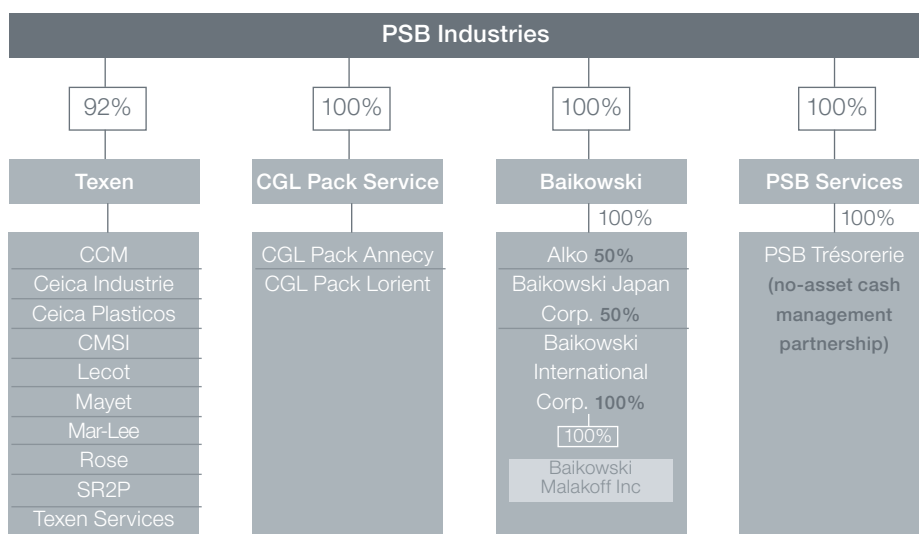


psb industries

**2009 extract of
financial report**

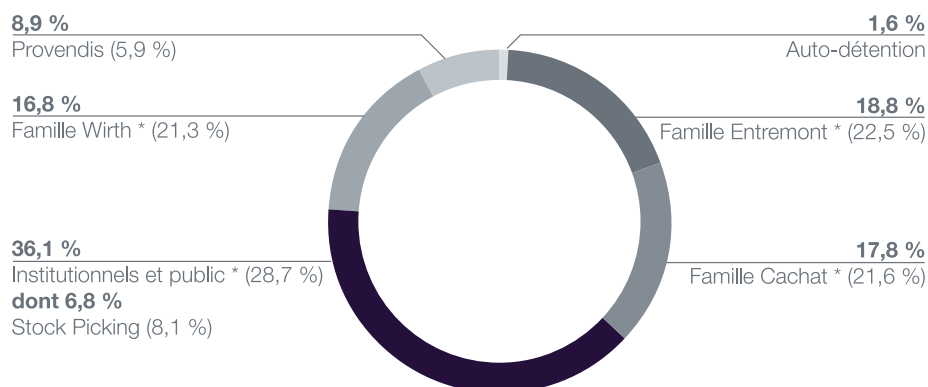
structure of psb industries

1. SIMPLIFIED ORGANIZATION



2. OWNERSHIP STRUCTURE IN % OF CAPITAL

In compliance with section L.233-13 of the French Commercial Code and in light of information received as per sections L.233-11 and L.233-12 of the same Code, we declare the principal shareholders or shareholder groups to be as follows:



* acting jointly

(in % of voting rights): registered stock held by the same owner for at least three years carry double voting rights

3. STOCK EXCHANGE LISTING

3.1

Data market

Description

Capital stock	7,350,000
Date of initial public offering	1955
ISIN Code	
FR0000060329	
ICB Classification	2000 (Industries)
NYSE Euronext Paris	C Compartment
Reuters code	PSBP.PA
Bloomberg code	PSB FP

Starting July, 2005 and for a one-year term renewable by tacit agreement, PSB Industries has given Oddo Midcap a liquidity contract that complies with the AFEI code of conduct approved by the French stock exchange authority (AMF) on March 22, 2005.

	2009	2008	2007
Number of shares	3,675,000	3,675,000	3,675,000
Number of shares traded	329,878	313,815	239,010
Total volume traded (in €000)	5,143	7,375	10,024
Highest share (in €)	18.84	42.05	46.32
Lowest share (in €)	10.80	11.02	36.60
Last share of the year (in €)	16.20	12.40	42.00
Market capitalization on 12/31/09 (in €000)	59	45	154
Average volume traded per session (in €000)	20	29	39

3.2

Data per share (in euros)

These figures are calculated based on the average number of treasury shares held by the Company.

	2009	2008	2007
Shareholder's equity	19.50	19.31	18.76
Earning per share	1.26	1.92	2.91
Dividend	*1.00	1.15	1.40

* This amount will be proposed to the annual regular and extraordinary shareholders meeting on may 25, 2010.

On December 23, 2009, acting in conformity with Article L232-12, paragraph 2 of the French Commercial Code and R232-17 of this code, the Board declared an interim dividend of €1,837,500 or €0.50 on each of the 3,675,000 shares of capital stock, to be counted against the dividend that will be paid for the year ending December 31, 2009.

This interim dividend was made payable at the registered corporate office as of January 29, 2010.

An interim dividend of €0.65 per share was paid out in January 2008.

3.3

Evolution of the share price in 2009 (in euros)



corporate governance

1. THE BOARD OF DIRECTORS

M. Jean-Baptiste Bosson, chairman

M. Jean-Claude Cachat, Jacques Entremont, François-Xavier Entremont permanent representative of MB Investissement, Roger Rosnoble, Alain Wirth, managers

	Nationality	year sold	Date of the 1 st appointed	Date term expires*
JB. Bosson	French	67	1991	Shareholders Meeting in 2015
JC. Cachat	French	73	1978	Shareholders Meeting in 2011
J. Entremont	French	70	1984	Shareholders Meeting in 2014
FX. Entremont	French	38	2009	Shareholders Meeting in 2015
R. Rosnoble	French	69	1984	Shareholders Meeting in 2014
A. Wirth	French	66	1984	Shareholders Meeting in 2014

* to act upon the financial statements of the previous year

1.1

Term of office and duties of chairman

1.1.1

Position held with PSB Industries :

- permanent PSB Industries representative to the boards of Baikowski and Texen,
- director of CGL Pack Service,
- manager of PSB Services,
- permanent representative of PSB Services as a director of PSB Trésorerie cash management partnership.

1.1.2

Positions held outside of PSB Industries :

- member of the Supervisory Board of Siparex Croissance, of Sigefi Nord Gestion and of Siparex Development,
- chairman and director of Lyon Pôle Bourse,
- director of Lyon place financière et tertiaire,
- manager of Kidder Minster.

1.1.3

Previous positions and offices (relinquished in the last five years) :

- Permanent PSB Industries representative to the boards of CGL Pack Lorient and of CGL Pack Service.

1.2

Term of office and duties of managers

1.2.1

Positions held with PSB Industries:

- M. Alain Wirth

- executive vice-president,
- chairman of CGL Pack Annecy, CGL Pack Service, CGL Pack Lorient,
- director of Baikowski and Texen.

1.2.2

Positions held outside of PSB Industries :

- M. Jean-Claude Cachat

- chairman of the Board of Odes immobilier,
- chairman of the Supervisory Board of Sivalbp,
- manager of Jeanchrigest, Juligest, Emmagest, Jemagest and of Majest,
- manager of the «société de participation au développement de l'économie savoyarde (SPADES)».

- M. Jacques Entremont

- manager of «Société Anonyme Gestion Immobilière et de Réalisation commerciale (SAGIR)»,
- member of the supervisory board of Banque de Vizille and of Comptoir Savoyard de Distribution (CSD).

- M. François-Xavier Entremont

- CEO and Chairman of SAGIR,
- Joint managing partner of MB Investissement.

- M. Roger Rosnoble

- director of Banque Populaire des Alpes,
- member and chairman of the supervisory board of Comptoir Savoyard de Distribution (CSD),
- chairman of Genevois Distribution, of Provendis and of Thônes distribution,
- vice-chairman of Stefano,
- general manager of Alpadistri, of Bernard, of Douvaine distribution, of Duparc and Geslin, of Proxima and of Provencia Novel,
- chairman of the board and general manager of Faraglia and of Mitaz distribution,
- permanent representative of Provendis, which acts as Chairman of: Provencia Novel, of société d'exploitation Provencia, of Proved, of Val 4 and of Procared,
- manager of Sodevim,
- manager of Anthy, du Buis, de la Brunette, la Crusaz, Hélémanique, Latour, Margencel, des Mouettes, du Puy Saint Martin, les Roses, les Salines, de la Vénétie, le Vorgeray, and of C.Pro.

- M. Alain Wirth

- manager of Wapi, Wara, Finawi, Raf, HPF, La Rapière and of du Palais.

1.2.3

Previous positions and offices (relinquished in the last five years):

- M. Jean-Claude Cachat

- manager of Banque Laydernier, of TV8 Mont-Blanc and of CGL Pack Lorient,
- chairman of the supervisory board of Sopreda 2,
- chairman of Annecy Evénements.

- M. Jacques Entremont

- chairman of the Supervisory Board of Entremont group,
- director of Finance and Management,
- permanent representative of Entremont group, which was manager of Sainte Catherine and director of Juragruyère
- manager of Fimoncey.

- M. Roger Rosnoblet

- chairman of Chamtour, of société d'exploitation Provencia and of Provencia novel,
- general manager of Val 4,
- manager of Chauvets.

- M. Alain Wirth

- chairman of Relais Industries,
- legal representative of CGL Pack Service, which acts as Chairman of Inpack, of Maletras thermoformage and of CGL Pack Chalon (dissolved in June 2007).

1.3**Compensation (in euros)****1.3.1****Summary of cash compensation, stock options and restricted stock awarded to each executive corporate officer**

2009 Exercise	JB. Bosson	A. Wirth
Compensation for the reporting period	293,180	88,600
Value of options granted during the reporting period	NA	NA
Value of restricted stock incentives awarded during the reporting period	NA	NA
Total	293,180	88,600

2008 Exercise

Compensation for the reporting period	290,057	88,600
Value of options granted during the reporting period	NA	NA
Value of restricted stock incentives awarded during the reporting period	NA	NA
Total	290,057	88,600

1.3.2**Summary of the compensation of every executive corporate officer**

2009 Exercise	JB. Bosson	A. Wirth
Fixed compensation	274,161	60,000
Flexible compensation	-	-
Bonus	-	-
Director's fees	16,000	16,000
Perquisites*	3,019	12,600
Total	293,180	88,600

2008 Exercise

Fixed compensation	269,104	60,000
Flexible compensation	-	-
Bonus	-	-
Director's fees	16,000	16,000
Perquisites*	4,953	12,600
Total	290,057	88,600

* Perquisites refer to the use of a company car.

