statements as at 31 December 2017. They primarily concern the following:
- Amendments to IFRS 7 "Financial instruments: disclosures"
- Amendment to IAS 12 "Recognition of deferred tax assets for unrealised losses"
- Amendment to IFRS 12 "Disclosure of interests in other entities"

These new standards have no 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 2017, and which comes into force after this date. These primarily concern standards, amendments and interpretations:

- IFRS 15, including the amendments "clarifications to IFRS 15, Revenue on ordinary activities from contracts with customers"
- IFRS 9 "Financial instruments"
- IFRS 16 "Leases"
- Amendment to IFRS 2 "Classification and evaluation of share-based payment transactions"
- IFRIC 22 "Foreign currency transactions and advance consideration" (a)
- Annual improvements – cycle 2014-2016 (a),

(a) adoption scheduled for the start of 2018.

These standards, amendments and interpretations come into effect from 1 January 2018, with the exception of the standard IFRS 16, which will come into effect from 1 January 2019.

The standards IFRS 9 and IFRS 15 are effective for the opening financial years as of 1 January 2018.

The standard IFRS 9 mainly deals with the accounting of financial assets and liabilities, the impairment of financial assets (mainly expected losses on customers), and the accounting of hedging operations. The ongoing analysis did not lead to the identification of major impacts.

The IFRS 15 standard places the accounting principles of turnover based on an analysis of 5 successive steps (contract identification, identification of various performance requirements; that is the list of products and services that the seller has undertaken to supply to the buyer, determining the contract's overall price, allocating the global price to each performance requirement, accounting of turnover and related costs when a performance requirement is met).

Taking into account the analysis in progress, the application of this new standard has not led to the identification of any significant impact on the Group's financial statements.

The standard IFRS 16 "Leases" was published by the IASB in 2016, adopted by the European Commission on 9 November 2017 and initially applies for financial years starting from 1 January 2019. The Group does not plan to apply this standard early and has not yet determined the transition method that it will use. The analysis of the impact of this standard is in progress, in a context in which important clarifications are anticipated regarding fundamental points (duration of the lease etc.). The leases primarily concern property leases. The amount of rental fees and rental fees remaining due for the main types of goods leased are provided for informational purposes in appendix 19.

Given the analysis in progress, the Group does not expect the other amendments and interpretations to have a significant impact on the consolidated financial statements.

Furthermore, the Group does not expect that the standards, amendments and interpretations published by the IASB and mandatory in 2017 but not yet approved at the European level (and whose early application is not possible at the European level) have a significant impact on the accounts for the coming financial years.

There are no accounting principles contrary to the standards IFRS of mandatory application for the financial years as of 1 January 2017, not yet adopted at the European level, and whose impact would have been significant on the accounts of this financial year.

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 tax assets 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 did not note 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 (see. note 1.3.i) and those linked to conversion differences.

1.1 Consolidation scope

As stated below, the MGI COUTIER Group applied the new standards of consolidation as of 1 January 2017.

The significant companies in which MGI COUTIER SA directly or indirectly holds 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 retains directly or indirectly 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 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 belonging to the scope of consolidation as at 31 December 2017 is presented in note 2.

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

Business Combinations

Since 2010, the Group has applied the revised standards IFRS 3 "Business combinations" and IAS 27 "Consolidated and separate 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 control modification 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 accounting of a considered business combination. Any modification of the acquisition price, applied outside the assignment deadline, has as a counterpart the profit/loss without changing the acquisition or goodwill cost. This 12-month deadline does not apply to earn-out clauses, variations in which are recognised under income after the acquisition.

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 shareholders' 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 shareholders' 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 recognised in other elements of the global profit/loss.
- The goodwill observed on foreign subsidiaries is recorded in the currency of the subsidiary.

The foreign exchange differences resulting from foreign currency transactions conducted during the financial year are included in the income statement under income from recurring operations.

The 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 shareholders' equity under the item "translation differential", when the criteria defined by the standard are respected.

1.3. Accounting principles and methods

The accounts of the companies' Group, 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 (amortised in straight-line method over their protection period),
- computer software (amortised in straight-line method over a period ranging from 1 to 3 years).

The research expenses are accounted as expenses of the financial year during which they are incurred. The development costs are recorded as intangible assets when the conditions linked to the technical feasibility, the market potential, the capacity to reliably assess the assignable expenses and 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 2017 and 2016, no development costs were recorded as fixed assets considering that the capitalisation criteria were not met. Indeed, the development costs incurred within the framework of a new product of a project or a significant evolution of an existing product must meet six criteria in order to be recorded as fixed assets.

One of these criteria requires demonstrating the existence of a market for the production resulting from the project. The existence of a market is demonstrated when the Group receives the manufacturers' approval certificate and the volumes suggested 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 expenses of the 2017 financial year increases to €60.8 million (€50.5 million in 2016).

b) Goodwill

The positive difference in value recorded between the cost of acquired shares 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 under "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 end of period, 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 in the heading "Net financial indebtedness cost". The acquisition expenses are directly recorded as charges.

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 recognised under profit/loss.

The goodwill is not amortised. It is subject to impairment tests (see. 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-amortised 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 costs’ transfer. 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) Property, Plant & Equipment

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 revaluation of land as displayed hereafter in note 9.

Capital lease agreements for real property and moveable assets are restated in order to reflect the acquisition cost of these assets, under fixed assets and financial debts. These assets are depreciated depending on 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 capitalising costs of borrowing.

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

The generally adopted amortisation 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.

The assets owned by the Group are not affected by expenses that are the subject of major multi-annual servicing or revision programmes. The sole purpose of the expenses incurred is to verify the proper operating condition of these facilities and to provide maintenance without extending their lifespan beyond the initially anticipated lifespan.

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 participating interests represent shares 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

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 and, given stock rotation, are similar to the latest cost prices.

A depreciation provision is recorded when the stocks' net value is higher than their net realisable value, and/or when there are asset losses 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) Trade accounts receivable

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. Trade accounts receivable are restated on the closing date of bills of exchange presented for collection and not due, as well as bills of exchange that are the subject of a cash discount. Trade accounts receivable not due and disposed of as part of a factoring contract and not meeting the derecognition conditions of the standard IAS 39 are retained under the entry "Trade receivables and other receivables"; otherwise, they are recognised under cash.

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 investment securities meeting the criteria of the standard IAS 7 for classification as "cash and cash equivalents": short-term, very illiquid investments that are easily convertible into a known cash amount and subject to a negligible 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 expenses and profits 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,
- etc.

No deferred tax asset is recognised under deductible temporary differences and tax loss carry-forwards unless they can be charged to future taxable differences, where there is a reasonable probability of realisation or recovery by charging to future income, or where there are tax optimisation possibilities at the company's initiative. 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 recognised, as appropriate.

In accordance with the standard IAS 12, deferred taxes are not discounted except for developments in future tax rates which did not have an incidence on the past financial year.

i) Pension commitments

For defined contribution schemes, the payments made by the Group are recorded as expenses 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 pertaining to rights acquired by employees pursuant to the various applicable collective agreements are assessed on the basis of actuarial hypotheses: changes to wages, retirement age, age of death, staff turnover, then discounted to their present value based on a discount rate. The provision corresponding to these entitlements is accounted for in full in the provisions for retirement and other benefits.

The discount rate was determined while taking account of the yield rates from private bonds that do not include risks, and have a maturity close to bonds' maturity.

The amounts were calculated based on a 1.6% discount rate (versus 1.6% at the 2016 year end), a 1.9% wage increase (versus 1.9% at the 2016 year end) for both executives and non-executives, a retirement age of 65 and average hypotheses regarding 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 recognised in the consolidated profit/loss statement. The impact of pension scheme changes is equally recognised 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) Share-based payment

If applicable, under the IFRS 2, the options of share subscription or purchases granted to employees and which are settled in shares are valued at their fair value. This fair value is noted in the profit/loss statement over the period when the employees are entitled the right of practice while taking account of the of rights' acquisition, re-assessed at each year-end. 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 reserves 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 amortised cost method by using the effective interest rate.

m) Derivative financial instruments

Exchange risk:

The purchase and sale transactions of both MGI COUTIER SA and its subsidiaries are primarily conducted in the same currencies, thereby providing a natural hedge. 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.

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. No assets or liabilities meet this definition during the financial years presented.

o) Capital stock

The shares 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 shareholders' equity at their acquisition cost up to the date of sale.

The income from the disposal of these shares are directly assigned to net shareholders' equity of the corresponding tax.

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

a) Revenue

Sales of parts and tooling are recorded under income at the time of delivery of the good, in accordance with the specific conditions of each contract or order.

As stated above, the Group did not choose an early application of the standard IFRS 15.
IFRS 15 will replace the standards IAS 11, IAS 18 and the associated IFRIC and SIC interpretations regarding the recognition of income from ordinary activities and introduces a new model for recognising this income. Clarifications of the standard were published by the IASB on 12 April 2016 following the publication of the exposure draft "Clarifications to IFRS 15" published in July 2015.
The European Union adopted IFRS 15 on 22 September 2016.

The Group proceeded to select the main transactions and contracts representative of the Group's current and future business. These transactions and contracts were analysed based on a five-step model imposed by the standard in order to identify the assessment areas and any changes caused by its application. The conclusions of this analysis are presented below.

For a specific automotive project, the three main promises made by MGI COUTIER to a manufacturer generally identified as part of the preliminary analysis are as follows:
- Product study, which notably includes determining the intrinsic technical specific characteristics of the parts, as well as those linked to the associated production process.
- Supply of production tooling, such as the moulds and the other equipment used for the production of parts.
- Supply of parts.

The analysis led to the finding that these three phases are distinct performance obligations for which the Group recognises revenue upon delivery/completion.

Furthermore, the Group considers that the contractual promise made to the manufacturer in terms of the warranty on supplied parts does not meet the definition of a distinct performance obligation, as it does not result in an "additional service". As such, warranty costs will continue to be recognised in accordance with IAS 37 "Provisions, contingent liabilities and contingent assets".

Concerning certain specific contracts, the examination of the relationship with the end customer led the MGI COUTIER Group to consider that it acts as an agent rather than as a principal.

Concerning the contributions received by customers to the development costs and prototypes, they are now shown under the "Revenue" entry, as they result from a contract with the customer with a view to obtaining, in exchange for a counterparty, goods or services resulting from the Group's ordinary activities. This means that there will be no presentational impact regarding this matter.

MGI COUTIER is not expecting a material impact resulting from the implementation of this new standard on 1 January 2018.

b) Personnel costs

Personnel costs include the temporary staff compensation and staff profit sharing. As with all financial years since 2013, the Group opted to present the research tax credit (CIR) and competitiveness and employment tax credit (CICE), in reference to IAS 20 (accounting for government grants), reducing personnel costs.

c) Regional economic contribution (*Contribution économique territoriale* - CET)

Both the French company added-value contribution (CVAE) and the company property tax (CFE) are recognised under operating expenses, with no change compared with the classification formerly adopted for business tax.

d) Income from ordinary activities

The Group mainly 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 income and charges that primarily included significant 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 in which 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 complies with the ANC recommendation no. 2013-03 of 7 November 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 practice of rights related to the issued share subscription bonds. As at 31 December 2017, there were no new shares that could potentially be created, as no subscription options were still valid or had been exercised.

1.6. Financial instruments - Financial assets and liabilities

As stated above, the Group did not choose an early application of the standard IFRS 9.

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 to maturity: not applicable in the Group during the financial years presented.
- Financial assets and liabilities at fair value by profit/loss: this section mainly includes any investment 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 items in this category are recognised and valued "at amortised 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 recognised 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 recognised “at amortised 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 previous sections. 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 value in use 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 recognised at their fair value.

In accordance with the standard IFRS 13, applicable since 2013, financial instruments are presented under three categories (see note 23), based on a hierarchy of fair value determination methods:

- Level 1: fair value calculated by reference to non-adjusted listed prices on an active market for identical assets and liabilities.
- Level 2: fair value calculated by reference to observable market data for the asset or liability concerns, either directly (adjusted level 1 listed prices) or indirectly, namely data derived from prices, based on valuation techniques drawing on observable data such as the prices of similar assets or liabilities or listed parameters on an active market.
- Level 3: fair value calculated by reference to data concerning the asset or liability that are not based on observable market data (e.g. using valuation techniques entirely or partially based on non-observable data such as prices on an inactive market or valuation based on multiples in the case of unlisted shares).

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

The 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 revenue and fixed assets according to geographical areas is presented for information purposes in note 3.

