11

ANNUAL REPORT

eurazeo pme

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OFI PRIVATE EQUITY HAS BECOME...

eurazeo pme

OFI
PRIVATE EQUITY CAPITAL

...AND IS PURSUING THE INTERNATIONAL DEVELOPMENT OF ITS PORTFOLIO

2011 was a year of change for Eurazeo PME: a change in shareholders, a change of name and a change of offices. But its approach has not wavered.

In April 2011, OFI Private Equity merged with the Eurazeo Group to become Eurazeo PME. In July, it relocated to Eurazeo's offices and in December was officially de-listed. The transition was smooth, primarily because Eurazeo PME shares a common philosophy with Eurazeo about responsible investment and guidance over the long-term. Eurazeo elected to uphold an independent governance system designed for small to medium-sized companies, thereby strengthening its position on the mid-sized segment.

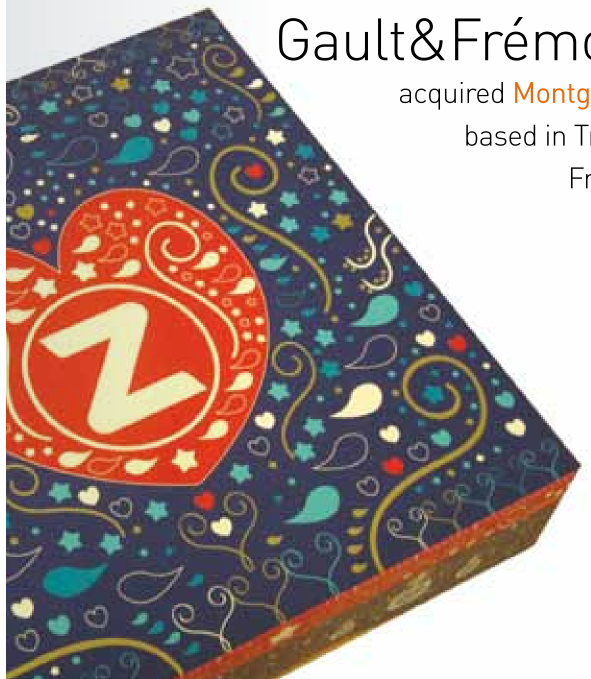
Eurazeo PME now benefits from additional financial resources to invest in projects to develop companies valued at between €50 million and €150 million. The company also enjoys more solid bearing to support its companies in their international expansion, as reflected in the two acquisitions made in early 2012 in the United States and Canada. Eurazeo PME continues to target the same company profile: high maturity in its business, a quality team, recurring cash flow and prospects for transformation.

2011
HIGHLIGHTS

MARCH

Dessange International
bought its master franchise in the United States.

Gault&Frémont
acquired Montgolfier, based in Troyes, France.



APRIL

Mors Smitt
announced the acquisition of STS Rail Ltd. in the United Kingdom, producer of UK standard electromechanical relays.

OFI Private Equity sold its minority stake in

Crédirec

JUNE

Eurazeo PME sold its minority stake in

Axson Technologies

OFI Private Equity's majority shareholder changed from MACIF to Eurazeo, becoming eurazeo pme

AUGUST

FDS Group

acquired two companies in the United Kingdom.

After its first team sporting event at the New York Marathon in 2010, Eurazeo PME began preparing for a new challenge:

the Rome Marathon in 2012!

8 team members crossed the finish line, with times between 3:29 and 4:45.

OCTOBER

Léon de Bruxelles and the number 6

Léon de Bruxelles opened its 66th restaurant. A total of 6 million meals were served in 2011.

The company boosted its development resources by selling the property of 6 restaurants.

NOVEMBER

Eurazeo PME increased its stake in

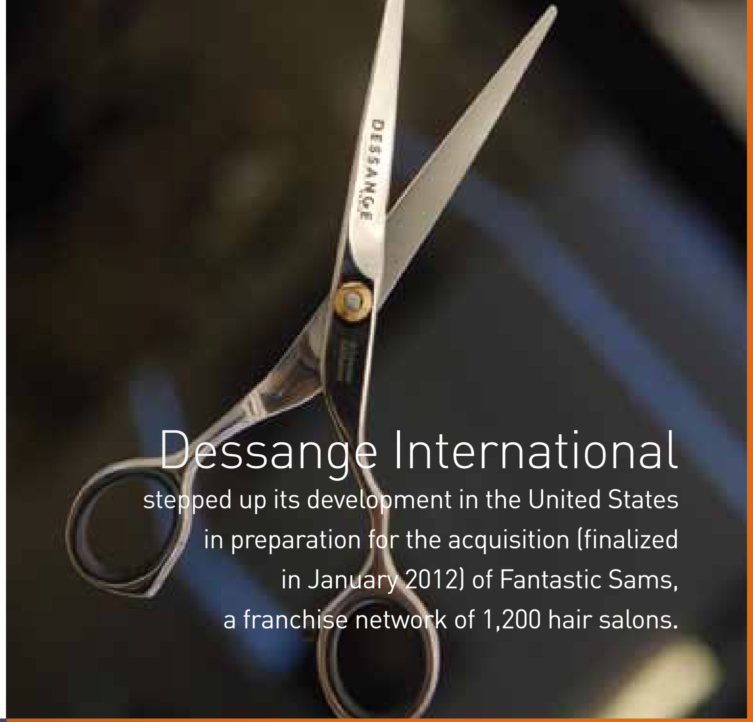
FDS Group

from 51% to 69% and completely restructured the company's balance sheet.

IMV Technologies

signed a strategic partnership agreement for the Chinese market with Nelson Medical.

DECEMBER



Dessange International

stepped up its development in the United States in preparation for the acquisition (finalized in January 2012) of Fantastic Sams, a franchise network of 1,200 hair salons.

FDS Group

closed negotiations to acquire the Canadian company AGS Group, a leading supplier of sealing solutions on the Canadian market (acquisition in effect in January 2012).

MESSAGE FROM
VIRGINIE MORGON,
CHAIRWOMAN
OF THE SUPERVISORY BOARD

"Eurazeo PME now benefits from greater human and financial resources, unlocking vast potential for the many opportunities on offer on the private equity market for SMEs"

Eurazeo acquired OFI Private Equity Capital in 2011, a natural merger of great importance to us.

The alliance was natural because Eurazeo and Eurazeo PME – the new name of OFI Private Equity Capital – resemble each other in many ways. The similarities are striking, as both companies share the same DNA as long-term shareholders and responsible investors. Both seek to accelerate the transformation of companies by either drawing on their organic growth potential or supporting them in their acquisition strategy.
Both believe that it is their role to help companies change dimension, first and foremost through active involvement with their management.

We were set on this merger because the SME market abounds with potential for fantastic success stories. Eurazeo has always felt that it has had an economic part to play in the development of these companies, as it already had with Eurazeo Croissance, the label for its high-growth investments. We believe that financial investors bear fundamental responsibility towards companies that have no access to financing or financial markets, and even less to the bond market. As the new shareholder in Eurazeo PME, we are enthusiastic about developing this role and remain entirely convinced that expanding our scope to small- and medium-sized companies is a step in the right direction for Eurazeo.

Eurazeo PME now boasts advantages across the board. The tailored approach developed by Olivier Millet and his team to find contacts and areas ahead of the others. The relationship to boost appeal with an intelligent idea. Credibility based on Eurazeo PME's track record and the quality of the Eurazeo network. Eurazeo PME now benefits from greater human and financial resources, unlocking vast potential. It can develop ambitious strategies, as reflected in 2011 with the acquisitions made by its portfolio companies Dessange International and FDS Group. This bolstered capacity also enables Eurazeo PME to take a different approach to the market. It can take the time to establish a strong conviction, by studying the most promising sectors and anticipating its future investments, and seek out the potential for value creation outside of typical avenues.

Eurazeo PME can implement this long-term investment strategy with full independence within the Group while meeting high governance standards. Following the successful integration of the team into Eurazeo and the initial steps taken to boost its portfolio, we will continue to demonstrate the advantages of this merger. I strongly believe that Eurazeo PME's next investments will solidify its position as a market leader.

INTERVIEW WITH
OLIVIER MILLET
CHAIRMAN OF THE EXECUTIVE BOARD

What does your merger with the Eurazeo Group involve?

_ Our ambition remains the same: to be a long-term shareholder in medium-sized companies. The OFI AM Group and Macif played a key role in developing our business, and I would like to thank them for guiding us through these past few years. The switch from a shareholder in mutual insurance to Eurazeo took place with respect for what we are. Eurazeo's move to strengthen its presence in the small to medium-sized segment was in line with our philosophy.

How did the integration actually take place?

_ The transition took place in the summer of 2011. It was smooth and seamless. In less than 6 months, we had fully integrated the Eurazeo Group, which chose to maintain our independence.

What were the ramifications for the companies in which you are a shareholder?

_ Our corporate culture as a listed investment firm is very similar to that of Eurazeo. The governance system and dialogue with our companies did not change. Eurazeo's long-term perspective acts as a guarantee of stability for our companies, as do the increased financial resources available to us. Our capacity to guide them in their development is even stronger. And this very rapidly shifted into action. Let's first take FDS Group. Thanks to our new shareholder, we raised our stake in the company from 50% to 69%, while backing its acquisitions in the United Kingdom and Canada. With our help, the Group has transformed in just a few years, growing from €20 million in revenue in 2006 to €150 million in 2012.

“We pursued the international development of the companies in our portfolio, with two focusing on North America”

Did your investment strategy change?

_ The resources provided by the Eurazeo Group enlarged our spectrum of opportunities, but we remain focused on medium-sized companies valued between €50 million and €150 million. And the company profile we seek has not changed: high maturity in its business, a quality team, recurring cash flow and prospects for transformation.

Our economic role, geared towards the long-term transformation of companies through organic growth and acquisitions in France and abroad, has held steady. As an example, we helped the Dessange Group in its international expansion. In early 2012 we closed a deal in the United States that we had been working on for six months. This pivotal deal will allow the group to double the number of its hair salons worldwide and increase the number of its points of sale to more than 2,000.

Does sustainable development still play a role in your strategy?

_ Yes, of course, though I prefer to call it Corporate Social Responsibility or CSR. Our vision of CSR is in line with that of Eurazeo. During our integration in 2011, we participated in drafting the Group's charter, which further develops the charter we published in 2010. We share the same ESG (Environmental, Social and Governance) issues and have taken a long-term approach to handling them. Governance remains the keystone of good relations between the company and its shareholders. The social aspect is vital to success in every company. Energy and biodiversity issues have not changed, even if environmental concerns tend to receive less focus in times of crisis. The companies in which we invest continue to work hard to improve across all of these areas. Their work culminated in the publication of an extra-financial business report featuring monitoring indicators on all of these issues.

How did the portfolio perform in 2011?

_ Business was particularly strong, with the disposals of Credirec and Axson and the acquisition strategy deployed by the other portfolio companies.

They all enjoyed business growth in 2011, with total consolidated revenue rising from €320 million to €360 million (€400 million including the two acquisitions made in January 2012) in one year. Profitability remained high, with consolidated EBITDA steady at 17%.

How do you see 2012?

_ The market in France remains uncertain, but most of our companies have the capacity to seek growth abroad in more buoyant regions. Today, more than 40% of the consolidated revenue of our companies is generated outside France, and this percentage is increasing.

The transformation of your companies is towards international growth?

_ Not only international growth. For example, a group such as Léon de Bruxelles turned in 12% growth on the French market alone, by opening restaurants regularly in line with a time-tested strategy. Our role fundamentally consists in helping our companies' transition from a small-to a medium-sized company. Ninety percent of the time, growth entails international expansion. This does not imply merely selling abroad but identifying key markets, setting up durable operations and managing local subsidiaries. 2011 saw robust international development, with no less than 7 acquisitions by IMV Technologies, Mors Smitt, FDS Group and Dessange International in countries such as China, the United Kingdom, Canada or the United States.

"40% of our consolidated revenue is generated outside France"

What are the keys to success in these companies' international development?

_ Being both ambitious and modest at the same time. They also need exceptional managers, because they must be continuously available for these "pocket-sized" multinationals. Our role as shareholder is to help rationalise managerial decisions, limit the risks taken by the company and accept our responsibility by re-injecting capital rather than building up debt when it comes to major deals. This was the case for FDS Group and Dessange International. We reinvested in these companies to back their development projects 5 and 4 years respectively after purchasing our initial stake. Our role also consists in supporting them in their post-acquisition phase, notably by ensuring that governance remains in line with the group's development. For instance, we help them form international boards. This experience is particularly useful and beneficial for our future investments.

Are you aiming for any new investments?

_ Yes, thanks to the resources available through Eurazeo, we can set up new deals. We are looking for companies and managers that need long-term shareholders to help them through an important transitional phase in their development.

Are you optimistic amid the current pessimism?

_ Our integration into Eurazeo's operations ties us in with 130 years of history. This brings a dimension of longevity to our relations with companies. It also provides perspective regarding the day-to-day challenges faced by companies that must act intelligently and bravely with the support of our team. The 2 main challenges we plan to tackle are globalisation and CSR. Our companies shall shape their future through transformation. We will safeguard our position on the French mid-sized market through transformation to offer them our guidance.

Executive Committee: (1) Emmanuel Laillier – (2) Laurence Château-de Chazeaux
(3) Olivier Millet – (4) Pierre Meignen – (5) Elisabeth Auclair – (6) Erwann le Ligne

THE EURAZEO PME TEAM

OLIVIER MILLET

> Chairman of the Executive Board

More than 20 years of experience in private equity

6 years with Eurazeo PME

Olivier Millet began his career in 1986 by creating *Capital Finance*, the leading French private equity magazine. He then joined 3i from 1990 to 1994, before moving to Barclays Private Equity France, where he contributed to development for 11 years.

In 2006, he founded Capitalisme Durable, began his support for "Green Dating" – monthly sustainable economy meetings – and became a shareholder in Citizen Capital, a socially responsible investment fund that develops very small and micro enterprises set up by minorities in disadvantaged neighbourhoods. In 2009, he played a role in creating the AFIC (French Private Equity Association) Sustainable Development Club.

École Supérieure de Commerce et de Marketing

ELISABETH AUCLAIR

> Member of the Executive Board - Chief Financial Officer

Four years with Eurazeo PME

Formerly with Ernst&Young (6 years),

Imaje (Industry, 6 years) and GSE (Design & Build, 7 years)

École Supérieure de Commerce de Montpellier, Chartered accountant

EMMANUEL LAILLIER

> Member of the Executive Board

Eurazeo PME since 2011

12 years of experience in private equity deals

Formerly with EPF Partners (9 years), Fonds Partenaires Gestion (3 years) and Nomura (2 years)

École Polytechnique

PIERRE MEIGNEN

> Associate Director

8 years with Eurazeo PME

Participated in the deals involving Auto Escape, Axson, MSH, Credirec, IMV Technologies, Léon de Bruxelles, Dessange International

Formerly with IDPC (2 years)

MSG and Master's degree in Management, DESS post-graduate degree in Finance

ERWANN LE LIGNE

> Associate Director

6 years with Eurazeo PME

Participated in the deals involving FDS Group, Gault & Frémont and BFR Group

Formerly with Crédit Agricole Ile-de-France

DESS post-graduate degree in Finance from Paris Dauphine University

LAURENCE CHÂTEAU-DE CHAZEAUX

> Sustainable Development Director

4 years with Eurazeo PME

More than 20 years of experience in marketing management

Formerly with Schweppes (10 years), Action Contre La Faim (5 years), EGG Bank (3 years), Marie (3 years)

European Business School, Collège des Hautes études sur l'Environnement et le Développement Durable

MATHIEU BETRANCOURT

> Investment Director

4 years with Eurazeo PME

Participated in the deals involving Gault & Frémont, Dessange International and Mors Smitt

Formerly with Astorg

ENST

RODOLPHE DE TILLY

> Associate

2 years with Eurazeo PME

Participated in the deals involving FDS Group and Fondis

Formerly with Société Générale (2 years)

EDHEC

CLARA CHATILLON

> Financial Controller

CHRISTINE LE PAIRE

> Executive Administrator in charge of Communication

CAROLE BOURDEAUX

> Office Manager

AMÉLIE JARAN

> Assistant-Receptionist

STRATEGY

Eurazeo PME invests in ambitious, high-performance companies and offers their managers guidance in their development projects in France and abroad. This involves continuous support for management teams in their approach towards advancement and growth, by opening subsidiaries abroad, making transformational or targeted acquisitions or adapting their strategy. Eurazeo PME incorporates social responsibility and environmental criteria into the core of the investment strategy and its role as shareholder.

