# CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR

Ended December 31, 2012

# NOTE

In this report, "Company" refers to CFAO SA, parent company of the CFAO Group. "Group" refers to the Company, its consolidated subsidiaries and its interests in associates.

The Group's consolidated financial statements for the years ended December 31, 2012 and 2011 were prepared in accordance with the International Financial Reporting Standards ("IFRS") and IFRIC interpretations adopted for use by the European Union and applicable as of December 31, 2012.

# Consolidated financial statements for the year ended December 31, 2012

The comparative information for 2011 set out in this document is in compliance with the IFRS applicable at the closing date of the financial statements for 2012.

## CONSOLIDATED INCOME STATEMENT FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

| *(in € millions)* | Notes | 2012 | 2011 |
|---|---|---|---|
| **Revenue** | 5.1 | **3,585.2** | **3,123.7** |
| Cost of sales | 5.2 | (2,792.4) | (2,418.2) |
| **Gross profit** | | **792.8** | **705.5** |
| Payroll expenses | 6 | (255.2) | (222.2) |
| Other recurring operating income and expenses | | (247.3) | (227.0) |
| **Recurring operating income** | 8 | **290.3** | **256.3** |
| Other non-recurring operating income and expenses | 9 | (9.5) | 9.8 |
| **Operating income** | | **280.8** | **266.1** |
| Cost of net debt | 10 | (36.5) | (26.4) |
| Other financial income and expenses | 10 | (1.2) | (3.1) |
| **Income before tax** | | **243.1** | **236.6** |
| Income tax | 11 | (74.2) | (68.9) |
| Share in earnings of associates | | 2.3 | 2.9 |
| **Net income from continuing operations** | | **171.2** | **170.6** |
| o/w attributable to owners of the parent | | 114.0 | 121.1 |
| o/w attributable to non-controlling interests | | 57.2 | 49.5 |
| **Net income of consolidated companies** | | **171.2** | **170.6** |
| Net income attributable to owners of the parent | | 114.0 | 121.1 |
| Net income attributable to non-controlling interests | | 57.2 | 49.5 |
| **Net income attributable to owners of the parent** | | **114.0** | **121.1** |
| Earnings per share (in €) | 12 | 1.85 | 1.97 |
| Fully diluted earnings per share (in €) | 12 | 1.84 | 1.97 |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

| *(in € millions)* | Notes | 2012 | 2011 |
|---|---|---|---|
| **Net income** | | **171.2** | **170.6** |
| **Items recycled to income:** | | **(6.5)** | **(2.3)** |
| Foreign exchange gains and losses and other | | (6.5) | (2.3) |
| **Items not recycled to income:** | | **(6.5)** | **(1.1)** |
| Actuarial gains and losses[1] | | (6.5) | (1.1) |
| **Other comprehensive income (expense)** | 13 | **(13.0)** | **(3.4)** |
| **Total comprehensive income** | | **158.2** | **167.2** |
| o/w attributable to owners of the parent | | 101.8 | 117.9 |
| o/w attributable to non-controlling interests | | 56.3 | 49.3 |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2012 AND 2011

| *(in € millions)* | Notes | Dec. 31, 2012 | Dec. 31, 2011 |
|---|---|---|---|
| Goodwill | 14 | 200.1 | 149.4 |
| Other intangible assets | 15 | 31.3 | 31.5 |
| Property, plant and equipment | 16 | 365.9 | 319.6 |
| Investments in associates | 18 | 13.0 | 25.7 |
| Non-current financial assets | 19 | 50.8 | 41.9 |
| Deferred tax assets | 11.2 | 24.9 | 24.2 |
| Other non-current assets | | 1.2 | 0.1 |
| **Non-current assets** | | **687.2** | **592.4** |
| Inventories | 20 | 1,037.1 | 828.9 |
| Trade receivables | 21 | 488.1 | 430.2 |
| Current tax receivables | 11.2 | 34.6 | 15.4 |
| Other current financial assets | 29 | 8.7 | 26.8 |
| Other current assets | 22 | 169.3 | 169.7 |
| Cash and cash equivalents | 27 | 199.3 | 251.8 |
| **Current assets** | | **1,937.1** | **1,722.8** |
| **Total assets** | | **2,624.3** | **2,315.1** |

**EQUITY AND LIABILITIES**

| *(in € millions)* | Notes | Dec. 31, 2012 | Dec. 31, 2011 |
|---|---|---|---|
| Share capital | 24 | 10.3 | 10.3 |
| Translation adjustments | | (42.6) | (17.4) |
| Treasury shares | | (1.3) | (4.0) |
| Other reserves | | 639.6 | 559.0 |
| **Equity attributable to owners of the parent** | **24** | **605.9** | **547.8** |
| Non-controlling interests | | 213.0 | 191.3 |
| **Total equity** | **24** | **818.9** | **739.1** |
| Non-current borrowings | 28 | 149.8 | 93.5 |
| Provisions for pensions and other post-employment benefits | 25 | 35.5 | 27.5 |
| Other provisions | 26 | 8.1 | 8.1 |
| Deferred tax liabilities | 11.2 | 0.6 | 2.1 |
| **Non-current liabilities** | | **194.0** | **131.1** |
| Current borrowings | 28 | 426.5 | 350.3 |
| Other current financial liabilities | 29 | 27.5 | 18.0 |
| Trade payables | 22 | 695.3 | 669.6 |
| Provisions for pensions and other post-employment benefits | 25 | 1.3 | 1.4 |
| Other provisions | 26 | 17.8 | 19.4 |
| Current tax liabilities | 11.2 | 58.8 | 35.9 |
| Other current liabilities | 22 | 384.0 | 350.4 |
| **Current liabilities** | | **1,611.4** | **1,445.0** |
| **Total equity and liabilities** | | **2,624.3** | **2,315.1** |

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

| *(in € millions)* | Notes | 2012 | 2011 |
|---|---|---|---|
| **Net income** | | **171.2** | **170.6** |
| Net recurring charges to depreciation, amortization and provisions on non-current operating assets | | 54.9 | 48.5 |
| Proceeds on disposal of leasing fleets (amendment to IAS 16) | | 3.3 | 1.5 |
| Other non-cash income and expenses | | (6.7) | (9.0) |
| **Cash flow from operating activities** | 32.1 | **222.6** | **211.6** |
| Interest paid/received | | 40.3 | 29.4 |
| Dividends received | | (2.2) | (1.2) |
| Net income tax payable | 11.1 | 78.9 | 74.5 |
| **Cash flow from operating activities before tax, dividends and interest** | | **339.6** | **314.4** |
| Change in w orking capital requirement | | (164.7) | 0.8 |
| Income tax paid | | (74.7) | (74.2) |
| **Net cash from operating activities** | | **100.1** | **241.0** |
| Purchases of leasing fleets (amendment to IAS 16) | 32.2 | (14.8) | (10.7) |
| Other purchases of property, plant and equipment and intangible assets | | (79.5) | (63.4) |
| Proceeds from disposals of property, plant and equipment and intangible assets | | 4.7 | 4.1 |
| *Total investments in property, plant and equipment* | | *(89.6)* | *(70.0)* |
| Acquisitions of subsidiaries, net of cash acquired | 32.3 | (47.7) | (18.8) |
| Proceeds from disposals of subsidiaries, net of cash transferred | 32.3 | 6.4 | (2.4) |
| Purchases of other financial assets | | (17.0) | (11.8) |
| Proceeds from sales of other financial assets | | 7.7 | 10.8 |
| Interest and dividends received | | 2.6 | 2.2 |
| *Total financial investments* | | *(48.1)* | *(19.9)* |
| **Net cash used in investing activities** | | **(137.7)** | **(89.9)** |
| Share capital increase/decrease | | 0.9 | (0.5) |
| Dividends paid to ow ners of the parent company | | (52.9) | (50.6) |
| Dividends paid to non-controlling interests | | (38.8) | (21.6) |
| Issuance of debt | 28 - 32.4 | 56.0 | 31.5 |
| Repayment of debt | 28 - 32.4 | (24.1) | (49.0) |
| Interest paid and equivalent | | (40.4) | (30.5) |
| **Net cash used in financing activities** | | **(99.3)** | **(120.7)** |
| Impact of exchange rate variations | | (0.3) | (0.2) |
| Impact of treasury shares | | 2.7 | (3.3) |
| Other movements | | (2.0) | (0.1) |
| **Net increase (decrease) in cash and cash equivalents** | | **(136.6)** | **26.7** |
| | | | |
| **Cash and cash equivalents net of bank overdrafts at beginning of the year** | 32 | **(59.0)** | **(85.7)** |
| **Cash and cash equivalents net of bank overdrafts at end of the year** | 32 | **(195.6)** | **(59.0)** |

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| *(in €millions)* | Number of shares outstanding | | Share capital | Cumulative translation adjustments and other | Other reserves and net income attributable to owners of the parent | Equity: Owners of the parent | Equity: Non-controlling interests | Total equi |
|---|---|---|---|---|---|---|---|---|
| **As of December 31, 2010** | **61,505,160** | | **10.3** | **(15.2)** | **497.7** | **492.7** | **154.0** | **646.7** |
| **Comprehensive income as of December 31, 2011** | | | | **(2.5)** | **120.4** | **117.9** | **49.3** | **167.2** |
| Share capital increase/decrease | | | | | | | (0.4) | **(0.4)** |
| Treasury shares | **155,300** | (1) | | | (3.3) | **(3.3)** | | **(3.3)** |
| Valuation of share-based payment | | | | | 3.7 | **3.7** | | **3.7** |
| Dividends paid | | | | | (50.6) | **(50.6)** | (21.9) | **(72.5)** |
| Changes in scope of consolidation | | | | 0.3 | (12.8) | **(12.5)** | 10.3 | **(2.3)** |
| **As of December 31, 2011** | **61,370,560** | | **10.3** | **(17.4)** | **555.0** | **547.8** | **191.2** | **739.1** |
| **Comprehensive income as of December 31, 2012** | | | | **(7.4)** | **109.2** | **101.8** | **56.3** | **158.1** |
| Share capital increase/decrease | | | | | | | 1.0 | **1.0** |
| Treasury shares | **43,702** | (1) | | | 2.7 | **2.7** | | **2.7** |
| Valuation of share-based payment | | | | | 4.8 | **4.8** | | **4.8** |
| Dividends paid | | | | | (52.9) | **(52.9)** | (39.1) | **(92.0)** |
| Changes in scope of consolidation | | | | (17.8) | 19.5 | **1.7** | 3.6 | **5.3** |
| **As of December 31, 2012** | **61,484,408** | | **10.3** | **(42.5)** | **638.2** | **605.9** | **213.0** | **818.9** |

(1) *Within the framework of the liquidity agreement and share buybacks for performance share plans*

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# Notes to the consolidated financial statements

## for the years ended December 31, 2012 and 2011

## NOTE 1 INTRODUCTION

The CFAO Group, comprising CFAO SA ("the Company") and its subsidiaries (together, "the CFAO Group" or "the Group") is one of the leading specialized retail brands in its key businesses in Africa and the French overseas territories. CFAO is a major player in the import and distribution of vehicles and pharmaceutical products, and related logistical services, as well as in certain industrial activities and technological services in Africa and the French overseas territories.

The Group currently has operations in France, 31 African countries, seven French overseas territories, Vietnam and Mauritius. CFAO is also present in Portugal, Denmark and India where it carries out logistical and supply activities.

CFAO, the Group's parent company, is a *société anonyme* (joint stock company) governed by a Supervisory Board and Management Board incorporated under French law, whose registered office is located at 18, rue Troyon, 92310 Sèvres, France. It is registered with the Nanterre Register of Commerce and Companies under the reference 552 056 152 RCS Nanterre. CFAO SA is bound by all regulations governing commercial companies in France, and particularly the provisions of the French Commercial Code (*Code de commerce*).

The CFAO Group prepared its first financial statements under IFRS for the year ended December 31, 2008.

The CFAO Group’s consolidated financial statements were approved for issue by the Management Board on February 12, 2013 and are presented in euros. These consolidated financial statements will be presented to CFAO’s General Shareholders’ Meeting for approval.

## NOTE 2 ACCOUNTING POLICIES AND METHODS

### General principles and statement of compliance

The consolidated financial statements of the CFAO Group for the year ended December 31, 2012 were prepared in accordance with applicable international accounting standards adopted by the European Union and of mandatory application as of that date. These international standards comprise International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

All accounting standards and guidance adopted by the European Union can be consulted on the European Commission’s website: http://ec.europa.eu/internal_market/accounting/ias_en.htm.

### IFRS basis adopted

The standards, amendments and interpretations applicable for the first time to accounting periods beginning on or after January 1, 2012 had no material impact on the interim consolidated financial statements for the six months ended December 31, 2012. These mainly included:

- Amendment to IFRS 7 "Disclosures — Transfers of Financial Assets".

The Group has elected to early adopt the amendment to IAS 1 "Presentation of Items of Other Comprehensive Income", by showing recyclable items separately from non-recyclable items in the income statement.

The standards, amendments and interpretations applicable for the first time in accounting periods beginning on or after January 1, 2013, 2014 and 2015 are as follows:

- IFRS 9, which redefines the classification and measurement rules for financial assets based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.
- IFRS 10, IFRS 11 and IFRS 12 on consolidation, which redefine the notion of control of an entity, eliminate the option of using the proportionate consolidation method to consolidate joint ventures (replacing it with the use of the equity method alone), and introduce new disclosure requirements for the notes to the consolidated financial statements.
- IFRS 13, which defines the rules for measuring fair value and the disclosure requirements for the notes to the financial statements about fair value measurements.
- the amendments to IAS 19 on commitments in relation to employee benefits, which provide for the immediate recognition of actuarial gains and losses in equity, and the calculation of the return on financial assets based on the discount rate used to measure the commitment, and not the expected rate of return.

The application of these standards is not expected to have a material impact on the consolidated financial statements of the Group.

## 2.1. Basis of preparation of the consolidated financial statements

### 2.1.1. Basis of measurement

The consolidated financial statements are prepared based on the historical cost convention with the exception of certain financial assets and liabilities carried at fair value.

### 2.1.2. Use of estimates and judgment

The preparation of consolidated financial statements requires the use of estimates and assumptions by Group management that can affect the carrying amounts of certain assets and liabilities, income and expenses, and the information disclosed in the accompanying notes. Group management reviews these estimates and assumptions on a regular basis to ensure their pertinence with respect to past experience and the current economic situation. Items in future financial statements may differ from current estimates as a result of changes in these assumptions. The impact of changes in accounting estimates is recognized during the period in which the change occurs and all affected future periods.

The main estimates made by management in the preparation of the financial statements concern the value and useful lives of operating assets, property, plant and equipment, intangible assets and goodwill; the amount of contingency provisions and other provisions relating to operations; and assumptions underlying the calculation of obligations relating to employee benefits, deferred tax balances and derivatives. In particular, the Group uses discount rate assumptions based on market data to estimate the value of long-term assets and liabilities.

The main assumptions made by the Group are detailed in specific sections of the notes to the financial statements, in particular:

- Note 7 – Share-based payment
- Note 11 – Income tax
- Note 17 – Impairment tests on non-financial assets
- Note 20 – Inventories
- Note 21 – Trade receivables
- Note 25 – Employee benefits
- Note 26 – Provisions
- Note 29 – Exposure to foreign exchange, interest rate and credit risk
- Note 31 – Accounting classification and market value of financial instruments

### 2.1.3. Statement of cash flows

The Group's statement of cash flows is prepared in accordance with IAS 7 — "Statement of Cash Flows", using the indirect method.

## 2.2. Consolidation principles

The consolidation is based on financial statements (or interim financial statements) drawn up for the 12-month periods ended December 31, 2012 and 2011 for all Group companies.

The consolidated financial statements include the financial statements of acquired companies as from the acquisition date or a date close to the acquisition date, and sold companies up until the date of disposal.

### Subsidiaries

Subsidiaries are all entities over which the Group exercises control. Control is defined as the ability to govern, directly or indirectly, the financial and operating policies of an entity so as to obtain economic benefit from its activities. This situation generally implies directly or indirectly holding more than 50% of the voting rights. The existence and effect of potential voting rights that are exercisable or convertible are taken into account in the assessment of control.

Subsidiaries are fully consolidated from the effective date of control.

Intercompany assets and liabilities and transactions between fully consolidated companies are eliminated. Gains and losses on internal transactions with controlled companies are fully eliminated.

Subsidiaries' accounting policies and methods are modified where necessary to ensure consistency of accounting treatment at Group level.

### Associates

Associates are all entities in which the Group exercises a significant influence over the entity's management and financial policy, without exercising control, and generally implies holding 20% to 50% of the voting rights.

Associates are accounted for using the equity method and are initially measured at cost, except when the associates were previously controlled by the Group in which case they are measured at fair value through the income statement as of the date control is lost. Subsequently, the Group's share in profits or losses of the associate attributable to owners of the parent is recognized in net income, and the Group's share in the associate's other comprehensive income is recognized on a separate line of the statement of comprehensive income, under other comprehensive income. If the Group's share in the losses of an associate equals or exceeds its investment in that associate, the Group no longer recognizes its share of losses, unless it has legal or constructive obligations to make payments on behalf of the associate.

Goodwill related to an associate is included in the carrying amount of the investment.

Gains or losses on internal transactions with equity-accounted associates are eliminated in the amount of the Group's investment in these companies.

The accounting policies and methods of associates are modified where necessary to ensure consistency of accounting treatment at Group level.

### Business combinations

Business combinations, where the Group acquires control of one or more other activities, are recognized using the purchase method.

Business combinations that took place prior to January 1, 2010 were recognized using the accounting principles used to prepare the financial statements for the year ended December 31, 2008.

Business combinations carried out after January 1, 2010 are recognized and measured in accordance with the provisions of the revised IFRS 3. Accordingly, the consideration transferred (acquisition cost) is measured at the fair value, at the date of exchange, of the assets transferred, equity interests issued and liabilities incurred by the acquirer. Identifiable assets and liabilities are measured at their fair value on the acquisition date. Costs directly attributable to the business combination are recognized in expenses.

The excess of the consideration transferred over the Group's interest in the net fair value of the identifiable assets and liabilities of the acquired entity is recognized as goodwill.

The Group elects to measure any non-controlling interests resulting from a business combination at fair value. In this case, goodwill is recognized on all of the identifiable assets and liabilities (full goodwill method).

Goodwill is determined at the date control over the acquired entity is obtained and may not be adjusted after the measurement period. No additional goodwill is recognized on any subsequent acquisition of non-controlling interests.

Acquisitions and/or disposals of non-controlling interests are recognized directly in consolidated equity.

If the consideration transferred is less than the Group's interest in the net assets (measured at fair value) of the acquired subsidiary, the difference is recognized directly in net income for the period.

The accounting for a business combination must be completed within 12 months of the acquisition date. This applies to the measurement of identifiable assets and liabilities, consideration transferred and non-controlling interests.

### Put options granted to minority shareholders

The Group has undertaken to repurchase the non-controlling interests of shareholders of certain subsidiaries. The strike price of these put options may be set or determined according to a predefined calculation formula, and the options may be exercised at any time or on a specific date.

The revised IAS 27 – applied by the Group in its consolidated financial statements as of January 1, 2010 – prescribes the appropriate accounting treatment for acquisitions of additional shares in a subsidiary after control is obtained. As permitted by the French financial markets authority (*Autorité des marchés financiers* – AMF), the Group has decided to apply two different accounting methods to these put options, depending on whether they were granted before or after the date the revised standard first came into effect.

**Put options granted before January 1, 2010**

The Group uses its existing goodwill method for put options granted before January 1, 2010, whereby a financial liability is recorded for the put options granted to the minority shareholders of the entities concerned and the corresponding non-controlling interests are reclassified and included in this financial liability. The difference between the debt representing the commitment to purchase the non-controlling interests and the carrying amount of the reclassified non-controlling interests is recorded as goodwill.

