2011 ANNUAL REPORT

INCLUDING THE FINANCIAL REPORT

JACQUETMETALSERVICE

A European leader
in the distribution of specialty steels
NYSE Euronext Paris
Compartment B — CAC®All-tradable — CAC®Small

2011
ANNUAL REPORT

JCQ LISTED NYSE EURONEXT

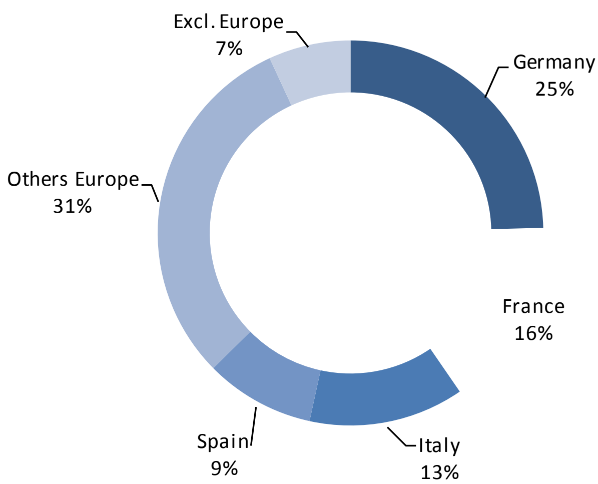
PRESENTATION OF JACQUET METAL SERVICE GROUP

1. A LEADING DISTRIBUTOR OF SPECIALTY STEELS

Sales	**€1,241 m**
Workforce	**2,185**
Distribution centers	**83**
Countries	**22**

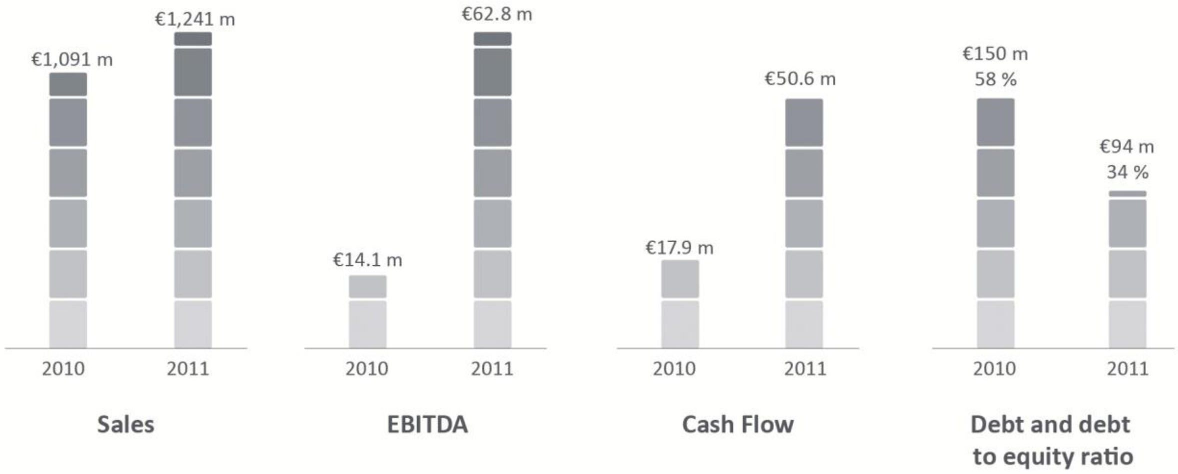
A global player

Breakdown of sales



Jacquet Metal Service is a European leader in the distribution of specialty steels, also active in China and the United States.
The Group develops and operates its portfolio of brands: JACQUET (stainless-steel quarto plates), Stappert (long stainless steel products), Abraservice (wear-resistant quarto plates) and IMS group (engineering steels).

2. KEY FIGURES



3. ORGANIZATION BY BRAND/PRODUCT LINE

Since January 1, 2011, the Group is organized by brand, with each brand catering to specific clients and markets.

	JACQUET	Stappert	ABRASERVICE	ims
Products	**Stainless-steel quarto plates**	**Long stainless-steel products**	**Wear-resistant quarto plates**	**Engineering steels**
Brand Sales ***Weight***	**€210 m** ***17%***	**€527 m** ***42%***	**€94 m** ***7%***	**€432 m** ***34%***

Each brand is run by an operating manager who is in charge of developing the brand within the framework of the strategic options and goals defined by the Group.

Central functions, negotiation of purchasing conditions, finance, information technology, credit insurance and communication are managed by Jacquet Metal Service S.A., in close collaboration with specialists in each brand.

This form of structure presents significant benefits:

- growth is differentiated by brand;
- specialization: high customer expectations that can only be met by a network of specialized sales people;
- identity: a name and logo for each distribution network that are immediately recognizable to all market participants (customers, suppliers, employees) in terms of the skills, leader position, guarantees, and credibility that only an international organization can provide, etc.;
- clarity: brand-focused communication allows the market to measure the performance of each component of the Group.

4. PRESS RELEASE OF MARCH 8, 2011

Sales	**€1.241 billion (+13.7%)**
Operating income	**+ 46.6 million**
Gearing	**33.6%**

On March 7, 2012, the Board of Directors, chaired by Eric Jacquet, examined the consolidated financial statements as of December 31, 2011.