PROFITABLE, HIGH-GROWTH SMES IN NICHE MARKETS	MAJORITY SHAREHOLDER IN LONG-TERM PARTNERSHIP WITH MANAGEMENT	OPTIMISED RISK/RETURN RATIO	PROMOTION OF EXTRA-FINANCIAL CRITERIA
Companies valued at between €50 million and €150 million, leaders on their niche market that are able to seize development opportunities	A majority shareholder working alongside a devoted management team for a period of at least 5 years, offering sound, continual governance at the level of its investments	An investment mix comprised of equity and mezzanine and moderate leverage effect	Promotion of ESG – Environmental, Social and Governance – criteria as factors contributing to medium-term value creation

VALUE CREATION STRATEGY

This investment strategy spans the long-term (5 to 7 years) and follows the development of companies and management teams. Eurazeo PME is firmly committed to respecting the company's life cycle and standing alongside its managers. Since 2008, it has ranked among the pioneers in sustainable development, integrating a genuine strategy on its own behalf and that of its investments.

Respecting the company's growth pace means engineering investments based on equity and mezzanine capital, moderate debt in line with the company's cash flow and investment needs. This investment structure aims to provide flexibility, stability and durability. Through its innovative and rigorous strategy, Eurazeo PME forges a genuine partnership with the companies and their managers to develop a group-wide project involving all employees.

Eurazeo PME's role is to help SMEs move on to the next stage in their development, while maintaining their robust performance in their sector. Once this first phase is complete, Eurazeo PME can either launch a new growth phase or pass it on to other shareholders carefully selected to offer the best chances for success in the company's development.

In 2011, Eurazeo PME showcased its ability to provide its investments – namely FDS Group, Dessange International, Mors Smitt, IMV Technologies and Gault & Frémont – with the guidance they need, from both a strategic and financial standpoint, tackling ambitious, transformational cross-border growth.

FROM SIEM SUPRANITE TO FDS GROUP

Eurazeo PME bought an initial majority stake in Siem Supranite in October 2006. At the time, the company generated about €18 million in revenue primarily in France and Germany. Over a five-year period, Siem Supranite increased its revenue eight-fold (approximately €145 million), by combining organic growth through innovations and exports and transformational acquisitions.

FDS Group is currently a global market leader in high value-added solutions for the energy, oil, chemicals, petrochemical and nuclear industries. The group first expanded in the United States by acquiring the manufacturing company Flexitallic (October 2007), then in the United Kingdom with the purchase of Novus (April 2008). With these acquisitions, FDS Group extended its product range, gained production units across all continents and established closer ties with major contractors in the energy sector.

After devoting 3 years to integrating its various entities and boosting its organic development, FDS Group focused on an intense programme of strategic acquisitions in 2011. Two distribution networks were first acquired in August 2011 (Sealex and Beldham Crossley in the United Kingdom, generating nearly €6 million in revenue), followed by the Canadian company AGS (deal completed in January 2012).

The acquisition of AGS marks a major advance for the group, establishing a strong position on the Canadian market (around €50 million in revenue). The deal also completed its existing range of maintenance products with a comprehensive range adapted to major extraction (upstream) projects.

DESSANGE INTERNATIONAL MAKES A PROMINENT ENTRANCE ONTO THE LEADING GLOBAL BEAUTY MARKET

Boasting about 400 hair salons in France and 330 hair salons across more than 40 countries, Dessange International is a global player and highly reputed brand specialised in hair and luxury goods and the French way of life. The group's business encompasses the management of hair salon franchises (Dessange Paris and Camille Albane) and the sale of high-end hair care products through different retail networks. Eurazeo PME has been a majority shareholder in the group since July 2008. International expansion is a major development strategy for the group, which aims to distribute its brands worldwide, with particular focus on 2 regions: the United States and China.

In the first quarter of 2011, the group ensured the direct management of its brand Dessange International on the US market with the purchase of the master franchise. The group then moved on to initiate talks with one of the leading franchise networks in the United States, Fantastic Sams. The transaction will be completed in early January 2012. Dessange International will gain a development platform already featuring more than 1,200 hair salons under franchise. This will help step up the development of its brands and products on the number one market worldwide.

GOVERNANCE
GUIDELINES

THE GOVERNANCE OF A PROFESSIONAL AND RESPONSIBLE SHAREHOLDER

Eurazeo PME is a Limited Company with an Executive Board and Supervisory Board. The operational duties entrusted to the Executive Board are strictly separate from the duties of oversight and monitoring entrusted to the Supervisory Board.

Eurazeo PME's Executive Board is composed of three members: Olivier Millet, its Chairman, Emmanuel Laillier and Elisabeth Auclair. It is assisted by an Executive Committee, comprised of the Executive Board members, the two Associate Directors and the Sustainable Development Director. The Executive Committee aims to involve the team as much as possible in the success of the company's strategy.

The Supervisory Board consists of 6 members, of which 2 independent members and 2 observers. The Supervisory Board has an Audit Committee, made up of 3 members, including one independent member. The Audit Committee assists the Supervisory Board in answering questions about the preparation and control of financial and accounting information and monitoring the efficiency of internal control and risk management systems. The statutory auditors, PricewaterhouseCoopers Audit and Deloitte & Associés, are represented at each Supervisory Board and Audit Committee meeting.

Lastly, the Sustainable Development Expert Committee, comprised of 7 independent experts and entrepreneurs, has the role of guiding Eurazeo PME in developing its strategy and the operational implementation of its CSR policy and ensuring compliance with the CSR Charter.

RULES APPLICABLE TO AN *AUTORITÉ DES MARCHÉS FINANCIERS* APPROVED PORTFOLIO MANAGEMENT COMPANY

Eurazeo PME has the status of a Portfolio Management Company. It manages the OFI PEC 1 and OFI PEC 2 FCPRs (French private equity funds), the OFICAP FCPR and the direct investment segment of the OFI Europa I FCPR under delegated management.

As a result of this *Autorité des Marchés Financiers* approval, the company must meet certain management standards and monitor compliance with rules of conduct. The internal control and compliance principles are set out in detail and inspected on a regular basis.

Eurazeo PME must notably consult a five-member Investment Advisory Committee before any investment or divestment in excess of €0.5 million. The role of this committee is to analyse the investment proposed by the Executive Board of Eurazeo PME and provide additional analyses on top of the due diligence performed.

SUPERVISORY BOARD

VIRGINIE MORGON

Chairwoman of the Supervisory Board

Member of the Executive Board of Eurazeo

Professional experience
Virginie Morgon co-directs the Investment team. A Managing Partner of Lazard Frères et Cie in Paris since 2000, after working as a banking advisor in New York and London, Virginie Morgon was notably responsible for the Food, Retail and Consumer Goods sector in Europe. She was a lecturer at the Institut d'Études Politiques in Paris.

Education: Graduate of the Institut d'Études Politiques in Paris (degree in Economics and Finance) and Master's in Economics and Management from the Bocconi University (Milan, Italy)

FABRICE DE GAUDEMAR

Member of the Supervisory Board

Member of the Executive Board of Eurazeo

Professional experience
Fabrice de Gaudemar co-directs the Investment team. He launched and manages Eurazeo Croissance, which invests in high-potential companies that need capital to boost their growth.

Since joining Eurazeo in 2000, Fabrice de Gaudemar has been involved in making or monitoring the investments in Eutelsat, Cegid, Rexel, Europcar, APCOA Elis and OFI Private Equity (now Eurazeo PME) and in Fonroche and 3S Photonics for Eurazeo Croissance. He was previously a telecommunications engineer.

Education: A graduate of the École Polytechnique and École Nationale Supérieure des Télécommunications

BRUNO KELLER

Member of the Supervisory Board

Chief Operating Officer of Eurazeo

Professional experience
Bruno Keller has been the Chief Operating Officer and a member of Eurazeo's Executive Board since May 2002. He joined Eurazeo in 1990 as Chief Financial Officer before being appointed Deputy Chief Operating Officer in June 1998. Bruno Keller previously held the positions of Auditor (Price Waterhouse: 1976-1982), Finance Manager (Finance Department of Elf Aquitaine: 1982-1989) and Asset Manager (Banque Indosuez: 1989-1990).

Education: Degree from the École Supérieure de Commerce in Rouen

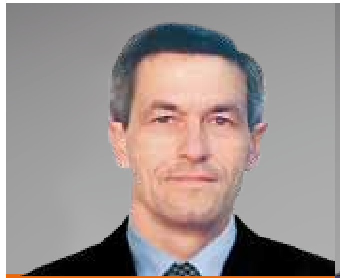
FRANS TIELEMAN

Member of the Supervisory Board

Member of the Management Committee of Eurazeo

Professional experience
Frans Tieleman joined the Group in 2001 after working as a strategy and operations consultant at McKinsey in Paris and then with the venture capital fund of Reuters PLC in London and San Francisco. He was involved in making or monitoring the following investments of Eurazeo in France and Italy: Terreal, Rexel, B&B Hotels and Sirti, and currently Gruppo Banca Leonardo, Intercos, OFI Private Equity (now Eurazeo PME) and Moncler.

Education: A graduate of the École Polytechnique, Ponts et Chaussées, Insead



PATRICK DUPUY

Member of the Supervisory Board

Professional experience
Patrick Dupuy is Chairman and founder of Dardel Industries (1988) - LMBO of a division of Schlumberger Industries - a diversified holding company: capital goods, industry services.

Education: Centrale Paris, MS from Stanford

PASCAL LEBARD

Member of the Supervisory Board

Professional experience
Pascal Lebard began his career in 1986 at CCF in London and Paris, before joining the investment firm 3i in 1988, where he became Associate Director in 1990.

In 1991, he became Equity Investment Director at Exor (Agnelli Group) then joined Worms & Cie in 2004, where he was a Board member and Deputy Managing Director. He became a Board member and Managing Director and Chairman of the Executive Committee of Sequana (formerly Worms & Cie) in 2007. Pascal Lebard is also Chief Executive Officer of Arjowiggins (since 2008) and Antalis (since 2009).

He serves as a Board member of Club Med, LISI and CEPI (Confederation of European Paper Industries).

Education: Graduate of EDHEC

JEAN-LUC BRET

Observer

Professional experience
Jean-Luc Bret is Chairman and founder of the fast food pastry/sandwich shop chain "La Croissanterie" (180 restaurants in shopping centres, city centres and transport stations) for which he led two LBOs: with Barclays Private Equity and 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, Vice-Chairman of the National Shopping Centre Council and Chairman of ISTEC.

Education: Graduate of the Institut Supérieur des Sciences, Techniques et Economie Commerciales - ISTEC

CHRISTOPHE KARVELIS

Observer

Associate Co-founder of Capzanine

Professional experience
Christophe Karvelis joined 3i France in 1987 and became Associate Director and member of the Management Committee in 1992. In 1995, he contributed to setting up the fund EPF Partners, sponsored by the Natixis Group. From 1998 to 2004, he oversaw the General Management of ABN AMRO Capital France, which targeted LBOs valued between €40 million and €700 million. In 2004, he set up Capzanine with David Hoppenot.

Education: IEP PARIS, MBA from the J.L. Kellogg Graduate School of Management, Northwestern University, Chicago

FINANCIAL
REPORT

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PRESENTATION OF PORTFOLIO COMPANIES

