

REPORT BY THE BOARD OF DIRECTORS TO THE MIXED GENERAL MEETING OF APRIL 29, 2011 SITTING AS EXTRAORDINARY GENERAL MEETING

Ladies and Gentlemen,

We have called a General Meeting sitting as Extraordinary General Meeting in order to submit a set of resolutions to you, which are directly related to the Company's share capital.

AUTHORISATION TO REDUCE THE SHARE CAPITAL BY CANCELLING SHARES

In the **tenth resolution**, it is proposed that the General Meeting authorise the Board, for a period of 18 months, to reduce the registered capital by cancelling shares acquired in the programme for the purchase of the Company's own shares. The terms for these acquisitions are those defined in the ninth resolution.

Cancelling shares causes a change in the amount of the registered capital, and consequently a change in the terms of the Articles of Association, which can only be authorised by the Extraordinary General Meeting. The purpose of this resolution is therefore to delegate such powers to the Board. This authorisation will cause any prior authorisation of the same nature to lapse, with respect to any unused amounts thereunder.

The Board did not use its power to cancel shares, as provided for in the resolution adopted by the Extraordinary General Meeting of 30 April 2010.

ALLOCATION OF STOCK OPTIONS AND PERFORMANCE SHARES

The **eleventh and twelfth resolutions** are tools to provide motivation and encourage the loyalty of members of staff.

Conceived as a real management tool, making it possible to bind individual and collective performance levels more closely together, these resolutions, in line with the

The General Meeting's authorisation is requested for a period of 38 months, i.e. until the General Meeting which decides on the financial statements for the 2013 financial year (at the latest on 29 June 2014) in order to cover the allotment of stock options and performance share pursuant to the two different programmes:

- i) on an annual basis in 2011, 2012 and 2013;
- ii) with respect to the Plan for the 2011-2013 period.

AUTHORISATION GRANTED TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL BY ISSUING SHARES RESERVED TO THE EMPLOYEES

The authorisation granted by the Mixed General Meeting of April 29, 2009, to proceed with capital increases reserved to employees within a limit of 1,5 % of the share capital, has not been used.

As this Extraordinary General Meeting is being called upon to decide on the grant of powers with a view to increasing the Company's share capital, then, in accordance with Article L. 225-129-6 of the French Commercial Code, we are asking the General Meeting to adopt a resolution concerning a capital increase reserved to employees in the framework of Articles L. 3332-18 of the French Employment Code on employee shareholding, and Articles L. 225-138 and L. 225-138-1 of the French Commercial Code.

Consequently, by this **thirteenth resolution**, we ask you to grant the Board powers to proceed, on one or more occasions, with a capital increase reserved to employees who are members of a company savings scheme, by issuing new shares and, where applicable, the award of bonus shares, within a limit of 1 % of the amount of shares making up the registered capital.

We ask you to approve all of the resolutions, which are submitted to your vote, after you have heard the reading of the special report by the Statutory Auditors.

The Board of Directors