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Annual report

PRIVATE EQUITY CAPITAL

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*OFI Private Equity is the management company of OFI Private Equity Capital, an investment firm listed on NYSE Euronext Paris (symbol OPEC).
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2010 Highlights

FEBRUARY

➤ First Prize in «Sustainable Development» awarded by Private Equity Magazine.

MARCH

➤ 1 Dessange International: Acquisition of the remaining capital from the founder.

➤ IMV Technologies: Its positions strengthened in Europe with the acquisition of Nifa in the Netherlands.

APRIL

➤ OFI Private Equity Capital was given the first «AA» Private Equity extra-financial rating by the rating agency Ethifinance.

JUNE

➤ Capital increase of €35 million.

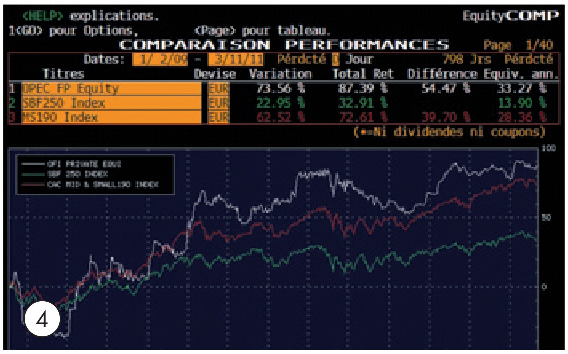
➤ Dividend distribution of €0.27 per share, for a yield of 3.56% of the average share price over the 12 months preceding the payout.

JULY

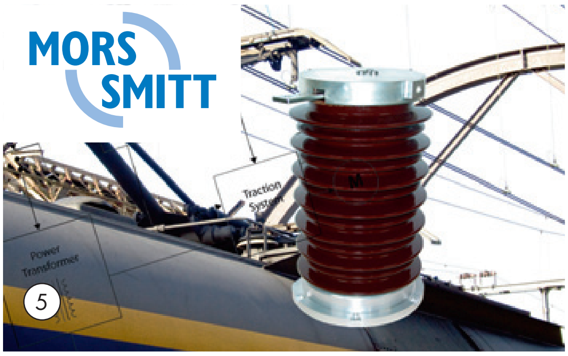
➤ 2 Financial resources of Léon de Bruxelles strengthened to step up its programme of new restaurant openings.

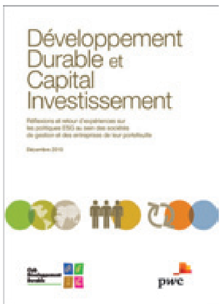
AUGUST

➤ 3 IMV Technologies: Inauguration of the new industrial and administrative site in L'Aigle.



New York Marathon, November 2010





THE GLOBAL COMPACT
NOUS SOUTENONS LE PACTE MONDIAL

8

Gault & Frémont
LA BOITE À L'ESPRIT D'OUVERTURE

SEPTEMBER

➤ 4 OPEC share included in the SBF 250, CAC Small 90, CAC Mid & Small 190 indices and the Gaia Index (SRI criteria).

➤ Acquisition of Bio Food Pack, paper baking moulds, by Gault & Frémont.

OCTOBER

➤ 3 First divestment of a majority shareholding, IMV Technologies: €39 million in cash (2.5x multiple and 30% of IRR).

➤ 5 Acquisition of a majority stake in Mors Smitt. Enterprise value: € 49 million.

NOVEMBER

➤ 6 Team's participation in the New York Marathon (times between 3:57 and 4:27) and meeting with representatives from the United Nations Global Compact.

➤ First convention for portfolio companies on Corporate Social Responsibility.

DECEMBER

➤ 7 Release of the book «Sustainable Development and Private Equity» co-authored by OFI Private Equity and PricewaterhouseCoopers.

➤ 8 Gault & Frémont: First portfolio company to sign the United Nations Global Compact.

ROGER ISELI,
CHAIRMAN OF THE SUPERVISORY BOARD OF OFI PRIVATE EQUITY CAPITAL

DEAR SHAREHOLDERS,

Despite the ongoing tension on the markets, we are extremely satisfied with the performance in 2010 of the companies who have granted us their trust.

They all met their budget or outperformed expectations, with notably outstanding results for Dessange International and Léon de Bruxelles. The management team at OFI Private Equity Capital continues to demonstrate its ability to create value for its shareholders. I congratulate them and thank them.

OFI Private Equity Capital strengthened their financial soundness, thus fully meeting the expectations of the different mutual insurance companies that own a majority stake in our share capital. Our long-term investments are aimed at guiding these companies in their development in line with our principles: profitability, a medium- to long-term horizon and sustainable development are, in our view, wholly compatible.

This long-term philosophy can be perfectly illustrated with the divestment of IMV Technologies, in which OFI Private Equity Capital has maintained a minority stake, or the move towards a majority shareholding in Mors Smitt. We shall pursue our constructive approach, always in our role of bringing strength and confidence through our exemplary human relations with companies and shareholders.

In 2010, the success of the business model of OFI Private Equity Capital was reflected in our excellent earnings, enabling us to double the dividend to €0.50. We also boasted an 18% rise in the share price and a successful capital increase. Now, our goal is to reduce the difference between the share value and net asset value. The discount (down to 38%) remains high, notably in view of the deals involving IMV Technologies and Mors Smitt.

With filled order books and executives' insight in preparing their companies for the recovery, growth is expected to continue in 2011. We are also focusing on avenues to create new value through international expansion. Further investment and divestment opportunities offer additional prospects for strong, efficient business growth. OFI Private Equity Capital benefits from the resources, talent and a long-term strategic vision to accompany strong SMEs in their growth.

"

INTERVIEW WITH OLIVIER MILLET,

CHAIRMAN OF THE MANAGEMENT BOARD OF OFI PRIVATE EQUITY

What were the high highlights of 2010?

2010 was a particularly active year for OFI Private Equity Capital. We demonstrated our ability to create value and guide the companies in which we invest in their development. We notably participated in recomposing the share ownership structure of IMV Technologies by selling our stake to Pragma Capital. The sale represented a multiple of about 2.5x our initial investment, and we decided to maintain an 11% stake in the capital following the divestment. We increased our shareholding in Dessange International and are now full owners alongside management. We also acquired a majority stake in Mors Smitt. Lastly, we backed Gault & Frémont in an external growth operation.

We strengthened our financial capacity through a €35 million capital increase in June 2010. Despite the sluggish economy, most of our companies posted sharp growth, with consolidated revenue up by 12%, notably driven by the strong performances of Mors Smitt, Financière de Siam, Léon de Bruxelles and Fondis Electronic. The margin of our companies also rose by 15%, for consolidated EBITDA of 18.3%. As a result, our annual net asset value (NAV) increased by 11.2% to €14.85 per share.

How do you explain this strong company performance?

We have noted that our companies are emerging strenghterd position from the crisis with a high potential for recovery.

This is due to their inherent qualities and strong positions on their markets as well as rigorous discipline in terms of organisation and finance. It also reflects the excellent work by their executives who doubled their efforts in dealing with the crisis and have a development philosophy that involves their entire teams.

Your team also played a role in this performance…

Our team is strong, conscientious, and the individuals have complementary expertise. We further improved our organisation by setting up a cross-disciplinary Executive Committee composed of five people from the private equity field, the Finance Department and the Sustainable Development Department.

As such, the Committee benefits from very complementary viewpoints on the companies and their projects. With this three-pronged approach, we can offer genuine guidance to our majority held.

Why did OFI Private Equity Capital carry out a capital increase?

First of all, I would like to point out that it was one of the rare operations of this type seen on the mid-market segment in 2010. It showed that the market approves of our business model. The operation was important to enable us to assist our companies in their development projects while remaining prepared to seize any investment opportunities.

In 2010, we looked at several deals that were not carried through due to price, the business model or even ESG (Environment, Social and Governance) factors. We raised the bar in our qualitative requirements for target companies.

Will you continue your dividend distribution policy?

Of course, this is clearly a part of our strategy to create value for our shareholders. I would add that, when a divestment takes place, we offer a higher dividend payout.

With the success of the sale of a portion of our stake in IMV Technologies, we can raise the dividend in 2011. Our responsibility and ambition are to develop the value of our assets and offer our shareholders regular and increasingly higher dividends.

What conclusions have you drawn from being traded on the stock market?

For the past four years, we have had the opportunity to demonstrate the success of our strategy. In 2010, we took our stock market performance to new heights, with a marked improvement in our share price and a market capitalisation of nearly €100 million. As a result, we are now included in indices such as the SBF 250, CAC Mid & Small 190 or the Gaia Index. This is reflected in figures as well: after a rebound of 43% in 2009, our share gained 18% in 2010 while the SBF 250 lost 2%.

OFI Private Equity Capital is a listed investment firm with a serious edge to convince shareholders. Progress remains as a significant discount still stands between our NAV and our share price. We are aware that earning the confidence of the financial markets is a challenge. Our objective is key: guide the development of our companies, notably abroad, while integrating sustainable development issues into their strategy.

Does sustainable development remain at the heart of your strategy?

In our opinion, sustainable development is not just a trend. It is an integral part of our approach as a responsible shareholder. 2010 was the third year of our sustainable development efforts. Following the assessment in 2008 and initial progress made in 2009, 2010 was devoted to implementing the first concrete aspects of this approach into our companies' businesses: their energy efficiency plan, governance, marketing and communication, sales and investment strategy. Our executives have now incorporated sustainable development into both human resources and company management. Our companies have made these issues their own and are now going from the "intention" stage to the "action" stage.

What does this approach bring to you?

Sustainable development is a barometer of the health of the management of the companies in our portfolio.

The robust financial performance of our shareholdings is vital, but how this growth is accomplished is also very important because it ensures future performance.

Sustainable development is actually a point in common among all of our companies. They share this vision of the future based on the management's policy and adherence from their teams. OFI Private Equity Capital is no longer the only firm to uphold these values: twenty French private equity companies have already signed the PRI (Principles for Responsible Investment). We nevertheless remain a frontrunner in the industry with our involvement in the AFIC Sustainable Development Club and the publication of a ground-breaking book on the role of sustainable development in private equity (with PricewaterhouseCoopers, Activa Capital, Axa Private Equity, Pragma Capital, Céréa Gestion and Natixis Private Equity).

What is your outlook for 2011?

The crisis has strengthened our conviction about the type of company and management we want to assist and how to help them create value. After the 12 acquisitions made between 2006 and 2008, then the phase of consolidation and support in 2009 and 2010, 2011 marks the beginning of a new period. With the favourable turnaround in the economic and private equity environment, opportunities to diversify our assets with new projects are once again possible. We remain very active in supporting our companies' development. In early 2011, eight external growth opportunities were under review, including two in France, three in the United Kingdom, two in China and one in the United States. Lastly, our renowned ability to improve the financial and extra-financial aspects of companies, in both France and abroad, is a real advantage.

Strategy

OFI Private Equity Capital invest in highly profitable companies and guide them in their development projects as a responsible shareholder. This translates into our continuous support for these companies in their growth strategy, whether this means opening subsidiaries abroad, making transformational or targeted acquisitions or adapting their strategy….

Value creation strategy

Small caps on niche markets	Companies valued under ¬€100 million, leaders on their niche market, able to seize development opportunities
Majority shareholder in partnership with management for the long term	A majority shareholder working alongside management for a period of at least five years offering sound, continual governance at the level of its portfolio companies
Optimised risk/return ratio	An investment mix comprised of equity & mezzanine (60%/40%)
Promotion of ESG criteria	Promotion of extra-financial criteria – Environment, Social and Governance issues – as elements of value creation over the medium term

This long-term investment strategy (five to ten years) follows the development pace of companies and management teams. The commitment to heed the company's life cycle hand-in-hand with its executives is one of the key values of OFI Private Equity Capital, a pioneer in establishing a genuine sustainable development policy for the investment firm and for its portfolio companies.

This alignment with the company's development is reflected in the breakdown of investments into equity and mezzanine quasi-capital, along with moderate debt levels in line with the company's cash flow. The approach allows for greater flexibility, stability and sustainability of the investment. This rigorous, innovative strategy establishes a genuine partnership with the companies and their executives to guide them in their projects.

The role of OFI Private Equity Capital is to help SMEs move on to the next stage in their development and become more efficient. Once this first phase is complete, OFI Private Equity Capital can launch a new growth phase or pass it on to other shareholders to assist the company in its new projects. This may even mean transferring control while maintaining a stake in the capital. In any case, the solution chosen is the one likely to offer the company the best chances for success.

2010 brought two concrete examples of the investment philosophy of OFI Private Equity Capital, a partner investor in growth companies. Company managers are given long-term guidance in ambitious development projects. This may involve transferring control to other shareholders once a major phase is complete while maintaining a stake in the capital or investing further to guide them through new challenges.

IMV Technologies, from majority to minority shareholder

The majority shareholder in IMV Technologies for more than three years, OFI Private Equity Capital transferred the control of the company in October 2010 to Pragma Capital, associated with its management. On the impetus of OFI Private Equity Capital, IMV Technologies, the world leader in reproduction biotechnology, delisted in 2007, has stepped up its development with four acquisitions since then and strengthened its positions in emerging countries. In August 2010, the company built a new industrial and administrative site in compliance with HQE environmental construction standards in order to boost its production capacity in France while establishing a strong sustainable development strategy.

The divestment took place when IMV Technologies was well ahead of schedule on its initial development project, and it recognises the quality of the work accomplished. The sale shows a multiple around 2.5x on the initial investment and an internal rate of return of about 30%. The net positive impact of the sale on the cash position of OFI Private Equity Capital came to about €39 million, while the valuation of the investment in the NAV of OFI Private Equity Capital stood at €31.5 million at 30 June 2010.

OFI Private Equity Capital remains positive about the company's future, deciding to reinvest €5 million, an 11% stake in the capital, as a minority shareholder. This way, OFI Private Equity Capital will continue to take part in this great French success story.

Mors Smitt, from minority to majority shareholder

A minority shareholder since 2006 in Mors Smitt, the world's leading producer of on-board electromechanical relays for the rail industry, OFI Private Equity Capital seized the opportunity of the sale of another shareholder's stake to become a majority shareholder. Its interest rose from 18% to 50% (alongside Dardel Industries and management) based on an enterprise value of about €49 million.

The transaction took place four years after its initial investment in the company, enabling OFI Private Equity Capital to play a major role in its ambitious development projects. Mors Smitt boasts significant growth potential: its revenue jumped by more than 20% in 2010 to €40.3 million, of which 55% in exports (excluding France and the Netherlands), compared with €26 million in 2006, for annual growth of 11% while maintaining strong profitability.

Fully benefiting from the strong development of the railway market, notably in emerging countries, the company continues to come out with innovative products and is also studying potential acquisitions for new avenues for growth.

Supervisory Board

OFI Private Equity Capital is governed by a Supervisory Board of nine members and seven observers.

ROGER ISELI,

Chairman (age 62), he joined Macif in 1976. He was appointed Director of the Centre region in 1990, then of the Ile-de-France region in 1996. At the same time, he is a member of the Supervisory Board of Arva. He was appointed Managing Director of Macif Mutualité in 2005 until April 2008, and Managing Director of Macif in 2006.

BENOÎT BATTISTELLI,

Observer (age 60, graduate of ENA and Cambridge University), he held several positions of responsibility within the French Government (Ministry of the Economy and Finance) from 1978 to 2004. Since May 2004, he has been the Chief Executive Officer of France's National Industrial Property Institute (Institut National de la Propriété Industrielle or INPI). He chaired the Supervisory Board of the Academy of the European Patent Organisation (EPO) from July 2005 to July 2008. After having served as Vice-Chairman on the Board of Directors of EPO from December 2005 to December 2008, he was elected Chairman of this Board on 1 March 2009 for a three-year term.

ÉRIC BERTHOUX,

Observer (age 53, an actuary and graduate of the Institut de Sciences Financières et d'Assurance in 1981), he began working with the Maif Group in 2000 after holding management positions in a number of groups (Continent Assurances, Athéna Assurances, Generali). Deputy Managing Director of Parnasse-Maif until 2006, then Head of Financial Management at Maif, appointed Head of Filia-Maif and Member of the General Management of Maif as Deputy Administrative and Financial Director in 2008. He is also a Board member of Sferen and Sppicav Delta Immo.

GÉRARD BOURRET,

Observer (age 55, undergraduate degree in economic science, chartered accountant, CPA/IHEDN/CHEDE/DECS), after working as a chartered accountant with an accounting firm between 1979 and 1984, he joined OFI Group in 1984 and has been Managing Director since 1991. He is also Chairman of the Executive Board of Ofivalmo Partners and a Board member of Matmut IARD.

JEAN-LUC BRET,

Member (age 64, ISTEC), he is the founder and Chairman of La Croissanterie (since 1977), one of Europe's first fast food pastry/sandwich shop chains, with which he carried out two buy-outs: the first with Barclays Private Equity France and the second with Pragma Capital. He is also the Chairman of Procos, the Federation for urban planning and the development of specialised trade with more than 250 large member companies, and Vice-Chairman of the National Shopping Centre Council.

JEAN-PAUL CHALLET,

Member (age 65, graduate of the Institut des Actuaires Français), in 1979, he began the retirement savings life insurance business with Mutavie, a subsidiary of mutual insurance companies, and has been at the helm of this company ever since. He also simultaneously took part in the creation of the Areper (Association de Recherche sur la Prévoyance, l'Épargne et la Retraite), of which he was the Chairman from 1987 to 1990 and Vice-Chairman until the end of 1994. In 1992, he took part in the creation of Euresa Life, of which he was the Chairman from 1998 to 2001 for the Macif Group. He is currently the Chairman of the Executive Board of Mutavie, a Board member of Macif Gestion and of Gestépargne, a member of the Supervisory Board of Macif Zycie in Poland and a Board member of Atlantis Vida in Barcelona.

BRUNO CHAMOIN,

Observer (age 57, ISC), he is the Chairman and Managing Director of Albingia, a property & casualty insurance company present in France since 1962, with which he carried out an initial buy-out in 2003 with Barclays Private Equity France and a second buy-out in 2006 with two investment firms (Chevrillon & Associés and IDI).

FRANCK DUSSOGE,

Member (age 50, undergraduate degree in political science, Master's degree in economic and social administration, French Society of Financial Analysts, CPA), he began his career in 1985 with the Apicil Group where he held several positions, the last of which was Finance and Technical Director. In 2006-2007, he was appointed Deputy General Manager of Mutuelle Drôme/Arpica Group Eovi. He joined the Matmut Group in July 2007 where he is Deputy General Manager in charge of Finance.

HUGUES FOURNIER,

Member (age 47, Ingénieur Centrale Lille, Sciences-Po Paris, CEA Actuary), he worked in the finance department of the Crédit Foncier de France before moving to Macif in 1993 as a portfolio manager. Since 2000, he has been Marketable Securities Manager of the Macif Group entities. He was the Chairman and Managing Director of Forinter from 2002 to 2006 before the company became OFI Private Equity Capital.

DANIEL FRUCHART,

Observer (age 66, PhD in mathematics, actuary and financial analyst), he joined GAN in 1973 where he held various positions, the last of which was as Manager of Financial and Property Assets in France and abroad. He joined Macif Group in October 2000 as Finance Director.

GÉRARD JEULIN,

Member (age 72), he was authorised representative for the Kohler Stock Brokerage from 1962 to 1980, then at Dufour Kohler Lacarrière. In 1982, he founded Fininfo, a distributor of front office products on French fixed-income markets for finance professionals and has been Chairman and Managing Director since. In 1990, he created the brokerage firm Aurel and remains its chairman. In 2007, he was appointed Chairman and Managing Director of Altares until 2008. He has since been the Chairman of the Supervisory Board of Minerva Athena (controlling holding company of Altares).

PASCAL LEBARD,

Observer (age 48, Edhec), he began his career in 1986 at CCF in London and Paris before joining the investment firm 3i in 1988. In 1991, he became Equity Investment Director at Exor (Agnelli Group) then Deputy Managing Director-Board member of Sequana Capital (formerly Worms & Cie) in 2004. He has been the Chairman of Arjowiggins and Antalis since 2004, Board member of Club Mediterranée, SGS (Geneva) since 2005, and Board member/Managing Director of Sequana (formerly Sequana Capital) since 2007.

JEAN-PAUL MOREAU,

Member of the Supervisory Board (age 59, degree in law and management), representative of the Mutuelle Assurance des Commerçants et Industriels de France et des Cadres et Salariés de l'Industrie et du Commerce (Macif), he joined Macif in 1984. His responsibilities as investor have allowed him to acquire extensive sector-based experience in biotechnologies, press and publishing, the property sector, the hotel industry and tourism, as well as Dependency and Retirement Homes. He is the chairman of Macif Participations, General Manager of Macifimo, Chairman and Managing Director of Foncière de Lutèce, Chairman of the Compagnie Foncière de la Macif and Chairman of Exitour.