DESSANGE INTERNATIONAL

Global network of more than 2,000 hair salons under franchise

REVENUE €53.5 million

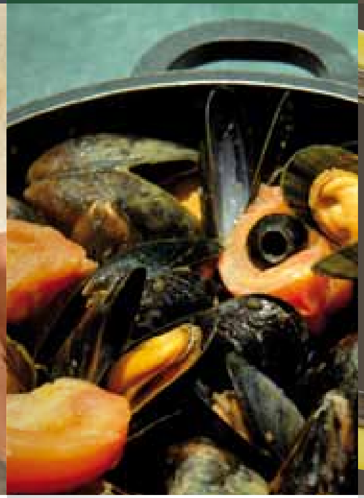
SHAREHOLDING 68%

LÉON DE BRUXELLES

Belgian Brasserie

REVENUE €117.7 million

SHAREHOLDING 59%

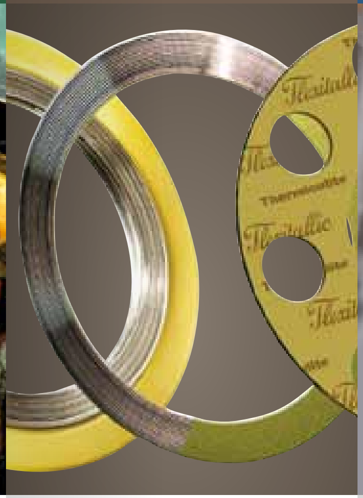


FDS GROUP

Global group in industrial sealing solutions

REVENUE €93.6 million

SHAREHOLDING 69%



MORS SMITT

Railway technology

REVENUE €44.0 million

SHAREHOLDING 50%

GAULT & FRÉMONT

Company specialised in pastry and bakery packaging

REVENUE €38.7 million

SHAREHOLDING 70%

IMV TECHNOLOGIES

World leader in reproduction biotechnology

REVENUE €50.4 million

SHAREHOLDING 11%

FONDIS

Scientific and industrial solutions

REVENUE €13.1 million

SHAREHOLDING 45%

BFR GROUPE

Solutions for Process, Convening and Packaging needs

REVENUE €24.4 million

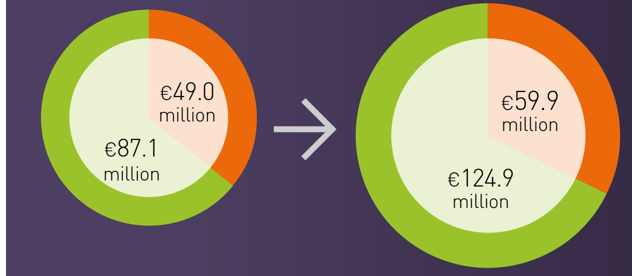
SHAREHOLDING 28%

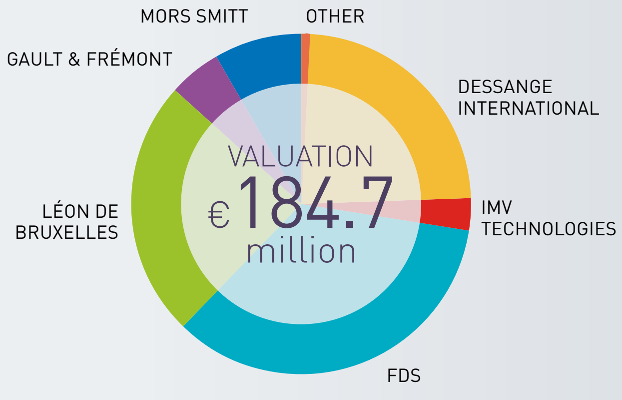
KEY PORTFOLIO FIGURES

PORTFOLIO VALUE AT 31 DEC. 2011

€136.1 million
INITIAL PURCHASE PRICE

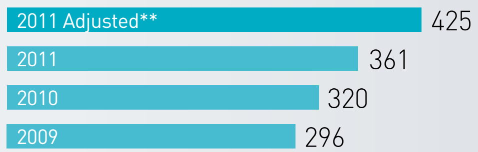
€184.7 million
VALUE AT 31 DEC. 2011



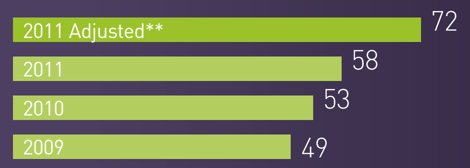


PORTFOLIO BREAKDOWN
AT 31 DEC. 2011

€361 million
CONSOLIDATED
REVENUE*



€58 million
CONSOLIDATED
EBITDA*



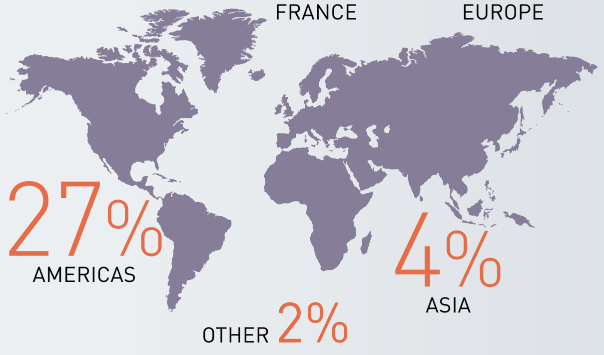
53% OF REVENUE* IN B-TO-B

47% OF REVENUE* IN B-TO-C

2,941
EMPLOYEES*

BUSINESS IN 92 COUNTRIES

43% OF REVENUE** OUTSIDE FRANCE



* Majority shareholdings in the portfolio at 31 Dec. 2011.

* Majority shareholdings in the portfolio at 31 Dec. 2011.
** Adjusted to include the acquisitions of AGS and Fantastic Sams made in January 2012.

OFI PRIVATE EQUITY CAPITAL
consolidated financial statements under IFRS (CONDENSED)

INCOME STATEMENT

In €M	31 Dec. 2010	31 Dec. 2011
Revenue from operations	339.2	361.3
EBITDA	55.9	54.1
% of revenue	*16.5%*	*15.0%*
Amortisation, depreciation and provisions excluding intangible assets	(16.5)	(14.1)
EBIT	39.4	40.0
Amortisation and provisions on intangible assets	(2.0)	(4.0)
Other operating income and expenses	(25.9)	20.3
Operating income	11.5	56.3
Financial income + Share of income from equity investments	(25.9)	(26.0)
Income tax	(2.2)	(1.7)
NET INCOME	(16.5)	28.5
Net income attributable to equity holders of the parent	(8.1)	8.8
Net income from minority interests	(8.4)	19.8

Consolidated revenue from operations rose from €339 million to €361 million in 2011. The Léon de Bruxelles group enjoyed strong business growth of 12%, which was driven by the opening of new restaurants, 7 new restaurants for a total of 66 at 31 December 2011. FDS Group also recorded strong business growth (9%).

EBITDA from recurring operations slipped from €55.9 million to €54.1 million. This includes EBITDA from consolidated operating investments, equal to €57.6 million (compared with €56.9 million in 2010). The EBITDA margin of investments amounted from 16.8% to 16%, confirming the structural profitability of consolidated companies. Consolidated EBITDA also includes overheads for Eurazeo PME, which remained stable over the year, and the change in the fair value of the minority stakes in IMV Technologies and BFR Group.

Other operating income notably includes €30 million in income from HEI/Fondis following the financial restructuring in early 2011, thus extinguishing financial liabilities. In 2010, these included €31.1 million in amortisation for the intangible assets of HEI/Fondis.

After taking into account the Group's cost of debt (€26 million) and income tax (€1.7 million), net income came out at €28.5 million at 31 December 2011, with €8.8 million attributable to equity holders of the parent.

BALANCE SHEET

ASSETS	31 Dec. 2010	31 Dec. 2011
- Goodwill	107.3	106.4
- Other intangible assets	216.7	225.4
- Property, plant and equipment	65.6	66.7
- Other non-current assets	24.9	20.6
Non-current assets	414.5	419.1
- Inventories and receivables	89.6	91.9
- Cash and cash equivalents	92.1	52.6
Current assets	181.7	144.5
TOTAL ASSETS	596.2	563.6

EQUITY AND LIABILITIES	31 Dec. 2010	31 Dec. 2011
- Equity attributable to owners of the Company	98.5	81.7
- Minority interests	11.6	24.2
Total shareholders' equity	110.1	105.9
- Long-term financial liabilities	256.5	230.2
- Other non-current liabilities	76.3	73.5
Non-current liabilities	332.8	303.7
- Short-term financial liabilities	73.0	61.5
- Other current liabilities	80.3	92.5
Current liabilities	153.3	154.0
TOTAL EQUITY AND LIABILITIES	596.2	563.6
Net financial debt	237.5	239.1

SHAREHOLDERS' EQUITY

Shareholders' equity attributable to equity holders of the parent amounted to €81.7 million at 31 December 2011 compared to €98.5 million at 31 December 2010. This was mainly due to the €20.3 million in purchases of FDS Group's minority interests and the dividend distribution of €5.2 million in June 2011.

Minority interests essentially include the equity ownership of managers and other co-investors. Shareholders' equity (including minority interests) totalled €105.9 million.

CASH FLOW AND FINANCING

Consolidated net debt rose from €237 million at 31 December 2010 to €239 million at 31 December 2011.

The change in debt net of cash derives primarily from the debt restructuring of HEI/Fondis, which reduced debt from €47.7 million at 31 December 2010 to €7.3 million at 31 December 2011. This reduction was partially offset by debt raised by some companies to finance new investments over the year.

The Group's consolidated cash totalled €52.6 million at 31 December 2011. Each of the 6 majority shareholdings posted a cash surplus.

The net debt presented in the consolidated balance sheet of OFI Private Equity Capital is primarily made up of the net debt of OFI Private Equity Capital's majority shareholdings at 31 December 2011, which includes:

- €125.2 million in bank loans or leases taken out to finance acquisitions or their development;
- €51.9 million in cash:
  i.e. net bank debt of €59.5 million for the 6 majority shareholdings;
- €146.7 million in junior and senior mezzanine debt.
  OFI Private Equity Capital cannot be held liable for this debt as the Company did not act as guarantor or for any other investment in its portfolio.

All investments repaid their outstanding bank loans on schedule as at 31 December 2011.

CSR
REPORT
CORPORATE SOCIAL RESPONSIBILITY

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STRATEGY AS A RESPONSIBLE SHAREHOLDER

1. A CSR* COMMITMENT SINCE 2008

Since 2008, Eurazeo PME has incorporated sustainable development and extra-financial criteria into its business plans as factors that contribute to value creation and the durable performance of its portfolio companies. Eurazeo PME engages in guiding and advancing companies in deploying a CSR approach that combines economic development, social progress and a reduction in their environmental footprint. It has also integrated this approach at its investment management firm.

LAUNCH OF A CSR STRATEGY

2008

- Set-up of a **Sustainable Development Department** that reports to the Chairman of the Executive Board;
- First **CSR training** session for the entire Eurazeo PME team;
- Partnerships with **Green Dating** (monthly sustainable economy meetings) and Citizen Capital (a socially responsible investment fund), membership in the EVPA (European Venture Philanthropy Association).

DEPLOYMENT OF A CSR STRATEGY

2009

- **Signing of the PRI** – UN Principles for Responsible Investment;
- Set-up of a **Sustainable Development Expert Committee** made up of 7 independent members (entrepreneurs and experts) and represented on the Investment Committee by one of its members;
- **CSR Charter drafted** based on 4 major focuses: structured and responsible governance, the role of human capital in strategy, reduction of the environmental impact and introduction of a socially responsible approach;
- **First ESG* assessment** of **each majority shareholding** by Eurazeo PME's Sustainable Development Department;
- **Consolidated carbon assessment (*Bilan Carbone*) of Eurazeo PME** (for the investment management firm and 5 majority-owned companies in the portfolio), with an outcome of 59,980 tonnes of CO_2 equivalent;
- Global CSR assessment of majority shareholdings based on the AFNOR SD 21000 method;
- **First sustainable development annual report;**
- **First rating by extra-financial rating** agency Ethifinance: 3.5 points out of 5, for an AA rating**;
- **Formation of the AFIC Sustainable Development Club,** chaired by Olivier Millet, Chairman of Eurazeo PME's Executive Board..
- Publication of the **book *Sustainable Development and Private Equity*** by the AFIC, co-authored by PwC and Eurazeo PME;

- **Inclusion in the Gaia Index,** the first French SRI index for listed mid-caps (Eurolist A, B, C, Alternext) to assess ESG** criteria;
- First Prize in sustainable development awarded by *Private Equity Magazine*.

2010

- **Signing of the AFIC, PRI and CSR charters by all Eurazeo PME employees;**
- **First extra-financial reporting** and consolidation of 94 ESG performance indicators for Eurazeo PME and 5 out of 6 of its majority shareholdings;
- Agreement for portfolio companies on "Sustainable Development and Social Responsibility of Companies";

2011

- Collaboration with Eurazeo Group on CSR issues;
- **New CSR reporting** system in line with draft decree 225 of the French Grenelle II law;
- First **consolidated CSR reporting** for Eurazeo PME covering **all majority-owned companies**;
- **Review of Eurazeo PME's CSR reporting procedures and consolidation processes by PwC**, as part of its programme to verify the Eurazeo Group's consolidated extra-financial reporting;
- Role in drafting the Eurazeo Group's CSR Charter and publication of a **new CSR Charter for Eurazeo PME**, identical to the Group's.

* Corporate Social Responsibility

* Environment, Social, Governance

** As OFI Private Equity Capital, before joining the Eurazeo Group

3 QUESTIONS FOR...

Laurence Château-de Chazeaux

SUSTAINABLE DEVELOPMENT DIRECTOR

How was Eurazeo PME's sustainable development approach integrated into that of the Eurazeo Group?

_ We have the same convictions and the same CSR approach as the Eurazeo Group, both in our investment policy and our guidance of portfolio companies. We signed the PRI in 2009, and Eurazeo signed them in 2011. Since we joined the Group, we have worked together to define a common CSR Charter and a new system for reporting ESG (Environmental, Social and Governance) performance indicators. We pooled our sustainable development experience for the benefit of our companies.

What developments have you noted in the commitment of companies?

_ Since we initiated this approach in 2008, considerable progress has been made. The companies integrated sustainable development and incorporated CSR into their business model and corporate culture, adapting it to these principles and to their own growth pace and priorities. Today, most of them have implemented a CSR governance structure (SD Manager, SD Committee, SD Charter) and taken a number of initiatives on social and environmental issues.

_ Policy on diversity, knowledge management, training, energy efficiency, waste sorting, ISO 14001 certification, biodiversity, and partnerships with organisations are just some of the ways our companies have progressed.

What do you expect from 2012?

_ In 2012, companies will continue to advance on these CSR priorities. Managing human capital is a key issue for all of our SMEs, which need to unite their teams further in this difficult economy.

This does not mean that initiatives on environmental issues have not been taken. They are becoming a prime topic, driven by our SMEs' major clients and the growing scope covered by environmental standards.

2. SOCIAL RESPONSIBILITY CHARTER OF EURAZEO PME, A RESPONSIBLE SHAREHOLDER IN RESPONSIBLE COMPANIES

In 2008, Eurazeo PME (formerly OFI Private Equity Capital) initiated its sustainable development approach, incorporating CSR (Corporate Social Responsibility) and extra-financial (Environmental, Social and Governance or ESG) criteria into its strategy of investing in and developing the companies in its portfolio. Eurazeo PME cemented this approach in 2009 by signing the PRI (Principles for Responsible Investment) and publishing its first CSR Charter, which defined its vision, commitment and action plan.

In 2011, Eurazeo PME contributed to preparing Eurazeo's group-wide CSR Charter, an extension of the initial charter.

Eurazeo PME firmly believes that by combining financial and extra-financial performance it creates lasting value well beyond its own investment horizon. Eurazeo PME also asserts that with its role as an active shareholder in a profoundly shifting world comes responsibility for its decisions and actions, not only to its portfolio companies but also to society as a whole and the environment.

Eurazeo PME's perspective is that, as a responsible long-term shareholder, its mission is to offer guidance to each company in which it invests, providing the time and resources necessary for its growth transformation and combining financial development, social progress and a reduction in its environmental impact.

This new CSR Charter, endorsed by the Management Board and all Eurazeo PME employees provides its portfolio companies with a shared framework for defining their priorities in accordance with their business.

As part of its continuous improvement policy, Eurazeo PME encourages its investments to advance in their CSR approach and reports on their progress on the 6 CSR challenges every year:

1. **Guarantee strong and exemplary governance**
2. **Practice responsible human resources management**
3. **Share a corporate project with employees**
4. **Promote gender equality in the workplace**
5. **Optimize energy use and conserve water and biodiversity**
6. **Promote a social commitment related to the company's activity**

THE EURAZEO PME CSR CHARTER

GUARANTEE STRONG AND EXEMPLARY GOVERNANCE

Eurazeo PME's belief

Eurazeo PME believes that the quality of governance is a key factor for success, credibility and sustainability in business.

Eurazeo PME's commitment

Eurazeo PME is committed to adopting and applying governance best practice in the areas of transparency, independence, oversight, business ethics, and the assessment and anticipation of stakeholder-related risk.

As a responsible shareholder, Eurazeo PME already factors CSR criteria into its investment analyses and decisions. It is committed to offering management teams guidance in the strategic development of their companies, by affording equal importance to financial and extra-financial performance.

PRACTISE RESPONSIBLE HUMAN RESOURCES MANAGEMENT

Eurazeo PME's belief

Eurazeo PME believes that the individual and collective performance of employees plays a particularly crucial role in the competitiveness and sustainability of the companies in which it invests. This requires constant change and adaptability in operational and organizational methods.

Eurazeo PME's commitment

Eurazeo PME is committed to encouraging responsible human resources management in all its portfolio companies, notably in the following areas:

- Job skills development through knowledge management and training;
- Constructive labour relations within the company;
- Healthcare, retirement and disability insurance;
- Measures to prevent work-related health and safety risks;
- Re-employment assistance when a challenging economic environment leads to workforce reductions;
- Anti-discrimination measures.

SHARE A CORPORATE PROJECT WITH EMPLOYEES

Eurazeo PME's belief

Eurazeo PME believes that the support of management teams and employee support for the company's broad ambitions is a key factor in the success of an investment or longer-term corporate project.