The compensation given to the executive corporate officer for his or her services during the period, regardless of when paid and the total compensation paid to the executive corporate officer for his or her services during the period are similar.

1.3.3

Director's fees paid

	2009	2008
Jean-Baptiste Bosson	16,000	16,000
Jean-Claude Cachat	16,000	16,000
Jacques Entremont	16,000	16,000
MB Investissement	-	NA
Roger Rosnoblet	16,000	16,000
Alain Wirth	16,000	16,000

2. RULES OF GOUVERNANCE

It is the active policy of PSB Industries to make its corporate governance transparent, including the compensation paid to all its senior executives.

At its meeting of December 12, 2008, the Board of Directors heard the AFEP-MEDEF recommendations of October 06, 2008 concerning the compensation of executive corporate officers in publicly owned companies. The Board believes these recommendations pertain to the Company's corporate governance. It therefore voted to have the Company comply with the AFEP-MEDEF Code as amended by these recommendations. However, as all Board members are majority shareholders that live and work in Annecy, France, it was not thought necessary to form such Board committees as an Internal Auditing and Accounting Committee, a Compensation Committee and an Appointment Committee.

Pursuant to article L823-19 and subsequent of the French Commercial Code, the Board of Directors has decided to fulfill the duties of the audit committee.

The Directors are appointed by the Shareholders Meeting for terms of six years.

All the terms are staggered to provide continuity of membership.

There are no non-executive directors on the Board. The Chairman of the Board is responsible for the general management of PSB Industries with no specific limitation of powers.

In addition, since 2008 PSB Industries has had a Code of Conduct, so as to base our growth on a set of values and principles that clearly establish our commitment to ethical and responsible behavior in all our businesses.

3. SPECIAL PROVISIONS FOR SHAREHOLDERS' PARTICIPATION IN ANNUAL MEETINGS

Article 33 of the Company By-laws specifies how a shareholder may take part in shareholders' meetings, to wit:

- Any shareholder is entitled to participate in or be represented at shareholders' meetings, regardless of how many shares he or she owns, provided his or her registered shares are fully paid up, taking into account any relevant provisions of law, and registered in his or her name at least five days before the meeting. He or she is then admitted simply with proof of identity. A shareholder who owns bearer shares must, at least five days before the meeting, deposit at the Company's registered office either the shares themselves or a receipt certifying that they are on deposit at a bank, financial institution or brokerage firm.

The Board of Directors may shorten these time periods provided they are shortened for all shareholders equally.

- In the event voting rights are stripped from share ownership, then only the holder of the voting rights may take part in or be represented at the meeting.
- Co-owners of undivided shares are represented at the shareholders' meeting by either one of the owners. In cases where the owners cannot agree, a single proxy agent shall be appointed by the chief judge of the commercial court, via a summary order upon request of whichever owner acts first.
- Any holder of stock of a given class may take part in special meetings of shareholders of that class, under the foregoing conditions.
- Shareholders who have pledged their stock and wish to take part in a meeting need to request that their pledgee deposit the pledged shares as indicated in the first paragraph above. Such deposit is at the pledgor's expense.
- A shareholder may be represented only by his or her spouse or by another shareholder holding his or her proxy.

4. GENERAL MANAGEMENT

It's composed of a chairman and CEO M. Jean-Baptiste Bosson, a chief operating officer, M. Alain Wirth and a financial director, M. Didier Mangin.

the chairman's report

In compliance with Article L.225-37 of the French Commercial Code, this report from the Chairman of the Board of Directors explains the preparation and organization of the Board's work and the internal control systems that are in place at the Company.

1. HOW THE WORK OF THE BOARD IS PREPARED AND ORGANIZED

Information concerning the make-up of the Board and the renewal of Directors' terms can be found in the «Corporate Governance» section page 8. It should be remembered that since September 1, 2009, the Board of Directors has fulfilled the duties of the audit committee (i.e.; exercising the duties defined by article L.823-19 of the French Commercial Code). The members of the Board of Directors meet on a schedule set at the start of the financial period, which can be altered as the need arises or upon the request of Directors. The Board is convened by a letter sent 15 days prior to the meeting. After each meeting, minutes are drawn up and a draft of them is sent to each member ; the minutes are adopted at the beginning of the next meeting. In 2009, the Board met six times, with an attendance rate of 74%, to approve the yearly and half-yearly financial statements and to review the quarterly financial statements. Seven other Directors' meetings were held to take up the following subjects: budget planning, wages, asset disposals, strategic decisions, technological developments and more. In the course of such meetings, the Group's senior managers explain the operations carried on in the three business units, accompanied if need be by top management from the various business units. The PSB Board of Directors makes its opinion known on all decisions concerning the major strategic, business, employee-related, financial and technological policies of the company and ensures that these decisions are carried out by business unit management.

The Board is assisted in its work by a strategy committee and a compensation committee. The strategy committee includes all the Directors and is specifically charged with debating the direction and positioning of the various business units in terms of investments and disinvestments, alliances and partnerships, and new product and business development. The compensation committee is made up of three Directors. It deals with the compensation and benefits of all kinds that are paid to officers of the company.

Additionally, once a month the Directors receive reports on the activities of the various business units and related companies and on our stock market activity, as well as media clippings about all Group companies.

The Board is not governed by an internal policy statement and includes no independent non-executive Directors. The Chairman of the Board is responsible for the general management of PSB Industries, with no specific limitation of powers.

2. INTERNAL CONTROL

Following the recommendations of France's stock exchange authority, AMF, this report was written by applying the simplified guidelines for creating a reference document on internal controls.

PSB Industries' control system is meant to ensure that :

- All actions by management, all operations and all conduct comply with the law and regulations and with our corporate values, standards and policies ,
- The instructions and strategic direction determined by senior management and the Board of Directors are carried out ,
- The company's internal processes run smoothly, especially those safeguarding the company's assets,

- Financial data are reliable,
- Risks arising from the Group's business operations are prevented or contained,
- Its operations are effective and its resources used efficiently.

However, like any control system, this one cannot provide an absolute guarantee that risks will be totally eliminated and only provides reasonable assurance as to the achievement of its objectives.

2.1

The corporate internal control system

This report covers all Group companies. Our Japanese subsidiary consolidated by the equity method has its own reporting system, appropriate to its decentralized structure. The Group is nonetheless able to oversee this subsidiary through monthly sales reports and complete quarterly financial reports, together with periodic marketing and strategy meetings. The Group's auditors examined the Japanese subsidiary's financial statements during 2009 as part of implementing an annual audit beginning with FY2010. The summary information presented in this report regarding our internal control system focuses on those material elements which are liable to have an impact on the financial and accounting information published by the Group.

2.1.1

Organization and persons involved

PSB Industries is made up of three business units covering three distinct lines of business. Each business unit groups together 3 to 10 small or medium-size companies of from 9 to 217 people each. Heading up each business unit is an autonomous management team responsible for implementing the decisions made by Group senior management. The top management of each line of business organizes and supervises the control system within its delegated scope, in cooperation with PSB Industries' finance department. The senior managers of the business lines rely on the senior managers of the companies under them, as well as on the quality directors and the managerial staff.

This organization makes use of tools, practices and systems such as ISO reference documents, the budgeting process, management reporting systems, risk management groups, various procedures and specific management information systems.

2.1.2

Diffusion of relevant, reliable information

The size of our companies enables information to circulate rapidly, people to be responsive and the key individuals in the Group to be clearly identified. Thus within each business unit, committees of decision-makers hold weekly, bi-weekly or monthly meetings. These committees guide their business unit, always careful to identify, prevent and manage all the risks that may arise in the course of their business.

This analysis of operations is supplemented by further processes involving the senior management of the Group, including our budgeting process, reporting process and monthly business reviews.

The budgeting process brings together Group senior management with business unit senior management in November. During these meetings, the business units present their budgets and plans for approval by the parent company. What comes out of this are the capital expenditures, financial investments and strategic and business objectives that are to be implemented. Any commitment of funds deviating from the budget authorization must first receive approval at the appropriate level. The budget is broken down by month, so it can serve as a benchmark for the Group's monthly reporting system.

The monthly reporting system has two phases. The first is a reporting, two days after closing, of sales for each company. Then, five days after close, each company draws up a detailed income statement. These income statements are first analyzed by the top

management of each business unit, then sent to the parent company of the Group for a second analysis.

Both budgeting and reporting processes include several levels of control, since they are set up by decentralized companies and then centralized by the business unit and Group finance departments.

The third type of oversight provided by senior management over the subsidiaries consists of the monthly performance reviews. These bring together the Chief Executive of the Group and the General Managers of each business unit. Their purpose is to analyze monthly performance, working capital requirements, capital expenditures and the updated forecasts.

In addition, the risk management group, in cooperation with Group companies, updates a risk map for PSB Industries.

These processes, related to the specific organization of PSB Industries, allow an on-going analysis of the risks of each business unit and the rapid dissemination of reliable information throughout the Group.

2.1.3

Establishment of a risk management system

The risk management unit was enlarged this year. It is tasked with updating PSB Industries' risk map.

This process is related to the specific organization of PSB Industries. It allows an on-going analysis of the risks of each line of business and the rapid dissemination of reliable information in the Group.

■ The premises of our risk management

In its various businesses PSB Industries applies a risk management policy based on personal safety, environmental protection, customer satisfaction and asset protection.

The Group's Finance Department, working with the senior management of each Business Unit, surveys and ranks the risks of any type which might keep the Group from attaining our objectives or affect our assets. The ranking weighs probability of occurrence, impact (both financial and non-financial) and manageability, resulting in a risk map by line of business. Action plans to limit these risks are then created and updated to factor in regulatory, technological and business changes.