1.8. Cash flow chart

The Group applies the indirect method of presenting cash flow, based on a presentation similar to the model proposed by the *Autorité des Normes Comptables* (ANC) in its recommendation 2013-03 of 7 November 2013.

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

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

Note 2 - Consolidation scope

Companies	held	Consolidation method	Location
MGI COUTIER SA (PARENT COMPANY)			Champfromier, France
PAYS DE BRAY SUD SCI	100	Full consolidation	Champfromier, France
NINGBO MGI COUTIER AUTO PLASTICS CO LTD	100	Full consolidation	Cixi, China
MGI COUTIER TUNISIE SARL	100	Full consolidation	Mateur, Tunisia
MGI COUTIER ITALIA SRL	100	Full consolidation	Asti, Italy
MGI COUTIER ARGENTINA SA	100	Full consolidation	Cordoba, Argentina
MGI COUTIER BRASIL LTDA	100	Full consolidation	Jundiai, Brazil
MGI COUTIER UK LTD	100	Full consolidation	Minworth, UK
MGI COUTIER MAKINA YEDEK PARÇA IMALAT VE SANAYI A.S.	100	Full consolidation	Bursa, Turkey
MGI COUTIER ESPAÑA SL	100	Full consolidation	Vigo, Spain
MGI COUTIER MEJICO SA DE CV	100	Full consolidation	Veracruz, Mexico
MGI COUTIER ROM SRL	100	Full consolidation	Timisoara, Romania
MGI COUTIER ILIA CO PJS	50	Proportionate consolidation	Ghaemshahr, Iran
DEPLANCHE FABRICATION SARL	100	Full consolidation	Treffort, France
MGI COUTIER ENGINEERING PRIVATE LTD	100	Full consolidation	Pune, India
MGI COUTIER FINANCE LTD	100	Full consolidation	Chippenham, UK
AVON AUTOMOTIVE HOLDINGS INC	100	Full consolidation	Cadillac, USA
PETROL AUTOMOTIVE HOLDINGS INC	100	Full consolidation	Cadillac, USA
CADILLAC RUBBER & PLASTICS INC	100	Full consolidation	Cadillac, USA
CT RUBBER & PLASTICS INC	100	Full consolidation	Cadillac, USA
CADIMEX SA DE CV	100	Full consolidation	Orizaba, Mexico
CADILLAC RUBBER & PLASTICS DE MEXICO SA DE CV	100	Full consolidation	Orizaba, Mexico
AVON AUTOMOTIVE UK HOLDINGS LIMITED	100	Full consolidation	Chippenham, UK

AVON OTOMOTIV SANAYI VE TICARET LIMITED SIRKETI	100	Full consolidation	Gebze, Turkey
AVON AUTOMOTIVE DEUTSCHLAND GMBH	100	Full consolidation	Stuttgart, Germany
AVON AUTOMOTIVE FRANCE HOLDINGS SAS	100	Full consolidation	Vannes, France
AVON POLYMERES FRANCE SAS	100	Full consolidation	Vannes, France
AVON AUTOMOTIVE A.S.	100	Full consolidation	Rudnik, Czech Republic
INDUSTRIAL FLEXO SL	100	Full consolidation	St Just, Spain
AVON AUTOMOTIVE PORTUGAL LTDA	100	Full consolidation	Tondela, Portugal
GOLD SEAL AVON POLYMERS PRIVATE LIMITED	55	Full consolidation	Daman, India
AVON AUTOMOTIVE COMPONENTS CHONGQING CO LTD	100	Full consolidation	Chongqing, China
AUTOTUBE GROUP AB	100	Full consolidation	Varberg, Sweden
AUTOTUBE AB	100	Full consolidation	Varberg, Sweden
MGI COUTIER LUSITANIA UNIPESSOAL LDA	100	Full consolidation	Paredes De Coura, Portugal
MGI COUTIER MAROC SARL	100	Full consolidation	El Jadida, Morocco
SINFA CABLES SARL	74	Full consolidation	Casablanca, Morocco
WUHAN MGI COUTIER AUTO PARTS CO LTD	100	Full consolidation	Wuhan, China
MGI COUTIER (THAILAND) CO LTD *	100	Full consolidation	Rayong, Thailand
MGI COUTIER BULGARIA EOOD *	100	Full consolidation	Vidin, Bulgaria

*: Joined the scope of business in 2017 through formation

All of the subsidiaries of the MGI COUTIER Group end their financial year on 31 December of each year, with the exception of MGI COUTIER ILIA CO PJS, MGI COUTIER ENGINEERING PRIVATE LTD and GOLD SEAL AVON POLYMERS PRIVATE LIMITED, whose financial year ends on 31 March of each year.

The company TEC-INJECT was the subject of a compulsory liquidation procedure during the financial year. As a result, it was deconsolidated from 01.01.2017.

The company AVON AUTOMOTIVE JAPAN CO LTD, a non-significant component of the Group, was also deconsolidated on 01.01.2017.

Note 3 - Sectional information (by geographical area)

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

(in thousands of euros)	France	Western Europe	North America	South America	Rest of the world	Internal Eliminations	Total
On 31 December 2017							
Total turnover	475,527	496,413	283,933	16,904	115,072	(363,625)	1,024,224
Income from ordinary activities	34,306	31,535	39,751	848	6,927	1,781	115,148
On 31 December 2016							
Total turnover	446,506	392,322	259,321	-	162,564	(297,076)	963,637
Income from ordinary activities	11,828	17,073	54,175	-	28,048	-	111,124

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

(in thousands of euros)	Gross Values	Net Values
France	277,376	74,038
Europe & Africa	189,665	86,712
North America	68,316	50,834
South America	4,923	1,308
Rest of the world	46,984	32,968
Total fixed assets	**587,264**	**245,860**

Note 4 - Net non-current profits and expenses

(in thousands of euros)	31.12.2017	31.12.2016
Restructuring costs (net)	-	-
Capital gains	6	1,387
Other	206	2,883
Total	**211**	**4,270**

Note 5 - Financial profit/loss

(in thousands of euros)	31.12.2017	31.12.2016
Net cost of financial debt	(1,861)	(2,713)
Net exchange profits and (losses)	-	336
Other profits (charges)	31	310
Total	**(1,830)**	**(2,067)**

Note 6 - Taxes on the profits/losses

(in thousands of euros)	31.12.2017	31.12.2016
Current taxes	(27,838)	(26,309)
Deferred taxes	(722)	(726)
Total	**(28,560)**	**(27,035)**

The tax calculation is implemented individually at each consolidated legal entity. The deferred taxes positions were recognised taking into account overall rates of 28% and 33.33%, based on provisional due dates for reversals of deferred tax bases.

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)	31.12.2017	31.12.2016
Profit before tax of the integrated companies	113,530	113,327
Non-tax profits (temporary exemption)	-	-
Use of deficits not recognised previously/Loss deficits	(12,512)	(1,470)
Long term capital gain	-	(2,934)
Permanent and other differences *	(2,222)	(8,904)
Tax base	**98,796**	**100,019**
Tax at standard rate of 33.33%	(32,932)	(33,340)
Different tax rates	6,578	5,738
Other impacts (including tax recoveries) and tax credit **	(2,206)	567
Effective corporate tax	**(28,560)**	**(27,035)**

(*) Of which €5.341 million in respect of the CIR and CICE.

(**) Of which €3.44 million in supplementary taxation following the tax reforms in the US.

Deferred taxes are presented below in note 11.

Note 7 – Goodwill

(in thousands of euros)	31.12.2017	31.12.2016
Net value at January 1st	55,480	55,490
Acquisitions during financial year	-	-
Adjustment of asset and liability values for operations acquired prior to financial year	-	-
Disposals	(84)	(122)
Conversion differential (and other transactions)	(3,845)	146
Depreciation	(14)	(34)
Net amount	**51,537**	**55,480**

Goodwill primarily concerns the sub-group AVON AUTOMOTIVE in the US in the amount of €24.848 million, the sub-group AUTOTUBE AB in Sweden in the amount of €18.289 million, MGI COUTIER ESPAÑA SL in Spain in the amount of €2.307 million and other entities in the amount of €6.093 million.

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 2018-2019-2020, and are extended over an explicit overall period of five years, with a stable operating profit/revenue ratio;
- Beyond that period, the terminal value corresponding to ad infinitum capitalisation with a growth rate ad infinitum of 1.5% (1.5% in 2016) 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.

As with the 2016 year end, given that their value in use was higher than the book value as at 31 December 2017, there was no reason to record a depreciation of the assets concerned.

The discount rate used at 31 December 2017 to discount future cash flow was 9.0%, versus 9.0% as at 31 December 2016.

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.

For the sub-group AUTOTUBE AB, a 0.5 point increase in the discount rate, all things being equal elsewhere, would result in the book value exceeding the recoverable value. A 0.5 point decrease in the perpetual growth rate, all things being equal elsewhere, would result in the same situation.

Note 8 - Other intangible fixed assets

The other intangible fixed assets evolved as follows:

(in thousands of euros)	Software	Other	Total
Gross value recognised			
Value at 1 January 2017	11,086	-	11,086
Acquisitions	703	-	703
Disposals	(1,100)	-	(1,100)
Conversion and other differences	297	-	297
Value at 31 December 2017	**10,986**	**-**	**10,986**
Total depreciations and value losses			
Value at 1 January 2017	(9,061)	-	(9,061)
Amortisation	(1,354)	-	(1,354)
Amortisation reversals	4	-	4
Net value loss	(1)	-	(1)
Disposals	1,096	-	1,096
Conversion and other differences	(383)	-	(383)
Value at 31 December 2017	**(9,699)**	**-**	**(9,699)**
Net amounts recognised at 31 December 2017	**1,287**	**-**	**1,287**

Note 9 - Tangible fixed assets

Tangible fixed assets have evolved as follows:

(in thousands of euros)	Land	Buildings	Technical installations Equipment & Tooling	Other tangible assets	Current fixed assets	Total
Gross value recognised						
Value at 1 January 2017	15,887	99,909	335,460	40,111	26,340	517,707
Acquisitions	1,914	12,464	25,274	3,478	43,420	86,550
Disposals	(26)	(25)	(5,584)	(1,630)	(66)	(7,331)
Conversion and other differences	(1,735)	(830)	9,523	(1,979)	(25,626)	(20,647)
Value at 31 December 2017	**16,040**	**111,518**	**364,673**	**39,980**	**44,068**	**576,279**
Total amortisations and value losses						
Value at 1 January 2017	(206)	(47,574)	(238,165)	(31,122)	-	(317,067)
Amortisation	(53)	(3,251)	(23,556)	(2,087)	-	(28,947)
Write-back	-	-	-	-	-	-
Net value losses	-	-	-	-	-	-
Disposals		24	4,907	1,996	-	6,927
Conversion and other differences	2	1,327	5,154	896	-	7,379
Value at 31 December 2017	**(257)**	**(49,474)**	**(251,660)**	**(30,317)**	**-**	**(331,708)**
Net amounts recognised at 31 December 2017	**15,783**	**62,044**	**113,013**	**9,663**	**44,068**	**244,571**

The scope variations incurred over the financial year are negligible.

Fixed assets under construction do not include any projects of an individually significant amount, aside from the construction of four new plants, the first productions from which are scheduled for between September 2017 and June 2018.

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**
Land	266	-	266
Buildings	19,249	14,588	4.661
Technical installations	10,180	10,180	-
Other fixed assets	406	406	-
Total	**30,101**	**25,174**	**4,927**

Land situated in France was recognised at its expertly assessed fair value during the transition to IFRS. This accounting mode has generated a net increase in the tangible fixed assets of €3.5 million compared to the accounting value based on the historical cost. Shareholders' equity and deferred tax liabilities were assigned in the amount of €2.52 million and €980,000 respectively through this revaluation of land.

Note 10 - Non-current financial assets

The non-current financial assets are as follows:

(in thousands of euros)	Participating interests (*)	Other	Total
Gross value recognised			
Value at 1 January 2017	163	3,079	3,242
Increases		154	154
Decreases		(580)	(580)
Conversion and other differences	(39)	59	20
Value at 31 December 2017	**124**	**2,712**	**2,836**
Total amortisations and value losses			
Value at 1 January 2017	(47)	(2,143)	(2,190)
Depreciations	(20)	(109)	(129)
Net value loss			-
Transfers / write-backs		280	280
Conversion and other differences	(47)	2	(44)
Value at 31 December 2017	**(114)**	**(1,970)**	**(2,083)**
Net amounts recognised at 31 December 2017	**10**	**742**	**752**

(*) Of which €69,000 in participating interests in the company TEC-INJECT, which was deconsolidated during the financial year. Full provisions were made for these shares.