This liability is initially recorded at the present value of the strike price and at the end of subsequent reporting periods, based on the fair value of shares potentially purchased if the strike price is linked to the fair value. Subsequent changes in the value of the commitment are recorded by an adjustment to goodwill.

**Put options granted after January 1, 2010**

The revised IAS 27 states that all equity transactions with non-controlling interests which do not result in a change in control must be recognized within equity. Consequently, the Group considers that put options granted after the effective date of the revised IAS 27 will impact consolidated equity.

The Group records a financial liability for the put options granted to the minority shareholders of the entities concerned and the corresponding non-controlling interests are reclassified and included in this financial liability. The difference between the debt representing the commitment to purchase the non-controlling interests and the carrying amount of the reclassified non-controlling interests is recorded as a deduction from equity.

This liability is initially recorded at the present value of the strike price and at the end of subsequent reporting periods, based on the fair value of shares potentially purchased if the strike price is linked to the fair value. Subsequent changes in the value of the commitment are recorded by an adjustment to equity.

## 2.3. Foreign currency translation

### Functional and presentation currency

Items included in the financial statements of each Group entity are valued using the currency of the primary economic environment in which the entity operates (functional currency). The Group's consolidated financial statements are presented in euros, which is the presentation currency.

### Foreign currency transactions

Transactions denominated in foreign currencies are recognized in the entity's functional currency at the exchange rate prevailing on the transaction date.

Monetary items in foreign currencies are translated at the end of each reporting period using the closing rate. Translation adjustments arising from the translation or the settlement of these items are recognized in income or expenses for the period.

Non-monetary items in foreign currencies valued at historical cost are translated at the rate prevailing on the transaction date, and non-monetary items in foreign currencies measured at fair value are translated at the rate prevailing on the date the fair value is determined. When a gain or loss on a non-monetary item is recognized directly in other comprehensive income, the foreign exchange component is also recognized in other comprehensive income. Otherwise, the component is recognized in income or expenses for the period.

The treatment of foreign exchange rate hedges in the form of derivatives is described in the paragraph on derivative instruments in Note 2.8 – Financial assets and liabilities.

### Translation of the financial statements of foreign subsidiaries

The results and financial statements of Group entities with a functional currency that differs from the presentation currency are translated into euros as follows:

- items recorded in the statement of financial position other than equity are translated at the exchange rate at the end of the reporting period;
- income and cash flow statement items are translated at the average exchange rate for the year, which in the absence of material fluctuations approximates the exchange rate at the transaction date;
- foreign exchange differences are recognized as translation adjustments in the statement of comprehensive income under "Other comprehensive income" and notably include gains and losses on foreign currency borrowings used to hedge foreign currency investments and on permanent advances to foreign subsidiaries.

Goodwill and fair value adjustments arising from a business combination with a foreign activity are recognized in the functional currency of the entity acquired. They are then translated at the closing exchange rate into the Group's presentation currency, and the resulting differences are recognized in consolidated equity.

## 2.4. Goodwill

Goodwill represents the excess of the cost of a business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities on the acquisition date. Goodwill is allocated as of the acquisition date to cash-generating units (CGUs) or groups of CGUs defined by the Group based on the characteristics of the business.

## 2.5. Other intangible assets

Intangible assets acquired as part of a business combination, which are controlled by the Group and can be measured reliably, and which are separate or arise from contractual or other legal rights, are recognized separately from goodwill. These assets, in the same way as intangible assets acquired separately, are amortized over their useful life where this is finite and written down if their recoverable amount is less than their carrying amount. Software acquired as part of recurring operations is usually amortized over a period not exceeding 12 months.

Software developed in-house by the Group and meeting all the recognition criteria in IAS 38 is capitalized and amortized on a straight-line basis over its useful life, which is generally between three and five years.

## 2.6. Property, plant and equipment

Property, plant and equipment are recognized at cost less accumulated depreciation and impairment losses with the exception of land, which is presented at cost less impairment losses. The various components of property, plant and equipment are recognized separately when their estimated useful life and therefore their depreciation periods are significantly different. The cost of an asset includes the expenses that are directly attributable to its acquisition.

Subsequent costs are included in the carrying amount of the asset or recognized as a separate component, where necessary, if it is probable that future economic benefits will flow to the Group and the cost of the asset can be reliably measured. All other routine repair and maintenance costs are expensed in the year they are incurred.

Depreciation is calculated using the straight-line method, based on the purchase or production cost, less any residual value which is reviewed annually if considered material, over a period corresponding to the useful life of each asset category, i.e., 10 to 40 years for buildings and improvements to land and buildings, and 3 to 10 years for equipment.

### Lease contracts

Agreements whose fulfillment depends on the use of one or more specific assets and which transfer the right to use the asset may be classified as lease contracts.

Lease contracts which transfer to the Group substantially all the risks and rewards incidental to ownership of an asset are classified as finance leases.

Assets acquired under finance leases are recognized in property, plant and equipment against the corresponding debt recognized in borrowings for the same amount, at the lower of the fair value of the asset

and the present value of minimum lease payments. The corresponding assets are depreciated over a useful life identical to that of property, plant and equipment acquired outright.

Deferred tax is recognized in respect of the capitalization of finance leases where appropriate.

Lease contracts that do not transfer substantially all the risks and rewards incidental to ownership are classified as operating leases. Payments made under operating leases are recognized in recurring operating expenses on a straight-line basis over the term of the lease.

Capital gains on the sale and leaseback of assets are recognized in full in income at the time of disposal when the lease qualifies as an operating lease and the transaction is performed at fair value.

The same accounting treatment is applied to agreements which, while not presenting the legal form of a lease contract, confer on the Group the right to use a specific asset in exchange for a payment or series of payments.

## 2.7. Asset impairment

Goodwill and intangible assets with an indefinite useful life, such as brands, and CGUs or groups of CGUs containing these items, are tested for impairment at least annually, during the second half of each reporting period.

An impairment test is also performed when events or circumstances indicate that goodwill, other intangible assets, property, plant and equipment, and CGUs or groups of CGUs may be impaired. Such events or circumstances include material unfavorable changes of a permanent nature affecting either the economic environment or the assumptions or objectives used on the acquisition date.

Impairment tests seek to determine whether the recoverable amount of an asset, a CGU or a group of CGUs is less than its net carrying amount.

The recoverable amount of an asset, a CGU or a group of CGUs is the higher of its fair value less costs to sell and its value in use.

The value in use is determined based on future cash flow projections, taking into account the time value of money and the specific risks attributable to the asset or CGU or group of CGUs. A pre-tax discount rate is applied to future cash flow projections, while a growth rate is used to extrapolate the cash flows to perpetuity.

Future cash flow projections are based on medium-term budgets and plans spanning a period of four years. To calculate value in use, a terminal value equal to the perpetual capitalization of a normative cash flow is added to the estimated future cash flows.

Fair value less costs to sell is the amount obtainable from the sale of an asset or group of assets in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. These values are determined based on market data (comparison with amounts used in recent transactions).

When the recoverable value of an asset, CGU or group of CGUs is less than its carrying amount, an impairment loss is recognized in respect of the asset or group of assets.

For a CGU or group of CGUs, impairment is charged first to goodwill where appropriate, and recognized under "Other non-recurring operating income and expenses" in the income statement.

Impairment losses recognized in respect of property, plant and equipment and other intangible assets may be reversed at a later date up to the amount of the losses initially recognized, when the recoverable amount once again exceeds the carrying amount. Impairment losses in respect of goodwill may not be reversed.

## 2.8. Financial assets and liabilities

### Financial assets

Pursuant to IAS 39, financial assets are classified within one of the following four categories:

- financial assets at fair value through the income statement;
- loans and receivables;
- held-to-maturity investments;
- available-for-sale financial assets.

The classification determines the accounting treatment for the instrument. It is defined by the Group on the initial recognition date, based on the objective behind the asset's purchase. Purchases and sales of financial assets are recognized on the trade date, which is the date the Group is committed to the purchase or sale of the asset. A financial asset is derecognized if the contractual rights to the cash flows from the financial asset expire or the asset is transferred.

### *1. Financial assets at fair value through the income statement*

These are financial assets held by the Group for short-term profit, or assets voluntarily classified in this category.

These assets are measured at fair value, with changes in fair value recognized in income.

### *2. Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not listed in an active market and are not held for trading purposes or available for sale.

These assets are initially recognized at fair value and subsequently at amortized cost using the effective interest method. Short-term receivables without a stated interest rate are valued at the amount of the original invoice unless the effective interest rate has a material impact.

These assets are subject to impairment tests when there is an indication of impairment loss. An impairment loss is recognized if the carrying amount exceeds the estimated recoverable amount.

Loans and receivables due from non-consolidated investments, other loans and receivables and trade receivables are included in this category and are presented in non-current financial assets, trade receivables and other non-current financial assets.

### *3. Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets, other than loans or receivables, with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity. These assets are initially recognized at fair value and subsequently at amortized cost using the effective interest method.

These assets are subject to impairment tests when there is an indication of impairment loss. An impairment loss is recognized if the carrying amount exceeds the estimated recoverable amount.

Held-to-maturity investments are presented in non-current financial assets.

### *4. Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are not included in the aforementioned categories. Unrealized capital gains or losses are recognized in equity until the disposal of the assets. However, when there is a significant or prolonged decline in value of an available-for-sale asset, the unrealized capital loss is reclassified from equity to income for the period. Impairment losses recognized in respect of variable income securities cannot be reversed through the income statement at the end of a subsequent reporting period.

For listed securities, fair value corresponds to a market price. For unlisted securities, fair value is determined by reference to recent transactions or using valuation techniques based on reliable and observable market data. However, when the fair value of a security cannot be reasonably estimated, it is recorded at historical cost. These assets are subject to impairment tests in order to assess whether they are recoverable.

This category mainly comprises non-consolidated investments and marketable securities that do not meet the other financial asset definitions. They are presented in non-current financial assets.

## Financial liabilities

The valuation of financial liabilities depends on their IAS 39 classification. The Group recognizes all financial liabilities and particularly borrowings, trade payables and other liabilities, initially at fair value less transaction costs and subsequently at amortized cost, using the effective interest method.

The effective interest rate is determined for each transaction and corresponds to the rate that would provide the carrying amount of a financial liability by discounting its estimated future cash flows until maturity or until the nearest date the price is reset to the market rate. The calculation includes transaction costs and any premiums and/or discounts. Transaction costs correspond to the costs directly attributable to the acquisition or issue of a financial liability.

The carrying amount of financial liabilities that qualify as hedged items as part of a fair value hedging relationship and are valued at amortized cost, is adjusted with respect to the hedged risk.

Hedging relationships are described in the section below on derivative instruments.

Changes in fair value are taken to the income statement. Transaction costs incurred in setting up these financial liabilities are recognized immediately in expenses.

### Derivative instruments

The Group uses various financial instruments to reduce its exposure to foreign exchange risk. These instruments are chiefly traded over the counter with banks.

Derivatives are recognized at fair value under other current or non-current assets and liabilities depending on their maturity. Changes in the fair value of these derivatives are always recorded in income.

Derivatives designated as hedging instruments are classified as fair value hedges (the Group does not classify any derivatives as cash flow or net investment hedges). A fair value hedge is used to hedge the risk of changes in the fair value of recognized assets or liabilities or a firm commitment not yet recognized that would impact consolidated net income. For fair value hedges, the hedged component of these items is measured at fair value. Fair value gains and losses are recorded in the income statement and offset, to the extent the hedge is effective, by matching fair value gains and losses on the hedging instrument.

Hedge accounting can only be applied if all the following conditions are met:

- there is a clearly identified, formalized and documented hedging relationship as of the date of inception;
- the effectiveness of the hedging relationship can be demonstrated on a prospective and retrospective basis. The results obtained must attain a confidence level of between 80% and 125%.

### Cash and cash equivalents

The "Cash and cash equivalents" line item recorded on the assets side of the consolidated statement of financial position comprises cash, short-term investments and other liquid and readily convertible instruments with an insignificant risk of changes in value and a maximum maturity of three months as of the purchase date.

Investments with a maturity exceeding three months, and blocked or pledged bank accounts, are excluded from cash. Bank overdrafts are presented in borrowings on the liabilities side of the statement of financial position.

In the statement of cash flows, "Cash and cash equivalents" includes accrued interest receivable on assets presented in cash and cash equivalents and bank overdrafts. A schedule reconciling cash per the statement of cash flows and per the statement of financial position is provided in Note 32.

### Definition of consolidated net debt

The concept of net debt used by the Group comprises gross debt including accrued interest less net cash as defined by French National Accounting Board (*Conseil National de la Comptabilité* – CNC) recommendation 2009-R. 03 dated July 2, 2009.

## 2.9. Share-based payment

The Group awards performance shares and stock options which constitute equity settled share-based payment transactions. In accordance with IFRS 2 – "Share-based Payment", the fair value of the plans concerned – which corresponds to the fair value of the services rendered by the beneficiaries – is measured at the grant date.

The pricing models used for this measurement are described in Note 7. Subsequent to the grant date, the fair values recognized for the stock options or performance shares are amortized over the vesting period. The related expense is recorded in payroll expenses with an offsetting increase in equity.

## 2.10. Inventories

Inventories comprise goods for resale that are physically located at different stages of the supply chain, from suppliers through to end customers. They include:

- goods being transported between suppliers and subsidiaries or storage facilities managed by central purchasing offices;
- goods in stock at the subsidiaries or at the storage facilities managed by central purchasing offices.

Inventories comprise goods for resale as well as raw materials used by CFAO Industries in its production processes.

Inventories are valued at the lower of cost and net realizable value. Net realizable value is the estimated sale price in the normal course of operations, net of costs to be incurred to complete the sale.

The same method for determining cost is adopted for inventories of a similar nature and use within the same entity. Inventories are valued on a first-in-first-out (FIFO) basis or at weighted average cost depending on the Group activity.

Interest expenses are excluded from inventories and expensed as finance costs in the year they are incurred.

The Group may write down inventory based on expected turnover, if inventory items are damaged, have become wholly or partially obsolete, the selling price has declined, or if the estimated costs to completion or to be incurred to make the sale have increased.

## 2.11. Income tax

The income tax charge for the period comprises the current and deferred tax charge.

In France, the 2011 finance law introduced the Company value-added contribution (*Cotisation sur la Valeur Ajoutée des Entreprises* – CVAE). In line with similar taxes within the Group, the CVAE is treated as an income tax in application of IAS 12. Consequently, it is accounted for under "Income tax".

Deferred tax is calculated using the liability method on all temporary differences between the book value of assets and liabilities recorded in the consolidated statement of financial position and their tax value. The measurement of deferred tax balances depends on the way in which the Group intends to recover or settle the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are not discounted and are classified in the statement of financial position within non-current assets and liabilities.

A deferred tax asset is recognized on deductible temporary differences and for tax loss carry-forwards and tax credits to the extent that their future offset appears probable.

A deferred tax liability is recognized on taxable temporary differences relating to investments in subsidiaries, associates and joint ventures unless the Group is able to control the timing of the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future.

## 2.12. Provisions

Provisions for litigation and disputes, and miscellaneous contingencies and losses are recognized as soon as a present obligation arises from past events that is likely to result in an outflow of resources embodying economic benefits, and where the amount of the obligation can be reliably estimated.

Provisions also include costs arising as a result of labor or tax-related disputes. No provision is set aside for tax reassessments issued (or in the process of being issued) by the tax authorities if the Group considers that the reasons for the reassessment are unfounded, or that there is a reasonable chance it will be able to defend its position successfully in the dispute with the tax authorities. A restructuring provision is recognized when there is a formal and detailed restructuring plan and the plan has begun to be implemented or its main features have been announced before the end of the reporting period. Restructuring costs for which a provision is made essentially represent employee costs (severance pay, early retirement plans, payment in lieu of notice, etc.), work stoppages and compensation for breaches of contract with third parties.

Provisions maturing in more than one year are valued at the discounted amount representing the best estimate of the expense necessary to extinguish the present obligation at the end of the reporting period. The discount rate used reflects current assessments of the time value of money and specific risks related to the liability.

## 2.13. Post-employment benefits and other long-term employee benefits

The Group's companies grant various types of benefits to their employees depending on the laws and practices of each country.

Under defined contribution plans, the Group is not obliged to make additional payments over and above contributions already made to a fund if the fund does not have sufficient assets to cover the benefits corresponding to services rendered by personnel during the current period and prior periods. Contributions paid into these plans are expensed as incurred.

Under defined benefit plans, obligations are valued using the projected unit credit method based on agreements in effect in each company. Under this method, each period of service gives rise to an additional unit of benefit entitlement and each unit is measured separately to build up the final obligation. The obligation is then discounted. The actuarial assumptions used to determine the obligations vary according to the economic conditions of the country where the plan is established. These plans, as well as the termination benefits, are valued by independent actuaries on an annual basis for the most significant plans and at regular intervals for

the other plans. The valuations take into account the level of future compensation, the probable active life of employees, life expectancy and staff turnover.

Actuarial gains and losses are primarily due to changes in assumptions and the difference between estimated results based on actuarial assumptions and actual results. All actuarial differences in respect of defined benefit plans are recognized immediately in other comprehensive income in accordance with the option offered by IAS 19, as revised in December 2004.

Past service cost – corresponding to the increase in an obligation following the introduction of a new plan or changes to an existing plan – is recognized on a straight-line basis over the average period until the benefits vest or is expensed immediately if the benefit entitlement has already vested.

Expenses relating to this type of plan are recognized in recurring operating income (service cost) and net finance costs (interest cost, expected return on plan assets). Curtailments, settlements and past service costs are recognized in recurring operating income or net finance costs according to their nature. The provision recognized in the statement of financial position corresponds to the present value of the obligations calculated as described above, less the fair value of plan assets and non-amortized past service costs.

## 2.14. Revenue recognition

The Group derives the bulk of its revenue from the sale of vehicles, pharmaceutical products, equipment and consumer goods and related services.

Revenue is valued at the fair value of the consideration received for goods and services sold, royalties, licenses and operating subsidies granted, excluding taxes, net of rebates and discounts and after elimination of intercompany sales.

Sales of goods are recognized when a Group entity has transferred the risks and rewards incidental to ownership to the buyer (on delivery, other than in exceptional circumstances), when revenue can be reliably measured and when recovery is reasonably assured.

The amendment to IAS 16, which has been applied since January 1, 2010, sets out the recognition method for the sale of assets that were previously held for rental, where entities routinely carry out this type of transaction in the course of their ordinary activities. At the end of the lease, the asset concerned must be transferred to inventories and the proceeds from the sale recorded in revenue.

## 2.15. Operating income

Operating income comprises:

- *Recurring operating income* is an intermediate line item intended to facilitate understanding of the Group's operating performance.
- *Other non-recurring operating income and expenses* excluded from recurring operating income; which include:
  - impairment of goodwill and other intangible assets;
  - gains or losses on disposals of property, plant and equipment and intangible assets, or investments;
  - restructuring costs and costs relating to employee deployment measures;
  - non-recurring items corresponding to revenues and expenses that are unusual due to their frequency, nature or amount.

## 2.16. Earnings per share

Basic earnings per share are calculated by dividing net income attributable to owners of the parent by the weighted average number of shares outstanding during the year.

In the case of material non-recurring items, earnings per share excluding non-recurring items are calculated by adjusting net income attributable to owners of the parent for non-recurring items net of taxes and non-controlling interests. Non-recurring items taken into account for this calculation correspond to all the items included under "Other non-recurring operating income and expenses" in the income statement.

Fully diluted earnings per share are calculated by adjusting net income attributable to owners of the parent and the number of outstanding shares for all instruments granting deferred access to the share capital of the Company whether issued by CFAO or one of its subsidiaries.