In € millions	T1	T2	T3	T4	2011 (1)	2010 (1)	Var.
Sales	**347.3**	**330.0**	**294.8**	**268.5**	**1,240.6**	**1,090.7**	***13.7%***
Gross margin	84.7	74.6	63.7	62.5	285.4	249.1	*14.6%*
as % of sales	*24.4%*	*22.6%*	*21.6%*	*23.3%*	*23.0%*	*22.8%*	
Operating income	**19.1**	**12.0**	**7.2**	**8.4**	**46.6**	**-14.7**	
as % of sales	*5.5%*	*3.6%*	*2.4%*	*3.1%*	*3.8%*	*-1.3%*	
Net income (Group share)	**10.6**	**5.2**	**2.3**	**2.7**	**20.7**	**-26.9**	

(1) The consolidated annual financial statements have been audited. The certification report will be issued before the publication of the registration document. The 2010 pro-forma financial statements are unaudited

Strong growth in 2011 results

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In markets that were positively oriented overall, particularly in the 1st half, the Group recorded sales of €1.24 billion, up 13.7% compared to 2010. Sales growth benefited from a favorable price effect of 10.4% and growth of 4.2% in distributed volumes. The gross margin totaled €285 million, up 14.6% compared to 2010.

Operating income was €46.6 million and EBITDA totaled €62.8 million. Net income (Group share) totaled €20.7 million, or €0.88 per share.

Financial structure: + €50 million in cash flow from operating activities

In 2011, the Group disposed of assets totalizing €20.3 million, including Produr, sold in December 2011 to the Welding Alloys group. The combination of earnings and the optimization of working capital requirements (20.4% of sales at December 31, 2011) resulted in Group cash flow from operating activities of €50.6 million in 2011.

At December 31, 2011, net debt stood at €93.6 million, representing a debt-to-equity ratio of 33.6%, compared to 58.3% at December 31, 2010.

Business by brand: all brands contribute to profitability

2011 *In € millions*	JACQUET Stainless steel quarto plates	Stappert Long stainless steel products	ABRASERVICE Wear-resistant quarto plates	ims Engineering steels
Sales	**210.5**	**527.1**	**94.2**	**431.8**
Change vs. 2010	*19.4%*	*11.4%*	*-1.7%*	*21.0%*
Operating income [(1)]	**8.0**	**17.6**	**3.0**	**9.6**
% of sales	*3.8%*	*3.3%*	*3.2%*	*2.2%*

[(1)] Non-brand activities (including Jacquet Metal Service SA) contributed €8.5 million to operating income.

- Jacquet's sales rose by 19.4 % compared to 2010. The brand benefited from dynamism in its American subsidiaries, which were launched over the past 5 years and whose business grew by 46% in 2011. The United States is now the brand's leading market.
- At the end of 2011, Stappert (+11.4%), until recently focused on Germany and Eastern Europe, began laying the foundations for its development in the Netherlands, Belgium, France and Switzerland.
- In its 1st year of operations, Abraservice generated operating income of €3 million. Today the brand is present in 9 countries, after the launch of Abraservice Türkiye (Turkey) and Abraservice Polska (Poland) at the end of 2011.
- IMS group recorded sales growth of 21% in 2011. After two years of restructuring, especially in France and Italy, the brand specialized in the distribution of engineering steels generated operating income of €9.6 million

A successful merger

Since the takeover of IMS by Jacquet Metals in July 2010, the Group has been structured around four brands, each operating on a specific market. Most assets that do not fit this specialization strategy have been sold off. In 18 months, debt has been reduced by €70 million and the breakeven point has been lowered by €39 million compared to 2008, the most recent pre-crisis benchmark, while restructuring costs of €5.9 million still weighed on 2011 earnings.
The internally-developed IT system allows the application of purchasing systems that are based on centralized negotiations. This system is already operational for the Jacquet and Abraservice brands. The transfer of the Stappert brand is under way and that of IMS group is planned for 2013.
In a mixed economic and financial environment, the restructuring and rationalization measures implemented over the last eighteen months have produced the expected results.
The Group is now in working order.

Outlook

The business level at the beginning of the year is improving compared to the Q4 2011 level, but this trend needs to be confirmed. Group brands' development is continuing at rates adapted to economic conditions both in Europe and for its expansion in America and Asia.

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5. GOVERNANCE

5.1. The Board of Directors

The Mixed General Meeting of June 30, 2010, that changed the Company's administrative and management structure to a Board of Directors, appointed the following persons as Directors for a term of two years, until the end of the ordinary general meeting convened to approve the 2011 financial statements:

- **Mr. Eric Jacquet**, 52, Chief Executive Officer of Jacquet Metal Service since July 20, 2010. He was a member of the IMS Supervisory Board from June 16, 2009, to February 3, 2010, served as Chairman of the Management Board from June 30, 2010, to July 20, 2010, and Chief Executive Officer of JACQUET Metals from 1994 to July 20, 2010;

- **Mr. Jean Jacquet**, independent board member, 79, former Chief Executive Officer of Unimetal and Ascometal. He represented JSA on the IMS Supervisory Board from June 16, 2009, to February 3, 2010;

- **JSA**, a public limited company registered in Belgium, controlled by Mr. Eric Jacquet, whose representative is Mr. Philippe Goczol, Deputy chief executive officer of Jacquet Metal Service Group;

- **Mr. Jean-François Clément**, independent board member, 69, is a honorary lawyer and member of the Lyon bar. He has a state-accredited Ph.D. in law and is a graduate of the Institute d'etudes politiques (Lyon). Mr. Clement is the co-founder and former director of the law firm Boyer-Clement & Associés, renamed C'M'S Bureau Francis Lefebvre Lyon in 2003;

- **Mr. Jorge Galera Garcia Montes**, 54, is the representative for CCAN 2007 Inversiones Internacionales, ETVE, SL on numerous boards of directors;

- **M. Henri-Jacques Nougein**, independent board member, 64, honorary president of the Lyon's commercial court from 1996 to 2000. Today he is chairman of the CIMA (*centre interprofessionnel de médiation et d'arbitrage*), an out-of-court insolvency official, and an insurance broker (specialized in corporate risk and third-party liability);

- **M. Xavier Gailly**, independent board member, 64, spent most of his career at the Fabrique de Fer de Charleroi, later Industeel Belgium, a subsidiary of Arcelor Mittal Group, where he was Deputy Director;

- **M. Jacques Leconte**, independent board member, 66, was director of the Credit Agricole Sud Rhône Alpes business center. He served as director for JACQUET Metals from June 23, 2009, to July 20, 2010, and was a member of the strategic committee of THERMCROSS S.A.