Eurazeo PME's commitment

Eurazeo PME is committed to encouraging management teams to keep employees informed about transformation projects, rallying their involvement and participation. Such plans should include a strategic view of the company, clearly defined financial and extra-financial goals, and a policy of sharing value creation.

PROMOTE GENDER EQUALITY IN THE WORKPLACE

Eurazeo PME's belief

Eurazeo PME believes that workplace equality among equally qualified men and women is a competitive business advantage.

Eurazeo PME's commitment

Eurazeo PME is committed to fostering gender equality at all levels in the workplace, and ensuring that gender equality becomes progressively ingrained in the culture of its portfolio companies, in a manner appropriate for each profession and business sector.

OPTIMIZE ENERGY USE AND CONSERVE WATER AND BIODIVERSITY

Eurazeo PME's belief

Eurazeo PME believes that a company can create lasting value while minimizing its environmental footprint. Eurazeo PME believes that the Group and its portfolio companies can make a difference in the 3 major environmental issues facing the planet: energy, water and biodiversity. Eurazeo PME believes that finding solutions to conserve these resources will also contribute to the business growth of its portfolio companies.

Eurazeo PME's commitment

Eurazeo PME is committed to encouraging its investments to make undertakings in respect of these 3 environmental issues:

- Optimize the management of energy resources by ensuring that consumption is brought under control, by reducing their environmental footprint and by increasing the proportion of renewable energy sources in their energy mix;
- Promote responsible management of water resources by controlling consumption paying close attention to improving water quality, in particular by producing less noxious emissions;
- Promote responsible practices to limit companies' impact on biodiversity, ecosystem balance and respect for nature. Look for appropriate partnerships on these issues.

Eurazeo PME also encourages its investments to consider these impacts in their innovation process.

PROMOTE A SOCIAL COMMITMENT RELATED TO THE COMPANY'S ACTIVITY

Eurazeo PME's belief

Eurazeo PME believes that social commitment in line with the company's business can play a team-building role by strengthening employees' sense of professional involvement and their loyalty to the company. Eurazeo PME also believes that such projects can drive innovation for the company.

Eurazeo PME's commitment

Eurazeo PME is committed to encouraging social commitment through projects consistent with its role as an investment firm and to fostering this form of involvement among all of its portfolio companies.

3. CSR INTEGRATED INTO THE INVESTMENT AND DIVESTMENT POLICY

INVESTMENT POLICY

Eurazeo PME has included ESG criteria in its upstream investment process since 2008 by i) incorporating an ESG section into its letters of intent appended with the Eurazeo PME CSR Charter, ii) carrying out specific ESG due diligence and iii) introducing an ESG section into investment memos submitted to the Investment Committee.

> Sustainable development is a cornerstone in the Eurazeo PME investment strategy "
>
> Olivier Millet, *Chairman of the Executive Board of Eurazeo PME*

VALUATION UPON SALE

A company's ESG performance reflects the quality of its long-term management and contributes to creating value. Its valuation results from the measures taken by the company and its progress since its acquisition on environmental, social and governance issues.
The ESG valuation is only possible if the company reports on its extra-financial performance using ESG indicators to measure quantitatively the progress made between acquisition and sale..

FOCUS ON DIVESTMENTS

In 2010, Eurazeo PME included its first ESG due diligence process into the sale of IMV Technologies. PwC performed the due diligence, which showed the ESG performance that contributed to promoting the value of Eurazeo PME's performance with its investment.

4. GUIDING COMPANIES IN THEIR CSR POLICY

STEPS TOWARDS A CSR POLICY

Since 2008, Eurazeo PME's Sustainable Development Department has been guiding companies through the various steps of implementing and optimising their CSR policy.

STRENGTHENING THE SHAREHOLDER/COMPANY PARTNERSHIP

Assisting companies in designing their ESG policy has strengthened shareholder/management relations and improves the understanding of a company's operations

- **Involve managers and their teams in CSR issues**
  - Presentation of Eurazeo PME's CSR strategy
  - CSR training seminars
  - Awareness meetings
  - Deployment of the Eurazeo PME CSR Charter
  - Eurazeo PME's sustainable development agreement
- **Qualify and quantify issues**
  - Annual CSR assessment since 2008
  - Carbon assessment (*Bilan Carbone*) of majority-owned companies
- **Structure and coordinate CSR governance**
  - Appointment of sustainable development managers
  - Set-up of sustainable development Committees
- **Define a CSR strategy**
  - Design of action plans and definition of areas for improvement
  - Drafting of company CSR charters
- **Raise awareness/communicate internally and externally**
  - Employee training
  - Internal communication tools (CSR Charter, website, etc.)
  - Press releases
- **Measure performance**
  - Annual reporting of ESG performance indicators since 2010
  - Annual CSR assessments

> Efficient ESG policy ensures lasting future cash flows"
>
> Olivier Millet, *Chairman of the Executive Board of Eurazeo PME*

LASTING PERFORMANCE

The integration of an ESG policy contributes to improving the financial, social and environmental performance of companies, impacting revenue and EBITDA. These results are firmly established in 2 main ways:

By optimising global company management

– Better management of human capital;
– Better risk management;
– Optimisation of cost management;
– Anticipation of new regulations on social and environmental issues.

New development opportunities

– Developing innovative products (eco-design, LCA);
– RFPs launched by major groups that integrate ESG;
– Introduction on new markets;
– Adapting to new consumer expectations.

INITIATIVES/RESULTS

- GOVERNANCE:
  - Mapping ESG risks in relation to stakeholders
- SOCIAL:
  - Reducing employee turnover
  - Reducing absenteeism
  - Developing internal promotions/mobility
  - Establishing diversity policy
  - Unite teams by involving them in a socially responsible community project
- ENVIRONMENT:
  - Reducing the consumption of energy, water and raw materials
  - Waste recovery

INTRODUCTION ON A NEW MARKET AND LISTING OF A NEW CLIENT

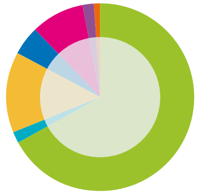
- Acquisition of Bio Food Pack: producers of new baking moulds designed using a renewable raw material. They are biodegradable, compostable and recyclable to meet new consumer needs;
- Launch of a new innovative packaging FSC-certified range with La Mie Câline.

CONSOLIDATED CSR REPORTING

CONSOLIDATION OF ALL MAJORITY-OWNED COMPANIES

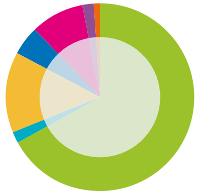
In 2011, Eurazeo PME enlarged its CSR consolidation scope to all 6 majority-owned companies in the portfolio (*versus* 5 companies in 2010). Reporting covers the companies' French operations and the investment management firm. **France represents 67% of Eurazeo PME's consolidated accounting scope** (France and international) and **68% of total staff*** (France and international).

FRENCH STAFF: 2,153 EMPLOYEES



Léon de Bruxelles	67%
Siem Supranite / FDS	2%
Dessange International	14%
MS Relais / Mors Smitt	5%
Gault & Frémont	9%
Fondis	2%
Eurazeo PME	1%

BREAKDOWN OF FRANCE REVENUE



Léon de Bruxelles	47%
Siem Supranite / FDS	9%
Dessange International	20%
MS Relais / Mors Smitt	5%
Gault & Frémont	14%
Fondis	5%

	PROPORTION OF CSR SCOPE TO TOTAL ACCOUNTING SCOPE	PROPORTION OF STAFF INCLUDED IN CSR SCOPE TO TOTAL STAFF*
Léon de Bruxelles	96%	95%
Siem Supranite / FDS	22%	6%
Dessange International	93%	79%
MS Relais / Mors Smitt	30%	37%
Gault & Frémont	87%	92%
Fondis	100%	100%
Eurazeo PME TOTAL	67%	68%

* Staff as at 31 Dec. 2011

NEW CSR REPORTING SYSTEM

After implementing its first consolidated CSR reporting in 2010, Eurazeo PME defined, in collaboration with the Eurazeo Group, a new CSR reporting system in 2011. Reporting is based on 184 ESG (Environmental, Social and Governance) performance indicators, and a CSR reporting procedure was signed by the 6 majority-owned companies.

This new CSR reporting system was designed in application of draft decree 225 of the French Grenelle II law and the 6 challenges that form Eurazeo PME's new CSR Charter. The performance indicators are used to assess and analyse the progress made on the challenges defined in the new CSR Charter*.

GUARANTEE STRONG GOVERNANCE AND LEADERSHIP

CHALLENGE 1 OF THE CSR CHARTER

- The governance of portfolio companies is carried out by 3 governance bodies: Supervisory Boards, which meet 4 times a year on average, and Executive Boards and Management Committees, which meet once or twice a month on average;
- Companies have optimised their operational governance by restructuring their organisation and operations and implementing CSR governance:

AREAS FOR IMPROVEMENT	GAINS IN 2011	RESULTS IN 2010
Annual CSR reporting	All majority-owned companies	4 companies out of 6
Appointment of a sustainable development manager	5 majority-owned companies out of 6 + 1 minority-owned company	4 companies out of 6
Appointment of an Executive Board member in charge of sustainable development	All majority-owned companies	4 companies out of 6
Set-up of a Sustainable Development Committee	5 companies out of 6	4 companies out of 6
Definition of a CSR Charter	Léon de Bruxelles, Dessange International, Gault & Frémont, IMV Technologies	IMV Technologies
Signing of the United Nations Global Compact	Gault & Frémont	Gault & Frémont
Definition of a Code of Ethics/Code of Conduct	IMV Technologies, Mors Smitt.	IMV Technologies, Mors Smitt

*In 2011, Challenge 3 of the CSR Charter was not included in the CSR reporting

PRACTISE RESPONSIBLE HUMAN RESOURCES MANAGEMENT

CHALLENGE 2 OF THE CSR CHARTER

Since 2008, Eurazeo PME has encouraged the companies in its portfolio to practice responsible human resources management.

CHALLENGES OF THE CSR CHARTER	AREAS FOR IMPROVEMENT	2011 ASSESSMENT
Development of job skills	Encourage permanent employment contracts and growth in employment	• 131 net job creations in 2011 • 50% of all new hires on permanent contracts
	Develop training	• 79% of employees took training
	Better knowledge management	• 100% of companies have formalised process for annual employee reviews • 48% of employees covered in reviews
	Reduce turnover/absenteeism	• Adjusted turnover: 18.5% excluding Léon de Bruxelles • Absenteeism rate: 9%
Health care/retirement/ disability coverage	Improve HC/R/D coverage	• 95% of employees have disability coverage
Working/health/safety conditions	Improve working, health and safety conditions	• 180 work-related accidents (8.3% of French staff in 2011)
Diversity/Anti-discrimination measures	Anti-discrimination and diversity policy	• Formalised by 2 out of 6 companies
	Integration of disabled workers	• Rise in the number of disabled workers (73 staff members in 2011)
Labour relations	Communication between managers and employee representative organisations	• A priority for all companies

FOSTER GENDER EQUALITY

CHALLENGE 4 OF THE CSR CHARTER

Most companies have developed practices to encourage gender equality in the workplace (pay, training, management positions, etc.) and are preparing to implement the gender equality agreement in compliance with new regulations in 2012.

BREAKDOWN BETWEEN MALE-FEMALE STAFF
• 40% of staff are women
• 31% of managers are women
• 10% of women are managers
• 90% of women are on permanent contracts
• 50% of company Executive Boards include a female member

OPTIMISE ENERGY CONSUMPTION AND PRESERVE WATER AND BIODIVERSITY

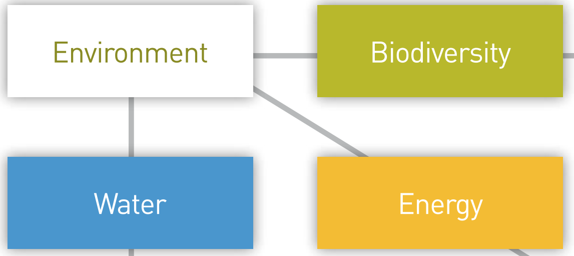
CHALLENGE 5 OF THE CSR CHARTER

Since 2008, Eurazeo PME has encouraged the companies in its portfolio to advance in their environmental programme in 3 main areas:

- Optimising energy and water consumption;
- Reducing recovering and recycling waste;
- Promoting responsible practices to limit the impact of their businesses on biodiversity.

The companies in our portfolio are mobilised to reduce their waste and optimise its recovery: 38% of total waste (5,208 tonnes) is recovered.

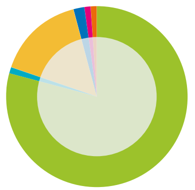
Eurazeo PME also continues to encourage companies to reduce their greenhouse gas emissions: greenhouse gas emissions due to energy consumption amounted to 4,211 tonnes of CO_2 eq. in 2011.



REDUCING THE IMPACT OF BUSINESSES ON BIODIVERSITY

- Improvement in the sourcing of raw material supply chains, while respecting local communities (Dessange International)
- Selection of suppliers based on biodiversity criteria (Léon de Bruxelles)
- Maintenance of PEFC and FSC certifications (sustainably managed forests) (Gault & Frémont).

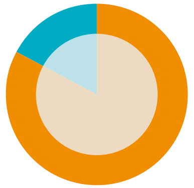
WATER CONSUMPTION BY COMPANY



Léon de Bruxelles	81%
Siem Supranite / FDS	0.3%
Dessange International	16%
MS Relais / Mors Smitt	0.3%
Gault & Frémont	2%
Fondis	0.1%
Eurazeo PME	0.3%

Water consumption totalled 157,871.3 m^3, equalling about 52 Olympic-sized swimming pools.

BREAKDOWN IN ENERGY CONSUMPTION



electricity	83%
natural gas	17%

Energy consumption totalled 35,926 MWh, *i.e.* the annual consumption of a city with a population of 5,000.

PROMOTE SOCIAL RESPONSIBILITY IN LINE WITH THE COMPANY'S BUSINESS

CHALLENGE 6 OF THE CSR CHARTER

Eurazeo PME is committed to supporting and encouraging the companies in its portfolio in their approach to social responsibility:

- 5 out of 6 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.);
- 3 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, ELA for Eurazeo PME;
- 2 companies support their employees involved in not-for-profit projects (Gault & Frémont and IMV Technologies).

Eurazeo PME engages in promoting sustainable development as a member of the AFIC (Sustainable Development Club) and a partner to the Green Dating monthly sustainable economy meetings and Citizen Capital and as a member of the EVPA (European Venture Philanthropy Association).

As part of its programme to verify the

REVIEW OF CONSOLIDATED CSR REPORTING BY PWC

Eurazeo Group's consolidated reporting, PwC reviewed Eurazeo PME's CSR reporting consolidation processes and procedures. PwC gave Eurazeo PME's CSR reporting consolidation processes a score of high reliability.

Eurazeo PME consolidated CSR reporting methodology

Eurazeo PME's 2011 consolidated CSR reporting was based on a dashboard of 184 ESG indicators completed by the 6 majority-owned companies and the investment management company. These indicators cover the companies' French operations. Their analysis should take into account the diversity of the business sectors represented.

• Process

The CSR reporting process between Eurazeo PME and its 6 majority-owned companies is set out in a CSR reporting procedure.

• Standards

The CSR reporting indicators were defined based on several sets of standards: draft decree 225 of the French Grenelle II law, the Global Reporting Initiative (GRI), the ISO 26000 standard and French law of 2001 on new economic regulations.