## 2.17. Operating segments

In accordance with IFRS 8 – "Operating Segments", segment information is reported on the same basis as used internally by the Chairman and/or other members of the Management Board – who are the Group's chief

operating decision makers – for evaluating operating segment performance and deciding how to allocate resources to the segments.

In accordance with IFRS 8, an operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the chief operating decision maker, and for which discrete financial information is available.

Each operating segment is monitored separately for internal reporting purposes, according to performance indicators common to all of the Group's segments.

The segments presented are operating segments or groups of similar operating segments. Segment information has been changed to take into account the Group's new organization.

CFAO has three operating divisions: CFAO Automotive, Eurapharma, and CFAO Industries, Equipment & Services.

The Industries, Equipment & Services division encompasses the following four businesses:

- Industries: two bottling facilities in the Republic of the Congo in partnership with Heineken and four plastic product manufacturing plants;

- Technologies: these activities were refocused in 2011 around IT products and solutions;

- Equipment: activities based around the distribution of generators and elevators, and the sale, installation and maintenance of construction and agricultural machinery, currently being organized in eight countries;

- Rental services: previously part of the Automotive division, this business will be strengthened to provide a platform for the expansion of the Equipment and Automotive businesses.

The CFAO Holding & Others division primarily includes the overhead costs of the registered office at Sèvres with all cross-divisional services which are not allocated to the operating divisions.

The management data used to assess operating segment performance is prepared in accordance with IFRS as applied by the Group for its consolidated financial statements.

The performance of each operating segment is measured based on recurring operating income, which is the method used by the Group's chief operating decision maker.

## 2.18. Non-current assets (or disposal groups) classified as held for sale

The CFAO Group did not have any non-current assets (or disposal groups) held for sale in 2012 or 2011.

The Group may be impacted by IFRS 5 – "Non-current Assets Held for Sale and Discontinued Operations", which requires the separate recognition and presentation of assets (or disposal groups) held for sale and operations discontinued, sold or to be sold.

Non-current assets, or groups of assets and liabilities directly associated with those assets, are considered as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset (or disposal group) must be available for immediate sale and its sale must be highly probable. Non-current assets (or disposal groups) held for sale are measured and recognized at the lower of their carrying amount and their fair value less the costs of disposal. These assets are no longer depreciated from the time they qualify as assets (or disposal groups) held for sale. They are presented on separate lines in the consolidated statement of financial position, without restatement for previous periods.

Non-current assets, or groups of assets and liabilities directly associated with those assets, are considered discontinued if their carrying amount will be recovered principally through continuing use rather than through a sale. Assets and liabilities arising from discontinued operations are not presented on separate lines in the Group's statement of financial position.

An operation discontinued, sold or to be sold is defined as a component of an entity that generates cash flows that can be clearly distinguished from the rest of the entity and represents a separate major line of business or geographical area of operations. Net income from these activities is presented under a separate income statement heading, "Discontinued operations", and is restated in the statement of cash flows.

## 2.19. Cost of sales

Cost of sales chiefly includes the cost of goods sold, measured at the net price charged by the supplier, plus all costs incurred to ensure that the products are made available in their end markets (freight, transit, customs duties and other import taxes, fees payable to agents and self-employed vendors). Cost of sales includes net additions to inventory impairment provisions, as well other valuation adjustments (inventory unable to be sold, theft, breakage, currency gains and losses affecting the related invoice, transportation insurance).

## NOTE 3 SCOPE OF CONSOLIDATION

The CFAO Group's consolidated financial statements for the year ended December 31, 2012 include the financial statements of the companies listed in Note 36.

The following changes in the scope of consolidation have occurred since January 1, 2012:

- In July 2011, the Eurapharma division of the CFAO Group acquired a 49% interest in Propharmal, a pharmaceutical production business based in Algeria. As the Group did not have sufficient information to include the share of Propharmal's net results since the acquisition in the 2011 consolidated financial statements, the company's full consolidation only covered the balance sheet amounts as of December 31, 2011.
  The consolidation of the company has now been completed. For 2012, it reported €9.3 million in revenue and a €2.3 million net loss.

- In December 2011, the CFAO Group acquired 51% of the shares that the Reunion-based Caillé group held in three Malagasy companies and one French company. These companies engage in automotive distribution and rental activity. As the transaction was not material at the level of the Group, these entities continued to be accounted for using the equity method at December 31, 2011, and the cost of acquiring additional shares was reclassified to investments in associates.
  These companies were fully consolidated as of January 1, 2012, leading to the revaluation of the Group's initial interest in accordance with the revised IFRS 3 (€1.2 million gain recorded in non-recurring operating income).
  The company involved in the rental services activity was included in CFAO Industries, Equipment & Services, whereas the other companies were included in CFAO Automotive.
  In 2011, these companies generated revenue of €20.6 million. For 2012, they reported €17.0 million in revenue and €3.1 million in net income.

- The Group's CFAO Automotive division acquired 75% of the shares of ADI (Automotive Distributor Incorporated), a Hyundai vehicle distributor in Zimbabwe.
  This company, which was consolidated in January 2012, did not carry out any activity in 2011. The company reported €7.1 million in revenue and €0.5 million in net income for 2012.

- In 2012, CFAO Automotive created Alliance Auto LTD Tanzania, a company specialized in distributing Volkswagen brand vehicles.
  Alliance Auto Ltd Tanzania reported €1.7 million in revenue and €0.1 million in net income for 2012.

- In February 2012, the Commercial Court (*Tribunal de Commerce*) of Guadeloupe authorized CFAO's takeover bid for the assets owned by Actidom, which had been placed under court-ordered receivership. These assets were transferred to Actidis, a new company within the Eurapharma division created for this purpose. Actidis is specialized in the distribution and promotion of pharmaceutical products and did not actually begin its activity until June. For 2012, it reported a contribution to CFAO's consolidated financial statements of €4.4 million to revenue and a negative €2.0 million to net income.

- On July 14, 2012, Eurapharma acquired 60% of Assene-Laborex, an import company specialized in the distribution and promotion of pharmaceutical products in Nigeria. In 2011, this company generated revenue of €14.3 million. For 2012, it reported a contribution to CFAO's consolidated financial statements of €8.2 million to revenue and €0.7 million to net income.

- On July 18, 2012, Eurapharma also acquired 75% of Missionpharma, whose head office is located in Denmark. Missionpharma is the world leader in medical kits and is highly experienced in generics. This acquisition will allow Eurapharma to expand in these markets with public and third sector customers, such as NGOs and foundations. Missionpharma reported revenue of €83 million for the year ended April 30, 2012, with revenue in Africa accounting for around 70% of this figure. The company has been included in CFAO's consolidated financial statements since July 18, 2012 and its contribution to revenue and net income totaled €25.0 million and €2.6 million, respectively.

The other changes in the Group's scope of consolidation did not have a material impact on the financial statements for the year.

## NOTE 4 OPERATING SEGMENTS

The policies applied to determine the operating segments presented comply with IFRS 8 and are set out in Note 2.17.

Information provided on operating segments is prepared in accordance with the same accounting rules as for the consolidated financial statements and set out in the notes thereto.

Charges to depreciation, amortization and provisions on non-current operating assets reflect net charges on intangible assets and property, plant and equipment recognized in recurring operating income.

Purchases of property, plant and equipment and intangible assets primarily correspond to gross asset purchases, including cash timing differences but excluding assets purchased under finance leases.

Non-current segment assets comprise goodwill, intangible assets, property, plant and equipment and other non-current assets.

Segment assets comprise non-current segment assets, inventories, trade receivables and other current assets.

Segment liabilities mainly include trade payables and other current liabilities.

### 4.1. Information by division

| *(in € millions)* | CFAO Automotive | Eurapharma | CFAO Industries, Equipment & Services | CFAO Holding & Other | Eliminations | Total |
|---|---|---|---|---|---|---|
| **As of December 31, 2012** | | | | | | |
| Revenue | 2,294.0 | 969.3 | 479.3 | | (157.5) | **3,585.2** |
| – non-Group | 2,188.2 | 969.2 | 427.6 | 0.2 | | **3,585.2** |
| – Group | 105.8 | 0.2 | 51.7 | (0.2) | | **157.5** |
| **Recurring operating income (expense)** | **161.3** | **84.0** | **78.3** | **(33.3)** | | **290.3** |
| Net recurring charges to depreciation, amortization and provisions on non-current operating assets | 21.0 | 7.7 | 25.5 | 0.7 | (0.0) | **54.9** |
| Proceeds on disposal of leasing fleets | 1.2 | | 2.1 | | 0.0 | **3.3** |
| Other non-cash recurring operating income and expenses | (5.4) | (2.0) | (3.6) | 4.3 | 0.0 | **(6.7)** |
| Purchases of leasing fleets (amendment to IAS 16) | 1.1 | | 13.6 | | 0.1 | **14.8** |
| Other purchases of property, plant and equipment and intangible assets, gross | 34.9 | 11.5 | 31.1 | 2.2 | (0.1) | **79.5** |
| **Segment assets** | **1,339.2** | **581.8** | **388.9** | **(16.9)** | **0.0** | **2,293.0** |
| **Segment liabilities** | **673.3** | **265.9** | **123.5** | **16.6** | **0.0** | **1,079.3** |
| **As of December 31, 2011** | | | | | | |
| Revenue | 1,984.4 | 864.7 | 418.8 | | (144.2) | **3,123.7** |
| – non-Group | 1,891.7 | 864.5 | 367.4 | 0.1 | | **3,123.7** |
| – Group | 92.7 | 0.2 | 51.4 | (0.1) | | **144.2** |
| **Recurring operating income before management fees** | **141.1** | **75.8** | **67.0** | **(27.6)** | | **256.3** |
| Net recurring charges to depreciation, amortization and provisions on non-current operating assets | 21.3 | 5.3 | 21.3 | 0.6 | | **48.5** |
| Proceeds on disposal of leasing fleets | 0.7 | | 0.8 | | 0.0 | **1.5** |
| Other non-cash recurring operating income and expenses | (10.5) | 2.1 | 2.4 | (3.1) | | **(9.0)** |
| Purchases of leasing fleets (amendment to IAS 16) | 3.1 | | 7.6 | | | **10.7** |
| Other purchases of property, plant and equipment and intangible assets, gross | 21.9 | 6.8 | 34.2 | 0.5 | | **63.4** |
| **Segment assets** | **1,158.7** | **458.1** | **329.4** | **(16.9)** | | **1,929.3** |
| **Segment liabilities** | **654.3** | **246.5** | **110.1** | **9.1** | | **1,020.0** |

### 4.2. Information by geographic area

Information is presented by geographic area based on the geographic location of customers for revenue and the geographic location of assets for non-current segment assets, with the exception of data for France (export), which reflects export sales to customers outside the CFAO Group.

| *(in € millions)* | French-speaking Sub-Saharan Africa | English-speaking Sub-Saharan Africa | French Overseas Territories and Other | Maghreb | France (export) | Total |
|---|---|---|---|---|---|---|
| **As of December 31, 2012** | | | | | | |
| Revenue | 1,357.9 | 505.6 | 712.8 | 809.3 | 199.5 | **3,585.2** |
| Non-current segment assets | 248.4 | 70.5 | 93.8 | 92.0 | 93.9 | **598.5** |
| **As of December 31, 2011** | | | | | | |
| Revenue | 1,239.9 | 412.5 | 709.9 | 599.6 | 161.8 | **3,123.7** |
| Non-current segment assets | 225.5 | 53.9 | 85.0 | 88.8 | 47.5 | **500.5** |

## 4.3. Reconciliation of segment assets and liabilities

The reconciliation of total segment assets and non-current segment assets with total Group assets is as follows:

| *(in € millions)* | Dec. 31, 2012 | Dec. 31, 2011 |
|---|---|---|
| Goodwill | 200.1 | 149.4 |
| Other intangible assets | 31.3 | 31.5 |
| Property, plant and equipment | 365.9 | 319.6 |
| Other non-current assets | 1.2 | 0.1 |
| **Non-current segment assets** | **598.5** | **500.5** |
| Inventories | 1,037.1 | 828.9 |
| Trade receivables | 488.1 | 430.2 |
| Other current assets | 169.3 | 169.7 |
| **Current segment assets** | **1,694.5** | **1,428.7** |
| **Segment assets** | **2,293.0** | **1,929.3** |
| Investments in associates | 13.0 | 25.7 |
| Non-current financial assets | 50.8 | 41.9 |
| Deferred tax assets | 24.9 | 24.2 |
| Current tax receivables | 34.6 | 15.4 |
| Other current financial assets | 8.7 | 26.8 |
| Cash and cash equivalents | 199.3 | 251.8 |
| **Total assets** | **2,624.3** | **2,315.1** |

The reconciliation of total segment liabilities with total Group equity and liabilities is as follows:

| *(in € millions)* | Dec. 31, 2012 | Dec. 31, 2011 |
|---|---|---|
| Trade payables | 695.3 | 669.6 |
| Other current liabilities | 384.0 | 350.4 |
| **Segment liabilities** | **1,079.3** | **1,020.0** |
| Total equity | 818.9 | 739.1 |
| Non-current borrowings | 149.8 | 93.5 |
| Non-current provisions for pensions and other post-employment benefits | 35.5 | 27.5 |
| Other non-current provisions | 8.1 | 8.1 |
| Other deferred tax liabilities | 0.6 | 2.1 |
| Current borrowings | 426.5 | 350.3 |
| Other current financial liabilities | 27.5 | 18.0 |
| Current provisions for pensions and other post-employment benefits | 1.3 | 1.4 |
| Other current provisions | 17.8 | 19.4 |
| Current tax liabilities | 58.8 | 35.9 |
| **Total equity and liabilities** | **2,624.3** | **2,315.1** |

## NOTE 5 REVENUE AND COST OF SALES

### NOTE 5.1 REVENUE

| *(in € millions)* | 2012 | 2011 |
|---|---|---|
| Net sales of goods | 3,446.4 | 3,001.2 |
| Net sales of services | 130.0 | 117.0 |
| Other revenue | 8.7 | 5.5 |
| **Total** | **3,585.2** | **3,123.7** |

Sales for 2012 and 2011 can be broken down as follows:

| *(in € millions)* | 2012 | 2011 |
|---|---|---|
| **CFAO Automotive** | **2,188.2** | **1,891.7** |
| Light vehicles | 1,455.1 | 1,278.5 |
| Used vehicles | 48.6 | 44.9 |
| Heavy trucks and industrial equipment | 384.7 | 287.0 |
| Services, spare parts and tires | 256.5 | 230.1 |
| Motorcycles and other | 43.3 | 51.1 |
| **Eurapharma** | **969.2** | **864.5** |
| Import-Wholesale-Resale | 710.6 | 678.0 |
| Pre-wholesale | 160.2 | 139.2 |
| Distribution agent | 64.8 | 43.9 |
| Other | 33.6 | 3.4 |
| **CFAO Industries, Equipment & Services** | **427.6** | **367.4** |
| Beverages | 203.1 | 186.7 |
| Plastics | 46.3 | 38.2 |
| Other | 15.0 | 4.3 |
| Machinery | 31.7 | 19.7 |
| Rental services | 29.0 | 18.7 |
| Elevators | 28.6 | 24.5 |
| Technologies | 74.0 | 75.3 |
| **Total** | **3,585.2** | **3,123.7** |

### NOTE 5.2 COST OF SALES

Cost of sales for 2012 and 2011 can be analyzed as follows:

| *(in € millions)* | 2012 | 2011 |
|---|---|---|
| **Breakdown of cost of sales** | **(2,792.3)** | **(2,418.1)** |
| Purchases | (2,360.8) | (1,934.1) |
| Miscellaneous expenses | (537.1) | (443.8) |
| Damaged inventories/Inventory variances | (5.7) | (5.4) |
| Net additions to inventory allowances | (6.9) | 1.7 |
| Change in inventories | 173.0 | 19.3 |
| Cost of vehicle rentals | (13.9) | (13.3) |
| Other | (40.8) | (42.5) |

## NOTE 6 PAYROLL EXPENSES

Payroll expenses primarily include fixed and variable remuneration, social security charges, charges relating to employee profit-sharing and other incentives, training costs, and charges relating to employee benefits recognized in recurring operating income. Payroll expenses totaled €255.2 million in 2012 and €222.2 million in 2011.

The Group's average headcount on a full-time equivalent basis breaks down as follows:

Modified figures

| | 2012 | 2011 |
|---|---|---|
| **Average headcount** | **11,186** | **9,672** |
| **Headcount** | **11,415** | **10,100** |

| | Average headcount | Headcount |
|---|---|---|
| **As of January 1, 2012** | **9,672** | **10,100** |
| Changes on a constant scope basis | 720 | 542 |
| Changes in scope of consolidation | 794 | 773 |
| **As of December 31, 2012** | **11,186** | **11,415** |

# NOTE 7 SHARE-BASED PAYMENT

On January 4, 2010 the Group set up a stock option plan for certain employees. On December 3, 2010, July 18, 2011 and July 6, 2012, the Group awarded performance shares to certain employees.

The Group recognizes its obligation as and when services are rendered by the beneficiaries, over the period from the grant date to the vesting date. The grant date is the date at which the Management Board approved the plans concerned and the plans were communicated to the beneficiaries.

Vested rights may only be exercised by beneficiaries at the end of a lock-in period, the length of which varies depending on the type of plan.

The characteristics of the plans are set out below:

| Stock option and performance share plan | | 2010 Plan Subscription options | 2010 Plan Performance shares | 2011 Plan Performance shares | 2012 Plan Performance shares |
|---|---|---|---|---|---|
| Grant date | | 1/4/2010 | 12/3/2010 | 7/18/2011 | 7/6/2012 |
| Expiration date | | 1/4/2018 | 12/3/2014 | 7/18/2015 | 7/6/2016 |
| Vesting of rights | | 1/4/2014 | 12/3/2012 | 7/18/2013 | 7/6/2014 |
| Number of beneficiaries | | 239 | 600 | 606 | 604 |
| Number initially granted | | 1,350,000 | 97,400 | 172,203 | 174,601 |
| Number outstanding as of December 31, 2011 | | 940,781 | 90,900 | 171,653 | |
| Adjustment in 2011 | **(1)** | 30,782 | | | |
| Number forfeited in 2012 | | 30,126 | 5,800 | 7,176 | |
| Number exercised in 2012 | | | 200 | 1,000 | |
| Number expired in 2012 | | 2,250 | | | |
| **Number outstanding as of December 31, 2012** | | **939,187** | **84,900** | **163,477** | **174,601** |
| Number exercisable as of December 31, 2012 | | | | | |
| Strike price (in €) | | 26.00 | N/A | N/A | N/A |
| Fair value at grant date (in €) | | 4.18 | 22.96 | 20.38 | 27.92 |
| Weighted average price of options exercised (in €) | | | | | |

(1) Some beneficiaries that left the company at end-December 2011 w ere exceptionally permitted to retain their rights.

Vesting of the options awarded under the stock option plan is subject to the beneficiaries' presence within the Group and performance conditions. Options vest at a rate of 25% per full year of presence within the Group. Three-quarters of the stock options granted are subject to performance conditions related to the CFAO Group's recurring operating profit margin and free operating cash flow. At end-2011, one of the vesting conditions was not met, giving rise to the cancellation of one-quarter of the options.

Vesting of the shares awarded under the performance share plan is subject to the beneficiaries' presence within the Group and a performance condition in respect of the CFAO share compared to the SBF120 benchmark index.

In the event of retirement (under certain conditions), death or disability, the rights vest in full. In the event of resignation, dismissal for gross negligence or misconduct, or removal of a corporate officer, all rights are lost.

The fair value of the rights awarded to the beneficiaries was determined on the grant date of the plans.

For the stock option plan, a Black & Scholes model was used with a trinomial algorithm and exercise thresholds, which takes into account the number of potentially exercisable options at the end of the vesting period.