JEAN-LUC NODENOT,

Member (age 54, DESS post-graduate degree in Management from the École Nationale des Impôts), he is the Chairman and Managing Director of the Assurance Mutuelle des Fonctionnaires. He was formerly the Chairman of the Initiatives Mutuelles Group, which includes nine civil service mutual companies, and Chairman of the Mutuelle des Agents des Impôts. During his civil service career, he was a Professor at the Ecole Nationale des Impôts and Assistant Professor at Paris Dauphine University (financial and general management). Formerly a member of the OFI Private Equity Capital Supervisory Board serving as permanent representative for the Assurance Mutuelle des Fonctionnaires, he has personally been a member of the Supervisory Board since 25 April 2008.

JEAN SIMONNET,

Member (age 74), he started his career at Maaf in 1959 before joining Macif in 1973. In 1987, after five years as Corporate Secretary, he became Managing Director of Macif and was appointed Chairman in 1997. Since the end of his term on 19 June 2006, Jean Simonnet has held the positions of Honorary Director of Macif and Board member of Socram, Scor and the mutual insurance company SMIP.

CHARLES VAQUIER,

Observer (age 59), he has been Managing Director of UMR since December 2002. He began his professional career in 1975 as Client Representative then Corporate Client Representative at AG2R. Between 1986 and 1997, except for a short period with the sales department of State Street Bank of Boston (Paris), he pursued his career as a broker with Henner Group (GMC), the Diot firm and Sedgwick Nobel Lowndes Paris. He joined Winterthur International in 1997, first as Group Insurance Director then as Managing Director before heading up the Development and Marketing Department at Credit Suisse Life and Pension Europe - Asia (Winterthur) until 2002.

The OFI Private Equity team

The Executive Committee, from left to right: Laurence Château-de Chazeaux, Pierre Meignen, Olivier Millet, Elisabeth Auclair, Erwann Le Ligné

OFI Private Equity is managed by a Management Board composed of two members – Olivier Millet, Chairman, and Elisabeth Auclair, Finance Director – and an Executive Committee composed of five members – the two Management Board members, the two Associate Directors and the Sustainable Development Director.

OLIVIER MILLET,

CHAIRMAN OF THE MANAGEMENT BOARD

At the helm of OFI Private Equity, in which he is a shareholder, since September 2005, Olivier Millet has more than 20 years of experience in private equity. He began his career in 1986 by creating Capital Finance (the leading French private equity magazine). He then joined 3i, before moving to Barclays Private Equity France, where he developed the division over 11 years. He directly took part in nearly 30 investments, including many buy-outs (CGEV, Bénédicta, La Croissanterie, Domus and Albingia, etc.). In 2006, he created "Capitalisme Durable", a company that promotes a form of capitalism that takes into account new sustainable development issues and offers an informational website www.eco-life.fr. (Ecole Supérieure de Commerce et de Marketing).

ELISABETH AUCLAIR,
FINANCE DIRECTOR
MEMBER OF THE MANAGEMENT BOARD

Before joining OFI Private Equity in May 2008, Elisabeth Auclair spent the first five years of her career as an auditor with Ernst & Young. She then held various responsibilities within international groups owned by investment funds. In 1996, she joined the Imaje industrial group as financial controller for France. Then in 2000, she joined the finance department of the construction and engineering group GSE, where she worked on arranging and monitoring several buy-outs.
(Ecole Supérieure de Commerce de Montpellier, Chartered accountant).

LAURENCE CHÂTEAU-DE CHAZEAUX,
SUSTAINABLE DEVELOPMENT DIRECTOR

In charge of sustainable development for OFI Private Equity and the portfolio companies since October 2008, Laurence Château de Chazeaux, spent more than 20 years in consumer goods and humanitarian work, where she held positions in the Marketing and Communication Department. She is a member of the Steering Committee of the AFIC Sustainable Development Club and co-authored the book "Sustainable Development and Private Equity" with PricewaterhouseCoopers.
(European Business School, CHEE&DD).

PIERRE MEIGNEN,
ASSOCIATE DIRECTOR

With OFI Private Equity since 2005, Pierre Meignen began his career in 2003 at IDPC, where he implemented the monitoring and valuation systems for the private equity portfolio and took part in more than 10 transactions. He contributed to the investments in Mors Smitt, Credirec, IMV Technologies, Léon de Bruxelles and Dessange International, as well as the IPO and then sale of Auto Escape.
(MSG and Master's degree in Management from University of Rennes, DESS post-graduate degree in Corporate Finance from Montpellier).

ERWANN LE LIGNÉ,
ASSOCIATE DIRECTOR

Erwann Le Ligné joined OFI Private Equity in December 2006 after three years as a senior Associate within the acquisition finance department of the Crédit Agricole d'Île-de-France, where he was in charge of senior debt arrangement in buy-out deals involving SMEs. He notably contributed to the investments in Gault & Frémont and Flexitallic.
(MSG, post-graduate diploma in international management from the University of Rennes, DESS post-graduate degree in Corporate Finance and Financial Engineering from Paris Dauphine University).

MATHIEU BETRANCOURT,
INVESTMENT DIRECTOR

Mathieu Betrancourt joined OFI Private Equity in April 2008, following his initial experience with Astorg Partners as an analyst.
(Master's degree in Information Technology from University of Paris-Sud 11 Orsay. École Nationale Supérieure des Télécommunications).

CÉDRIC BOXBERGER,
INVESTMENT DIRECTOR

Cédric Boxberger began his career at Deloitte & Associés in September 2004 and joined OFI Private Equity in October 2008. In March 2006, he became Manager in the Restructuring Advisory department at Deloitte Corporate Finance, following his initial experience at a London-based US private equity firm.
(ESCP Europe).

RODOLPHE DE TILLY,
ASSOCIATE

Rodolphe de Tilly joined OFI Private Equity in December 2009. He had previously been an analyst in the Leveraged & Acquisition Finance team at Société Générale in Sydney for two years. Prior to that position, he had completed a six-month work-study programme in Asset Management at HSBC Private Banking, as well as a further six-month work-study programme in Mergers and Acquisitions at Banca Leonardo.
(EDHEC).

CLARA CHATILLON
FINANCIAL CONTROLLER

CAROLE BOURDEAUX
OFFICE MANAGER

AMÉLIE JARAN
ASSISTANT

Governance

MANAGEMENT COMPANY

OFI Private Equity is the statutory management company of OFI Private Equity Capital. OFI Private Equity is also the investment management firm of the OFI PEC 1 and OFI PEC 2 FCPRs (French private equity funds) and is an AMF-approved investment management company.

The Management Board of OFI Private Equity is composed of two members: Olivier Millet, its Chairman, and Elisabeth Auclair, Finance Director.

SUPERVISORY BOARD

The Supervisory Board is composed of 16 members (nine members and seven observers), of whom 11 are independent. The Chairman is Roger Iseli. Meetings are scheduled at least on a quarterly basis and as required by the Company. (It met eight times in 2010.) These meetings are held to analyse the performance of portfolio companies and discuss forecasts and projects under way. The Supervisory Board gives its opinion on all matters included on the agenda by the Management Board of OFI Private Equity. The Management Board and Supervisory Board are responsible for ensuring smooth Company operations and are aided in this task by a number of specialised committees.

AUDIT AND ACCOUNTS COMMITTEE

The Supervisory Board has set up an Audit and Accounts Committee, composed of three members, two of whom are independent. The Committee assists the Supervisory Board on issues pertaining to the preparation and control of accounting and financial information. It notably advises on the monitoring of the preparation of financial information, the efficiency of internal control and risk management systems, the verification of the parent company financial statements, consolidated financial statements and NAV by the statutory auditors and the independence of statutory auditors. The Committee meets at least six times per year.

INVESTMENT ADVISORY COMMITTEE

This five-member Committee is consulted for any investment of more than €0.5 million. Its role is to analyse every issue concerning the investment proposed by OFI Private Equity's management team and provide additional analyses on the due diligence performed. The Committee is also called on to rule on any conflicts of interest and is consulted prior to divestment. The Management Board of OFI Private Equity is the only body authorised to carry out the investment.

VALUATION COMMITTEE

The role of this Committee, composed of the Chairman of the Management Board, Finance Director, Associate Directors and Investment Directors, is to determine the valuation of investments used in the NAV.

EXECUTIVE COMMITTEE

Set up in 2009 and composed of the Chairman of the Management Board, the Finance Director, both Associate Directors and the Sustainable Development Director, the Executive Committee has the role of leading and developing the Company through its business lines, functions and activities. It aims to garner the greatest involvement possible from the entire team in the success of the Company's strategy.

INTERNAL CONTROL AND COMPLIANCE

Two levels of internal control have been set up: OFI Asset Management, performed by its internal audit department, and Supervisory Board and Audit Committee by an external service provider. Regular reports are drawn up on these controls throughout the year, and the conclusions of the controls are included in the Report of the Chairman of the Supervisory Board presented at the Annual General Meeting.

TREASURY COMMITTEE

This Committee meets every quarter to review the Company's cash position and its investment allocations. It is comprised of the Finance Director of OFI Private Equity and the senior analysts of OFI Asset Management.

STATUTORY AUDITORS

The statutory auditors are PricewaterhouseCoopers Audit and Deloitte & Associés. Their representatives attend every Supervisory Board and Audit Committee meeting.

COMMUNICATION

OFI Private Equity Capital devotes particular attention to communicating with the greatest transparency possible on its businesses and financial position. The Company issues press releases on a regular basis (27 in 2010) and provides a quarterly analysis of the breakdown and fluctuation in its NAV. The nearly 180-page annual registration document offers a full review of OFI Private Equity Capital and its investments in the previous year.

SUSTAINABLE DEVELOPMENT EXPERT COMMITTEE

The role of the Sustainable Development Expert Committee, set up in 2008, is to guide OFI Private Equity Capital in determining its strategy, implementing its CSR policy and ensuring compliance with the CSR Charter.

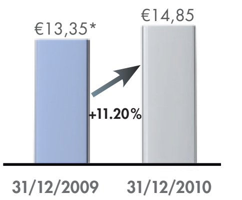
This Committee is represented on the Investment Committee to ensure that extra-financial criteria are taken into account in the investment strategy. It meets three times a year and is composed of seven independent experts and entrepreneurs.

FINANCIAL REPORT

10

Financial and stock market indicators

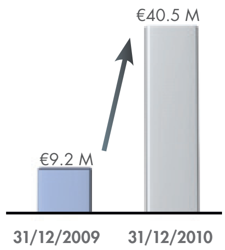
NAV PER SHARE



At 31 December 2010, the NAV per share of OFI Private Equity Capital amounted to €14.85, representing an annual increase of 11.2% (adjusted for the capital increase and dividend distribution in June 2010), versus 7.1% for the previous year.

* NAV adjusted for the capital increase and dividend payout in 2010.

AVAILABLE CASH



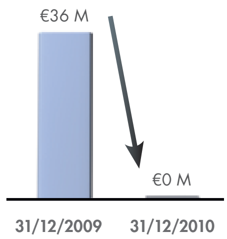
At the end of 2010, primarily due to the capital increase and the sale of its investment in IMV Technologies, OFI Private Equity Capital had a cash position of €40.5 million, plus €11.7 million currently being refinanced from the mezzanine debt on the Mors Smitt acquisition.

SHARE PRICE AND DISCOUNT ON NAV

As with most of the listed firms in its sector, OFI Private Equity Capital saw a significant discount in its share price on its NAV in 2008 and early 2009. Over the past two years, this difference has been reduced considerably, notably thanks to sound business growth, the operational performance of its portfolio and the demonstrated liquidity of its assets.

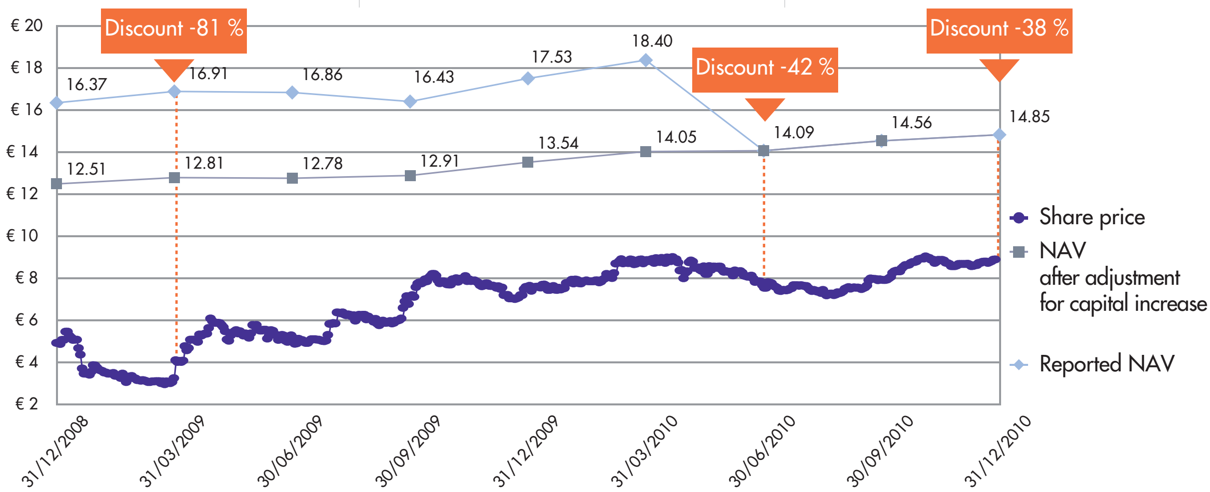
The discount stood at 38% at 31 December 2010.

FINANCIAL DEBT



Financial debt fell from €45 million to €40 million. As a result, the Company's net financial debt of €36 million was completely eliminated. The €10 million bank credit line was replaced by a new €15 million credit line due in November 2013.

Significant reduction in the discount



STOCK MARKET DATA

(in €)	2010	2009
High	9.2	8.5
Low	7.4	3.3
Average	8.3	5.9

The OFI Private Equity Capital share, up by 18% in 2010, considerably outperformed most of the stock market indices in its category:

	Performance as at 31 December 2010 (Base = 100)			
	3 months	6 months	1 year	2 years
OPEC	111	113	118	175
SBF 250	104	115	98	120
CAC M&S 190	109	121	116	157

The number of shares rose sharply as a result of the capital increase: 4,393,958 new shares and 19,333,416 share warrants were created. At 31 December 2010, given the exercise of share warrants in the second half of the year, the number of outstanding shares stood at 10,546,509 and outstanding share warrants at 19,328,371, representing a potential number of shares of 3,865,674.

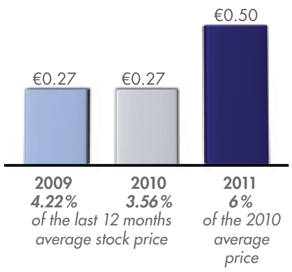
The volumes traded were up significantly, accounting for a total of 57% of the float in 2010.

ISIN codes	
Shares	FR0000038945
Warrants 1	FR0010909283
Warrants 2	FR0010909309

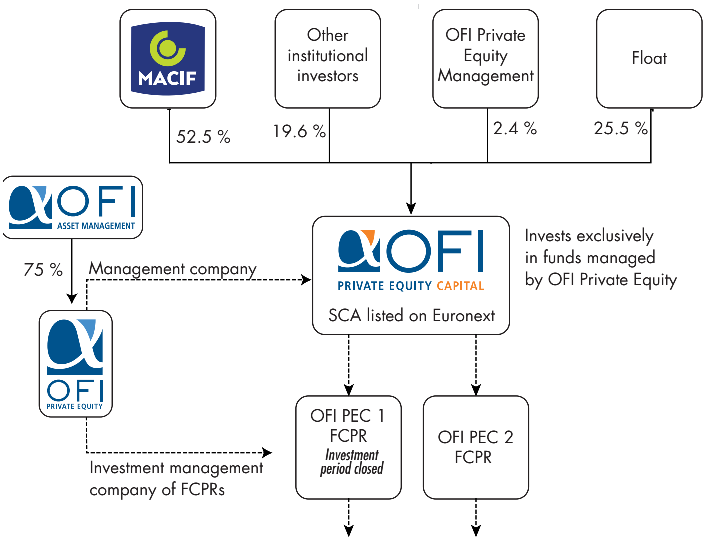
The market capitalisation more than doubled over the period thanks to the capital increase and the growth in the share value.

The OPEC share was included in the SBF 250, CAC Mid & Small 190, CAC Small 90 and the Gaia Index (SRI).

DIVIDEND DISTRIBUTION



In line with its strategy, OFI Private Equity Capital is pursuing its dividend distribution policy on its 2010 earnings, together with the high intrinsic value creation of its assets. Moreover, the performance seen this year with the divestment of IMV Technologies will allow for a significantly higher dividend of €0.50 per share to be proposed at the Annual General Meeting, representing a 6% return on the 2010 average share price, versus €0.27 per share paid for the 2009 financial year.



MAJORITY SHAREHOLDINGS

MINORITY INTERESTS

LEGAL STRUCTURE

OFI Private Equity Capital enjoys the backing of strong shareholders including a group of mutual insurance companies (Macif, Mutavie, Maif and Filiale Maif) led by Macif, its majority shareholder.

OFI Private Equity is the statutory management company of OFI Private Equity Capital. OFI Private Equity is also the investment management firm for the OFI PEC 1 and OFI PEC 2 FCPRs.

NAV

BREAKDOWN IN NET ASSET VALUE

In € millions	31/12/2010			31/12/2009 Adjusted*	31/12/2009 Reported
	Purchase price	NAV	€ per share		
Majority shareholdings	123.0	154.5		139.0	139.0
Minority interests	10.8	11.5		10.3	10.3
Total Portfolio	**133.8**	**166.1**	**15.75**	**149.3**	**149.3**
Equity	75.3	102.2		85.3	85.3
Mezzanine	58.4	63.9		64.0	64.0
Total Portfolio	**133.8**	**166.1**	**15.75**	**149.3**	**149.3**
Cash		40.5	3.84	9.2	9.2
Capital not paid up				34.6	
Gross asset value		**206.6**	**19.59**	**193.2**	**158.5**
Bonds		-30.7		-30.2	-30.2
Bank debt		-9.9		-15.0	-15.0
Gross borrowings		**-40.5**	**-3.84**	**-45.2**	**-45.2**
Other assets and liabilities		3.8		-0.5	-0.5
Dividends payable				-1.7	
Carried interest provision		-7.9		0.0	
Minority interests		-5.4		-5.0	-5.0
NAV		**156.6**	**14.85**	**140.8**	**107.8**
Number of shares		10 546 509		10 546 509	6 151 542
Per share		**14.85 €**		**13.35 €**	**17.53 €**

* NAV adjusted for the capital increase and dividend payout in 2010.

OFI Private Equity Capital publishes its Net Asset Value (NAV) on a quarterly basis. This financial indicator reflects the investment firm's performance by showing the fair value measure of its equity and mezzanine investments, for the proportion that it owns.

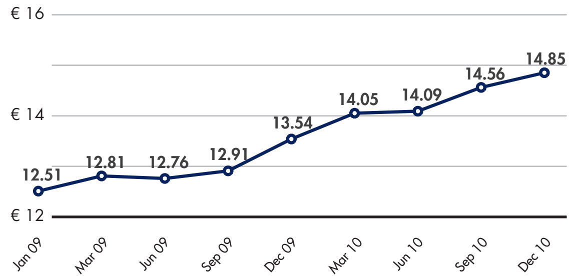
As such, NAV is more relevant for monitoring the private equity business than the consolidated financial statements under IFRS, as the companies directly or indirectly controlled are fully consolidated.

The detailed definition of NAV is available in the Registration Document.

STRUCTURAL INCREASE IN NAV

The NAV of OFI Private Equity Capital increased steadily, mainly thanks to the operational performance of the portfolio companies and their debt reduction.

NAV AFTER ADJUSTMENT FOR THE CAPITAL INCREASE



Questions for…

Elisabeth Auclair,

FINANCE DIRECTOR,
MEMBER OF THE MANAGEMENT BOARD

What is your assessment of 2010?

It was a pivotal year because, for OFI Private Equity Capital, it was the first year that it fully exercised its role as an investor: buying, developing and selling its companies. This capacity to invest and to make decisions about mature holdings or holdings that would require the support of new partners illustrates the quality of the work accomplished. We are in a new phase in our development that encompasses the full investment cycle. We have been able to highlight our ability to create value even further.