• Consolidation scope

The consolidation scope includes the 6 majority-owned companies in Eurazeo PME's portfolio as at 31 December 2011 and covers their French operations. Acquisitions and sales are not included in the scope except for the Frédéric Moreno business and the activity of one hair salon (CDS Asnières) under Dessange, both sold in 2011, and 5 new restaurants opened by Léon de Bruxelles.

• For 2011, the France scope included:

- Léon de Bruxelles: head office + school + 61 restaurants (reference: social responsibility report);
- FDS Group: Siem Supranite (head office + workshops);
- Dessange International: social reporting: head office, Dba/Guidel site, schools and 8 subsidiary salons; environmental reporting: Guidel site and the 8 salons, Guidel site for waste reporting;
- Mors Smitt: MS Relais (industrial site + sales office);
- Gault & Frémont: industrial site and Bio Food Pack;
- Fondis: head office;
- Eurazeo PME: investment management company.

• Control, responsibility and data validation

Internal control was carried out by Eurazeo PME 's Sustainable Development Department with the companies' chief financial officers and sustainable development directors to check data consistency and traceability. A formalised process was implemented on the exchange with companies at the various CSR reporting stages. The reliability of CSR reporting data is validated by each company's Executive Board.

• PwC initiated a verification of the consolidation process.

PORTFOLIO COMPANIES

48 DESSANGE INTERNATIONAL

54 LÉON DE BRUXELLES

60 FDS GROUP

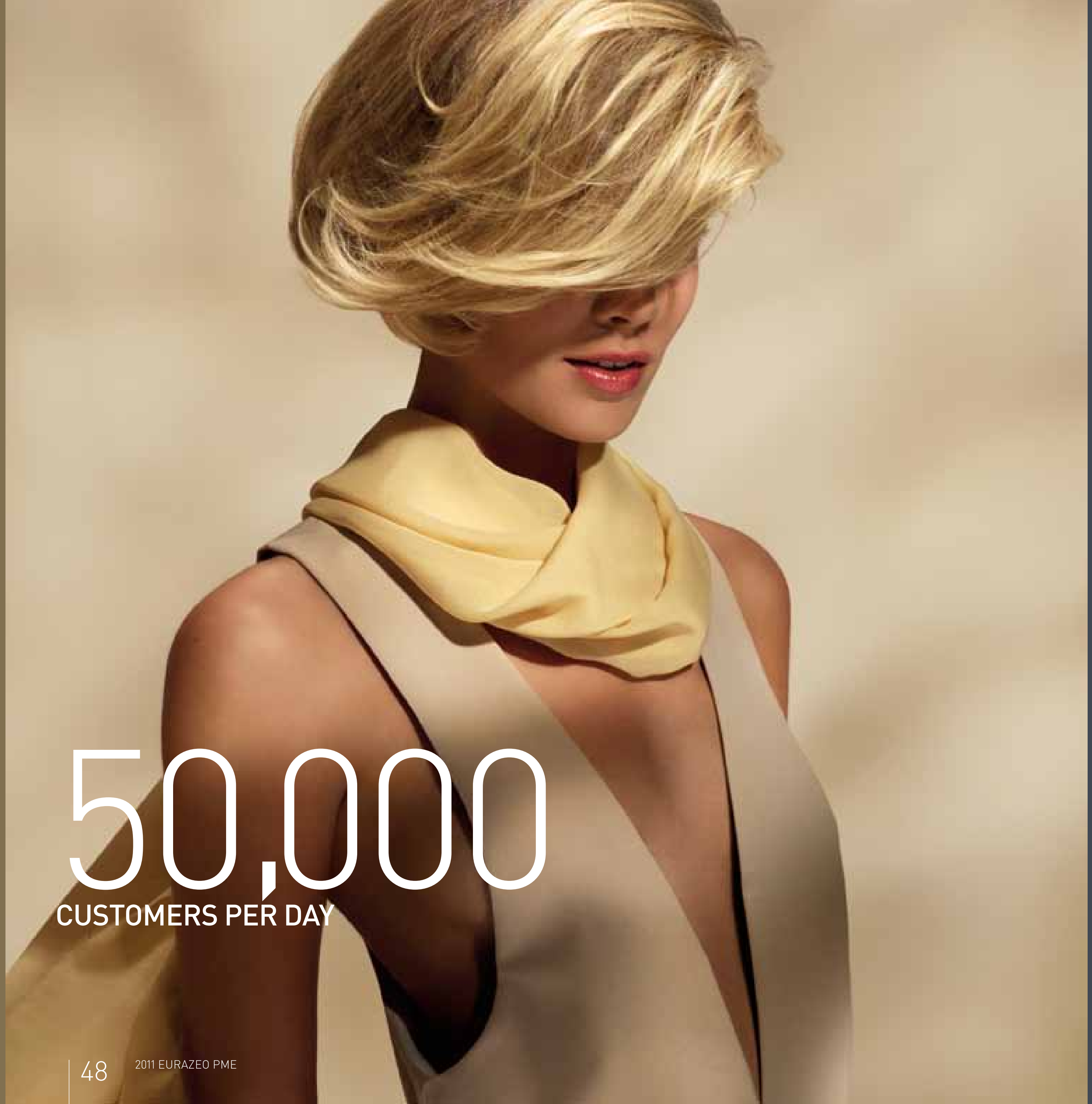
66 MORS SMITT

72 GAULT & FRÉMONT

78 IMV TECHNOLOGIES

82 FONDIS

86 BFR GROUP



50,000

CUSTOMERS PER DAY

DESSANGE INTERNATIONAL

Global network of more than 2,000 hair salons under franchise

DESSANGE PARIS

CAMILLE albane PARIS

Fantastic Sams HAIR SALONS

From left to right
Benjamin Dessange
Marie-Laure Simonin Braun
Philippe Vincent

REVENUE

€53.5 million

2011 Adjusted	60.9*
2011	53.5
2010	53.6
2009	53.4

NUMBER OF EMPLOYEES

341

SHAREHOLDING

68%

YEAR OF INVESTMENT

2008

* Adjusted for acquisitions and sales made in 2011 and January 2012

3 QUESTIONS FOR...

Benjamin Dessange

CHAIRMAN OF DESSANGE INTERNATIONAL

> "Our strategic approach is to transform our group from a culture of hair and beauty salons to one of a luxury brand that also does hair"

What is your assessment of 2011?

_ Despite a challenging market, we have pressed forward with our growth plans, notably in the United States, the leading hair and beauty market worldwide. With both the acquisition of Fantastic Sams and the purchase of our master franchise, we have secured the resources needed for sustained growth across the Atlantic over the next few years. Fantastic Sams will double the number of hair salons in our network, with all the sales synergies that this involves. It is a major strategic move for our group, made possible by Eurazeo PME's capacity to underpin our high-growth strategy.

And your assessment of the development of your brands?

_ Dessange and Camille Albane will naturally benefit from our new position in the United States, where the potential for development is very high. More generally, we have continued our in-depth analysis to develop a more upscale image of our brands, a segment in which we stand alone. We aim to go from hair and beauty salons to a luxury brand that also does hair. This was notably reflected in the expansion of spa salons, where we can care for our customers from head to foot. This approach also benefits our franchisees, as it adds increasing value to their business. This works both ways: our franchise salons drive brand value. Thanks to their strong performance, we can develop internationally.

What does sustainable development represent in your business?

_ For a brand like Dessange, this is a crucial issue for both our consumers and our franchisees. Our strategic decision to develop a responsible approach took shape in our first Sustainable Development Charter. We have been actively involved in biodiversity issues and launched a large-scale programme to improve and certify the supply chains for our raw materials, in collaboration with an NGO and the NRSC (Natural Resources Stewardship Circle). For the first time, we held a press conference specifically on these issues in September 2011 in order to make our policy known.

Focus on America for Dessange International. After buying the Dessange hair salon in Washington D.C. and its exclusive master franchise in the United States in early 2011, Dessange acquired the Fantastic Sams chain, boasting a network of 1,215 franchise hair salons, in January 2012. The French group now holds a key position on the world's leading market for hair salons.

A GLOBAL BRAND

To ensure its development, Dessange International has formed an international team devoted to specific regions, strong momentum, new salon concepts and new marketing and communication initiatives. Objective for Dessange Paris: expand from 10 to some 50 hair salons in the United States. The initial step is already completed, having relocated and expanded the Washington salon, the brand's flagship salon on the continent. Even greater ambitions have been set for Camille Albane, with a target of 300 salons in the United States. A dedicated development team was set up to focus on this goal. A first salon will be opened in Boston in the summer of 2012, with others planned for Texas and California.

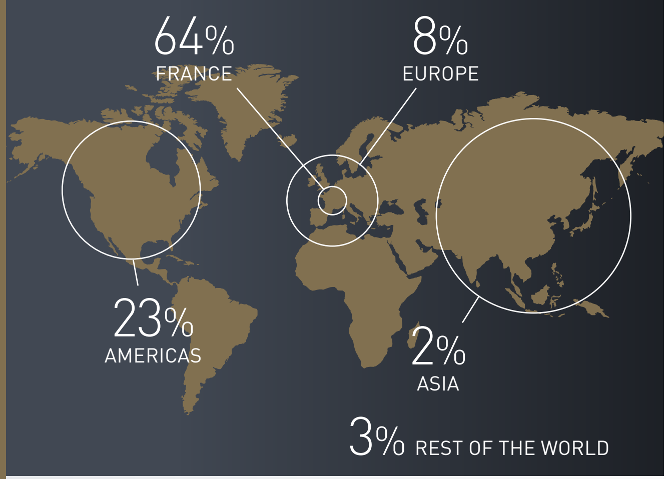
Dessange also led a number of international campaigns in 2011, as the group is active in 45 countries under the brands Dessange Paris and Camille Albane. First in Japan, where Dessange launched a new master franchise, aiming to increase the network to 100 hair salons from 8 at the end of 2011. The group directly operates salons in Italy through a subsidiary, where a new managing director was appointed in 2011. The training centre was also renovated to boost business. In Belgium, Dessange International bought the master franchise in 2010 and recruited a managing director to develop across the north of the country. Similarly, the group stepped up its growth in Eastern Europe and the Middle East by opening new salons, particularly with spa complexes.

KEY FACTS

HEAD OFFICE
PARIS 75

INCEPTION DATE
1954

GLOBAL REVENUE*



2011 HIGHLIGHTS

Acquisition of Fantastic Sams in the United States

Under negotiation for many long months in 2011, the acquisition of Fantastic Sams was signed in the first days of January 2012. Ranking as a leader on the US market of hair salon franchises, Fantastic Sams offers a wide range of services and products. The company opened its first salon in Memphis, Tennessee, in 1974, and today boasts a network of 1,215 salons across North America, the world's leading hair salon market. Within 48 hours after announcing the deal, there were 1.4 billion clicks online about the announcement of the acquisition. With Fantastic Sams, Dessange International aims to develop its network to 2,000 salons in North America.

* Adjusted for acquisitions and sales made in 2011 and January 2012

SOLID FOUNDATION

The group's international development potential derives from its excellent fundamentals. This solid foundation is maintained in particular through its high-quality training programme, which now includes e-learning sessions. Dessange Paris, now clearly identified as a luxury brand, is developing its positioning in France, notably offering additional services and expanding the "French spa salon" concept.
Dessange Paris now has 210 salons in France.
Positioned on an upmarket segment slightly below that of Dessange Paris, Camille Albane boasts 220 salons in France. The brand, which launched a new visual identity in 2011, is also bolstering its reputation, mainly thanks to the partnership established with the famous US brand Redken, "*a cross between the Saint-Germain-des-Prés woman and the New York woman*".
In 2011 as part of its multi-brand management strategy, the group decided to sell the control of Frédéric Moreno to its founder.

The group is also developing by selling its products, directly and under licence (with Remington and La Brosse & Dupont). Dessange International launched 100 new products in 2011 (for a total of no less than 2,000 on the market), with an increasing emphasis on the environment, as shown by the success of its sulphate-free hair care products. Generic brands such as Phytodess and Natural Pigma, sold outside salons and internationally, are planned for integration into the high-potential product sales strategy at Fantastic Sams salons.

Growing ylang-ylang in Madagascar

Phytodess ylang-ylang shampoo

Phytodess araucaria face cream

NATURAL RESOURCES STEWARDSHIP CIRCLE

GOVERNANCE

- Supervisory Board comprised of 7 members.
- Executive Board comprised of 3 members and a new Management Committee set up in 2011 (as a result of the new group structure based on business unit), made up of the Executive Board and 9 directors/department managers.
- A Sustainable Development Charter that defines its strategy as a responsible luxury brand.

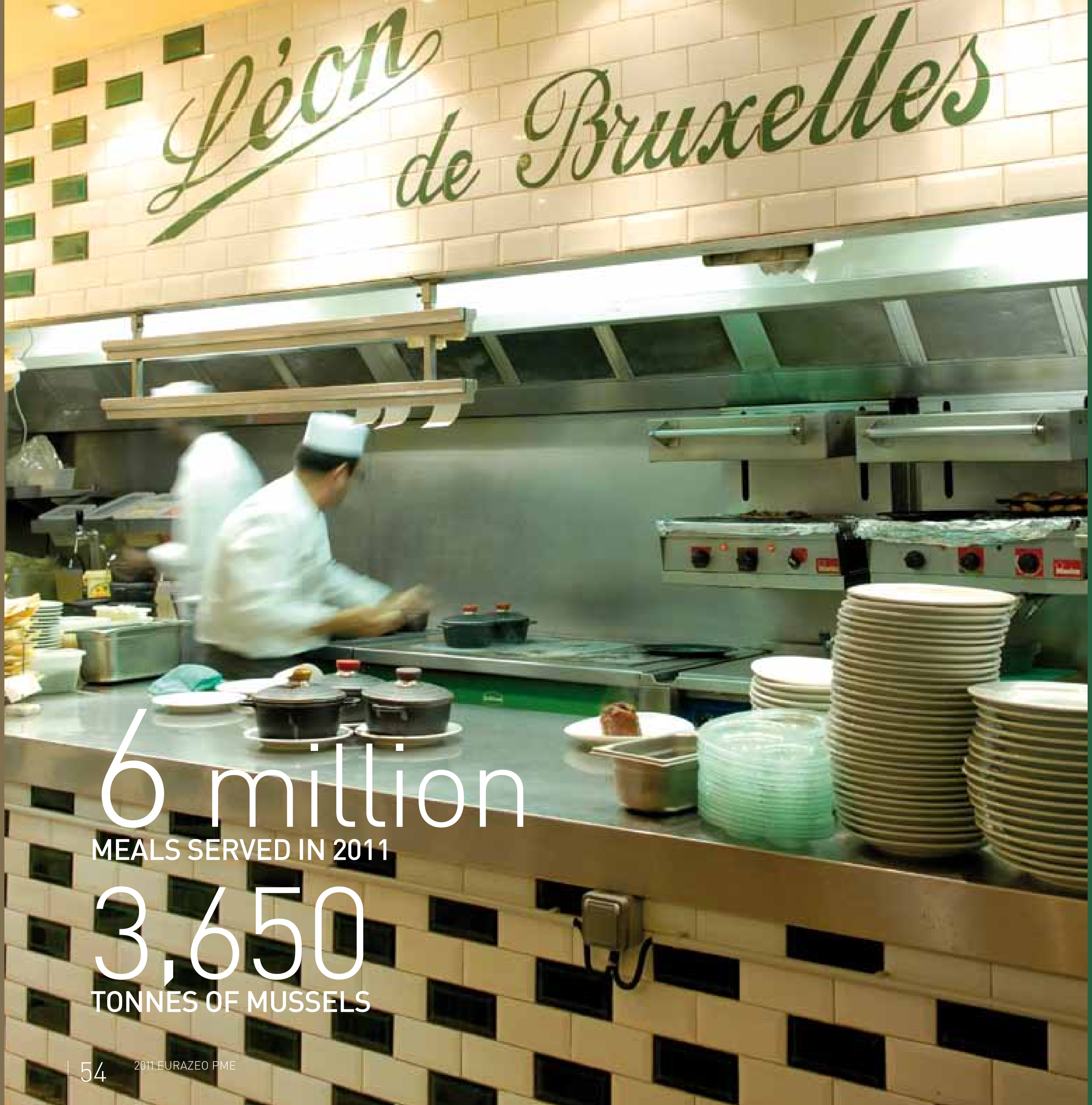
SOCIAL

- **Recruitment of a Human Resources Director.**
- **Training programmes reputed for their excellence** in its 2 schools (Dessange Paris and Camille Albane), raising the standards and developing the technical and creative expertise of employees of subsidiary and franchise salons.
- A **new e-learning training programm**e, providing all employees with access to training. Training based on 4 topics: initiation, sales advice and techniques, management and successful annual reviews.
- The implementation of a recruitment process with the HR director to improve the centralisation of applications, needs management and the development of internal mobility, notably for salons.
- A programme at its industrial site initiated in 2009 to **improve working conditions and risk prevention** (workstation ergonomics and workplace design: new electric handling equipment, heating in the order preparation area, etc.), in partnership with the CARSAT (retirement and occupational health insurance fund) and the occupational doctor.
- **Membership with the NRSC** (Natural Resources Stewardship Circle), binding the group notably in the "*preservation of ecological processes and of species and genetic variability as well as the respect of the knowledge, innovations and practices of indigenous and local communities*".
- In 2006, **partnership established with the organisation CEW Cosmetic Executive Women**, which set up beauty centres in more than 20 hospitals to help nearly 72,000 women live better with their illness (availability or products and technical expertise).

