CFAO

INTERIM FINANCIAL REPORT

Six months ended June 30, 2011

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1. INTERIM MANAGEMENT REPORT

1.1 Business overview

CFAO is a leader in specialized distribution and services in its core businesses in Africa (excluding South Africa) and in the French overseas territories.

CFAO operates in four main geographic areas: French-speaking Sub-Saharan Africa, English- and Portuguese-speaking Sub-Saharan Africa (excluding South Africa), the Maghreb and the French overseas territories. The Group has operations in 31 African countries and seven French overseas territories, as well as in Mauritius and Vietnam. Most of the Group's operations in mainland France concern direct export sales.

As a major global brand distributor, CFAO stands out from its competitors for its before- and after-sales services which meet the highest international standards, its constant emphasis on operational improvements (as illustrated by its showrooms, stores, warehouses, workshops, equipment, IT systems, etc.), and a supply chain that is able to swiftly serve markets that are located far from its production centers.

The Group's operating segments correspond to the following three divisions:

- ***CFAO Automotive*** is one of the main importers and distributors of private and utility vehicles in Africa (excluding South Africa) and the French overseas territories. It purchases, stores, imports and distributes vehicles manufactured by more than 20 international automakers. The Group has over 90 years of experience in this business. CFAO Automotive has dealerships in 29 countries spanning the Maghreb (Algeria, Morocco) and Sub-Saharan Africa, four French overseas territories, Mauritius and, since 2007, Vietnam. In addition to selling a full range of new light and utility vehicles, trucks and motorcycles, CFAO Automotive offers a diverse range of services including after-sales services, the sale of spare parts and tires and long-and short-term car rentals. The division contributed 58% to the Group's consolidated revenue in 2010 and 61% in first-half 2011.

- ***Eurapharma*** is one of the main importers and distributors of pharmaceutical products in Africa (excluding South Africa), the French overseas territories and Madagascar. Eurapharma is known for the wide range of services it provides to major international pharmaceutical companies and to pharmacists. With over 60 years of experience, Eurapharma enjoys market-leading positions in its core historical markets, French-speaking Sub-Saharan Africa, where Eurapharma has operations in 14 countries, and the French overseas territories. Eurapharma also has significant positions in markets that it has entered more recently, i.e., in English- and Portuguese-speaking Sub-Saharan Africa and Algeria. This division contributed 30% to the Group's consolidated revenue in 2010 and 28% in first-half 2011.

- ***CFAO Industries, Equipment & Services*** division was set up in early 2011 and comprises the following four businesses:
  - ***Industries*** includes a share in a beverages business in Republic of Congo where the Group owns and operates the country's only two breweries in a joint venture with Heineken. The Group considers that it is far and away the main Congolese drinks distributor (particularly for Coca-Cola). This business also includes plastic products (particularly razors and BIC pens) which it manufactures in four African plants.
  - The ***Technologies*** business was set up in 2002 and has rapidly become a leading player in implementing solutions relating to information technology, networks and telecommunications. Since 2011, the activity has been reorganized around Algeria and French-speaking Africa and focuses increasingly on services.
  - The ***Equipment*** business is currently being organized in seven countries and its activities are based around the sale, installation and maintenance of construction machinery, generators and elevators.
  - ***Rental services*** provides short- and long-term vehicle and equipment rentals and is in the process of being strengthened to provide a platform for the expansion of the Equipment and Automotive businesses.

This division contributed 12% to the Group's consolidated revenue in 2010 and 11% in first-half 2011.

CFAO Holding, the Group's Holding division, includes centralized support services, such as the Group's human resources, IT systems, communication, development, audit and financial, accounting, legal and tax departments.

1.2 Risk factors

Risks relating to the Group's business are described in Chapter 4 of the 2010 Reference Document, filed with the French financial markets authority (*Autorité des Marchés Financiers* – AMF) on April 8, 2011 under number R. 11-007, which is available on the website of CFAO and the AMF. This risk analysis is still applicable for the purpose of assessing the main risks and uncertainties to which the Group may be exposed in the second half of 2011, subject to the information contained in the rest of this section.

Factors that could significantly affect the Group's results include, in particular, the political and social climate in the countries in which the Group operates, recent trends in the Japanese auto industry and exchange rate fluctuations.

1.2.1 Political and social climate in the countries in which the Group operates

Economic conditions in the countries in which the Group operates are also affected by political and social conditions. Political stability creates a more favorable climate for business growth and economic growth in general. Political instability, as manifested through political or social upheaval, conflicts or war, has the opposite effect. Countries in which the Group operates may also experience political or labor unrest, war, acts of terrorism or other violence, infrastructure failure or inadequacy, and the risk of loss due to expropriation, nationalization, confiscation of assets and property, or the imposition of restrictions on foreign investments and repatriation of invested capital. Political or social unrest is common in some of the countries in question. The origins of such unrest may vary widely and could result notably from extremes of wealth and poverty, religious, ethnic or racial strife, or from external events such as hikes in raw material prices worldwide that can rapidly lead to significant increases in the prices of basic foodstuffs in a given country. This unrest has been, and may continue to be a source of violence and wars that could lead to destruction of assets and infrastructure, increased transportation expenses and interruptions in, or a slowdown of the Group's businesses, or have an adverse effect on economic growth in these countries.

At the present time, certain countries in which the Group is present are experiencing social strife, such as Algeria and Morocco, or the Sahel which has recently experienced an upsurge in terrorism. The French Foreign Ministry is currently advising French citizens against travelling to Mauritania, Mali or Niger, particularly in northern parts of these countries. These events could have the impacts described previously. In particular, they may hamper certain manufacturing operations and trading activities or make travel difficult and adversely affect development possibilities in a given country or region, and negatively impact the Group's activities and earnings.

In some countries where the Group does business, political or social unrest may be driven by upcoming elections which may disrupt economic and commercial activities. Sometimes scheduled elections may lead central governments or public bodies to reduce expenditure or tighten credit and this may also slow down economic

activity in the country concerned. 2011 is a particularly busy year for elections in Africa. Based on information available as of the date of this report, eight presidential or parliamentary elections are scheduled for the second-half of 2011 and approximately ten elections in 2012 in countries in which CFAO is present – including presidential elections to be held in Cameroon and the Democratic Republic of the Congo – and these elections and related events may have a material adverse effect on the Group's business and results.

Election-related strife may last for a considerable period. For example, the results of the presidential elections held in Côte d'Ivoire in late November 2010 triggered a major social and political conflict followed by a civil war in the second quarter of 2011. This resulted in high levels of insecurity, a shut-down of the banking sector, problems travelling between the north and south of the country and difficulties in exporting goods to neighboring countries and it brought most economic activities in the country to a halt. The Group had to shut down its operations for a few weeks during the second quarter and revenue generated in Côte d'Ivoire plummeted by 41% year on year, from €81.1 million in first-half 2010 to €47.9 million in first-half 2011. Measures were taken in the first six months of the year to adapt the Group's operations to this crisis, particularly by laying off workers and reallocating certain expatriate employees, however, the drop in sales and gross profit in Côte d'Ivoire still had a severe impact on the Group's first-half operating income.

Results at June 30, 2011 are well down on the previous year but as the security situation improves and the banking system return to normal, CFAO management expect sales to gradually grow during the second-half of the year although they are unable to forecast by how much.

1.2.2 Recent trends in the Japanese auto industry

The earthquake that struck Japan in the second week of March 2011 and its aftershocks caused widespread damage to Japanese manufacturing industry and to sub-contractors. Production at the main Japanese automakers and their plants outside Japan has been severely disrupted March 11, 2011.

The Group estimates that 32% of its sales in 2010 corresponded to products from Japanese manufacturers. This issue concerns the CFAO Automotive division exclusively, 56% of whose sales are made with products imported from Japan or from Japanese automakers' plants located outside of that country. In 2010, approximately 40% of purchases made by CFAO Automotive were sourced in Japan.

The impact on CFAO Automotive's revenue was limited in first-half 2011 due to long procurement lead times, relatively large inventory volumes held at the beginning of the year, and the availability of vehicles initially intended for Côte d'Ivoire. Current inventory levels are structurally low for certain Japanese models however. Given this context, during the second-half of the year, the Group may face a shortage of certain vehicle models of brands that it distributes, notably Toyota, Mitsubishi, Nissan and Isuzu, which could have an adverse impact on its revenue and results. It is not currently possible to accurately measure the impact of these difficulties on CFAO's activity and results.

1.2.3 Exchange rate fluctuations

Exchange rate fluctuations can have a significant impact on the Group's results. The Group prepares its consolidated financial statements in euros.

In 2010, 25% of the Group's revenue was in euros, 39% in CFA francs and 36% in other local currencies. The Group's purchases in 2010 were made in yen (29%), US dollars (26%) and euros (45%). Eurapharma, CFAO Industries and CFAO Technologies make purchases primarily in euros. Conversely, CFAO Automotive's purchases in 2010 were primarily made in yen (40%) and US dollars (35%), with only around 24% of purchases made in euros.