Mr. Yvon Jacob, director since July 20, 2010, appointed ambassador for French industry to the European Commission, resigned from his duties on February 25, 2011.

To the Company's knowledge, no member of the Board of Directors has been the object of official public sanction; convicted of fraud over the past five years; associated with bankruptcy of any kind; put under receivership or liquidation; charged by statutory or regulatory authorities; or prevented by a court from acting as a member of an administration, management, or oversight body of an issuer, or from participating in the management or conduct of an issuer's affairs over the past five years.
To the Company's knowledge, there is no potential conflict of interest between private interests of members of the Board of Directors and their duties to the Company.
There is no arrangement or agreement with major shareholders, or with customers or suppliers, according to which a member of the Board of Directors might have been appointed Company director.
To the Company's knowledge, there is no family connection among members of the Board of Directors, especially Mr. Eric Jacquet and Jean Jacquet.

The list of terms of office and duties performed by the corporate officers and their Jacquet Metal Service shareholdings may be found in paragraph 2.15 of the Management Report – Information on the Parent Company.
The compensation of the corporate officers is presented in paragraph 2.13 of the Management Report – Information on the Parent Company.

The management experiences and expertise of the corporate officers are presented in the report of the Chairman of the Board of Directors concerning the preparation and organization of the Board of Directors' work and internal control procedures.

5.2. Management

Senior management

Eric Jacquet	Chairman and Chief Executive Officer
Philippe Goczol	Deputy Chief Executive Officer

Executive management

Thierry Philippe	Chief Financial Officer Investor relations
Patrick Guien	IT Director
Jean Révérand	Group Procurement Supervisor
Cédric Chaillol	Brand and corporate identity communication manager

Operating Brand management

Jean-Luc Vogt	Jacquet
Wolfgang Hartmann	Stappert
Michel Raets	Abraservice
Philippe Goczol	IMS group

5.3. Committees of the Board of Directors

Compensation and appointment committee

On July 20, 2010, the Board of Directors created a Compensation and Appointment Committee. This Committee is composed of the following Directors appointed for the duration of their term as Director:
- Mr. Jean-François Clément, Chairman;
- Mr. Henri-Jacques Nougein ;
- Mr. Jean Jacquet.

Audit and Risk Committee

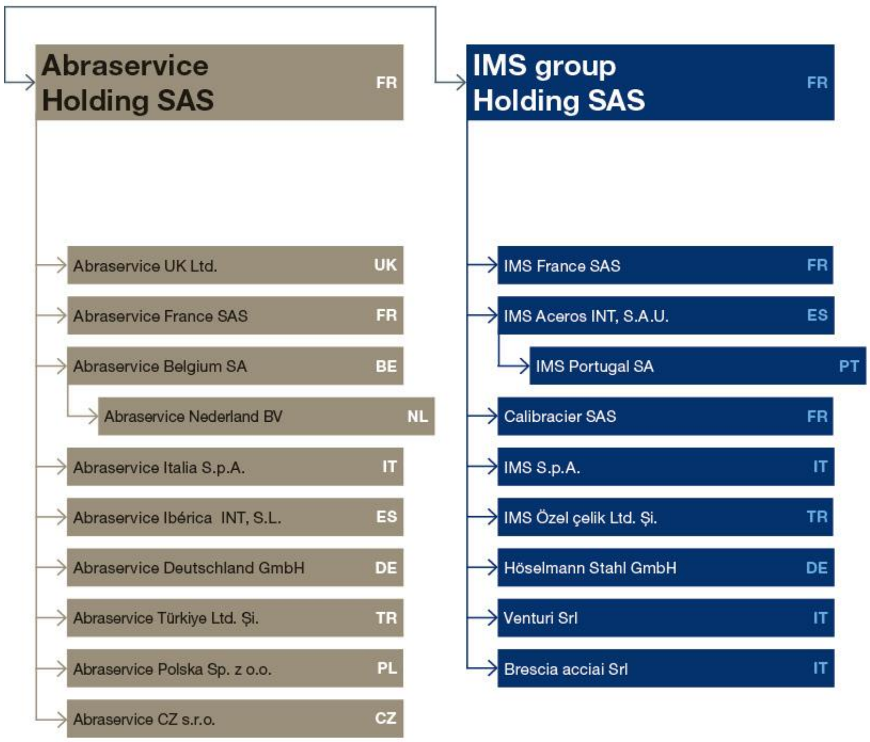
On July 20, 2010, the Board of Directors created an Audit and Risk Committee. This Committee is composed of the following Directors appointed for the duration of their term as Director:
- Mr. Jean Jacquet, Chairman;
- Mr. Jacques Leconte;
- Mr. Xavier Gailly.

5.4. Honorary Chairman

Mr. Jacques-Didier Champalbert, founder of IMS, is Honorary Chairman of Jacquet Metal Service.

6. GROUP ORGANIZATION

6.1. Legal structure at March 20, 2011



The percentages of equity interest and control of Jacquet Metal Service S.A in each subsidiary are presented in paragraph 1.1, "Scope of consolidation," in the notes to the Consolidated Financial Position and Earnings For 2011.