ENVIRONMENT

In 2010, Dessange International initiated an environmental approach:

- at its salons: **new, more environmentally-friendly furniture/equipment** (foam chairs made of soy fibre and footrests in recycled aluminium, shampoo sinks in recyclable ceramic, LED lighting, water-saving air nozzles that reduce water consumption by up to 64%);
- at its industrial site: **waste sorting and recycling policy** (9 sorting chains);
- for its products: priority on respecting biodiversity and local communities through a programme introduced in 2011, in **collaboration with the foundation Man & Nature, to improve and certify the supply chains for raw materials** and to conduct research on new active ingredients for the Phytodess hair care line. In 2011 launch of 3 products featuring innovative active ingredients: araucaria day cream, salva oil detangling conditioner and ylang-ylang shampoo.



6 million
MEALS SERVED IN 2011

3,650
TONNES OF MUSSELS

LÉON DE BRUXELLES

Belgian Brasserie

Léon DE BRUXELLES

From left to right
Hassen Kechi
Michel Morin
Patrice Levier
Isabelle Pelletier
Emmanuel Renault
Laurent Gillard
Mariannick Ozanne
Pascal Leblanc

REVENUE
€117.7 million

2011	117.7
2010	104.7
2009	92.7

NUMBER OF EMPLOYEES
1,388

SHAREHOLDING
59%

YEAR OF INVESTMENT
2008

3 QUESTIONS FOR...

Michel Morin

CHAIRMAN OF LÉON DE BRUXELLES

> Our development capacity remains high, primarily thanks to the potential for new restaurants in medium-sized towns"

How did Léon de Bruxelles withstand the crisis?

_ Léon de Bruxelles is a restaurant brand founded on transparency and lasting relations with a loyal customer base. For example, the Léon de Bruxelles Club has 480,000 members with loyalty cards who regularly receive invitations to come to the restaurant for promotional offers. They are loyal customers, who like the "Belgitude" atmosphere of our restaurants and mussels recipes, even when they use new varieties such as Charron mussels, which were immensely popular. Today, Léon de Bruxelles ranks as a long-standing brand appreciated by French consumers, and this has fuelled our development strategy.

What are your growth drivers for the future?

_ Our growth is based on opening new restaurants, at a rate of 6 to 7 per year, with a target of 100 to 120 points of sale by 2017. At the end of 2011, we had 66 restaurants. Our development potential remains high, especially since the successful launch of smaller restaurant formats, thus introducing prospects for growth in medium-sized towns. We are preparing to seize the opportunity to return to city centres, as our current strategy is focused more on edge-of-town retail complex locations. We are confident in our business model, which has proved its success over the past few years. Like many restaurant owners, we are faced with a challenging economy. Moreover, the steep hikes in the CET (former business tax), new tax on sugary drinks and the increase in the VAT are not favourable to our business. We will have to adapt, as we have always done in the past!

What initiatives have you taken in sustainable development?

_ Sustainable development is an area in which we are very active, particularly in employee relations. We have traditionally introduced a number of measures to promote training and diversity. We have an employee relations model that is continuously being improved, because managing people is a top priority in our growth. In terms of the environment, in 2011 we set up glass grinders at 25 restaurants and eliminated palm oil from our chips recipes. We have also installed solar panels for the water heaters at all our restaurants and reviewed the lighting system to reduce our energy consumption. Sustainable development is part of our corporate culture.

One of the favourite theme-based restaurants of the French, Léon de Bruxelles is pursuing its fabulous history of profitable growth with Eurazeo PME, targeting 100 to 120 restaurants by 2017. This ambitious objective requires rigorous organisation for a group that already employs 1,500 people and recruits nearly 200 every year.

MEASURED GROWTH

With 66 restaurants across France and more than 6 million meals served in 2011, Léon de Bruxelles is now one of the leading theme-based restaurant brands in the country. Following on from previous years, the mussels-and-chips specialist reached its objectives for 2011, with revenue in excess of €117 million.

It was a year of continuous, measured growth, with the opening of 7 new restaurants near Lyon, Arras, Poitiers and Limoges. The format was smaller, similar to the immensely successful restaurant opened in Bourges at the end of 2010. These smaller restaurant models (150 seats compared with 200 for standard restaurants) are better suited to targeting growth in medium-sized towns and will help us to meet our goal of a network of at least 100 restaurants by 2017.

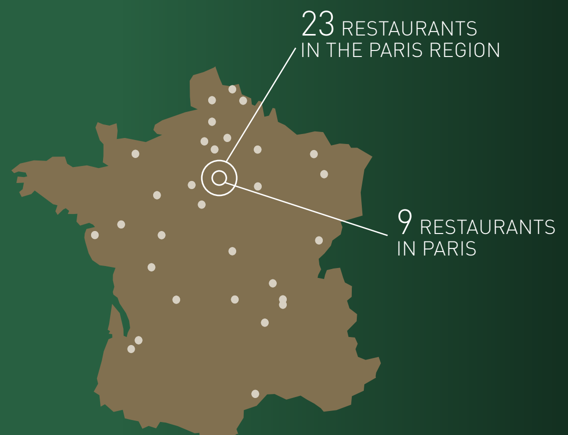
The atmosphere of "Belgitude" reflected in the decor and friendly setting attract a growing and loyal customer base, with an average meal price at €21 per person in 2011. Each restaurant gained an average of 2 more meals a day over the year. The 1,500 employees of Léon de Bruxelles served group customers a total of no less than 3,650 tonnes of mussels (equal to 200 20-tonne lorries filled to the rim!). The shellfish come almost entirely from Europe, mainly The Netherlands, but also Ireland, Denmark, Italy, Greece and Germany. And of course from France. Léon de Bruxelles consumes 800 tonnes per year from Normandy, Brittany or Charron or Bouchot mussels. They are always a hit when on the menu.

KEY FACTS

HEAD OFFICE
NEUILLY-SUR-SEINE 92

INCEPTION DATE
1989

66 RESTAURANTS IN FRANCE



2011 HIGHLIGHTS

Growing number of meals served

In less than one calendar year, from December 2010 to November 2011, Léon de Bruxelles opened 9 restaurants in France. In addition to the production work, this required recruiting 150 employees and 25 managers and training them all on the group's expertise. Over the same period, 4 restaurants were renovated (new furniture, revamped interiors, compliance with standards, improvement in customer comfort).

PREPARING FOR FUTURE DEVELOPMENT

Opening new restaurants increasingly provides the group with the opportunity to establish its most experienced restaurant directors who want to invest in a business as partners. Arras and Limoges were opened with an associate director alongside the Léon de Bruxelles parent company.

In 2011, Léon de Bruxelles also set the targets for its future development, which mainly focused on its internal organisation in order to handle a growing number of restaurants to manage and open... Laurent Gillard was appointed Managing Director to join Chairman Michel Morin, as were an HR employment-training manager and a Network Development Director in early 2012. This structure is necessary to meet the growth pace expected for 2013 and 2014. In 2012, the group will launch a new concept at 3 new restaurants in Auxerre, Rouen and the Lyon city centre. If successful, the concept will be rolled out to other towns.

Another major step in early 2012: a franchise restaurant was opened in the heart of London in January. The project was developed in 2011, adapting the concept to the UK market with a team of French professionals from the group to assist in the launch.

SUSTAINABLE DEVELOPMENT


A team at Léon de Bruxelles

Solar panels at new restaurants

Partnership with MVE

GOVERNANCE

- Supervisory Board comprised of 5 members (with meetings attended by 4 employee representatives).
- Executive Board comprised of 3 members: separation of powers between the Chairman of the Executive Board, who set up a **"new" Strategic Committee**, and the Managing Director (appointed in 2011), who oversees the operational Management Committee.
- CSR governance: Quality and Sustainable Development Director, SD Committee and in 2011 a **Sustainable Development Charter** founded on the company's core values: **Transparency, Respect, Autonomy, Conviviality and Standards.**

SOCIAL

- Managing people is a priority for the management team of Léon de Bruxelles, which champions a **rigorous model for its employee relations: "*Being the best employer for the best employee*".**
- Recruitment of a **new Human Resources Director.**
- A strong commitment to its **policy on diversity, anti-discrimination and equal opportunity**: more than 70 nationalities represented at Léon de Bruxelles, recruitment of young workers (apprenticeships, professional training and work-study programmes) and disabled workers and guidance offered for seniors (reviews, retirement assessments, etc.).

	2009	2010	2011
Young workers under 25	N/A	242	413
Apprenticeships/ professional training	12	40	52
Disabled workers	16	30	52

- A focus on employees to develop their skills and guide them in their career path: a **training school** for management staff, an **e-learning programme** for restaurant employees, a **"challenger" programme** to prepare future managers, **validation of expertise and experience** with the creation of the positions "expert server", "experienced assistant" and "experienced dishwasher".
- The **commitment in 2011 to improve the organisation, working conditions and personal/professional life balance** for restaurant employees (schedule, meals, rest, breaks).
- Ongoing partnership with the **foundations *Mouvement pour les Villages d'Enfants* (Movement for Children's Villages, a child protection organisation or MVE)** and ***Agir contre l'Exclusion* (Act Against Exclusion).**

ENVIRONMENT/ FOOD SAFETY

- **Continuous improvement in the energy efficiency** of restaurants: installation of 13 solar panels, low-energy light bulbs, low radiation cookers, etc.
- **Compensation of 100% of its CO_2** emissions generated by natural gas, in partnership with GDF SUEZ, used to finance projects to reduce greenhouse gases (hydraulic, wind energy).
- **Waste sorting policy:** installation of glass grinders at 25 restaurants in Paris and the Paris region (reduction of 80% of volume), installation of 11 cardboard machines, paper recycling at the head office, study on biowaste.
- **Elimination of palm oil** (new requirement for pre-cooked chips for its suppliers), confirming its commitment to health, food safety and the environment.

10 million

INDUSTRIAL MOUNTS SOLD IN 2011
FROM 10 MM TO 4.5 METRES IN DIAMETER

FDS GROUP

Global group in industrial sealing solutions

From left to right
Rémi Tolédano
Philip John Kelshaw
Philippe Pottier
Keith Miller
David Cooper Mitchell
Gregory Lee English
Jerry Lastovica

REVENUE
€93.6 million

2011 Adjusted	148.1*
2011	93.6
2010	84.4
2009	71.9

NUMBER OF EMPLOYEES
667

SHAREHOLDING
69%

YEAR OF INVESTMENT
2006/2007

* Adjusted for acquisitions and sales made in 2011 and January 2012

3 QUESTIONS FOR...

Rémi Tolédano

CHAIRMAN OF FDS GROUP

> "We are a global player whose strength lies in the close ties we maintain with our clients and our sound technical support"

What were the keys to the robust performance of FDS in 2011?

_ It was a year of strong growth, driven by the United States (+10%) and France (+7%), mainly due to the recovery of the US economy and buoyant growth in the energy businesses. Business was underpinned by the healthy performance of petrochemicals, thanks to the strength of the automotive and construction sectors, and the growing energy requirements in emerging countries. The acquisitions made in the United Kingdom and especially Canada in early 2012 will further bolster our capacity to create value over the next few years.

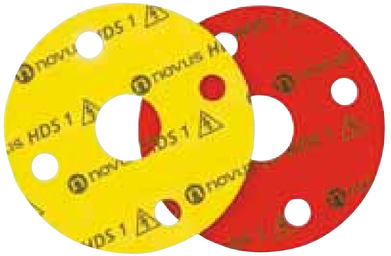
What are your growth drivers?

_ We have a unique business model, grounded on the technical support that we offer our clients. This means being a global player, while monitoring at the local level and maintaining a strong presence in the main geographical regions. We have to continue anticipating future changes in the market. For example, refining and oil production are likely to slow in Europe in the future. We are therefore naturally drawn to emerging countries, with large-scale refining projects in the Middle East and South America. Similarly, nuclear power will continue developing in China, India and probably Japan, countries which have high energy requirements. The market is expanding, driven by the consumption of the increasing world population: market growth is estimated at 3% to 5% per year over the next 5 years.

Where does sustainable development stand with FDS Group?

_ It is an area that is of increasing interest to us. At the end of 2011, in collaboration with PwC we initiated an audit to establish a sustainable development benchmark applicable to sealing solutions for our clients and competitors. This will form the basis of our CSR strategy and act as a springboard for the initiatives taken in our client relations.

Following on from 2010, FDS Group boasted a strong performance in 2011, thanks to the world's growing energy needs and the recovery in the automotive and construction industries. For the specialist in high-technology sealing solutions in critical environments (oil, petrochemical, nuclear, etc.), development draws on its traditional markets, with business growth of more than 10% in the United States and 7% in France, as well as emerging countries and acquisitions.



CHANGING DIMENSION

2011 closed posting total revenue of €93.6 million (before the acquisition of AGS in January 2012), rising by more than 8%. The acquisitions made in the United Kingdom will bring full-year revenue to €100 million. With the acquisition of AGS in Canada in early January 2012, revenue will total €145 million at the end of 2012. FDS Group changed dimension in 2011. International organisation was improved further, becoming an excellent platform for structuring the group's sectors.