The table below sets forth the average euro to yen and euro to dollar exchange rates for 2009, 2010 and the first half of 2011:

	2009				2010				2011	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Japanese yen to one euro	122.0	132.6	133.8	132.7	125.5	117.2	110.7	112.1	112.6	117.4
US dollar to one euro	1.30	1.36	1.43	1.48	1.38	1.27	1.29	1.36	1.37	1.44

Source: European Central Bank

During first-half 2011, the average euro to yen and euro to US dollar exchange rates were up 3% (at 115.0) and 6% (at 1.40) respectively, compared with the second half of 2010.

These fluctuations expose the Group to several currency-related risks:

- The value of the euro could depreciate between the date on which the Group places an order with a supplier in Japanese yen, US dollars, or any other currency, and the payment date for such order, resulting in an increase in the euro equivalent of such payment.
- The local currencies in which the Group's sales are conducted could depreciate against the currencies in which purchases are conducted or against the euro, requiring a higher amount of local currency to cover the purchase price. If the Group is not able to increase its prices in the local currency to cover such increases, its profit margins will be affected. Furthermore, any price increase in a local currency may lead to a decline in sales volumes, especially in geographic areas where the price elasticity of demand is high.
- Any depreciation in the euro against other currencies in which the Group has contracted debt would result in an increase in the euro-equivalent value of its debt and have a negative impact on the Group's earnings.

Conversely, a reversal of the trends described above would have a positive impact.

Whenever possible, the Group seeks to hedge its exposure to exchange rate fluctuations. When an order is placed with a supplier in yen or dollars, the Group enters into forward purchase contracts to convert these amounts into euros. However, the Group is not able to fully hedge these risks in certain countries and geographic areas such as Algeria, English-speaking Sub-Saharan Africa (with the exception of Kenya and Nigeria), the Democratic Republic of the Congo, Gambia, Guinea and Vietnam. Because the Group is unable to fully eliminate its currency exposure, its revenue, gross profit margin and income are vulnerable to exchange rate fluctuations, particularly with respect to the yen/euro and dollar/euro exchange rates, as well as the dollar, euro and yen exchange rates against other currencies in which the Group's sales are conducted. Generally, an appreciation of the yen or dollar against the euro or a local currency would increase the Group's cost of sales and reduce its gross profit if it is unable, for competitive or other reasons, to raise its prices to cover the full increase in cost. Depreciation in the yen or dollar would have the opposite effect. The pressure on margins is greater in businesses or countries in which there is strong competition.

In the event of unfavorable exchange rates, the Group tries to obtain better financial conditions from its main suppliers in order to reduce the negative impact on its gross profit margin.

As vehicle orders placed in foreign currencies and payment terms are systematically hedged, the impact of exchange rate variations on gross profit is only felt several months after the change.

1.3 Analysis of the Group's financial performance for the six months ended June 30, 2011

1.3.1 Comparison of the Group's results for the six-month periods ended June 30, 2010 and June 30, 2011

The table below shows the Group's consolidated income statements for the six-month periods ended June 30, 2010 and June 30, 2011, in millions of euros and as a percentage of consolidated revenue for the periods presented.

	First-half 2011		First-half 2010		
	(in € millions)	as a % of revenue	(in € millions)	as a % of revenue	Change
Revenue	**1,486.5**	**100.0%**	**1,299.9**	**100.0%**	**+14.4%**
Cost of sales	(1,158.4)	−77.9%	(1,006.1)	−77.4%	+15.1%
Gross profit	**328.1**	**22.1%**	**293.7**	**22.6%**	**+11.7%**
Payroll expenses	(107.8)	−7.3%	(95.1)	−7.3%	+13.4%
Other recurring operating income and expenses	(107.9)	−7.3%	(96.4)	−7.4%	+11.9%
Recurring operating income	**112.4**	**7.6%**	**102.3**	**7.9%**	**+9.9%**
Other non-recurring operating income and expenses	8.2	0.1%	1.8	0.1%	–
Operating income	**120.6**	**8.1%**	**104.0**	**8.0%**	**+16.0%**
Finance costs, net	(13.7)	−0.9%	(14.0)	−1.1%	−1.9%
Income before tax	**106.9**	**7.2%**	**90.1**	**6.9%**	**+18.7%**
Income tax	(36.0)	−2.4%	(30.3)	−2.3%	+19.1%
Overall effective tax rate	33.7%		33.6%		
Share in earnings of associates	1.3	–	0.5	–	–
Net income of consolidated companies	**72.2**	**4.9%**	**60.3**	**4.6%**	**+19.7%**
Net income attributable to non-controlling interests	23.0	1.6%	18.6	1.4%	+23.7%
Net income attributable to owners of the parent	**49.2**	**3.3%**	**41.8**	**3.2%**	**+17.8%**

1.3.2 Revenue

Like-for-like changes correspond to changes observed on a constant Group structure and exchange rate basis.

The Group's revenue for the first half of 2011 came in 14.4% higher than in first-half 2010 at €1,486.5 million versus €1,299.9 million. Changes in Group structure in the first half of 2011 had a positive €92.1 million impact on revenue and resulted mainly from the first-time consolidation of SIAB (Nissan) in Morocco, Citroën in Reunion and Almameto in New Caledonia, as well as the sale of the wooden crates business in Morocco. Exchange rate fluctuations had a negative €30.3 million impact on the translation of revenue into euros.

First-half revenue climbed 9.2% on a like-for-like basis.

The downturn in business in Côte d'Ivoire, sparked by the events that have shaken the country, prompted a 41% drop in revenue for the first six months of the year. Excluding Côte d'Ivoire, the Group's revenue jumped 18% over the period.

The table below provides a breakdown of revenue by division for first-half 2010 and first-half 2011. Revenue for first-half 2010 is presented pro forma based on Group structure in 2011.

	First-half 2011		First-half 2010		Change on a reported basis	Change on a like-for-like basis
	(in € millions)	as a % of revenue	(in € millions)	as a % of revenue		
CFAO Automotive	901.9	60.7%	746.9	57.5%	+20.7%	+9.1%
Eurapharma	418.8	28.2%	393.4	30.3%	+6.5%	+7.8%
CFAO Industries, Equipment & Services	165.8	11.1%	159.5	12.3%	+3.9%	+13.4%
Total	**1,486.5**	**100.0%**	**1,299.9**	**100.0%**	**+14.4%**	**+9.2%**

The table below provides a breakdown of revenue by geographic area for first-half 2010 and first-half 2011.

	First-half 2011		First-half 2010		Change on a reported basis	Change on a like-for-like basis
	(in € millions)	as a % of revenue	(in € millions)	as a % of revenue		
French-speaking Sub-Saharan Africa	574.1	38.6%	536.3	41.3%	+7.0%	+7.8%
French Overseas Territories and Other	350.6	23.6%	274.8	21.1%	+27.6%	+1.9%
Maghreb	300.7	20.2%	263.6	20.3%	+14.1%	+14.9%
English- and Portuguese-speaking Sub-Saharan Africa	188.3	12.7%	164.2	12.6%	+14.7%	+12.6%
France (export)	72.8	4.9%	61.0	4.7%	+19.3%	+28.9%
Total	**1,486.5**	**100.0%**	**1,299.9**	**100.0%**	**+14.4%**	**+9.2%**

In the first half of 2011, **CFAO Automotive's** revenue surged 20.7% to €901.9 million.

The table below presents the number of new vehicles sold by geographic area in first-half 2010 and first-half 2011:

CFAO new vehicles volumes (in units)	First-half 2010	First-half 2011	Change vs. first-half 2010
French-speaking Sub-Saharan Africa	7,697	7,652	−1%
English-speaking Sub-Saharan Africa	5,349	6,175	+15%
Algeria and Morocco	16,781	20,602	+23%
French Overseas Territories, Mauritius and Vietnam	3,598	5,442	+51%
Total	**33,425**	**39,871**	**+19%**

The table below presents CFAO Automotive's revenue trends by geographic area in first-half 2010 and first-half 2011:

CFAO Automotive revenue (€m)	First-half 2010	First-half 2011	Change vs. first-half 2010
French-speaking Sub-Saharan Africa	264.8	278.0	+5.0%
English-speaking Sub-Saharan Africa	120.0	143.1	+19.2%
Algeria and Morocco	220.0	269.7	+22.6%
French Overseas Territories, Mauritius and Vietnam	114.6	187.3	+63.5%
France (export)	27.6	23.8	– 13.7%
Total	**746.9**	**901.9**	**+20.7%**

French-speaking Sub-Saharan Africa's first-half performance was hit by the sales downturn in Côte d'Ivoire, although the first signs of recovery were visible in June. The Central African markets, where CFAO has a strong foothold, were particularly buoyant. Excluding Côte d'Ivoire, revenue in French-speaking Sub-Saharan Africa jumped 17.4% during the first half of 2011.

English-speaking Sub-Saharan Africa also reported vigorous 19.2% first-half sales growth thanks to the contribution made by new brands. Ghana and Kenya both turned in strong performances. However, trading in Nigeria failed to pick up during the first six months of the year.

First-half revenue climbed 22.6% in the Maghreb, with a strong contribution from Algeria powered by a 57% surge in truck sales.

Lastly, the Group consolidated its positions in the French overseas territories thanks to the successful integration of newly acquired companies in Reunion and New Caledonia.