■ The risk-mapping process: identification and analysis

This year the Group gave our risk map a thorough updating, with input from top management and key executives from each of the three business units.

The process made use of a formal methodology that provided a shared vocabulary and uniform assessment criteria across the business units.

Group senior management reviewed the portfolio of assessed risks, drew from it areas for improvement and put employees to work on a number of action plans.

Risks identified at the subsidiary level relate to competition, market trends, procurement, quality, the environment, key person loss, fire, information technology, interest rates, foreign exchange and, more broadly, providing security for manufacturing operations.

■ Steps taken to manage the chief risks

To contend with these risks PSB Industries has implemented a management system combining an insurance policy covering casualty and property damage, business interruption and civil liability with control processes and procedures to limit their potential impact. Certain action plans were initiated to provide stronger coverage against these risks. This risk management system is regularly monitored by management committees at the subsidiary level and by Group top management.

■ Monitoring of risks and risk management procedures:

The mission of the risk management unit also includes leading the risk management

process within the Group and assessing how well the risk management controls are being implemented by those responsible. The Board of Directors is kept informed on a regular basis as to the leading risks identified and the broad outline of the risk management system.

2.1.4

Controls performed

In connection with their strategic objectives and their risk assessment, the Business Units have created a number of procedures and best practices intended to meet quality assurance and market requirements.

Controls are performed throughout the organization in the form of manual, computerized and managerial controls. At the operating level, personnel are trained to apply the precautionary principles of risk management in the course of their daily activities.

2.1.5

Oversight of the internal control system

Oversight of our management control system is provided through monthly operating reviews involving the general management of each business line and the Group finance department.

Moreover, in order to improve the control of Group activities, this system was rounded out in 2009 with the implementation of self-assessment controls, supervised by the Group's Finance Department. Using the internal control system as one of the means of managing risks, PSB Industries' objective has been to develop its own core internal controls and to implement internal control documentation throughout the Group. This core includes a limited set of required target controls that take the form of "best practice" on essential internal control processes and on the Group's own stakes. Group senior management can use this system to anticipate risks, secure processes and optimize performance by sharing best management practice. Oversight of the internal control system falls primarily on the Group's statutory auditors, on certified public accountants at the company level and on the regulatory bodies with jurisdiction over the Group and its companies. Furthermore, since 2007 the Group's finance department has belonged to a taskforce of mid-cap public companies which was organized to identify the best practices in the area of internal controls

2.2

Processus for accounting and financial information

The internal control system with regard to accounting and financial information is meant to ensure:

- Adherence to current accounting standards and principles,
- Monitoring of the creation of financial information,
- Reliability of the financial information prepared and reported by subsidiaries and its centralized processing at the Group level,
- Advance planning for the processing of complex accounting operations,
- Rapid and reliable accounting data reports.

2.2.1

The accounting and financial organization

The key participants in the internal financial and accounting control system are Group general management and Group and business unit financial management. Each company's accounting is done at that level by one or two full-time accountants. Each business unit includes one accounting director who oversees the accounting done within their scope. This organization makes use of tools, practices and systems such as the Group's accounting policies handbook, the budgeting process, the reporting process, certain procedures and specific management information systems.

2.2.2

The accounting and financial information system

At PSB Industries our IT staff is decentralized to the business unit level. Thus the information systems used in the different business units are separate. The software programs used are interfaced with the software for production management, asset management, payroll and consolidation, in order to limit the work that must be done manually. The controls built into these systems are kept activated, so that errors will be limited. In addition, since the last quarter of 2008, PSB Industries has aligned our internal reports with the consolidation system in order to centralize the data in one common, efficient consolidation software package. The data are saved according to clearly established backup procedures. The software is updated regularly to comply with regulations and to change in keeping with the needs of the companies.

2.2.3

Identification and analysis of risks impacting the accounting and financial data

Accounting and financial staff identify risks by category of operations. Organized measures are in place to prevent and limit risks at the operating level, and these are supplemented by an analysis of the monthly income statements as mentioned above.

The monthly analyses, moreover, are fine-tuned with more detailed quarterly analyses once the accounts have been consolidated. All data reported up the chain are prepared according to the same accounting standards, as set out in the Group accounting policies handbook. The quarterly consolidations are prepared as follows: 12 days after close the accountants from each company send to the Group finance department a set of restated accounting packages created by the consolidation software that interfaces with the accounting programs. The consolidation team checks the packages, validates the consolidation processing and analyzes the consolidated data for consistency with the monthly reporting data.

Moreover, in order to avoid the risks of new and complex accounting procedures at closing, the finance department has put measures in place to identify and analyze such risks, involving the two statutory auditors and the Group and business unit finance departments. At these meetings the accounting items that might have an impact on the financial statements are set forth and examined, and the participants approve the most appropriate way to account for them.

2.2.4

Controls performed

The existing control system depends on computerized and managerial controls, and also, given the way accounting is organized in the Group, certain self-controls. Furthermore, to back up the internal control system and to check that prevailing accounting principles and standards are being correctly applied, the Group companies' statements are checked at least twice a year by a firm of certified public accountants. PSB Industries' external auditing is handled by the firms of Mazars and Ernst and Young. As part of their assignment of certifying the financial statements, they look at the accounting and internal control systems in order to evaluate the audit risk. At that time they make recommendations on the internal control procedures and systems which could impact the quality of accounting and financial data. In our constant effort to improve the reliability of our procedures, PSB companies are instructed to adopt these recommendations.

2.2.5

Financial and accounting communications

PSB Industries applies the regulations and recommendations of the AMF (the French stock exchange authority) and enjoys an excellent relationship with that body.

The group finance department distributes a schedule to all subsidiaries for gathering the financial information necessary to meet the requirements of public disclosure and of our various internal reports. Data to be publicly disclosed are checked and analyzed by the

group finance department and reconciled with the information collected in the periodic reports. Any discrepancies found are explained. Senior management is kept informed of this work and analyzes all the public data. The public data, with commentary, are sent to the Board of Directors before being published.

3. THE STATUTORY AUDITORS

The auditors carry out the internal controls they deem necessary as part of their assignment to certify the financial statements.

Two firms, Ernst & Young et autres and Cabinet Mazars, audit PSB Industries as the lead statutory auditors.

Pascal Macioce and Philippe Bouillet are the alternate auditors.

The lead and alternate statutory auditors were appointed in 2004 until 2010 (the Shareholders' Meeting of 2010 acting on the financial statements for the year ended December 31, 2009).

2009 Exercice (in euros excl.VAT)	Ernst&Young	%	Mazars	%
■ Audit				
Certification, review of company and consolidated financial statements				
Issuer of statements	76,400	59	36,000	17
Wholly-owned subsidiaries	53,000	41	165,000	76
Other services provided by partner firms to wholly owned subsidiaries				
Issuer of statements	-	-	3,000	1
Wholly-owned subsidiaries	-	-	5,000	2
Subtotal audit	129,400	100	209,000	96
■ Other services rendered by the networks to the wholly owned subsidiaries				
Legal, fiscal and compensation & benefits	-	-	7,600	4
Others	-	-	-	-
Subtotal other services	-	-	7,600	4
Total	129,400	100	216,600	100
2008 Exercice (in euros excl.VAT)	Ernst&Young	%	Mazars	%
■ Audit				
Certification, review of company and consolidated financial statements				
Issuer of statements	84,400	62	36,000	18
Wholly-owned subsidiaries	51,400	38	157,700	77
Other services provided by partner firms to wholly owned subsidiaries				
Issuer of statements	-	-	3,000	1
Wholly-owned subsidiaries	-	-	-	-
Subtotal audit	135,800	100	196,700	96
■ Other services rendered by the networks to the wholly owned subsidiaries				
Legal, fiscal and compensation & benefits	-	-	7,500	4
Others	-	-	-	-
Subtotal other services	-	-	7,500	4
Total	135,800	100	204,200	100

auditor's opinion in application to article L.225-235 of the French Commercial Code, about the chairman's report

Period ending December 31, 2009

Dear shareholders:

In our capacity as statutory auditors of PSB Industries and pursuant to article L. 225-235 of the French Commercial Code, we hereby submit to you our opinion on the report prepared by your company Chairman in accordance with article L. 225-37 of the French Commercial Code for the fiscal year ended December 31, 2009.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report on the Company's internal control and risk management procedures, along with the other disclosures required by Article L. 225-37 of the French Commercial Code, especially with regard to corporate governance.

It is our responsibility:

- to report to you our observations on the information contained in the Chairman's report concerning those internal control and risk management procedures related to the preparation and processing of accounting and financial information, and
- to certify that this report contains the other disclosures required by Article L. 225-37 of the French Commercial Code, it being specified that it is not our responsibility to verify the truth and fairness of these disclosures.

We conducted our work in accordance with the professional standards applicable in France.

Information regarding internal control and risk management procedures related to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report regarding the internal control and risk management procedures related to the preparation and processing of the accounting and financial information. Those procedures consisted primarily in:

- obtaining an understanding of the internal control and risk management procedures related to the preparation and processing of accounting and financial information underlying the information presented in the Chairman's report, as well as the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and the existing documentation;
- determining whether any material weaknesses in the internal controls related to the preparation and processing of the accounting and financial information that we might have found in the course of our work are properly disclosed in the Chairman's report.

On the basis of these examinations, we have no comment to make on the information concerning the company's internal control and risk management procedures related to the preparation and processing of the accounting and financial information contained in the report prepared by the Chairman of the Board of Directors in accordance with article L. 225-37 of the French Commercial Code.

Other disclosures

We hereby certify that the Chairman's report includes the other disclosures required by article L. 225-37 of the French Commercial Code.

Neuilly-sur-Seine and Villeurbanne, March 24, 2010

Statutory auditors

Ernst & Young et Autres
Henri-Pierre Navas

Mazars
Max Dumoulin

management report

To the shareholders,

We have called this Regular Shareholders' Meeting, in accordance with article 44 of our bylaws and pursuant to law, to present to shareholders the results of the financial year ended December 31, 2009. The statutory auditors' reports, the discussions of accounting principles and consolidation rules as well as the following notes will provide shareholders, we hope, with all the information they need to assess the state of the Company.