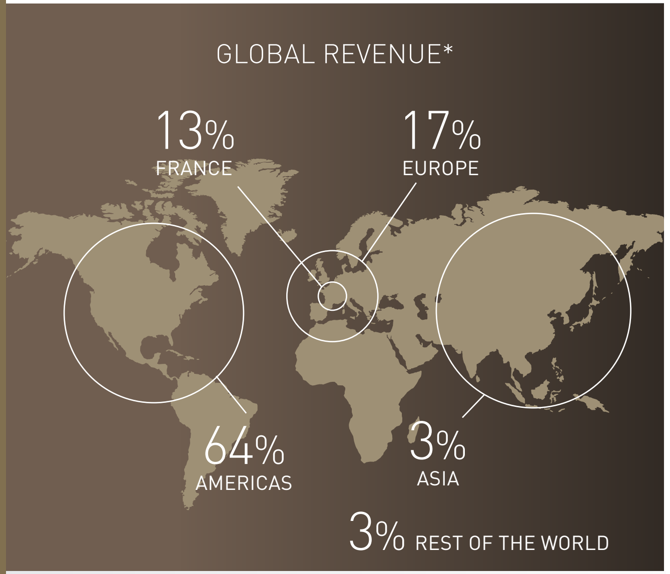
The group restructured its organisation in the United Kingdom, merging the support functions of its 2 subsidiaries Flexitallic (metal products) and Novus (flexible products) and appointing a single managing director to oversee operations. The acquisition of 2 distribution companies, generating additional revenue of nearly £7 million, further strengthened its foothold in the country. The long-term goal is eventually to integrate manufacturing and distribution.

The group also set up successful joint ventures in Kazakhstan and Dubai, gaining clients such as Shell, Qatargas, TCO, among others. Given the high potential of this oil-producing region, it plans to set up operations in Saudi Arabia in 2012. Business was also robust in W/Chinese Subsidiary, with revenue of more than \$10 million, *versus* \$7 million one year earlier. The increasing energy needs of the most highly populated country in the world drove business growth.

KEY FACTS

HEAD OFFICE
PARIS 75

INCEPTION DATE
1947



2011 HIGHLIGHTS

Access to the world's second-largest oil reserves

With the acquisition of the Canadian company AGS at the very beginning of 2012, FDS Group again changed dimension, establishing a solid foothold in the country featuring the world's second-largest oil reserves. Offering a wide range of mounts used in oil production, AGS is perfectly complementary to FDS, which is very active in the refining and petrochemicals industries. Founded in 1979 in Edmonton, Alberta, the Canadian group notably works with Petro Canada and Suncor, pending the recent set-up of Total, Shell and Chinese oil operators, generating revenue of around €50 million.

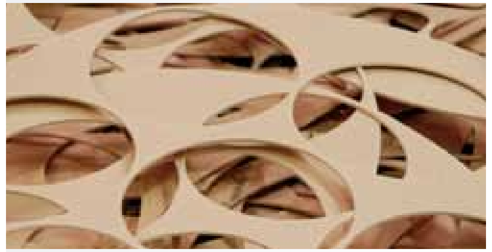
* Adjusted for acquisitions and sales made in 2011 and January 2012

The group is expanding onto the world's major energy markets, thanks to its efficient management structure.

COLLABORATION AND TRAINING

Launched in early 2010, the Group Executive Committee (GEC) comprises 7 group managers representing its different businesses (chief financial officer, managing directors of geographical regions, sales director, corporate development director). The GEC implemented a five-year development plan, approved by Eurazeo PME, resulting from its refinancing programme set up in November. This collaborative management body holds telephone meetings once a month and meets in person on a quarterly basis in one of the countries where the group operates. The Committee provides a comprehensive overview of the group's business and markets and useful insight into both organic and external growth drivers. As such, organisation and structures can be adapted very rapidly.

Training remains a core focus for FDS Group. The Academy of Joint Integrity™, set up near production areas, trained 2,000 people (primarily employees and clients) worldwide on how to use equipment. The set-up of the FDS Academy is currently in progress under the leadership of a member of the GEC, covering evaluation systems, testing phases and the creation of additional training modules. An assessment is planned for late 2012 to standardise this advanced group training programme. Its purpose is to place human capital at the heart of the system, thereby improving recruitment and training and retaining talent. A human resources specialist was recruited to manage the FDS Academy.



The Academy of Joint Integrity™

GOVERNANCE

- Supervisory Committee comprised of 5 members. The group's operational governance is overseen by the GEC, Group Executive Committee, made up of the 7 key managers from its different subsidiaries.
- In 2010, the Group Executive Committee defined a company mission to **"create a safe and sustainable environment on the cutting edge of new industrial requirements".**
- In 2011, this resulted in a strategic plan for value creation featuring 5 priorities. One of these focuses on the group's leadership and corporate responsibility in terms of human resources management, environmental impact and community involvement.

SOCIAL

- The group's HR strategy is to create a very high-quality work environment in order to attract, retain and motivate employees.
- The group aims to encourage its employees' leadership and entrepreneurial qualities through collective and individual training programmes to develop high-potential managers and succession planning for the key managers from the different entities.
- Each entity also defines its own risk prevention programme concerning health, safety and working conditions. As an example, Novus Sealing Ltd obtained BS OHSAS 18001 certification (British Standard Occupational Health and Safety Assessment Series).
- 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 8 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.

ENVIRONMENT

- All FDS Group sites are ISO 9001 certified, 2000 version. The Novus Sealing Ltd site (United Kingdom) is also ISO 14001 certified.
- In 2011, the group enlisted PwC to define the CSR issues that were relevant to its clients, suppliers and employees.
- Some subsidiaries have already applied an environmental policy, mainly to reduce energy consumption, and also encourage their employees to adopt environmentally-friendly behaviour.

2.4 million

RAIL RELAYS SOLD IN 2011

MORS SMITT

Railway technology

MORS SMITT

From left to right
Michel Fardo
Nico Enthoven
Lee Bradford
Arne Wijnmaalen

REVENUE

€44 million

2011	44.0
2010	40.3
2009	33.7

NUMBER OF EMPLOYEES

299

SHAREHOLDING

50%

YEAR OF INVESTMENT

2006/2010

3 QUESTIONS FOR...

Arne Wijnmaalen

CHAIRMAN OF MORS SMITT

> "We are particularly well-positioned to offer electronic components and solutions for applications of running gears, signalling equipment and infrastructure for the railway market"

What is your assessment of 2011?

_ It was an exercise in growth, but less than expected, due to a few events that had a negative impact on our initial targets. Namely, the change in ERP (Enterprise Resource Planning) in The Netherlands affected our structure and ability to deliver our products. In China, one of the group's high-growth regions, two serious train accidents and a major corruption scandal froze the government's investment programmes. However, the fundamental trends in our market remain favourable, and the business outlook for Mors Smitt is excellent. Our order book in early 2012 already shows more promise than the previous year.

What are your sources for growth?

_ The railway market itself is growing steadily worldwide and is expected to reach some €160 billion by 2015. With the acquisition of STS Rail in the United Kingdom, Mors Smitt now boasts the largest portfolio of signalling relays in the world, with the N.S1 in France, the BR930 in the United Kingdom and Commonwealth countries and the B1 and B2 in the United States and The Netherlands. As a result, we are particularly well positioned to supply this equipment on the signalling and infrastructure markets. Another source is our diversification into heavy industry sectors, primarily in electricity production, transmission and distribution with the development of smart grids. Our range of circuit breaker monitoring and control systems is particularly well adapted to these businesses.

How do you integrate sustainable development into your business?

_ Our industry has extremely high sustainable development standards in terms of quality, safety, health and the environment. Mors Smitt meets these standards at its industrial sites, which are ISO 14001 certified. We also emphasise cost cutting and energy reduction in the design and development of our products.

Mors Smitt is forging ahead with its international development. The global leader in on-board electromechanical relays for the rail industry, the result of the merger of two companies, one French and one Dutch, founded in the late 19th century, is stepping up its development on the Asian market, with plans to expand into India following on from the successful set-up of operations in China.

WINNING INNOVATIONS

The rail transport market has been growing steadily by nearly 4% per year due to maintenance, upgrading and energy efficiency requirements for western networks and the roll-out of new equipment in emerging countries. Since the 1950s, Mors Smitt has prevailed as an undeniable leader in supplying the industry with equipment, infrastructure or running gears.

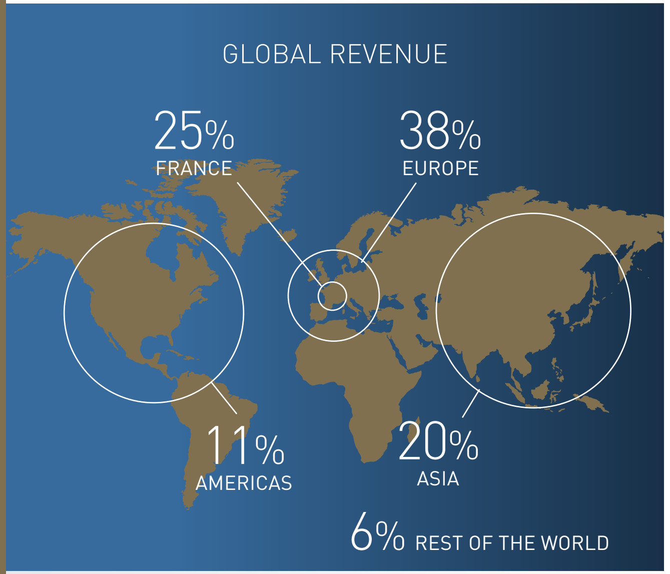
Mors Smitt is a historical figure on the railway market, but no less innovative. The products released in recent years have secured the group's ongoing development. The new N.S1, tested for 2 years by the SNCF and released in 2010, has since been ordered in bulk by the French national railway network. The group's industrialisation has resulted in the construction of an automated assembly line at the Sablé site (Sarthe department in France), an increase in the manufacturing capacity and optimised quality and a reduction in production costs. The market is extremely competitive, but Mors Smitt aims for strong growth in 2012.

Another group innovation released in 2010, which confirmed its potential in 2011: the MSAV 25000 energy measurement system is strategic for train manufacturers concerned about sustainable development and savings. Mors Smitt sold 800 units in 2010 to Alstom and Bombardier, which made the device their energy consumption measurement standard. Now, 1,000 additional trains will be equipped with the system at these 2 clients and the Spanish company Construcciones y Auxiliar de Ferrocarriles (CAF), as negotiations are currently in progress with other train builders. The group also foresees significant growth in this business in the years to come.

KEY FACTS

HEAD OFFICE
ROSNY-SOUS-BOIS 93

INCEPTION DATE
1898



2011 HIGHLIGHTS

Britain bound

A new source of growth

With the acquisition of UK company STS Rail, Mors Smitt has added to its portfolio the most widely used electromechanical relay in the world. The BR930 model is used not only in the United Kingdom but also in most Commonwealth countries and a number of Asian countries. STS Rail's business growth will accelerate substantially as it joins Mors Smitt and integrates its well-established international sales network.

MARKET EXPANSION

Building on its sound domestic foundation and a range of products recognised as standard in the rail industry, Mors Smitt plans to further its development abroad, heightening its already strong presence thanks to its active sales network. Remaining stable in 2011 at slightly more than 25% of revenue due to difficulties on the Chinese market, business in Asia is expected to recover in 2012-2013. The group's plant in Zhongshan is preparing for growth, increasing its staff from 60 to 80 people. Mors Smitt is also planning its launch onto the Indian market in 2012, with a manufacturing plant dedicated to British products set to open in New Delhi in 2013.

With the acquisition of STS in the United Kingdom in 2011, Mors Smitt has expanded its horizons for development, gaining a foothold in most of the Commonwealth markets that use UK standards, as well as Asia and Africa. Combined with the expertise and networks of Mors Smitt, the growth potential of this UK subsidiary is heightened. Geographical development is also planned in Spain, Ukraine, Russia and the Czech Republic.

Lastly, Mors Smitt intends to step up its diversification into new sectors, offering its technologies to industries that use electromechanical relays, such as energy production. The Mors Smitt adventure begun in 1898 is not close to ending...

GROUP GOVERNANCE

- Supervisory Board comprised of 5 members and an Executive Board comprised of 3 members: Chairman/CEO, Vice-Chairman/CFO and the CEO of Mors Smitt Relais.
- Operational governance system of MS Relais broken down by division: Industrial site, Finance/Human Resources, Sales and Marketing.
- Corporate mission and values defined by the group, integrating CSR principles into its social and environmental issues.

CSR FOCUS OF MS RELAIS

SOCIAL

- The MS Relais HR policy is in line with the group's corporate mission and values

- "**Our mission concerning our employees**: *We undertake major efforts in the areas of 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 MS Relais model for employee relations derives from a corporate culture and management methods based on respect, autonomy, internal communication, healthy dialogue between management and employees, skills development and career monitoring. This model has underpinned the group's strong business growth over the past 3 years, resulting in low employee turnover and absenteeism rates:

2011 KEY FACTS	
Job creation in the past 3 years	up 70%
Turnover	3.70%
Absenteeism	3.60%
Work-related accidents	0

- Job skills development through employee training to enhance their range of expertise: operators are trained in-house as the skills require technical knowledge of each MS Relais product (several months of training are needed for assembly positions).
- Local involvement as a member of the Club de Développement du Pays Sabolien (Development Club of the Sablé-sur-Sarthe region) to share and implement sustainable development initiatives together (carbon assessment, mobility/carpooling).

The MSAV 25000 optimises energy consumption in the rail industry

ENVIRONMENT

- The MS Relais environmental policy is in line with the group to meet the requirements of the main construction clients and rail industry users.
- ISO 14001 certification, obtained in 2009 for the MS Relais industrial site, is managed by a Steering Committee that defines the targets for the environmental management system.
- Strict quality, safety, health (non-toxic, non-flammable) and environmental standards required by the different European regulations are integrated into the design of its products.
- Understanding of the environmental impacts of the business is improved: management of energy consumption (pre-assessment of the site's energy efficiency and carbon assessment – *Bilan Carbone* – (initiated in 2011), waste sorting and reduction).
- Involvement of suppliers in environmental policy (environmental impact taken into account in specifications) and awareness-raising for entire staff.

1.3 billion

BAGS SOLD IN 2011

GAULT & FRÉMONT

Company specialised in pastry and bakery packaging

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

BiO FOOD PACK

Montgolfier

From left to right
Jean-Baptiste Lemaigre
Rémi Boitier
Sylvain Desbordes
Xavier Després

REVENUE

€38.7 million

2011	38.7
2010	35.3
2009	35.3

NUMBER OF EMPLOYEES

200

SHAREHOLDING

70%

YEAR OF INVESTMENT

2008

3 QUESTIONS FOR...

Rémi Boitier

CHAIRMAN OF GAULT & FRÉMONT

"Growth resumed in 2011"

What is your analysis of 2011?

_ 2011 was another unusual year, featuring net business growth until the end of October then a very unfavourable climate in which our clients massively pushed back orders into early 2012. This did not prevent us from posting revenue growth, thanks to the dedication of each employee. We clarified our strategy, which is now based on the group's development in France and abroad on the packaging markets for bakeries/pastry shops and food manufacturers. We boast strong advantages, with recognised technical expertise in specialised cardboard and paper packaging, baking and logistics. We will continue our diversification within our areas of excellence.

Was this the motivation behind your acquisitions of Bio Food Pack in 2010 and Montgolfier in 2011?

_ They complement our businesses and offer them innovation. As Gault & Frémont is one of the historical leaders on its market, growth drivers must be sought through market expansion. Bio Food Pack offered innovation tools to diversify our products to our advantage, while Montgolfier provided access to a vast market where we can roll out our own products. Moreover, this acquisition has increased our importance for suppliers and therefore given us more negotiating power.