What are your next sources of value creation for the shareholders?

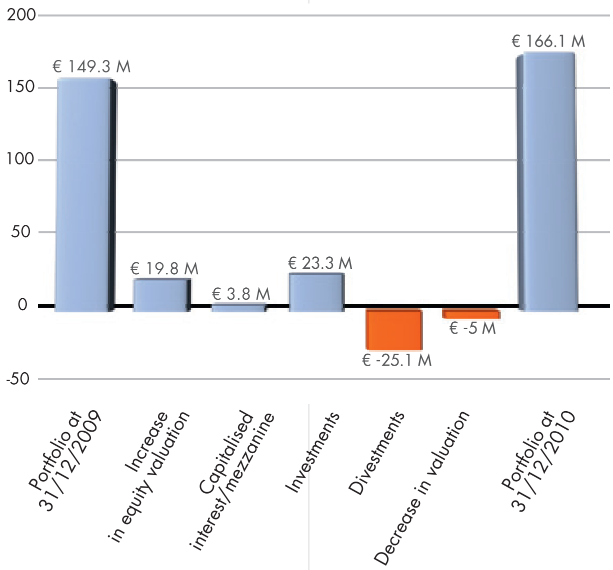
There are several value creation drivers, starting with the increase in NAV through the growth of the companies. A 10% increase in EBITDA would, for example, have an impact of €2.10 on NAV per share. The profitability of portfolio companies has allowed for steady debt reduction, about €20 million this year also, resulting in automatic growth in NAV. However, we remain prudent in our valuations, and the divestment of IMV Technologies showed a significantly higher valuation potential than the NAV. The reduction in the discount of the share price on NAV is also a major source of value creation: a 10% drop in the discount would increase the share price by nearly 15%. Lastly, our dividend distribution policy has a positive impact for the shareholder.

And what about your investment capacity?

This is our fourth growth driver that is fundamental for the future: with €52 million in available cash, we possess the means to back our portfolio companies in their development and make several investments in 2011-2012.

OFI Private Equity Capital boasts a number of advantages to continue to create lasting value for its shareholders.

PORTFOLIO VALUATION



The portfolio grew in value from €149.3 million to €166.1 million over the year as a result of:

- The €19.8 million increase in the equity investment portion, notably due to the strong performance of Léon de Bruxelles and Financière de Siam.
- The €3.8 million in capitalised interest on the mezzanine investment portion, in addition to the cash interest received during the year.
- The additional stake purchased in Mors Smitt and Dessange International.
- The sale of the majority position in IMV Technologies.
- The additional provision on the investment in Fondis Electronic.

Key portfolio figures

A DIVERSIFIED PORTFOLIO

The portfolio is comprised of 10 portfolio companies, six of which are majority stakes. No shareholding represents more than 20% of gross assets.

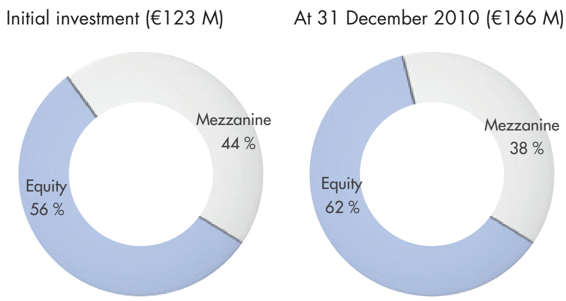
A PORTFOLIO OF HIGH-QUALITY COMPANIES

OFI Private Equity Capital has built a portfolio of high-quality companies, most of which are leaders in their market and have significant margins for growth, both through the development of internal products and services and the outlook for key external growth operation. In line with the strategy presented to the market, OFI Private Equity Capital emphasises investing in majority stakes, which represent 93% of its commitments.

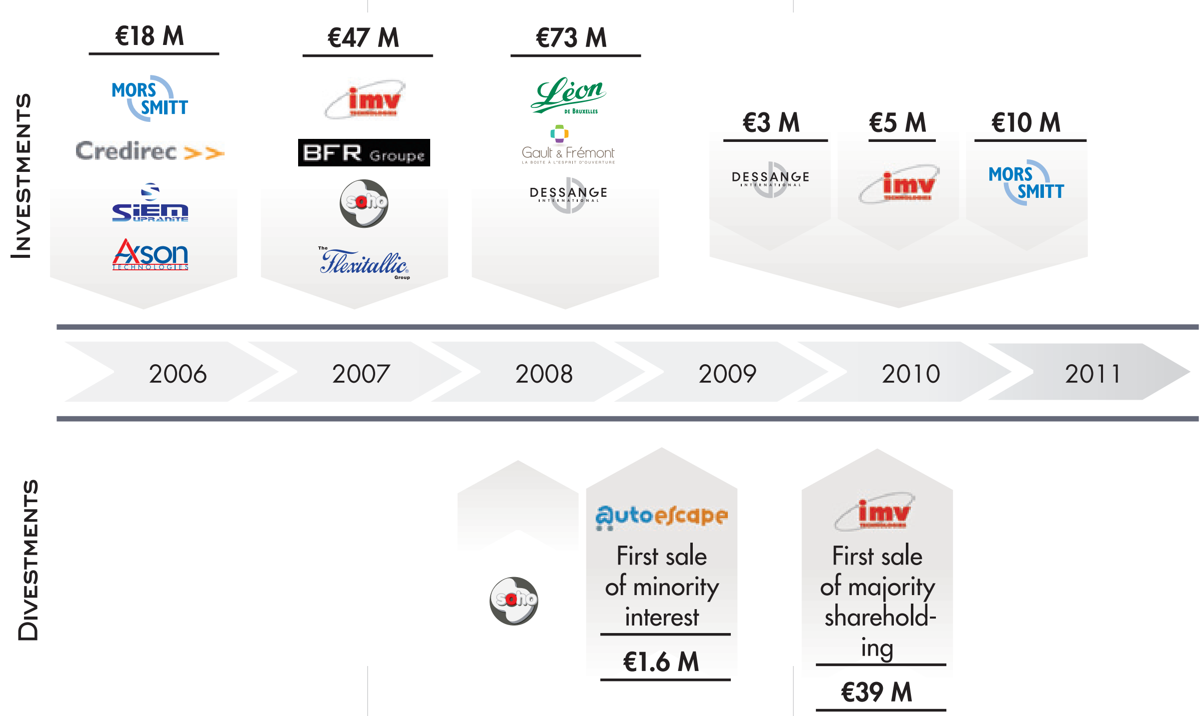
A MULTI-SECTOR PORTFOLIO

The portfolio is comprised of 10 portfolio companies, positioned in 10 different business sectors, both in "Business-to-Business" and "Business-to-Customer".

PORTFOLIO INVESTMENT MIX OF EQUITY AND MEZZANINE



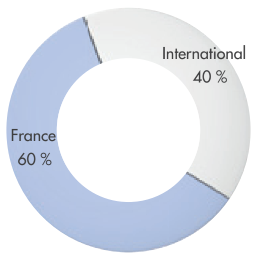
Portfolio History



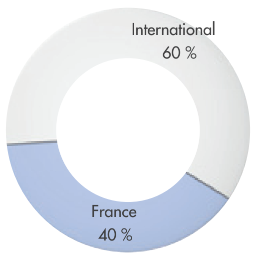
STRONG INTERNATIONAL PRESENCE

These companies are active in a wide variety of sectors and have strong international operations with 40% of their business generated outside France, or 60% excluding Léon de Bruxelles and Credirec, whose business is generated exclusively in France.

2010 Revenue



2010 Revenue (excluding Léon de Bruxelles and Credirec)



EXCELLENT OPERATIONAL PERFORMANCE

The portfolio companies once again demonstrated their soundness and growth potential in 2010. Despite ongoing macroeconomic uncertainty during the year, they posted average revenue growth of 10.5% and EBITDA of 18.3% of revenue.
All ten portfolio companies generated combined revenue of €493 million (€330 million for the majority shareholdings) and employ 3,739 people.

Some of them also have major plans for international expansion:

IMV Technologies

- 10% of revenue in the BRIC countries
- 30% of revenue in North America
- ▶ Plans to strengthen position in South America.

Mors Smitt

- 20% of revenue in Asia
- 10% of revenue in North America
- ▶ New plant in China, local sales team reinforced.

Dessange International

- 16% of salons in Asia and the Americas
- ▶ Development project in China.

FDS Group

- More than 60% of revenue outside Europe
- Operations in China and the Middle East
- ▶ New sites under construction.

In € millions	No. of companies	2007 actual*			2008 actual*			2009 actual*			2010 actual*			
		Rev	EBITDA	Margin	Rev	EBITDA	Margin	Rev	EBITDA	Margin	Rev	EBITDA	Margin	Employees
Majority shareholdings*	6	289	51	17.8%	313	55	17.5%	296	49	16.4%	330	53	16.2%	2851
Minority interests*	4	159	30	18.7%	163	31	18.7%	159	28	17.8%	163	37	22.5%	888
Portfolio	**10**	**448**	**81**	**18.1%**	**476**	**85**	**17.9%**	**455**	**77**	**16.9%**	**493**	**90**	**18.3%**	**3739**

* Mors Smitt presented as a majority shareholding, IMV Technologies as a minority interest, over 12 months.

Brief overview of the portfolio

PORTFOLIO OF MAJORITY SHAREHOLDINGS

A luxury brand serving the beauty of women

Revenue: €53.6 million

Shareholding of OFI Private Equity Capital: 63%

Valuation in the NAV at 31/12/2010: €40.5 million

Benefiting from an internationally renowned brand associated with beauty and well-being, Dessange International boasts 1,000 hair salon franchises under three highly reputed brands: Dessange Paris, Camille Albane and Frédéric Moreno.

With 40% of its salons outside France, the company enjoys significant growth drivers through the development of its network and the increase in sales of products and services at its points of sale.

High-technology sealing solutions for cutting-edge industrial applications

Revenue: €84.4 million

Shareholding of OFI Private Equity Capital: 51%

Valuation in the NAV at 31/12/2010: €39.1 million

A global player with extensive operations in Europe, North America and Asia, FDS Group offers high-technology industrial sealing solutions for energy production sites, namely refineries, gas pipelines, chemical plants and nuclear power plants. On a market with high barriers to entry, FDS Group provides services to the world's leading energy producers and fully benefits from the strong development in emerging markets.

Belgian specialty brasseries specialised in mussels and chips

Revenue: € 104.7 million

Shareholding of OFI Private Equity Capital: 59%

Valuation in the NAV at 31/12/2010: € 37.4 million

With nearly 60 restaurants located in large French cities, Léon de Bruxelles is one of the flagship names in theme-based restaurants.

Promotion of customer loyalty and group growth with the opening of five to eight new restaurants per year: these are the prime advantages of the mussels-and-chips specialist that serves more than 5 million meals every year.

On-board electromechanical relays

Revenue: €40.3 million

Shareholding of OFI Private Equity Capital: 50%

Valuation in the NAV at 31/12/2010: €25.5 million

A historical figure on the railway market, Mors Smitt is the world's leading producer of electromechanical relays (on-board trains, on switches, doors, infrastructures, etc.), a market that fully benefits from the growth of this means of transport. The Franco-Dutch company enjoys a number of advantages in terms of innovation and sound operations in emerging countries to drive its growth over the next few years.

Pastry and bakery packaging

Revenue: €34.8 million

Shareholding of OFI Private Equity Capital: 70%

Valuation in the NAV at 31/12/2010: €11.2 million

The French leader in paper and cardboard packaging for the food processing industry, Gault & Frémont has a wide client base covering major industrial and mass-market retail clients as well as individually owned bakeries-pastry shops. Thanks to its expertise and the extension of its product range, the company is well-positioned to open up to new markets, as it did in 2010 with the acquisition of Bio Food Pack, specialised in greaseproof paper baking moulds.

Portable diagnostic and scientific instrumentation

Revenue: €11.7 million

Shareholding of OFI Private Equity Capital: 70%

Valuation in the NAV at 31/12/2010: €0.5 million

Specialised in the distribution of portable diagnostic equipment on the property market (asbestos, lead, etc.) and in industry (metallurgy, recycling, environment, etc.), Fondis Electronic was restructured in 2009-2010 as a result of the downturn on its main market, property market. In particular, the company structured its teams, strengthened its ties with its main suppliers and extended its product range to step up its growth.

PORTFOLIO OF MINORITY INTERESTS

Reproduction biotechnology

Revenue: €47.6 million

Shareholding of OFI Private Equity Capital: 11%

Valuation in the NAV at 31/12/2010: €5.1 million

Ranking among the historical figures in animal reproduction thanks to its long tradition of innovation, IMV Technologies is the global leader in the bovine market - covering about 80% worldwide - and the swine market. The company is increasingly focused on biotechnology products and services, with major investment in R&D. In addition to its technological advances, the company enjoys strong international business, which accounts for 80% of its revenue.

High-performance resins for advanced technological applicationss

Revenue: €55.2 million

Shareholding of OFI Private Equity Capital: 14%

Valuation in the NAV at 31/12/2010: €1.9 million

The European leader and second-largest operator worldwide in the production of high-performance resins and composites, Axson is aimed at major industries such as the automotive, aeronautical, naval construction and electronics sectors. Structured into independent divisions in Europe, North America and Asia, across six production sites, the company is able to monitor most of its large corporate clients throughout the world, an edge for which it is increasingly listed as a top-notch supplier.

Individual debt collection

Revenue: €36.7 million

Shareholding of OFI Private Equity Capital: 10%

Valuation in the NAV at 31/12/2010: €1.8 million

Privileged partner of credit institutions (banks or loan specialists), Credirec focuses on the out-of-court collection of debts on car and consumer loans. The company ranks among the leaders in its market and has advanced methods of debt portfolio valuation and investigations on debtor profiles.

Distribution of packing and packaging machinery for the food processing sector

Revenue: €23.5 million

Shareholding of OFI Private Equity Capital: 28%

Valuation in the NAV at 31/12/2010: €2.8 million

BFR Group offers a comprehensive range of engineering solutions and services for the design of packing and packaging machinery production lines in the food processing sector (baggers, filmers, weighers, etc.). The group operates as a machinery distributor and designer–manufacturer. This second business has seen considerable development.

Consolidated income statement under IFRS

(extracts)

In € millions	31/12/2010	31/12/2009	Restated at 31/12/2010 Restructuring HEI (1)
Revenue from operations	339.2	306.6	339.2
EBITDA FROM RECURRING OPERATIONS	**55.9**	**47.3**	**55.9**
% of revenue	*16.5%*	*15.4%*	*16.5%*
Depreciation, amortisation and provisions	-18.4	-16.3	-18.4
Recurring operating profit	**37.5**	**31.1**	**37.5**
Other operating income and expenses	-25.9	4.5	4.4
Operating profit	**11.5**	**35.6**	**41.9**
Financial	-25.9	-26.8	-25.9
Income tax	-2.2	-2.5	-2.2
NET PROFIT/(LOSS)	**-16.5**	**6.3**	**13.9**
Net income attributable to equity holders of the parent	-8.1	8.7	4.9
Net income from minority interests	-8.4	-2.4	9.0

(1) Restated Restructuring of HEI:
Given HEI's difficulties in repaying its financial liabilities, the company engaged in negotiations with its creditors, which resulted in the restructuring of its debt.
At 31 December 2010, the formal agreement with said creditors was subject to a condition precedent, which was met after the reporting date. Although the draft restructuring agreement was signed by the Supervisory Board of OFI Private Equity Capital prior to the end of the reporting period, the accounting consequences of the restructuring could not be recorded in the 2010 financial year and will be fully recognised in the 2011 financial statements. However, OFI Private Equity Capital believes that the amortisation of HEI's intangible assets and the company's financial restructuring cannot be dissociated from the economic environment. As such, the 2010 income statement and balance sheet include restated figures to account for the impact of this agreement. The financial restructuring of HEI has generated accounting income, which is recognised in the restated financial statements under «Other operating income and expenses», thus eliminating much of the impairment of these intangible assets.

Consolidated revenue from operations rose from €307 million to €339 million in 2010. The Léon de Bruxelles group enjoyed strong business growth of 13%, which was structurally driven by the opening of new restaurants, 5 new restaurants for a total of 59 at 31 December 2010. On a like-for-like basis, revenue remained stable. The Financière de Siam group also boasted sound business growth of 17%, notably due to the launch of new products and its ongoing expansion on emerging markets. Five out of the Group's six investments saw growth in their business over the year.

EBITDA from recurring operations rose from €47.3 million to €55.9 million, representing growth of 18%. This figure reflects the profitability of consolidated investments and includes the structural costs of OFI Private Equity Capital. EBITDA margin increased from 15.4% to 16.5%, attesting to the structural profitability of consolidated investments and the Company's growth in 2010.

"Other operating income and expenses" was down from net income of €4.5 million in 2009 to a net loss of €25.9 million in 2010. In 2010, this item included:

- Income from the disposal of IMV Technologies, an investment sold in October 2010. The world leader in reproduction biotechnology, acquired in 2007 and fully consolidated, was sold at a multiple of 2.5x. The income from the sale recognised in 2010 totalled €16.4 million.

- The impairment of the intangible assets of HEI/Fondis: €31.1 million in impairment was recognised for the period due to the company's distress. With the impairment booked in 2009, total impairment came out at €39.8 million. Given HEI's difficulties in repaying its financial liabilities, the company engaged in negotiations with its creditors, which resulted in the restructuring of its debt. Following the restructuring transactions, HEI reduced its financial liabilities by €41.9 million. At 31 December 2010, the formal agreement with said creditors was subject to a condition precedent, which was met after the reporting date. Although the draft restructuring agreement was signed by the Company's Supervisory Board prior to the end of the reporting period, the consequences of the restructuring could not be recorded in the 2010 financial year and will be fully recognised in the 2011 financial statements. The financial liabilities were extinguished through the use of equity instruments, giving rise to accounting income of €30 million.

After taking into account the Group's cost of net debt of €25.9 million and income tax of €2.2 million, the Group's net losses came out at €16.5 million, with €8.1 million in losses attributable to equity holders of the parent. Net profit restated for the restructuring of HEI/Fondis totalled €13.9 million and €4.9 million attributable to equity holders of the parent.

Consolidated balance sheet under IFRS (extracts)

	31/12/2010	31/12/2009	Restated (1) at 31/12/2010 Restructuring HEI
Goodwill	107.3	127.7	107.3
Other intangible assets	216.7	249.3	216.7
Property, plant and equipment	65.6	64.6	65.6
Other non-current assets	24.9	23.8	24.9
Non-current assets	**414.5**	**465.3**	**414.5**
Inventories and receivables	89.6	85.3	90.2
Cash and cash equivalents	92.1	72.0	92.1
Current assets	**181.7**	**157.3**	**182.3**
TOTAL ASSETS	**596.2**	**622.7**	**596.8**

	31/12/2010	31/12/2009	Restated (1) at 31/12/2010 Restructuring HEI
Equity attributable to owners of the parent	98.5	73.6	113.6
Minority interests	11.6	32.3	29.6
Total shareholders' equity	**110.1**	**105.9**	**143.3**
Long-term financial liabilities	256.5	220.0	262.7
Other non-current liabilities	76.3	111.3	77.2
Non-current liabilities	**332.8**	**331.3**	**339.9**
Short-term financial liabilities	73.0	115.4	33.4
Other current liabilities	80.3	70.0	80.3
Current liabilities	**153.3**	**185.5**	**113.7**
TOTAL LIABILITIES	**596.2**	**622.7**	**596.8**

(1) Restated for the restructuring of HEI: see page 28.

SHAREHOLDERS' EQUITY

Equity attributable to owners of the parent totalled €98.5 million, or €9.34 per share, at 31/12/2010 and €113.6 million as restated for the restructuring of HEI (i.e. €10.77 per share), compared with €73.6 million at 31/12/2009.

This change is primarily due to the €34.6 million capital increase, earnings for the year and the dividend payout.

Minority interests include the equity ownership of managers and other co-investors.

Their ownership was reduced from €32.3 million to €11.2 million (€29.6 million as restated for the restructuring of HEI) due to the derecognition of IMV Technologies (€13.2 million).

CASH FLOW AND FINANCING

The Group's consolidated cash flow rose from €72 million to €92.1 million. All six investments posted a positive cash position, which had either increased or remained stable on the previous year.

Consolidated net debt, which includes long-term and short-term financial liabilities less cash, was down from €263.5 million to €237.5 million and stood at €211.4 million as restated for the restructuring of HEI.