The earthquake in Japan in March 2011 heavily disrupted production by Japanese automakers both in Japan and the rest of the world. The impact on CFAO Automotive's revenue was limited in first-half 2011 due to long procurement lead times, relatively large inventory volumes held at the beginning of the year, and the availability of vehicles initially intended for Côte d'Ivoire. Current inventory levels are structurally low for certain Japanese models however.

Eurapharma's pharmaceutical products distribution business reported sustained revenue growth in the second quarter of 2011. Sales declined in Côte d'Ivoire in the first six months of the year, but to a lesser degree than in the Automotive division (down 9%). Revenue for the pre-wholesale business increased sharply, driven by new distribution agreements signed with pharmaceutical companies.

Revenue for the **CFAO Industries, Equipment & Services** division came in at €165.8 million in first-half 2011, up 3.9% on the same prior-year period and 13.4% like-for-like. Sales of beverages and plastic products continued their sharp upward trend, while the new construction machinery distribution and rental business got off to a successful start. Despite the impact of the downturn in Côte d'Ivoire, **CFAO Technologies** recorded growth of 3.9% over the period.

1.3.3 Gross profit

Gross profit came in at €328.1 million in the six months to June 30, 2011, up 11.7% year-on-year, but slipped back from 22.6% to 22.1% as a percentage of revenue.

The gross profit margin is slightly lower for CFAO Automotive, mainly due to the impact of the rise in the yen on the cost of vehicles sold during the period. The average yen/euro exchange rate in second-half 2009, when foreign exchange rate hedges were set up for the purchase of vehicles sold in first-half 2011, was around 20% higher than in the same period in 2010.

Eurapharma's gross profit margin also edged down slightly due to lower foreign currency gains than in the previous period.

1.3.4 Payroll expenses

Payroll expenses climbed 13.4% to €107.8 million for the first half of the year compared with €95.1 million for the same period in 2010. The rise primarily reflects the first-time consolidation of newly acquired companies. On a constant scope basis, the increase was only 6.8%. Like in first-half 2010, payroll expenses represented 7.3% of revenue.

1.3.5 Other recurring operating income and expenses

Other recurring operating income and expenses represented a net expense of €107.9 million for the first half of 2011 versus a net expense of €96.4 million for the same period in 2010. This 11.9% increase is the result of (i) higher variable costs due to the strong growth of the industrial businesses and (ii) higher costs due to the rollout of the CFAO Equipment network.

As a percentage of revenue, these expenses edged down slightly year-on-year from 7.4% to 7.3%.

1.3.6 Consolidated recurring operating income

Recurring operating income was up 9.9% at €112.4 million, but down slightly year-on-year as a percentage of revenue, at 7.6%.

The table below provides a breakdown of recurring operating income by division:

	First-half 2011		**First-half 2010**	
	(in € millions)	**as a % of revenue**	**(in € millions)**	**as a % of revenue**
CFAO Automotive	60.5	6.7%	52.1	7.0%
Eurapharma	36.5	8.7%	35.9	9.1%
CFAO Industries, Equipment & Services	28.2	17.0%	22.4	14.1%
Holding company	(12.8)	–	(8.2)	–
Total	**112.4**	**7.6%**	**102.3**	**7.9%**

Recurring operating margin for CFAO Automotive edged back due to the business downturn in Côte d'Ivoire and the slight flattening of gross profit. Excluding Côte d'Ivoire, recurring operating margin widened sharply.

Eurapharma did not benefit from the same favorable currency effect as last year. Operating margin in French-speaking Africa was up significantly, but the French Overseas Territories failed to improve on their first-half 2010 contribution.

Lastly, the recurring operating margin of the CFAO Industries, Equipment & Services division climbed sharply thanks to a favorable business mix, partly related to the sale of the less profitable wooden crates business in Morocco.

1.3.7 Operating income

CFAO ended the first half of 2011 with operating income of €120.6 million (8.1% of revenue), up 16% on first-half 2010. This figure includes non-recurring income related to the accounting treatment of the merger with the Pentecost group in New Caledonia (€8.4 million gain on the revaluation of the Group's non-controlling interest in the Almameto group).

1.3.8 Net finance costs

The table below provides a breakdown of the Group's net finance costs in first-half 2010 and first-half 2011:

in € millions	First-half 2011	First-half 2010
Cost of net debt	(12.6)	(10.7)
Other financial income and expenses	(1.1)	(3.2)
Net finance costs	**(13.7)**	**(14.0)**

The cost of net debt rose €1.8 million during the first half of 2011 to €12.6 million, reflecting an increase in average debt and higher interest rates. However, other net financial expenses fell €2 million on first-half 2010 to €1.1 million due to the impact of foreign currency gains.

1.3.9 Income tax

Income tax includes taxes paid or for which provisions are made in a given period, as well as tax adjustments paid or provisioned during the period.

The Group recognized income tax expense of €36.0 million in the first half of 2011 versus €30.3 million for the same period in 2010. The overall effective tax rate remained virtually stable at 33.7%.

1.3.10 Net income

The Group's share in earnings of associates totaled €1.3 million in the first half of 2011, versus €0.5 million in the comparable prior-year period. Net income attributable to non-controlling interests climbed 23.7% to €23.0 million (31.9% of consolidated net income). This reflects the fact that increases in net income were higher in divisions with significant third-party partnerships (Eurapharma and CFAO Industries) than in CFAO Automotive.

Consequently, net income attributable to owners of the parent rose 17.8% to €49.2 million in first-half 2011 from €41.8 million in the same period of 2010.

Earnings per share amounted to €0.80, versus €0.68 in first-half 2010.

1.3.11 Net debt

Working capital requirement increased significantly during the period which reflects the combined impact of strong business levels and lower levels of inventory financing. This financing rate, which attained the exceptionally high level of 77% at December 31, 2010, fell back to a more moderate 69% at June 30, 2011.

The main operating capital expenditure items for the period concerned the ongoing program to modernize and expand the CFAO Automotive network and capacity investments for Brasseries du Congo, as well as the purchase of additional vehicles for rental and the organization of the CFAO Equipment network.

At June 30, 2011, net debt totaled €315.6 million, up €115.1 million on end-2010. The main items impacting net debt during the period included: (i) dividend payments, in particular the June 9, 2011 payment of a €0.82 dividend per share to CFAO shareholders, corresponding to a total payout of €50 million, and (ii) the change in working capital requirement described above.

The gearing ratio stood at 0.50 at end-June 2011 compared with 0.31 at end-December 2010.

The net debt/EBITDA ratio came in at 1.16 versus 0.75 previously.

At June 30, 2011, only €110 million had been drawn down on the €300 million syndicated credit facility set up in 2009. None of the financial covenants relating to this facility had been breached at that date and CFAO considers it unlikely that they will be breached at end-December 2011.

1.4 Related parties

Information on transactions with related parties is provided in Chapter 19 ''Related-party transactions'' of the 2010 Reference Document.

During the first half of 2011, CFAO did not enter into any transactions with related parties that had a material impact on its financial position or results (except those described in section 1.4). The Group did not make any changes that affected the transactions with related parties described in the 2010 Reference Document. In the first half of 2011, the compensation of Executive Board members was modified by a decision of the Supervisory Board, as indicated in Table 2 of section 15.1 ''Compensation of corporate officers'' of the 2010 Reference Document.

Other information pertaining to related-party transactions is described in Note 20 to the accompanying condensed interim consolidated financial statements.

1.5 Significant events during the first six months of 2011

- In January 2011, CFAO announced that it had finalized the takeover of the Reunion-based Citroën automobile distribution business. The Group already had business operations in Reunion through its CMM Automobiles subsidiary. The acquisition will broaden the vehicle range that CFAO offers to its customers. The new business represented around 600 new vehicle sales in first-half 2011.

- In September 2010, CFAO entered into an agreement with New Caledonian group Pentecost with a view to pooling their respective interests in the automobile distribution and civil engineering and mining equipment companies, (including the Group's 50% interest in Almameto) that they own in New Caledonia. Share transfers between the companies were completed on March 15, 2011. CFAO and the Pentecost group respectively own 74% and 26% of the shares in the new joint venture, which in turn owns the entire share capital of operating companies Ménard, Almameto, Prestige Motors, Intermotors, NC Motors and Sapas. Together, the companies covered by this agreement employed 295 people at December 31, 2010 and generated revenue of approximately €170 million.

1.6 Outlook

CFAO Automotive

In the second half of 2011, the Group expects to see business picking up in Côte d'Ivoire and improving in Nigeria and Morocco. Central Africa and Algeria should remain buoyant, while the new developments will be ramped up in East Africa and the French overseas territories. CFAO Automotive also plans to start operations in Uganda.

The risk of a shortage of certain Japanese vehicle models is set to continue into the second half of the year.

Eurapharma

A return to normal supply levels is anticipated in Algeria. Business in Côte d'Ivoire has returned to pre-crisis levels which means that Eurapharma's sales growth should continue in the second half of the year.

A partnership agreement for the acquisition of a pharmaceutical manufacturing plant in Algeria is due to be finalized in the coming months.