6.2. Group history

JACQUET Metals

1962 Founded in Lyon by Michel Jacquet, Etablissements JACQUET is specialized in the custom cutting of metals.

1993 Mr. Eric Jacquet becomes majority shareholder (51%) of JACQUET SA, the Group's parent company

1994 JACQUET Industries founded by Mr. Eric Jacquet, controls 100% of the Group

1997 On October 23, JACQUET Industries is floated on the Second Market of the Paris Stock Exchange

1991-2006 Development of the Group in Europe (Netherlands, Poland, United Kingdom, Italy, Finland)

2006 JACQUET Industries becomes **JACQUET Metals**

2006 to 2010 The Group's initial establishment in Asia (Shanghai, China) and in the United States (Philadelphia, Houston, Chicago, Los Angeles and Charlotte)

2008-2009 Mr. Eric Jacquet and JACQUET Metals acquire 33.19% of IMS share capital

IMS

1980 Foundation of International Metal Service, which regroups the trading companies of the steelworking company Creusot-Loire

1983 Usinor becomes sole owner of IMS.

1987 On June 11, IMS is floated on the Second Market of the Paris Stock Exchange, under the chairmanship of Jacques-Didier Champalbert, the founder of IMS

1996-2002 Development of the Group in Europe (IMS Stalserwis in Poland, IMS SpA in Italy, acquisition of the company Grupo Aceros Garay, later to become Aceros IMS (Spain), creation of IMS France through the merger of three French companies)

2004 Arcelor disposes of its equity interest and the private-equity fund Chequers Capital takes control of IMS

2005 Acquisitions in central Europe (Hungary, Czech Republic, Slovakia)

2006 Acquisition of Hoselmann (specialized engineering steels in Germany)

2006 Chequers Capital exits from the share capital. IMS securities placed on the market.

2007 Acquisition of Cotubel Group

2008 Disposal of the Astralloy subsidiary in the United States

February 3, 2010 Filling of an exchange offer by JACQUET Metals on IMS shares.

March 8, 2010 JACQUET Metals and IMS sign a memorandum of understanding in which terms are set for the takeover of IMS by JACQUET Metals.

June 30, 2010 Approval by the general meetings of JACQUET Metals and IMS of the merger of JACQUET Metals by IMS on the basis of 20 IMS shares to be issued for 7 existing shares of JACQUET Metals.

July 14, 2010 JACQUET Metals' takeover of IMS is authorized by the European Commission for control of concentrations between undertakings.

July 20, 2010 Merger of JACQUET Metals and IMS. Mr. Eric Jacquet becomes Chief Executive Officer of IMS and, with JSA (which it controls) becomes the main shareholder, with 40.21% of the share capital and 45.99% of the voting rights.

February 28, 2011 IMS France's aluminum and non-ferrous metals activities, as well as the Euralliage Company, are sold to Amari Metal Group.

June 30, 2011 Change of corporate name. IMS International Metal Service becomes **Jacquet Metal Service.**

December 29, 2011 Produr is sold to Welding Alloys Group.

7. INFORMATION ON GROUP ACTIVITY

7.1. Business

Jacquet Metal Service Group’s main activity consists of purchasing, storing, and delivering different families of products to a mainly local clientele composed of small and medium-sized industrial companies.

The Group makes high-volume purchases from producers of special steels (20 suppliers represent more than 50% of the Group’s purchases, with delivery times between one and twelve months) and sells to a fragmented client base (60,000 active clients, with average billings under €3,000).

Between the producer and the end client, Jacquet Metal Service offers the following added value:

- A wide range of products in inventory, delivered within short timeframes (order books rarely surpass a few weeks);
- supply security, product traceability;
- steady-stream needs management (personalized inventory, definition of supply strategies);
- competitive purchase prices;
- management of price changes for the client;
- cutting and finishing services.

In addition to the distribution of its range of products, the Group is able to offer its customers various first processing operations “made to measure” to meet end-user specifications. These services are performed at Group warehouses, depending on the products sold, and generally consist of light sawing, oxy-cutting, folding, and drilling operations. Such services create an obvious commercial advantage: it avoid customers to turn to subcontractor increasing their loyalty.

The sales teams are the backbone of the Group and account for nearly 40% of the workforce. They are composed of office-based or traveling sales representatives whose role is to advise customers, respond to their needs and ensure that Group’s offerings meet their requirements.

7.2. Positioning

Today, the Group is active in four distinct markets for the distribution of special steels intended for industrial use, through four brands:

- JACQUET: distribution of stainless steel thick “Quarto” plates;
- Stappert: distribution of long stainless steel products;
- Abraservice: distribution of wear-resistant “Quarto” plates;
- IMS group: distribution of engineering steels.

The Group’s strategy is to be geographically close to its customers in the consumer markets served by each Group brand.

At present, Jacquet Metal Service positioning is mainly European for Stappert, Abraservice and IMS group brands. The JACQUET brand is present in Europe, the United States and China.

7.3. The market

Sources: Jacquet Metal Service

In 2011, the global steel market represented approximately 1.5 billion tonnes, including around 5% for alloy steels (steels alloyed with elements such as chrome, nickel, molybdenum, and titanium), all products combined. Among alloy steels, stainless steels represent approximately 29 million tonnes, all products combined, or around 2% of the global steel market.

The special-steels market covers a wide range of niche products, geopolitical situations, and distribution types. The Group therefore has few official figures. Specific analysis is necessary for the markets served by each brand making up Jacquet Metal Service's core business.