Does sustainable development remain at the heart of your concerns?

_ Yes, we continue to work diligently on sustainable development, although some of our clients seem less concerned with the issue since the onset of the crisis. However, it is of increasing importance on some markets and could eventually be a cause for exclusion. The chain La Mie Câline renewed its order of PEFC-certified cake boxes in 2012. Gault & Frémont is very proud of this innovation. By signing the United Nations Global Compact and drafting our first Sustainable Development Charter, we have committed to taking tangible measures every year. In 2011, we led a large-scale dematerialisation initiative, reducing our consumption of paper and printer cartridges. We are also very proud of winning the award from our Community of Communes for cutting our industrial waste by two-thirds.

Following a year marked by challenges in supplies – and therefore costs – of raw materials in 2010, Gault & Frémont, the French leader in paper and cardboard packaging for the food processing industry and mass-market retail, returned to growth. Its 2011 revenue totalled €38.7 million, increasing by more than 10%.

EXTENSION OF THE PRODUCT RANGE

The company is reaping the benefits of its work in previous years towards the best positioning on its very competitive markets. Its core business delivered strong growth in both croissant and bread bags (up 5%) and baking products (up 10%). The acquisition of Montgolfier expanded the bread bag segment. Located in Troyes, in the Aube department, the company supplies major French millers with the bags for their premium *baguettes* (Campaillette, Banette, etc.).

As a result, Gault & Frémont has strengthened its position on its historical market, while gaining access to new client segments, namely non-food manufacturers. Bio Food Pack, acquired in 2010, also provides access to complementary sectors, bringing leading technological expertise in paper baking packaging. The company also developed a new material for recipes containing liquids (up to now reserved for frozen goods), opening new markets in pizzas and pies. These innovations are expected to develop the group's products in the food industry and have already increased client references from 1 to 10 for Bio Food Pack products. Bio Food Pack received an award in the packaging category at the CFIA, a trade fair for food industry suppliers attended by 1,400 industrial exhibitors, where 3 awards are given in each of the 4 categories every year.

KEY FACTS

HEAD OFFICE
SAINT-PIERRE-DES-CORPS 37

INCEPTION DATE
1850

2011 HIGHLIGHTS

The dawn of new growth

The acquisition of Montgolfier will strengthen Gault & Frémont on its historical market, while gaining access to new clients. Montgolfier, sold by its retiring managers and founders, is located in Troyes, in the Aube department, and features two businesses: bread bags sold to millers (Campaillette, Banette, etc.) and packaging trading in all types of industries (automotive, industrial SMEs, etc.). Boasting €5 million in revenue for a workforce of 16 people, the company continues to operate independently. Gault & Frémont recruited a sales director following the handover by Montgolfier's founders.

In 2011, the company generated 50% of its revenue from the traditional bakery segment and 40% from mass-market retail packaging (bread, pastries) and the AFH (away from home) food chains such as La Brioche Dorée and La Mie Câline. In 2012, La Mie Câline renewed its order of the first cake box to be certified by the PEFC (Program for Endorsement of Forest Certification), a product created by Gault & Frémont. The group intends to pursue this development, and hired more field sales representatives and an export sales director to work with the current associates. This was done to diversify and boost sales abroad, drawing on the group's indisputable expertise. International revenue totalled only €2.3 million in 2011 (United Arab Emirates, Portugal and Greece were the leading markets), or about 5% of total revenue, while the company had targeted 10%.

As its market is one of moderate but steady growth, Gault & Frémont plans to promote its technological know-how in the future. This will mainly consist in further diversification, such as advertising packaging, as seen with textiles (Zannier brand products, the first non-food client), or catering, with a campaign launched for McDonald's. The company intends to focus on developing its equipment (through major industrial investments) and new product offers.

SUSTAINABLE DEVELOPMENT

THE GLOBAL COMPACT
NOUS SOUTENONS LE PACTE MONDIAL

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GOVERNANCE

- Supervisory Board comprised of 5 members.
- A **new Executive Committee** comprised of 5 members and a Management Committee made up of 8 employees.
- CSR governance: Sustainable Development Committee, Sustainable Development Charter and **member of the United Nations Global Compact**.

SOCIAL

- A business plan built on the **management method of "responsibility-oriented organisations"** and implemented through the programme **"PIPAC" (*Projet Individuel de Professionnalisation et d'Acquisition des Compétences* or individual professionalisation and expertise project)** since 2008, which aims for the development of people and organisations.
- Safety is a major focus in the PIPAC training programme to promote the responsibility of each individual for his or her own safety: training of more than 90% of its production teams as at the end of 2011 (managers/operators). 8 safety audits were performed by members of the CHSCT (Health and Safety Committee).
- The **Sustainable Development Charter** was sent to all employees: posting of the **monthly environmental-friendliness theme** throughout the plant.

FOOD SAFETY

- The **HACCP** (Hazard Analysis Critical Control Point) method was launched in 2010: management of hygiene in the manufacture of food packaging to assess and manage the main food hygiene and safety risks (physical, chemical and microbiological risks). In 2011, Bio Food Pack's risks were thoroughly analysed, with 50 internal HACCP audits, and 7 HACCP representatives were appointed to implement the "Guide to good practices" (Safety, Maintenance, Hygiene/cleanliness).
- Partnerships with schools (plant tours, workshops, the "celebrate cardboard" recycling campaign) and support for employees who volunteer with charitable organisations.

ENVIRONMENT

- A three-year **programme to reduce energy consumption** was launched with an **industrial energy assessment**.
- FSC and PEFC certifications (supply of paper and cardboard from sustainably managed forests) were extended to all stocks.
- The new range of PEFC-certified **La Mie Câline cardboard boxes, "NaturaGF"®**, in partnership with La Mie Câline and the G&F (Green & Future) label.
- The brand Bio Food Pack (entirely biodegradable and compostable greaseproof paper baking moulds) won the **2011 Trophy for Innovation** awarded by Top des Entreprises.
- **The environmental footprint of offices was lowered:** reduction in the number of printers (from 70 to 20 in 2011) and dematerialisation of administrative documents.

6 acquisitions

IN 5 YEARS

IMV TECHNOLOGIES

World leader in reproduction biotechnology

From left to right
Laurent Huet
Eric Schmitt
Enzo Foccoli
JP Raturi
Frederic Keller
Gilles de Robert de Lafreygère
Dick Postma

REVENUE

€50.4 million

2011	50.4
2010	47.6
2009	44.5

NUMBER OF EMPLOYEES

239

SHAREHOLDING

11%

YEAR OF INVESTMENT

2007

3 QUESTIONS FOR...

Gilles de Robert de Lafreygère

CHAIRMAN OF IMV TECHNOLOGIES

“IMV Technologies has always been a step ahead of its markets and continues to consolidate its positions”

How do you expect your market to develop?

_ Overall in 2011, the bovine reproduction market held up well, while the swine market picked up. However, deepening divides remain between our different business regions. Our European markets have clearly reached a mature development stage, with little or no expected growth, when regulations do not give rise to a risk of delocalisation, as can be feared for the swine market. However, the industry is based on continuous global growth: the population will increase from 7 billion to 9 billion humans, who will consume more meat and milk. We are seeing strong expansion in Brazil, China, India and Africa, even in the United States on the bovine market. There is also sharp growth on the poultry market in emerging countries. The fundamentals are healthy, but the market remains very tough.

Has this had a strong impact on competition?

_ Definitely, increased competition has come with the crisis, affecting prices and leading some companies at times to act irrationally. The situation has impacted margins but also led to a concentration of supply. This is an inevitable outcome on an increasingly industrialised but actually relatively young market, dating back only to the 1960s. The market is changing, and we have to adapt at the same time in both genomics [study of genomes] and sustainable development. IMV Technologies has always been a step ahead of its markets and continues to consolidate its positions.

How has your CSR developed?

_ We are pursuing the approach introduced 2 years ago, with a number of initiatives and new objectives. The photovoltaic panels at our new plant in L'Aigle, designed in line with High Environmental Quality (HQE) standards, are in operation. We reduced our paper consumption from 1,600 to 800 reams in one year. Regarding our products, our R&D team has created a second generation biodegradable probe at a price that is perfectly acceptable to the market. This is particularly important as some regulations in this area are expected to become stricter. Lastly, we decided to add anti-corruption guidelines to our Code of Ethics in line with the international development of our business.

Nearly 50 years after founding IMV Technologies, currently a leader in reproduction biotechnology, Robert Cassou had a street named after him, inaugurated in L'Aigle in October 2011 for his 98th birthday. Today, the Norman SME deploys its expertise across the globe and takes an increasing number of initiatives to further its development.

GROWTH IN CHINA

With revenue of 50.2%, IMV Technologies closed 2011 with a further rise of more than 5% in overall growth over the year, with the balance maintained between the different businesses by animal market. IMV Technologies generates about 80% of its revenue in exports. This percentage is expected to rise as a result of the strategic partnership with Nelson Medical in China, with €4.5 million in revenue, split 50/50 between medical devices (catheters) and swine reproduction. The combination of IMV Technologies products with Nelson Medical's network should give business a strong boost.

This Orne-based company exports the expertise developed at its site in L'Aigle to the 4 corners of the world. Its HQE plant is its technological showcase: since it was inaugurated in 2010, more than 300 international clients have visited it, from the R&D laboratories to the production chains. The group has recently brought in a dozen employees from the CryoVet plant in Rennes, bought in 2007. The CEO in Rennes simultaneously set up, with the support of IMV Technologies, a new business aimed at bringing back to France product manufacturing thus far carried out in China and Poland, creating 7 jobs.

A WAVE OF NEW DEVELOPMENTS

The plant in L'Aigle, which now employs 193 people (out of a total of 239 in the group), received a €1 million investment in 2011 to increase its production capacity. The R&D teams worked diligently in 2011 in order to launch 7 new products in 2012, including the second generation of biodegradable probes, which decompose very rapidly. These new products focus on quality, thanks to the new quality director recruited by the group.

In the future, IMV Technologies will continue to go where the growth is. This means boosting business on the very promising Chinese market, notably with Nelson Medical, and developing in Africa, where the group is currently establishing a foothold. Diversification also plays a role in the group's development plans, as illustrated with the acquisition of a glove manufacturing plant (Polysem) in Rambouillet, France, finalised in February 2012.

FONDIS

Scientific and industrial solutions

Fondis electronic

From left to right
Arnaud Crouzat
Eric Vanbalinghem
Jean-Pierre Daverio
Alain Gec

REVENUE

€ 13.1 million

2011	13.1
2010	11.7
2009	9.2

NUMBER OF EMPLOYEES

46

SHAREHOLDING

45%

YEAR OF INVESTMENT

2008

3 QUESTIONS FOR...

Jean-Pierre Daverio

CHAIRMAN OF FONDIS

> Our leitmotif is to offer more services"

Are you satisfied with your performance in 2011?

_ Yes, because we were able to turn our business around while maintaining gross margin. We were able to deliver business successes, regaining market share on our historical markets and attracting new types of clients, while tightly managing our overheads. This recovery was made possible by the financial restructuring undertaken by Eurazeo PME, which strengthened our company's balance sheet and resources.

What are your sources for growth?

_ We began putting several growth drivers into motion in 2011 that will continue to fuel our future projects. We will extend our product range, increasing our collaboration with the most innovative manufacturers and suppliers, and broaden our geographical coverage. More generally, our leitmotif is to offer more high value-added services in pre-sales, software sales and after-sales. We must also work to raise our profile. We will utilize our 30 years of experience to boost communication, for example by revamping our website to better implement online solutions.

How do you integrate sustainable development?

_ An internal working group was formed in early 2011, covering a number of topics. We are at the analytical phase, with an assessment currently in progress and a few ideas for concrete measures that we can take in the short term, such as reducing energy consumption. This also entails improving our company's internal and external communication and work environment.

The turnaround begun by Fondis in 2010 continued in 2011, with revenue growth of more than 11% to €13.1 million and a jump in operating profitability of nearly 50%. The company, now headed by Jean-Pierre Daverio (since mid-2010), owes this financial performance to its ability to adapt and innovate on an increasingly demanding market for portable diagnostic and scientific instrumentation.

ADAPTING OUR OFFER

Our new offer was mainly developed by expanding our range of environmental analysis, material and property diagnostic equipment. The group worked with new US and German suppliers, in particular in the area of safety (explosive detection, gas analysis), and Chinese suppliers for analysers used in oenology.

The symbol of this recovery is the company's rebound on its historical market, construction. After declining in the sector in 2009, Fondis was back on track in 2010 and continued this momentum in 2011, with nearly 20% growth in the property market.

The industry/environment business was also up by 10%, thanks to new products and measures taken to develop activity with large corporate clients. This shift notably resulted in the group winning a bid launched by EDF to supply its power plants with metal corrosion detection equipment.

PREPARING FOR FUTURE DEVELOPMENT

In addition to the gains made in the group's historical business and new clients, the product range was enlarged, thereby extending the market coverage and breaking into the Benelux countries. This development convinced Fondis to insource this monitoring, previously ensured by an independent expert, for 2012.

With its repositioning and newfound growth since 2010, the group recruited technical sales engineers (for the new range) and technicians (to boost services), increasing staff from 39 to 47 people as at the end of 2011.

This year of growth enabled the group to prepare for 2012 and its future development, by enhancing its offer of products and services, developing maintenance contracts or pursuing its international expansion in Benelux or, in the longer term, towards other European countries and North Africa.

BFR GROUP

Solutions for Process, Convening and Packaging needs

BFR Groupe

REVENUE
€24.4 million

NUMBER OF EMPLOYEES
85

SHAREHOLDING
28%

YEAR OF INVESTMENT
2007

> 2011 was a year in line with objectives, mainly driven by the development of Eurocri" **Antonio Fonseca** Managing Director of BFR Group

Despite the persistent market turbulence due to the continuous uncertainty of client projects, increased competition and increasingly unfavourable exchange rates with the yen (purchasing currency of most of the equipment distributed), BFR Group delivered business growth in 2011, with revenue of nearly €25 million, as against €23 million a year earlier. A leader in the distribution of packing and packaging machinery for the food processing sector, BFR Group is made up of 3 operating companies: Latinpack and Lassoudry distribute packing and packaging machinery (end and beginning of the production chain, respectively), while Eurocri specialises in the tailored engineering and design of production lines using the equipment distributed by the first 2 entities.

INCREASING SYNERGIES

Commercial synergies are considerable, with for example nearly half of Latinpack's revenue generated in liaison with Eurocri. Eurocri moved into a new 1,700 m² building at the end of 2011. The entity recorded significant business growth, posting revenue of €5 million, *i.e.* a rise of more than 10%. The company also attracted new clients, notably in the large corporate segment.

The distribution business has been challenged with a highly competitive market in France and diminishing margins due to unfavourable exchange rates. As such, it has turned increasingly to international markets, where competition is less fierce (namely Mexico, Eastern Europe and Spain), generating about 60% of the group's packaging business abroad. BFR Group now boasts some 5,000 machines, registering a 10% increase in its orders for spare parts. With maintenance, which accounts for 20% to 25% of its revenue, nearly one-third of its business is secured from one year to the next.

The group intends to develop this performance, focusing further on the synergies between its various entities. This increased visibility has become especially important, as client projects, previously planned 18 months beforehand, are now announced a maximum of 3 months ahead of launch. As a result, the company plans to undertake a large-scale programme to restructure its international business in 2012.

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