	31/12/2010	31/12/2009	Restated (1) at 31/12/2010 Restructuring HEI
Long-term financial liabilities	256.5	220.0	262.7
Short-term financial liabilities	73.0	115.4	33.4
Cash and cash equivalents	92.1	72.0	92.1
Net debt	237.4	263.5	204.0

The net debt position presented in the consolidated balance sheet of the OFI Private Equity Capital Group breaks down as follows:

- €1 million in net debt taken out by OFI Private Equity Capital at 31 December 2010, including:

➤ €30.7 million in bonds issued in 2008 and maturing in 2013.

➤ A €9.9 million one-year bank loan taken out in 2010. Of the total €15 million borrowed, €5 million was repaid in November 2010 following the disposal of IMV Technologies. In March 2011, this position was replaced with another €15 million due in November 2013.

➤ €39.6 million in drawdowns on net cash.

- The net debt of portfolio companies breaks down as follows:

➤ €206.9 million in bank loans or financial leases taken out as part of their financial arranging or to finance their development.

➤ €52.5 million in cash.

Net bank debt totalled €154.4 million for the six investments, representing 3.2x 2010 EBITDA.

➤ €82 million in junior and senior mezzanine debt, which is subordinated to bank debt. It has only a marginal impact on operating cash flow as it is repaid in full at maturity (for maturities generally between 8 and 10 years) and subject to interest that is, for the most part, capitalised. Under IFRS requirements, this debt is recognised under financial liabilities although it is financially closer in nature to equity.

The reduction in net debt is mainly due to:

➤ An increase in the cash of OPEC following the capital increase.

➤ The Dessange International share buyback programme.

➤ Changes in scope due to the sale of IMV Technologies and the purchase of Mors Smitt.

➤ Capitalised interest on bonds.

OFI Private Equity Capital cannot be held liable for this debt as the Company did not act as guarantor. Moreover, OFI Private Equity Capital has no legal obligation to back any portfolio companies facing cash flow problems, nor do the companies have any obligation to back each other.

At 31 December 2010, all portfolio companies honoured their bank and mezzanine debt covenants, except for HEI. In application of IAS 1 and AMF recommendations, HEI's debt is recognised as current debt at 31 December 2010 in the amount of €32.7 million.

The consolidated financial statements in their entirety are presented in the Registration Document of OFI Private Equity Capital, available on request from the Company or on its website.

EXTRA-FINANCIAL REPORT

10

Our commitments as a responsible shareholder

In 2008, OFI Private Equity Capital decided to integrate sustainable development and extra-financial criteria as factors contributing to value creation and lasting performance of the companies in its portfolio. The roll-out and advancement of an ESG approach will help strengthen company performance in the medium and long term by combining financial and social development with a reduced carbon footprint.

We are committed to our companies' progress on environmental, social/social responsibility and governance (ESG) issues.

In concrete terms, this commitment means:

1. An ESG policy integrated into our shareholder strategy
2. CSR Charter of OFI Private Equity Capital
3. Our commitment as a signatory to the PRI
4. Our ESG governance
5. Our contribution to the AFIC Sustainable Development Club

Questions for…

Laurence Château-de Chazeaux,
SUSTAINABLE DEVELOPMENT DIRECTOR

- Where did sustainable development stand at OFI Private Equity in 2010?

In 2010, sustainable development became a cornerstone in OFI Private Equity's investment strategy. Extra-financial criteria are now included in the analysis of investment projects during the due diligence process. For example, one investment project was refused because the company did not meet our ESG criteria. Extra-financial reporting is presented at every Supervisory Board meeting, and the Sustainable Development Department is represented on the Executive Committee, which attests to the importance of these issues in the Group's strategy.

- And at your companies?

After devoting 2009 to sustainable development awareness, 2010 was the year for launching operational projects and companies' initial communication with their employees and customers. To better measure and oversee their advancement, we have implemented a reporting system comprised of 94 ESG performance indicators that monitors progress from one year to the next.

- How do you help your shareholdings?

My role is to assist the investment firm and portfolio companies in the implementation of their sustainable development strategy: ESG assessment, sustainable development charter, biodiversity projects, LCA (life cycle assessment), etc. As signatories to the PRI, we actively participate in promoting ESG in the private equity industry, notably through the AFIC Sustainable Development Club.

1. An ESG policy integrated into our shareholder strategy

—

Since 2008, OFI Private Equity has been taking extra-financial ESG criteria into account in its investment and company development strategy as well in "divestment" process.

INVESTMENT STRATEGY

The analysis of ESG criteria is used in addition to the criteria for investment decisions to more accurately assess the company's CSR policy. Operational governance, human resources management, relations and risk management with its stakeholders (employees, suppliers, customers, etc.), the management of its impact on the environment: all of these important criteria are taken into account along with financial criteria.

The letters of intent include a section on ESG with the CSR Charter of OFI Private Equity Capital appended. Investment memos also comprise an ESG section.

ESG due diligence is performed prior to any investment and is used to assess the company's CSR policy, strengths and weaknesses and risks and opportunities.

In 2010, an investment project, which matched our profitability criteria, was refused following an assessment of the ESG issues and risks. The refusal was notably due to the management of social and environmental risks by the company's contractors, non-transparent operational governance and the management's "limited" awareness of ESG issues and risks.

COMPANY DEVELOPMENT STRATEGY

- **Guiding CSR policy**

Since 2008, OFI Private Equity's Sustainable Development Department has been assisting companies in the implementation and optimisation of their CSR policy.

It offers its support, through each company's Sustainable Development Committee, on: the implementation of an annual CSR assessment, a Bilan Carbone® ecological footprint assessment, the adoption of a sustainable development charter, staff training and ESG reporting. The Department has also advised on projects such as certification, eco-design, biodiversity and communication with stakeholders.

In 2010, OFI Private Equity Capital presented its Sustainable Development policy and CSR Charter to the management teams, encouraging them to advance on structured, responsible governance, focus on gearing their strategy towards the management of human capital, reduce their ecological footprint and consider a socially responsible approach.

In December 2010, OFI Private Equity Capital organised its first convention with its portfolio companies with the theme "Sustainable Development and Social Responsibility of Companies". This event was based on testimonies from the executives of Dessange International, Léon de Bruxelles, Gault & Frémont and IMV Technologies.

- **Ensuring long-term performance**

The integration of an ESG policy contributes to improving the financial, social and environmental performance of companies in which OFI Private Equity Capital is the majority shareholder. This also helps ensure lasting financial soundness.

This ESG policy will contribute to optimising the company's overall management, notably of risks, human capital, costs (energy, transport, etc.), and anticipating new social and environmental regulations.

It must also offer opportunities for the company: product innovation, eligibility for RFPs involving ESG, gains on new markets and adaptation to new customer and consumer expectations.

As an example, Gault & Frémont, with the acquisition of Bio Food Pack, in 2010 launched new baking moulds designed using a renewable raw material (cellulose) that are biodegradable, compostable, recyclable and more environmentally friendly. It is a new alternative to aluminium moulds that meets new consumer needs (microwavable, reduced environmental impact and, in perception, a “less” toxic product than aluminium).

The medium- and long-term initiatives taken on social and environmental issues have a direct impact on the company’s earnings, in particular increasing revenue and EBITDA.

Examples of concrete results and initiatives with a direct or indirect impact on earnings include:

- Social: reduction in employee turnover and absenteeism, internal promotion, diversity-focused human resources policy, improvement in knowledge management, optimisation of working conditions, etc.
- Environment: reduced consumption of energy, water and raw materials (life cycle assessment), waste reduction and recovery, optimisation of the supply chain, etc.

- **Measuring performance: ESG reporting**

Convinced that extra-financial criteria will contribute to ensuring lasting future cash flows and value creation, OFI Private Equity Capital decided in 2010 to measure the ESG performance of its portfolio companies through extra-financial reporting. This reporting is presented in the form of dashboards comprising 94 ESG performance indicators (environment, social/social responsibility, governance) and practical guidelines.

It is a tool used by the company, its executives and shareholders for overseeing the sustainable development action plan in order to assess its results every year and the progress made.

- **Strengthening the shareholder/company partnership**

Providing guidance on companies’ CSR policy has helped strengthen relationship between shareholders and management and provide better knowledge and understanding of their operational management.

VALUE OF ESG PERFORMANCE AT SALE

Any company with an efficient ESG policy ensures lasting future cash flows. The value of ESG performance when an investment is sold is the benefit resulting from initiatives taken and measured by the company’s annual ESG reporting.

Steps to implementing a CSR policy
Awareness > Integration > Action

1. Raise executives’ awareness about sustainable development and CSR issues.
2. Qualify and quantify issues: ESG/CSR assessment, Bilan Carbone®.
3. Structure, organise and manage: sustainable development committee and head of sustainable development.
4. Define a policy, action plan and sustainable development charter.
5. Raise the awareness and unite all employees and promote in-house communication.
6. External communication: suppliers, customers/consumers.
7. Measure and analyse sustainable development performance: ESG assessment and performance indicators

When divestment is being considered, an independent firm can perform ESG due diligence to measure these criteria.

In 2010, OFI Private Equity Capital integrated its first ESG due diligence into the divestment process for the sale of IMV Technologies. Performed by PricewaterhouseCoopers, the analysis showed how ESG performance had contributed to boosting OPEC’s returns on investment.

2. CSR charter of Ofi Private Equity Capital

OFI Private Equity Capital defined a CSR (Corporate Social Responsibility) Charter in 2009 that lays down its ESG policy as a responsible shareholder of its majority held companies .

The Charter illustrates the vision, commitments and initiatives of OFI Private Equity Capital regarding the major sustainable development pillars: governance, social, environment and social responsibility issues.

OFI Private Equity Capital is committed to its companies' progress in four areas:

1. Structured and responsible governance
2. Strategy geared towards human capital
3. Reduction in the environmental impact
4. Socially responsible approach

1 Structured and responsible governance

Our vision

The role of majority shareholder is to implement tight controls to ensure that its companies operate and develop properly.

The management team is primarily assisted in defining short- and medium-term strategy and ensuring companies' development and organic growth and/or acquisitions.

The shareholder must ensure that the companies identify their main issues and risks affecting all of their stakeholders:
shareholders, employees, customers, suppliers, NGOs, governments, and so on.
The shareholder does not intervene in the operational business management and never interferes in the management of staff.
Executives are responsible for their company in terms of social, environmental and social responsibility issues.

Our commitment

OFI Private Equity Capital is committed to the progress of each of the companies in its portfolio on effective, structured governance, which is defined as follows:

- OFI Private Equity is significantly represented on the supervisory board (chairman and/or several members), which includes at least one independent director. The board meets on a quarterly basis and as required by any major company developments.

It systematically presents a business report, financial and extra-financial ESG results and short- and medium-term business action plans. Development issues (organic growth or acquisitions) are also discussed.

- The Management Board/Management Committee is comprised of the main managers of the company's various departments.
- Monthly management control meetings are held in collaboration with the Investment Directors and Associates of OFI Private Equity.
- The specific operational committees (sales, marketing, compensation, R&D, production, sustainable development, quality, etc.) are set up to improve company-wide management and organisational efficiency.
- The code of business conduct/ethics lays down the formal commitments and responsibility of a company and its employees to its stakeholders, both internal and external (shareholders, employees, customers, suppliers, commercial partners, the environment and society as a whole) and the principles, values and behaviour that it upholds in conducting its business.
- Quarterly meetings take place with the Sustainable Development Department of OFI Private Equity.

Our action

OFI Private Equity Capital must ensure that each company advances in five key areas:
1. Setting up a Management Board and Management Committee composed of managers with leadership, independence and managerial expertise, who manage their organisation in a structured and efficient manner.
2. Increasing the membership of independent directors on supervisory boards.
3. Adhering to a calendar, agenda and formalised reporting for all supervisory board meetings.
4. Presenting a business report on the extra-financial criteria at every supervisory board meeting.
5. Guaranteeing business ethics (code of conduct, signing of the UN Global Compact).

2 Strategy geared towards human capital

Our vision

Men and women (executives, managers, employees) are an integral part of the company's "intangible capital", its human capital. This is the company's true strength, as social policy involves not only training, but also fostering employee development and motivation. Focusing on human capital also enables the company to improve performance and efficiency continuously and reach its targets in a long-term development approach.
The social aspect of corporate responsibility covers the responsibility of company executives to their employees.

Our commitment

OFI Private Equity Capital is committed to gearing the strategy of companies towards human capital, where it is deemed a key element that guarantees the company's earnings and future. During the investment process, close attention is paid to the assessment of human capital.
OFI Private Equity Capital systematically performs a social audit and carries out several meetings with executives and their staff to assess the aspects of an efficient social policy, such as:

- The quality of executives and their teams of managers.
- The method of management, organisation and operations.
- A few relevant social indicators such as length of service, the age pyramid, diversity, employee turnover, work-related accidents, dismissals, compensation policy, collective bargaining agreements, types of employment contracts, compliance with labour law, disputes, employee savings, health, hygiene, safety, representative bodies, etc.

Our action

OFI Private Equity Capital must ensure that each company advances in four key areas of an efficient social policy:

1. Developing employability through knowledge management and training.
2. Developing diversity.
3. Ensuring optimal working, health and safety conditions for its employees.
4. Encouraging permanent, constructive social dialogue.

3 Reduction in the environmental impact

Our vision

A company's environmental responsibility is becoming a key issue in light of the legislative arena (Reach, Grenelle Environmental Forum, carbon tax, etc.) and new social requirements (consumers/customers, employees, individual investors) and pressure from corporate decision-makers.

Our commitment

OFI Private Equity Capital is committed to taking into account the main environmental concerns involving climate change due to greenhouse gases, the use of fossil fuels and changes in biodiversity. To do so, companies must measure the direct and indirect impact of their business on the environment as well as their dependence on carbon and energy with regard to future exponential financial costs.
During the investment process, OFI Private Equity Capital performs an environmental audit, which assesses compliance with environmental regulations and the management of risks involving pollution, contamination and toxicity (water, air, soil, underground), compliance with regulations on working/safety/health/hygiene conditions linked to the environment.

Our action

OFI Private Equity Capital must ensure that each company advances in four key areas of an efficient environmental policy:

1. Reducing greenhouse gas emissions generated by the company's direct and indirect activity: drop in the consumption of resources, optimisation of waste management, reduction in the consumption of energy for the transport of merchandise, products and people.
2. Decreasing its impact on biodiversity.
3. Initiating an eco-design approach to some products and services.
4. Integrating social and environmental criteria into the purchasing policy with suppliers/service providers (supplier charter).

4 Socially responsible approach

Our vision

The most efficient companies are those that have an open outlook and interact with their stakeholders, notably with their business sector, region and territory, society, NGOs and not-for-profit organisations.

Our commitment

OFI Private Equity Capital is committed to supporting and encouraging the companies in its portfolio in developing their social responsibility approach in various areas: business sector (trade unions, professional organisations or federations), local/regional work with not-for-profit organisations, NGOs and sustainable development players.

Our action

OFI Private Equity Capital must ensure that each company advances in its relations with all of its stakeholders. The stakeholders shall be mapped out.

3. Our commitment as a signatory to the PRI

In 2009, OFI Private Equity Capital signed the UN PRI (Principles for Responsible Investment), confirming its commitment to integrating extra-financial ESG criteria into its management and investment strategy and into the development of the companies in its portfolio.

In 2010, OFI Private Equity Capital took its commitment as a signatory to the PRI a step further:

- Completion of the first "PRI reporting and assessment survey 2010".
- Participation in the first meeting of French signatories to the PRI organised by the French Pensions Reserve Fund (Fonds de Réserve des Retraites).
- First meeting at the United Nations headquarters in New York between the Chief Operating Officer for the PRI, Jerome Tagger, a representative from the Global Compact and the OFI Private Equity team.
- Signing of six of the PRI by each employee, binding them in their role of promoting and integrating an ESG approach.

4. Our ESG governance

A Sustainable Development Director, member of the Executive Committee, who reports to the Chairman of the Management Board of OFI Private Equity.

A Sustainable Development Expert Committee composed of seven independent members (entrepreneurs and experts), represented by one of its members on the Investment Committee.

Systematic extra-financial reporting presented to the Supervisory Board of OFI Private Equity Capital and at the Annual General Meeting.

The 6 Principles for Responsible Investment

1. «We will incorporate ESG issues into investment analysis and decision-making processes.»
2. «We will be active owners and incorporate ESG issues into our ownership policies and practices.»
3. «We will seek appropriate disclosure on ESG issues by the entities in which we invest.»
4. «We will promote acceptance and implementation of the Principles within the investment industry.»
5. «We will work together to enhance our effectiveness in implementing the Principles.»
6. «We will each report on our activities and progress towards implementing the Principles.»

Website: http://www.unpri.org/principles/

5. Our contribution to the AFIC Sustainable Development Club

The French Private Equity Association AFIC (Association française des investisseurs en capital), set up in 2009, is chaired by Olivier Millet and managed by a committee comprised of nine private equity companies: Activa Capital, Astorg Partners, Axa Private Equity, Céréa Gestion, Demeter Partners, Natixis Private Equity, Pai Partners, Pragma Capital and OFI Private Equity.

The Sustainable Development Club has defined its commitments:

- Serve as a platform to share experience on the implementation of an ESG policy between investment firms and portfolio companies.
- Submit recommendations on ESG issues to the Board of Directors of AFIC.
- Promote the PRI for the UN.
- Act as intermediary for the “Responsible Investment Advisory Board” of the BVCA (British Venture Capital Association).

In 2010, the Sustainable Development Club organised several meetings at the AFIC to mobilise its members and listen to the testimonies about ESG: institutional investors (Caisse des Dépôts, Hermes Eos) and private equity companies (Axa Private Equity, OFI Private Equity Capital, etc.).

«Sustainable Development and Private Equity»

In December 2010, the AFIC Sustainable Development Club published the book «Sustainable Development and Private Equity». The first edition was co-authored by OFI Private Equity and PricewaterhouseCoopers.

Written based on interviews and feedback from institutional investors and private equity professionals, the book presents an overview of key issues and a first methodological approach to integrating extra-financial ESG criteria at investment management firms and their shareholdings.

Website: http://www.AFIC.asso.fr/Website/site/fra_rubriques_commissionscomitesetgroupesdetravail_lesclubs.htm

Sustainable Development Highlights in 2010

OFI PRIVATE EQUITY

- LSigning of the PRI, the AFIC Charter and the CSR Charter of OFI Private Equity Capital by all employees of OFI Private Equity.
- Inclusion in the Gaia Index (SRI).
- Ongoing implementation of the environmentally responsible policy at the offices.
- Chairmanship of the AFIC Sustainable Development Club and co-authoring of the book “Sustainable Development and Private Equity” with PricewaterhouseCoopers.
- Partnership with “Green Dating” (monthly sustainable economy meetings) and citizen capital (socially responsible investment fund).

DESSANGE INTERNATIONAL

- Set-up of a Sustainable Development Committee.
- Development of an e-learning programme for Dessange France hair salons.
- Commitment of Dessange International to biodiversity: signing the guidelines of the NRSC (Natural Resources Stewardship Circle) and partnership with the NGO “Man and the Environment”.
- Launch of the Dessange Paris “responsible” luxury hair care line.
- Strengthened partnership with the organisation CEW (Cosmetic Executive Women).

LEON DE BRUXELLES

- Set-up of an Employment - Training Committee co-managed by the head of operations and human resources department.
- Human resources policy highly committed to diversity.
- Communication on sustainable development with its stakeholders: employees, customers, suppliers, press.
- Implementation of indicators for monitoring the consumption of energy (electricity, gas, fuel), water, waste and paper.
- Ongoing improvement in the energy efficiency of buildings and the integration of environmental factors in the construction of five restaurants opened in 2010.
- Partnership with the Mouvement pour les villages d’Enfants (Movement for Children’s Villages, a child protection organisation) since 2008.

FDS GROUP

- Definition of a company mission that integrates sustainable development criteria.
- Implementation of the programme Life (Little Improvement From Everybody), involving all employees.
- Commitment to a policy to reduce energy consumption.
- Strong socially responsible commitment (partnership with NGOs, set-up of the Academy of Joint Integrity).

MORS SMITT

- Mission and values that define its responsibility and commitments to its stakeholders, notably on social and environmental issues.
- Environmental policy integrated into industrial sites (ISO 9001 and 14001 certified), product development and design, its supplier policy and its policy to reduce energy consumption at its sites and head office.
- Launch of a new product in 2010: MSAV 25000 favouring the optimisation and reduction of energy consumption in the railway industry.
- Responsible social policy to follow in line with its growth.