Note 11 - Deferred taxes

Deferred taxes (€8.825 million in assets, €5.748 million in liabilities, giving a net amount of €3.077 million) are broken down as follows:

(in thousands of euros)	31.12.2017	31.12.2016
Revaluation of land in France in expert’s view	(980)	(1,167)
Special amortisations and other regulated provisions	(9,510)	(8,450)
Retirement	2,735	1,424
Tax deficit	9,756	10,752
Other differences	1,076	1,503
Total	**3,077**	**4,062**
Including assets deferred taxes	**8,825**	**7,441**
Including liability deferred taxes	**(5,748)**	**(3,379)**

The deferred asset and liability taxes were offset, as they apply to a single legal entity.

The application of these principles led us not to recognise, at the Group level, the asset deferred taxes on tax deficits relevant to tax deficits recorded at the end of the financial year for certain subsidiaries due to uncertainty about their future use and the absence of a precise repayment schedule for the use of fiscal losses (see note 1.3h).

As at 31 December 2017, non-activated losses were as follows:

(bases - in thousands of euros)	31.12.2017	31.12.2016
INDUSTRIAL FLEXO SL	20,022	23,787
AVON POLYMERES FRANCE SAS	-	7,571
AVON AUTOMOTIVE FRANCE HOLDINGS SAS	6,280	9,519
AVON AUTOMOTIVE COMPONENTS CHONGQING	2,964	-
WUHAN MGI COUTIER AUTO PARTS CO LTD	940	-
Total	**30,206**	**40,877**

The losses of the companies AVON POLYMERES FRANCE and MGI COUTIER SA are activated at a rate of 33.33%, insofar as these tax losses will likely be used in the next three years.

Note 12 - Stocks or Inventories

(in thousands of euros)	Gross value	Depreciation allowances	Net value 31.12.2017	Net value 31.12.2016
Materials, components & goods	39,788	(5,317)	34,471	31,966
Semi-finished and finished products	56,128	(2,918)	53,210	39,785
Work in progress	38,744	(1,028)	37,716	27,173
Total	**134,660**	**(9,263)**	**125,397**	**98,924**

Note 13 - Trade receivables and other receivables

(in thousands of euros)	31.12.2017	31.12.2016
Trade accounts receivable	175,587	156,029
Depreciation allowances	(864)	(447)
Net value	**174,723**	**155,582**

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.

Note 14 - Other current debts

(in thousands of euros)	31.12.2017	31.12.2016
Deferred expenses	2,310	2,255
Tax claims	32,234	36,775
Non-trade receivables	2,657	2,984
Advances and deposits paid on orders	3,259	3,079
Gross value	**40,460**	**45,093**
Depreciation	**(882)**	**(998)**
Net value	**39,578**	**44,095**

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

Note 15 - Equity capital

As at 31 December 2017, the capital was comprised of 26,741,040 shares with a nominal value of €0.8. The family Group holds 69.68% of the capital and voting rights, with 57.33% held 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 shareholder equity monitored by the Group encompasses the same components as the consolidated shareholder equity.

Note 16 - Long-term provisions

(in thousands of euros)	31.12.2016	Increases	Uses	Others/Gain (loss) on foreign currency	31.12.2017
Retirement & severance benefits	11,449	1,831	(1,827)	200	11,653
Other risks and charges provisions	27,810	11,824	(14,028)	(381)	25,225
Total	**39,259**	**13,655**	**(15,855)**	**(181)**	**36,878**

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

Retirement benefits were calculated in accordance with note 1.3 i). Retirement benefits paid during the financial year totalled €1.822 million.

The increase in other provisions for liabilities and charges is primarily due to technical and commercial liabilities, notably warranty returns. In the latter case, the amounts recognised under allowances for professions were estimated based on warranty returns observed during the financial year, contractual warranty periods and available historical data net of insurance income.

At 31 December 2017, the provisions are broken down as follows based on their due date:

- less than one year: €13.69 million
- more than one year: €23.188 million

At the end of the presented financial years, there are no significant assets and liabilities.

Note 17 - Net financial indebtedness

The financial debts are analysed as displayed below:

(in thousands of euros)	31.12.2017	31.12.2016
Debts and borrowings from credit entities	129,697	124,057
Other	33	158
Leasing	-	-
Other financing (1)	2,977	3,101
Bank credit balances	833	620
Sub-total of financial debts	**133,540**	**127,936**
Sub-total of cash and cash equivalents	**108,191**	**114,593**
Net financial debts	**25,349**	**13,343**

(1) Other financing primarily corresponds to accounts opened with the companies COUTIER SENIOR and COUTIER DEVELOPPEMENT.

At 31 December 2017, financial debts are broken down as follows based on their due date:

- less than one year: €49.954 million (€35.599 million in 2016)
- one to five years: €84.456 million (€92.155 million in 2016)
- more than five years: €130,000 (€182,000 in 2016)

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

Fixed-rate debts totalled €99.254 million and variable-rate debts €34.285 million.

Certain banking loans are subject to the financial covenants (based on criteria of profitability, indebtedness and capitalisation). All companies of the MGI COUTIER Group abided by all of these covenants as at 31 December 2017.

Note 18 - Other debts

(in thousands of euros)	31.12.2017	31.12.2016
Advances and deposits received	6,115	5,646
Deferred payments	879	635
Tax debts	8,438	9,422
Payroll tax expenses	29,240	26,179
Other creditors	2,257	734
Total	**46,929**	**42,616**

Note 19 - Off-balance sheet commitments and granted guarantees

Commitments linked to external growth operations: none

As at 31 December 2017, the amount of other commitments to financial organisations were as follows:

- €10.287 million in respect of sureties granted by the parent company for the requirements of certain Group foreign subsidiaries, including:
  MGI COUTIER ESPAÑA SL: €7.5 million
  SINFA CABLES MAROC: €1.65 million
  GOLD SEAL AVON POLYMERS: €746,000
- €33 million in respect of mortgages and guarantees granted on non-financial assets (this amount already being included in under the Group's financial debts).

The main rental contracts concern property goods. Property rental costs recognised for the 2017 financial year totalled €5.788 million. The amounts remaining due, based on contractual commitments, are €16.534 million.

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, wholly owned directly or indirectly by MGI COUTIER SA, benefit from the provisions of article 479a of the Companies Act of 2006, pertaining to the exemption from audit for subsidiary companies. As a shareholder, MGI COUTIER SA, has granted its agreement for these three subsidiaries in order not to be subject to a legal audit of accounts. As a result, MGI COUTIER SA has provided a legal guarantee as required by article 479c of the British Companies Act of 2006 in respect of debts contracted by MGI COUTIER UK LIMITED, MGI COUTIER FINANCE LTD and AVON AUTOMOTIVE UK HOLDINGS LIMITED as at 31 December 2017.

Note 20 – Headcount

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

	31.12.2017	31.12.2016
Executives	578	527
Employees and technicians	3,313	2,949
Operatives	6,996	6,348
Total	**10,887**	**9,824**

MGI COUTIER GROUP

As at 31 December 2017, the MGI COUTIER group's total headcount was 10,887 people, 1,849 of whom were in France. Developments in headcount are specified below:

Companies	31.12.2017	31.12.2016
MGI COUTIER SA (PARENT COMPANY)	1,620	1,618
DEPLANCHE FABRICATION SARL	22	19
AVON POLYMERES France	207	191
Total France	**1,849**	**1,828**
NINGBO MGI COUTIER AUTO PLASTICS CO LTD	149	172
MGI COUTIER TUNISIE SARL	856	728
MGI COUTIER ARGENTINA SA	37	44
MGI COUTIER BRASIL LTDA	56	63
MGI COUTIER UK LTD	135	128
MGI COUTIER MAKINA YEDEK PARÇA IMALAT VE SANAYI A.S.	692	583
MGI COUTIER ESPAÑA SL	348	290
MGI COUTIER ROM SRL	719	640
MGI COUTIER ENGINEERING PRIVATE LTD	19	17
CADILLAC RUBBER & PLASTICS INC	588	570
CADIMEX SA DE CV	1,395	1,354
CADILLAC RUBBER & PLASTICS DE MEXICO SA DE CV	1,268	966
AVON AUTOMOTIVE UK HOLDINGS LIMITED	42	40
AVON OTOMOTIV SANAYI VE TICARET LIMITED SIRKETI	612	580
AVON AUTOMOTIVE DEUTSCHLAND GMBH	10	9
AVON AUTOMOTIVE A.S	592	573
INDUSTRIAL FLEXO S.L	154	145
AVON AUTOMOTIVE PORTUGAL LDA	428	316
GOLD SEAL AVON POLYMERS PRIVATE LIMITED	141	138
AVON AUTOMOTIVE JAPAN CO LTD	2	2
AVON AUTOMOTIVE COMPONENTS CHONGQING	67	34
AUTOTUBE AB	316	316
MGI COUTIER LUSITANIA	190	156
MGI COUTIER MAROC	72	62
SINFA CABLES	80	70
WUHAN MGI COUTIER AUTO PARTS CO LTD	45	0
MGI COUTIER THAILAND CO LTD	25	0
MGI COUTIER BULGARIA EOOD	0	0
Total	**10,887**	**9,824**

Note 21 - Financial instruments

Balance sheet items - 2017 financial year (in thousands of euros)	Name of financial instruments	Fair value levels (see below)	Net book value	Fair value
Assets				
Non-consolidated securities and related receivables	A	2	11	11
Other non-current financial assets	D	-	739	739
Trade receivables and other receivables	D	-	174,723	174,723
Other current assets (excluding deferred expenses, tax receivables)	D	-	5,916	5,916
Fair value of financial instruments	B	2	-	-
Cash and cash equivalents	B	1	108,191	108,191
Liabilities				
Financial debt (share at more and less than one year)	C	2	132,707	132,707
Share acquisition debts (share at more and less than one year)	C	2	-	-
Bank credit facilities	D	2	833	833
Fair value of financial instruments	B	2	-	-
Trade and other accounts payable	D	-	122,318	122,318
Other current liabilities (excluding deferred revenue, tax receivables)	D	-	8,374	8,374

A - Assets held for sale
B - Assets and liabilities at fair value by profit/loss
C - Assets and liabilities valued at amortised cost
D - Assets and liabilities valued at cost
E - Assets held to maturity, valued at amortised 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 (see. note 21) 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

Note 22 - Directors' remuneration

Remuneration paid to the members of the Management Board concerning MGI COUTIER SA totalled €2,097,601 in respect of the financial year ended 31 December 2017 (€1,506,017 in 2016), while remuneration paid to the Members of the Supervisory Board totalled €118,137 (€143,872 in 2016).

Note 23 - Share purchase options

The company has not authorised or agreed upon any purchase share option for directors.

Note 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 currencies used are the euro (49.7% of business), the US dollar (22.4%) and the Turkish lira (8.2%). 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 recovery of the changes in the costs of the raw materials, they 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 risk hedging was therefore put in place. A 1 point variation in the benchmark indices would have an effect of less than €350,000 on the amount of financial interest paid.

d. Liquidity risks

MGI COUTIER must, at all times, have sufficient financial resources to fund its current activities 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 were covered by financial covenants. Based on records for the last 15 years, these covenants have always been met, with the exception of the 2001 financial year. Furthermore, MGI COUTIER's cash is monitored daily, while its subsidiaries' cash is monitored monthly.

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 conducted in accordance with the standard IFRS 13 implemented in 2014 did not result in identifying an adjustment in respect of the risk of non-performance (counterparty and own credit risk) in the assessment of the fair value of financial assets, financial liabilities and derivatives (top-tier banking counterparties, non-significant 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 polluting emissions, the use of hazardous substances and the disposal of waste. To align itself with this approach, MGI COUTIER has implemented a health, safety and environment policy to support its employees and respect for its environment in accordance with the standard ISO 14001. The plant directors in France and the Subsidiary Directors abroad are responsible for managing and monitoring environmental risks in coordination with the Industrial Performance Director.

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 revenues directly depend on the level of global automotive production, particularly in Europe, North America, Turkey and China. 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 generates over 44% of its business 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 standardised 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 the 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 revenue, 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 number one supplier, the top five and the top ten respectively account for 5.1%, 17.7% and 28.2% of the Group's 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. The financial and sales teams' high sensitivity to these subjects enables us to have very few irrecoverable debts (see note on trade accounts receivable).

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 minimise 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 the Division requirements; 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.

Note 25 - Business combinations

The acquisition impacts over the period are not significant.