For the performance share plan, a Black & Scholes model was used with a Monte Carlo algorithm and two underlyings.

The exercise thresholds and probability assumptions used for the stock option plan are as follows:

| Threshold as a % of the strike price | Probability of exercise |
|---|---|
| 125% | 15% |
| 150% | 20% |
| 175% | 20% |
| 200% | 20% |

The main valuation assumptions are summarized below:

| Stock option and performance share plan | 2010 Plan | 2010 Plan | 2011 Plan | 2012 Plan |
|---|---|---|---|---|
| | Subscription options | Performance shares | Performance shares | Performance shares |
| Volatility | 35.00% | 37.00% | 34.00% | 34.00% |
| Risk-free interest rate | 3.35% | 1.56% | 1.92% | 1.92% |

The above volatility represents the weighted sum of the volatilities of each division, determined on the basis of benchmarks.

The dividends used for the valuation correspond to dividends estimated by CFAO in accordance with income forecasts and distribution policies.

The risk-free interest rate used was the Euribor swap rate at the grant date (the 8-year rate for the stock option plan and the 2-year rate for the performance share plan).

The total expense recognized in 2012 in respect of stock option and performance share plans was €4.8 million.

## NOTE 8 RECURRING OPERATING INCOME

Recurring operating income is the primary indicator of the Group’s operating performance,

and breaks down as follows:

| *(in € millions)* | 2012 | 2011 |
|---|---|---|
| CFAO Automotive | 161.3 | 141.1 |
| Eurapharma | 84.0 | 75.8 |
| CFAO Industries, Equipment & Services | 78.3 | 67.0 |
| CFAO Holding & Other | (33.3) | (27.6) |
| **Recurring operating income** | **290.3** | **256.3** |

Net recurring charges to depreciation, amortization and provisions on non-current operating assets (mainly property, plant and equipment and intangible assets) included in recurring operating income amounted to €54.9 million in 2012 (€48.5 million in 2011).

## NOTE 9 OTHER NON-RECURRING OPERATING INCOME AND EXPENSES

The CFAO Group's other non-recurring operating income and expenses consist of unusual items that could distort the assessment of each division's financial performance. These amount to an expense of €9.5 million in 2012, versus non-recurring income of €9.8 million in 2011. In 2012, proceeds from disposals of investments comprise the sale of the non-controlling interests in SICEP, a plastics manufacturer based in Egypt. It includes a profit of 1,2 millions euros on revaluation of initial CFAO investment in madagascan companies in partnership with Caillé group before the takeover in December 2011.

The costs relating to TTC comprise CFAO's legal, consulting and investment banking fees as well as severance costs with respect to the Chairman of the Management Board

In 2011, the proceeds from disposals of investments mainly comprised the remeasurement of the non-controlling shareholding in Almameto in accordance with the revised IFRS 3, further to the linkup in New Caledonia.

| *(in € millions)* | 2012 | 2011 |
|---|---|---|
| **Non-recurring operating income** | **(9.9)** | **9.8** |
| Net proceeds from the disposal of non-current operating assets | 1.5 | 1.5 |
| Net proceeds from the disposal of investments | 1.5 | 8.3 |
| Costs relating to the TTC transaction | (11.3) | |
| Other costs | (1.6) | 0.0 |
| **Non-recurring operating expenses** | **0.5** | |
| Other provisions | 0.5 | |
| **Total** | **(9.5)** | **9.8** |

## NOTE 10 FINANCIAL INCOME AND EXPENSES

This caption can be analyzed as follows:

| *ncaffierncaffie* | 2012 | 2011 |
|---|---|---|
| **Cost of net debt** | **(36.5)** | **(26.4)** |
| Income from cash and cash equivalents | 0.4 | 1.0 |
| Finance costs at amortized cost | (36.9) | (27.4) |
| **Other financial income and expenses** | **(1.2)** | **(3.1)** |
| Gains and losses on fair value foreign exchange hedges (1) | (0.4) | 0.9 |
| Foreign exchange gains and losses | (0.9) | (1.0) |
| Dividends and interim dividends received | 2.2 | 1.2 |
| Impact of discounting assets and liabilities | (4.1) | (4.4) |
| Other finance costs | 2.0 | 0.3 |
| **Total** | **(37.8)** | **(29.6)** |

*(1) This item corresponds to the ineffective portion of fair value hedges.*

Finance costs carried at amortized cost mainly consist of interest on bank overdrafts.

The net impact on income of the ineffective portion of foreign exchange hedges was a negative €0.4 million.

Other financial expenses include discount costs.

# NOTE 11 INCOME TAX

## 11.1. ANALYSIS OF THE INCOME TAX EXPENSE

### 11.1.1. Income tax expense

| *(in € millions)* | 2012 | 2011 |
|---|---|---|
| **Income before tax** | **243.1** | **236.6** |
| Taxes paid out of operating income | (78.9) | (74.5) |
| Other taxes payable not impacting operating cash flow | 2.0 | 4.2 |
| Income tax payable | (76.8) | (70.3) |
| Deferred tax income/(expense) | 2.7 | 1.4 |
| **Total tax expense** | **(74.2)** | **(68.9)** |
| **Effective tax rate** | **30.5%** | **29.1%** |

### 11.1.2. Reconciliation of the tax rate

| (as a % of pre-tax income) | 2012 | 2011 |
|---|---|---|
| **Tax rate applicable in France** | **36.1%** | **36.1%** |
| Impact of taxation of foreign subsidiaries | -7.6% | -5.8% |
| **Theoretical tax rate** | **28.5%** | **30.3%** |
| Effect of items taxed at reduced rates | 0.0% | -0.2% |
| Other tax credits | -8.6% | -9.2% |
| Effect of permanent differences | 9.7% | 4.7% |
| Effect of unrecognized temporary differences | 1.3% | 0.8% |
| Effect of unrecognized tax losses carried forward | -0.7% | 0.4% |
| Effect of changes in tax rates | -0.5% | -0.2% |
| Company value-added contribution (CVAE) | 1.0% | 1.1% |
| Other | -0.2% | 1.5% |
| **Effective tax rate** | **30.5%** | **29.1%** |

The income tax rate applicable in France is the standard rate of 33.33% subject to: (i) the social surtax of 3.3% and (ii) a one-off additional 5% levy voted in the 2012 finance act, both of which are applied to the standard rate, bringing the total to 36.10%.

### 11.1.3. Recurring tax rate

Excluding non-recurring items, the Group income tax rate for 2012 and 2011 was as follows:

| (in € millions) | 2012 | 2011 |
|---|---|---|
| Income before tax | 243.1 | 236.6 |
| Non-recurring items | (9.5) | 9.8 |
| **Recurring income before tax** | **252.5** | **226.8** |
| Total tax expense | (74.2) | (68.9) |
| Total tax expense excluding CVAE | (71.8) | (66.4) |
| Tax on non-recurring items | (3.0) | (0.1) |
| **Total current tax expense excluding CVAE** | **(68.8)** | **(66.3)** |
| **Effective tax rate** | **30.5%** | **29.1%** |
| **Total current tax rate excluding CVAE** | **27.2%** | **29.2%** |

## 11.2. Movement in statement of financial position headings

### 11.2.1. Net current tax liabilities

| *(in € millions)* | Dec. 31, 2011 | Net income | Cash outflows relating to operating activities | Impact on changes in exchange | Changes in scope of consolidation | Dec. 31, 2012 |
|---|---|---|---|---|---|---|
| Current tax receivables | 15.4 | | | | | 34.6 |
| Current tax liabilities | (35.9) | | | | | (58.8) |
| **Net current tax liabilities** | **(20.4)** | **(78.9)** | **74.7** | **0.2** | **0.2** | **(24.2)** |

### 11.2.2. Deferred tax

| *(in € millions)* | Dec. 31, 2011 | Net income | Impact on changes in exchange rates | Changes in scope of consolidation | Other items recognized directly in equity | Dec. 31, 2012 |
|---|---|---|---|---|---|---|
| Intangible assets | (0.0) | | | | | 0.0 |
| Property, plant and equipment | 0.1 | | | (0.8) | | (0.7) |
| Other non-current assets | 0.3 | (0.1) | | 0.0 | | 0.2 |
| Other current assets | 10.0 | 0.3 | | | | 10.3 |
| Provisions for pensions and other post-employment benefits | 3.3 | 1.2 | | | 0.3 | 4.8 |
| Other provisions | (0.0) | 0.1 | | | | 0.1 |
| Other current liabilities | 8.1 | 0.3 | | | | 8.4 |
| Recognized tax losses and tax credits | 0.5 | 0.8 | | | | 1.3 |
| **Net deferred tax assets (liabilities)** | **22.1** | **2.8** | **(0.0)** | **(0.8)** | **0.3** | **24.3** |
| Deferred tax assets | 24.2 | 0.3 | | | 0.3 | 24.9 |
| Deferred tax liabilities | (2.1) | 2.3 | | (0.8) | | (0.6) |
| **Deferred tax** | **22.1** | **2.7** | **(0.0)** | **(0.8)** | **0.3** | **24.3** |

## 11.3. Unrecognized deferred tax

Tax losses and tax credits not recognized as deferred tax assets amounted to €86.8 million at December 31, 2012 (€92.8 million at December 31, 2011).

Changes in unused tax losses and tax credits and the associated expiration schedule are set out below:

| *(in € millions)* | |
|---|---|
| **As of December 31, 2011** | **92.8** |
| Losses generated during the year | 19.0 |
| Losses utilized and time barred during the year | (24.7) |
| Effect of changes in scope of consolidation and exchange rate adjustments | (0.4) |
| **As of December 31, 2012** | **86.8** |
| | |
| **Ordinary tax loss carry-forwards** | **33.9** |
| Expiring in less than five years | 33.3 |
| Expiring in more than five years | 0.6 |
| **Indefinite tax loss carry-forwards** | **52.9** |
| **Total** | **86.8** |

# NOTE 12 EARNINGS PER SHARE

Basic earnings per share are calculated on the basis of the weighted average number of shares outstanding, after deducting the weighted average number of shares held by consolidated companies.

Fully diluted earnings per share are based on the weighted average number of shares as defined above for the calculation of basic earnings per share, plus the weighted average number of potentially dilutive ordinary shares.

In view of CFAO's average share price in 2012 of €34.25, the stock option plan described in Note 7 is non-materially dilutive at the reporting date.

### Earnings per share for 2012

| *(in € millions)* | Consolidated Group |
|---|---|
| **Net income attributable to ordinary shareholders** | **114.0** |
| Weighted average number of ordinary shares outstanding | 61,528,110 |
| Weighted average number of treasury shares | (27,069) |
| **Weighted average number of ordinary shares** | **61,501,041** |
| **Basic earnings per share (in €)** | **1.85** |
| | |
| **Net income attributable to ordinary shareholders** | **114.0** |
| Stock subscription options | |
| Performance shares | |
| **Diluted net income attributable to owners of the parent** | **114.0** |
| Weighted average number of ordinary shares | 61,501,041 |
| Stock subscription options | 220,855 |
| Performance shares | 280,477 |
| **Weighted average number of diluted ordinary shares** | **62,002,373** |
| **Fully diluted earnings per share (in €)** | **1.84** |

### Earnings per share for 2011

| *(in € millions)* | Consolidated Group |
|---|---|
| **Net income attributable to ordinary shareholders** | **121.1** |
| Weighted average number of ordinary shares outstanding | 61,525,860 |
| Weighted average number of treasury shares | (94,473) |
| **Weighted average number of ordinary shares** | **61,431,387** |
| **Basic earnings per share (in €)** | **1.97** |
| | |
| **Net income attributable to ordinary shareholders** | **121.1** |
| Stock subscription options | |
| Performance shares | |
| **Diluted net income attributable to owners of the parent** | **121.1** |
| Weighted average number of ordinary shares | 61,431,387 |
| Stock subscription options | 5,239 |
| Performance shares | 100,161 |
| **Weighted average number of diluted ordinary shares** | **61,536,788** |
| **Fully diluted earnings per share (in €)** | **1.97** |

## NOTE 13 OTHER COMPREHENSIVE INCOME

The components of other comprehensive income include:

- gains and losses arising from translating the financial statements of a foreign operation;
- components relating to the measurement of employee benefit obligations (unrecognized surplus of pension plan assets and actuarial gains and losses on defined benefit plans).

These items can be analyzed as follows, before and after the tax effect:

| *(in € millions)* | Gross | Income tax | Net |
|---|---|---|---|
| Translation adjustments and other | (2.3) | | (2.3) |
| Unrecognized surplus of pension plan assets | | | |
| Actuarial gains and losses | (1.1) | (0.1) | (1.1) |
| **Other comprehensive income (expense) as of December 31, :** | **(3.3)** | **(0.1)** | **(3.4)** |
| Translation adjustments and other | (6.5) | | (6.5) |
| Unrecognized surplus of pension plan assets | | | |
| Actuarial gains and losses | (6.8) | 0.3 | (6.5) |
| **Other comprehensive income (expense) as of December 31, :** | **(13.3)** | **0.3** | **(13.0)** |

## NOTE 14 GOODWILL

| *(in € millions)* | Gross | Net |
|---|---|---|
| **Goodwill as of December 31, 2011** | **149.4** | **149.4** |
| Acquisitions | 45.3 | 45.3 |
| Translation adjustments | (0.7) | (0.7) |
| Other movements | 6.1 | 6.1 |
| **Goodwill as of December 31, 2012** | **200.1** | **200.1** |

All items of goodwill recognized in 2012 and 2011 were allocated to cash-generating units at the year-end. The CFAO Group's main CGUs are described in Note 17.

Acquisitions concern Eurapharma subsidiaries Missionpharma and Assene Laborex Nigeria. Goodwill at the level of CFAO Automotive reflects the division's "minority put" on Vietnam.

The breakdown of the net amount of goodwill by division is as follows:

| *(in € millions)* | Dec. 31, 2012 | Dec. 31, 2011 |
|---|---|---|
| CFAO Automotive | 98.4 | 93.8 |
| Eurapharma | 83.2 | 37.1 |
| CFAO Industries, Equipment & Services | 18.5 | 18.5 |
| **Total** | **200.1** | **149.4** |

# NOTE 15 OTHER INTANGIBLE ASSETS

| *(in € millions)* | Other intangible assets |
|---|---|
| **Gross amount as of December 31, 2010** | **40.7** |
| Changes in scope of consolidation | 5.3 |
| Acquisitions | 4.4 |
| Other disposals | (0.3) |
| Translation adjustments | (0.1) |
| Other movements | (0.0) |
| **Gross amount as of December 31, 2011** | **50.0** |
| **Accumulated amortization and impairment as of** | **(14.6)** |
| Changes in scope of consolidation | (0.2) |
| Other disposals | 0.1 |
| Amortization | (3.8) |
| Translation adjustments | (0.0) |
| Other movements | |
| **Accumulated amortization and impairment as of** | **(18.5)** |
| **Carrying amount as of December 31, 2010** | **26.0** |
| Changes in scope of consolidation | 5.0 |
| Acquisitions | 4.4 |
| Other disposals | (0.1) |
| Amortization | (3.8) |
| Translation adjustments | (0.1) |
| Other movements | (0.0) |
| **Carrying amount as of December 31, 2011** | **31.5** |

| *(in € millions)* | Other intangible assets |
|---|---|
| **Gross amount as of December 31, 2011** | **50.0** |
| Changes in scope of consolidation | 1.8 |
| Acquisitions | 2.5 |
| Other disposals | (0.3) |
| Translation adjustments | (0.4) |
| Other movements | 0.4 |
| **Gross amount as of December 31, 2012** | **54.0** |
| **Accumulated amortization and impairment as of** | **(18.5)** |
| Changes in scope of consolidation | (0.1) |
| Other disposals | 0.2 |
| Amortization | (4.4) |
| Translation adjustments | 0.1 |
| Other movements | (0.0) |
| **Accumulated amortization and impairment as of** | **(22.6)** |
| **Carrying amount as of December 31, 2011** | **31.5** |
| Changes in scope of consolidation | 1.7 |
| Acquisitions | 2.5 |
| Other disposals | (0.1) |
| Amortization | (4.4) |
| Translation adjustments | (0.3) |
| Other movements | 0.4 |
| **Carrying amount as of December 31, 2012** | **31.3** |

The table below provides a breakdown of the net value of intangible assets by type as of December 31, 2012 and December 31, 2011:

| *(in € millions)* | Dec. 31, 2012 | Dec. 31, 2011 |
|---|---|---|
| **Other intangible assets (net)** | **31.3** | **31.5** |
| Brands, leasehold rights, concessions, licenses and other | 25.2 | 24.6 |
| Purchased software | 5.5 | 6.6 |
| Intangible assets in progress | 0.6 | 0.3 |

Barring exceptional cases, brands and concessions have indefinite useful lives or are systematically renewed.

Purchased software is amortized over a period of five to seven years.

## NOTE 16 PROPERTY, PLANT AND EQUIPMENT

| *(in € millions)* | Land and buildings | Plant and equipment | Other property, plant and equipment | Total |
|---|---|---|---|---|
| **Gross amount as of December 31, 2010** | **180.8** | **265.3** | **72.4** | **518.5** |
| Changes in scope of consolidation | 15.1 | 21.5 | 1.7 | 38.3 |
| Acquisitions | 4.8 | 23.5 | 40.7 | 68.9 |
| Disposals | (1.3) | (11.5) | (6.3) | (19.1) |
| Translation adjustments | (1.2) | (0.9) | (0.2) | (2.3) |
| Other movements | 2.7 | 16.6 | (18.7) | 0.6 |
| **Gross amount as of December 31, 2011** | **200.9** | **314.5** | **89.6** | **605.0** |
| | | | | |
| **Accumulated depreciation and impairment as of December 31, 2010** | **(58.2)** | **(145.5)** | **(35.8)** | **(239.5)** |
| Changes in scope of consolidation | (1.9) | (13.8) | (0.9) | (16.6) |
| Disposals | 1.1 | 8.6 | 5.2 | 14.9 |
| Depreciation | (6.4) | (30.1) | (7.9) | (44.4) |
| Impairment losses | | | | |
| Translation adjustments | 0.1 | 0.5 | 0.2 | 0.7 |
| Other movements | (0.2) | (0.4) | 0.1 | (0.5) |
| **Accumulated depreciation and impairment as of December 31, 2011** | **(65.5)** | **(180.7)** | **(39.2)** | **(285.4)** |
| | | | | |
| **Carrying amount as of December 31, 2010** | **122.6** | **119.8** | **36.5** | **279.0** |
| Changes in scope of consolidation | 13.2 | 7.7 | 0.9 | 21.8 |
| Acquisitions | 4.8 | 23.5 | 40.7 | 68.9 |
| Disposals | (0.2) | (2.8) | (1.1) | (4.1) |
| Depreciation | (6.4) | (30.1) | (7.9) | (44.4) |
| Impairment losses | | | | |
| Translation adjustments | (1.1) | (0.4) | (0.1) | (1.6) |
| Other movements | 2.5 | 16.2 | (18.7) | 0.1 |
| **Carrying amount as of December 31, 2011** | **135.3** | **133.8** | **50.4** | **319.6** |
| o/w assets owned outright | 135.3 | 133.8 | 50.4 | **319.6** |
| o/w assets held under finance leases | | | | |

| *(in € millions)* | Land and buildings | Plant and equipment | Other property, plant and equipment | Total |
|---|---|---|---|---|
| **Gross amount as of December 31, 2011** | **200.9** | **314.5** | **89.6** | **605.0** |
| Changes in scope of consolidation | 11.6 | 9.2 | 1.1 | 21.9 |
| Acquisitions | 18.2 | 40.0 | 30.6 | 88.8 |
| Disposals | (1.5) | (17.3) | (6.4) | (25.3) |
| Translation adjustments | (2.2) | (1.7) | (1.1) | (5.0) |
| Other movements | 3.8 | 6.0 | (9.4) | 0.3 |
| **Gross amount as of December 31, 2012** | **230.7** | **350.7** | **104.3** | **685.7** |
| | | | | |
| **Accumulated depreciation and impairment as of December 31, 2011** | **(65.5)** | **(180.7)** | **(39.2)** | **(285.4)** |
| Changes in scope of consolidation | (1.8) | (4.7) | (0.0) | (6.6) |
| Disposals | 0.5 | 14.4 | 5.5 | 20.5 |
| Depreciation | (7.4) | (34.2) | (8.7) | (50.2) |
| Impairment losses | | | | |
| Translation adjustments | 0.6 | 1.0 | 0.3 | 1.9 |
| Other movements | (0.1) | (0.1) | 0.2 | 0.0 |
| **Accumulated depreciation and impairment as of December 31, 2012** | **(73.6)** | **(204.3)** | **(41.8)** | **(319.8)** |
| | | | | |
| **Carrying amount as of December 31, 2011** | **135.3** | **133.8** | **50.4** | **319.6** |
| Changes in scope of consolidation | 9.8 | 4.5 | 1.0 | 15.3 |
| Acquisitions | 18.2 | 40.0 | 30.6 | 88.8 |
| Disposals | (1.0) | (2.9) | (0.9) | (4.8) |
| Depreciation | (7.4) | (34.2) | (8.7) | (50.2) |
| Impairment losses | | | | |
| Translation adjustments | (1.6) | (0.7) | (0.8) | (3.1) |
| Other movements | 3.7 | 5.9 | (9.2) | 0.4 |
| **Carrying amount as of December 31, 2012** | **157.0** | **146.3** | **62.5** | **365.9** |
| o/w assets owned outright | 157.0 | 146.3 | 62.5 | **365.9** |
| o/w assets held under finance leases | | | | |

Charges to depreciation are recognized under "Cost of sales" and "Other recurring operating income and expenses" in the income statement.