JACQUET & Stappert - Stainless steels

Stainless steels are characterized by resistance to corrosion and products neutrality needed for the treatment of fluids and gases. The main consumer sectors for stainless steels are the following industries:

- chemical (including pharmaceutical and cosmetic);
- agro foods (hygiene constraints and ease of maintenance);
- treatment and storage of gases (cryogenics, technical gas);
- water treatment (settlement tanks for waste water, desalination of sea water, transport, and distribution);
- environment and cleanup (treatment of exhaust and waste);
- energy (hydraulic, nuclear, and thermal power stations).

Since 1985, with the exception of 2009, global consumption of stainless steel, one of the segments in which JACQUET and Stappert are active, increased on average by 5% per year. The decline in 2009 was the result of the global crisis, with the slowdown in demand concentrated mainly in Europe and the United States. The years 2010 and 2011 saw a partial recovery, particularly in Asia.

The stainless-steel sector is characterized by the continual adaptation of alloys to the increasingly strict requirements of various industrial sectors. While there were only two main grades of stainless steel in 1960, today JACQUET and Stappert stock several dozen, in addition to grades of nickel alloys, whose anticorrosive qualities are superior to those of stainless steel.

JACQUET – Stainless-steel quarto plates

The global market for stainless-steel quarto plates represents just above 1 million tonnes, or approximately 3.5% of the total stainless-steel market. This market is typical a niche market and account for most of JACQUET’s business. This market is generally divided equally between projects (direct supply from the manufacturer to the final consumer) and distribution. JACQUET is the world leader in the distribution of stainless-steel quarto plates.

Stappert – Long stainless-steel products

The global market for long stainless-steel products represents approximately 5 million tonnes. The global market for long stainless-steel products represents around 2 million tonnes, and the European market around 600,000 tonnes. In Europe, distribution covers approximately 75% of the long stainless-steel product market. Stappert is a leader on the distribution market.

Abraservice - Wear-resistant quarto plates

Wear-resistant quarto plates are used in industrial sectors confronted with problems related to resistance to wear, impact, friction, temperatures, and tensions requiring the use of materials of a particular hardness: public-works equipment, steelworks, mines and quarries, cement works, dredging, recycling, handling, farming machinery, lifting, and transport of aggregates,...

The wear-resistant quarto plates distributed by the Abraservice brand meet the most demanding quality and durability requirements. In addition to its basic offer, Abraservice distributes plates with high elasticity limits intended for lifting machines, telescopic cranes, and engineering civil structure. The two product families share the same manufacturing methods (quenched and tempered steel) and the same shaping features (prefabrication operations offered by Abraservice, such as cutting, drilling, folding, rolling, etc.)..

The wear-resistant steel market in Europe is estimated at 350,000 tonnes, with 70% distributed and the rest sold directly by manufacturers to end users. The high-elasticity market in Europe is estimated at 500,000 tonnes, with 30% distributed. Abraservice is a leader on the European distribution market for wear-resistant plates.

IMS group - Engineering steels

These steels are used to manufacture parts subjected to significant mechanical stress. The engineering steels distributed under the IMS group brand, mainly in the form of bars and seamless tubes, are manufactured according to standards or specifications guaranteeing their suitability for processing by the customer (forging, machining, folding, welding, thermal treatment) and the obtaining of certain mechanical results after treatment.
They are used in numerous industrial sectors: general engineering, public-works equipment, machining centers, farming machines, transport (motors, automotive transmissions, heavy vehicles, and railways), lifting machines, oil refineries, energy (windmills, etc.).

The engineering-steels market comprises many different shapes and product families. The European market for alloy engineering steels is estimated at approximately 9.5 million tonnes, including 4.5 million tonnes of bars. In Europe, the two largest geographical markets are Germany and Italy, which together represent 60% of the market. Next come France and Spain, which account for 20% of the European market. Distribution accounts for an estimated 50% of the market for engineering-steel bars. The market share of IMS group varies according to country, with strong positions in Italy, France, and Spain. IMS group has significant growth potential in other European countries, particularly in Germany.

7.4. Competition

JACQUET

For cut plates, which account for most of JACQUET's distribution volume, the main competitors are of two types:

- integrated departments of major European steel groups (Outokumpu, ThyssenKrupp) active in several countries;
- family-run companies established in only one country.

For trade (plates sold uncut), an activity for which JACQUET takes an opportunistic approach on the basis of market conditions, there are generally two types of competitors:

- manufacturers of stainless steel that have access to their own integrated distribution network (Acerinox, Outokumpu, Daeyung, Thyssen);
- independent companies of manufacturers, such as Nichelcrom in Italy and Salzgitter in Germany. Because the availability of products, and therefore inventory, is a critical element in this business, there are few direct competitors in trade.

Stappert

Stappert's competitive environment breaks down between:

- companies established on a European scale: manufacturers of long stainless-steel products that distribute their products through their own distribution networks (Schmolz + Bickenbach, COGNE, VALBRUNA) or through independent distributors of manufacturers (Amari, Damstahl, ThyssenKrupp Materials);
- independent distributors whose size may be significant on a regional or national scale but that doesn't operate on a European scale.

Abraservice

Wear-resistant products are often brand-name steels developed and distributed by steel manufacturers. Abraservice's main competitor in Europe is the Swedish steel maker SSAB, which sells its own products exclusively.

There are a few independent competitors on the regional and national scale, whose size can be significant. Such competitors usually distribute entry-level products from distant or second-tier manufacturers.

IMS group

The distribution market for engineering steels has a limited number of major international companies active on a European scale (Schmolz+Bickenbach, ThyssenKrupp Materials, Cogne), of which IMS group is the only that have no manufacturing business.

The rest of the market is divided among a large number of independent distributors whose size may be significant on a regional or national scale but that doesn't operate on a European scale.