Note 26 - Post-closing events

One single significant event occurred between the reporting date and the accounts settlement date. This was MGI COUTIER SA's acquisition of a 25% interest in BIONNASSAY M&P TECHNOLOGY S.A.S. founded (together with its holding company BIONNASSAY REAL ESTATE SAS, also founded), and registered under number 834 266 934 on the ANNECY Commercial Register (74), comprised of a consortium of shareholders: ALPEN'TECH and KARTESIS + MGI COUTIER for the acquisition of the assets of FRANK & PIGNARD and PRECIALP, which went into administration in 2017, accompanied by CREDIT AGRICOLE DES SAVOIE following a joint offer accepted and approved by the GRENOBLE COMMERCIAL COURT on 21 February 2018.

Note 27 - Statutory auditors' fees

(in euros)	MAZARS SA - MAZARS			ORFIS SA - ORFIS BAKER TILLY		
	Total (excl. tax)		%	Total (excl. tax)		%
	N	Y-1	(Y)	N	Y-1	(Y)
Audit						
Auditing of accounts, certification, examination of individual and consolidated financial statements:						
- Issuer	87,700	87,900		76,800	71,100	-
- Fully-consolidated subsidiaries	185,734	165,244		109,537	170,553	-
Services other than account certification:						
- Issuer	-	5,500	-	-	-	-
- Fully-consolidated subsidiaries	-	-	-	-	-	-
Sub-total	273,434	258,644	6%	186,337	241,653	(25)%
Other services delivered by the networks to fully-consolidated subsidiaries						
Legal, tax, social	83,078	68,100		-	-	-
Other	-	-		-	-	-
Sub-total	83,078	68,100	22%	-	-	(25)%
Total	**356,512**	**326,744**	**9%**	**186,337**	**241,653**	**100%**

Services other than account certification concern tax compliance reviews, notably in terms of transfer prices.

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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MAZARS
P.A.E. Les Glaisins

74940 Annecy-le-Vieux

Financial year ended 31 December 2017

To the General Meeting of the company MGI COUTIER,

Opinion

Accordance with the terms of our appointment by your General Meeting, we audited the consolidated financial statements of the company MGI COUTIER concerning the financial year ended 31 December 2017, as attached to the present report.
We certify that the consolidated financial statements are, in respect of the IFRS standard as adopted in the European Union, accurate and truthful and provide a true picture of operations during the last financial year, as well as of the financial position and assets, at the end of the financial year, of the group comprised of the individuals and entities included in the scope of consolidation.
The opinion formulated below is consistent with the content of our report to the audit committee.

Basis of the opinion

Audit benchmark

We conducted our audit in accordance with the professional standards applicable in France. We believe that the items we gathered are sufficient and appropriate for supporting our opinion.
The responsibilities incumbent upon us in respect of these standards are indicated in the section "Responsibilities of the Statutory Auditors concerning the audit of the consolidated financial statements" of the present report.

Independence

We conducted our audit assignment in accordance with the rules of independence that apply to us, during the period from 1 January 2017 to the date on which our report was issued, and notably we did not provide services prohibited by article 5, paragraph 1, of regulation (EU) no. 537/2014 or by the accounting profession's code of ethics.

Observation

Without calling into question the opinion expressed above, we draw your attention to the point laid out in note 1 of the appendix to the consolidated financial statements, which presents the new standards, amendments and interpretations that your company applied from 1 January 2017.

Explanatory notes on our assessment – Key points of the audit

Pursuant to the provisions of article L.823-9 and R.823-7 of the French Commercial Code concerning the justification of our assessments, we bring to your attention the key points of the audit concerning the risks of significant anomalies, which, in our professional opinion, were the most significant for the

audit of the consolidated financial statements for the financial year, as well as the responses that we provided to these risks.
The performed assessments form part of the context of the audit of the consolidated financial statements as a whole and of the formation of our opinions expressed above. We did not express an opinion on items of these consolidated financial statements viewed in isolation.

Assessment of provisions linked to technical and commercial liabilities

Note 1.3.k) and note 16 of the appendix to the consolidated financial statements

Risk identified

As the Group is present in numerous countries and supplies numerous automotive manufacturers, it is exposed to the risks inherent to its activity, notably concerning the commercial and industrial aspects.
In this context, the Group may encounter uncertain, litigious or contentious situations, notably in relation to technical risks and recall campaigns conducted by automotive manufacturers.
The risk assessment is regularly reviewed by the Group's Management. The incomplete identification and/or incorrect assessment of a risk may cause the Group to overestimate or underestimate its provisions.
At the close of the 2017 financial year, other provisions for liabilities and charges totalled €25.2 million and were primarily linked to technical and commercial liabilities. We felt that the assessment of provisions linked to technical and commercial liabilities was a key point of our audit given the potential Group-wide financial stakes and the management's judgement in the assessment of the risks and amounts recognised.

Responses provided during our audit

Our work notably consisted of:

- obtaining external confirmations from the lawyers enabling us to compile an inventory of disputes, contentious situations involving the Group;
- familiarising ourselves with the risk analysis conducted by the Group, with the corresponding documentation and, where applicable, reviewing the written consultations of its external advisors;
- meeting the Product Line Director concerned by technical liabilities;
- assessing the main risks identified and examining the reasonable nature of the hypotheses chosen by the Management in view of the information collected to assess the amount of provisions recognised.

Verification of the information concerning the Group provided in the management report

In accordance with professional standards applicable in France, we also conducted a specific verification, as provided for by law, of the information concerning the Group and provided in the Management Board's management report.
We have no observation to make regarding the veracity of the information and its consistency with the consolidated financial statements.

Information resulting from other legal and regulatory obligations

We were appointed the Statutory Auditors for MGI COUTIER by the Ordinary General Meeting of 23 February 2014 in the case of the consulting firm MAZARS and by the Ordinary General Meeting of 24 June 2005 in the case of the consulting firm ORFIS BAKER TILLY.
As at 31 December 2017, the consulting firm MAZARS was in the 15th uninterrupted year of its assignment and the consulting firm ORFIS BAKER TILLY was in the 13th uninterrupted year of its assignment.

Responsibilities of the management and the individuals conducting corporate governance concerning the consolidated financial statements

It is the management's responsibility to establish consolidated financial statements that present a true picture in accordance with the IFRS standard as adopted in the European Union, as well as to implement the internal control that it believes is necessary in order to establish consolidated financial statements that do not contain any significant anomalies, whether as a result of fraud or errors.
During the preparation of the consolidated financial statements, it is the management's responsibility to assess the company's ability to continue its operation, to present in these financial statements, where applicable, the necessary information concerning the continuity of operations and to apply the accounting policy for a going concern, unless plans are in place to liquidate the company or discontinue its activity.
It is the audit committee's responsibility to monitor the process of preparing the financial information and to monitor the effectiveness of the internal control and risk management systems, as well as, where applicable, of the internal audit concerning the procedures relating to the preparation and processing of accounting and financial information.
The consolidated financial statements were closed by the Management Board.

Responsibilities of the Statutory Auditors concerning the audit of the consolidated financial statements

Audit objective and approach

It is our responsibility to prepare a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements as a whole do not contain any significant anomalies. Reasonable assurance corresponds to a high level of assurance, although it does not guarantee that an audit conducted in accordance with professional standards systematically detects all significant anomalies. Anomalies may arise from fraud or result from errors and are considered significant if it is reasonable to expect that they may, considered individually or cumulatively, influence the business decisions that the users of the financial statements make by drawing on them.
As stated in article L.823-10-1 of the French Commercial Code, our assignment to certify the financial statements does not consist of guaranteeing the viability or quality of your company's management.
In an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises its professional judgement throughout the audit. Furthermore:

- It identifies and assesses the risks that the consolidated financial statements contain significant anomalies, whether these arise from fraud or result from errors, defines and implements audit procedures to contend with these risks and gathers elements that it deems sufficient and appropriate to form its opinion. The risk of not detecting a significant anomaly arising from fraud is higher than the risk of not detecting a significant anomaly resulting from an error, as fraud may involve collusion, falsification, intentional omissions, false declarations or the bypassing of internal control.
- It familiarises itself with the internal control relevant to the audit in order to define appropriate audit procedures for the circumstances, rather than to express an opinion on the effectiveness of internal control.
- It assesses the appropriateness of the accounting methods used and the reasonable nature of the accounting estimates made by the management, as well as the information concerning these and provided in the consolidated financial statements.
- It assesses the appropriateness of the management's application of the accounting policy for a going concern and, based on the items collected, the existence or otherwise of a significant uncertainty linked to events or circumstances liable to call into question the company's ability to continue its operations. This assessment draws on the items collected until the date of its report, although subsequent circumstances or events could nevertheless call into question the continuity of operations. If it concludes that a significant uncertainty exists, it draws the attention of the readers of its report to the information provided in the consolidated financial statements

regarding this uncertainty or, if this information is not provided or is not relevant, it formulates a certification with reservations or a refusal to certify.

- It assesses the overall presentation of the consolidated financial statements and assesses whether the consolidated financial statements reflect the underlying operations and events in such a way that they provide a true picture of them.
- Concerning the financial information on the persons or entities included in the scope of business, it collects items that it deems sufficient and appropriate to express an opinion on the consolidated financial statements. It is responsible for the management, supervision and conduct of the audit of the consolidated financial statements, as well as for the opinion expressed regarding these financial statements.

Report to the audit committee

We submitted a report to the audit committee that notably presents the extent of the audit work and the work programme put in place, as well as the conclusions resulting from our work. We also bring to its attention, where applicable, the significant weaknesses in internal control that we identified concerning the procedures relating to the preparation and processing of accounting and financial information.

The items communicated in the report to the audit committee include the risks of significant anomalies that we deemed to have been the most important for the audit of the consolidated financial statements for the financial year and which, as a result, constitute the key points of the audit. These points are described in the present report.

We also provide to the audit committee the statement indicated in article 6 of regulation (EU) no. 537-2014 confirming our independence, under the rules applicable in France as established notably by articles L.822-10 to L.822-14 of the French Commercial Code and in the accounting profession's code of ethics. Where applicable, we meet with the audit committee to discuss the risks adversely affecting our independence and the safeguarding measures applied.

Drawn up in Villeurbanne and Annecy, on 19 April 2018

The Statutory Auditors

ORFIS BAKER TILLY	*MAZARS*
Mr Jean-Louis Fleche	*Mr Bruno Pouget*
Mr Nicolas Touchet	

MGI COUTIER

BALANCE SHEET

Parent-company financial statements
On 31 December 2017
(in thousands of euros)

ASSETS	*Notes no.*			31/12/2017	31/12/2016
		Gross amounts	Amortisation or provisions	Net amounts	Net amounts
Intangible fixed assets	*3.1*	**14,382**	**(11,907)**	**2,475**	**3,059**
Tangible fixed assets	*3.1*				
Land		661	(157)	504	512
Buildings		25,931	(15,087)	10,844	10,786
Plant, machinery and equipment		156,107	(117,867)	38,240	35,830
Other tangible assets		20,647	(16,010)	4,637	4,623
Assets under construction, advance and progress payments		4,280		4,280	3,714
		207,626	**(149,121)**	**58,505**	**55,465**
Financial assets	*3.2*				
Equity investments and related debts		265,931	(33,840)	232,091	200,161
Other financial assets		487	(49)	438	429
		266,418	**(33,889)**	**232,529**	**200,590**
Stocks	*3.3*	**45,534**	**(5,074)**	**40,460**	**33,528**
Advances and received downpayment		**1,586**		**1,586**	**621**
Accounts receivable					
Trade receivables and other receivables	*3.4*	69,283	(86)	69,197	76,341
Non-trade receivables	*3.5*	20,301	(34)	20,267	27,839
		89,584	**(120)**	**89,464**	**104,180**
Cash assets and marketable securities	*3.6*	**63,256**		**63,256**	**67,677**
Deferred Expenses		**414**		**414**	**528**
Translation Gains/Losses on Assets		**0**		**0**	**1**
Total Assets		**688,800**	**(200,111)**	**488,689**	**465,649**