GAULT & FREMONT

- Signing of the United Nations Global Compact.
- Sustainable Development Charter.
- PEFC and FSC certification of the industrial site and certification for the Imprim'vert label.
- Ongoing roll-out of organisations that promote responsibility.
- Implementation of the HACCP (Hazard Analysis Critical Control Point) food safety and management system.
- Programme to reduce and treat solid and liquid waste.
- Launch of an "environmentally-friendly" range, Bio Food Pack.

IMV TECHNOLOGIES

- Appointment of a Quality and Sustainable Development Director.
- Code of ethics signed by all managers.
- Sustainable Development Charter.
- New industrial and administrative head office designed in line with HQE environmental construction standards.
- Study on transport conducted to reduce the ecological footprint of IMV Technologies.
- Programme to protect the genetic diversity of species, some of which are endangered.
- Commitment to local sustainable development projects.

FONDIS ELECTRONIC

- New operational governance.
- Company-wide project to mobilise employees.
- Policy on the health and safety of employees that surpasses regulations.
- Rigorous policy on the treatment of radioactive waste.

Extra-financial ESG reporting

1. ESG report of OFI Private Equity

GOVERNANCE

The governance of OFI Private Equity, the management company of OFI Private Equity Capital, is ensured by a nine-member supervisory board, which met four times in 2010, a Management Board and Executive Committee. Stakeholders were mapped out to identify and analyse the influence, expectations, issues and mutual impact of OFI Private Equity Capital and its stakeholders.

In 2010, OFI Private Equity Capital was included in the Gaia Index: the first SRI stock market index that assesses the extra-financial criteria of listed French mid-caps.

SOCIAL

The team is comprised of 13 people in three departments: Investment Department, Finance Department and Sustainable Development Department. Its organisation and management methods are based on promoting responsibility, delegation, training and teamwork.

In 2010, HR priorities included strengthening the company's culture and values (notably through a project that fostered team unity: year-long preparation for the New York marathon), improving internal communication, increasing staff efficiency and ensuring strong relations between executives and shareholdings. The employees of OFI Private Equity signed the PRI, the AFIC Charter and the CSR Charter of OFI Private Equity Capital, individually binding them in their role of promoting and applying a sustainable development approach.

ENVIRONMENT

In 2009, OFI Private Equity Capital carried out a Bilan Carbone® to measure the greenhouse gas emissions of its business.

In 2010, it pursued the implementation of the environmentally responsible policy at its offices:

- Purchase of 100% recycled paper, certified with the Blauer Engel label.
- Implementation of the waste sorting system (cardboard boxes, aluminium, etc.).
- Continuation of the paper waste collection programme by the company specialised in the sector, Elise (Entreprise locale d'initiatives au service de l'Environnement, local environmental service initiative company).

In 2010, more than 700 kg of paper was recycled.

SOCIAL RESPONSIBILITY

OFI Private Equity Capital has significantly invested in promoting sustainable development in the private equity industry: The chairmanship of the AFIC Sustainable Development Club and co-authoring of the book "Sustainable Development and Private Equity" with PricewaterhouseCoopers.

It continues its commitment with sustainable development players: partner with "Green Dating" (monthly sustainable economy meetings), citizen capital (socially responsible investment fund) and member of EVPA (European Venture Philanthropy Association).

greendating Citizen CAPITAL EVPA

2. Consolidated extra-financial ESG reporting of OFI Private Equity Capital

In 2009, OFI Private Equity Capital drew up a CSR Charter (see pages 37 to 39) which sets out its commitments and the initiatives that it carries out with companies in which it is the majority shareholder.

In 2010, OFI Private Equity Capital introduced extra-financial reporting. Comprising 94 ESG performance indicators, this system measures the initiatives and practices implemented by each portfolio company and by the investment management firm itself.

Extra-financial ESG reporting provides a means for the Company, its executives and shareholders to monitor the Sustainable Development action plan and measure the progress made between reporting periods. The 2010 consolidated extra-financial reporting presents a selection of the most relevant indicators.

The ESG reporting indicators were defined based on guidelines such as the Global Reporting Initiative (GRI) and the international standard ISO 26000.

GOVERNANCE

The companies in the OFI Private Equity Capital portfolio are organised based on **a structured and responsible governance system:** a supervisory board with an average of six members that meets on average six times a year and a management board or management committee that meets on average once a month.

These companies are making progress: five out of six companies presented their ESG reporting at each supervisory board meeting in 2010, compared with only one in 2009. Five of them have also appointed a Sustainable Development Manager and set up a Sustainable Development committee.

In 2010, OFI Private Equity Capital, IMV Technologies and Gault & Frémont formalised their commitment with a Sustainable Development/CSR Charter. IMV technologies laid down a code of ethics in 2009, and Gault & Frémont signed the United Nations Global Compact in 2010.

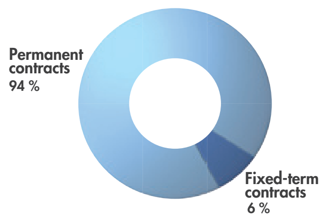
SOCIAL

OFI Private Equity Capital is committed to gearing the strategy of companies towards human capital and ensuring that each company advances in four areas: **employability through training and knowledge management, diversity, working/health/safety conditions and social dialogue.**

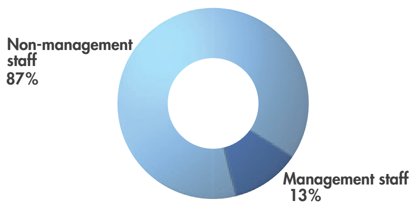
Social reporting covers a scope of 2,096 employees, more than half of which are employed by Léon de Bruxelles. Ninety-four percent of employees are on permanent employment contracts, and 87% are non-management staff (a high percentage due to the companies' business sectors: hair salons, restaurants and industrial sites).

The number of employees remained stable, with the net creation of 65 jobs in 2010. Adjusted turnover came out at 13%, excluding Léon de Bruxelles, whose turnover stood at 42.5%, a low figure for the restaurant business.

Breakdown fixed-term/permanent contracts ▼

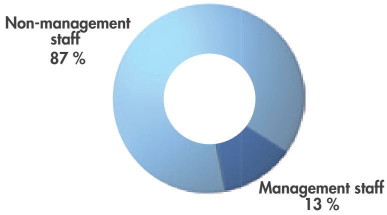


Breakdown management/non-management staff ▼



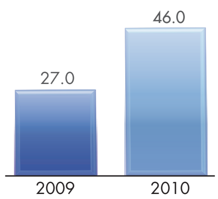
The companies are active in developing training and knowledge management: 74% of employees have taken training, 87% of which are non-management staff. All of the companies have implemented a formalised annual employee review process. Forty-seven percent of employees benefited from a review in 2010.

Breakdown in training

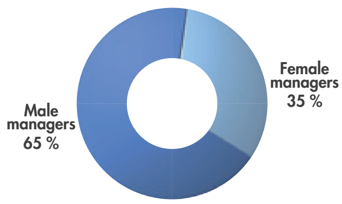


Two out of six companies have a formal non-discrimination, diversity or equal opportunity policy. Three companies have a disabled worker integration policy. Senior citizens represent 12% of total staff and all companies have signed a "senior citizen employment" agreement. Female managers represented 35% of all management staff, and half of the companies have a female member on their management board.

Number of disabled employees



Breakdown in male/female managers



The companies have all implemented preventive measures aimed at improving working, health and safety conditions. 158 work-related accidents with leave occurred in 2010, down 5% on 2009. Absenteeism, at 4%, also fell.

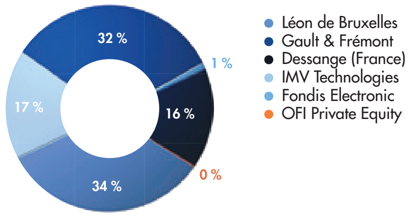
Social dialogue is strong in all the companies thanks to the healthy communication between managers and employee representative bodies.

ENVIRONMENT

OFI Private Equity Capital is committed to taking into account the impact of its business on the environment. The Group ensures that the companies in its portfolio reduce their greenhouse gas emissions, notably by cutting their energy consumption, optimising waste management and decreasing their impact on biodiversity.

In 2009, OFI Private Equity Capital measured the impact of its business on the environment with a consolidated Bilan Carbone® (carbon footprint assessment) of its investment management firm and 5 of its 6 majority shareholdings. The assessment reported 59,980 teq CO_2, driving most portfolio companies (4 out of 6) to initiate an environmental policy with a defined action plan and progress measures.

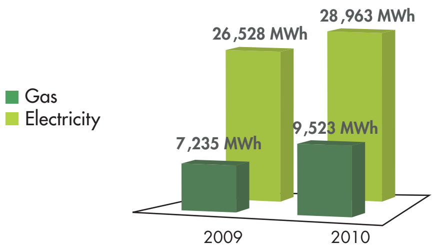
2009 Consolidated Bilan Carbone OFI Private Equity Capital



In 2010, all of the companies also implemented energy and water consumption data collection and monitoring systems.

Energy consumption amounted to 38,486 MWh, of which 75% electricity and 25% gas. Gas consumption, used for heating in three companies, rose sharply in 2010, primarily due to a harsh winter and the opening of a new plant. The energy ratio stood at 152 KWh consumed per euro of revenue generated.

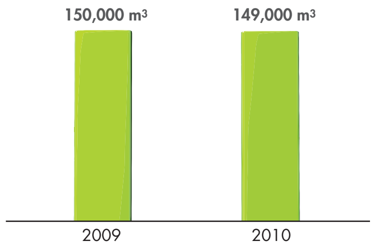
Breakdown of energy consumption by source



149,000 m³ of water were consumed in 2010, down slightly on the previous year (150,000 m³ in 2009).

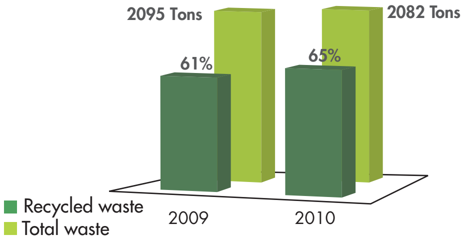
Water consumption*

* excluding Fondis Electronic



The companies all implemented a waste sorting and recovery system, resulting in a recycling rate of 65%, slightly higher than the 2009 figure.

Proportion of recycled waste**



Four out of six companies are involved in projects aimed at reducing the impact of their business on biodiversity, and two companies have initiated an eco-design and life cycle assessment programme.

** excluding Léon de Bruxelles

SOCIAL RESPONSIBILITY

OFI Private Equity Capital is committed to supporting and encouraging the companies in its portfolio to develop their social responsibility programme and ensuring that each company advances in its relations with all of its stakeholders.

Five out of six companies are involved in one or more social responsibility projects related to their business sector or region (community of communes, Agenda 21, Natural Resources Stewardship Circle, etc.). Two companies signed a partnership with a not-for-profit organisation or NGO: Mouvement pour les villages d'Enfants (Movement for Children's Villages, a child protection organisation) for Léon de Bruxelles, and Cosmetic Executive Women for Dessange International. Three companies support their employees involved in not-for-profit projects (Gault & Frémont and IMV Technologies).

METHODOLOGY REPORT ON CONSOLIDATED EXTRA-FINANCIAL ESG REPORTING

The consolidated extra-financial ESG reporting presented in OFI Private Equity Capital's 2010 annual report is an extract from the dashboard of the 94 ESG indicators in 4 areas (Environment: 24 indicators, Social: 55, Social Responsibility: 8 and Governance: 7) completed by the companies for 2009 and 2010. The companies included in the 2010 consolidation scope are from five different business sectors: restaurants, hair salons/beauty and accessories, pastry and bakery packaging, reproduction biotechnology and the distribution of portable diagnostic and scientific instrumentation. The consolidation of these indicators should be analysed with consideration for the diversity of the sectors represented.

- **Process**

The extra-financial reporting process between OFI Private Equity Capital and its majority shareholdings is laid out in a practical guide that defines the reporting objectives, scope, period, indicators, organisation, responsibility, data collection and entry, control, validation, consolidation and the timetable.

- **Standards**

The ESG reporting indicators were defined based on two sets of standards, the Global Reporting Initiative (GRI) and the international standard ISO 26000, along with other sources such as the French labour code, the French 2001 law on new economic regulations and the Middlenext Corporate Governance Code for Midcaps.

- **Consolidation scope**

The consolidation scope covers the companies in OFI Private Equity Capital's portfolio held at 31 December of every year.

For companies acquired during the year, extra-financial reporting is incorporated as of 1 January of the year following the acquisition. For companies sold during the year, extra-financial reporting is not included unless the divestment took place in the fourth quarter of the year. Reporting covers the companies' scope in France. 2010 is the first year the reporting process was implemented for each company. As the companies are still improving their practices, the scope of data collection is not covered in its entirety.

For 2010, the scope included: OFI Private Equity, manager of OFI Private Equity Capital; Gault & Frémont: France industrial site; IMV Technologies: France industrial site; Fondis Electronic: France head office; Dessange International: head office, Dba, Guidel site and the 20 subsidiary salons for social reporting, Guidel site for environmental reporting; Léon de Bruxelles: head office + 54 restaurants (including Besançon, Nantes and Lezennes), excluding Bourges, Champs Elysées, Chartres, Troyes and excluding LI2. The 2010 scope did not include FDS Group (data not available) or Mors Smitt (acquisition in October 2010).

- **Control, responsibility and data validation**

Internal control was carried out by OFI Private Equity's Sustainable Development Department with the finance directors and heads of sustainable development of its majority shareholdings. Its main objective was to validate data consistency and the main changes between Y and Y-1.

The reliability of extra-financial reporting data is validated by each company's management board. The reporting is then presented at supervisory board meetings.

Performance indicators of the consolidated extra-financial ESG reporting of OFI Private Equity Capital

«Governance» indicators	2010	Coverage rate
Average number of Supervisory Board meetings per company	6	100 %
Average number of Supervisory Board members per company	6	100 %
Number of companies that present ESG reporting at every Supervisory Board meeting	5	100 %
Number of companies with a SD committee and head of SD	5	100 %
Number of companies with a SD/CSR charter	3	100 %
Number of companies with a Code of Ethics	1	100 %
Number of companies that have signed the United Nations Global Compact	1	100 %

«Social» indicators	2010	Coverage rate
Breakdown of employees		
Number of employees	2096	100 %
Permanent contracts	94 %	100 %
Management staff	13 %	100 %
Non-management staff	87 %	100 %
contracts	761	100 %
Departures (excluding retirement and fixed-term contracts)	625	100 %
Net job creation (2010 vs. 2009)	65	100 %
Turnover	31 %	100 %
Adjusted turnover (excluding Léon de Bruxelles)	13 %	100 %
Absenteeism	4 %	100 %
Training/Knowledge management		
Employees that took training	74 %	100 %
o/w non-management	87 %	100 %
Number of companies that implemented formalised annual reviews	6	100 %
Percentage of employees that benefited from a formalised annual review	47 %	100 %
Working/health/safety conditions		
Number of work-related accidents with leave	158	100 %
Diversity		
Number of companies with a formalised non-discrimination or diversity policy	2	100 %
Female managers	35 %	100 %
Senior citizens	12 %	100 %
Number of disabled employees	46	100 %

«Environment» indicators	2010	Coverage rate
M²	71504	100 %
Energy consumption		
Electricity (MWh)	28.963	100 %
Gas (MWh)	9.523	50 % (3/6)
Total energy (MWh)	38.486	100 %
Energy (kWh/euro of revenue)	152	100 %
Water consumption		
Total water (in thousands of m³)	149	83 % (5/6)
Waste production		
Total waste (tonnes)**	2.083	83 % (5/6)
Total recycled waste (tonnes)**	1.347	100 %
% recycled waste	65 %	100 %
Biodiversity/eco-design		
Number of companies involved in a biodiversity preservation project	4	100 %
Number of companies that initiated an eco-design approach	2	100 %

«Social responsibility» indicators	2010	Coverage rate
Number of companies invested in their business sector	5	100 %
Number of companies involved in a not-for-profit organisation or NGO	2	100 %

* excluding Fondis Electronic ** excluding Léon de Bruxelles

Extra-financial rating and Gaia Index

OFI Private Equity Capital's strong first extra-financial rating in 2009 and its inclusion in the Gaia Index in 2010 confirmed the recognition and credibility of our ESG policy.

EXTRA-FINANCIAL RATING

In 2009, OFI Private Equity Capital had its extra-financial performance* assessed on its ESG responsibility by the rating agency Ethifinance. With an overall score of 3.5 out of 5 points, its "AA" rating reflects:

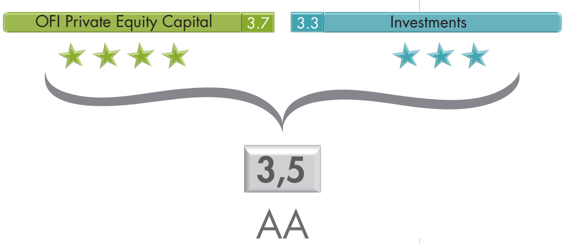
- The strong commitment of OFI Private Equity Capital to ESG criteria (dedicated ESG policy and governance, proper evaluation of the supervisory board, assessment of financial and extra-financial risks, management of stakeholders and the environment).

- A strong commitment to majority shareholdings and those in progress at other companies in the portfolio (proper assessment of governance and management of human capital, environmental awareness).

In 2010, OFI Private Equity Capital integrated the main areas of progress included in the Ethifinance assessment: definition and implementation of ESG reporting (94 ESG performance indicators for its majority shareholdings), integration of ESG criteria in the investment and divestment process (special ESG due diligence).

* Scope of rating: OFI Private Equity, investment management firm, and the six majority shareholdings in the portfolio, on the investment and divestment process.

Extra-financial rating of OFI Private Equity Capital by Ethifinance



GAIA INDEX

OFI Private Equity Capital was included in the Gaia Index in October 2010.

Launched in October 2009 by IDMidcaps and EthiFinance with the support of the SFAF and Middlenext, the Gaia Index is the first French SRI stock market index for listed mid-caps (Eurolist A, B, C, Alternext) that assesses the extra-financial ESG criteria in their strategy and reporting.

The Gaia Index includes the 70 top-scoring French mid-caps in the extra-financial ratings in a sample of more than 230 stocks.

Ratings are established through a questionnaire covering more than 70 ESG criteria.

Gaia Index
THE SMIDCAPS SRI INDEX

THE PORTFOLIO

10

A luxury brand serving the beauty of women

DESSANGE
PARIS

CAMILLE albane PARIS

FREDERIC moréno PARIS

REVENUE *euros* 54M

DESSANGE INTERNATIONAL

INVESTMENT date: July 2008
SHAREHOLDING: 63%
EQUITY / MEZZANINE: 46% / 54%
HEAD OFFICE: Paris (75)
INCEPTION DATE: 1954
WEBSITE: www.dessange-international.com

457 *employees*

From left to right and top to bottom: Benjamin Dessange, Philippe Vincent, Marie-Laure Simonin Braun and Frédéric Moreno.

Dessange International is successfully pursuing its strategy of developing a more upscale image.

A symbol of this shift by a luxury house that emerged from the world of hairdressing: the refurbishment of the historical Champs Élysées salon on Avenue Franklin Roosevelt in Paris. It was transformed into an urban temple of beauty where the customer can come for different types of treatments in addition to hairdressing. Villa Dessange in Antibes (Alpes-Maritimes department in southern France) was also refurbished into a place of luxury with a spa-like atmosphere. With its development towards more upscale services, Dessange is also developing its prestigious hair care and make-up lines. The group offers sulphate-free Dessange shampoos, sold in the brand's hair salons. Through its L'Oréal licence, it is also the first to offer a sulphate-free range in hypermarkets and supermarkets. Its new beauty and hair accessory range, licensed to La Brosse et Dupont and sold in hypermarkets and supermarkets, received a warm welcome in 2010.

INTERNATIONAL DEVELOPMENT: GROWTH DRIVERS

The brand Dessange Paris continues to grow.

From left to right and top to bottom: Benjamin Dessange, Philippe Vincent, Marie-Laure Simonin Braun and Frédéric Moreno.

In France, four salons were added to the network, for a total of 210. Abroad, the group is broken down into regions Europe-Middle-East-North Africa and North America-Asia, through a network of business developers to step up growth and open new markets in 2011. The group has already begun to buy its master franchise in the United States and strengthen its network of franchisees in Japan. A dedicated team is working on an extensive project in China: financial partnership, master franchise agreement and product distribution. A training school is expected to open in the country, adding to the six existing training centres (France, Belgium, Italy, Lebanon, Russia and Korea). Training is essential in the international development of a group offering luxury services.