CFAO Industries, Equipment & Services

The Group intends to continue rolling out the construction machinery business and bolstering the Rental services business. CFAO Technologies is expected to continue improving its performance over the year as a whole, despite the downturn in Côte d'Ivoire.

The industrial businesses should continue to grow in the second half of the year.

2. CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2011

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

The Group's consolidated financial statements for the six months ended June 30, 2010 and June 30, 2011 and for the year ended December 31, 2010 were prepared in accordance with the International Financial Reporting Standards (''IFRS'') and IFRIC interpretations adopted for use by the European Union and applicable as of June 30, 2011.

CONSOLIDATED INCOME STATEMENT FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2011 AND JUNE 30, 2011

(in € millions)	Notes	First-half 2011	First-half 2010
Revenue	4	**1,486.5**	**1,299.9**
Cost of sales		(1,158.4)	(1,006.1)
Gross profit		**328.1**	**293.7**
Payroll expenses	5	(107.8)	(95.1)
Other recurring operating income and expenses		(107.9)	(96.4)
Recurring operating income	4	**112.4**	**102.3**
Other non-recurring operating income and expenses	6	8.2	1.8
Operating income		**120.6**	**104.0**
Cost of net debt	7	(12.6)	(10.7)
Other financial income and expenses	7	(1.1)	(3.2)
Income before tax		**106.9**	**90.1**
Income tax	8	(36.0)	(30.3)
Share in earnings of associates		1.3	0.5
Net income from continuing operations		**72.2**	**60.3**
o/w attributable to owners of the parent		49.2	41.8
o/w attributable to non-controlling interests		23.0	18.6
Net income of consolidated companies		**72.2**	**60.3**
Net income attributable to owners of the parent	9	49.2	41.8
Net income attributable to non-controlling interests	9	23.0	18.6
Net income attributable to owners of the parent		**49.2**	**41.8**
Earnings per share (in €)	9	0.80	0.68
Fully diluted earnings per share (in €)	9	0.80	0.68

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2011 AND JUNE 30, 2010

(in € millions)	Notes	First-half 2011	First-half 2010
Net income		**72.2**	**60.3**
Foreign exchange gains and losses		(10.7)	16.8
Actuarial gains and losses[1]		0.0	0.0
Income and expenses recognized directly in equity	10	**(10.7)**	**16.8**
Total comprehensive income		**61.5**	**77.2**
o/w attributable to owners of the parent		37.3	57.4
o/w attributable to non-controlling interests		24.3	19.7

[1] *Net of tax*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2011, JUNE 30, 2010 AND DECEMBER 31, 2010

ASSETS

(in € millions)	Notes	June 30, 2011	June 30, 2010	Dec. 31, 2010
Goodwill		143.0	127.1	126.3
Other intangible assets		31.8	24.1	26.0
Property, plant and equipment		289.7	274.7	279.0
Investments in associates		17.3	20.2	21.8
Non-current financial assets		37.5	43.6	42.9
Deferred tax assets		21.3	24.1	21.1
Other non-current assets		0.1	0.3	0.1
Non-current assets		**540.7**	**514.2**	**517.2**
Inventories		733.3	681.0	744.0
Trade receivables		398.5	363.2	367.5
Current tax receivables		19.8	13.1	13.9
Other current financial assets		9.3	30.4	10.6
Other current assets		135.4	141.4	132.1
Cash and cash equivalents	12	152.7	126.3	133.1
Current assets		**1,449.0**	**1,355.5**	**1,401.1**
Total assets		**1,989.7**	**1,869.6**	**1,918.3**

EQUITY AND LIABILITIES

(in € millions)	Notes	June 30, 2011	June 30, 2010	Dec. 31, 2010
Share capital	11	10.3	10.3	10.3
Translation adjustments		(27.1)	(4.0)	(15.2)
Treasury shares		(0.5)	(1.9)	(0.7)
Other reserves		485.4	437.5	498.3
Equity attributable to owners of the parent	11	**468.0**	**441.8**	**492.7**
Non-controlling interests		170.2	137.7	153.9
Total equity	11	**638.2**	**579.5**	**646.7**
Non-current borrowings	13	132.2	146.4	99.0
Provisions for pensions and other post-employment benefits		26.9	28.6	26.8
Other provisions		8.4	6.7	5.9
Deferred tax liabilities		1.3	0.8	1.1
Non-current liabilities		**168.9**	**182.5**	**132.9**
Current borrowings	13	336.1	233.0	234.6
Other current financial liabilities		17.6	37.9	11.9
Trade payables		502.8	517.6	571.2
Provisions for pensions and other post-employment benefits		0.4	0.3	0.4
Other provisions		17.5	15.9	18.9
Current tax liabilities		30.8	24.3	33.0
Other current liabilities		277.4	278.5	268.7
Current liabilities		**1,182.6**	**1,107.6**	**1,138.8**
Total equity and liabilities		**1,989.7**	**1,869.6**	**1,918.3**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2011 AND JUNE 30, 2010 AND THE YEAR ENDED DECEMBER 31, 2010

(in € millions)	Notes	First-half 2011	First-half 2010	Full-year 2010
Net income		**72.2**	**60.3**	**140.3**
Net recurring charges to depreciation, amortization and provisions on non-current operating assets		23.7	21.2	43.1
Proceeds on disposal of leasing fleets (amendment to IAS 16)		0.6	0.9	2.1
Other non-cash income and expenses		(6.0)	(1.3)	(1.3)
Cash flow from operating activities		**90.5**	**81.2**	**184.2**
Interest paid/received		13.1	14.0	26.6
Dividends received		(0.9)	(0.6)	(1.0)
Net income tax payable		35.9	31.6	64.5
Cash flow from operating activities before tax, dividends and interest		**138.6**	**126.3**	**274.3**
Change in working capital requirement		(69.7)	44.6	17.1
Income tax paid		(44.4)	(34.9)	(60.4)
Net cash from operating activities		**24.4**	**136.0**	**231.0**
Purchases of leasing fleets (amendment to IAS 16)	18.1	(6.0)	(3.6)	(9.0)
Other purchases of property, plant and equipment and intangible assets	18.1	(30.6)	(29.7)	(60.4)
Proceeds from disposals of property, plant and equipment and intangible assets	18.1	1.9	3.0	8.3
Acquisitions of subsidiaries, net of cash acquired	18.2	(12.7)	(21.0)	(15.2)
Proceeds from the disposals of subsidiaries, net of cash transferred	18.2	0.0	1.0	8.7
Purchases of other financial assets		(3.5)	(4.2)	(14.0)
Proceeds from sales of other financial assets		6.6	4.5	13.1
Interest and dividends received		(0.7)	(0.3)	1.8
Net cash used in investing activities		**(45.0)**	**(50.2)**	**(66.6)**
Increase/decrease in share capital		(0.1)	0.4	0.5
Dividends paid to owners of the parent company		(50.5)	(48.0)	(48.0)
Dividends paid to non-controlling interests		(13.8)	(6.4)	(21.6)
Issuance of debt		33.0	10.0	12.2
Repayment of debt		(10.1)	(31.0)	(78.6)
Interest paid and equivalent		(13.7)	(14.1)	(27.0)
Net cash used in financing activities		**(55.2)**	**(88.9)**	**(162.6)**
Impact of exchange rate variations		2.7	(5.0)	(4.5)
Impact of treasury shares		0.2	(1.9)	(0.7)
Other movements		(0.0)	(1.0)	(0.9)
Net decrease in cash and cash equivalents		**(72.9)**	**(11.1)**	**(4.2)**
Cash and cash equivalents net of bank overdrafts at beginning of the period	18	**(85.7)**	**(81.5)**	**(81.5)**
Cash and cash equivalents net of bank overdrafts at end of the period	18	**(158.6)**	**(92.6)**	**(85.7)**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in € millions)	Number of shares outstanding[1]	Share capital	Cumulative translation adjustments	Other reserves and net income attributable to owners of the parent	Equity: Owners of the parent	Equity: Non-controlling interests	Equity: Total equity
As of December 31, 2009	**61,524,360**	**10.3**	**(20.3)**	**443.5**	**433.5**	**137.5**	**570.9**
Comprehensive income as of June 30, 2010			**15.6**	**41.8**	**57.4**	**19.7**	**77.2**
Increase/decrease in share capital				0.4	**0.4**		**0.4**
Treasury shares	**84,900**[2]			(1.9)	**(1.9)**		**(1.9)**
Valuation of share-based payment				1.3	**1.3**		**1.3**
Dividends paid				(48.0)	**(48.0)**	(20.0)	**(68.0)**
Changes in scope of consolidation			0.6	(1.6)	**(0.9)**	0.4	**(0.5)**
As of June 30, 2010	**61,524,360**	**10.3**	**(4.0)**	**435.5**	**441.8**	**137.7**	**579.5**
Comprehensive income for the second-half 2010			**(11.3)**	**58.8**	**47.5**	**18.9**	**66.3**
Increase/decrease in share capital	**1,500**[1]						
Treasury shares	**20,700**[2]			1.2	**1.2**		**1.2**
Valuation of share-based payment				1.5	**1.5**		**1.5**
Dividends paid						(0.3)	**(0.3)**
Changes in scope of consolidation			0.1	0.7	**0.8**	(2.3)	**(1.5)**
As of December 31, 2010	**61,505,160**	**10.3**	**(15.2)**	**497.7**	**492.7**	**154.0**	**646.7**
Comprehensive income as of June 30, 2011			**(12.3)**	**49.5**	**37.3**	**24.3**	**61.5**
Increase/decrease in share capital						(0.0)	**(0.0)**
Treasury shares	**16,386**[2]			0.2	**0.2**		**0.2**
Valuation of share-based payment				1.4	**1.4**		**1.4**
Dividends paid				(50.5)	**(50.5)**	(20.8)	**(71.3)**
Changes in scope of consolidation			0.3	(13.4)	**(13.1)**	12.8	**(0.3)**
As of June 30, 2011	**61,509,474**	**10.3**	**(27.1)**	**485.0**	**468.0**	**170.3**	**638.2**

(1) *Subscription of 1,500 shares (see Note 5).*

(2) *Within the framework of the liquidity agreement.*

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NOTE 1 INTRODUCTION

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

The Group currently has operations in France, 31 African countries, six French overseas territories, Vietnam and Mauritius.