The table below provides a breakdown of the net value of property, plant and equipment by type as of December 31, 2012 and December 31, 2011:

| *(in € millions)* | Dec. 31, 2012 | Dec. 31, 2011 |
|---|---|---|
| **Property, plant and equipment (net)** | **365.9** | **319.6** |
| Land and buildings | 157.0 | 135.3 |
| Fixtures and fittings | 33.4 | 34.1 |
| Technical equipment | 106.8 | 93.6 |
| IT and telephony | 6.2 | 6.1 |
| Other property, plant and equipment | 24.3 | 19.3 |
| Property, plant and equipment in progress | 38.2 | 31.1 |

Construction in progress is reclassified to "Land and buildings" and "Fixtures and fittings" when construction work – mainly under concessions – is completed.

Other property, plant and equipment mainly include vehicles and office furniture.

**The useful lives of property, plant and equipment are as follows:**

| | |
|---|---|
| Owner improvements | 20 years |
| Leasehold improvements | remaining lease term |
| Improvements to land and buildings | 10 years |
| Technical equipment | 5 to 8 years |
| IT and telephony | 5 years |
| Vehicles | 5 years |
| Office equipment and furniture | 10 years |

# NOTE 17 IMPAIRMENT TESTS ON NON-FINANCIAL ASSETS

The principles governing the impairment of non-financial assets are set out in Note 2.7.

The main items of goodwill are broken down by division in Note 14.

## 17.1. Impairment losses recognized during the period

The impairment tests carried out in 2012 and 2011 did not identify any impairment losses in respect of intangible assets, property, plant and equipment or goodwill assigned to the various CGUs.

Based on the sensitivity analyses covering a variety of likely scenarios, no impairment losses need to be recognized in the Group's consolidated financial statements.

A change of 10% in the discount rate and 2% in the perpetual growth rate would not give rise to the recognition of additional impairment for any of these divisions.

## 17.2. Assumptions underlying impairment tests

The pre-tax discount and perpetual growth rates applied to expected cash flows in connection with the economic assumptions and forecast operating conditions retained by the Group were as follows:

| | Discount rate | | Perpetual growth rate | |
|---|---|---|---|---|
| | 2012 | 2011 | 2012 | 2011 |
| CFAO Automotive | 15.0% | 14.2% | 3.0% | 3.0% |
| Eurapharma | 12.0% | 13.2% | 3.0% | 3.0% |
| CFAO Industries, Equipment & Services | 13.4% | 13.9% | 3.0% | 3.0% |

The discount rates are calculated using the weighted average cost of capital (WACC) method.

No impairment losses would have been recognized in the Group's consolidated financial statements if the same discount rate had been used in 2011 and 2012.

## 17.3. Impairment tests on major items

The recoverable amounts of the CFAO Automotive, Eurapharma, CFAO Industries, Equipment & Services CGUs were determined on the basis of their value in use. Value in use is determined with respect to projected estimated future cash flows, taking into account the time value and specific risks associated with the CGU. Estimated future cash flow projections were prepared during the second half of the year on the basis of budgets and medium-term plans with a four-year timescale. To calculate value in use, a terminal value equal to the perpetual capitalization of a normative annual cash flow is added to the estimated future cash flows.

## NOTE 18 INVESTMENTS IN ASSOCIATES

| *(in € millions)* | Dec. 31, 2012 | Dec. 31, 2011 |
|---|---|---|
| Carrying amount of investments in associates | 13.0 | 25.7 |

The table below shows the main associates and the earnings of these associates for the periods presented:

| | % interest | Share in earnings (losses) | |
|---|---|---|---|
| *(in € millions)* | | Dec. 31, 2012 | Dec. 31, 2011 |
| LA SEIGNEURIE OCEAN INDIEN | 49.00% | 0.7 | 0.7 |
| COMPAGNIE EQUATORIALE DES PEINTURES | 24.19% | 0.6 | 0.4 |
| ALIOS FINANCE (formerly HOLDEFI) | 24.27% | 0.5 | |
| PROPHARMED INTERNATIONAL | 34.87% | 0.4 | 0.3 |
| LOCAUTO | 36.27% | 0.3 | 0.3 |
| OFFICE CALENDONIEN DE DISTRIBUTION | 33.11% | 0.2 | 0.3 |

## NOTE 19 NON-CURRENT FINANCIAL ASSETS

Non-current financial assets break down as follows:

| *(in € millions)* | Dec. 31, 2012 | Dec. 31, 2011 |
|---|---|---|
| Non-consolidated investments | 6.5 | 5.6 |
| Loans and receivables | 36.2 | 29.3 |
| Deposits and guarantees | 4.9 | 4.6 |
| Other | 3.3 | 2.4 |
| **Total** | **50.8** | **41.9** |

## NOTE 20 INVENTORIES

| *(in € millions)* | Dec. 31, 2012 | Dec. 31, 2011 |
|---|---|---|
| Commercial inventories | 1,045.5 | 842.0 |
| Industrial inventories | 39.0 | 25.7 |
| **Gross amount** | **1,084.6** | **867.6** |
| Allowances | (47.5) | (38.8) |
| **Carrying amount** | **1,037.1** | **828.9** |

| **Movements in allowances** | Dec. 31, 2012 | Dec. 31, 2011 |
|---|---|---|
| As of January 1 | (38.8) | (31.9) |
| Net reversals/(charges) | (7.1) | 0.0 |
| *o/w gross charges to inventory allowances* | *(11.2)* | *(6.7)* |
| *o/w reversals of inventory allowances* | *4.1* | *6.7* |
| Changes in scope of consolidation | (2.1) | (7.0) |
| Translation adjustments | 0.5 | 0.2 |
| **As of December 31** | **(47.5)** | **(38.8)** |

Inventories comprise goods for resale that are physically located at different stages of the supply chain, from suppliers through to end customers. They include:

- goods being transported between suppliers and subsidiaries or storage facilities managed by central purchasing offices;
- goods in stock at the subsidiaries or at the storage facilities managed by central purchasing offices.

Inventories comprise goods for resale as well as raw materials used by CFAO Industries in its production processes.

| *(in € millions)* | Dec. 31, 2012 | Dec. 31, 2011 |
|---|---|---|
| **Net inventories by nature** | | |
| Raw materials | 28.9 | 20.7 |
| Finished goods and in-progress inventories | 10.2 | 5.0 |
| Inventories held for resale | 783.8 | 540.6 |
| Commercial inventories in transit | 223.1 | 257.8 |
| Other commercial inventories | 38.6 | 43.6 |
| **Gross inventories** | **1,084.6** | **867.6** |
| Inventory allowances | (47.5) | (38.8) |
| **Net inventories** | **1,037.1** | **828.9** |

## NOTE 21 TRADE RECEIVABLES

| *(in € millions)* | Dec. 31, 2012 | Dec. 31, 2011 |
|---|---|---|
| Trade receivables | 583.1 | 526.0 |
| Allowances | (95.0) | (95.9) |
| **Carrying amount** | **488.1** | **430.2** |

| **Movements in allowances** | Dec. 31, 2012 | Dec. 31, 2011 |
|---|---|---|
| As of January 1 | (95.9) | (91.7) |
| Net reversals/(charges) | 5.9 | (1.6) |
| Changes in scope of consolidation | (5.3) | (2.7) |
| Translation adjustments | 0.3 | 0.1 |
| **As of December 31** | **(95.0)** | **(95.9)** |

Provisions for impairment of trade receivables are calculated based on the likelihood of recovering the receivables concerned. As of December 31, 2012 and 2011, trade receivables broke down by age as follows:

| *(in € millions)* | Dec. 31, 2012 | Dec. 31, 2011 |
|---|---|---|
| Receivables not past due | 310.1 | 283.4 |
| Less than one month past due | 69.6 | 77.1 |
| One to six months past due | 100.9 | 86.0 |
| More than six months past due | 102.6 | 79.6 |
| Allowance for doubtful receivables | (95.0) | (95.9) |
| **Carrying amount** | **488.1** | **430.2** |

## NOTE 22 WORKING CAPITAL REQUIREMENT

| *(in € millions)* | Jan. 1, 2012 | Working capital cash flows | Other cash flows | Changes in scope of consolidation | Translation adjustments and other | Dec. 31, 2012 |
|---|---|---|---|---|---|---|
| Inventories | 828.9 | 196.9 | | 18.8 | (7.5) | 1,037.1 |
| Trade receivables | 430.2 | 42.4 | | 19.7 | (4.2) | 488.1 |
| Other current financial assets and liabilities | 8.8 | (27.6) | | (0.1) | 0.0 | (18.8) |
| Current tax receivables/payables | (20.4) | (4.1) | | 0.2 | 0.2 | (24.2) |
| Trade payables | (669.6) | (16.0) | | (11.0) | 1.2 | (695.4) |
| Other current assets and liabilities | (180.7) | (16.8) | 0.2 | (11.2) | (6.1) | (214.7) |
| **Working capital requirement** | **397.1** | **174.7** | **0.2** | **16.4** | **(16.4)** | **572.1** |

Other current assets and liabilities consist mainly of tax and social security receivables and payables (excluding corporate income tax), amounts receivable from suppliers and payable to customers, and other operating receivables and payables.

Given the broad geographic and industry base of CFAO Group customers, the Group's exposure to customer default would not have a material impact on its business, financial position or assets.

## NOTE 23 OTHER CURRENT FINANCIAL ASSETS

Other current financial assets are primarily comprised of derivative financial instruments (see Note 29).

## NOTE 24 EQUITY

Share capital amounted to €10,254,685 at December 31, 2012, comprising 61,528,110 fully paid-up shares.

The Management Board will submit a recommendation to the Ordinary Shareholders' Meeting called to approve the 2012 financial statements to pay a dividend in respect of 2012 corresponding to €0.90 per share or €55.4 million in total.

The dividend paid in respect of 2011 amounted to €0.86 per share.

In accordance with the law and the applicable accounting standards, no dividend was paid in respect of treasury shares and the corresponding amounts were carried over to the Company's reserves.

## NOTE 25 EMPLOYEE BENEFITS

In accordance with the laws and practices in each country, Group employees receive long-term or post-employment benefits in addition to their short-term remuneration. These additional benefits take the form of defined contribution or defined benefit plans.

Under defined contribution plans, the Group is not obliged to make any additional payments beyond contributions already made. Contributions to these plans are expensed as incurred.

An actuarial valuation of defined benefit plans is carried out by independent experts. These benefits primarily concern termination payments and long-service bonuses in France, and final salary type supplementary pension plans, mainly in the United Kingdom.

The Group has no obligation with respect to medical costs.

### 25.1. Changes during the year

Changes in the present value of the obligation in respect of defined benefit plans are shown below:

| *(in € millions)* | Dec. 31, 2012 | Dec. 31, 2011 |
|---|---|---|
| Present value of obligation as of January 1 | **90.9** | **96.6** |
| Current service cost | 1.9 | 2.0 |
| Contributions paid by beneficiaries | | |
| Interest cost | 4.4 | 4.7 |
| Benefits paid | (5.7) | (7.1) |
| Past service cost | (1.2) | (0.3) |
| Actuarial gains and losses | 13.7 | (7.0) |
| Curtailments and settlements | (0.1) | (0.1) |
| Other movements | | 0.6 |
| Exchange differences | 1.2 | 1.5 |
| **Present value of obligation as of December 31** | **105.2** | **90.9** |

As of December 31, 2012, the present value of the obligation amounted to €105.2 million (€90.9 million as of end-2011), and related to fully or partially funded plans.

The breakdown in the present value of the obligation by type of plan as of December 31 was as follows:

| *(in € millions)* | Dec. 31, 2012 | Dec. 31, 2011 |
|---|---|---|
| Retirement bonuses | 29.5 | 24.6 |
| Long-service awards | 5.7 | 4.2 |
| Supplementary plans – United Kingdom | 68.9 | 60.1 |
| Supplementary plans – Other countries | 1.0 | 2.1 |
| **Present value of obligation as of December 31** | **105.2** | **90.9** |

Changes in the fair value of defined benefit plan assets are shown below:

| *(in € millions)* | Dec. 31, 2012 | Dec. 31, 2011 |
|---|---|---|
| Fair value of defined benefit plan assets as of January 1 | **79.6** | **81.0** |
| Contributions paid by employer | 0.5 | 2.4 |
| Contributions paid by beneficiaries | | |
| Expected return on plan assets | 4.6 | 4.7 |
| Benefits paid | (4.3) | (7.1) |
| Actuarial gains and losses | 3.1 | (3.4) |
| Other movements | | |
| Exchange differences | 1.5 | 2.1 |
| **Fair value of defined benefit plan assets as of December 31** | **85.0** | **79.6** |

Funded defined benefit plan assets broke down as follows as of December 31, 2012:

- insurance policies accounted for XX.X% of the total fair value of plan assets (68.1% as of end-2011);
- equity instruments accounted for XX.X% (11.8% as of end-2011);
- debt instruments accounted for XX.X% (11.6% as of end-2011);
- other assets accounted for XX.X% (8.5% as of end-2011).

The reconciliation of statement of financial position data with the projected benefit obligation in respect of defined benefit plans breaks down as follows:

| *(in € millions)* | Dec. 31, 2012 | Dec. 31, 2011 |
|---|---|---|
| Present value of obligation | 105.2 | 90.9 |
| Fair value of defined benefit plan assets | 85.0 | 79.6 |
| **Funding shortfall/(surplus)** | **20.2** | **11.4** |
| Unrecognized past service cost | 0.6 | (0.3) |
| Amount not recognized in assets | 16.1 | 17.8 |
| **Provisions recognized in the statement of financial** | **36.8** | **28.9** |
| o/w provisions – continuing operations | 36.8 | 28.9 |
| Experience adjustments on plan liabilities | 13.0% | -7.7% |
| Experience adjustments on plan assets | -3.7% | 4.3% |

## 25.2. Expenses recognized

### Defined benefit plans

The total expense for defined benefit plans in 2012 was €3.3 million (€1.3 million in 2011), breaking down as follows:

| *(in € millions)* | Dec. 31, 2012 | Dec. 31, 2011 |
|---|---|---|
| Current service cost | 1.9 | 2.0 |
| Interest cost | 4.4 | 4.7 |
| Expected return on plan assets | (4.6) | (4.7) |
| Actuarial gains/losses recognized in net income | 0.5 | (0.3) |
| Past service cost taken to net income | (0.4) | (0.4) |
| Curtailments and settlements | (0.0) | (0.1) |
| **Total expense** | **1.9** | **1.3** |
| o/w recognized in operating expenses | 1.5 | 1.5 |
| o/w recognized in net finance costs | 0.3 | (0.3) |

In accordance with the option provided under the revised version of IAS 19 issued in December 2004, the Group recognizes actuarial gains and losses on defined benefit plans directly in equity in the period. Actuarial gains and losses recognized in the income statement arise on long-service bonuses.

Actuarial gains and losses recognized in equity and income represented a negative net balance of €6.3 million in 2012 (versus a negative net balance of €0.8 million in 2011), including a negative €6.8 million recognized in equity.

Cumulative actuarial gains and losses recognized in equity since January 1, 2004 totaled €23.0 million as of December 31, 2012.

**Defined contribution plans**

An expense of €0.4 million was recognized in respect of defined contribution plans in 2012 (€0.4 million in 2011).

## 25.3. Actuarial assumptions

The main actuarial assumptions used to estimate the Group's employee benefit obligations are as follows:

| | Total France | | | Total UK | | | o/w Nigeria | | | Total other | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 |
| Discount rate | 3.15% | 4.25% | 4.50% | 4.00% | 4.80% | 5.30% | 12.00% | 12.00% | 10.00% | 3.15% | 4.25% | 4.50% |
| Expected return on plan assets | N/A | N/A | N/A | 5.10% | 5.50% | 5.80% | 12.00% | 12.00% | 10.00% | 4.63% | 4.97% | 5.03% |
| Expected rate of increase in salaries | 3.00% | 3.00% | 3.00% | N/A | N/A | 4.20% | 10.00% | 10.00% | 10.00% | 3.00% | 3.00% | 3.00% |

The expected return on plan assets is determined for each fund on the basis of historical performance, current and long-term outlook and the asset allocation of the funds under management. These assumptions are reviewed annually based on changes in the allocation of funds under management and changes in long-term market expectations for each asset class managed.

## NOTE 26 PROVISIONS

| *(in € millions)* | Dec. 31, 2011 | Charge | Reversal (utilized provision) | Reversal (surplus provision) | Translation adjustments | Changes in scope of consolidation | Other | Dec. 31, 2012 |
|---|---|---|---|---|---|---|---|---|
| Non-current provisions for restructuring | 0.3 | | (0.1) | | | | | 0.3 |
| Non-current provisions for claims and litigation | 5.0 | 1.0 | (0.5) | (0.1) | (0.0) | | 0.0 | 5.4 |
| Other non-current provisions | 2.7 | 0.1 | (0.4) | | | | | 2.4 |
| **Other non-current provisions for contingencies and losses** | **8.1** | **1.1** | **(0.9)** | **(0.1)** | **(0.0)** | | **0.0** | **8.1** |
| Current provisions for restructuring | 0.6 | | (0.2) | | | | | 0.4 |
| Current provisions for claims and litigation | 7.0 | 2.8 | (2.6) | (1.2) | (0.1) | 2.7 | | 8.6 |
| Other current provisions | 11.7 | 0.9 | (4.4) | | 0.1 | 0.5 | | 8.8 |
| **Other current provisions for contingencies and losses** | **19.4** | **3.6** | **(7.1)** | **(1.2)** | **(0.1)** | **3.2** | | **17.8** |
| **Other provisions for contingencies and** | **27.5** | **4.7** | **(8.1)** | **(1.4)** | **(0.1)** | **3.2** | **0.0** | **25.9** |
| **Impact on income** | **(0.6)** | **(4.7)** | **8.1** | **1.3** | | | | **4.7** |
| – Impact on recurring operating income | (4.0) | (3.7) | 5.2 | 0.3 | | | | 1.9 |
| – Impact on other non-recurring operating income and expenses | (0.4) | | 0.9 | | | | | 0.9 |
| – Impact on net finance | (0.5) | (0.9) | 1.6 | | | | | 0.8 |
| – Impact on income taxes | 4.3 | (0.1) | 0.4 | 1.0 | | | | 1.2 |

Provisions for claims and litigation mainly relate to claims brought by third parties in various countries. Other current provisions primarily cover risks relating to tax disputes for which the timing of payment is uncertain.