1. CONSOLIDATED FINANCIAL STATEMENTS

1.1

Accounting changes

During FY2009, the Group changed the method of calculating and recognizing the provision for payments due on retirement. In accordance with the option offered by IAS 19§93, actuarial gains and losses are now recognized in shareholders' equity during the period they are incurred in, whereas they were previously recognized in earnings based on the corridor method. In addition, commitments are no longer calculated on a prorata basis to entitlements, but on a prorata basis to seniority, since this method of calculation is more suited to commitments with random entitlements, which characterize the French systems for end-of-career bonuses and rewards for long-service. This change had no impact on the income statement.

1.2

Consolidated income

Sales for FY2009 amounted to €182.7 million, down 10.9% (down 14.3% on a constant currency and scope basis). The fourth quarter 2009 posted the year's first growth (up 6.6% on a constant currency and scope basis), which seems to announce the end of inventory clearances.

In this severely deteriorated economic environment, the cost-cutting programs initiated beginning in the fourth quarter of 2008 enabled operating profit to remain clearly positive, going from 8.0% to 5.4% of sales, or €9.9 million.

The net cost of borrowing was €3.7 million, accounting for 36.9% of operating income.

Net income attributable to PSB Industries was €4.5 million, or 2.5% of sales.

Cash flow from operating activities was €21.3 million, or 11.6% of sales.

Capital expenditures reached €12.2 million, representing 6.7% of sales.

Net debt stood at €81.0 million, down €12.9 million from December 31, 2008. It represents 115% of shareholder equity (vs. 134% in 2008) and 3.8 years of cash flow. In 2009 PSB Industries obtained from Société Générale a multi-currency medium long-term line of credit of €12.5 million with a 7-year amortization. At December 31, 2009 this line of credit was not used.

■ Baikowski (specialty chemicals)

Baikowski achieved consolidated 2009 sales of €32.6 million, down 14.5% on a constant currency basis.

Operating income was at breakeven, down €2.6 million from 2008. The sharp drop in lighting and electronics markets, and the higher breakeven point following the expenditures in 2006 and 2007 to double production capacity, explain this operating income level, which could have been negative without the use of short-time working.

Cash flow from operating activities was €3.8 million and capital expenditures amounted to €1.5 million.

■ Texen (beauty packaging)

Texen achieved consolidated 2009 sales of €110.0 million, down 15.6% on a constant currency and scope basis.

Operating income was €6.9 million, or 6.2% of sales.

Cash flow from operating activities was €13.2 million and capital expenditures amounted

to €8.9 million.

The excellent performance of the Mexican subsidiary, Ceica Plásticos, whose sales increased 82.1% on a constant currency basis, and the American subsidiary, Mar-Lee, whose operating margin was close to 10%, should be highlighted.

■ CGL Pack (custom packaging)

CGL Pack achieved consolidated sales of €40.0 million, down 10.2%. This drop was primarily due to the decrease in raw material prices being passed on to our customers. Operating income amounted to €3.2 million, or 8.0% of sales.

Cash flow from operating activities was €3.9 million and capital expenditures amounted to €2.0 million.

1.3

PSB Industries' Outlook for 2010

The end of inventory clearances and the developments underway should ensure that PSB Industries' business grows overall, driven in particular by the beauty packaging business.

In light of the first months of 2010, which confirm the trend observed in the last quarter of 2009, PSB Industries' objective for FY2010 is at least 5% sales growth and improved operating profit.

1.4

Post-closing events

None

2. PARENT COMPANY FINANCIAL STATEMENTS

The Board of Directors proposes that the distributable earnings for the year, amounting to:

- Net book earnings of €3,628,479.03
 - Plus the 2009 retained earnings of €201,293.45
- for a total of €3,829,772.48

be allocated and distributed as follows:

- Distribution of €3,675,000 as dividends to shareholders
- The balance of €154,772.48 to retained earnings

Of this dividend of €1.00 per share, €0.50 was already paid as of January 29, 2009 as an interim dividend (i.e.; €1,837,500.00) in accordance with the decision of the Board of Directors on December 23, 2009. Therefore only the balance of €0.50 per share remains due (a total of €1,837,500) and shall be payable as of June 1, 2010.

In the event the Company holds some of its own shares when the dividend is paid, the distributable earnings corresponding to the unpaid dividend due to this holding of said shares will be allocated to the retained earnings account.

In addition, it is noted that dividends paid to natural persons who are French tax residents are subject to a 12.10% withholding for social security levies and to income tax after application of a 40% exemption on the dividend base, unless before receiving the dividend the beneficiary elects to have the company paying the dividend withhold the 18% flat-rate withholding tax which exempts the dividend balance from income tax.

In compliance with the provisions of Article 243(a) of the General Tax Code, the Shareholders note that over the last three periods the following dividends have been distributed:

Exercise	Dividend per share	Income eligible or not for tax reduction
12/31/2008	1.15	40% reduction when applicable
12/31/2007	1.40	40% reduction when applicable
12/31/2006	1.35	40% reduction when applicable

3. ENVIRONMENTAL DATA

In accordance with the provisions of Article L.225-102-1 paragraph 4 of the French Commercial Code, we present the information below that cover the social and environmental aspects relating to our business activities.

PSB Industries is very concerned about respect for the environment.

Energy consumption was 105 GWh of gaz (147 GWh in 2008) and 72 GWh of electricity (82 GWh in 2008). PSB Industries does not make use of solar or other renewable energies.

Water consumption was 174,115 m³ (246,836 m³ in 2008). Industrial waste water is not generally accepted by community purification plants. Before returning to the natural environment, this water undergoes a physico-chemical treatment for cleaning.

For several years now, PSB Industries has implemented a selective waste sorting policy. Most waste is recycled either internally or externally. Non-recyclable waste is removed and destroyed by authorized organizations.

Baikowski pursues an environmental policy that meets the highest environmental standards. Gas, liquid and solid effluents are treated, and the resulting products recycled.

All of the locations of CGL Pack (custom packaging) have ISO 14 000 as well as CMSI (beauty packaging) certification.

4. DONNÉES SOCIALES

Key employee data (excluding the equity affiliates) for FY2009 and FY2008 are:

	2009	2008
Total workforce	1,384	1,353
Part-time workforce	52	60
Total payroll excl. levies (€000)	34,460	35,407
Temporary workforce	56	105
Tempory costs (€000)	2,278	3,537
No. hired on open-ended contracts*	273	191
No. hired on fixed-term contracts**	96	38
Number leaving*** (excl. dismissals)	262	184
Number of dismissals	61	32
Absences (no. of days)	15,131	13,394
Number of workplace accidents	71	66
Number of training hours	8,008	13,701
Training expense (€000)	282	423
Number of disabled individuals	32	33
Use of a disabled employment center(CAT)	yes	yes
Incentive programs existing	yes	yes

* including Ceica Plásticos (Mexico) 243

** including Ceica plasticos(Mexico) 68

*** including Ceica plasticos(Mexico) 210

Working conditions in the so-called sensitive countries

PSB Industries has been operating in Mexico since 1996. There the quality levels and working conditions are very close to those existing in our French plants and fully satisfy our major customers' requirements.

5. RISKS FACTORS

5.1

Interest rate and currency risk

(see the Chairman's report p. 14)

Management of the Group's interest rate and currency risk stemming from operations is carried out using traditional financial instruments such as cap, collar, options and currency futures. PSB Industries does not use "knock-outs," and transactions are only carried out via banking institutions with a high quality rating. Our risk management strategy addresses our objectives of safety, liquidity and profitability. We do not speculate and we only take positions which are not likely to involve significant risk.

Foreign currency sales made by French companies in 2009 amounted to US\$7.5 million and JPY¥312 million. These sales were made by the specialty chemicals business unit, which hedges using options and forward contracts or by reducing this amount via purchases in the same currencies. PSB Industries' consolidated borrowing consists partly of floating rates, mainly indexed to the 3-month Euribor, and partly of fixed rates (see note 18). The targeted variable/fixed rate ratio is determined by changes in indebtedness (repayments and new borrowings), and by expected changes in interest rates. Interest rate risk management is centralized.

5.2

Equities Risk

PSB Industries' equity portfolio is limited to consolidated investments and subsidiaries (see note 18), and is therefore not of a speculative nature

5.3

Country risk

Although 50 % of PSB Industries' business is in exports, country risk is very limited as most sales are made to industrialized countries. Sales to countries with high inflation are marginal and only involve customers with impeccable financial credentials.

5.4

Environment-related industrial risk

(see the Chairman's report p. 14)

Due to the nature of its operations, PSB Industries' exposure to environmental risk is minor, and up to now PSB Industries has not experienced any major pollution incidents. Depending on the quantities processed or consumed, or products used, PSB Industries' sites are required to file a declaration with, or obtain an authorization from, France's Regional Department of Industry, Research and Environment Agency (DRIRE) or other relevant authorities in the case of its foreign subsidiaries. At December 31, 2009, two facilities subject to authorization were waiting for a response from DRIRE (French Regional Research and Environmental Agency). An environmental audit is conducted regularly by outside firms.

The last audit was carried out in late 2007 by the firms Antea. Since no risk has been identified, no provisions for environmental liability have been made in the PSB Industries financial statements.

6. OTHER INFORMATIONS

6.1

Terms of payment

Pursuant to the regulations in effect (article L441-6 and D441-4 of the French Commercial Code), you will find below the year-end breakdown of the balance of PSB Industries' trade payables by due date:

■ payables	€66,000
including invoices not yet received	€65,000
payables past due	0
due between 0 and 30 days	€1,000

There were no supplier invoices in dispute at December 31, 2009.

6.2

Transactions by executives involving PSB stock

Jean-Baptiste Bosson (chairman)

Alain Wirth (executive vice-president)

No transactions were carried out.

6.3

Ownership structure as of December 31, 2009 (see page. 5)

6.4

Use of authorization to buy back shares in FY2009

As per the authorization of the Regular Shareholders' Meeting on May 27, 2009 (5th resolution), we hereby inform you that at December 31 we held 60,157 Company shares with a face value of €2, valued at an average price of €22.37 each in gross value and €16.33 in net value after provision for impairment.

During the year the Company bought 25,773 shares at an average price of €16.14 and sold 31,588 shares at an average price of €16.27.