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

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

The CFAO Group's condensed interim consolidated financial statements were approved for issue by the Management Board on July 22, 2011 and are presented in euros.

NOTE 2 ACCOUNTING POLICIES AND METHODS

General principles and statement of compliance

The consolidated financial statements of the CFAO Group for the six months ended June 30, 2011 were prepared in accordance with applicable international accounting standards adopted by the European Union and of mandatory application as of that date. These international standards comprise International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

The condensed interim consolidated financial statements for the six months ended June 30, 2011 have been prepared in accordance with IAS 34 – Interim Financial Reporting as adopted by the European Union, which allows entities to present selected explanatory notes.

The notes do not therefore include all of the disclosures required for a complete set of annual financial statements, and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2010.

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

IFRS basis adopted

The interim financial statements have been prepared in accordance with the accounting principles and methods applied by the Group for the 2010 financial statements, except for income tax and employee benefits, which are subject to specific valuation methods (Note 2.1).

The standards, amendments and interpretations applicable for the first time to accounting periods beginning on or after January 1, 2011 had no material impact on the interim consolidated financial statements for the six months ended June 30, 2011. These mainly included:

- IAS 24 revised – Related Party Disclosures;
- amendment to IFRIC 14 – Prepaid Voluntary Contributions;
- the Annual Improvements to IFRSs issued in May 2010.

2.1. Details specific to the preparation of interim financial statements

2.1.1. Income tax

The income tax charge for the period (current and deferred) is calculated based on the estimated effective tax rate for the period, for each tax entity.

2.1.2. Employee benefits

Barring a specific event during the period, no actuarial valuations are performed for the preparation of the interim consolidated financial statements. The charge for the first half of the year relating to post-employment benefits represents one-half of the net charge calculated for full-year 2011, based on the data and actuarial assumptions used for the year ended December 31, 2010.

2.1.3. Seasonality of operations

Seasonal fluctuations in operations do not have a material impact on any of the Group's divisions.

2.2. Use of estimates and judgment

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

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

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

- Note 5 – Share-based payment;
- Note 15 – Accounting classification and market value of financial instruments;
- Note 16 – Exposure to foreign exchange risk.

NOTE 3 SCOPE OF CONSOLIDATION

Since January 1, 2011 there were the following changes in the scope of consolidation:

- In December 2010, CFAO entered into a shareholders' agreement with New Caledonian group Pentecost with a view to pooling their respective interests in the automobile distribution and civil engineering and mining equipment companies that they own in New Caledonia (the Ménard group for CFAO and Almameto for Pentecost). Upon completion of the share transfers, CFAO and the Pentecost group respectively own 74% and 26% of the shares in the new joint venture.

  In 2010, the companies of the Pentecost group that were consolidated in the CFAO Group using the equity method had a headcount of 186 and generated €106 million in revenue compared to €48.6 million in first-half 2011.

The business combination, recorded on January 1, 2011, was measured at fair value based on an independent assessment. CFAO recognized the transaction as an acquisition of controlling interests in the Almameto group, leading to the revaluation of the Group's initial interest in accordance with the revised IFRS 3 (€8.4 million gain recorded in non-recurring operating income). As CFAO remains the controlling shareholder for the companies in the Ménard group, their historical value does not change.

This transaction also generated €16.1 million in goodwill calculated using the full goodwill method, representing the value of expected synergies as a result of the significant portion of market share acquired.

The Pentecost group was granted a put option on the remaining 26% non-controlling interests, accounted for under net debt.

- In January 2011, the CFAO Group consolidated Nissan Zimbabwe, a Nissan automobile distribution business in Zimbabwe. In first-half 2011, this activity generated €12.5 million in revenue.

  This first-time consolidation resulted in goodwill of €1.7 million.

- At end-January 2011, the Commercial Court (*Tribunal de Commerce*) of Reunion authorized CFAO's takeover bid for the Citroën automobile import and distribution business owned by Foucque Automobile, which had been placed under court-ordered receivership. In first-half 2011, this activity reported €14.5 million in revenue.

- In March 2011, the CFAO Group acquired Vehicle Center Zambia LTD, a Ford automobile distribution business in Zambia. This company sold 397 new vehicles in 2010, generating revenue of €7.7 million. In first-half 2011, this activity reported €5.9 million in revenue.

- In June 2011, the CFAO Group acquired Lien A, an Audi automobile distribution business in Vietnam. CFAO already owned an Audi automobile import business in Vietnam. Lien A sold 216 new vehicles in 2010, generating revenue of €18.7 million. This activity reported €11.6 million in revenue in first-half 2011.

NOTE 4 OPERATING SEGMENTS

Information provided on CFAO's divisions and geographic areas is prepared in accordance with the same accounting rules as for the consolidated financial statements.

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

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

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

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

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

Segment liabilities include trade payables and other current liabilities.

Segment information has been changed to take into account the Group's new organization.

The Industries and Technologies divisions have been combined into a single division, known as CFAO Industries, Equipment & Services. This division includes the following four activities:

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

- Technologies: business activities refocused on IT products and solutions in first-half 2011;

- Equipment: activities based around the distribution of generators and elevators, and the sale, installation and maintenance of construction machinery, currently being organized in seven countries;
- Rental services: previously part of the Automotive division, will be strengthened to provide a platform for the expansion of the Equipment and Automotive businesses.

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

4.1 Information by division

Segment information as of June 2011 as well as historical information from June to December 2010 below, is presented according to the Group's new organization.

(in € millions)	CFAO Automotive	Eurapharma	CFAO Industries, Equipment & Services	Holding company & other	Eliminations	Total
As of June 30, 2011						
Revenue	942.7	418.8	186.0		(61.0)	**1,486.5**
– non-Group	901.9	418.8	165.8	0.0		**1,486.5**
– Group	40.8		20.2	(0.0)		**61.0**
Recurring operating income	**60.5**	**36.5**	**28.2**	**(12.8)**		**112.4**
Net recurring charges to depreciation, amortization and provisions on non-current operating assets	10.5	2.7	10.3	0.3	(0.0)	**23.7**
Other non-cash recurring operating income and expenses	(0.0)	(0.0)	(0.4)	(4.9)	(0.0)	**(5.4)**
Purchases of leasing fleets (amendment to IAS 16)	2.6		3.3		0.0	**6.0**
Other purchases of property, plant and equipment and intangible assets, gross	10.3	2.9	17.3	0.1	0.0	**30.6**
Segment assets	**1,038.3**	**407.5**	**301.6**	**(15.2)**	**(0.4)**	**1,731.8**
Segment liabilities	**442.0**	**225.4**	**105.7**	**6.8**	**0.2**	**780.2**
As of June 30, 2010						
Revenue	788.7	393.5	161.1		(43.4)	**1,299.9**
– non-Group	746.9	393.4	159.5	0.1		**1,299.9**
– Group	41.8	0.1	1.6	(0.1)		**43.4**
Recurring operating income	**52.1**	**35.9**	**22.4**	**(8.2)**		**102.3**
Net recurring charges to depreciation, amortization and provisions on non-current operating assets	9.6	2.4	8.9	0.3	(0.0)	**21.2**
Other non-cash recurring operating income and expenses	(3.1)	(0.6)	(0.0)	3.4	0.0	**(0.4)**
Purchases of leasing fleets (amendment to IAS 16)	0.9		2.7			**3.6**
Other purchases of property, plant and equipment and intangible assets, gross	11.1	3.0	15.4	0.2	(0.0)	**29.7**
Segment assets	**931.1**	**403.3**	**291.4**	**(14.1)**	**0.0**	**1,611.8**
Segment liabilities	**455.6**	**224.9**	**106.8**	**8.5**	**0.3**	**796.1**
As of December 31, 2010						
Revenue	1,611.6	809.7	342.2		(87.2)	**2,676.2**
– non-Group	1,527.4	809.6	339.1	0.1		**2,676.2**
– Group	84.2	0.1	3.0	(0.1)		**87.2**
Recurring operating income	**117.5**	**71.4**	**59.7**	**(25.3)**		**223.2**
Net recurring charges to depreciation, amortization and provisions on non-current operating assets	19.2	4.9	18.3	0.7	(0.0)	**43.1**
Other non-cash recurring operating income and expenses	0.2	(0.9)	(0.7)	2.3	0.0	**0.9**
Purchases of leasing fleets (amendment to IAS 16)	2.6		6.4		(0.0)	**9.0**
Other purchases of property, plant and equipment and intangible assets, gross	21.9	7.4	30.4	0.6	0.0	**60.4**
Segment assets	**997.5**	**407.2**	**284.2**	**(14.1)**	**(0.0)**	**1,674.9**
Segment liabilities	**492.7**	**234.1**	**101.4**	**11.5**	**0.3**	**839.9**