LIABILITIES	*Notes No.*	31/12/2017	31/12/2016
Shareholders' equity	*3.8*		
Share capital		21,393	21,393
Premiums from mergers, infusion of assets into business		9,705	9,705
Legal reserve		2,139	2,139
Regulatory reserves		41	41
Other reserves			
Retained earnings		121,899	92,612
Interim dividends			
Result for the financial period		29,378	37,308
Regulatory provisions	*3.8*	26,647	25,340
Net Provision Before Distribution		**211,202**	**188,538**
Other equity			
Conditional subsides		**33**	**158**
Provisions for Liabilities & Charges	*3.9*	**20,264**	**24,565**
Debts			
Financial debt	*3.10*	120,550	121,826
Associates - various financial debts	*3.10*	57,227	48,354
Trade and other accounts payable		61,551	64,785
Tax liabilities and personnel expenses	*3.11*	13,662	13,309
Other creditors	*3.11*	4,079	3,993
		257,069	**252,267**
Deferred Revenue		**121**	**121**
Translation Gains/Losses on Liabilities		**0**	**0**
Total liabilities		**488,689**	**465,649**

INCOME STATEMENT

On 31 December 2017
Parent-company financial statements
(in thousands of euros)

	Notes no.	**31/12/2017 (12 months)**	**31/12/2016 (12 months)**
NET REVENUE	*4.1*	429,363	403,879
Change in the inventory stocked		6,692	4,190
Operating subsidies		10	2
Other operating profits		4,886	3,177
OPERATING PROFITS		**440,951**	**411,248**
Purchasing		(92,847)	(92,558)
Variation in inventory and WIP		1,218	1,309
Other purchases and external charges		(231,315)	(210,902)
VALUE ADDED		**118,007**	**109,097**
Taxes and dues		(5,325)	(5,578)
Personnel costs		(76,529)	(75,291)
GROSS OPERATING SURPLUS		**36,153**	**28,228**
Amortisation allowances		(11,655)	(10,970)
Write-offs and provisions		3,330	(11,065)
Other profits and (expenses)		(987)	(863)
OPERATING PROFIT		**26,841**	**5,330**
Financial profit and (expenses)	*4.2*	2,215	23,864
CURRENT PROFIT BEFORE TAX		**29,056**	**29,194**
Exceptional profit and (expenses)	*4.3*	(1,123)	5,525
Employee profit-sharing			
INCOME BEFORE TAX		**27,933**	**34,719**
Tax provisions	*4.4*	1,443	2,589
NET RESULT		**29,376**	**37,308**

APPENDIX TO THE PARENT-COMPANY FINANCIAL STATEMENTS

31 December 2017

1. Presentation of the company and financial year highlights

MGI COUTIER SA's business activity consists of 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 2017 financial year.

2. Accounting principles and valuation method

2.1. Accounting principles

The financial statements as at 31 December 2017 are presented in accordance with generally accepted accounting principles in France and take into account ANC regulation no. 2014-03 of 5 June 2014 concerning the rewriting of the French General Accounting Plan and amended by regulation 2016-07.

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.

No other accounting change occurred during the financial year is presented, with the exception of the change resulting from the mandatory application from 1 January 2017 of ANC regulation 2015-05. The application of ANC regulation 2015-05 did not have a significant effect on the presentation of the financial statements.

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 during which they are 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 1 January 2005 of the regulation 2002-10, MGI COUTIER no longer amortises the goodwill entered as an asset on the balance sheet.

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

Patents are amortised over their protection period.

The company conducts impairment tests on its goodwill every year.
The duration of use of goodwill is presumed to be unlimited.
It impairs the value of an asset if its current value (the venal value or value in use, whichever is higher) falls below its net book value.

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 summarised as follows:

- Buildings 25 to 40 years
- Building fixtures and fittings 5 to 10 years
- Technical facilities 5 to 10 years
- Equipment and industrial tooling 5 to 10 years
- General facilities 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

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

Participating interests are subject to a depreciation provision if their value in use appears lower than their book value. The value in use of participating interests is appreciated using several criteria, in particular shareholders’ equity, multiples of gross operating margin, development and profitability projections.

2.3. Receivables from participating interests

As of 2 January 2002, MGI COUTIER Group has implemented cash management agreements between all the subsidiaries of the Group. These stipulate that all intra-group receivables and commercial debts due and not reimbursed 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. Trade accounts receivable

Accounts receivable and debts are valued at their nominal value. Provisions for bad debts are established according to ageing 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.

Furthermore, provisions for depreciation of accounts receivable are also calculated in accordance with ageing criteria for uncollected invoices and according to the following terms:

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

2.6. Provisions for liabilities and provisions for 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. Pension commitments

No provision is made for the rights acquired by staff members in terms of retirement compensation. They are nevertheless valued and their amount at the end of the financial year is recorded under financial commitments (see 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 1.6% discount rate, 1.9% 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 act no. 2010-1330 of 9 November 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.

There were no risks and charges provisions 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 unrealised exchange rate losses has been made.

3. Notes on the balance sheet

3.1. Tangible and intangible assets

(in thousands of euros)	**31.12.2016**	**Increases**	**Decreases**	**31.12.2017**
Intangible assets	15,037	406	(1,061)	14,382
Land	662		(1)	661
Buildings	25,184	754	(7)	25,931
Plant, machinery and equipment	146,821	11,660	(2,374)	156,107
Other tangible assets	20,496	888	(737)	20,647
Assets under construction, advance and progress payments	3,714	567	(1)	4,280
Gross values	**211,914**	**14,275**	**(4,181)**	**222,008**
Amortisation of other intangible assets	(11,978)	(991)	1,062	(11,907)
Provisions for land	(150)	(7)	-	(157)
Buildings depreciation	(14,398)	(696)	7	(15,087)
Technical installations depreciation	(110,991)	(9,105)	2.229	(117,867)
Depreciation of other assets	(15,873)	(856)	719	(16,010)
Total amortisations/provisions	**(153,390)**	**(11,655)**	**4,017**	**(161,028)**
Net value	**58,524**	**2,620**	**(164)**	**60,980**

"Intangible assets" are analysed as follows as at 31 December 2017:

(in thousands of euros)	**Gross amount**	**Amortisation**	**Net amount**
Software	8,055	(7,181)	874
Goodwill	6,327	(4,726)	1.601
Other intangible assets	-	-	-
Total	**14,382**	**(11,907)**	**2,475**

Research and Development costs recognised as expenses during the financial year totalled €24.491 million (€23.64 million during the 2016 financial year).

3.2. Financial assets

(in thousands of euros)	31.12.2016	Increases	Decreases	31.12.2017
Participating interests	220,215	4,760	(1)	224,974
Receivables from participating interests	14,638	26,656	(337)	40,957
Other financial assets	493		(6)	487
Gross values	**235,346**	**31,416**	**(344)**	**266,418**
Provisions for participating interests	(27,623)	(2,039)	3,350	(26,312)
Provisions for related liabilities	(7,069)	(1,513)	1,054	(7,528)
Provisions for other assets	(64)		15	(49)
Total provisions	**(34,756)**	**(3,552)**	**4,419**	**(33,889)**
Net value	**200,590**	**27,864**	**4,075**	**232,529**

3.3. Stocks

(in thousands of euros)	31.12.2017	31.12.2016
Raw materials	12,044	10,814
WIP	7,915	7,604
Semi-finished and finished products	25,564	19,183
Goods	10	23
Gross value	**45,533**	**37,624**
Depreciation allowances	(5,074)	(4,096)
Net value	**40,459**	**33,528**

3.4. Trade accounts receivable

(in thousands of euros)	31.12.2017	31.12.2016
Trade accounts receivable	69,283	76,432
Depreciation allowances	(86)	(91)
Net value	**69,197**	**76,341**

3.5. Non-trade receivables

(in thousands of euros)	31.12.2017	31.12.2016
Tax on profits	17,377	20,132
VAT	2,467	7,325
Other	457	418
Gross value	**20,301**	**27,875**
Depreciation allowance	(34)	(36)
Net value	**20,267**	**27,839**

3.6. Cash assets and marketable securities

(in thousands of euros)	31.12.2017	31.12.2016
Cash assets	63,256	67,677
Net value	**63,256**	**67,677**

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	40,957
Other financial assets	487
Customer debt provisions	86
Other debt provisions	34
Total	**41,564**

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

(in thousands of euros)	Due within 1 to 5 years	Due within > 5 years	Total
Financial debt	117,176	-	117,176
Miscellaneous financial debts	57,227	-	57,227
Total	**174,403**	**-**	**174,403**

3.8. Shareholders' equity

The share capital is comprised of 26,741,040 shares of €0.80 each. There was one concerted action as defined by article 233-10 of the French Commercial Code between the companies COUTIER DEVELOPPEMENT SA, COUTIER SENIOR (family holding companies controlled by Mr André, Mr Roger, the heirs of Joseph Coutier and their family) and Mr André, Mr Roger and the heirs of Joseph Coutier, which represent 69.68% of the capital and voting rights. These shareholders formed an agreement in which they decided to join forces to implement a common shareholder policy regarding dealings with the company. This agreement was the object of regulatory declarations of the supervisory authorities that ensured the publication of the agreement (SBF notice no. 94-2365 of 29 July 1994). The duration of this shareholder pact is five years, renewable by tacit renewal for periods of five years each, provided that one of the parties does not terminate its involvement before the end of the period. In such an event, the members remaining in the pact would continue to be bound by the resulting obligations. The pact was updated following the changes to the capital at COUTIER JUNIOR, which became COUTIER DEVELOPPEMENT in 2015.

The change in shareholders' equity during the financial year 2017 is analysed as follows:

(in thousands of euros)	Amounts
Shareholders' equity at 31.12.2016	188,538
Dividend distribution	(8,021)
Income for the financial year	29,378
Regulated provisions transactions	1,307
Total	**211,202**

3.9. Provisions for liabilities and provisions for charges

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

(in thousands of euros)	31.12.2016	Transfers	Uses	Unallocated write-backs/Other transactions	31.12.2017
Provisions for disputes	24,564	9,009	(12,641)	(668)	20,264
Provisions for exchange rate losses	1	0	(1)		0
Total	**24,565**	**9,009**	**(12,642)**	**(668)**	**20,264**

Allowances for litigation are primarily linked, in respect of the 2017 financial year, to technical and commercial liabilities and notably warranty returns. In the latter case, the amounts were estimated based on warranty returns observed during the financial year, contractual warranty periods and available historical data.

3.10. Financial debt

(in thousands of euros)	31.12.2017	31.12.2016
Group debts	57,227	48,354
Debts exclusive of Group:		
- Loans	117,176	118,433
- Interest payable	573	577
- Others	2,802	2,816
Total	**177,778**	**170,180**

Some bank loans are subject to financial covenants. As at 31 December 2017, the company has abided by all of these covenants.

3.11. Tax liabilities & payroll tax expenses and other debts

(in thousands of euros)	31.12.2017	31.12.2016
Social organisations	5,383	5,026
Personnel	5,509	5,073
Statutory taxes (VAT, corporate tax, etc.)	2,769	3,210
Advances and deposits received	4,059	3,982
Other debts and expenses	20	11
Total	**17,740**	**17,302**

3.12. Related payables

Accrued income is primarily comprised of supplier credit notes in the amount of €6.288 million (€4.603 million in 2016) and unbilled revenue in the amount of €5.587 million (€6.497 million in 2016). Accrued liabilities are primarily comprised of accrued invoices in the amount of €17.565 million (€16.873 million in 2016), accrued credit notes in the amount of €9.209 million (€3.662 million in 2016) and tax liabilities and personnel expenses in the amount of €8.774 million (€7.917 million in 2016).

3.13. Negotiable instruments

Trade accounts receivable include an amount of €27.906 million (€28.209 million in 2016) corresponding to received trade bills not yet due and not anticipated. Trade accounts payable include notes payable in the amount of €3.965 million (€4.616 million in 2016).

4. NOTES TO THE INCOME STATEMENT

4.1. Breakdown of revenue

Revenue in France totalled €215.562 million, or 50.21% of total revenue (52.34% in 2016). Export revenue totalled €213.801 million, or 49.79 % of total revenue (47.66 % in 2016).

4.2. Financial profits and charges

(in thousands of euros)	31.12.2017	31.12.2016
Equity investment profits	3,914	28,798
Net translation differences	(480)	(18)
(Expenses)/net reversal of provisions	867	(2,843)
Write-offs	-	-
Interest expenses and other financial expenses (net)	(2,085)	(2,073)
Total	**2,216**	**23,864**

Allocations to provisions on participating interests totalled €2.039 million (€10.301 million in 2016). These exclusively concern the subsidiaries MGI COUTIER ARGENTINA SA, SINFA CABLES SARL and MGI COUTIER MAROC SARL. Reversals concerning the Brazilian subsidiary were recorded in the amount of €3.35 million (€994,000 in 2016). Allocations to provisions for receivables from participating interests totalled €1.513 million (€1.193 million in 2016). They primarily concern SINFA CABLES SARL and AVON AUTOMOTIVE COMPONENTS CHONGQING. Reversals on provisions for receivables from participating interests totalled €1.053 million (€7.652 million in 2016). These reversals primarily concern the Moroccan, Indian and Iranians subsidiaries.