6.5

Capital increase reserved for employees

In order to comply with the provisions of article L225-129-6, paragraph 2 of the French Commercial Code introduced by the law of February 19, 2001 on employee savings schemes, the Company proposes a cash increase in capital reserved for the Company's employees, under the conditions of article L443-5 of the French Labor Law.

Pursuant to these provisions, the Board of Directors is required, when the employees of the Company and its affiliated companies within the meaning of article L225-180 of the French Commercial Code represent less than 3% of the share capital, to have the shareholders vote on a draft resolution to proceed with a capital increase reserved for employees registering in a company savings scheme. This means that this capital increase will be reserved for employees participating in a voluntary employee savings scheme to be created, in the sense of the new French law (PPESV - Plan Partenarial d'Epargne Salariale Volontaire). This vote by shareholders in meeting must be renewed every three years as long as the employees' stake in the capital remains less than 3%.

Finally, in the event the shareholders in meeting adopt this proposal, they will authorize the Board of Directors to carry out the capital increase within a maximum period of 26 months for a maximum amount of €200,000, which would be reserved for employees registered in the said company savings scheme and carried out pursuant to the provisions of article L443-5 of the French Labor Law.

A draft resolution has to be presented for a vote at the shareholders' meeting so it can authorize or not the Board of Directors to proceed with a capital increase reserved for employees, it being specified that the adoption of this proposal will result in the cancellation of the pre-emptive subscription right held by shareholders.

7. DIRECTOR'S FEES

The shareholders in meeting have decided to set the total amount of Director's fees allocated to the Board of Directors for FY2010 at €80,000.

8. TERMS AND OFFICES OF CORPORATE OFFICERS

See “Corporate Governance” on p.8

9. EXAMEN OF THE STATUORY TERMS

Since the terms of office of the lead statutory auditors, the firms of Mazars and Ernst & Young et Autres, and alternate auditors, Messrs. Philippe Bouillet and Pascal Macioce, expire with the present shareholders’ meeting, we propose to:

- renew the lead auditors in their duties, and
- appoint new alternate auditors:

Mr. Olivier Bietrix, with registered office at Le Premium 131 Boulevard Stalingrad (69624) Villeurbanne Cedex, France, and the firm Auditex, with registered office at 11 allée de l’Arche (92037) La Défense Cedex, France.

The aforementioned auditors will be appointed for a term of six fiscal years, namely until the end of the shareholders’ meeting to be held in 2016 and to act upon the financial statements for the year ended December 31, 2015.

It is hereby noted that the auditors did not work on any asset contribution or merger operation involving the company or controlled companies during the past two fiscal years.

10. CORPORATE GOVERNANCE (SEE PAGE 8)

11. REALISATION OF THE PURCHASE OF STOCK

Pursuant to article L. 225-209 of the French Commercial Code, we draw your attention to the share purchase transactions conducted in our Company.

We also mention all of the disclosures that must appear in the description of the share repurchase program pursuant to Article 241-2 of the General Regulations of AMF (French Stock Market Authority) as amended on December 30, 2005.

Thus we will first make an assessment of the FY2009 situation in light of the two previous stock repurchase programs authorized by the Shareholders’ Meetings of May 27, 2008 and May 27, 2009 and then present to you the main features of the new stock repurchase program we are submitting for your approval at the Shareholders’ Meeting of May 25, 2010.

11.1

Situation of the previous program

11.1.1

The program authorized by the Shareholders’ Meeting of May 27, 2008

The PSB Industries Regular Shareholders Meeting of May 27, 2008 had authorized the Board of Directors for a period of 18 months starting with said meeting, that is, until November 27, 2009, to carry out a stock repurchase program.

Declaration by the issuer of dealings in its own shares from May 28, 2008 (the day following the start of the previous repurchase program) to May 27, 2009

Percentage of equity that was directly or indirectly treasury stock as of May 27, 2009	1.89%
Number of shares canceled over the past 24 months	-
Number of shares in portfolio on May 27, 2009	69,308
Book value of the portfolio on May 27, 2009	€905,162
Portfolio market value calculated on the May 27, 2009 closing price of €16.50	1,143,582 €

	Number of shares	Longest maturity	Average trade price	Average exercise price	Value (euros)
FYTD gross flows*					
- boughts	22,420	NA	22.71	NA	509,231
- sold or transferred	13,218	NA	28.03	NA	370,521
Open positions as of the publication of the program prospectus					
open long positions					
- calls bought	NA	-	-	-	-
- forward buys	NA	-	-	-	-
open short positions					
- calls sold	NA	-	-	-	-
-forward sales	NA	-	-	-	-

* The period is from the day after the start of the previous program (May 28, 2008) till May 27, 2009.

11.1.2

Program authorized by the Shareholders' Meeting of May 27, 2009

Declaration by the issuer of dealings in its own shares from May 28, 2009 (the day following the start of the previous repurchase program) to February 12, 2010:

Percentage of equity that was directly or indirectly treasury stock as of February 12, 2010	1.55%
Number of shares canceled over the past 24 months	-
Number of shares in portfolio on February 12, 2010	56,907
Book value of the portfolio on February 12, 2009 2010	1,025,464
Portfolio market value calculated on the February 12, 2010	957,176

	Number of shares	Longest maturity	Average trade price	Average exercise price	Value (euros)
YTD gross flows*					
- boughts	27,617	NA	16.70	NA	461,109
- sold or transferred	40,018	NA	16.54	NA	662,026
Open positions as of the publication of the program prospectus					
open long positions					
- calls bought	NA	-	-	-	-
- forward buys	NA	-	-	-	-
open short positions					
- calls sold	NA	-	-	-	-
- forward sales	NA	-	-	-	-

* The period is from the day after the start of the previous program (May 28, 2009) till February 12, 2010

As of February 12, 2010 PSB Industries owned 56,907 of its own shares. All of these shares are handled by an investment services provider (Oddo Midcap) under a liquidity contract that complies with the AFEI statement of professional ethics approved by the AMF.

11.2 Main features of the new stock repurchase program submitted to the regular annual shareholders meeting of May 25, 2010

We recommend that you renew the Company's authorization to deal in its own shares, as provided by articles L. 225-209 and subsequent of the French Commercial Code.

11.2.1

Objectives of the current repurchase program

PSB Industries intends to undertake a stock repurchase program with the following objectives, in decreasing order of priority:

- to stimulate trading under a liquidity contract with an investment services provider
- to purchase stock to hold for subsequent use as exchange or payment in an external growth strategy.

11.2.2

The maximum fraction of equity, maximum number of shares and maximum euro amount authorized in buying the shares the company plans to acquire

The number of shares held under the present authorization cannot exceed 10% of capital stock, that is, 367,500 shares.

The shares purchased under this authorization and the shares resold shall be traded within the following limitations: the maximum purchase price shall not exceed €40 per share and the minimum sale price must not be less than €10 per share.

Given the maximum purchase price per share, the total amount allocated to buying back shares shall not exceed €14,700,000.

11.2.3

Characteristics of the stock the company plans to acquire

The Company's common stock is listed on the Paris Stock Exchange - ISIN Code FR0000060329.

11.2.4

Method of acquiring the stock that the Company plans to buy back

The stock can be repurchased through an investment services provider under a liquidity contract.

11.2.5

Duration of the program

The authorization for the Company to buy back its own shares runs through November 25, 2011 inclusive and replaces the previous authorization.

12. FACTORS LIABLE TO HAVE AN EFFECT IN THE EVENT OF A PUBLIC OFFERING

Pursuant to Article L 225-100-3, we make the following disclosures:

The equity structure, together with the known direct and indirect equity investments in PSB Industries, are described in the "Shareholder Structure" section.

Shares registered in the name of the same shareholder for at least three years carry double voting rights.

There are no shareholder agreements, as the Cachat, Entremont and Wirth families are deemed to act in concert. The rules for appointing and recalling members of the Board of Directors are the rules laid down in law and in the Company by-laws.

Changes to our Company by-laws are made in accordance with legal and regulatory provisions.

There is no agreement providing for compensation payments to members of the Board of Directors should they be recalled.

The rules governing how powers are managed within the Board of Directors are in no way inconsistent with the law.

13. RESEARCH AND DEVELOPMENT

PSB Industries devotes the necessary resources to develop its expertise and to find appropriate responses to the needs of its customers, who have extremely high quality expectations and are at the leading edge of innovation.

In FY2009, research and development expenses were €2.9 million (€2.9 million in 2008), excluding cooperation in the form of joint development with customers.

A few examples demonstrate PSB Industries' innovative character:

■ For Baikowski (specialty chemicals)

Ultra-pure, high-density alumina for the manufacture of sapphire substrates for LEDs is already in the advanced manufacturing stage.

Patents have been registered for luminescent material formulations for the fluorescent lighting market. These formulations can provide significant efficiencies on all materials used in this application.

Spinel to produce transparent ceramic windows for armored vehicles are in the process of being qualified.

■ For CGL Pack (customized packaging)

In 2009, CGL Pack maintained its position in the design and manufacture of innovative and optimized packaging solutions by keeping a strong focus on the three (economic, environmental and human) areas of sustainable development.

A new line of standard packaging was developed:

The cube line: for non-food retail markets: transparent containers with tops manufactured out of RPET, a material reclaimed from recycled mineral water bottles.

A marketing strategy was implemented in Germany:

with a German sales agent to develop new business directly with this country.

Customer projects were completed based on the packaging concepts created in 2008:

Optimum pack: cardboard/plastic concept: an initial project with Menu du Monde: cocktail mini-cheeses

Quattro: divisible multi-portion concept: an initial project with Carib'Fruits: dried bananas

It continued its environmental action and its leadership image in this area was confirmed:

- materials incorporating recycled material were developed: RPET (from recycled mineral water bottles),

- research work on bio-materials,

- capital spending on grinders at each of its 2 plants (Annecy and Lorient) to reincorporate thermoforming off-cuts,

- eco-design, which begins from the design phase and continues throughout the packaging development cycle, was reinforced

- Eco-Bilan 3x3® calculation method was distributed to many customers:

the Bio Intelligence Service firm audited and validated the method, which is used to establish a precise numerical assessment of the environmental impact of the packaging CGL Pack offers its customers.