4.2 Information by geographic area

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

(in € millions)	French-speaking Sub-Saharan Africa	English-speaking Sub-Saharan Africa	French Overseas Territories and Other	Maghreb	France (export)	Total
As of June 30, 2011						
Revenue	574.1	188.3	350.6	300.7	72.8	**1,486.5**
Non-current segment assets	213.5	45.0	87.4	68.8	50.0	**464.7**
As of June 30, 2010						
Revenue	536.3	164.2	274.8	263.6	61.0	**1,299.9**
Non-current segment assets	197.1	46.5	57.4	75.7	49.6	**426.2**
As of December 31, 2010						
Revenue	1,128.2	331.7	568.9	509.2	138.2	**2,676.2**
Non-current segment assets	205.9	46.4	58.1	70.4	50.6	**431.4**

NOTE 5 SHARE-BASED PAYMENT

For its IPO the Group set up a stock option plan and a performance share plan for certain employees (on January 4 and December 3, 2010, respectively).

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

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

The characteristics of the plans are set out below:

Stock option and performance share plan	2010 Plan Subscription options	2010 Plan Performance shares
Grant date	1/4/2010	12/3/2010
Expiration date	1/4/2018	12/3/2014
Vesting of rights	1/4/2014	12/3/2012
Number of beneficiaries	239	600
Number initially granted	1,350,000	97,400
Number outstanding as of December 31, 2010	1,338,000	97,400
Number forfeited in 2011	351,374	
Number exercised in 2011		
Number expired in 2011		
Number outstanding as of June 30, 2011	986,626	97,400
Number exercisable as of June 30, 2011		
Strike price (in €)	26.00	N/A
Fair value at grant date (in €)	4.18	22.96
Weighted average price of options exercised (in €)		

Vesting of the options awarded under the stock option plan is subject to the beneficiaries' presence within the Group and performance conditions. Options vest at a rate of 25% per full year of presence within the Group. Three-quarters of the stock options granted are subject to performance conditions related to the CFAO Group's recurring operating profit margin and free operating cash flow.

Vesting of the shares awarded under the performance share plan is subject to the beneficiaries' presence within the Group and a single performance condition based on CFAO's share performance compared with the SBF120.

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

The fair value of the rights awarded to the beneficiaries was determined on the grant date of the plans as follows:

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

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

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

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

The main valuation assumptions are summarized below:

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

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

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

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

The total expense recognized for the six months ended June 30, 2011 in respect of stock option and performance share plans was €1.5 million.

NOTE 6 OTHER NON-RECURRING OPERATING INCOME AND EXPENSES

(in € millions)	First-half 2011	First-half 2010
Non-recurring operating income	**8.2**	**1.9**
Net proceeds from the disposal of non-current operating assets	0.2	1.0
Net proceeds from the disposal of investments	8.0	0.9
Other	(0.0)	0.0
Non-recurring operating expenses		**(0.1)**
Other		(0.1)
Total	**8.2**	**1.8**

The Group's other non-recurring operating income and expenses consist of unusual items that could distort the assessment of each division's financial performance. The net balance of this caption was income of €8.2 million in the first half of 2011, comprising €0.2 million of net proceeds from the disposal of operating assets (first-half 2010: €1.0 million). This also includes €8.4 million in proceeds from the revaluation of the Group's initial interest in the Almameto group prior to the business combination in New Caledonia in which it acquired a controlling interest in Almameto.

NOTE 7 FINANCIAL INCOME AND EXPENSES

This caption can be analyzed as follows:

(in € millions)	First-half 2011	First-half 2010
Cost of net debt	**(12.6)**	**(10.7)**
Income from cash and cash equivalents	0.5	0.3
Finance costs at amortized cost	(13.1)	(11.0)
Other financial income and expenses	**(1.1)**	**(3.2)**
Gains and losses on fair value foreign exchange hedges[1]	0.7	(1.0)
Foreign exchange gains and losses	0.4	(0.5)
Dividends and interim dividends received	0.9	0.6
Impact of discounting assets and liabilities	(0.7)	(0.5)
Other finance costs	(2.3)	(1.8)
Total	**(13.7)**	**(14.0)**

[1] *This item corresponds to the ineffective portion of fair value hedges.*

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

The net impact on income of the ineffective portion of foreign exchange hedges amounted to €0.7 million. This reflects (i) income of €2.7 million relating to changes in the fair value of obligations, and (ii) an expense of €2.0 million relating to changes in the fair value of derivative instruments.

Other financial expenses include discount costs.

NOTE 8 INCOME TAX

The Group income tax rate is calculated as follows:

(in € millions)	First-half 2011	First-half 2010
Income before tax	106.9	90.1
Non-recurring items	8.2	1.8
Recurring income before tax	**98.7**	**88.3**
Total tax expense	(36.0)	(30.3)
Total tax expense excluding Company value-added contribution (CVAE)	(34.9)	(29.2)
Tax on non-recurring items	(0.1)	(0.0)
Total current tax expense excluding CVAE	**(34.8)**	**(29.2)**
Effective tax rate	**33.7%**	**33.6%**
Current tax rate excluding CVAE	**35.3%**	**33.0%**

NOTE 9 EARNINGS PER SHARE

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

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

In view of CFAO's average share price in first-half June 2011 (€28.39), the stock option plan described in Note 5 did not have a dilutive impact for the period.

Earnings per share as of June 30, 2011

(in € millions)	Consolidated Group
Net income attributable to ordinary shareholders	**49.2**
Weighted average number of ordinary shares outstanding	61,525,860
Weighted average number of treasury shares	(26,342)
Weighted average number of ordinary shares	**61,499,518**
Basic earnings per share (in €)	**0.80**
Net income attributable to ordinary shareholders	**49.2**
Stock subscription options	
Performance shares	
Diluted net income attributable to owners of the parent	**49.2**
Weighted average number of ordinary shares	61,499,518
Stock subscription options	0
Performance shares	14,685
Weighted average number of diluted ordinary shares	**61,514,203**
Fully diluted earnings per share (in €)	**0.80**

Earnings per share as of June 30, 2010

(in € millions)	Consolidated Group
Net income attributable to ordinary shareholders	**41.8**
Weighted average number of ordinary shares outstanding	61,524,360
Weighted average number of treasury shares	(55,292)
Weighted average number of ordinary shares	**61,469,068**
Basic earnings per share (in €) (1)	**0.68**
Net income attributable to ordinary shareholders	**41.8**
Stock subscription options	
Performance shares	
Diluted net income attributable to owners of the parent	**41.8**
Weighted average number of ordinary shares	61,469,068
Stock subscription options	0
Performance shares	
Weighted average number of diluted ordinary shares	**61,469,068**
Fully diluted earnings per share (in €) (1)	**0.68**

NOTE 10 OTHER COMPREHENSIVE INCOME

The components of other comprehensive income include:

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

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

(in € millions)	Gross	Income tax	Net
Translation adjustments	16.8		16.8
Unrecognized surplus of pension plan assets			
Actuarial gains and losses			
Other comprehensive income (expense) as of June 30, 2010	**16.8**		**16.8**
Translation adjustments	3.1		3.1
Unrecognized surplus of pension plan assets			
Actuarial gains and losses	(0.2)	0.5	0.2
Other comprehensive income (expense) as of December 31, 2010	**2.8**	**0.5**	**3.3**
Translation adjustments	(10.7)		(10.7)
Unrecognized surplus of pension plan assets			
Actuarial gains and losses			
Other comprehensive income (expense) as of June 30, 2011	**(10.7)**		**(10.7)**

NOTE 11 EQUITY

Share capital amounted to €10,254,310 as of December 31, 2010, comprising 61,525,860 fully paid-up shares.

The Management Board recommended to the Ordinary Shareholders' Meeting called to approve the 2010 financial statements a dividend payout for 2010 representing 50% of net income attributable to owners of the parent, corresponding to €0.82 per share and €50.5 million in total.

The dividend paid in respect of 2009 amounted to €0.78 per share.