On top of its indispensable local presence, "e-dessange", an online distribution website featuring a selection of group products, was launched in synergy with and as a complement to the franchise network. The Frédéric Moreno salons also continued their expansion with about 50 openings (for a total of 200 salons). The target is more than 350 salons and stabilisation in employee turnover, which is higher for lower-end salons than for Camille Albane and Dessange Paris.

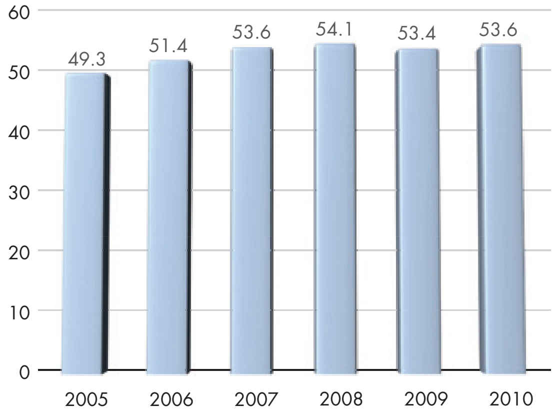
NEW IDENTITY FOR CAMILLE ALBANE

2010 was also the year for preparing the new identity of Camille Albane, the group's upscale brand, positioned between Dessange luxury and lower-end Frédéric Moreno. Fifteen years after its creation, Camille Albane boasts 230 salons in France (of which 30 opened in 2010) and is launching a new phase in its development with a renewed visual identity and new technical partner (Redken, subsidiary of L'Oréal).

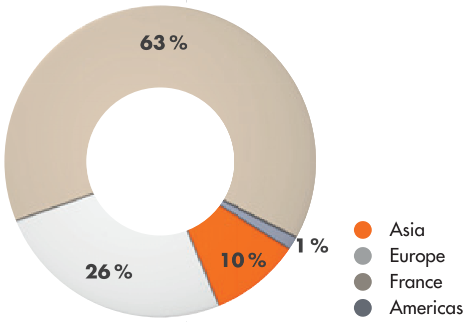
In addition to its significant expansion in China and the United States, Dessange is aiming for the creation in 2011 of a fourth licence in the area of eyewear, distributed by opticians and its own salons.

This confirms the growth of the group, which posted revenue in 2010 of €53.6 million.

REVENUE *in € millions*



SALONS IN THE WORLD



2010/*The highlight of the year*

Double premier

It was a double premier for Dessange. In launching its new sulphate-free hair care line Réveil'Color (distributed in hypermarkets and supermarkets by L'Oréal), the company set itself apart in its commitment to sustainable development, with its products of excellence for both its customers and the environment. With this new star came another: a new face to front the brand for the general public, the sexy rising star of French cinema, Vahina Giocante.

Questions for...

Benjamin Dessange,

CHAIRMAN OF DESSANGE INTERNATIONAL

What does sustainable development mean in the luxury sector that you represent?

The world of luxury goods is one of high standards and responsibilities that are perfectly in line with the values of sustainable development. The commitment of Dessange International is reflected in the implementation of the Sustainable Development Committee, the performance of our Bilan Carbone® and the definition of a sustainable development strategy by our different businesses. For example, we launched a responsible luxury hair care line that upholds solidarity with women and the environment in partnership with CEW (Cosmetic Executive Women).

Why are you committed to biodiversity?

As a manufacturer of beauty products, it is a logical approach.

It is our responsibility to contribute to preserving our environment, and more specifically biodiversity. The beauty of our customers must go hand in hand with that of the world surrounding us. That is why we signed the Guidelines of the NRSC (Natural Resources Stewardship Circle), which symbolise a genuine commitment for us in this area.

What does that represent in concrete terms?

We established a policy to purchase responsible raw materials and work with the NGO "Man and the Environment" to improve our supply chain, notably for the Phytodess line.

Sustainable Development Report

GOUVERNANCE

The governance of Dessange International is structured into a seven-member Supervisory Board which met four times in 2010, of Management Board made up of four employees which met twice a month and four operational committees: Sales Committee, Marketing Committee, Export Committee and the Sustainable Development Committee (set up in 2010).

SOCIAL

The group's social policy is primarily focused on outstanding training, which helps continually raise the standards and develop the technical and creative expertise of employees at subsidiary and franchise salons.

In 2010, Dessange International developed a new **e-learning programme**. It will be operational in 2011 and complete the training given in schools. It will provide access to information and training to all employees who did not benefit from it until now (apprentices, hostesses and hair washers).

Since 2009, the Guidel industrial and logistics site has been working on a continuous improvement programme focused on risk prevention and working conditions (noise pollution and workstation ergonomics) in partnership with consultants from Carsat. Certain measures were taken as a result, such as the replacement of machines considered too noisy.

ENVIRONMENT

In 2010, Dessange International began a vast biodiversity protection programme that features a number of concrete measures:

• **Compliance with and signing of the Guidelines of the NRSC** (Natural Resources Stewardship Circle). This entails the group's responsibility in respecting and protecting biodiversity, notably the preservation of ecological processes and the variability of species and their genes. It also involves respecting the knowledge, innovations and customs of indigenous and local communities.

• **Collaboration with the NGO "Man and the Environment" on improving the supply chain and certifying suppliers of the** Phytodess line.

• **Policy to purchase "responsible" raw materials** for the Phytodess and Dessange hair care lines, with steady growth (65% natural/plant-based ingredients).

• Audit of the 65 suppliers of Dba (product subsidiary) on social and environmental criteria.

• Launch of the Dessange Paris "responsible" luxury hair care line, including two new products in 2010 (a shampoo and a mask), that is sulphate-free and upholds solidarity with women and the environment with FSC-certified packaging and in partnership with CEW (€0.20 paid for each product sold; in 2010, €10,000 was paid).

SOCIAL RESPONSIBILITY

• Since 2006, the group has been involved with the organisation, **Cosmetic Executive Women, which set up beauty** centres in more than 20 hospitals to help women better live with their illness (more than 120,000 treatments given to 72,000 women).

Luxury hair care line

Expertise in hairdressing, the wealth of nature as a source of beauty for the hair

Belgian specialty restaurants and brasseries specialised in mussels and chips

Léon DE BRUXELLES

REVENUE *euros* 105M

LÉON DE BRUXELLES
INVESTMENT DATE: April 2008
SHAREHOLDING: 59%
EQUITY / MEZZANINE: 60% / 40%
HEAD OFFICE : Neuilly-sur-Seine (92)
INCEPTION DATE: 1999
WEBSITE: www.leon-de-bruxelles.fr

1 346 *employees*

For Léon de Bruxelles, 2010 will be the first full year with the VAT reduced to 5.5% (excluding alcohol).

Although some restaurant owners have been criticised for not reducing their prices as a result of this drop in VAT, as intended, the mussels and chips specialist has led by example. This has affected both its prices and employees: free health insurance plan for employees, a "VAT bonus" representing nearly 2% of the annual salary (up to €500), improved protection insurance and increased salaries.

A refurbishment programme was implemented for first-generation restaurants over the past year. Four to five restaurants must be modernised per year over three years, notably by refurbishing the interior layout. Léon de Bruxelles has embraced and emphasised the "Belgitude" and comics themes for this programme.

NEW STYLE OF RESTAURANTS

As announced in 2009, new, smaller restaurants were opened in 2010 (seating 150 with a surface area of 400 m²). This new style of restaurant was first opened in Bourges with a new management structure in which the restaurant manager owned a minority stake in the capital of the operating company.


From left to right, first row: Mariannick Ozanne, Laurent Gillard, Michel Morin, Isabelle Pelletier.
Second row: Pascal Leblanc, Emmanuel Renault, Hassen Kechi and Patrice Levier.

The objective of this type of restaurant is to strengthen the group's development in medium-sized cities and therefore increase the coverage potential. Opening restaurants of this more limited size also reduces the initial investment.

CUSTOMER WELL-BEING

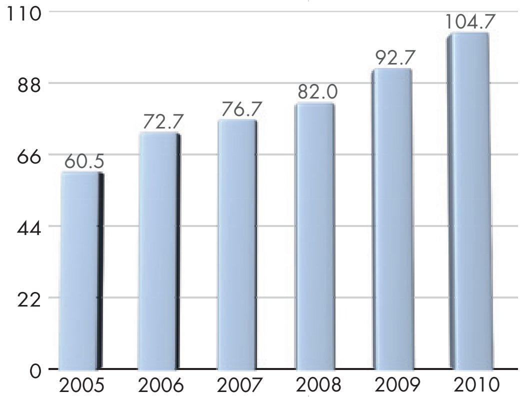
In 2010, four other restaurants were opened in Brétigny-sur-Orge, Besançon, Lille-Lezennes and Nantes. The group, which currently has 59 establishments of which one franchise, is aiming for more than 100 by 2017. To finance this fast growth, it regularly transfers the ownership of its restaurant property. This strategy was initiated in 2008 to reinforce its financial structure. It sold the property of five of its restaurants in 2010 (28 since 2008), the revenue from which was used to repay a €12 million bank credit line. This credit facility was immediately renewed in the amount of €20 million.

Léon de Bruxelles always places emphasis on customer well-being and satisfaction, which has led to its efforts to refurbish the internal layout of its restaurants. The group's marketing campaigns have met with a certain degree of success in the past few years, notably at the time of its 20-year anniversary. The partnership involving bouchot mussels was renewed and now includes a supplier from Mont-Saint-Michel. In 2010, bouchot mussels accounted for 450 tonnes out of a total of more than 3,000 tonnes.

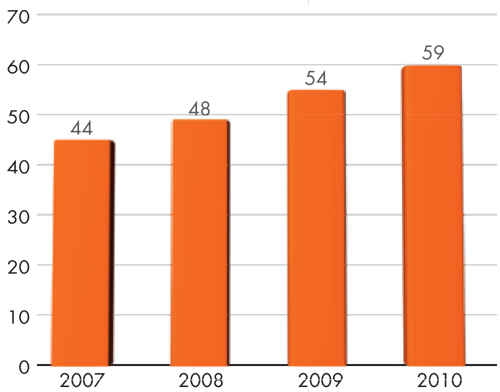
Léon de Bruxelles serves about 5.5 millions meals per year. The group posted revenue of €104.7 million in 2010, up by 12% on 2009.

For 2011, the group plans to continue its momentum by opening seven new restaurants. Léon de Bruxelles expects to surpass the symbolic mark of 1,500 employees in 2011, which means that it will have doubled its staff in five years.

REVENUE
in € millions



NUMBER OF RESTAURANTS



2010/*The highlight of the year*

Strong launch of new restaurants

The Besançon restaurant opened on 6 April 2010, now boasting on average 416 meals a day, with peaks of 800 meals. The Metz restaurant, opened in late 2009 and serving 323 meals a day over the year, has enjoyed the same success. These two examples confirm the group's strategy of expanding in outside Paris, according to Michel Morin, Chairman of Léon de Bruxelles. The Sunday "all you can eat mussels" dinner has turned this meal into the second-largest of the week, with a 20% to 30% increase in the number of customers depending on the restaurant. This loyalty is symbolised by the customer contact list which continues to grow: up from 300,000 to 400,000 contacts in one year.

Questions for...

Michel Morin,
CHAIRMAN OF LEON DE BRUXELLES

How have you integrated the sustainable development culture at Léon de Bruxelles?

It's a company-wide project that involves everyone with key values of Transparency, Respect, Autonomy, Conviviality, Standards. The assessment performed with OFI Private Equity in 2008 revealed that we were considerably progressive, particularly in the social and social responsibility aspects. We became more aware of the topic with our Bilan Carbone®, leading to the set-up of a Sustainable Development Department, which is represented on the Management Committee.

Why is your employee turnover one of the lowest in the industry?

We are very proud of this at Léon de Bruxelles: employee turnover was reduced from 120% in 2002 to 42.5% in 2010. This is mostly due to our careful policy on training, internal promotion, compensation and diversity, with locally-geared management that affords great importance to the human being.

Why have you been involved with the foundation Mouvement pour les Villages d'Enfants for more than three years now?

This child protection Foundation, which has been taking in legally entrusted children and teenagers for the past 50 years, is in line with the key values of Léon de Bruxelles. A meal at one of our restaurants is a time of sharing, often as a family. This is what we are trying to give these children who face incredible hardship.

Sustainable Development Report

GOVERNANCE

The Supervisory Board is composed of five members and two employee representatives and meets on a quarterly basis. Operational governance is organised into a three-member Management Board and a Management Committee

- which meets twice a month - and operational committees: Marketing, Employment-Training (set up in 2010), Management, Scientific and Sustainable Development (set up in 2009) overseen by the Quality and Sustainable Development Department. The Management Committee is highly involved, setting a **2010 target of integrating a "sustainable development culture"** that is consistent with the "family culture" and our corporate values: Transparency, Respect, Autonomy, Conviviality, Standards).

SOCIAL

Léon de Bruxelles gears its strategy and General Management's day-to-day concerns towards human capital.

Its social model is based on one guiding principle: **"Being the best employer for the best employee", which sets an example in the restaurant sector in terms of training, internal** promotion, compensation and social dialogue, thus favouring the integration and motivation of employees. **Léon de Bruxelles is actively pursuing its diversity policy:** 30% of its employees are foreign nationals, 72 nationalities are represented, 30 disabled employees (i.e. twice as many as in 2009); 242 youths under age 25, of which 40 apprentices and employees on work-study programmes (i.e. twice as

many as in 2009). The company has also signed a partnership agreement **"Licence, Sport, Employment" with the foundation "Agir contre l'exclusion" (Act Against Exclusion) to foster the integration of disadvantaged youth.**

An employee satisfaction survey, "Léon is there for you" was conducted at the head office and restaurants. A new in-house newsletter "JOURN'A'LEON" was also created. These two initiatives reflect management's efforts to act at a local level and continuously promote social dialogue.

TURNOVER

2010: 42.5%	
2002: 120%	

ENVIRONMENT

Following the Bilan Carbone® performed in 2009, Léon de Bruxelles initiated a programme to reduce its ecological footprint. In 2010, the company began monitoring indicators on the consumption of energy (electricity, gas, fuel), water, waste and paper at restaurants and the head office. Its environmental policy is also focused on the continuous improvement of the energy efficiency of buildings (reinforced insulation, installation of thermal solar panels, low-energy/LED light bulbs) and the change in behaviour and involvement of employees: the "Lighting Plan" (aimed at reducing the time kitchen equipment and dining room lighting are turned on) and awareness posters on environmentally friendly practices (electricity, water, waste). The restaurants are also involved in waste sorting and treatment.

Léon de Bruxelles also works to mobilise its customers and communicates this with them: on the menu "Eating mussels is good for the planet" and sustainable development games for children.

FOOD SAFETY

Léon de Bruxelles continues its responsible policy on public health and food safety by raising its quality standards for its suppliers. 500 bacteriological tests were run in 2010.

SOCIAL RESPONSIBILITY

Léon de Bruxelles renewed its partnership with the foundation **Mouvement pour les Villages d'Enfants for the third year in a row.** The involvement of all of our employees across our 59 restaurants and company partners during a bracelet sale campaign raised €93,000 for the foundation.

FONDATION MVE

High-technology sealing solutions for cutting-edge industrial applications

REVENUE *euros* **84M**

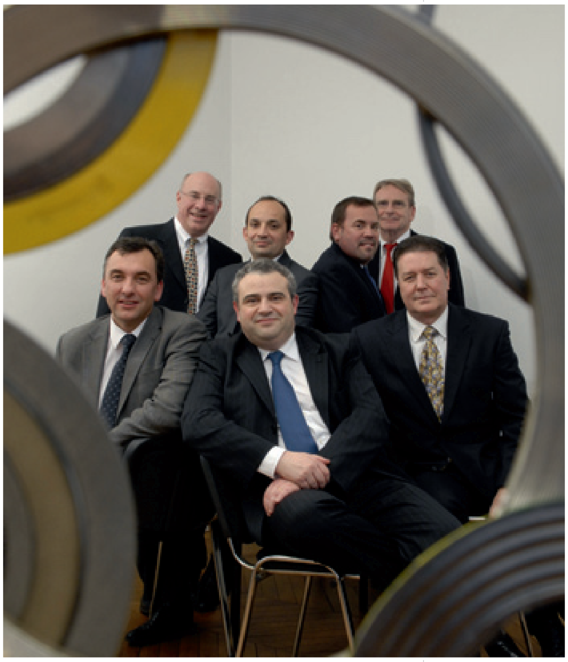
GROUPE FINANCIÈRE DE SIAM
INVESTMENT DATE: 2006 et 2007
SHAREHOLDING: 51%
EQUITY / MEZZANINE: 75% / 25%
HEAD OFFICE: Paris (75)
INCEPTION DATE: 1947
WEBSITE: www.fdsgroup.net

568 *employees*

Following a drop in its business in 2009, FDS Group posted a clear rebound in 2010 thanks to sustained organic growth driven by resumed maintenance programmes and projects and the ongoing roll-out of its solutions in emerging countries. Its revenue grew by nearly 17% to some €84 million.

Growth factors include the group's expansion in the Middle East through a joint venture in Kazakhstan and Dubai. Rémi Toledano, the group's CEO since January 2010, believes that this region offers strong development potential for FDS Group, specialised in high-technology sealing solutions in critical environments (oil, petrochemical, nuclear, etc.).

Growth also came from Asia, in particular India and China where the group now generates US$7 million in revenue. FDS Group is developing inter-company businesses on the high-growth Chinese market but also plans to make the country a profit centre, duplicating the company's business model and focusing on high value-added solutions. The group benefits from the experience of its French subsidiary Siem in the nuclear industry. In line with operations at other entities and regions where the group is active, sales representatives and engineers were recruited to boost the development in the region.

From left to right, first row: Phil Kelshaw, Rémi Toledano, Greg English.
Second row: Keith Miller, Philippe Pottier, Jerry Lastovica and David Mitchell.

SET-UP OF THE GEC

All of the group's business is generally conducted abroad. It aims to increase the French subsidiary's future export revenue from 7%-8% to 25%. A sales director was recruited for this purpose.

In 2010, FDS Group continued to develop its industrial organisation by integrating its different components, notably in application of the decisions taken by the seven-member Group Executive Committee (GEC). Composed of the top executives, the GEC is in charge of defining the company's long-term strategy and its values and ambitions shared throughout the group companies. Its purpose is to ensure the profitable, lasting growth of each entity in line with a shared group vision.

Along with the GEC, FDS Group set up the "Academy of Joint Integrity" in 2010. The FDS Academy's role is two-fold. Its first aim is to train stakeholders (customers, distributors, employees and high-potential managers) in order to establish a genuine long-term partnership according to a shared vision of issues.

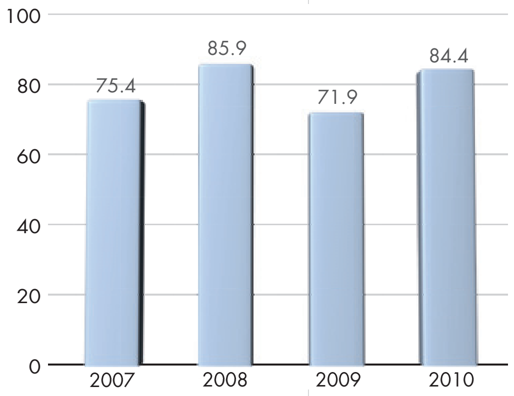
Its second aim is to define work guidelines and methods jointly to uphold service quality, strengthen the quality of technical support and therefore maintain high engineering service standards for its customers.

To take advantage of the knowledge and experience that its engineers worldwide have acquired by handling critical situations, the company has also decided to create a shared technical database. As such, any problem identified with a customer can be treated with high-level expertise anywhere in the world.

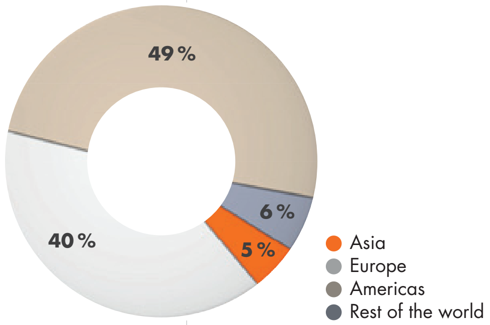
In addition to expanding in high-growth countries (gains in market share and set-up of local operations) and offering customer guidance to meet their specific needs, FDS Group will continue to innovate for the future.

On the 2013-2015 horizon, the company is preparing to launch solutions for SOFC, fuel cells partly made of a very special material: "Thermiculite".