Competition in the distribution of engineering steels comes rarely from the manufacturers themselves, most of them do not hold inventory. The various grades are usually manufactured on a just-in-time basis, and are sold via the order book as soon as they come off the production line. The manufacturers therefore work directly with major end users only.

7.5. Customers

Special steels are used for specific applications by a wide variety of industries. Large end users such as automobile manufacturers are supplied directly by manufacturers.
Conversely, Jacquet Metal Service specifically targets a local network of SMEs from diverse sectors of industry.

In 2011, the Group served more than 60,000 active clients in approximately one hundred countries, and a large percentage of commercial relationships concerned small orders (less than €3,000 on average). Thus, the Group does not rely on any one customer. Customers order directly from Group companies, without an invitation to tender. Each customer order is invoiced after the products have been shipped. A significant part of sales is insured by various credit insurance companies.

Clients of the JACQUET and Stappert brands mainly work in the chemical, agro-food, energy and environmental sectors, as well as water and gas treatment and storage.
Those of the Abraservice brand are industrial companies working in the sectors of mining and quarrying, public works machinery, handling, lifting and conveying, and the cement industry. IMS group, which offers products with high tolerance for mechanical stress, mainly serves industrial clients in the sectors of transportation equipment (engines, transmissions, railroad equipment, etc.) energy (wind turbines, petrochemicals and refining) and generally the mechanical engineering and machining industries.

Commercial relationships are recurrent and consist of a large quantity of small orders that make up the majority of Group sales. The order book represents around 1 month of sales.

7.6. Purchasing

Negotiation of purchasing conditions is carried out between management of the main producers and Jacquet Metal Service SA executives, together with the operating manager of each brand.
By aggregating volumes by brand, Jacquet Metal Service offers producers greater business visibility and allows them to better organize their production. En return, the Group enjoys optimized purchasing conditions. The “framework conditions” thus achieved are transmitted to the subsidiaries concerned, who place their orders directly with producers.

The purchasing systems elaborated with producers that have a long-standing relationship with JACQUET have been effective at Abraservice since March of 2011, and will be implemented at IMS group and Stappert as of 2012.

The Group does not depend upon any single supplier, and avails itself of sub-contractors only on occasional basis.

A particular supplier is able to provide only a limited number of items. The number of suppliers is also limited for items considered as specialty products that are distributed in niche markets.

For certain niche products, the Group purchases mainly from producers with which it maintains close partnerships (ThyssenKrupp VDM for nickel alloys, Arcelor Mittal Industeel for the CREUSABRO line, etc.). In addition, the Group has exclusive agreements for certain products and certain countries.

8. OTHER INFORMATION

8.1. IT system

All companies belonging to the JACQUET and Abraservice brands have exclusive use of the Integrated Management Program (IMP), developed in-house. It comprises both a business application and an accounting solution adapted to local tax laws. Centralized tools such as these are vital for efficient and responsive internal control.
This dedicated IT system offers optimal solutions to facilitate sales and marketing. It is also an indispensable tool for implementing purchasing systems based on centralized negotiations.
The user interface enjoys the user friendliness of a full-web mode. Each user has access in real time to all brand inventory. Intragroup sales are processed automatically. Sales documents are produced in the local language and follow national presentation standards. Each brand's business application is available in numerous languages, facilitating daily tasks for users worldwide. For example, all user interface screens can be accessed in Chinese. When a Chinese collaborator in Shanghai processes an order in Chinese, the order can be visualized in French at Group headquarters.
The business application is developed using the latest technologies (full-web mode on a Linux-Apache platform, Oracle database, and all Group sites linked to a central site via a VPN-over-ipsec network). The extreme adaptability of the chosen solution (blade center, SAN disk arrays) means that Group developments will be easily supported in the coming years, regardless of the number of users and/or the volume processed.

Companies registered under the brands IMS group and Stappert use principally the Stratix IMPand IMSX-specific developments, which complement the logistical functions of Stratix. However, some companies use local IMP. The convergence of all IT systems towards the IMP developed in-house is under implementation for the Stappert brand. For IMS group, this convergence is planned for 2013.

8.2. An original business model

Since 2006, Group has developed a unique and innovative business model for JACQUET brand, by building "franchises" (or another legal designation, depending on the country) with local partners. These local partners generally act as managers, investing in the new business and receiving a 10% to 49% interest in the joint venture. In exchange, partners agree to re-capitalize to the franchise should it sustain a loss. Each franchisee enjoys exclusive rights to use the brand and may therefore sell its complete line of products in a set region.

The local entrepreneur is supported by a variety of services provided by the Group, such as purchasing terms, business-appropriate IT tools for products/markets, staff training, and access to an IT network. Everything is implemented so that the local entrepreneur can concentrate on its top priority: generating profitable sales. Local managers handle inventory on the basis of sales policies they have established themselves.
Manager's remuneration is based largely on the results of the franchise. The Group invoices the franchise for services, mainly management fees and IT services. Managers may receive dividends on a pro-rata basis of their equity interest.

Jacquet Metal Service S.A oversees all the legal aspects concerning the establishment of the company. A shareholders' agreement governs relations between the Group and the local entrepreneur.
The Group has thus developed a franchise model for the distribution of metals and promotes this model, particularly via the dedicated website at www.jacquetfranchise.com.

The Group also intends to promote the franchise by developing the Abraservice, Stappert, and IMS group brands.

8.3. Investment policy

This information is provided in paragraph 1.5, section “consolidated financial structure / Capital expenditures” of the Management Report – Information on the Group.

8.4. Risk factors

This information is provided in paragraph 1.8, “Risks” of the Management Report – Information on the Group.