NOTE 12 CASH AND CASH EQUIVALENTS

This item breaks down as follows:

(in € millions)	June 30, 2011	June 30, 2010
Cash	149.9	126.3
Cash equivalents	2.8	
Total	**152.7**	**126.3**

NOTE 13 GROSS BORROWINGS

(in € millions)	June 30, 2011	Y+1	Y+2	Y+3	Y+4	Y+5	Beyond	June 30, 2010	Dec. 31, 2010
Non-current borrowings	**132.2**		**17.6**	**113.0**	**1.0**	**0.2**	**0.4**	**146.4**	**99.0**
Confirmed lines of credit	110.0			110.0				130.0	90.0
Other bank borrowings	7.3		4.5	2.2	0.6			13.2	7.2
Employee profit-sharing	2.2		0.4	0.8	0.4	0.2	0.4	2.6	1.8
Other borrowings	12.8		12.7	0.0				0.6	0.0
Current borrowings	**336.1**	**336.1**						**233.0**	**234.6**
Confirmed lines of credit	7.0	7.0							1.6
Other bank borrowings	8.9	8.9						9.1	8.1
Employee profit-sharing	3.1	3.1						0.1	0.4
Bank overdrafts	311.1	311.1						218.9	218.9
Other borrowings	6.0	6.0						4.9	5.7
Total	**468.3**	**336.1**	**17.6**	**113.0**	**1.0**	**0.2**	**0.4**	**379.4**	**333.6**
%		**71.8%**	**3.7%**	**24.1%**	**0.2%**	**0.1%**	**0.1%**		

As of June 30, 2011, all gross borrowings were recognized at amortized cost based on the effective interest rate.

Non-current borrowings mainly include the €110 million drawdown on the syndicated facility out of a total confirmed credit line of €300 million. This facility was classified within non-current confirmed lines of credit in light of its three-year term (initial maturity: December 7, 2012 extended to December 9, 2013 by way of an agreement with the banking pool signed on November 5, 2010).

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

- Net debt must not be more than double recurring EBITDA (see Note 14).

  EBITDA is defined as recurring operating income plus depreciation, amortization and provisions for non-recurring operating assets recognized in recurring operating income.

  (EBITDA is not a financial measure defined under IFRS. It should not be taken as a substitute for operating income, net income or cash flows, nor should it be treated as a measure of liquidity. EBITDA may be calculated differently by other companies with businesses that are similar to or different from that of the Group. Accordingly, the EBITDA calculated by the Group may not be comparable to that calculated by other issuers.)

- Gross borrowings of subsidiaries must not exceed 80% of consolidated gross borrowings.

- The other off-balance sheet commitments given by Group entities to third parties must not exceed 1.2 times the average amount of trade payables for the period under consideration and the preceding six-month period.

As of June 30, 2011, the ratio came to less than 1.

As of June 30, 2011, the Group complied with these three covenants.

Accrued interest is recorded in ''Other borrowings''.

Borrowings with a maturity of more than one year represented 28.2% of total gross borrowings as of June 30, 2011 (38.6% as of June 30, 2010).

NOTE 14 NET DEBT

Group net debt breaks down as follows:

(in € millions)	June 30, 2011	June 30, 2010	Dec. 31, 2010
Gross borrowings	(468.3)	(379.4)	(333.6)
Cash	152.7	126.3	133.1
Net debt	**(315.6)**	**(253.1)**	**(200.5)**

NOTE 15 ACCOUNTING CLASSIFICATION AND MARKET VALUE OF FINANCIAL INSTRUMENTS

The basis of measurement for financial instruments and their market values as of June 30, 2011 are presented below:

(in € millions)	June 30, 2011		Available-for-sale assets	Loans and receivables	Amortized cost	Derivatives qualifying for hedge accounting
	Carrying amount	Market value				
Non-current assets						
Non-current financial assets	37.5	37.5	6.3	25.7	5.5	
Current assets						
Trade receivables	398.5	398.5			398.5	
Other current financial assets	9.3	9.3			2.4	6.9
Cash and cash equivalents	152.7	152.7			152.7	
Non-current liabilities						
Non-current borrowings	132.2	132.2			132.2	
Current liabilities						
Current borrowings	336.1	336.1			336.1	
Other current financial liabilities	17.6	17.6			10.5	7.1
Trade payables	502.8	502.8			502.8	

(in € millions)	June 30, 2010		Available-for-sale assets	Loans and receivables	Amortized cost	Derivatives qualifying for hedge accounting
	Carrying amount	Market value				
Non-current assets						
Non-current financial assets	43.6	43.6	8.7	31.2	3.8	
Current assets						
Trade receivables	363.2	363.2			363.2	
Other current financial assets	30.4	30.4			1.6	28.8
Cash and cash equivalents	126.3	126.3			126.3	
Non-current liabilities						
Non-current borrowings	146.4	146.4			146.4	
Current liabilities						
Current borrowings	233.0	233.0			233.0	
Other current financial liabilities	37.9	37.9			19.1	18.8
Trade payables	517.6	517.6			517.6	

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

Level 1: prices quoted in an active market

Where available, prices quoted in an active market are used as the preferred method for determining market value. No instruments were included in level 1 of the fair value hierarchy as of June 30, 2011.

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

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

Level 3: internal models based on non-observable inputs

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

In 2011, no changes were made to the methods used to measure the fair values of financial assets and liabilities.

	June 30, 2011		June 30, 2010		Dec. 31, 2010	
(in € millions)	**Carrying amount**	**Market value**	**Market value**	**Carrying amount**	**Market value**	**Carrying amount**
Non-current assets						
Non-current financial assets	37.5	37.5	43.6	43.6	42.9	42.9
Current assets						
Trade receivables	398.5	398.5	363.2	363.2	367.5	367.5
Other current financial assets	9.3	9.3	30.4	30.4	10.6	10.6
Cash and cash equivalents	152.7	152.7	126.3	126.3	133.1	133.1
Non-current liabilities						
Non-current borrowings	132.2	132.2	146.4	146.4	99.0	99.0
Current liabilities						
Current borrowings	336.1	336.1	233.0	233.0	234.6	234.6
Other current financial liabilities	17.6	17.6	37.9	37.9	11.9	11.9
Trade payables	502.8	502.8	517.6	517.6	571.2	571.2

NOTE 16 EXPOSURE TO FOREIGN EXCHANGE RISK

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

(in € millions)	**June 30, 2011**	**June 30, 2010**	**Dec. 31, 2010**
Currency forwards and currency swaps	88.8	151.1	143.3
Total	**88.8**	**151.1**	**143.3**

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

Some local subsidiaries – notably Morocco, Kenya, Mauritius and since end-2010 Nigeria – have entered into forward purchase contracts which are recorded in their accounts. As of June 30, 2011, outstanding notional amounts under these agreements totaled €40.8 million.

These derivative financial instruments were analyzed with respect to IAS 39 hedge accounting eligibility criteria. As of June 30, 2011, documented derivative instruments were as follows:

(in € millions)	June 30, 2011	Japanese yen	US dollar	Euro	Other	June 30, 2010	Dec. 31, 2010
Fair value hedges							
Forward purchases and forward purchase swaps	304.5	99.3	172.8	29.1	3.3	**402.1**	**39.2**
Forward sales and forward sale swaps	(215.8)	(3.1)	(212.5)		(0.2)	**(251.0)**	**(249.6)**
Total	88.8	96.3	(39.7)	29.1	3.1	**151.1**	**143.3**

The ''Other'' column mainly reflects transactions carried out in South African rand and pounds sterling.

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

As of June 30, 2011, the exposure to foreign exchange risk on the statement of financial position was as follows:

(in € millions)	June 30, 2011	Euro	US dollar	Japanese yen	Other	June 30, 2010	Dec. 31, 2010
CENTRAL PURCHASING OFFICES							
Central purchasing receivables	72.8		71.4	1.2	0.2	127.9	139.5
Central purchasing payables	107.8		72.8	34.0	1.0	189.6	211.5
Gross exposure in the statement of financial position – central purchasing	**(35.0)**	**0.0**	**(1.4)**	**(32.8)**	**(0.8)**	**(61.7)**	**(72.0)**
Customer orders	141.2		139.9	1.3	0.1	115.4	109.2
Supplier orders	150.2		84.9	64.9	0.5	172.6	127.6
Projected gross exposure – central purchasing	**(9.0)**	**0.0**	**55.0**	**(63.6)**	**(0.4)**	**(57.2)**	**(18.4)**
Gross exposure before hedging – central purchasing	**(44.0)**	**0.0**	**53.6**	**(96.4)**	**(1.2)**	**(118.9)**	**(90.4)**
Hedging instruments – central purchasing	48.0		(50.3)	96.3	2.0	111.7	86.1
Net exposure after hedging – central purchasing	**4.0**	**0.0**	**3.3**	**(0.1)**	**0.8**	**(7.3)**	**(4.3)**

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

(in € millions)	June 30, 2011	Euro	US dollar	Japanese yen	Other	June 30, 2010	Dec. 31, 2010
SUBSIDIARIES (EXCLUDING CENTRAL PURCHASING)							
Subsidiaries that use hedging instruments							
Receivables due to subsidiaries hedging foreign exchange risk							
Payables owed by subsidiaries hedging foreign exchange risk[1]	**40.9**	29.2	10.6		1.1	**39.4**	**57.5**
Gross exposure in the statement of financial position	**(40.9)**	**(29.2)**	**(10.6)**	**0.0**	**(1.1)**	**(39.4)**	**(57.5)**
Gross projected exposure of subsidiaries hedging foreign exchange risk	**0.0**					**0.0**	**0.0**
Gross exposure before hedging	**(40.9)**	**(29.2)**	**(10.6)**	**0.0**	**(1.1)**	**(39.4)**	**(57.5)**
Hedges set up by subsidiaries	40.8	29.1	10.6		1.1	39.4	57.2
Net exposure after hedging of foreign exchange risk by subsidiaries	**(0.2)**	**(0.1)**	**0.0**	**0.0**	**(0.0)**	**(0.0)**	**(0.3)**