REVENUE
in € millions



GEOGRAPHICAL BREAKDOWN



2010 / *The highlight of the year*

British synergies

After being brought together on a single site in 2009, the British plants of Novus Ltd (85 people, 7,000 m²) and Flexitallic Ltd (125 people, 12,000 m²) achieved most of synergies in 2010. Both units were then placed under the responsibility of a single General Manager. The integration continues to produce results, now with administrative synergies (finance, back office, etc.). This move is a step closer to creating a group that can welcome and integrate other companies by adapting to its specific local requirements.

Questions for…

Rémi Tolédano,
CEO

What does sustainable development mean to you?

It defines a company mission that covers sustainable development issues, involving all employees in setting up specific work groups. It also means formalising an energy efficiency policy, which is key in our business, and confirming a strong commitment to social responsibility.

How is this reflected?

We aim to create a safe and sustainable environment on the cutting edge of new industrial technologies. To do so, we have initiated a company-wide project called Performance Improvement Project and hired a quality manager and a dedicated in-house team. We have also set up a training centre available to all employees.

What is the LIFE programme?

It is a programme initiated by Flexitallic in 2009 based on strong values (safety, communication, teamwork, responsibility, excellence and innovation) and targets increased efficiency and reduced costs. In particular, it aims to strengthen collaboration within the group, foster innovation, restructure the supply chain and reduce energy consumption.

Sustainable Development Report

GOVERNANCE

The Supervisory Board of FDS Group is composed of five members and meets every two months.

The group's operational governance is managed by the GEC, or Group Executive Committee, comprising seven top managers. It meets once a month. Each group entity has its own structure and operational committees.

In 2010, the GEC defined a company mission designed to **"create a safe and sustainable environment on the cutting edge of new industrial requirements",** which is rolled out by all managers and their teams in the group's different entities.

For example, this mission is reflected at Flexitallic Ltd by the PIP Performance Improvement Project and the LIFE Little Improvement From Everybody programme. These two company-wide projects aim to optimise group efficiency (cost-cutting, energy savings and improved product and service quality) and increase the employability and motivation of employees (ensuring long-term employment, skills development and sharing of initiatives).

SOCIAL

Each group entity defines and manages its own human resources policy. The group emphasises developing the expertise of its employees through a training plan, evaluations and annual reviews. It set up a specific programme to develop the skills of high-potential managers and a replacement plan for the main executives and managers at the different entities.

Each entity also defines its own risk prevention programme concerning health, safety and working conditions.

For example, Novus Sealing Ltd obtained **BS OHSAS 18001 accreditation:** British Standard Occupational Health and Safety Assessment Series.

The strong relationship between managers and employees is based on monthly internal communication and open social dialogue between the management, unions and employee representatives.

ENVIRONMENT

All FDS Group sites are **ISO 9001 certified, 2000 version.** The Novus Sealing Ltd site (United Kingdom) is also **ISO 14001 certified.**

The group has undertaken an environmental policy to reduce energy consumption. It notably implemented a system that shuts down machines automatically when they are not used. FDS Group also encourages its employees to adopt environmentally friendly behaviour.

SOCIAL RESPONSIBILITY

FDS Group is involved in organisations related to its business sector (member of the ESA, European Sealing Association, and the Energy Institute) and opened the "Academy of Joint Integrity", a training centre which offers eight training modules for professional qualifications. It is open to all sector professionals. It is also involved with NGOs through its support of development programmes, mainly in India. The company also offers its employees opportunities for volunteer work.

LIFE PROGRAMME

The Academy of Joint Integrity™

On-board electromechanical relays

MORS SMITT

REVENUE *euros* 40M

MORS SMITT
INVESTMENT DATE: march 2006/october 2010
SHAREHOLDING: 50%
EQUITY / MEZZANINE : 83 % / 17 %
HEAD OFFICE: Rosny-sous-Bois (93)
INCEPTION DATE: 1898
WEBSITE: www.morssmitt.com

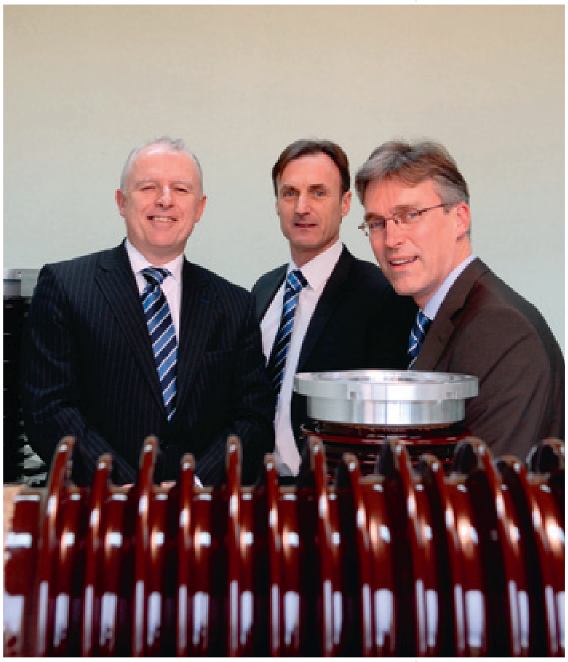
255 *employees*

With revenue growth of more than 20%, i.e. €40.3 million, in 2010, Mors Smitt fully benefited from its positioning on a particularly buoyant market, rail transport. Whether it is for financial or environmental reasons, this method of transport is growing rapidly in both emerging and developed countries. The rail sector is expected to represent a global market of some €160 billion by 2015 (up by 3%-4 % per year). For Mors Smitt, the result of the merger of French and Dutch companies created in the late 19th century, is now the global leader in electromechanical relays in trains and on tracks. The popularity of rail is synonymous with strong growth.

The group, now chaired by Arne Wijnmaalen, surpassed all of its targets in 2010, in terms of revenue, its order book and profitability.

DEVELOPMENT IN ASIA

This performance was notably driven by the development of Asian markets, where Mors Smitt records sharp growth. In China, where the group opened an assembly plant in Zhongshan (nearly 60 workers) and a sales office in Hong Kong, 2010 revenue totalled €9 million, for growth of about 30%. Asia currently accounts for almost 25% of the group's revenue, compared with 20% in 2009. The company boasts a strong sales



From left to right: Arne Wijnmaalen, Michel Fardo and Nico Enthoven.

network that it has been developing over the past ten years. Another market in which Mors Smitt intends to invest increasingly in the next few years is India, with its 1.3 billion inhabitants.

MULTIPLYING INNOVATIONS

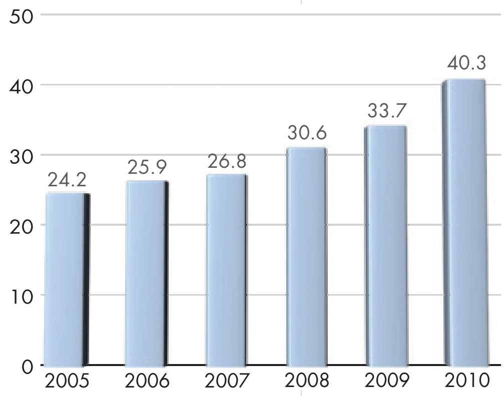
The group's expansion also draws on its capacity to innovate. In addition to its recognised expertise in automating on-board electromechanical procedures (mechanism used to open doors, air conditioning systems in trains and braking systems) which has earned the group some of the largest rail transport groups as its clients (SNCF, Alstom, Bombardier, Siemens, etc.), Mors Smitt benefited from the mass distribution of its signalling relay (NS1) designed for use on tracks and certified by SNCF after two years of testing. Nearly 24,000 relays were sold to the French company for more than €3 million. Sales of this product are expected to continue to grow over the next few years. The initial success of the energy measurement system MSAV 25000 (see "Highlight of the year") is also expected to continue.

Another innovation concerning signalling relays is the modernisation of the Sablé production unit. The company has heavily invested in automating assembly at the plant. This will eliminate the risks of human error and increase production capacity and flexibility while improving the end price.

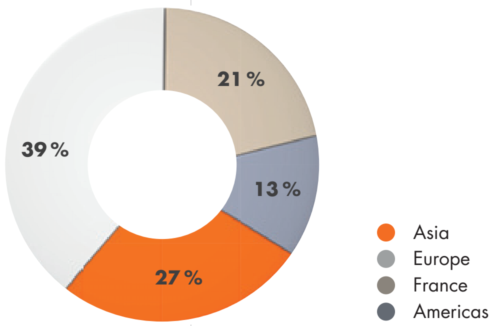
The group also decided to review its structure: marketing and sales in the Netherlands, train-related technological issues in France and the manufacture of skilled-labour intensive products in China. As such, 2011 is off to a promising start to continue to generate strong organic growth, which may be strengthened with a major acquisition. Mors Smitt is looking even further ahead, with the development of new-generation products, a mix of traditional techniques and new technologies.

OFI Private Equity Capital will now more closely look into these issues, because, following the company's capital restructuring, it increased its interest from a minority to a majority stake.

REVENUE
in € millions



GEOGRAPHICAL BREAKDOWN



2010 / *The highlight of the year*

Launch of the MSAV 25000

After years of R&D on the French site in Sablé and successfully passing the critical tests with Alstom in 2009, the MSAV 25000 energy measurement marker (used to calculate a train's energy consumption) won its first two major contracts in 2010 with Alstom and Bombardier. Eight hundred running gears will be equipped with the MSAV 25000. It is a new product with strategic interest for train manufacturers, at a time when the European rail market is opening to competition and railway network managers are breaking from transport companies. Measuring energy consumption is becoming an essential financial and environmental factor as it leads to reducing both costs and CO_2 emissions.

Questions for…

Arne Wijnmaalen,
CHAIRMAN OF MORS SMITT

What does sustainable development represent for Mors Smitt?

It is a key element in our development. The rail industry is particularly stringent in this area. Suppliers are required to meet strict quality, safety, health and environmental standards. Our environmental policy is integrated at our ISO 9001 and 14001 certified sites and into our supplier strategy: products are designed and developed in a way to reduce both costs and energy.

How is this reflected?

ESG issues are perfectly integrated into the company's strategy and have influenced its understanding of the business as well as its executives and employees. In particular, the human resources policy is based on the group's values that place the individual at the heart of our company-wide project. We have a responsible social policy that encourages the training and development of each employee and focuses on staff motivation to contribute to the group's performance and profitability. The company has also taken measures to reduce its environmental impact and improve the working conditions of its employees. It is an area of constant focus for the managers of Mors Smitt.

Sustainable Development Report

GOVERNANCE

The Supervisory Board is composed of five members, with the appointment of a new Chairman, Kees Verduin (formerly Chairman of the Management Board). It meets on a quarterly basis.

The Management Board is comprised of three managers: Arne Wijnmaalen, Chairman, Nico Enthoven, Vice-Chairman and CFO, and Michel Fardo, CEO of Mors Smitt Relais–France. It meets with the managers of its operational departments (France, United States, Netherlands and China) every month.

The group has defined a mission and values that take into account all of its stakeholders.

SOCIAL

The HR policy is in line with the mission and values that the group has defined for its employees:

*"**Our mission concerning our employees:** We pay close attention to training, career development, employee satisfaction and fair compensation.*

***Our values concerning our employees:** Treating people with respect and dignity. Fostering diversity and different opinions. Helping our employees improve their expertise. Recognising and rewarding achievements. Encouraging teamwork and collaboration.*

Integrity: being honest, direct and trustworthy. Compliance with ethics, laws and regulations."

The Management Board is very involved in a responsible social policy that favours integration, skills development, compliance with standards for working conditions and a number of other labour-related benefits. It also encourages strong communication with its employees, which helps motivate them and promotes employee loyalty.

At the Zhongshan site in China, the group has imported its values, social policy and management methods in its concern for the fundamental respect of human rights and labour rights.

ENVIRONMENT

Mors Smitt has undertaken an environmental policy to meet the standards of its main builder and user clients in the rail industry:

• **ISO 9001** (quality management) certification, **ISO 14001** (environmental management) certification of its two industrial sites in France and the Netherlands, and Iris certification, specific to the rail sector. ISO 14001 certification of the Zhongshan site in China planned in 2011.

• All of the products designed and sold by Mors Smitt comply with strict quality, safety, health (non-toxic, non-flammable) and environmental standards, required by the different European regulations.

• In 2010, Mors Smitt launched the "MSAV 25000", a device used to measure the energy consumption of trains in real time and optimise the energy management system. As a result, the company complies with the new requirements for the rail industry in its concern to reduce its ecological footprint.

MSAV 25000

Pastry and bakery packaging

Gault & Frémont
LA BOITE À L'ESPRIT D'OUVERTURE

BiO FOOD PACK

REVENUE *euros* 35M

GAULT & FRÉMONT
INVESTMENT DATE: may 2008
SHAREHOLDING: 70.2%
EQUITY / MEZZANINE: 54% / 46%
HEAD OFFICE: St-Pierre-des-Corps (37)
INCEPTION DATE: 1850
WEBSITE: www.gaultetfremont.com

182 *employees*

2010 marked the stabilisation of business for Gault & Frémont, despite challenging a market. The French specialist in pastry and bakery packaging for the food processing industry and mass-market retail recorded virtually stable revenue of €34.8 million. Business on its market was upset by supply problems that led to shortages in compact cardboard and paper (no less than 850,000 tonnes in production capacity were shut down, causing a disruption in the management of stocks).

REPOSITIONING OF PRODUCT LINES

This did not prevent the company from pursuing its development strategy based on growth in its historical businesses. To expand its product offer and widen its prospects for business growth, the company recruited a Marketing and Development Director, who concentrated on repositioning three product lines (greaseproof paper, pastry materials and thin baking paper), which have turned out to be commercial successes. Sales are expected to turn around in 2011.

The group also restructured to create growth opportunities. In addition to its historical business as an industrial designer and producer, Gault & Frémont also acts as a distributor and has decided

From left to right: Frédéric Leduc, Jean-Baptiste Lemaigre, Rémi Boitier and Sylvain Desbordes.

to capitalise on this aspect of its business mix. The company plans to develop this secondary business as a trader in a line of new products (e.g. plastic boxes for macaroons). The expansion of its line of products through trade will enable the company to enlarge its client base and meet more needs. This business is expected to grow rapidly to account for 10% of revenue, as opposed to 4% currently.

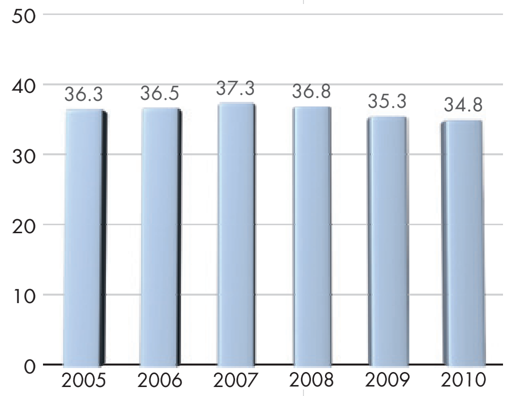
FOCUS ON THE AFH

Another development focus is the listing in the "away from home food" sector. Gault & Frémont made significant gains in the sector in 2010 by establishing a partnership with La Mie Caline (200 points of sale), offering them boxes with their logos and sustainable development certifications that meet the brand's expectations: Gault & Frémont was certified Imprim'Vert, PEFC (Program for Endorsement of Forest Certification) and FSC (Forest Stewardship Council) in 2010. The company also recorded strong international growth (up 20%) thanks to its targeting efforts over the past three years.

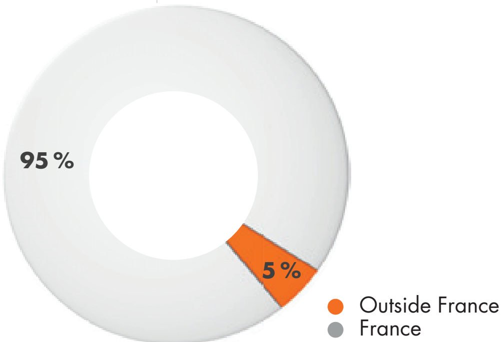
The company also aims for new sources of growth through targeted acquisitions, as illustrated with the purchase of the start-up Bio Food Pack (see "Highlight of the year"). Lastly, Gault & Frémont expects to resume growth in 2011 thanks to its listings to date.

BiO FOOD PACK

REVENUE
in € millions



GEOGRAPHICAL BREAKDOWN



2010 / *The highlight of the year*

A promising acquisition

In the summer of 2010, Gault & Frémont acquired a young but promising company: Bio Food Pack, the leading French manufacturer of greaseproof paper baking moulds. Designed using a renewable raw material (cellulose), the Bio Food Pack moulds are entirely biodegradable and compostable.

This patented solution offers an alternative to aluminium moulds and an innovation for products that can be used in both traditional ovens and microwaves. A product for the future, and therefore for Gault & Frémont.

Questions for…

REMI BOITIER,
MANAGING DIRECTOR OF GAULT & FREMONT

How do you mobilise your teams in terms of sustainable development?

Sustainable development is an issue that we all understand. We set up a Sustainable Development Committee in 2009 to come up with ideas that promote company unity, which is in fact an expanded Management Committee. This way, sustainable development issues can be integrated by as many people as possible. The Committee has fostered high involvement by organising three SD seminar days to define our vision, strategy and two-year action plan. We also established a charter that defines our objectives.

Why did you sign the Global Compact?

Signing the UN Global Compact seemed natural: the 10 principles listed in fact constitute the DNA of Gault & Frémont. By becoming a signatory, our words were put into action as a genuine, concrete sign of our commitment. I believe that all of our group's employees are proud to be part of it.

Could it be said that sustainable development has had a positive impact on your business?

It could even be said that it has had a very positive impact, starting with life at the company: we recorded a drop of more than 50% in work-related accidents, halving their severity, and a 25% reduction in absenteeism. But it has also had a beneficial effect on our business. Thanks to our Imprim'Vert, PEFC and FSC certifications, we can bring in new contracts, notably in the AFH (away from home) food sector, as was the case with La Mie Caline, which has listed us for its 200 points of sale thanks to a new PEFC-certified product line.

Sustainable Development Report

GOVERNANCE

The governance of Gault & Frémont is organised into a six-member Supervisory Board, which met five times in 2010, a three-member Management Board and a Management Committee composed of eight employees, which met once a month. This governance structure is also made up of operational committees: Safety Committee, Vigilance Committee, Marketing/Sales Committee, etc. as well as a Sustainable Development Committee created in 2009.

In 2010, the Management Committee decided to formalise its commitment to social responsibility by signing the United Nations Global Compact in December and defining a Sustainable Development Charter.*

THE GLOBAL COMPACT

NOUS SOUTENONS
LE PACTE MONDIAL

SOCIAL

The social policy of Gault & Frémont is based on a specific management method: **"responsibility-oriented organisations", implemented through the programme "PIPAC"** (Projet Individuel de Professionnalisation et d'Acquisition des Compétences or individual professionalisation and expertise project) since 2008. These organisations are set up to develop employee expertise, foster the responsibility of teams on tasks that are not directly related to their function or position and reduce the number of hierarchical levels.

By training more than 70% of its production team on safety over the past two years, Gault & Frémont reduced the number of work-related accidents by 50% between 2007 and 2010.

FOOD SAFETY

In 2010, Gault & Frémont initiated the implementation of the **HACCP management system.** It is a hygiene management method used in the manufacture of food packaging that aims to identify, assess and control the main risks affecting hygiene and food safety (physical chemical and microbiological risks).

ENVIRONMENT

The Gault & Frémont site is now **FSC- and PEFC-certified, which guarantees that its paper and cardboard are made with wood from sustainably managed forests.** The company also obtained the Imprim'Vert certification, which requires compliance with a set of specifications that aim to reduce environmental impacts associated with the printing business.

The company acquired **Bio Food Pack, the leading French manufacturer of greaseproof paper baking moulds.** Designed using a renewable raw material (cellulose), the Bio Food Pack moulds are entirely biodegradable and compostable.

Over the past three years, Gault & Frémont has been implementing a programme to reduce and treat solid waste. As a result, it recorded a significant decrease in its non-hazardous industrial waste (NHIW), earning it a nomination in the "large company" category for the 2010 Waste Trophy held by the association Touraine Propre.

SOCIAL RESPONSIBILITY

Gault & Frémont works with schools (plant tours, workshops, the "celebrate cardboard" recycling campaign) and supports employees who volunteer with organisations (donation to the not-for-profit organisation Magie à l'hôpital, Magic in hospital).