4.3. Exceptional income

(in thousands of euros)	31.12.2017	31.12.2016
Depreciation and provisions (net)	(1,307)	(1,028)
Net asset sales	(22)	3,816
Other profits (charges)	206	2,737
Total	**(1,123)**	**5,525**

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

(in thousands of euros)	EBT	Tax	Net income after tax
Current profit/loss (and securities)	29,058	1,443	30,501
Exceptional income	(1,123)		-1,123
Profit/loss	**27,935**	**1,443**	**29,378**

4.5. Increase and relief of future tax debt

Items generating a tax deferral entail a future tax increase of €8.613 million (€8.202 million in 2016), based on total rates of 28% and 33.33%, taking into account provisional due dates for reversals of deferred tax bases.

5. OTHER INFORMATION

5.1. Retirement

Total commitments linked to retirement gratuities that are not subject to provisions at the closing date totalled €5.3 million. The calculation assumptions are stated in note 2.7 above.

5.2. Leasing

The original value of fixed assets acquired through capital leases totalled €30.141 million whereas their net value would total €4.927 million when required under full ownership and amortised.

Given that the company has no more current contracts, there are no fees to pay.

5.3. Identity of the acquiring company

MGI COUTIER SA is the leader of its Group's consolidation and therefore presents the consolidated financial statements under its sole name.

5.4. Other financial commitments

As at 31 December 2017, other commitments to financial organisations were as follows:

- €10.287 million in respect of sureties granted (€10.443 million in 2016).
- €33 million in respect of mortgages and guarantees on financial assets (this amount already being included under financial debts (€79.6 million in 2016).

5.5. Remuneration paid to Directors

Remuneration paid to members of the Management Committee totalled €2,097,601 during the financial year ended 31 December 2017 (€1,506,017 in 2016). Total remuneration and attendance fees paid to the Members of the Supervisory Board totalled €118,137 during the financial year ended 31 December 2017 (€143,872 in 2016).

5.6. Average headcount

	2017	**2016**
Executives	312	298
Employees, Technicians & Supervisors	652	632
Operatives	650	711
Total	**1,614**	**1,641**

5.7. C.I.C.E

The Competitiveness and Employment Tax Credit (CICE) is calculated through the reduction of the entity's tax.

In accordance with the provisions of article 76 of the 2015 Finance Act, it is stated that, in respect of the CICE aimed at financing the improvement and competitiveness of companies, MGI COUTIER SA makes use of this notably through efforts in:

- 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 Code)
(in euros, unless stated otherwise)

FINANCIAL YEARS CONCERNED TYPE OF ITEMS	From 01/01/2013 to 31/12/2013	From 01/01/2014 to 31/12/2014	From 01/01/2015 to 31/12/2015	From 01/01/2016 to 31/12/2016	From 01/01/2017 to 31/12/2017
Capital at financial year end					
a) Share capital in francs	-	-	-	-	-
Share 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	26,741,040	26,741,040	26,741,040	26,741,040
- nominal value of shares in francs	-	-	-	-	-
- nominal value of shares in euros	8	0.8	0.8	0.8	0.8
Number of shares with priority dividend (without voting rights)	-	-	-	-	-
d) Maximum number of future shares to be created	-	-	-	-	-
- by conversion of bonds	-	-	-	-	-
- by exercising subscription rights	-	-	-	-	-
Operations and profits of the financial year					
a) EBT	241,609,158	239,239,654	325,201,166	403,879,211	429,363,055
b) Profit before tax, employee profit-sharing, amortisation expense and depreciation	24,430,758	3,945,969	16,280,180	60,625,417	36,699,824
c) Income tax	(4,189,704)	(5,007,805)	(4,778,339)	(2,588,706)	(1,443,383)
d) Employee profit-sharing due for the financial year	-	-	-	-	-
e) Profit after tax, employee profit-sharing, amortisation expense and depreciation	15,022,504	(4,977,172)	5,617,556	37,308,079	29,377,937
f) Total dividends	1,337,052	1,337,052	5,348,208	8,022,312	8,022,312*
Profit/loss per share					
a) Profit after tax, employee profit-sharing but before amortisation expense and depreciation	10.70	0.33	0.79	2.88	1.43
b) Profit after tax, employees profit-sharing and amortisation expense and depreciation	5.62	0.19	0.21	1.40	1.10
c) Net dividend assigned to each share	0.50	0.05	0.20	0.3	0.3*

Personnel					
a) Average number of employees over the financial year	1,856	1,702	1,674	1,641	1,614
b) Total pay roll for the financial year	52,856,871	52,737,013	53,213,606	54,486,791	55,413,911
c) Social contributions for the financial year (social security benefits, social welfare etc.)	19,767,261	20,346,570	19,897,029	20,803,869	21,114,647

* This is the dividend distribution that the Management Board will propose at the General Meeting in May 2018

STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

ORFIS BAKER TILLY
149, Boulevard de Stalingrad
69100 Villeurbanne 13, avenue du Pré Félin

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

Financial year ended 31 December 2017

To the General Meeting of the company MGI COUTIER,

Opinion

In accordance with the terms of our appointment by your general meeting, we audited the annual financial statements of the company MGI COUTIER concerning the financial year ended 31 December 2017, as attached to the present report.
In compliance with French accounting rules and principles, we certify that the annual accounts are accurate and truthful and provide a true picture of operations during the last financial year, as well as of the company's financial position and assets at the end of the financial year.
The opinion formulated below is consistent with the content of our report to the audit committee.

Basis of the opinion

Audit benchmark

We conducted our audit in accordance with the professional standards applicable in France. We believe that the items we gathered are sufficient and appropriate for supporting our opinion.
The responsibilities incumbent upon us in respect of these standards are indicated in the section "Responsibilities of the Statutory Auditors concerning the audit of the annual financial statements" of the present report.

Independence

We conducted our audit assignment in accordance with the rules of independence that apply to us, during the period from 1 January 2017 to the date on which our report was issued, and notably we did not provide services prohibited by article 5, paragraph 1, of regulation (EU) no. 537/2014 or by the accounting profession's code of ethics.

Explanatory notes on our assessment – Key points of the audit

Pursuant to the provisions of L. 823-9 and R. 823-7 of the French Commercial Code concerning the justification of our assessments, we bring to your attention the key points of the audit concerning the risks of significant anomalies, which, in our professional opinion, were the most significant for the audit of the annual financial statements for the financial year, as well as the responses that we provided to these risks.
The performed assessments form part of the context of the audit of the annual financial statements as a whole and of the formation of our opinions expressed above. We did not express an opinion on items of these annual financial statements viewed in isolation.

Assessment of participating interests and receivables from participating interests

Notes 2.2 c, 2.3 and 3.2 of the appendix to the annual financial statements

Risk identified

Participating interests and receivables from participating interests appear on the balance sheet of MGI COUTIER as at 31 December 2017 in the net amount of €232.1 million.
Participating interests are recognised, on their entry date, at the acquisition cost and impaired if their value in use estimated at the closing date is below their book value. The value in use of participating interests is appreciated using several criteria, in particular shareholders' equity, multiples of gross operating margin, development and profitability projections. This estimate requires the Management to exercise its judgement, particularly if it is based on forward-looking items.
Due to the uncertainties inherent in the forward-looking items used in these calculations, we felt that the assessment of participating interests, and by extension the associated receivables, constitutes a key point of our audit.

Responses provided during our audit

We examined the controls put in place by the Company to assess the value in use of the participating interests. Our work notably consisted of:

- Comparing the company's share of the book net assets used to determine the value in use of the participating interests with the data provided by accounting;
- Verifying, if the values in use were determined based on forward-looking items, that their assessment was based on an appropriate assessment method;
- Evaluating the reasonable nature of the main assumptions used to assess the values in use by meeting with the Management;
- Verifying the arithmetic accuracy of the calculations of the values in use conducted by the Company;
- Evaluating the recoverable nature of the associated receivables in light of the results of the participating interest impairment tests.

Assessment of provisions linked to technical and commercial liabilities

Note 2.6 and note 3.9 of the appendix to the annual financial statements

Risk identified

As the company is a top-tier supplier to numerous automotive manufacturers, it is exposed to the risks inherent in its activity, notably concerning the commercial and industrial aspects.
In this context, the company may encounter uncertain, litigious or contentious situations, notably in relation to technical risks and recall campaigns conducted by automotive manufacturers.
The risk assessment is regularly reviewed by company's Management. The incomplete identification and/or incorrect assessment of a risk may cause the company to overestimate or underestimate its provisions.
At the close of the 2017 financial year, provisions for disputes totalled €20.3 million and were primarily linked to technical and commercial liabilities. We felt that the assessment of provisions linked to technical and commercial liabilities was a key point of our audit given the potential company-wide financial stakes and the management's judgement in the assessment of the risks and amounts recognised.

Responses provided during our audit

Our work notably consisted of:
- obtaining external confirmations from the lawyers enabling us to compile an inventory of disputes, contentious situations involving the company;
- familiarising ourselves with the risk analysis conducted by the company, with the corresponding documentation and, where applicable, reviewing the written consultations of its external advisors;
- meeting the product line director concerned by technical liabilities;
- assessing the main risks identified and examining the reasonable nature of the hypotheses chosen by the Management in view of the information collected to assess the amount of provisions recognised.

Verification of the management report on the other documents submitted to shareholders

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

Information provided in the management report and in the other documents submitted to shareholders regarding the financial position and the annual financial statements

We have no observations made regarding the veracity and consistency with the annual financial statements of the information provided in the management report and in the other documents submitted to shareholders regarding the financial position in the annual financial statements.
We would like to point out that the Management report does not encompass all the corporate and environmental information provided for in article L.225-102-1 of the French Commercial Code, and that it did not conduct the appointment of any independent third parties in charge of checking this information.

Report on corporate governance

We hereby certify the existence, in the supervisory committee's report on corporate governance, of the information required under articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code.
Concerning the information provided in accordance with the provisions of article L.225-37-3 of the French Commercial Code on remunerations and benefits paid to the corporate officers and on compensations allocated to them, we checked their consistency with the financial statements and with the information used to prepare these financial statements and, where applicable, with the items collected by your company from controlling or controlled companies. On the basis of this work, we certify the accuracy and faithfulness of this information.

Other information

In compliance with the law, we are confident that the various information pertaining to the identification of holders of the capital and voting rights were communicated to you in the management report.

Information resulting from other legal and regulatory obligations

Appointment of the Statutory Auditors

We were appointed the Statutory Auditors for MGI COUTIER by the Ordinary General Meeting of 23 February 2004 in the case of the consulting firm MAZARS and by the Ordinary General Meeting of 24 June 2005 in the case of the consulting firm ORFIS BAKER TILLY.

As at 31 December 2017, the consulting firm MAZARS was in the 15th uninterrupted year of its assignment and the consulting firm ORFIS BAKER TILLY was in the 13th uninterrupted year of its assignment.

Responsibilities of the Management and the individuals conducting corporate governance concerning the annual financial statements

It is the management's responsibility to prepare annual financial statements that present a true picture in accordance with French accounting rules and principles, as well as to implement the internal control that it believes is necessary in order to prepare annual financial statements that do not contain any significant anomalies, whether as a result of fraud or errors.
During the preparation of the annual financial statements, it is the Management's responsibility to assess the company's ability to continue its operation, to present in these financial statements, where applicable, the necessary information concerning the continuity of operations and to apply the accounting policy for a going concern, unless plans are in place to liquidate the company or discontinue its activity.
It is the audit committee's responsibility to monitor the process of preparing the financial information and to monitor the effectiveness of the internal control and risk management systems, as well as, where applicable, of the internal audit concerning the procedures relating to the preparation and processing of accounting and financial information.
The annual financial statements were closed by the Management Board.

Responsibilities of the Statutory Auditors concerning the audit of the annual financial statements

Audit objective and approach

It is our responsibility to prepare a report on the annual financial statements. Our objective is to obtain reasonable assurance that the annual financial statements as a whole do not contain any significant anomalies. Reasonable assurance corresponds to a high level of assurance, although it does not guarantee that an audit conducted in accordance with professional standards systematically detects all significant anomalies. Anomalies may arise from fraud or result from errors and are considered significant if it is reasonable to expect that they may, considered individually or cumulatively, influence the business decisions that the users of the financial statements make by drawing on them.
As stated in L. 823-10-1 of the French Commercial Code, our assignment to certify the financial statements does not consist of guaranteeing the viability or quality of your company's management.