[1] *including €8.5 million in borrowings from the parent company*

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

(in € millions)	June 30, 2011	Euro	US dollar	Japanese yen	Other	June 30, 2010	Dec. 31, 2010
SUBSIDIARIES (EXCLUDING CENTRAL PURCHASING)							
Subsidiaries that do not use hedging instruments							
Receivables due to subsidiaries	**14.7**	0.3	14.3	0.0	0.0	**11.6**	**7.5**
Payables owed by subsidiaries	**63.6**	13.1	49.6	0.3	0.6	**147.9**	**40.9**
Cash	**33.3**	0.6	31.4	1.3	0.0	**14.8**	**12.1**
Borrowings	**9.6**	0.4	7.6	1.0	0.6	**4.9**	**9.3**
Gross exposure in the statement of financial position	**(25.2)**	**(12.6)**	**(11.6)**	**0.0**	**(1.2)**	**(126.5)**	**(30.6)**
10% depreciation in local currency	(2.5)	(1.3)	(1.2)	0.0	(0.1)		

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

The above table does not include the exposure of euro-denominated assets and liabilities of subsidiaries in the CFA franc zone, since the exchange rate of this currency is fixed against the euro. These items amounted to €24.1 million as of June 30, 2011.

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

(in € millions)	June 30, 2011	Euro	US dollar	Japanese yen	Other	June 30, 2010	Dec. 31, 2010
CFAO Group							
Receivables	87.5	0.3	85.8	1.2	0.2	139.5	147.0
Payables	227.9	57.9	133.0	34.3	2.8	446.1	409.1
Cash	33.4	0.7	31.4	1.3	0.0	14.8	12.1
Borrowings	18.1	8.9	7.6	1.0	0.6	4.9	9.3
Gross exposure in the statement of financial position	**(125.2)**	**(65.8)**	**(23.5)**	**(32.8)**	**(3.1)**	**(296.8)**	**(259.2)**
Customer orders	141.2	0.0	139.9	1.3	0.1	115.4	109.2
Supplier orders	150.2	0.0	84.9	64.9	0.5	172.6	127.6
Projected gross exposure	**(9.0)**	**0.0**	**55.0**	**(63.6)**	**(0.4)**	**(57.2)**	**(18.4)**
Gross exposure before hedging	**134.2**	**(65.8)**	**31.5**	**(96.4)**	**(3.5)**	**(354.0)**	**(277.7)**
Hedging instruments	88.8	29.1	(39.7)	96.3	3.1	151.1	143.3
Net exposure after hedging	**(45.4)**	**(36.7)**	**(8.2)**	**(0.1)**	**(0.4)**	**(203.0)**	**(134.4)**

Analysis of sensitivity to foreign exchange risk

Based on market data at the end of the period, the negative impact of a sudden 10% increase in the exchange rate of unhedged purchasing currencies against local currencies (excluding the CFA franc) would have been €2.5 million at end-June 2011.

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

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

NOTE 17 DERIVATIVE INSTRUMENTS AT MARKET VALUE

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

As of June 30, 2011, June 30, 2010, and December 31, 2010, and in accordance with IAS 39, the market value of derivative financial instruments is recognized in assets under the heading ''Other current financial assets'' and in liabilities under the heading ''Other current financial liabilities'', as appropriate.

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

(in € millions)	June 30, 2011	Interest rate risk	Foreign exchange risk	Other market risks	June 30, 2010	Dec. 31, 2010
Derivative assets	**6.9**		**6.9**		**28.8**	**10.2**
Non-current						
Current	**6.9**		6.9		28.8	10.2
Fair value hedges	**6.9**		6.9		28.8	10.2
Derivative liabilities	**7.1**		**7.1**		**18.8**	**8.4**
Non-current						
Current	**7.1**		7.1		18.8	8.4
Fair value hedges	**7.1**		7.1		18.8	8.4
Total	**(0.2)**		**(0.2)**		**10.0**	**1.8**

NOTE 18 STATEMENT OF CASH FLOWS

As of June 30, 2011, cash and cash equivalents net of bank overdrafts and cash accounts with a credit balance (including accrued interest) stood at a negative €158.6 million, representing total cash and cash equivalents as shown in the statement of cash flows.

(in € millions)	June 30, 2011	June 30, 2010	Dec. 31, 2010
Cash and cash equivalents as reported in the statement of financial position	**152.7**	**126.3**	**133.1**
Bank overdrafts	(311.1)	(218.9)	(218.9)
Cash current accounts with a credit balance	(0.1)	(0.2)	(0.0)
Cash and cash equivalents as reported in the statement of cash flows	**(158.6)**	**(92.6)**	**(85.7)**

18.1 Purchases of property, plant and equipment and intangible assets

Purchases of property, plant and equipment and intangible assets totaled €36.6 million in first-half 2011 (€33.2 million in first-half 2010).

18.2. Acquisitions and disposals of subsidiaries

(in € millions)	June 30, 2011	June 30, 2010	Dec. 31, 2010
Acquisitions of subsidiaries, net of cash acquired	(12.7)	(21.0)	(15.2)
Proceeds from disposals of subsidiaries, net of cash transferred	0.0	1.1	8.4
Total	**(12.7)**	**(19.8)**	**(6.8)**

In the first half of 2011, acquisitions of subsidiaries primarily concerned the Citroën automobile distribution company in Reunion, Vehicle Center Zambia LTD in Zambia and Lien A in Vietnam.

NOTE 19 CONTINGENT LIABILITIES, CONTRACTUAL COMMITMENTS NOT RECOGNIZED AND OTHER CONTINGENCIES

19.1. Commitments given following asset disposals

During the first half of 2011, the Group did not enter into any vendor warranty agreements.

19.2. Other developments

To the best of the Group's knowledge, there were no other material developments regarding other commitments given or received by CFAO or contingent liabilities in first-half 2011.

NOTE 20 RELATED PARTIES

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

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

In first-half 2011, there was no material change in the type of transactions carried out with related parties compared with 2010.

In 2010, a dividend of €20.2 million was paid to Discodis in respect of 2009. CFAO no longer pays any fees to this company. The only expense was €0.1 million in fees paid to PPR Finance, a subsidiary of PPR, for a service contract with PPR's trading desk.

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

CFAO subleases its registered office in Sèvres, France, from Discodis.

NOTE 21 SUBSEQUENT EVENTS

No subsequent events had a material impact on the condensed interim consolidated financial statements for the six months ended June 30, 2011.

Following a Management Board meeting on July 18, 2011, the Group decided to set up a new performance share plan. This plan comprises 172,203 shares and concerns 606 beneficiaries, members of the Management Board, employees based in France in a management role or people holding key posts within the company. Shares to be granted to the plan's beneficiaries will be existing shares, purchased by CFAO or by an investment service provider authorized by CFAO and acting independently.

3. STATEMENT BY THE PERSON RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

Sèvres, July 27, 2011

''I hereby certify that to the best of my knowledge, (i) the consolidated financial statements for the six months ended June 30, 2011 have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and all of the companies of the consolidated Group, and (ii) the interim management report provides a fair view of the material events that occurred in the first six months of the fiscal year, their impact on the interim financial statements, the main transactions with related parties, as well as a description of the principal risks and uncertainties for the remaining six months of the year.''

Richard Bielle

Chairman of the Management Board

4. STATUTORY AUDITORS' REVIEW REPORT ON THE INTERIM FINANCIAL INFORMATION

KPMG Audit

1, cours Valmy
92923 Paris La Défense Cedex
France

Deloitte & Associés

185 avenue Charles de Gaulle
95524 Neuilly-sur-Seine Cedex

This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

CFAO – Société Anonyme (joint stock corporation)

Registered office: 18, rue Troyon
92316 Sèvres
Share capital: €10,254,310

Statutory Auditors' review report on the interim financial information

For the six-month period ended June 30, 2011

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with the requirements of article L.451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed interim consolidated financial statements of CFAO for the six-month period ended June 30, 2011,
- the verification of the information contained in the interim management report.

These condensed interim consolidated financial statements are the responsibility of the Management Board. Our role is to express a conclusion on these financial statements based on our review.

I. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements have not been prepared, in all material respects, in accordance with IAS 34 ''Interim Financial Reporting'' as adopted by the European Union.

II. Specific verification

We have also verified the information given in the interim management report on the condensed interim consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed interim consolidated financial statements.

Paris La Défense, July 27, 2011

KPMG Audit
A division of KPMG SA

Hervé Chopin
Partner

Neuilly-sur-Seine, July 27, 2011

Deloitte & Associés

Alain Penanguer
Partner

Merrill France sarl, Paris
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