■ For Texen (beauty packaging)

The main research and development work conducted by Texen units in 2009 to deliver the innovative designs expected by their customers are summarized hereafter.

In the beauty packaging sector, especially for increasingly complex shaped perfume lids, we strengthened our processing and stabilization expertise on the back of the Surlyn process. We strengthened our know-how in prime contracting of supplying the perfume bottle, complete with assembly operations and gluing plastic and glass components.

Innovative design work on mascara and lip gloss applicators was continued. Automated assembly and control processes for 'vibrating motor subassemblies' were improved.

In the medical sector, we designed and manufactured a catheter produced by PP/TPE bi-injection using a high-speed rotary mold.

For customers in the automotive industry, research work was carried out in the 'plastronics' area, which involves using over-molding to integrate conductors that replace external wiring assemblies.

In the construction industry we co-developed a technical solution for a suspending tiebar under the roof structure to improve the insulation's airtightness.

CONSOLIDATED BALANCE SHEET (in €000s)

Assets	2009	2008	2007
Non-current assets			
Property, plant and equipment (note 5)	94,277	98,801	97,144
Goodwill (note 4)	29,022	29,238	21,747
Intangible fixed assets (note 4)	771	995	116
Securities accounted for by the equity method (note 6)	2,132	2,220	1,680
Financial assets (note 7)	434	267	244
Long-term financial derivatives (note 19)	176	687	-
Deferred tax assets (note 28)	1,082	2,234	1,422
Total des actifs non courants	127,894	134,442	122,353
Current assets			
Inventory (note 8)	32,506	38,461	36,091
Clients and related receivables (note 9)	33,664	43,395	48,354
Current income tax credits	1,992	2,438	2,017
Other receivables and credits (note 10)	4,646	4,866	5,363
Short-term financial derivatives (note 19)	364	453	-
Cash and equivalents (note 11)	8,590	5,691	6,066
Total currents assets	81,762	95,304	97,891
Assets held for sale	-	-	-
Total assets	209,656	229,746	220,244
Liabilities and equity			
Shareholders' equity (note 12)			
Capital stock	7,350	7,350	7,350
Premiums	10,122	10,122	10,122
Reserves	49,428	45,622	41,798
Translation gains/(losses)	(1,031)	(182)	(1,619)
Net income for the period	4,545	6,928	10,606
Shareholders' equity attributable to Group	70,414	69,840	68,257
Minority interests	-	-	-
Total shareholders' equity	70,414	69,840	68,257
Non-current liabilities			
Long-term financial debt	46,962	50,178	67,918
Put options granted to minority owners	3,402	3,207	5,951
Long-term financial derivatives (note 19)	1,323	1,401	-
Financial liabilities of more than one year (note 13)	51,687	54,786	73,869
Deferred tax liabilities (note 28)	2,654	3,794	3,059
Provisions for pensions and similar benefits (note 14)	4,795	4,513	4,723
Other non-current liabilities	-	-	-
Total non-current liabilities	59,136	63,093	81,651
Current liabilities			
Trade and related payables	18,465	25,215	28,412
Financial debts of less than one year (note 13)	42,586	49,331	20,283
Short-term financial derivatives (note 19)	1,068	1,845	-
Price adjustment (note 3)	-	1,436	-
Liabilities and equity of less than one year	62,119	77,827	48,695
Current income tax accrued	813	23	1,936
Other debts (note 17)	16,931	18,706	19,529
Provisions for risks and current expenses (note 15)	243	257	176
Total current liabilities	80,106	96,813	70,336
Total liabilities and equity	209,656	229,746	220,244

INCOME STATEMENT ((in €000s)

	from 01/01/2009 to 12/31/2009	from 01/01/2008 to 12/31/2008
Sales <small>(note 29)</small>	182,652	204,966
Cost of goods sold <small>(note 22)</small>	(148,376)	(161,183)
Rand expense <small>(note 23)</small>	(2,927)	(2,987)
Selling and distribution costs	(10,172)	(11,657)
Administrative expenses	(12,758)	(13,377)
Other operating income <small>(note 26)</small>	2,109	888
Other operating expense <small>(note 26)</small>	(630)	(164)
Operating income	9,898	16,486
Net cost of financial indebtedness <small>(note 27)</small>	(3,656)	(4,226)
Other financial income and expense <small>(note 27)</small>	531	(1,209)
Income taxes <small>(note 28)</small>	(2,000)	(3,641)
Share of net income from equity-method interests <small>(note 6)</small>	51	105
Period net income from continuing operations	4,824	7,515
Discontinued operations		
Period profit (loss) from discontinued operations	-	(118)
Attributable to the group	4,545	6,928
Attributable to minority interests	279	469
Annual consolidated income	4,824	7,397
Earnings per share in euros <small>(note 21)</small>	1.26	1.92
Fully diluted earnings per share in euros <small>(note 21)</small>	1.26	1.92
Net income attributable to the group from continuing operations, in € per share <small>(note 21)</small>	1.26	1.95
Net income attributable to the Group from continuing operations, in € per share after dilution <small>(note 21)</small>	1.26	1.95

**STATEMENT OF NET INCOME AND GAINS & LOSSES RECOGNIZED
DIRECTLY IN SHAREHOLDERS' EQUITY (in €000s)**

	from 01/01/2009 to 12/31/2009	from 01/01/2008 to 12/31/2008
Annual consolidated income	4,824	7,397
Translation gains/(losses)	(850)	1,437
Cash flow hedges	(112)	(2,381)
DT on Cash flow hedges	37	797
Hedge of a net foreign currency investment	293	(95)
Deferred tax on a hedge of a net foreign currency investment	(98)	245
Actuarial variances on defined benefit plans	37	473
Deferred tax on actuarial variances on defined benefit plans	(12)	(158)
Total net income and gains & losses recognized directly in shareholders' equity	(705)	318
Net income and gains & losses recognized directly in shareholders' equity	4,119	7,715
including share attributable to the Group	3,832	7,220
including minority interests	287	495

CONSOLIDATED STATEMENT OF CASH FLOWS ((in €000s)

	from 01/01/2009 to 12/31/2009	from 01/01/2008 to 12/31/2008
Net income attributable to group	4,824	7,397
Consolidated net income from discontinued operations	-	(118)
Consolidated net income from continuing operations	4,824	7,515
Depreciation, amortization and provision expense on fixed assets	16,434	15,906
Net provision allowances on balance sheet	308	505
Net income attributable to joint-ventures	(30)	(36)
Net cost of financial indebtedness and dividend received	3,645	4,198
Current and deferred taxes	2,000	3,641
Pretax (gain)/loss on disposal of assets	249	106
Other non-cash changes	-	-
Change in working capital requirement	7,629	195
Income taxes paid	(551)	(4,736)
Net operating cash flow from continuing operations	34,508	27,294
Net operating cash flow from discontinued operations	-	162
Net cash flow from operations	34,508	27,456
Net capital expenditures for operations	(12,212)	(13,542)
Change in long-term receivables and payables	(372)	(716)
Net financial investment/disinvestment	-	(12,621)
Change in loans	6	(101)
Income on cash and equivalents	43	151
Dividends received	67	71
Net cash flow from investing activities for continuing operations	(12,468)	(26,758)
Net cash flow from investing activities for discontinued operations	-	308
Net cash flow from / (used for) investment activities	(12,468)	(26,450)
Treasury stock	189	(941)
Dividends paid to parent company shareholders	(4,146)	(5,069)
Dividends paid to minority interests in integrated companies	(185)	(340)
Increase in financial liabilities	16,967	22,632
Decrease in financial liabilities	(28,172)	(13,242)
Interest paid	(3,754)	(4,409)
Net operating cash flow from financing activities for continuing operations	(19,101)	(1,369)
Net operating cash flow from financing activities for discontinued operations	-	(130)
Net cash flow from / (used for) financing activities	(19,101)	(1,499)
Impact of currency rate changes	(39)	117
Change in cash	2,900	(376)
Cash and equivalents at start of year	5,690	6,066
Cash and equivalents at end of year	8,590	5,690

auditor's opinion on the consolidated financial statements

Period ending December 31, 2009

To the Shareholders,

In accordance with the terms of our appointment at your regular shareholders' meeting, we hereby submit our report for the year ended December 31, 2009, regarding:

- our examination of the accompanying consolidated financial statements of PSB Industries,
- the basis of our assessments, and
- specific procedures and disclosures required by law.

The Board of Directors has approved the consolidated financial statements. Our responsibility is to express an opinion on these financial statements based on our audit.

1. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional auditing standards applicable in France. Those standards require that we plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatement. An audit includes examining, on a test basis or by other selection methods, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used, the significant estimates made and the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of all entities included in the consolidation and of the results of their operations in accordance with IFRS standards as adopted for use in the European Union.

Without qualifying our opinion expressed above, we draw your attention to:

- note 2.2.1 "Change in IFRS standards" to the consolidated financial statements, which describes the new accounting standards and interpretations your Company has applied since January 1, 2009, including in particular the revised version of IAS 1.
- note 2.2.2 "Accounting changes" to the consolidated financial statements, which sets out in particular the new methods of recognizing commitments for payments due on retirement.

2. BASIS OF OUR ASSESSMENTS

Pursuant to article L. 823-9 of the French Commercial Code regarding the basis of our assessments, we draw your attention to the following matters:

- Note 2.2.1 to the consolidated financial statements describes the new IFRS standards and interpretations your Company has applied since January 1, 2009, including in particular the revised IAS 1 standard. As part of our assessment of the accounting principles applied by your company, we verified the disclosures provided in this regard in note 2.2.1 to the consolidated financial statements.
- note 2.2.2 to the consolidated financial statements describes the accounting changes implemented during the year that concern, in particular, the recognition of commitments for payments due on retirement. In accordance with the IAS 8 standard, the comparative

information regarding the previous fiscal year, presented in the consolidated financial statements, has been restated to take into account retrospectively the application of these accounting changes. As part of our assessment of the accounting principles applied by your company, we verified that the financial statements for the previous year and the relevant disclosures in note 2.2.2 to the consolidated financial statements were restated correctly.

■ At each closing, your company systematically tests for impairment the cash generating units (CGU) goodwill has been allocated to and also assesses whether there is an impairment index for long-term assets, based on the methods described in notes 2.10 and 4 to the consolidated financial statements.