In an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises its professional judgement throughout the audit. Furthermore:

- It identifies and assesses the risks that the annual financial statements contain significant anomalies, whether these arise from fraud or result from errors, defines and implements audit procedures to content with these risks and gathers elements that it deems sufficient and appropriate to form its opinion. The risk of not detecting a significant anomaly arising from fraud is higher than the risk of not detecting a significant anomaly resulting from an error, as fraud may involve collusion, falsification, intentional omissions, false declarations or the bypassing of internal control.

- It familiarises itself with the internal control relevant to the audit in order to define appropriate audit procedures for the circumstances, rather than to express an opinion on the effectiveness of internal control.
- It assesses the appropriateness of the accounting methods used and the reasonable nature of the accounting estimates made by the Management, as well as the information concerning these provided in the annual financial statements.
- It assesses the appropriateness of the Management's application of the accounting policy for a going concern and, based on the items collected, the existence or otherwise of a significant uncertainties are linked to events or circumstances liable to call into question the company's ability to continue its operations. This assessment draws on the items collected until the date of its report, although subsequent circumstances or events could nevertheless call into question the continuity of operations. If it concludes that a significant uncertainty exists, it draws the attention of the readers of its report to the information provided in the annual financial statements regarding this uncertainty or, if this information is not provided or is not relevant, it formulates a certification with reservations or a refusal to certify.
- It assesses the overall presentation of the annual financial statements and assesses whether the annual financial statements reflect the underlying operations and events in such a way that they provide a true picture of them.

Report to the audit committee

We submitted a report to the audit committee that notably presents the extent of the audit work and the work programme put in place, as well as the conclusions resulting from our work. We also bring to its attention, where applicable, the significant weaknesses in internal control that we identified concerning the procedures relating to the preparation and processing of accounting and financial information.

The items communicated in the report to the audit committee include the risks of significant anomalies that we deemed to have been the most important for the audit of the annual financial statements for the financial year and which, as a result, constitute the key points of the audit, which it is our responsibility to describe in the present report.

We also provide to the audit committee the statement indicated in article 6 of regulation (EU) no. 537-2014 confirming our independence, under the rules applicable in France as established notably by articles L. 822-10 to L. 822-14 of the French Commercial Code and in the accounting profession's code of ethics. Where applicable, we meet with the audit committee to discuss the risks adversely affecting our independence and the safeguarding measures applied.

Drawn up in Villeurbanne and Annecy, on 19 April 2018

The Statutory Auditors

ORFIS BAKER TILLY	*MAZARS*
Mr Jean-Louis Fleche	*Mr Bruno Pouget*
Mr Nicolas Touchet	

SPECIAL REPORT BY THE STATUTORY AUDITORS ON REGULATED AGREEMENTS AND COMMITMENTS

General Meeting approving the financial statements for the year ended 31 December 2017

Financial year ended 31 December 2017

In our capacity as Statutory Auditors of your company, we submit our report on regulated agreements and commitments.

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 commitments 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 commitments exist. Under the terms of article R.225-58 of the French Commercial Code, it is your responsibility to assess the relevance of concluding and then approving these agreements and commitments.

Furthermore, it is our responsibility, where applicable, to pass on the information provided for in article R. 225-58 of the French Commercial Code concerning the execution, during the previous financial year, of the agreements and commitments 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 French National Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*). These procedures consisted of checking that the submitted evidence was consistent with the originating documents.

AGREEMENTS AND COMMITMENTS SUBJECT TO THE APPROVAL OF THE GENERAL MEETING

Agreements and commitments authorised during the previous financial year

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

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

Invoicing royalty payments to the company MGI COUTIER ILIA CO PJS

Your company invoices MGI COUTIER ILIA CO PJS (Iran) royalty payments 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.

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

- 0.5% for research cost 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 authorised for the 2017 financial year by the Supervisory Board meeting of 26 January 2017.

Pursuant to the law, we hereby state that the prior approval given by the Supervisory Board does not include the reasons justifying the relevance of the agreement for the company laid down by article L.225-86 of the French Commercial Code.

Agreement to convert commercial liabilities into financial debts for MGI COUTIER ILIA CO PJS

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 centralised cash management agreements at the Euribor plus a 0.6 point margin.

The renewal of this agreement was authorised for the 2017 financial year by the Supervisory Board meeting of 26 January 2017.

Pursuant to the law, we announce you that the prior approval given by the Supervisory Board does not include the reasons justifying the relevance of the agreement for the company laid down by the article L.225-86 of the Commercial Code.

Provision of financial expertise services with ATF

The company MGI COUTIER concluded an agreement concerning the provision of financial appraisal services and, on an ancillary basis, legal and tax monitoring services, with the company ATF, of which Jean-Louis Thomasset, Vice-Chairman of the Management Board, is a partner and majority manager.

This agreement was concluded for a 24-month period starting from 1 January 2017, renewable by tacit agreement for a one-year period. This agreement was concluded to enable MGI COUTIER to continue benefiting from the knowledge and experience of Mr Jean-Louis Thomasset with flexibility and a controlled cost.

Under the terms of this agreement, expenses recorded for the 2017 financial year totalled €485,486.

The renewal of this agreement was authorised for the 2017 financial year by the Supervisory Board meeting of 26 January 2017.

Centralised 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 awarded by MGI COUTIER, and vice versa, bear interest at the Euribor rate plus 0.6 points. Noted that if the Euribor is negative, 0 is used as the benchmark index.

Over the financial year 2017, the financial charges 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 €)
COUTIER DEVELOPPEMENT	17,991
COUTIER SENIOR	603
Total	**18,594**

Pursuant to the law, we hereby state that the prior approval given by the Supervisory Board does not include the reasons justifying the relevance of the agreement for the company laid down by article L.225-86 of the French Commercial Code.

Renewal of guarantee in respect 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 commitment ending on 31 August 2017, your Supervisory Board dated 24 August 2017 authorised the renewal of the guarantee for a one-year period starting from 31 August 2017.

Pursuant to the law, we announce you that the prior approval given by the Supervisory Board does not include the reasons justifying the relevance of the agreement for the company laid down by the article L.225-86 of the Commercial Code.

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

Mr Frédéric Marier, a member of the Management Board since 10 February 2017, also has an employment contract in respect of his technical role.

The annual gross remuneration of this member of the Management Board, under his employment contract, was established in 2017 as follows:

	Gross annual base pay	Variable pay	Period
Frédéric Marier	€174,465	Performance & targets bonus	10 February 2017 to 30 June 2017
	€186,678	Performance & targets bonus	from 1 July 2017

Pursuant to the law, we announce you that the prior approval given by the Supervisory Board does not include the reasons justifying the relevance of the agreement for the company laid down by the article L.225-86 of the Commercial Code.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL MEETING

Agreements and commitments approved during previous financial years and still effective during the past financial year

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

Technical services agreement with COUTIER DEVELOPPEMENT

The company has concluded a technical services agreement with COUTIER DEVELOPPEMENT.

The goal of this agreement is in particular the assistance with the technical definition of new products, the identification of new markets, the research on the industrialisation within the "Track Time" and "One piece Flow" logic for the plant of the future and the optimisation of tooling design.

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

The remuneration provided under this agreement relates to the costs borne by COUTIER DEVELOPPEMENT plus an 8% margin.

Under the terms of this agreement, expenses recorded for the 2017 financial year totalled €249,000.

The continuation of this agreement was authorised for the 2017 financial year by the Supervisory Board meeting of 26 January 2017.

Performance agreement concluded with COUTIER DEVELOPPEMENT

The company concluded a performance agreement with COUTIER DEVELOPPEMENT.

The purpose of this agreement is for COUTIER DEVELOPPEMENT to provide its own resources, its support and its advice as part of the definition of the general policy and strategy of the MGI COUTIER group by advising on, planning, organising and coordinating the Group's activities and its knowledge both internally and externally.

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

The coordination services provided are not remunerated.

Under this agreement, no charge was recorded in 2017.

The continuation of this agreement was authorised for the 2017 financial year by the Supervisory Board meeting of 26 January 2017.

Agreement on premises and support services with COUTIER DEVELOPMENT and COUTIER SENIOR DEVELOPPEMENT non-trading partnership

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, income recorded for the 2017 financial year totalled:

- COUTIER DEVELOPPEMENT: €1,150
- COUTIER SENIOR: €383

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

Mr Jean-François Villaneau, a member of the Management Board since 26 January 2017, also has an employment contract in respect of his technical role.

The annual gross remuneration of this member of the Management Board, under his employment contract, was not revised in 2017.

Drawn up in Villeurbanne and Annecy, on 19 April 2018

The Statutory Auditors

ORFIS BAKER TILLY	*MAZARS*
Mr Jean-Louis Fleche	*Mr Bruno Pouget*
Mr Nicolas Touchet	

Appendix table

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

Companies	André Coutier	Benoît Coutier	Jean-Louis Thomasset	Mathieu Coutier	Jean-François Villaneau (*)	Frédéric Marier	Christophe Coutier	Nicolas Coutier	Emilie Coutier
MGI COUTIER	Chairman of S.B	Member of the Management Board	V.Chairman Management Board	Chairman of the Management Board	Member of the Management Board	Member of the Management Board (**)	COUTIER Dev. Representative On the S.B	Member of the Management Board	Member of the S.B
MGI COUTIER ILIA CO PJS		Executive director		Executive director	Chairman of B.D				
GOLD SEAL AVON POLYMERS PRIVATE LTD		Executive director		Executive director					
COUTIER DEVELOPPEMENT	Member and Chairman of Management Board	Member of the Management Board		Member of the Management Board			Member of the Management Board	Member of the Management Board	Member of the S.B (***)
COUTIER SENIOR (****)									
ATF			Majority stakeholder						

S.B: Chairman
Executive director : Executive Director
Dir: Management Board

(*) Until 26 January 2017, resignation date
(**) Since 10 February 2017, appointment date
(***) As a permanent representative of COFA2E SAS, member of the Supervisory Board of COUTIER DEVELOPPEMENT
(****) As a shareholder with a fraction of voting rights greater than 10% in the company MGI COUTIER

PROPOSED RESOLUTIONS

To the Ordinary and Extraordinary General Meeting of 30 May 2018

UNDER THE JURISDICTION OF THE ANNUAL ORDINARY GENERAL MEETING OF SHAREHOLDERS

First resolution

After the review of reports by the Management Board, the Supervisory Board and the Statutory Auditors, the General Meeting approves the annual financial statements as of 31 December 2017, as they have been presented, as well as the transactions recorded in the financial statements or summarised in these reports.
The General Meeting also approves the total amount of the expenses and charges not deductible from profits that are subject to corporate tax amounting to corporate tax amounting to €21,496, and the tax incurred in respect of these expenses and charges amounting to €7,165.
Consequently, the General Meeting releases fully and without reservation the members of the Management Board and the Members of the Supervisory Board from their mandates for 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 financial statements as at 31 December 2017, as they have been presented, as well as the transactions recorded in these financial statements and reports.

Third resolution

After the review of the Management Board's report, the General Meeting decided to allocate the profit for the financial year, amounting to €29,377,936.59, as follows:

- shareholders in the form of dividends, in the amount of €8,022,312.00, a gross dividend per share of €0.30; specifying that there has been no interim dividend, giving a net dividend to pay per share of €0.30, which will be paid out at the head office on 8 June 2018;
- the remainder as retained earnings in the amount of €21,355,624.59.
- This distribution is identical by value compared to the previous year in 2016 (€0.30 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 earnings” account.
In accordance with the law, the General Meeting notes that the dividends distributed during the previous three financial years were as follows:

Financial year ended	**Dividend per share in EUROS**	**Income eligible or otherwise for tax relief**
31 December 2014	0.05	Relief of 40% where applicable
31 December 2015	0.20	Relief of 40% where applicable
31 December 2016	0.30	Relief of 40% where applicable

Fourth resolution

After the review of the special report by the Statutory Auditors on the regulated agreements referred to in article L.225-86 et seq. of the French Commercial Code, the General Meeting approves said report and the agreements mentioned in it.

Fifth resolution

The General Meeting, ruling under the quorum and majority conditions of ordinary meetings, ratifies the appointment - by election at the end of December 2017 by the Central Works Council in accordance with the articles of association of MGI COUTIER - as a member representing the employees on the Supervisory Board of MGI COUTIER, of Mr Christophe Besse, born 22.10.1978 in SENLIS (60), of French nationality, residing at 275, impasse des Pampres 26300 CHATUZANGE LE GOUBET - France, for the duration of the remaining mandate for the Members of the Supervisory Board and until the end of the shareholder meeting convened to approve the financial statements for the financial year ending 31 December 2018, to be held in 2019.