## NOTE 27 CASH AND CASH EQUIVALENTS

### 27.1. Breakdown by category

This item breaks down as follows:

| *(in € millions)* | Dec. 31, 2012 | Dec. 31, 2011 |
|---|---|---|
| Cash | 195.6 | 249.7 |
| Cash equivalents | 3.7 | 2.1 |
| **Total** | **199.3** | **251.8** |

The €199.3 million in cash and cash equivalents includes €63.9 million (versus €133.3 million at end-2011) in surplus cash from the management of central purchasing accounts by CFAO Holding.

### 27.2. Breakdown by currency

| *(in € millions)* | Dec. 31, 2012 | % | Dec. 31, 2011 | % |
|---|---|---|---|---|
| Euro | 51.9 | 26.0% | 115.9 | 46.0% |
| CFA franc | 68.4 | 34.3% | 67.5 | 26.8% |
| US dollar | 31.6 | 15.9% | 28.9 | 11.5% |
| Algerian dinar | 8.8 | 4.4% | 8.0 | 3.2% |
| Moroccan dirham | 6.7 | 3.3% | 1.2 | 0.5% |
| Ghanaian cedi | 3.0 | 1.5% | 2.3 | 0.9% |
| Kenyan shilling | 2.9 | 1.4% | 1.4 | 0.6% |
| Malagasy franc | 2.7 | 1.4% | 0.0 | 0.0% |
| Japanese yen | 2.6 | 1.3% | 0.8 | 0.3% |
| Zambian kwacha | 2.1 | 1.0% | 2.9 | 1.1% |
| Angolan new kwanza | 2.0 | 1.0% | 0.0 | 0.0% |
| Guinean franc | 1.9 | 1.0% | 2.3 | 0.9% |
| Malawian kwacha | 1.6 | 0.8% | 7.7 | 3.1% |
| Nigerian naira | 1.6 | 0.8% | 3.9 | 1.5% |
| CFP franc | 1.4 | 0.7% | 3.1 | 1.2% |
| Swiss franc | 1.4 | 0.7% | 0.0 | 0.0% |
| Congolese franc | 0.9 | 0.5% | 0.1 | 0.0% |
| Vietnamese dong | 0.4 | 0.2% | 2.8 | 1.1% |
| Pound sterling | 0.3 | 0.1% | 0.2 | 0.1% |
| Other currencies | 7.4 | 3.7% | 2.7 | 1.1% |
| **Total** | **199.3** | | **251.8** | |

For the purposes of capital control or economic reasons, certain countries in which the Group operates place restrictions on the exchange of local currency for foreign currency and the transfer of funds abroad.

# NOTE 28 BORROWINGS

## 28.1. Breakdown of borrowings by maturity

| *(in € millions)* | Dec. 31, 2011 | Y+1 | Y+2 | Y+3 | Y+4 | Y+5 | Beyond |
|---|---|---|---|---|---|---|---|
| **Non-current borrowings** | **93.5** | | **9.5** | **78.8** | **4.8** | **0.4** | |
| Confirmed lines of credit | 60.0 | | | 60.0 | | | |
| Other bank borrowings | 19.7 | | 8.8 | 6.5 | 4.4 | | |
| Employee profit-sharing | 1.9 | | 0.7 | 0.5 | 0.3 | 0.4 | |
| Other borrowings | 11.9 | | 0.0 | 11.9 | | | |
| **Current borrowings** | **350.3** | **350.3** | | | | | |
| Confirmed lines of credit | 14.6 | 14.6 | | | | | |
| Other bank borrowings | 11.8 | 11.8 | | | | | |
| Employee profit-sharing | 0.3 | 0.3 | | | | | |
| Bank overdrafts | 310.6 | 310.6 | | | | | |
| Other borrowings | 13.0 | 13.0 | | | | | |
| **Total** | **443.8** | **350.3** | **9.5** | **78.8** | **4.8** | **0.4** | |
| **%** | | **78.9%** | **2.2%** | **17.8%** | **1.1%** | **0.1%** | |

| *(in € millions)* | Dec. 31, 2012 | Y+1 | Y+2 | Y+3 | Y+4 | Y+5 | Beyond |
|---|---|---|---|---|---|---|---|
| **Non-current borrowings** | **149.8** | | **115.4** | **16.2** | **6.4** | **11.2** | **0.8** |
| Confirmed lines of credit | 90.0 | | 90.0 | | | | |
| Other bank borrowings | 35.1 | | 17.5 | 7.8 | 6.0 | 3.1 | 0.8 |
| Employee profit-sharing | 1.5 | | 0.4 | 0.3 | 0.4 | 0.4 | |
| Other borrowings | 23.3 | | 7.5 | 8.1 | 0.0 | 7.7 | |
| **Current borrowings** | **426.5** | **426.5** | | | | | |
| Confirmed lines of credit | 14.4 | 14.4 | | | | | |
| Other bank borrowings | 8.3 | 8.3 | | | | | |
| Employee profit-sharing | 0.8 | 0.8 | | | | | |
| Bank overdrafts | 393.9 | 393.9 | | | | | |
| Other borrowings | 9.1 | 9.1 | | | | | |
| **Total** | **576.3** | **426.5** | **115.4** | **16.2** | **6.4** | **11.2** | **0.8** |
| **%** | | **74.0%** | **20.0%** | **2.8%** | **1.1%** | **1.9%** | **0.1%** |

As of December 31, 2012, all gross borrowings were recognized at amortized cost based on the effective interest rate.

Non-current borrowings mainly include the €90 million drawdown on the syndicated facility out of a total confirmed credit line of €300 million. This facility was classified within non-current confirmed lines of credit in light of its two-year term (initial maturity: December 7, 2012 extended to December 9, 2013 by way of an agreement with the banking pool signed on November 5, 2010, and then to December 9, 2014 by way of an agreement signed on November 2, 2011). Following the transaction carried out by Toyota Tsusho Corporation, a waiver was obtained under this agreement on November 14, 2012 regarding the change of control clause. No change was made to the facility's repayment conditions.

Drawdowns on the syndicated facility are subject to financial covenants triggering prepayments if they are not complied with. There are three covenants:

- Net debt must not be more than double EBITDA (see Note 30).
  EBITDA is defined as recurring operating income plus depreciation, amortization and provisions for non-recurring operating assets recognized in recurring operating income.
  (EBITDA is not a financial measure defined under IFRS. It should not be taken as a substitute for operating income, net income or cash flows, nor should it be treated as a measure of liquidity. EBITDA may be calculated differently by other companies with businesses that are similar to or different from

that of the Group. Accordingly, the EBITDA calculated by the Group may not be comparable to that calculated by other issuers.)

- Gross borrowings of subsidiaries must not exceed 90% of consolidated gross borrowings.
- The other off-balance sheet commitments given by the Group entities to third parties (see Note 33.2.4) must not exceed 1.2 times the average trade payables for the period under consideration and the preceding six-month period. At December 31, 2012 the ratio came to less than 1.2.

As of December 31, 2012, the Group complied with these three covenants.

Accrued interest is recorded in "Other borrowings".

Borrowings with a maturity of more than one year represented 26.0% of total gross borrowings as of December 31, 2012 (21.1% as of December 31, 2011).

## 28.2. Breakdown by repayment currency

| | Dec. 31, 2011 | Non-current borrowings | Current borrowings | % | Dec. 31, 2010 |
|---|---|---|---|---|---|
| Euro | **106.2** | 73.8 | 32.4 | 23.9% | 113.4 |
| CFA franc | **155.4** | 4.4 | 150.9 | 35.0% | 108.7 |
| Moroccan dirham | **40.6** | 0.0 | 40.6 | 9.2% | 33.3 |
| Algerian dinar | **64.1** | 12.6 | 51.4 | 14.4% | 49.8 |
| CFP franc | **17.3** | 2.6 | 14.7 | 3.9% | 8.4 |
| Nigerian naira | **29.8** | 0.0 | 29.8 | 6.7% | 10.9 |
| Kenyan shilling | **3.6** | 0.0 | 3.6 | 0.8% | 1.9 |
| Japanese yen | **2.2** | 0.0 | 2.2 | 0.5% | 0.0 |
| US dollar | **8.5** | 0.0 | 8.5 | 1.9% | 0.9 |
| Ghanaian cedi | **1.0** | 0.0 | 1.0 | 0.2% | 2.0 |
| Tanzanian shilling | **2.8** | 0.0 | 2.8 | 0.6% | 0.7 |
| Danish krone | **0.0** | 0.0 | 0.0 | 0.0% | 0.0 |
| Other currencies | **12.4** | 0.0 | 12.4 | 2.8% | 3.6 |
| **Total** | **443.8** | **93.5** | **350.3** | | **333.6** |

| *(in € millions)* | Dec. 31, 2012 | Non-current borrowings | Current borrowings | % | Dec. 31, 2011 |
|---|---|---|---|---|---|
| Euro | **134.5** | 104.9 | 29.6 | 23.3% | 106.2 |
| CFA franc | **182.1** | 9.3 | 172.8 | 31.6% | 155.4 |
| Moroccan dirham | **31.8** | 0.0 | 31.8 | 5.5% | 40.6 |
| Algerian dinar | **117.7** | 16.1 | 101.6 | 20.4% | 64.1 |
| CFP franc | **23.3** | 1.0 | 22.2 | 4.0% | 17.3 |
| Nigerian naira | **37.2** | 0.0 | 37.2 | 6.5% | 29.8 |
| Kenyan shilling | **3.1** | 0.0 | 3.1 | 0.5% | 3.6 |
| Japanese yen | **2.2** | 0.0 | 2.2 | 0.4% | 2.2 |
| US dollar | **11.1** | 0.0 | 11.1 | 1.9% | 8.5 |
| Ghanaian cedi | **4.7** | 0.0 | 4.7 | 0.8% | 1.0 |
| Tanzanian shilling | **2.3** | 0.0 | 2.3 | 0.4% | 2.8 |
| Danish krone | **3.6** | 1.5 | 2.1 | 0.6% | 0.0 |
| Other currencies | **22.8** | 17.1 | 5.7 | 4.0% | 12.4 |
| **Total** | **576.3** | **149.8** | **426.5** | | **443.8** |

Borrowings denominated in currencies other than the euro are distributed to Group subsidiaries for local financing purposes.

## 28.3. Breakdown of gross borrowings by category

CFAO Group gross borrowings break down as follows:

| *(in € millions)* | Dec. 31, 2012 | Jan. 1, 2012 |
|---|---|---|
| Confirmed lines of credit | 104.4 | 74.6 |
| Other bank borrowings | 43.4 | 31.5 |
| Obligations under finance leases | | |
| Employee profit-sharing | 2.3 | 2.3 |
| Bank overdrafts | 393.9 | 310.6 |
| Other borrowings | 32.4 | 24.9 |
| **Total** | **576.3** | **443.8** |

Group borrowings primarily consist of the syndicated facility ("Confirmed lines of credit") and bank overdrafts.

## 28.4. Main bank borrowings

### 28.4.1. Breakdown of main bank borrowings

The Group has the following main bank borrowings:

***Borrowings contracted by CFAO and subsidiaries***

*(in € millions)*

| Par value | Issue interest rate | Effective interest rate | Issue date | Maturity | Dec. 31, 2012 | Dec. 31, 2011 |
|---|---|---|---|---|---|---|
| 17.3 | 6.5% fixed | 6.50% | 8/15/2012 | 8/15/2019 | **18.1** | |
| 4.0 | 3.55% fixed | 3.55% | 11/1/2012 | 10/30/2019 | **3.9** | |
| 3.0 | 8.26% fixed | 8.26% | 12/21/2011 | 12/21/2014 | **2.2** | 3.0 |
| 2.0 | 1.0% floating | 1.50% | 10/2/2012 | 9/30/2017 | **2.0** | |
| 5.3 | 8.48% fixed | 8.48% | 12/25/2008 | 12/25/2013 | **1.2** | 2.4 |

These borrowings were contracted by subsidiaries outside the eurozone, mainly in CFA francs.

# NOTE 29 EXPOSURE TO FOREIGN EXCHANGE, INTEREST RATE AND CREDIT RISK

The Group uses derivative financial instruments to manage its exposure to foreign exchange risk. It has no cash flow or net investment hedges.

## 29.1. Exposure to interest rate risk

The CFAO Group does not use any financial instruments to manage the interest rate risk arising on its assets and liabilities.

The Group's exposure to interest rate risk is presented below:

| | Fixed rate | | Floating rate | | Total | |
|---|---|---|---|---|---|---|
| *(in € millions)* | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2012 | Dec. 31, 2011 |
| Loans and receivables | 29.6 | 7.7 | | | 29.6 | 7.7 |
| Cash and cash equivalents | 199.3 | 251.8 | | | 199.3 | 251.8 |
| **Financial assets** | **229.0** | **259.5** | | | **229.0** | **259.5** |
| Other borrowings | 452.8 | 311.9 | 123.5 | 132.0 | 576.3 | 443.8 |
| **Financial liabilities** | **452.8** | **311.9** | **123.5** | **132.0** | **576.3** | **443.8** |

Debt contracted by subsidiaries is denominated in local currency and is at fixed rates.

In 2012, as in 2011, interest rate risk arose solely on the floating-rate syndicated loan denominated in euros.

• Fixed-rate financial assets and liabilities exposed to the risk of a change in value:

| (in € millions) | 2011 | 2011 maturities Less than one year | One to five years | More than five years |
|---|---|---|---|---|
| Loans and receivables | 7.7 | 7.7 | | |
| Cash and cash equivalents | 251.8 | 251.8 | | |
| **Fixed-rate financial assets** | **259.5** | 259.5 | | |
| Other borrowings | 311.9 | 292.7 | 19.1 | |
| **Fixed-rate financial liabilities** | **311.9** | 292.7 | 19.1 | |

| (in € millions) | 2012 | 2012 maturities Less than one year | One to five years | More than five years |
|---|---|---|---|---|
| Loans and receivables | 29.6 | 29.6 | | |
| Cash and cash equivalents | 199.3 | 199.3 | | |
| **Fixed-rate financial assets** | **229.0** | 229.0 | | |
| Other borrowings | 452.8 | 413.1 | 38.9 | 0.8 |
| **Fixed-rate financial liabilities** | **452.8** | 413.1 | 38.9 | 0.8 |

• Floating-rate financial assets and liabilities exposed to the risk of a change in value:

| (in € millions) | 2011 | 2011 maturities Less than one year | One to five years | More than five years |
|---|---|---|---|---|
| Loans and receivables | | | | |
| Cash and cash equivalents | | | | |
| **Floating-rate financial assets** | | | | |
| Other borrowings | 132.0 | 57.6 | 74.4 | |
| **Floating-rate financial liabilities** | **132.0** | 57.6 | 74.4 | |

| (in € millions) | 2012 | 2012 maturities Less than one year | One to five years | More than five years |
|---|---|---|---|---|
| Loans and receivables | | | | |
| Cash and cash equivalents | | | | |
| **Floating-rate financial assets** | | | | |
| Other borrowings | 123.5 | 13.4 | 110.2 | |
| **Floating-rate financial liabilities** | **123.5** | 13.4 | 110.2 | |

The breakdown of gross borrowings by type of interest rate is shown below:

| (in € millions) | Dec. 31, 2011 | Fixed-rate | Floating-rate |
|---|---|---|---|
| **Gross borrowings** | **443.8** | **311.9** | **132.0** |
| % | | 70.3% | 29.7% |

| (in € millions) | Dec. 31, 2012 | Fixed-rate | Floating-rate |
|---|---|---|---|
| **Gross borrowings** | **576.3** | **452.8** | **123.5** |
| % | | 78.6% | 21.4% |

### Analysis of sensitivity to interest rate risk

In light of the Group's fixed/floating rate mix, a sudden 100 basis point increase or decrease in interest rates based on average monthly debt would have had a full-year impact of €3.3 million on pre-tax consolidated net income in 2012, compared with an impact of €3.1 million in 2011.

All other market variables were assumed to remain unchanged for the purpose of the sensitivity analysis.

## 29.2. Exposure to foreign exchange risk

The outstanding notional amounts of instruments used by the CFAO Group to manage its foreign exchange risk were as follows:

| *(in € millions)* | Dec. 31, 2012 | Dec. 31, 2011 |
|---|---|---|
| Currency forwards and currency swaps | 219.5 | 265.5 |
| **Total** | **219.5** | **265.5** |

The Group primarily uses forward currency contracts to hedge commercial import/export risks and financial risks stemming in particular from inter-company refinancing transactions in foreign currencies.

Since 2011, the Group's local subsidiaries (mainly in Morocco, Kenya and Nigeria) have entered into and recorded forward purchase contracts in their accounts. As of December 31, 2012, outstanding notional amounts under these agreements totaled €54.8 million.

These derivative financial instruments were analyzed with respect to IAS 39 hedge accounting eligibility criteria. As of December 31, 2012, derivative instruments documented as hedges were as follows:

| *(in € millions)* | Dec. 31, 2011 | Japanese yen | US dollar | Euro | Other |
|---|---|---|---|---|---|
| **Fair value hedges** | | | | | |
| Forward purchases and forward purchase swaps | **511.0** | 171.1 | 292.3 | 43.4 | 4.2 |
| Forward sales and forward sale swaps | **(245.4)** | (3.7) | (241.4) | | (0.4) |
| Total | **265.5** | 167.4 | 50.9 | 43.4 | 3.8 |

| *(in € millions)* | Dec. 31, 2012 | Japanese yen | US dollar | Euro | Other |
|---|---|---|---|---|---|
| **Fair value hedges** | | | | | |
| Forward purchases and forward purchase swaps | **457.8** | 117.0 | 296.3 | 39.9 | 4.5 |
| Forward sales and forward sale swaps | **(238.3)** | (2.9) | (235.4) | | |
| Total | **219.5** | 114.1 | 60.9 | 39.9 | 4.5 |

The "Other" column mainly reflects transactions carried out in South African rands and pounds sterling.

Foreign exchange derivatives are recognized in the statement of financial position at their market value as of the end of the reporting period.