We have examined how these impairment tests are performed as well as the cash flow forecasts and assumptions used and we have verified that notes 2.10 and 4 disclose appropriate information. As part of our assessments, we have ensured that these estimates are reasonable.

■ Note 2.13 to the consolidated financial statements regarding financial instruments describes the accounting treatment of the put options held by a minority shareholder even though there is no specific provision in the IFRS standards as adopted in the European Union on this subject. We have ensured that the accounting treatment and options used by your company do not infringe upon the general principles of these standards and that note 2.13 discloses appropriate information in this regard.

The assessments on these matters were made in the context of our audit of the consolidated financial statements taken as a whole and therefore helped us form our opinion expressed in the first part of this report.

3. SPECIFIC PROCEDURES AND DISCLOSURES

In accordance with professional standards applicable in France, we have also performed the specific procedures required by law regarding the group information given in the management report.

We have no matters to report regarding its fair presentation and consistency with the consolidated financial statements.

Neuilly-sur-Seine and Villeurbanne, March 24, 2010

The auditors

Ernst & Young et Autres
Henri-Pierre Navas

Mazars
Max Dumoulin

PARENT COMPANY BALANCE SHEET (n €000s)

Assets	2009	2008
Intangible fixed assets		
Start up costs	-	-
Property, plant and equipment		
Land	318	318
Buildings	258	282
Technical plant and industrial machinery and equipment	-	1
Other tangible fixed assets	-	-
Long term financial assets		
Investments	24,091	24,091
Receivables related to investments	-	-
Treasury shares	983	869
Other long-term financial assets	210	62
Total fixed assets	25,860	25,623
Current assets		
Advances and deposits received	8	4
Trade receivables and related accounts	-	-
Other receivables	3,079	3,380
Marketable securities	3,799	4,292
Cash and near-cash	403	23
Total current assets	7,289	7,699
Total assets	33,149	33,322
Liabilities and equity		
Capital stock	7,350	7,350
Issue premiums	10,122	10,122
Revaluation differences	29	29
Legal reserve	735	735
Regulated Reserves	-	-
Other reserves	10,662	9,497
Retained earnings	201	123
Interim dividend	(1,838)	-
Period earnings	3,628	5,391
Regulated provisions	-	-
Total shareholders' equity	30,889	33,247
Provisions for liability and expense	-	-
Debt from lending institutions	-	-
Miscellaneous financial borrowing	-	-
Trade payables and related accounts	67	57
Tax and payroll taxes	355	18
Other debts	1,838	-
Total indebtedness	2,260	75
Total liabilities and equity	33,149	33,322

PARENT COMPANY INCOME STATEMENT (in €000s)

	12/31/2009	12/31/2008
Sales of services	250	314
Net sales	250	314
Other revenue	6	8
Total operating revenue	256	322
Other purchases and external expense	(297)	(275)
Income and other tax	(24)	(51)
Wages, salaries and payroll taxes	(87)	(87)
Amortization, depreciation and provisions expense	(24)	(33)
Other expenses	(148)	(142)
Total operating expense	(580)	(588)
Net operating loss	(324)	(266)
Financial income from investments	3,354	5,376
Other interest and related income	-	-
Income from other long-term securities and receivables	50	164
Net proceeds from sale of marketable securities	39	139
Other financial income	20	-
Reversal of provisions and transferred expenses	1,291	-
Total financial income	4,754	5,679
Interest and related expense	(717)	(327)
Net expense from sale of marketable securities	-	-
Other financial expense	(67)	(43)
Allocation to provisions for financial assets	(363)	(1,267)
Total financial expense	(1,147)	(1,637)
Financial net income	3,607	4,042
Current pre-tax net income	3,283	3,776
Non-recurring income from management activities	-	1,383
Non-recurring income from capital transactions	-	-
Reversal of provisions and transferred expenses	-	-
Other non-recurring income	1	-
Total non-recurring income	1	1,383
Non-recurring income from management activities	-	-
Non-recurring income from capital transactions	-	(449)
Non-recurring amortization, depreciation and provisions expense	-	-
Other non-recurring expenses	-	-
Total non-recurring expense	-	(449)
Non-recurring net loss	1	934
Income tax	344	681
Total income	5,355	8,065
Total expenses	(1,727)	(2,674)
Net income (total income less total expense)	3,628	5,391

subsidiaries and affiliates

1. FRENCH SUBSIDIARIES

> 50% owned by the Company

(in €000s)	Baikowski	CGL Pack service	Texen holding	PSB Services
Capital stock	4,211	2,000	4,000	10
Shareholders' equity other than capital stock	8,999	4,122	20,784	-
% of equity owned	100	100	92	100
2009 revenues	28,300	3,465	-	2,103
2009 earnings	138	833	5,691	137
Valuation of shares held				
- gross	10,735	3,804	9,542	10
- net	10,735	3,804	9,542	10
Dividends received in 2009	101	1,000	2,116	-
Loans and advances	2,324	-	-	663
Deposits and guarantees	-	-	-	-

2. AFFILIATES

10 - 50% owned

None

The earnings presented in this table are non-consolidated earnings, without regard to restatements made at the group level to reconcile different accounting methods.

Shareholders' equity includes regulated provisions and investment subsidies.

parent company 5-year financial summary

as of December 31. (in euros)	2009	2008	2007	2006	2005
Capital at end of period					
Capital stock	7,350,000	7,350,000	7,350,000	7,350,000	7,350,000
Number of common shares outstanding	3,675,000	3,675,000	3,675,000	3,675,000	3,675,000
Maximum number of shares to be created through the exercise of subscription rights	-	-	-	-	-
Results of operations for the period					
Sales exclusive of tax	250,417	314,455	431,848	396,598	391,015
Income before tax, depreciation (amortization and provisions)	2,381,434	6,010,085	5,236,643	4,097,810	4,620,266
Income tax	344,025	680,650	47,646	(172,843)	(461,697)
Income after tax, depreciation (amortization and provisions)	3,628,479	5,390,915	5,216,537	3,883,150	4,114,194
Distributed income	3,675,000	4,226,250	5,145,000	4,961,250	4,410,000
Per share data					
After-tax income before depreciation (amortization and provisions)	0.74	1.82	1.44	1.07	1.13
Income after tax, depreciation (amortization and provisions)	0.99	1.47	1.42	1.06	1.12
Dividends per share	1.00	1.15	1.40	1.35	1.20
Employees					
Average number of employees during the period	1	1	1	0.4	-
Total payroll for the period	*-	*-	*-	*-	-
Total employee benefits (payroll taxes, etc.) paid over the period	*-	*-	*-	*-	-
Share information					
High	18.84	42.05	46.32	38.60	36.80
Low	10.80	11.02	36.60	34.70	28.80
Number of shares traded	329,878	313,815	239,010	399,094	307,246

* Amounts are not provided as this would tend to provide individual compensation information.

general auditor's opinion

Period ending December 31, 2009

To the Shareholders,

In accordance with the terms of our appointment at your Shareholders' Meeting, we hereby submit our report for the year ended 31 December 2009, regarding:

- our examination of the accompanying annual financial statements of PSB Industries,
- the basis of our assessments, and
- the specific procedures and disclosures required by law.

The Board of Directors has approved the annual financial statements. Our responsibility is to express an opinion on these financial statements based on our audit.

1. OPINION ON THE ANNUAL FINANCIAL STATEMENTS

We conducted our audit in accordance with professional auditing standards applicable in France. Those standards require that we plan and perform our audit to obtain reasonable assurance that the annual financial statements are free from material misstatement. An audit includes examining, on a test basis or by other selection methods, evidence supporting the amounts and disclosures in the annual financial statements. An audit also includes assessing the accounting principles used, the significant estimates made and the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and financial position of the Company at 31 December 2009 and the results of operations for the year then ended in accordance with French accounting principles and regulations.

2. BASIS OF OUR ASSESSMENTS

Pursuant to article L. 823-9 of the French Commercial Code regarding the basis of our assessments, we draw your attention to the following matters:

As indicated in the note "Long-term financial assets," equity investments are valued at their historical acquisition cost. If the investments' going concern value at the close is less than their acquisition value, they are written down through provisions to their going concern value. As part of our assessment of the estimates made in preparing the financial statements, we have examined those items used to determine the going concern values of the main equity investments.

The assessments on these matters were made in the context of our audit of the annual financial statements taken as a whole and therefore helped us form our unqualified opinion expressed in the first part of this report.

3. SPECIFIC PROCEDURES AND DISCLOSURES

We also performed the specific procedures and disclosures required by law, in accordance with professional standards applicable in France.

We have no comments to make on the fairness of the information given in the Board of Directors' management report and the documents sent to shareholders on the financial position and financial statements or its consistency with those financial statements.

Concerning the information provided in accordance with the provisions of article L.

225-102-1 of the French Commercial Code on the compensations and benefits paid to officers and the commitments granted in their favor, we verified their consistency with the financial statements and with the data used to prepare these financial statements and, where applicable, with the information gathered by your company from companies controlling your company or controlled by your company. On the basis of this work, we attest to the accuracy and fairness of this information.

In accordance with French law, we ensured that the required information concerning the purchase of investments and controlling interests and the names of the principal holders of the voting rights were duly disclosed in the management report.

Villeurbanne and Neuilly-sur-Seine, March 24, 2010

The auditors

Mazars
Max Dumoulin

Ernst & Young et Autres
Henri-Pierre Navas

auditors' specific opinion concerning regulated agreements and commitments

Period ending December 31, 2009

To the shareholders,

In our capacity as auditors of your company, we present our report on regulated agreements and commitments.

It is not our responsibility to identify other agreements and commitments that may exist, but to inform you, on the basis of the information provided to us, of the essential features and details of those we have been advised of, without passing judgment on their usefulness and validity. According to the terms of article R. 225-31 of the French Commercial Code, it is your responsibility to assess whether it is in your interest to enter into these agreements and commitments before approving them.

Absence of notification of agreement or commitment

We hereby inform you that we were not advised of any agreement or commitment concluded in the year ended December 31, 2009 that are subject to the provisions of article L. 225-38 of the French Commercial Code.