Sixth resolution

The General Meeting sets a total budget for attendance fees to be allocated to the members of the Supervisory Board for the 2018 financial year in the amount of €120,000.

Seventh resolution

The General Meeting observes that the Statutory Auditor mandate:

- of MAZARS SA, principal Statutory Auditor, represented by Bruno Pouget, having its head office at Le Premium – 131 Boulevard Stalingrad – 69624 VILLEURBANNE Cedex, registered under number 351 497 649 on the LYON Trading Companies Register and capitalised at €1,886,008,
- and that the mandate of its substitute Statutory Auditor Mr Olivier Bietrix, deceased at the start of 2018, who was born on 18.11.1961 in LA TRONCHE (38 – France) and whose office is located at 131 Boulevard Stalingrad – 69624 VILLEURBANNE Cedex,

have expired at the present meeting.

The General Meeting, in accordance with the proposals and deliberations of the Supervisory Board at its meeting on 19 April 2018, decides to:

- purely and simply renew the mandate of MAZARS SAS represented by Mr Bruno Pouget,
- appoint as the new substitute of MAZARS SAS: Mr Philippe Galofaro, born on 06.08.1962 in LYON 6th arrondissement - business address: Le Premium – 131 Boulevard Stalingrad – 69624 VILLEURBANNE Cedex,

for a period of six financial years, ending with the Annual Ordinary General Meeting to be held in 2024, which will be convened to approve the financial statements to 31 December 2023, given that they meet the legal conditions required for the conduct of these mandates.

The General Meeting acknowledges that it has been informed of the fact that MAZARS SAS has not audited a contribution or merger transaction involving the company or controlled companies during the last two financial years. MAZARS SAS has also indicated that it would accept the renewal of its assignment.

Eighth resolution

The General Meeting observes that the Statutory Auditor mandate:

- of ORFIS SA, second principal Statutory Auditor, represented by Jean-Louis Fleche, having its head office at Le Palais d'Hiver - 149 Boulevard Stalingrad – 69100 VILLEURBANNE, registered under number 957 509 045 on the LYON Trading Companies Register and capitalised at €1,015,000

- and that the mandate of its substitute Statutory Audit, Mr Christophe Velut, born on 26 January 1962 at 69006 LYON 6th arrondissement (France), whose office is located at 149, boulevard Stalingrad – 69100 VILLEURBANNE,

have expired at the present meeting.

The General Meeting, in accordance with the proposals and deliberations of the Supervisory Board at its meeting on 19 April 2018, decides to:

- purely and simply renew the mandate of ORFIS SA represented by Mr Jean-Louis Fleche,
- appoint as the new substitute of ORFIS SA: Mr Bruno Genevois, born on 11.09.1964 at 69 VILLEFRANCHE SUR SAONE (France), whose office is located at "Le Palais d'Hiver" - 149 Boulevard Stalingrad – 69100 VILLEURBANNE,

for a period of six financial years, ending with the Annual Ordinary General Meeting to be held in 2024, which will be convened to approve the financial statements to 31 December 2023, given that they meet the legal conditions required for the conduct of these mandates.

The General Meeting acknowledges that it has been informed of the fact that ORFIS SA has not audited a contribution or merger transaction involving the company or controlled companies during the last two financial years. ORFIS SA has also indicated that it would accept the renewal of its assignment.

Ninth resolution

Ruling under the quorum and majority conditions required for Ordinary General Meetings, the General Meeting, having familiarised itself with the Management Board's report, authorises the Management Board, having the option to subdelegate, to acquire shares in the Company in accordance with the conditions and obligations laid out in the provisions of article L.225-209 et seq. and articles 241-1 of the French Commercial Code and in accordance with the following terms:

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 comprising the share capital, it being noted that this limit will apply to an amount of the Company's share capital, which, where applicable, would be adjusted to take into account the transactions affecting the share capital during the approval period; the acquisitions made by the Company must not under any circumstances lead it to hold, directly or indirectly, more than 0.5% of its own share capital;
- the number of shares accounted for in calculating the 0.5% limit specified above corresponds to the number of shares purchased, minus shares resold during the approval period;
- the unit purchase price shall not exceed €50.00 (exclusive of acquisition costs). The Management Board may, however, having the option to to subdelegate, adjust the maximum purchase price mentioned above in the event of incorporating reserves, profits or premiums on share issues, mergers or contributions, or any other sums whose incorporation 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, as well as in the event of the division of the nominal value of the shares, a consolidation of shares or any other transactions with an impact on share capital to take account of the impact of these operations on the share value;
- the acquisition, sale or transfer of shares may be realised 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 (French society of financial markets) code of ethics dated 23 September 2008 and acknowledged by the AMF decision of 1 October 2008.

The General Meeting gives all powers to the Board, with the option to subdelegate, to:

- decide whether it is advisable to implement this delegation of powers;
- determine the conditions and procedures of acquisition and sale including mainly the price of purchased shares;
- conduct, by any means, the acquisition, sale or transfer of these shares, submit any stock exchange 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.

The 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 29 November 2019.

This authorisation shall interrupt and replace the authorisation conferred by the Ordinary and Extraordinary General Meeting dated 28 June 2017.

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

Tenth resolution

Ruling under the quorum and majority conditions required for Ordinary General Meetings, the General Meeting, having familiarised itself with the Supervisory Board's report indicated in article L.225-82-2 of the French Commercial Code,
approves the principles and criteria of total remuneration and the benefits of any nature presented in the aforementioned report and assignable to the Chairman, the Vice-Chairman and the members of the Management Board in respect of their mandate.

Eleventh resolution

Ruling under the quorum and majority conditions required for Ordinary General Meetings, the General Meeting, having familiarised itself with the Supervisory Board's report indicated in article L.225-82-2 of the French Commercial Code,
approves the principles and criteria of total remuneration and the benefits of any nature presented in the aforementioned report and assignable to the Chairman of the Supervisory Board and the Members of the Supervisory Board in respect of their mandate.

Twelfth resolution

Ruling under the quorum and majority conditions required for Ordinary General Meetings, the General Meeting, having familiarised itself with the Supervisory Board's report indicated in article L.225-82-2 of the French Commercial Code,
approves the items comprising the total remuneration and benefits of any nature paid or allocated in respect of the financial year ended 31 December 2017 to Mr Mathieu Coutier under his mandate as Chairman of the Management Board, and
approves, accordingly, the payment of the variable remuneration items allocated to Mr Mathieu Coutier under his mandate as Chairman of the Management Board, in respect of the financial year ended 31 December 2017.

Thirteenth resolution

Ruling under the quorum and majority conditions required for Ordinary General Meetings, the General Meeting, having familiarised itself with the Supervisory Board's report indicated in article L.225-82-2 of the French Commercial Code,
approves the items comprising the total remuneration and benefits of any nature paid or allocated in respect of the financial year ended 31 December 2017 to Mr Jean-Louis Thomasset under his mandate as Vice-Chairman of the Management Board.

Fourteenth resolution

Ruling under the quorum and majority conditions required for Ordinary General Meetings, the General Meeting, having familiarised itself with the Supervisory Board's report indicated in article L.225-82-2 of the French Commercial Code,
approves the items comprising the total remuneration and benefits of any nature paid or allocated in respect of the financial year ended 31 December 2017 to Mr Jean-François Villaneau under his mandate as Member of the of the Management Board.

Fifteenth resolution

Ruling under the quorum and majority conditions required for Ordinary General Meetings, the General Meeting, having familiarised itself with the Supervisory Board's report indicated in article L.225-82-2 of the French Commercial Code,
approves the items comprising the total remuneration and benefits of any nature paid or allocated in respect of the financial year ended 31 December 2017 to Mr Benoît Coutier under his mandate as Member of the of the Management Board, and
approves, accordingly, the payment of the variable remuneration items allocated to Mr Benoît Coutier under his mandate as Member of the Management Board, in respect of the financial year ended 31 December 2017.

Sixteenth resolution

Ruling under the quorum and majority conditions required for Ordinary General Meetings, the General Meeting, having familiarised itself with the Supervisory Board's report indicated in article L.225-82-2 of the French Commercial Code,
approves the items comprising the total remuneration and benefits of any nature paid or allocated in respect of the financial year ended 31 December 2017 to Mr Nicolas Coutier under his mandate as Member of the of the Management Board, and
approves, accordingly, the payment of the variable remuneration items allocated to Mr Nicolas Coutier under his mandate as Member of the Management Board, in respect of the financial year ended 31 December 2017.

Seventeenth resolution

Ruling under the quorum and majority conditions required for Ordinary General Meetings, the General Meeting, having familiarised itself with the Supervisory Board's report indicated in article L.225-82-2 of the French Commercial Code,
approves the items comprising the total remuneration and benefits of any nature paid or allocated in respect of the financial year ended 31 December 2017 to Mr Frédéric Marier under his mandate as Member of the of the Management Board.

Eighteenth resolution

Ruling under the quorum and majority conditions required for Ordinary General Meetings, the General Meeting, having familiarised itself with the Supervisory Board's report indicated in article L.225-82-2 of the French Commercial Code,
approves the items comprising the total remuneration and benefits of any nature paid or allocated in respect of the financial year ended 31 December 2017 to Mr André Coutier under his mandate as Chairman of the Supervisory Board.

Nineteenth resolution

Ruling under the quorum and majority conditions required for Ordinary General Meetings, the General Meeting, having familiarised itself with the Supervisory Board's report indicated in article L.225-82-2 of the French Commercial Code,
approves the items comprising the total remuneration and benefits of any nature paid or allocated in respect of the financial year ended 31 December 2017 to Mr Christophe Coutier, permanent representative of COUTIER DEVELOPPEMENT, under his mandate as Member of the of the Supervisory Board.

Twentieth resolution

Ruling under the quorum and majority conditions required for Ordinary General Meetings, the General Meeting, having familiarised itself with the Supervisory Board's report indicated in article L.225-82-2 of the French Commercial Code,
approves the items comprising the total remuneration and benefits of any nature paid or allocated in respect of the financial year ended 31 December 2017 to Ms Geneviève Coutier under her mandate as Member of the of the Supervisory Board.

Twenty-first resolution

Ruling under the quorum and majority conditions required for Ordinary General Meetings, the General Meeting, having familiarised itself with the Supervisory Board's report indicated in article L.225-82-2 of the French Commercial Code,
approves the items comprising the total remuneration and benefits of any nature paid or allocated in respect of the financial year ended 31 December 2017 to Ms Emilie Coutier under her mandate as Member of the of the Supervisory Board.

Twenty-second resolution

Ruling under the quorum and majority conditions required for Ordinary General Meetings, the General Meeting, having familiarised itself with the Supervisory Board's report indicated in article L.225-82-2 of the French Commercial Code,
approves the items comprising the total remuneration and benefits of any nature paid or allocated in respect of the financial year ended 31 December 2017 to the company NJ CONSULTING under its mandate as Member of the of the Supervisory Board.

Twenty-third resolution

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

UNDER THE JURISDICTION OF THE EXTRAORDINARY GENERAL MEETING

Twenty-fourth resolution

After the review of the Management Board's report, the Extraordinary General Meeting decides to adopt the new corporate name **"AKWEL"** with effect from the present meeting and accordingly to amend article 3 of the articles of association as follows:

"ARTICLE 3 - CORPORATE NAME

The name of the company is:

"AKWEL"

All deeds and documents issued by the company and intended for third parties must mention the corporate name, immediately preceded or followed by the words "société anonyme", or the initials "S.A.", "with a Management Board and Supervisory Board" and a statement of the amount of share capital, as well as the registration place and number of the company on the Trade and Companies Register. "

This amendment of statutes shall be forwarded for recording in the Register of Trade and Companies by the clerk’s office of the Commercial Court of BOURG-in-BRESSE 01.

Twenty-fifth resolution

The Extraordinary General Meeting confers all powers to Mr Mathieu Coutier, Chairman of the Management Board of MGI COUTIER, with the ability to delegate these powers, with an original and a copy or extract of the minutes of this meeting, to complete the required formalities.

Head office

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French public liability company (SA) with Board of Directors and
Supervisory Board
with a capital of 21,392,832 euros
RCS registration 344 844 998
Bourg-en-Bresse
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MGI COUTIER

Motor Vehicle and Heavy Goods Vehicle Equipment Manufacturer