



Planned merger with the Bourbon Group in partnership with the French Fund for the Modernization of Automotive Suppliers (FMEA)

A European leader in plastic injection, Plastivaloire Group (PVL) and the Bourbon Group have approved the broad lines of the planned industrial merger of their activities as Tier 1 and Tier 2 automotive suppliers. Under the terms of the operation, Plastivaloire intends to acquire a majority stake in Bourbon Group to which it will subsequently transfer its Automotive Plastics (AP) business which will then be renamed Bourbon – Automotive Plastics.

The merger has the full support of the FMEA (French Fund for the Modernization of Automotive Suppliers) which is to become a shareholder in Bourbon – Automotive Plastics. The draft agreement has been presented to the employee unions of the two groups and remains subject to certain suspensive conditions, one of which is the approval of France's competition watchdog.

BOURBON Group, a major player in automotive plastics

Founded in 1920 and specialized in the design and manufacture of decorative parts and mechanisms for the automotive industry (gear knobs, car radio front panels, center consoles, engine covers, grille screens, wheel covers, etc.), Bourbon Group has 10 manufacturing plants, including 7 in France, 1 in the UK, 1 in Portugal and 1 in Slovakia which supply car manufacturing giants PSA, RSA, Toyota, Nissan, Mini, etc.

The group is expected to post revenues of € 204 million for 2009-2010 (financial year closed on September 30, 2010). A Tier 1 and Tier 2 automotive supplier, it currently employs a payroll of close to 2,000.

Despite its renowned expertise in technical plastic parts and reputation for excellence amongst the world's largest car manufacturers, the recent economic crisis has had a destabilizing effect on Bourbon's financial footing, prompting it to seek the strategic backing of an industrial group within its sector.

Defined in close collaboration with the FMEA, the aim of the development plan presented by Plastivaloire is to build a competitive sector leader in Europe whose innovative it can place in the service of its customer car manufacturers and automotive suppliers.

Terms of the planned merger: the FMEA will invest € 11 million in Bourbon – Automotive Plastics

As part of the planned agreement, Plastivaloire Group will transfer its Automotive Plastics (AP) business to Bourbon once it has acquired the shares of the group's owning family, with the exception of those held by its current Chairman, Mr. Claude Bourbon. The new entity, to be renamed Bourbon – Automotive Plastics, will then combine all of the group's Tier 1 and Tier 2 automotive supplier activities to become the market leader in France.

In order to give it the financial means to underpin its development, a capital increase of € 13 million will then be carried out to which PVL and the FMEA are to contribute € 2 million and € 11 million respectively. This investment by the FMEA fits perfectly with its objective to create leading suppliers as the sector undergoes increasing consolidation.

Finally, Bourbon – Automotive Plastics will be 65%-owned by PVL, 31%-owned by the FMEA and 4%-owned by Claude Bourbon. PVL Group's shareholder structure will remain unchanged.

A strategic merger that will generate numerous synergies

This project will enable Plastivaloire to virtually double in size and strategically cement its position as a Tier 1 and Tier 2 supplier for a European automotive industry with a strong upside potential, particularly in decorative plastic parts.

The new entity, Bourbon – Automotive Plastics, will be able to draw upon a solid business footing, with revenues for 2010-2011 that are conservatively estimated at € 220 million to factor in future trends on the automobile market. Priority will be given to the progressive implementation of synergies and to the optimization of the industrial performance of the division. Moreover, the pooling of purchasing volumes will also enable the group to negotiate better conditions.

PVL Group's long-term objective is to rank as a sector leader in Europe and to rapidly increase in size. With the support of the FMEA, the group is also looking into other complementary acquisitions with new partners in the plastics industry, primarily in Germany.

PVL ranks amongst the very top European manufacturers of complex plastic parts used in retail consumer products. It designs and manufactures these plastic parts as well as handling their mass production. PVL is present within the Multi-media, Automotive and Electric and Electrical appliance sectors, with 19 production sites in France, Poland, Hungary, Spain, Romania, Tunisia and Slovakia.



If you would like to receive financial information about Plastivaloire by e-mail, go to:
www.actus-finance.com

Euronext Paris,
Segment C
Number of shares:
2 765 700
ISIN FR0000051377-PVL
Reuters **PLVP.PA**
Bloomberg **PVL:FP**