Agreements and commitments concluded in prior years that remained current in the year ended 31 December 2009

In accordance with the French Commercial Code, we were informed that the following agreements and commitments, approved during prior years, remained current in the year ended December 31, 2009.

With PSB Services S.N.C.

Nature and purpose

Lease of premises

Your company owns a building occupied by PSB Services S.N.C..

Terms

Your company invoices PSB Services S.N.C. for rents stipulated in the commercial lease. During FY2009, your company invoiced PSB Services S.N.C. €76,460 excluding taxes.

We conducted our work in accordance with the professional standards applicable in France. These standards require that we perform the necessary procedures to verify that the information provided to us is consistent with the documentation from which it has been extracted.

Villeurbanne and Neuilly-sur-Seine, March 24, 2010

The auditors

Mazars
Max Dumoulin

Ernst & Young et Autres
Henri-Pierre Navas

draft resolutions offered to the annual regular and extraordinary shareholders' meeting of May 25, 2010

1. ORDINARY BUSINESS

1. First resolution

The Shareholders, after hearing the Board of Directors management report and the statutory co-auditors' general report on the annual financial statements for the year ended December 31, 2009, hereby approve the annual financial statements as presented, together with the operations represented by these statements and summarized in these reports.

The shareholders acknowledge that the financial statements for the year ended December 31, 2009 do not take into account expenses that are not deductible for income tax purposes, as identified in Article 39-4 of the French General Tax Code.

Consequently, the shareholders find that the Board of Directors has fully discharged its duties for the said period.

2. Second resolution

The Shareholders, after hearing the statutory co-auditors' report on the agreements referred to in Articles L225-38 and subsequent of the French Commercial Code, hereby approve the terms of that report.

3. Third resolution

The Shareholders, on the motion of the Board of Directors, hereby resolve that the year's distributable earnings of:

- Net book earnings of €3,628,479.03
 - Plus the 2009 retained earnings of €201,293.45
- for a total of €3,829,772.48
- be allocated and distributed as follows:
- €3,675,000 distributed as dividends to shareholders
 - The balance of €154,772.48 to retained earnings

Of this dividend of €1.00 per share, €0.50 was already paid as of January 29, 2009 as an interim dividend (i.e.; €1,837,500.00) in accordance with the decision of the Board of Directors on December 23, 2009. Therefore only the balance of €0.50 per share remains due (a total of €1,837,500), which will be payable as of June 1, 2010.

In the event the Company holds some of its own shares when the dividend is paid, the distributable earnings corresponding to the unpaid dividend due to this holding of said shares will be allocated to the retained earnings account.

In addition, the shareholders acknowledge that they have been duly informed that dividends paid to natural persons who are French tax residents are subject to a 12.10% withholding for social security levies and to income tax after application of a 40% exemption on the dividend base, unless before receiving the dividend the beneficiary

elects to have the company paying the dividend withhold an 18% flat-rate withholding tax which exempts the dividend balance from income tax.

In compliance with the provisions of article 243(a) of the French General Tax Code, the shareholders in meeting make note that over the last three periods the following dividends have been distributed:

Fiscal year ended	Dividend per share	Income eligible or not for tax reduction
12/31/2008	1.15	40% exemption when applicable
12/31/2007	1.40	40% exemption when applicable
12/31/2006	1.35	40% exemption when applicable

4.

Fourth resolution

Furthermore, the Shareholders, after hearing the Board of Directors' management report and the statutory co-auditors' report on the consolidated financial statements for the year ended December 31, 2009, hereby approve the consolidated financial statements together with the operations represented by these statements.

5.

Fifth resolution

The Shareholders, on a motion by the Board of Directors, hereby resolve to renew the authorization given by the regular shareholders' meeting of May 27, 2009, under the provisions of articles L 225-209 and subsequent of the French Commercial Code, for the Company to purchase its shares on the stock exchange, in order to:

- stimulate trading under a liquidity contract with an investment services provider, and
- purchase shares to hold for subsequent use for trading or as exchange or payment in an external growth strategy.

The number of shares held under the present authorization cannot exceed 10% of the share capital (i.e.; 367,500 shares).

Purchases of shares under this authorization, as well as sale of such shares, shall be made with the following restrictions: the maximum purchase price must not exceed €40 per share and the minimum resale price must not be less than €10 per share.

Given the maximum purchase price per share, the total amount allocated to buying back shares cannot exceed €14,700,000.

This authorization is valid for a period of eighteen months from the date of this meeting. It supersedes the previous authorization.

The shares shall be bought back by market trading or through the acquisition of blocks of shares as allowed by applicable laws and regulations. The program may be accomplished entirely by acquiring blocks of shares. The purchases and sales may occur during a public offering, subject to the restrictions imposed by stock exchange regulations.

The Board shall inform the regular shareholders' meeting every year of the transactions carried out under this authorization.

Consequently, the Shareholders in meeting hereby give the Board full powers to place stock exchange orders, to conclude all agreements required by legal formalities, to make all declarations to authorities and generally to do what is necessary.

6.
Sixth resolution

The shareholders hereby resolve to set the gross amount of Director's fees allocated to the Board of Directors for FY2010 at €80,000.

7.
Seventh resolution

The shareholders, noting that the terms of the firms Mazars and Ernst & Young et autres as statutory co-auditors expire with this shareholders' meeting, hereby resolve to renew them in their duties for a new term of six fiscal years, namely until the end of the shareholders' meeting held in 2016 that will act upon the financial statements for the year ended December 31, 2015.

The shareholders hereby acknowledge that they have been informed that the auditors did not work on any asset contribution or merger operation involving the Company or controlled companies during the past two fiscal years.

Each of the auditors so renewed have made known that they accept the renewal of their duties and that they satisfy the legal and regulatory conditions to fulfill their appointments and, in particular, that they are not subject to any prohibition or incompatibility.

8
Heighth resolution

The shareholders, noting that the terms of Messrs Philippe Bouillet and Pascal Macioce as co-alternate auditors expire with this shareholders' meeting, hereby resolve not to renew them in their duties and to appoint instead as replacement:

- Mr. Olivier Bietrix

with registered office at Le Premium – 131 Boulevard Stalingrad (69624) Villeurbanne Cedex, France,

registered with the Compagnie Régionale des Commissaires aux Comptes (Regional Statutory Auditors Association) of Lyon, France,

- Auditex

with registered office at 11 allée de l'Arche (92037) La Défense Cedex, France,

registered with the Compagnie Régionale des Commissaires aux Comptes (Regional Statutory Auditors Association) of Versailles, France,

Mr. Olivier Bietrix and Auditex are hereby appointed for a term of six fiscal years, namely until the end of the regular shareholders' meeting held in 2016 that will act upon the financial statements for the year ended December 31, 2015.

The shareholders hereby acknowledge that they have been informed that the auditors did not work on any asset contribution or merger operation involving the Company or controlled companies during the past two fiscal years.

Each of the auditors so appointed have made known that they accept the appointment and that they satisfy the legal and regulatory conditions to fulfill their appointments and, in particular, that they are not subject to any prohibition or incompatibility.

2. EXTRAORDINARY BUSINESS

9.

Ninth resolution

The shareholders, after hearing the Board of Directors' management report and the auditors' reports, and taking into account the provisions of article L 225-129-6 of the French Commercial Code, hereby resolve to reserve for Company employees a share capital increase for cash under the conditions provided for in articles L 3332-18, L 3332-19 and L 3332-20 of the French Labor Law.

In the event the present resolution is adopted, the shareholders will resolve:

- that the Board of Directors has a maximum period of twenty-six months to implement a Corporate Savings Scheme under the conditions provided for by the French Labor Law.
- to authorize the Board of Directors to carry out, within a maximum period of twenty-six months from this date, a capital increase of up to €200,000, which would be reserved for employees participating in the said Corporate Savings Scheme and carried out pursuant to the provisions of article L 3332-20 of the French Labor Law. As such, this authorization would result in shareholders renouncing by operation of law their pre-emptive subscription rights.

3. ORDINARY BUSINESS

10.

Tenth resolution

The Shareholders hereby confer on the bearer of an original, a copy or an abstract of these minutes complete authority to perform all formalities required by law or regulation.

auditors' report on the capital increase with cancellation of the pre-emptive subscription right reserved for employees participating a Corporate Savings Scheme

To the shareholders,

In our capacity as auditors of your Company and in accordance with articles L. 225-135, L. 225-138 and L. 228-92 of the French Commercial Code, we hereby report to you on the proposal to delegate authority to the Board of Directors to issue company shares with the cancellation of the pre-emptive subscription right, for a maximum of 200,000 reserved for employees participating in the Corporate Savings Scheme to be created, an operation which is submitted for your approval.

This issue is subject to your approval in accordance with the provisions of articles L. 225 129-6 of the French Commercial Code and L. 3332-18 and subsequent of the French Labor Law.

Your Board of Directors proposes, on the basis of its report, that you delegate to it for a period of twenty-six months the authority to decide to proceed with a share issue and to cancel your pre-emptive subscription right. As applicable, the Board of Directors shall set the final issuance terms and conditions for this operation.

Your Board of Directors is responsible for preparing a report in accordance with articles R. 225-113, R. 225-114 and R. 225-117 of the French Commercial Code. It is our responsibility to express an opinion on the fairness of the information taken from the financial statements, the proposed cancellation of your pre-emptive subscription rights and various other information concerning the share issue given in this report.

We performed the procedures we considered necessary to comply with the professional standards issued by the French National Statutory Auditors Association for this type of engagement. These procedures consisted in verifying the information provided in the Board of Directors' report relating to this operation and the methods used to determine the subscription price of the shares to be issued.

Subject to a subsequent examination of the terms and conditions of the share issue that may be decided, we have no matters to report on the methods used to determine the subscription price of the shares to be issued, as set out in the Board of Directors' report.

Since the share issue price has yet to be determined, we do not express any opinion on the final terms and conditions under which the share capital increase will be implemented and, consequently, on the proposal to cancel your pre-emptive subscription rights.

In accordance with article R. 225-116 of the French Commercial Code, we will issue an additional report, as applicable, when your Board of Directors uses this authorization.

Villeurbanne and Neuilly-sur-Seine, March 24, 2010

The auditors

Mazars
Max Dumoulin

Ernst & Young et Autres
Henri-Pierre Navas