NUMBER OF WORK-RELATED ACCIDENTS

2010	**17**
2009	21
2008	24
2007	**31**
- 55 %	

NHIW (TONNES)

2010	**237**
2008	621
- 62 %	

CERTIFICATION OF THE GAULT & FREMONT SITE

PEFC

FSC ©

Reproduction biotechnology

REVENUE *euros* 48M

IMV TECHNOLOGIES
INVESTMENT DATE: june 2007
SHAREHOLDING: 11 %
EQUITY / MEZZANINE : 40 % / 60 %
HEAD OFFICE: L'Aigle
INCEPTION DATE: 1963
WEBSITE: www.imv-technologies.com

243 *employees*

2010 confirmed the solidity of IMV Technologies, the world leader in reproduction biotechnology. With revenue up by more than 7% to €47.6 million, of which more than 75% outside France, and profitability also enjoying sharp growth, the company will have come through the crisis admirably. This performance was underpinned by its business model, in which nearly 80% of its revenue is recurring, as it comes from the sale of consumables.

INTERNATIONAL BUSINESS, SUSTAINED BY EMERGING MARKETS

A year marked once again by international development, notably with the acquisition of Dutch distributor Nifa in March 2010, which enabled IMV Technologies to reinforce its presence on the German and northern European markets, adding €3 million to revenue. As in previous years, most of the group's growth came from emerging countries (Latin America, Russia, China and India), while Western economies saw low growth. There are two opposing phenomena on these markets. On one side (emerging countries), the consumption of meat and milk is soaring, leading to increased needs from breeders. On the other (the West), profitability is eroding, which tends to postpone investment.

IMV Technologies is gradually shifting towards the BRIC countries, as are many international compa-

From left to right: Frédéric Keller, Eric Schmitt, Gilles de Robert and Pascal Lecointe.

nies. As a result, the group has strengthened its local structure, for example recruiting a General Manager for China. The crowning achievement of this export drive, the company won two prestigious trophies in 2010: the Ambition Award from La Tribune and the 2010 Entrepreneur of the Year Award for Western France (in the international company category), organised by Ernst & Young.

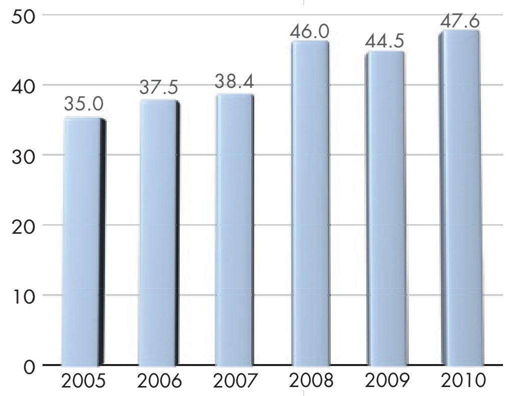
INNOVATION POLICY

This growth is also thanks to the company's ability to meet the needs of its markets. The world leader in the design, manufacture and distribution of artificial insemination equipment for animals (14 species), with 80% of the bovine market and 30% of the swine market, is also a leader in innovation, notably with its famous "Cassou Straw". In 2010, the company launched the first biodegradable swine insemination probe, which earned it an innovation award from EuroTier (a leading international trade fair on animal reproduction).

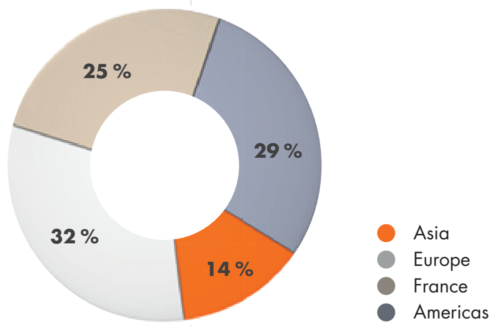
The R&D team of IMV Technologies is also working on ambitious projects involving biotechnology, another focus for the company as a source of growth. It is studying a growing number of reproduction biology projects (the breeding industry is shifting towards upstream semen analysis) and biobanking. The company renewed its contracts with the French Blood Bank to equip transfusion centres with its automatic Diva machines.

Given that markets are growing steadily but are increasingly affected by price pressure, the company decided to pursue its strategic focus on biotechnology, human health and high-potential countries. The group has already advanced on this strategy that OFI Private Equity Capital will continue to back as a minority shareholder (11% stake), as the share capital of IMV Technologies is majority owned by Pragma Capital since the autumn of 2010.

REVENUE
in € millions



GEOGRAPHICAL BREAKDOWN



2010 / *The highlight of the year*

Optimisation of organisation

The new industrial and administrative head office of IMV Technologies, designed in line with HQE environmental construction standards, opened as planned. Following the closure of the former sites on 29 July, the new production centre was fully operational a few weeks later. Now IMV's production is all carried out in a single place, which has led to improvements in organisation and logistics.

Questions for...

Gilles de Robert,
CHAIRMAN OF IMV TECHNOLOGIES

Why did you create a Code of Ethics?

We created this Code of Ethics in 2009, and gradually sent it to group employees to have them sign it. In our opinion, it is essential to promote the value of our business as much as possible, but it is equally important that everyone fully adheres to a collective and positive vision about the way we want to see our company develop and how we work together.

What is the impact of your new HQE-compliant plant?

This plant is a source of great pride for the group. In addition to the 14 target criteria for its construction, we implemented sustainable energy management solutions, such as wood boilers, photovoltaic roof panels, etc. We significantly reduced carbon emissions by combining several sites into one, as a considerable number of vehicles (cars, trucks, etc.) used to run between our different sites.

How do you mobilise your employees in terms of sustainable development?

We have different communication tools (in-house journal, intranet, etc.) as well as our "Green Team". This is a brainstorming team that involves everyone at IMV Technologies. There are volunteers from each department, for a great variety of ideas and initiatives. The concept worked well in the first phase, which we completed with immediate, positive initiatives, such as reducing paper consumption by 50%.

Sustainable Development Report

New industrial and administrative head office of IMV Technologies, Designed in line with HQE environmental construction standards (L'Aigle, France)

GOVERNANCE

The governance of IMV Technologies is structured into a Supervisory Board composed of four members and three representatives from the Company Committee, which meets five times a year. The Management Board (four employees) meets on a monthly basis and is aided in its operational management through several committees and meetings, including a Sustainable Development Committee: the "Green Team".

Operational governance follows a Code of Ethics, which was signed by all company managers and a Sustainable Development Charter drafted in 2010.

The appointment of a Quality and Sustainable Development Director confirms the drive of IMV Technologies to make it one of the strategic focuses of its development.

SOCIAL

The human resources policy of IMV Technologies is primarily based on training, skills development and career management for employees. A "communication and management" training programme given over the past three years has developed teamwork and cohesion for HR management in project mode established by Management. Every year, the company continues its training plan on operators' health, safety and working conditions to optimise prevention measures and the burden of these positions.

ENVIRONMENT

IMV Technologies opened its new industrial and administrative head office covering **13,500 m² designed in line with HQE standards:**

- **Eco-construction:** wooden weatherboarding, steel structure, preservation of natural ponds.

- **Eco-management:** sustainable energy management - wood heating: local wood supply, low-energy lighting - lighting area by section, photovoltaic roof panels, waste treatment area.

- **Comfort/Health:** micro-perforated panels to improve the acoustics and reduce noise pollution, creation of living space.

The "Green Team" worked on a number of concrete measures to reduce the ecological footprint of IMV Technologies. For example, the **"Paperless/Dematerialisation" Project launched two years ago has reduced paper consumption by 44%,** notably thanks to the implementation of the ERP system and the gradual digitisation of administrative documents.

Following the Bilan Carbone® performed in 2009 (10,000 teq CO_2), a carbon impact study on freight (40% of greenhouse gas emissions) showed that a programme to reduce the ecological footprint could also reduce freight costs.

IMV Technologies is involved in projects aimed at promoting biodiversity and contributes to protecting the genetic diversity of many species, some of which are endangered (Ethiopian wolf).

SOCIAL RESPONSIBILITY

IMV Technologies actively participates in collective sustainable development projects **(member of the work group "Amélioration 21" for the Agenda 21 of the Lower-Normandy region, Chairman of the Association of entrepreneurs in the L'Aigle industrial region).**

Portable diagnostic and scientific instrumentation

REVENUE *euros* 12M

FONDIS ELECTRONIC
INVESTMENT DATE: june 2008
SHAREHOLDING: 70%
EQUITY / MEZZANINE: 63% / 37%
HEAD OFFICE: Guyancourt (78)
INCEPTION DATE: 1982
WEBSITE: www.fondiselectronic.com

43 *employees*

After a particularly challenging year in 2009 due to the crisis and its impact on the property market (where more than 70% of its revenue is generated), Fondis Electronic was back on track in 2010. Its revenue rose by more than 20% to €11.7 million (following a drop the previous year).

Its main market, however, remains affected. The French leader in the distribution of portable diagnostic and scientific instrumentation benefited from the growth on the property market for 10 years, providing sector professionals with the tools for their inspections (technical, asbestos, lead, etc.), before the market collapsed. That said, the crisis has not jeopardised the trust that large international industrial groups specialised in measurement instruments – its suppliers – have in Fondis Electronic.

FOCUS ON DIVERSIFICATION

With the market challenges likely to persist, the company has naturally decided to review its strategic outlook. After riding the property wave, this business will be sustained at its highest level while Fondis Electronic now plans to better diversify its markets by developing in three other major sectors: the environment, industry and laboratories. These areas are notably bolstered by the impact

From left to right: Eric Vanbalinghem, Arnaud Crouzat and Jean-Pierre Daverio.

of the Grenelle de l'Environnement (Grenelle Environmental Forum).

As such, the future French RT 2012 standard on the energy consumption of future buildings, is expected to generate business growth, for example through the use of thermal infrared cameras or leak measurement instruments on the buildings.

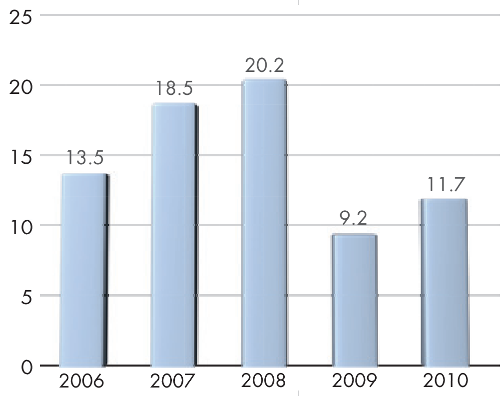
REBOUND IN BUSINESS

Fondis Electronic plans to continue developing portable instruments while more generally working to enlarge its range of products.

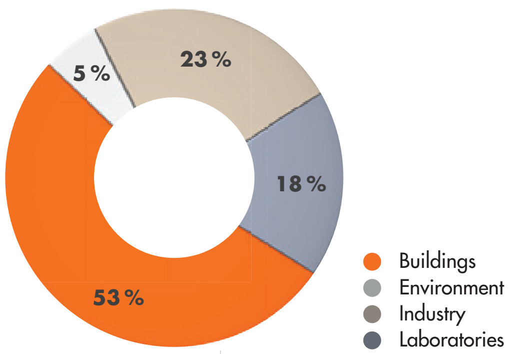
In terms of structure, the company Bioritech (specialised in diagnostic instrumentation for water and liquids, which offers significant growth potential in the sector of public water analysis laboratories or among private clients in the chemical, petrochemical and other industries) and its teams were integrated into the Guyancourt site. The organisation was streamlined, and sales operations were placed under the responsibility of a single director. The sales team was strengthened and restructured to be more aggressive in its strategy to win over new clients (after benefiting from the buoyant years on the property market when clients would come directly to them). A plan to recruit five people, which includes three sales representatives, a technician and a marketing director, was launched at the end of 2010.

This new strategy, implemented on the impetus of OFI Private Equity, has been led by a new Chairman, Jean-Pierre Daverio, since August 2010. The initial impact of this rebound was felt as of the end of the first quarter of 2010 and is expected to pick up in 2011 and 2012. Along with the economic recovery, the company has regained its strength and intends to continue expanding its product range with determination and tackle its historical and future markets.

REVENUE
in € millions



BREAKDOWN IN BUSINESS



2010 / *The highlight of the year*

A new Chairman

Chairman of Fondis Electronic since August 2010, Jean-Pierre Daverio (with degrees from École Polytechnique, École Nationale des Ponts et Chaussées, a Master's of Science from the University of California, Santa Barbara, and an MBA from INSEAD) is specialised in transforming companies with high development potential. He began his career in 1986 at Air Inter, then joined the strategy consulting firm Mercer Management Consulting (now Oliver Wyman) in 1992, where he became a partner. After leading entrepreneurial projects involving the acquisition of SMEs in 2004, he became Deputy Managing Director of Penauille Servisair in 2005. Mr Daverio took over the General Management of Taxis Bleus in 2007 and became chairman of the call centre Sérénis. He modernised the company, launched the environmental brand "Green Taxis" and implemented innovative

Questions for…

Jean-Pierre Daverio,
CHAIRMAN OF FONDIS ELECTRONIC

What is your view of sustainable development?

Our business is directly related to sustainable development because our products are notably used to assess energy performance. For us, our involvement is virtually mandatory as we may be led to work with potentially radioactive sources. As such, we pay close attention to the health and safety of our employees and the management of environmental risks.

How do you involve your teams?

In order to better involve all of our employees in these issues, we decided to set up working groups at the end of 2010 to focus on the different aspects. As a result, Group employees have therefore integrated sustainable development concerns, which was very rapidly reflected in a significant reduction in printing and paper consumption. We also keep close watch on travel, as everyone is concerned.

Sustainable Development Report

GOVERNANCE

The governance of Fondis Electronic is organised into a four-member Supervisory Board, which met on a quarterly basis, a two-member Management Board and a Management Committee, which met twice a month.

In 2010, Fondis Electronic restructured its business divisions to improve efficiency, favour internal communication and further involve top management in sales activities.

Management defined a company-wide project to mobilise employees: "Communication, Sustainable Development and Improvement in Working Conditions", which will be implemented in 2011.

SOCIAL

The human resources policy of Fondis Electronic, overseen directly by the Management Board, has integrated the quality management system set by **ISO 9001 certification.**

The company's specific risks involving the health and safety of employees are mainly related to handling radioactive sources. Fondis Electronic implemented a stricter health monitoring policy for employees, in partnership with the IRSN (Institut de Radioprotection et de Santé Nucléaire, Radioprotection and Nuclear Safety Institute) and occupational medicine services. It performs quarterly dosimetric analyses using

portable electronic devices that measure employee exposure to radioactivity.

The Technical Director took special training to become a Qualified Expert in Radioprotection. He ensures that all employees exposed to radioactivity are aware of the dangers and inherent best practices.

ENVIRONMENT

Fondis Electronic ensures the distribution, technical assistance and maintenance of scientific instruments used primarily for environmental analysis and inspection in the property sector (lead and asbestos detectors, devices used to perform energy performance assessments). As a company committed to sustainable development, Fondis Electronic carefully examines the cost and environmental impact of using its products.

Fondis Electronic treats the radioactive waste that is generated by its products, in compliance with regulations. The company is proactive because it also collects the waste generated by other sources, in partnership with an organisation approved to treat devices at the end of their life cycle.

REVENUE *euros* **55M**

AXSON TECHNOLOGIES
INVESTMENT DATE: january 2006
SHAREHOLDING: 14%
EQUITY: 100%
HEAD OFFICE: St-Ouen-l'Aumône (95)
INCEPTION DATE: 1938
WEBSITE: www.axson.com

311 *employees*

Manufacturer of high-performance resins for advanced technological applications

Axson TECHNOLOGIES

In 2010, Axson Technologies benefited from its strategy of a global approach to the international market of the design and manufacture of high-performance resins and composite materials for advanced technological applications. With revenue of €55.2 million, i.e. growth of more than 10%, the French group is of the leaders in this market and is active in the aerospace, automotive, construction, renewable energy, transport, foundry, machinery and electronics sectors.

It is present on most markets where its major contractors are. About 90% of the group's production is local, on these markets, as insurance against protectionism and currency fluctuations.

With this approach and its efforts to improve production quality (four out of its six plants are now ISO 9001 certified, with another in progress), Axson Technologies is now a global supplier for certain international clients, and even the leading supplier for some contractors.

To better manage its development, the group reviewed its structure: three sales directors now cover the three main geographical regions (France-Southern Europe-North Africa/Germany-Central Europe-Russia/Rest of the World), and a strategic committee was set up to better guide group investments and decisions. Among the initiatives that took place in 2011 was the opening of a production unit in India and the launch of production in Brazil. China (with €6.5 million in revenue in 2010) expects to see continued strong growth reach 50% for the period 2008-2011.

"Our growth drivers are in emerging economies, which represent 40% of our revenue, versus 20% five years ago. Our main challenge is to invest heavily in local operations to cover the market and avoid being copied."

Lionel Puget, Chairman

Individual debt collection

Credirec >>

In line with previous years, in 2010, Credirec benefited from the growing need of banks and credit institutions to outsource some of their out-of-court collection of individual debts, in particular on car and consumer loans.

The company confirmed its status as leader in the servicing business (debt collection for third parties), posting market share of about 60%. The volume of debts sold to Credirec by banks was lower than in 2008 and 2009, years that were very favourable for outsourcing and due to the crisis. Nevertheless, the company observes that some institutions are again thinking debt selling.

Credirec took advantage of the favourable market conditions over the period to increase its share in its mutual securitisation fund to 100% (until then 50%-owned and consolidated). This type of investment vehicle will continue to be used as an alternative financial tool.

Servicing (managing outsourced debt collection) remained stable, as in previous years.

Overall, the year saw a sharp increase in productivity: up 20% per person! This growth is notably linked to the high stability of the teams, the development of external partners (such as bailiffs) and the return to a structure whereby employees are specialised by product. The increase of old "loss" debts also prompted Credirec to strengthen its team of investigators.

REVENUE *euros* **37M**

CREDIREC
INVESTMENT DATE: april 2006
SHAREHOLDING: 10%
EQUITY / MEZZANINE: 39% / 61%
HEAD OFFICE: Paris (75)
INCEPTION DATE: 1993
WEBSITE: www.credirec.com

250 *employees*

"Credirec will benefit from this current pick-up in the outsourcing of debt management on the market, for which our company is perceived as one of the leaders. We participate in a growing number of bids and, as a result, aim to double the number of portfolios we manage over the next three to four years."

Nathalie Lameyre, Chairman

Distribution of packing and packaging machinery for the food processing sector

BFR Groupe

REVENUE *euros* 23M

BFR GROUPE
INVESTMENT DATE: february 2007
SHAREHOLDING: 28.3%
EQUITY: 100%
HEAD OFFICE: Evry (91)
INCEPTION DATE: 1960
WEBSITE: www.bfrgroupe.com

84 *employees*

"We will pursue the development of the industrial division of BFR Group, with the construction of a new 1,400 m² building for Eurocri. This will boost its growth – and, consequently, that of the group's other businesses – by improving its organisation and allowing the company to expand its range of services for its clients."

Antonio Fonseca, Managing Director

After a challenging year for the entire market in 2009, during which BFR Group posted a drop in its revenue, business seemed to stabilise in 2010, in a context of strict market requirements.

The company's various businesses turned in contrasting results. The divisions specialised in packing and packaging machinery distribution for the food processing sector (baggers, filmers, weighers, weight sorters, X-ray detectors, metal detectors, etc.), developed by the subsidiaries Latinpack and Lassoudry, were still affected by the global crisis.

This performance was however offset by the group's third business division, Eurocri, specialised in the design and manufacture of made-to-measure packaging machines.

Driven by the growing needs for optimisation and automation, this business (entire production in France) posted revenue of about €4.5 million. The strengthened synergies between the three divisions enabled the development of the trading business.

Outlook

2010 clearly marked a turnaround for most of the companies in the portfolio of OFI Private Equity Capital: recovery for some, stabilisation and development for others. Most of them are emerging from the crisis, confirming their business model with motivated management teams and a number of growth projects.

Whether they involve organic growth (opening points of sale, innovation, sales development, etc.) or acquisitions, there is no lack of projects. In early 2011, the companies in the portfolio of OFI Private Equity Capital are actively working on eight acquisition deals to consolidate their positions, including two in France, three in the United Kingdom, two in China and one in the United States. As in previous years, 2011 is a time of the portfolio companies' clear, ongoing shift towards international development.

For OFI Private Equity Capital, after the twelve acquisitions completed in 2006-2008, then the phase of portfolio consolidation in 2009-2010, a return to further investment is expected for 2011. With the favourable turnaround in the economic and private equity environment, these opportunities to diversify our assets are once again possible. Thanks to the successful capital increase carried out in the summer of 2010 and its cash position of €62 million, OFI Private Equity Capital has the means to provide its current and future companies with the sound backing they need to carry out their projects.

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ISIN code: FR0000038945

Reuters code: OPEC

Bloomberg code: OPEC: FP

Number of shares: 10,546,509

Float 25.5%

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