9. STOCK-MARKET AND SHAREHOLDERS

9.1. General information on Jacquet Metal Service share and market capitalization

Primary index	CAC® All-Tradable
Other indices	CAC® Small
Market	Euronext Paris – Compartment B
Exchange listed	NYSE Euronext (Paris)
Code or symbol	JCQ
ISIN Code	FR0000033904
Reuters	JCQ.PA
Bloomberg	JCQ : FP

Five-year data	2007	2008	2009	2010	2011
Number of shares	18,057,010	18,057,010	18,057,010	24,028,438	24,028,438
Market capitalization at Dec. 31 (in € thousands)	472,913	167,027	173,708	312,129	191,507
Highest stock price(in euros)	38.82	28.1	14.1	13.69	19.3
Lowest stock price (in euros)	20.9	8.53	7.1	9.31	7.2
Year-end closing price (in euros)	**26.19**	**9.25**	**9.62**	**12.99**	**7.97**
Average daily volume traded (number of shares)	99,504	117,503	31,062	19,481	31,596
Average daily capital traded (in euros)	2,953,451	2,117,539	348,98	220,472	427,87

Source: NYSE Euronext.

9.2. Change in stock price

The financial crisis that started in August 2011 affected stock price movements in the last months. Jacquet Metal Service shares ended the year at a price of €7.97, down 39% compared with the closing price at December 31, 2010, which was €12.99. On March 19, 2012, the share price reached €12.

Jacquet Metal Service is covered by the following six brokerage firms: Société Générale SGCIB, CM CIC Securities, Oddo Securities, Aurel BGC, ID MidCaps, Gilbert Dupont.

The monthly changes in the share price in 2011 and early 2012 were as follows:

2011	Number of shares traded	Stock price in euros		
		Highest	Lowest	Average
January	454,788	14.18	12.51	13.13
February	987,321	15.45	13.39	14.78
March	825,540	15.5	13.4	14.76
April	771,678	19.25	14.98	16.65
May	1,061,484	19.3	16.7	17.92
June	633,373	18.45	16.01	17.07
July	309,143	17.4	14.95	16.2
August	988,576	15.19	9.9	11.15
September	827,566	11.45	8.99	9.68
October	511,553	10.34	8.1	9.43
November	380,984	10.1	7.2	8.61
December	368,123	8.85	8.6	8.02

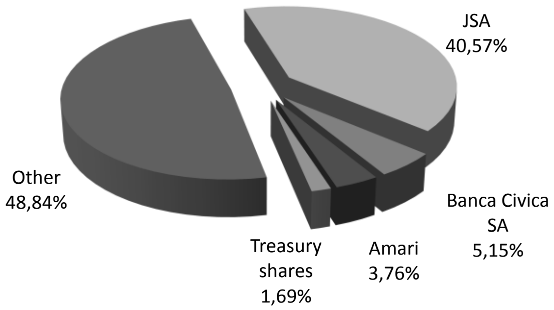
Source: NYSE Euronext.

2012	Number of shares traded	Stock price in euros		
		Highest	Lowest	Average
January	468,826	9.3	7.9	8.68
February	699,087	11	7.22	9.62

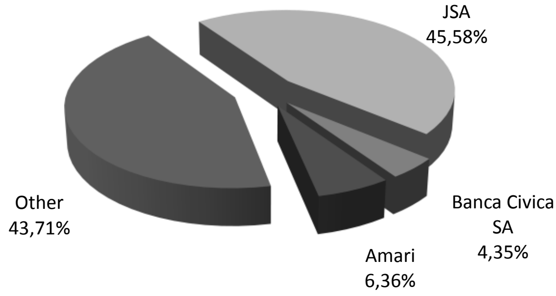
Source: NYSE Euronext.

10. SHAREHOLDING STRUCTURE

Share capital [1]



Voting rights [1]



[1] *At December 31, 2011*

At December 31, 2011, Mr. Eric Jacquet and the JSA Holding Company (of which he has 99.99% control) held 40.57% of the share capital and 45.58% of the voting rights of Jacquet Metal Service S.A.

A detailed presentation of the shareholding structure and the identity of shareholders exceeding legal thresholds can be found in paragraph 2.9 of the Management Report – Information on the Parent Company.

11. ESTIMATED SCHEDULE OF FINANCIAL COMMUNICATION

Results 1st quarter 2012	May 15, 2012
General Meeting	End of June 2012
Results 2nd quarter 2012	August 30, 2012
Results 3rd quarter 2012	November 15, 2012
Annual results 2012	March 2013

Investors and shareholders may obtain all financial information on the Company's website at www.jacquetmetalservice.com or upon request to the Company.

All financial communication is available in English and may be downloaded from the Company's website. Jacquet Metal Service press releases are generally available the day before (after 6 pm) their publication in the financial press. They are sent systematically to all persons who have requested them.

2. MANAGEMENT REPORT – INFORMATION ON THE GROUP

1.1. Group results at December 31, 2011

Results at December 31, 2011 are compared to those of December 31, 2010 which are taken from consolidated pro-forma financial information. Details on the procedures for calculating this consolidated pro-forma financial information are presented in part 6 of the 2010 annual report, which was filed with the financial market authority on April 1, 2011 (application n°. D.11-0211).