As of December 31, 2012, the exposure to foreign exchange risk on the statement of financial position was as follows:

| *(in € millions)* | Dec. 31, 2012 | Euro | US dollar | Japanese yen | Other | Dec. 31, 2011 |
|---|---|---|---|---|---|---|
| **CENTRAL PURCHASING OFFICES** | | | | | | |
| Central purchasing receivables | 130.7 | | 128.9 | 1.8 | 0.0 | 115.2 |
| Central purchasing payables[1] | 283.9 | | 198.8 | 83.6 | 1.4 | 231.6 |
| **Gross exposure in the statement of financial position - central purchasing** | **(153.1)** | **0.0** | **(69.8)** | **(81.8)** | **(1.4)** | **(116.5)** |
| Customer orders | 105.9 | | 104.9 | 1.0 | 0.0 | 133.1 |
| Supplier orders | 121.3 | | 87.3 | 31.7 | 2.3 | 217.9 |
| **Projected gross exposure - central purchasing** | **(15.4)** | **0.0** | **17.5** | **(30.7)** | **(2.3)** | **(84.8)** |
| | | | | | | |
| **Gross exposure before hedging - central purchasing** | **(168.5)** | **0.0** | **(52.3)** | **(112.5)** | **(3.7)** | **(201.3)** |
| Hedging instruments - central purchasing | 168.1 | | 51.1 | 113.1 | 3.9 | 200.2 |
| **Net exposure after hedging - central purchasing** | **(0.4)** | **0.0** | **(1.2)** | **0.6** | **0.2** | **(1.1)** |

*(1) including USD 0.7 million in loans to subsidiaries*

CFAO's central purchasing offices hedge the foreign exchange risk arising on the statement of financial position (trade receivables/payables) and on forecast transactions (confirmed supplier and customer orders) with respect to their reporting currency (euro).

| *(in € millions)* | Dec. 31, 2012 | Euro | US dollar | Japanese yen | Other | Dec. 31, 2011 |
|---|---|---|---|---|---|---|
| **SUBSIDIARIES (EXCLUDING CENTRAL PURCHASING)** ***Subsidiaries that use hedging instruments*** | | | | | | |
| Receivables due to subsidiaries hedging foreign exchange risk | **1.7** | | 1.7 | | | |
| Payables owed by subsidiaries hedging foreign exchange risk(1) | **53.0** | 39.9 | 11.5 | 1.0 | 0.6 | **65.4** |
| **Gross exposure in the statement of financial position** | **(51.3)** | **(39.9)** | **(9.8)** | **(1.0)** | **(0.6)** | **(65.4)** |
| Gross projected exposure of subsidiaries hedging foreign exchange risk | **0.0** | | | | | **0.0** |
| **Gross exposure before hedging** | **(51.3)** | **(39.9)** | **(9.8)** | **(1.0)** | **(0.6)** | **(65.4)** |
| Hedges set up by subsidiaries | 51.3 | 39.9 | 9.8 | 1.0 | 0.6 | 65.4 |
| **Net exposure after hedging of foreign exchange risk by subsidiaries** | **(0.0)** | **0.0** | **(0.0)** | **(0.0)** | **0.0** | **0.0** |

*(1) including €10 million in borrowings from the parent*

Certain subsidiaries may use financial instruments to hedge the foreign exchange risk between their debt in US dollars or euros and their reporting currency (Moroccan dirhams, Kenyan shillings, Mauritian rupees and Nigerian naira).

| *(in € millions)* | Dec. 31, 2012 | Euro | US dollar | Japanese yen | Other | Dec. 31, 2011 |
|---|---|---|---|---|---|---|
| **SUBSIDIARIES (EXCLUDING CENTRAL PURCHASING)** ***Subsidiaries that do not use hedging instruments*** | | | | | | |
| Receivables due to subsidiaries | **2.4** | 0.8 | 1.2 | 0.4 | (0.0) | **19.0** |
| Payables owed by subsidiaries | **163.6** | 118.7 | 37.5 | 1.9 | 5.5 | **158.0** |
| Cash | **31.8** | 3.4 | 25.6 | 2.6 | 0.2 | **29.2** |
| Borrowings | **23.0** | 4.5 | 16.2 | 2.2 | 0.0 | **16.2** |
| **Gross exposure in the statement of financial position** | **(152.3)** | **(119.1)** | **(26.8)** | **(1.1)** | **(5.3)** | **(126.1)** |
| 10% depreciation in local currency | (15.2) | (11.9) | (2.7) | (0.1) | (0.5) | (12.6) |

Subsidiaries excluding central purchasing offices that do not use foreign exchange hedging instruments owing to regulatory constraints are exposed to the risk of changes in the value of their reporting currency against operating and financial receivables and payables denominated in euros or US dollars.

The above table does not include the exposure of euro-denominated assets and liabilities of subsidiaries in the CFA zone, since the exchange rate of this currency is fixed against the euro. These items amounted to €69.3 million as of December 31, 2012.

The following table summarizes the Group's net consolidated position:

| *(in € millions)* | Dec. 31, 2012 | Euro | US dollar | Japanese yen | Other | Dec. 31, 2011 |
|---|---|---|---|---|---|---|
| **CFAO Group** | | | | | | |
| Receivables | 134.9 | 0.8 | 131.9 | 2.2 | 0.0 | 134.2 |
| Payables | 559.8 | 217.9 | 247.8 | 86.5 | 7.5 | 520.3 |
| Cash | 31.8 | 3.4 | 25.6 | 2.6 | 0.2 | 29.3 |
| Borrowings | 34.7 | 16.3 | 16.2 | 2.2 | 0.0 | 34.2 |
| **Gross exposure in the statement of financial position** | **(427.8)** | **(230.1)** | **(106.5)** | **(83.9)** | **(7.4)** | **(391.1)** |
| Customer orders | 105.9 | 0.0 | 104.9 | 1.0 | 0.0 | 133.1 |
| Supplier orders | 121.3 | 0.0 | 87.3 | 31.7 | 2.3 | 217.9 |
| **Projected gross exposure** | **(15.4)** | **0.0** | **17.5** | **(30.7)** | **(2.3)** | **(84.8)** |
| | | | | | | |
| **Gross exposure before hedging** | **(443.2)** | **(230.1)** | **(88.9)** | **(114.6)** | **(9.6)** | **(476.0)** |
| Hedging instruments | 219.5 | 39.9 | 60.9 | 114.1 | 4.5 | 265.5 |
| **Net exposure after hedging** | **(223.7)** | **(190.1)** | **(28.1)** | **(0.5)** | **(5.1)** | **(210.4)** |

### Analysis of sensitivity to foreign exchange risk

Based on year-end market data, the negative impact of a sudden 10% increase in the exchange rate of unhedged purchasing currencies against local currencies (excluding the CFA franc) would have been €15.2 million in 2012.

This analysis excludes the impacts of translating the financial statements of each Group entity into the Group's presentation currency (euro).

The sensitivity analysis assumes that all other market variables remain unchanged.

## 29.3. Credit risk

The Group uses derivative instruments solely to reduce its overall exposure to foreign exchange risk arising in the normal course of business. All transactions involving derivatives are carried out over the counter.

At December 31, 2012, the counterparties are Société Générale, Natixis, Crédit Agricole and Barclays.

## 29.4. Derivative instruments at market value

As of December 31, 2012 and 2011, and in accordance with IAS 39, the market values of derivative financial instruments were recognized in assets under "Other current financial assets" and in liabilities under "Other current financial liabilities".

The fair values of foreign exchange derivatives were recognized in other current financial assets or liabilities.

| *(in € millions)* | Dec. 31, 2012 | Interest rate risk | Foreign exchange risk | Other market risks | Dec. 31, 2011 |
|---|---|---|---|---|---|
| **Derivative assets** | **7.6** | | **7.6** | | **25.9** |
| **Non-current** | | | | | |
| **Current** | **7.6** | | 7.6 | | 25.9 |
| Fair value hedges | **7.6** | | 7.6 | | 25.9 |
| **Derivative liabilities** | **23.3** | | **23.3** | | **14.3** |
| **Non-current** | | | | | |
| **Current** | **23.3** | | 23.3 | | 14.3 |
| Fair value hedges | **23.3** | | 23.3 | | 14.3 |
| **Total** | **(15.7)** | | **(15.7)** | | **11.6** |

## 29.5. Liquidity risk

Liquidity risk management for the Group and each of its subsidiaries is closely monitored and periodically assessed by CFAO, using Group financial reporting procedures.

The analysis below covers contractual commitments regarding borrowings and trade payables, including interest due.

Forecast cash flows relating to interest payable are included in "Other borrowings" and calculated up to the contractual maturity of the borrowings to which they relate. Floating-rate interest payable at future dates is fixed based on the interest rate at the end of the reporting period.

The future cash flows presented have not been discounted.

| *(in € millions)* | 2011<br>Carrying amount | Cash flow | Less than 1 year | One to five years | More than five years |
|---|---|---|---|---|---|
| **Non-derivative financial instruments** | | | | | |
| Other borrowings | 443.8 | (444.5) | (350.8) | (93.7) | |
| Trade payables | 669.6 | (669.6) | (669.6) | | |
| **Total** | **1,113.4** | **(1,114.1)** | **(1,020.4)** | **(93.7)** | |

| *(in € millions)* | 2012<br>Carrying amount | Cash flow | Less than 1 year | One to five years | More than five years |
|---|---|---|---|---|---|
| **Non-derivative financial instruments** | | | | | |
| Other borrowings | 576.3 | (581.0) | (426.5) | (153.5) | (0.9) |
| Trade payables | 695.3 | (695.3) | (695.3) | | |
| **Total** | **1,271.7** | **(1,276.3)** | **(1,121.8)** | **(153.5)** | **(0.9)** |

## NOTE 30 NET DEBT

Group net debt breaks down as follows:

| *(in € millions)* | Dec. 31, 2012 | Dec. 31, 2011 |
|---|---|---|
| Gross borrowings | (576.3) | (443.8) |
| Cash | 199.3 | 251.8 |
| **Net debt** | **(377.0)** | **(192.0)** |

## NOTE 31 ACCOUNTING CLASSIFICATION AND MARKET VALUE OF FINANCIAL INSTRUMENTS

The basis of measurement for financial instruments and their market values as of December 31, 2012 are presented below:

| *(in € millions)* | Dec. 31, 2011<br>Carrying amount | Market value | Available-for-sale assets | Loans and receivables | Amortized cost | Derivatives qualifying for hedge accounting |
|---|---|---|---|---|---|---|
| **Non-current assets** | | | | | | |
| Non-current financial assets | 41.9 | 41.9 | 5.6 | 29.3 | 6.9 | |
| **Current assets** | | | | | | |
| Trade receivables | 430.2 | 430.2 | | | 430.2 | |
| Other current financial assets | 26.8 | 26.8 | | | 0.9 | 25.9 |
| Cash and cash equivalents | 251.8 | 251.8 | 2.1 | | 249.7 | |
| **Non-current liabilities** | | | | | | |
| Non-current borrowings | 93.5 | 93.5 | | | 93.5 | |
| **Current liabilities** | | | | | | |
| Current borrowings | 350.3 | 350.3 | | | 350.3 | |
| Other current financial liabilities | 18.0 | 18.0 | | | 3.7 | 14.3 |
| Trade payables | 669.6 | 669.6 | | | 669.6 | |

| (in € millions) | Dec. 31, 2012 | | | | | |
|---|---|---|---|---|---|---|
| | Carrying amount | Market value | Available-for-sale assets | Loans and receivables | Amortized cost | Derivatives qualifying for hedge accounting |
| **Non-current assets** | | | | | | |
| Non-current financial assets | 50.8 | 50.8 | 6.5 | 36.2 | 8.2 | |
| **Current assets** | | | | | | |
| Trade receivables | 488.1 | 488.1 | | | 488.1 | |
| Other current financial assets | 8.7 | 8.7 | | | 1.0 | 7.6 |
| Cash and cash equivalents | 199.3 | 199.3 | 3.7 | | 195.6 | |
| **Non-current liabilities** | | | | | | |
| Non-current borrowings | 149.8 | 149.8 | | | 149.8 | |
| **Current liabilities** | | | | | | |
| Current borrowings | 426.5 | 426.5 | | | 426.5 | |
| Other current financial liabilities | 27.5 | 27.5 | | | 4.2 | 23.3 |
| Trade payables | 695.3 | 695.3 | | | 695.3 | |

Assets and liabilities recognized at fair value are measured as follows:

Level 1: prices quoted in an active market

Where available, prices quoted in an active market are used as the preferred method for determining market value. No instruments were included in level 1 of the fair value hierarchy as of December 31, 2012.

Level 2: internal models using valuation techniques drawing on observable market inputs

These techniques are based on standard mathematical calculations incorporating observable market inputs such as futures prices, yield curves, etc. Most derivatives traded on markets are measured based on models commonly used by market practitioners in pricing these financial instruments.

Level 3: internal models based on non-observable inputs

The fair values used to determine the instruments' carrying amounts represent reasonable estimates of their market values. This method chiefly concerns non-current financial assets. Non-current financial assets are described in Note 19.

No changes were made to the methods used to measure the fair values of financial assets and liabilities in 2012.

## NOTE 32 NOTES TO THE STATEMENT OF CASH FLOWS

As of December 31, 2012, cash and cash equivalents net of bank overdrafts and cash current accounts with a credit balance stood at a negative €195.6 million, representing total cash and cash equivalents as shown in the statement of cash flows.

| (in € millions) | 2012 | 2011 |
|---|---|---|
| **Cash and cash equivalents as reported in the statement of financial posi** | **199.3** | **251.8** |
| Bank overdrafts | (394.2) | (310.6) |
| Cash current accounts with a credit balance | (0.7) | (0.3) |
| **Cash and cash equivalents as reported in the statement of cash flows** | **(195.6)** | **(59.0)** |

### 32.1. Cash flow from operating activities

Cash flow from operating activities breaks down as follows for 2011 and 2010:

| *(in € millions)* | 2012 | 2011 |
|---|---|---|
| **Net income from continuing operations** | **171.2** | **170.6** |
| Gains/(losses) on asset disposals | (3.0) | (9.8) |
| Deferred tax | (2.7) | (1.4) |
| Share in earnings/(losses) of associates | (2.3) | (2.9) |
| Dividends received from associates | 1.4 | 1.8 |
| Other non-cash income and expenses | 58.0 | 53.4 |
| **Cash flow from operating activities** | **222.6** | **211.6** |

### 32.2. Purchases of property, plant and equipment and intangible assets

Purchases of property, plant and equipment and intangible assets totaled €94.4 million in 2012, versus €74.1 million in 2011.

### 32.3. Acquisitions and disposals of subsidiaries

| *(in € millions)* | 2012 | 2011 |
|---|---|---|
| Acquisitions of subsidiaries, net of cash acquired | (47.7) | (18.8) |
| Proceeds from disposals of subsidiaries, net of cash transferred | 6.4 | (2.4) |
| **Total** | **(41.3)** | **(21.1)** |

Most acquisitions in 2012 were carried out by Eurapharma, chiefly reflecting Missionpharma in Denmark and Assene Laborex Nigeria.

In 2011, acquisitions of subsidiaries concerned CFAO Automotive (Citroën vehicle distributor in Reunion, Vehicle Center Zambia Ltd in Zambia, Lien A in Vietnam, and acquisitions of additional shares in companies in Madagascar) and Eurapharma (Algeria-based Propharmal).

### 32.4. Debt issues and redemptions

| *(in € millions)* | 2012 | 2011 |
|---|---|---|
| Issuance of debt | 56.0 | 31.5 |
| Repayment of debt | (24.1) | (49.0) |
| Increase/decrease in other borrowings | 31.9 | (17.5) |

## NOTE 33 CONTINGENT LIABILITIES, CONTRACTUAL COMMITMENTS NOT RECOGNIZED AND OTHER CONTINGENCIES

### 33.1. Commitments given following asset disposals

The main vendor warranties given by the Group on the sale of companies are summarized below:

| Disposals | Vendor warranties |
|---|---|
| **June 2009** | |
| Sale of Dil Maltex to Heineken | Guarantee on 2008 accounts capped at €6.2 million, expiring on December 31, 2013. Guarantee on pension fund uncapped and unlimited. |
| **September 2010** | |
| Sale of Fantasia, Comamussy and Sud Participations | Guarantee on compliance of provisions related to income tax, VAT and customs duties, capped at €7.3 million, expiring on September 08, 2015. |

In addition to the vendor warranties described above, vendor warranty agreements with standard terms were set up for the purchasers of the other companies sold by the Group.

## 33.2. Other commitments given

### 33.2.1. Contractual obligations

The table below shows all of the Group's contractual commitments and obligations, excluding employee benefit obligations presented in the preceding notes.

| | Payments due by period | | | | |
|---|---|---|---|---|---|
| *(in € millions)* | Less than one year | One to five years | More than five years | 2012 | 2011 |
| Non-current borrowings | 0.0 | 149.1 | 0.8 | 149.8 | 93.5 |
| Operating lease agreements | 29.4 | 35.5 | 13.7 | 78.6 | 83.4 |
| Binding purchase commitments | 157.7 | 0.0 | 0.0 | 157.7 | 217.9 |
| **Total commitments given** | **187.1** | **184.5** | **14.5** | **386.1** | **394.8** |

Binding purchase commitments consist mainly of commitments undertaken with regard to suppliers.

***Operating leases***

Contractual obligations presented under "Operating lease agreements" represents future minimum lease payments under operating leases for the period, which cannot be canceled by the lessee. These mainly include non-cancelable rental payments in respect of showrooms, logistics hubs and other buildings (headquarters and administrative offices).

The rental charge in respect of minimum lease payments amounted to €33.9 million in 2012 (versus €29.5 million in 2011). There was no charge for contingent payments either in 2012 or 2011.

### 33.2.2. Guarantees and other collateral

Guarantees and other collateral granted by the Group break down as follows:

| *(in € millions)* | Pledge start date | Pledge expiration date | Amount of assets pledged at Dec. 31, 2012 | Carrying amount in the statement | Corresponding % | Amount of assets pledged at Dec. 31, 2011 |
|---|---|---|---|---|---|---|
| Intangible assets | | | **1.3** | | | **1.3** |
| | 1/9/2004 | 12/17/2017 | 0.8 | 0.1 | | 0.8 |
| | 6/5/2007 | 3/20/2017 | 0.6 | 0.1 | | 0.6 |
| Property, plant and equipment | | | **3.8** | | | **4.3** |
| | 10/31/2011 | 10/30/2012 | (0.0) | 1.6 | 0.0% | 1.7 |
| | | | (0.0) | 17.5 | 0.0% | 0.5 |
| | 6/30/2009 | 6/30/2012 | 0.0 | 2.0 | 0.0% | 1.7 |
| | 5/12/2011 | 5/12/2012 | (0.0) | 1.2 | 0.0% | 0.2 |
| | 11/28/2012 | 11/28/2015 | 3.8 | 9.5 | | |
| Non-current financial assets | | | | | | |
| **Total non-current assets pledged as collateral** | | | **5.2** | **32.0** | **16.1%** | **5.6** |
| Inventories | 11/22/2011 | 11/21/2012 | 0.0 | | | 0.6 |
| Trade receivables | | | 0.0 | | | 0.0 |
| **Total current assets pledged as collateral** | | | **0.0** | | | **0.6** |

### 33.2.3. Individual training entitlement

Pursuant to French Law no. 2004-391 of May 4, 2004 on vocational training, all employees of the Group's French companies receive a 20-hour training credit each year, which can be accumulated over six years and is capped at 120 hours. Any training courses followed within the framework of this training entitlement are deducted from the number of training hours accumulated.

The total unused cumulative training entitlement accrued by employees represented 93,389 hours as of December 31, 2012 (75,950 hours as of December 31, 2011).

### 33.2.4. Other commitments

Other commitments break down as follows:

| | Payments due by period | | | | |
|---|---|---|---|---|---|
| *(in € millions)* | Less than one year | One to five years | More than five years | Dec. 31, 2012 | Dec. 31, 2011 |
| Confirmed lines of credit | | 300.0 | | 300.0 | 300.0 |
| Letters of credit | 24.4 | | | 24.4 | 2.8 |
| Discounted notes not yet due | 2.3 | | | 2.3 | 4.5 |
| Sale of receivables – other programs | | | | 0.0 | 0.0 |
| Other guarantees received | 6.9 | 11.1 | 30.2 | 48.2 | 39.8 |
| **Total commitments received** | **33.6** | **311.1** | **30.2** | **374.9** | **347.2** |
| Bank guarantees | 51.7 | 3.8 | | 55.6 | 10.4 |
| Rent guarantees, property guarantees | 10.2 | 0.0 | 0.1 | 10.3 | 7.4 |
| Tax guarantees | 0.2 | | | 0.2 | 0.0 |
| Customs securities | 48.6 | 15.9 | 0.2 | 64.7 | 52.2 |
| Other commitments | 595.0 | 16.6 | 2.7 | 614.2 | 622.4 |
| **Total commitments given** | **705.7** | **36.3** | **2.9** | **745.0** | **692.3** |

Other commitments relate mainly to letters of credit provided on behalf of suppliers, in order to guarantee the Group's compliance with its contractual obligations.

The confirmed credit line commitment reflects the amount of the syndicated loan, on which €90.0 million had been drawn down as of December 31, 2012.

To the best of the Group's knowledge, there are no other significant commitments given or contingent liabilities.

### 33.2.5. Other guarantees given

CFAO has given a guarantee to four banks mainly regarding the representations made in the various documents prepared in connection with its stock market listing (offering circular and prospectus).

## 33.3. Dependence on patents, licenses and supply contracts

The Group is not significantly dependent on any patents, licenses or supply contracts.

However, a significant portion of CFAO's product range is geared to several "strategic" suppliers. Generally speaking, the Group's distribution activities require it to enter into short- and medium-term agreements. In light of the number of suppliers and the volumes purchased, the Group considers that it is significantly dependent on its main suppliers.

## 33.4. Litigation

Group companies are involved in a number of lawsuits or disputes arising in the normal course of business, including litigation with tax, social security and customs authorities. Provisions have been set aside for the probable costs, as estimated by the Group's entities and their counsel. According to the Group's legal counsel, no litigation currently in progress is likely to have a material impact on normal or foreseeable operations or the planned development of the Group or any of its subsidiaries. The Group believes there is no known litigation likely to have a potential material impact on its net assets, activity or financial position that is not adequately covered by provisions recorded at the end of the reporting period.

No litigation that the Company considers as well grounded, taken alone, is material for the Company or the Group.

No litigation or arbitration that the Company considers as well grounded, taken alone, has had in the recent past or is likely to have a material impact on the financial position, the activity or the results of the Company or of the Group.

## NOTE 34 TRANSACTIONS WITH RELATED PARTIES

### 34.1. Party exercising significant influence over the Group

Up until December 4, 2009, CFAO was controlled by Discodis, which in turn is wholly-owned by PPR. Discodis owned 99.93% of CFAO's capital and 99.93% of its voting rights up to that date.

On December 4, 2009, Discodis sold a 57.94% interest in CFAO in connection with CFAO's initial public offering.

In 2011, a dividend of €21.2 million was paid to Discodis in respect of 2010.

In 2012, a dividend of €22.2 million was paid to Discodis in respect of 2011.

Toyota Tsusho Corporation owns 98.2% of the CFAO Group's voting rights, further to its tender offer on CFAO shares in 2012. At December 31, 2012, no related-party transactions had been entered into with the new owner.

### 34.2. Associates

In the normal course of business, the Group enters into transactions with associates on an arm's length basis.

The main transactions with associates are summarized in the following table:

| *(in € millions)* | Dec. 31, 2012 | Dec. 31, 2011 |
|---|---|---|
| Non-current loans and receivables due from non-consolidated investments | 3.0 | 3.2 |
| Trade receivables | 15.9 | 16.5 |
| Other current assets | | |
| Other current liabilities | 14.3 | 12.3 |
| Sales of goods and services | 14.7 | 16.7 |

### 34.3. Management remuneration

The table below shows remuneration paid to members of the Management Board and Executive Committee:

| *(in € millions)* | 2012 | 2011 |
|---|---|---|
| Short-term benefits | 13.8 | 10.3 |
| Post-employment benefits | 0.4 | 0.2 |
| Other long-term benefits | | |
| Share-based payment | 1.3 | 1.0 |
| Termination payments | 3.2 | 1.1 |
| Total | 18.7 | 12.6 |

Short-term benefits relate to amounts recognized during the year and include employer taxes.

At December 31, 2011, and throughout 2012, the Executive Committee comprised the same 20 members. Further to the TTC transaction, the Committee now comprises 21 members.

## NOTE 35 SUBSEQUENT EVENTS

No subsequent events had a material impact on the consolidated financial statements for the year ended December 31, 2012.

## NOTE 36 LIST OF CONSOLIDATED COMPANIES AS OF DECEMBER 31, 2012

The list of Group subsidiaries is as follows:

| Consolidation method | Full consolidation | F |
|---|---|---|
| | Equity method | E |

| Companies | % interest Dec. 31, 2012 | | Dec. 31, 2011 | |
|---|---|---|---|---|
| **CFAO** | **Parent company** | | | |
| CFAO | F | 100.00 | F | 100.00 |
| **France** | | | | |
| ACTIDIS | F | 99.68 | | |
| CIDER-ACDM | Disolved | | E | 34.87 |
| CONTINENTAL PHARMACEUTIQUE | F | 83.25 | F | 83.12 |
| COTAFI | F | 100.00 | F | 100.00 |
| ECS | F | 99.68 | | |
| PROPHARMED FRANCE | E | 34.87 | E | 34.87 |
| DOMAFI | F | 100.00 | F | 100.00 |
| E.P. DIS | F | 99.68 | F | 99.68 |
| EP HEALTHCARE SERVICES | F | 99.68 | F | 100.00 |
| RESSOURCETHICA | E | 34.89 | E | 34.89 |
| EURAPHARMA | F | 99.68 | F | 99.68 |
| GEREFI | F | 100.00 | F | 100.00 |
| HDS | F | 100.00 | F | 100.00 |
| HOLDEFI | E | 24.27 | E | 24.27 |
| HOLDINTER | F | 100.00 | F | 100.00 |
| HOLDINTER AND CIE | F | 100.00 | F | 100.00 |
| PROMOTION DT | E | 34.87 | E | 34.87 |
| SECA | F | 99.69 | F | 99.69 |
| SEI | F | 100.00 | F | 100.00 |
| SEP | F | 100.00 | E | 49.00 |
| SEROM | F | 99.90 | F | 99.90 |
| SEVRAFI | F | 100.00 | F | 100.00 |
| SFCE | F | 100.00 | F | 100.00 |
| **United Kingdom** | | | | |
| EURAFRIC TRADING COMPANY LIMITED | F | 100.00 | F | 100.00 |
| MASSILIA HOLDINGS LIMITED | F | 100.00 | F | 100.00 |
| **Switzerland** | | | | |
| PROPHARMED INTERNATIONAL | E | 34.87 | E | 34.87 |
| VECOPHARM | F | 69.68 | F | 69.68 |
| EURALAB | F | 99.66 | F | 99.66 |
| **French overseas departments and territories** | | | | |
| ALMAMETO (New Caledonia) | F | 74.04 | F | 74.04 |
| CMM (Reunion) | F | 98.28 | F | 98.28 |
| CMR (Reunion) | F | 100.00 | F | 100.00 |
| CP HOLDING (New Caledonia) | F | 74.00 | F | 74.00 |
| EPDEP (French Antilles) | F | 83.25 | F | 83.12 |
| EPDEP (Reunion) | F | 83.25 | F | 83.12 |
| INTERMOTORS (New Caledonia) | F | 74.26 | F | 74.26 |
| LABOREX SAINT MARTIN (French Antilles) | F | 73.89 | F | 73.89 |
| LOCAUTO (New Caledonia) | E | 36.27 | E | 36.27 |
| MENARD AUTOMOBILE (New Caledonia) | F | 74.01 | F | 74.01 |
| NCCIE (Guiana) | F | 100.00 | F | 100.00 |
| NEW CALEDONIA MOTORS (New Caledonia) | F | 74.00 | F | 74.00 |
| OCDP (New Caledonia) | E | 33.11 | E | 33.11 |
| PERFORMANCE AUTOS (French Polynesia) | F | 100.00 | F | 100.00 |
| PRESTIGE AUTO SERVICE (French Polynesia) | F | 100.00 | F | 100.00 |
| PRESTIGE MOTORS (New Caledonia) | F | 74.01 | F | 74.01 |
| PRESTIGE LEASE | E | 36.26 | E | 36.26 |
| SAPAS (New Caledonia) | F | 74.00 | F | 74.00 |
| SCI DUBAIN LOTI (French Polynesia) | F | 100.00 | F | 100.00 |
| SEIGNEURIE OCEAN INDIEN (Reunion) | E | 49.00 | E | 49.00 |
| SOCIETE PHARMACEUTIQUE DES CARAIBES (French Antilles) | F | 81.74 | F | 81.74 |
| SOREDIP (Reunion) | F | 67.36 | F | 67.29 |
| SPA (French Antilles) | F | 47.86 | F | 47.86 |
| SPG (French Guiana) | F | 55.97 | F | 55.61 |
| TAHITIPHARM (French Polynesia) | F | 88.67 | F | 88.68 |

| Companies | | % interest Dec. 31, 2012 | | Dec. 31, 2011 |
|---|---|---|---|---|
| **Denmark** | | | | |
| GIN INVEST 1APS | F | 74.76 | | |
| HEQ | F | 74.76 | | |
| MIFAMED APS | F | 74.76 | | |
| MIFAMED HOLDING | F | 74.76 | | |
| MISSIONPHARMA AS | F | 74.76 | | |
| MISSION PHARMA LOGISTIC INDIA | F | 74.76 | | |
| MISSION PHARMA PROPERTIES AS | F | 74.76 | | |
| P GINNERUP APS | F | 74.76 | | |
| PHARMA DANICA AS | F | 74.76 | | |
| **Portugal** | | | | |
| STOCKPHARMA | F | 79.75 | | |
| **Algeria** | | | | |
| ALBM/CFAO TECHNO | F | 99.84 | F | 99.84 |
| ASIAN HALL ALGERIE | F | 100.00 | F | 100.00 |
| BAVARIA MOTORS ALGERIE | F | 100.00 | F | 100.00 |
| DIAMAL | F | 60.00 | F | 60.00 |
| EPDIS ALGERIE | F | 69.78 | F | 59.81 |
| PROPHARMAL | F | 48.84 | F | 49.00 |
| **Angola** | | | | |
| LABOREX ANGOLA | F | 94.66 | F | 94.66 |
| SONCAR | F | 79.00 | F | 79.00 |
| **Benin** | | | | |
| CFAO MOTORS BENIN | F | 99.27 | F | 99.27 |
| PROMO - PHARMA | F | 50.83 | F | 50.83 |
| **Burkina Faso** | | | | |
| CFAO MOTORS BURKINA | F | 73.09 | F | 73.09 |
| CFAO TECHNO BURKINA | F | 100.00 | F | 100.00 |
| LABOREX BURKINA | F | 86.43 | F | 86.33 |
| **Cameroon** | | | | |
| CAMI | F | 67.41 | F | 67.41 |
| COMPAGNIE EQUATORIALE DES PEINTURES | E | 24.19 | E | 24.19 |
| CFAO TECHNO CAMEROUN | F | 89.19 | F | 89.19 |
| ICRAFON SOCIETE INDUSTRIELLE DES CRAYONS | F | 52.00 | F | 52.01 |
| LABOREX CAMEROUN | F | 65.31 | F | 65.31 |
| SOCADA | F | 100.00 | F | 100.00 |
| CFAO EQUIPEMENT CAMEROON | F | 100.00 | F | 100.00 |
| SUPERDOLL | E | 45.00 | E | 45.00 |
| **Central African Republic** | | | | |
| CFAO MOTORS RCA | F | 100.00 | F | 100.00 |
| **Congo** | | | | |
| BRASSERIES DU CONGO | F | 50.00 | F | 50.00 |
| CFAO CONGO | F | 100.00 | F | 100.00 |
| LABOREX - CONGO | F | 76.08 | F | 76.08 |
| **Côte d'Ivoire** | | | | |
| CFAO COTE D'IVOIRE | F | 95.80 | F | 96.38 |
| CFAO TECHNO CI LTD | F | 100.00 | F | 100.00 |
| CIDP TOYOTA CI | Merger | | F | 100.00 |
| COPHARMED CI | F | 59.62 | F | 59.62 |
| MANUFACTURE IVOIRIENNE DES PLASTIQUES | F | 100.00 | F | 100.00 |
| SARI | Merger | | F | 89.77 |
| SGI | F | 100.00 | | |
| CFAO EQUIPEMENT CI | F | 100.00 | F | 100.00 |

| Companies | | % interest Dec. 31, 2012 | | Dec. 31, 2011 |
|---|---|---|---|---|
| **Egypt** | | | | |
| SICEP SOCIETE INDUSTRIELLE DES CRAYONS | Disposal | | E | 30.77 |
| **Gabon** | | | | |
| CFAO MOTORS GABON | F | 96.87 | F | 96.87 |
| CFAO TECHNO GABON LTD | F | 100.00 | F | 100.00 |
| KIA GABON | F | 100.00 | F | 100.00 |
| SOCIETE PHARMACEUTIQUE GABONAISE | F | 51.20 | F | 51.85 |
| CFAO EQUIPEMENT GABON | F | 100.00 | F | 100.00 |
| **Gambia** | | | | |
| CFAO GAMBIA | F | 78.98 | F | 78.98 |
| **Ghana** | | | | |
| CFAO (GHANA) LIMITED | F | 94.43 | F | 93.99 |
| CFAO GHANA EQUIPEMENT | F | 100.00 | F | 100.00 |
| CFAO RETAIL LTD | F | 94.43 | F | 93.99 |
| GOKALS LABOREX GHANA | F | 54.83 | F | 54.83 |
| PENS AND PLASTICS (GHANA) LIMITED | F | 100.00 | F | 100.00 |
| **Guinea-Bissau** | | | | |
| CFAO GUINEE BISSAU | F | 100.00 | F | 100.00 |
| **Guinea-Conakry** | | | | |
| CFAO GUINEE | F | 100.00 | F | 100.00 |
| LABOREX GUINEE | F | 71.66 | F | 71.66 |
| **Equatorial Guinea** | | | | |
| CFAO MOTORS GUINEA ECUATORIAL | F | 100.00 | F | 100.00 |
| **Mauritius** | | | | |
| EASTPHARMA LTD | F | 99.68 | F | 99.68 |
| CAPSTONE | F | 100.00 | F | 100.00 |
| CAPSTONE INTERNATIONAL | F | 60.00 | F | 60.00 |
| ELDO MOTORS LIMITED | F | 100.00 | F | 100.00 |
| ELDO MOTORS INTERNATIONAL | F | 100.00 | F | 100.00 |
| INTERCONTINENTAL PHARM | F | 54.83 | F | 54.83 |
| IMC | F | 100.00 | F | 100.00 |
| MASCAREIGNE DE PARTICIPATION | F | 100.00 | E | 48.99 |
| **Kenya** | | | | |
| DT DOBIE KENYA | F | 100.00 | F | 100.00 |
| E.P.D.I.S KENYA LIMITED | F | 99.68 | F | 99.68 |
| KVM | E | 32.50 | | |
| LABOREX KENYA | F | 99.68 | F | 99.68 |
| CICA MOTORS KENYA LIMITED | F | 100.00 | F | 100.00 |
| **Madagascar** | | | | |
| AUSTRAL AUTO | F | 100.00 | E | 48.98 |
| NAUTIC ILES | | | E | 24.01 |
| SICAM | F | 55.91 | E | 27.39 |
| SIGM | F | 99.96 | E | 48.93 |
| SIRH | F | 100.00 | E | 49.00 |
| SME | F | 99.00 | E | 48.50 |
| SOCIMEX | F | 100.00 | E | 49.00 |
| SOMADA | F | 56.00 | E | 27.43 |
| SOMAPHAR | F | 89.30 | F | 89.17 |
| **Malawi** | | | | |
| CFAO MALAWI LIMITED | F | 100.00 | F | 100.00 |
| CICA MOTORS MALAWI | F | 100.00 | F | 100.00 |
| **Mali** | | | | |
| CFAO MOTORS MALI | F | 90.00 | F | 90.00 |
| CFAO TECHNO MALI | F | 100.00 | F | 100.00 |
| IMACY | F | 100.00 | F | 100.00 |
| LABOREX MALI | F | 55.76 | F | 56.11 |

| Companies | | % interest Dec. 31, 2012 | | Dec. 31, 2011 |
|---|---|---|---|---|
| **Morocco** | | | | |
| ASIAN HALL MAROC | F | 100.00 | F | 100.00 |
| CFAO MOTORS MAROC | F | 100.00 | F | 100.00 |
| SALSABILA | F | 100.00 | F | 100.00 |
| SIAB | F | 100.00 | F | 100.00 |
| DIMAC | F | 100.00 | F | 100.00 |
| **Mauritania** | | | | |
| CFAO MOTORS MAURITANIA | F | 100.00 | F | 100.00 |
| LABOREX MAURITANIE | F | 99.41 | F | 99.41 |
| **Niger** | | | | |
| CFAO MOTORS NIGER | F | 99.85 | F | 99.85 |
| LABOREX NIGER | F | 68.64 | F | 68.33 |
| **Nigeria** | | | | |
| ALLIANCE AUTOS NIGERIA | F | 100.00 | F | 99.99 |
| CFAO CICA NIGERIA LIMITED | F | 99.52 | F | 97.58 |
| ASSENE LABOREX LTD | F | 59.81 | | |
| G&I DISTRIBUTION LTD | E | 46.29 | E | 46.29 |
| CFAO EQUIPEMENT NIGERIA LTD | F | 100.00 | F | 100.00 |
| CFAO TRUCKS & TYRES NIGERIA LTD | F | 100.00 | F | 100.00 |
| CFAO NIGERIA | F | 100.00 | F | 100.00 |
| CFAO MOTORS NIGERIA LTD | F | 100.00 | F | 100.00 |
| NIGERIAN BALL POINT PEN INDUSTRIES LTD | F | 94.46 | F | 94.46 |
| SOFITAM | F | 100.00 | F | 100.00 |
| **Uganda** | | | | |
| LABOREX OUGANDA | F | 99.68 | F | 99.68 |
| CFAO MOTORS UGANDA LTD | F | 100.00 | F | 100.00 |
| **Democratic Republic of Congo** | | | | |
| CFAO MOTORS RDC | F | 100.00 | F | 100.00 |
| **Sao Tomé** | | | | |
| CFAO MOTORS STP | F | 100.00 | F | 100.00 |
| **Senegal** | | | | |
| CFAO SENEGAL | F | 89.70 | F | 89.70 |
| CFAO SENEGAL EQUIPEMENT | F | 89.83 | F | 100.00 |
| CFAO TECHNO SENEGAL | F | 100.00 | F | 100.00 |
| LABOREX SENEGAL | F | 60.72 | F | 59.98 |
| PM II | F | 100.00 | F | 100.00 |
| **Tanzania** | | | | |
| ALLIANCE AUTOS LTD (TANZANIA) | F | 100.00 | | |
| CFAO MOTORS TANZANIA LTD | F | 100.00 | F | 100.00 |
| LABOREX TANZANIE | F | 99.63 | F | 99.63 |
| **Chad** | | | | |
| CFAO MOTORS TCHAD | F | 98.11 | F | 97.99 |
| LABOREX TCHAD | F | 52.42 | F | 53.27 |
| **Togo** | | | | |
| CFAO MOTORS TOGO | F | 69.72 | F | 69.72 |
| TOGO UNIPHART | F | 59.01 | F | 62.82 |
| **Zambia** | | | | |
| CFAO ZAMBIA LTD | F | 100.00 | F | 100.00 |
| VEHICLE CENTER ZAMBIA LTD | F | 100.00 | F | 100.00 |
| **China** | | | | |
| OPENASIA EQUIPMENT LTD | F | 75.00 | F | 100.00 |
| **Vietnam** | | | | |
| AUTOMOTIVE ASIA | F | 75.00 | F | 100.00 |
| LIEN A | F | 60.00 | F | 80.00 |
| OPENASIA HEAVY EQUIPMENT LTD | F | 75.00 | F | 100.00 |
| **Zimbabwe** | | | | |
| NISSAN ZIMBABWE | F | 75.00 | F | 75.00 |
| AUTOMOTIVE DISTRIBUTOR INCORPORATED | F | 75.00 | | |