(in € thousands)	Q1 2011	Q2 2011	Q3 2011	Q4 2011	2011	2010 [1]
Sales	**347,334**	**329,976**	**294,833**	**268,470**	**1,240,613**	**1,090,730**
Gross margin	84,691	74,613	63,650	62,471	285,425	249,146
% of sales	*24.4%*	*22.6%*	*21.6%*	*23.3%*	*23.0%*	*22.8%*
Operating expenses	(60,309)	(57,334)	(53,268)	(51,694)	(222,605)	(235,193)
EBITDA	**24,382**	**17,279**	**10,382**	**10,777**	**62,820**	**13,953**
Net depreciation and amortization	(4,354)	(4,129)	(4,163)	(3,776)	(16,422)	(22,049)
Net provisions	(2,181)	(1,573)	1,102)	(194)	(2,846)	(6,704)
Capital gain on asset sales	1,231	382	(140)	1,593	3,066	149
Operating income	**19,078**	**11,959**	**7,181**	**8,400**	**46,618**	**(14,651)**
% of sales	*5.5%*	*3.6%*	*2.4%*	*3.1%*	*3.8%*	*-1.3%*
Financial result	(2,781)	(3,517)	(3,784)	(1,136)	(11,218)	(11,120)
Income before tax	16,297	8,442	3,397	7,264	35,400	(25,771)
Corporate income tax	(5,350)	(2,831)	(943)	(4,574)	(13,698)	(760)
Consolidated net income	**10,947**	**5,611**	**2,454**	**2,690**	**21,702**	**(26,531)**
Net income (Group share)	**10,613**	**5,151**	**2,289**	**2,651**	**20,704**	**(26,914)**
Earnings per share issued (in €)	**0.45**	**0.21**	**0.10**	**0.11**	**0.88**	**(1.15)**

[1] unaudited pro-forma financial statements

1.2. Highlights

Strong growth in 2011 results

In markets that were positively oriented overall, particularly in the 1st half, the Group recorded sales of €1.24 billion, up 13.7% compared to 2010. Sales growth benefited from a favorable price effect of 10.4% and growth of 4.2% in distributed volumes. The gross margin totaled €285 million, up 14.6% compared to 2010.

Operating income amounted to €46.6 million, and EBITDA amounted to €62.8 million. Net income (Group share) amounted to €20.7 million, or €0.88 per share.

A merger finalized

Since the takeover of IMS by Jacquet Metals, approved by the shareholders' meeting of both group in June 2010, the Group has been reorganized legally, operationally, and financially.

The organization of the Group around four brands, each operating on a distinct market, has been operational since the beginning of 2011. It allows the Group to better appreciate evolution of the targeted markets, and the performances it can derive, and to strengthen its image as a distributor of specialty steels. This organization is, with the IT system developed in-house, the prerequisite for the centralization of negotiation, allowing the Group to generate gains on purchase. The IT system is operational for JACQUET and Abraservice brands. The migration of the brand Stappert is under way and the IMS group one is planned for 2013.

Most assets that do not fit this specialization strategy have been sold off. Since June 2010, the Group has disposed €21.1 million in assets, including the company Produr, sold in December 2011 to the Welding Alloys group. The Group has also reduced its nonstrategic inventory by approximately €25 million. Other assets disposal, less significant, may be considered in short term.

Over the past 18 months, Group debt was reduced by €70 million, to reach €93.6 million at December 31, 2011. This decline was in line with the forecasted decline of €90 million within 18-24 months, as announced in June 2010.

Due to the reorganization measures, the Group lowered its breakeven point by €39 million, compared with that of 2008, the most recent pre-crisis benchmark. This reduction was €9 million more than the expected results of measures announced in June 2010.

Overall the measures taken over the past 18 months have improved Group profitability, resulting in a 2011 EBITDA of €62.8 million, and to strengthen its financial structure, with a gearing of 33.6%, compared with 61.4% at June 30, 2010.

In a mixed economic and financial environment, the restructuring and rationalization measures implemented over the last eighteen months have produced the expected results.

The Group is now in working order.

Outlook and development

The business level at the beginning of the year is improving compared to the Q4 2011 level, but this trend needs to be confirmed.
Group brands' development is continuing at rates adapted to economic conditions both in Europe and for its expansion in America and Asia.

1.3. Activity and results of the Group

Activity

Group sales rose to €1.24 billion, up 13.7% from 2010, resulting in a favorable price effect of 10.4% and a 4.2% increase in distributed volumes. The scope effect of -0.8% is attributable to the disposal of Euralliage and the aluminum and nonferrous-metals activities of IMS France. The disposal of the company Produr in December 2011 had no effect on the scope of consolidation.

Over the year, sales evolved as follows:

(in € thousands)	Q1 2011	Q2 2011	Q3 2011	Q4 2011	2011	2010 (1)
Sales	**347.3**	**330.0**	**294.8**	**268.5**	**1,240.6**	**1 090.7**
Change 2011 v. 2010	*42.5%*	*15.2%*	*7.2%*	*-6.0%*	*13.7%*	*27.0%*
Price effect	*28.7%*	*10.0%*	*5.2%*	*2.0%*	*10.4%*	*14.4%*
Volume effect	*14.1%*	*6.5%*	*3.1%*	*-7.0%*	*4.2%*	*12.7%*
Scope effect	*-0.4%*	*-1.2%*	*-1.1%*	*-1.0%*	*-0.8%*	*0.0%*

(1) *unaudited pro-forma financial statements*

The analysis of quarterly performances reveals a significant base effect in 2011, particularly in the 1st half. Difficult market conditions in the 1st half of 2010 contrasted with more favorable conditions experienced at the beginning of 2011.

The 3rd 2011 was impacted by the beginning of the financial and stock market crisis, even though Group activity was not affected. Compared with second quarter 2011, third quarter sales fell because of a seasonal effect (summer holidays) impacting volumes.

Market conditions experienced during the fourth quarter were less favorable, while the financial crisis was hurting the business in Europe. Under such conditions, sales amounted to €269 million, down by 6% from Q4 2010, the latter having benefited, on the contrary, of the most favorable market conditions in 2010.

Gross margin

Gross margin amounted to € 285.4 million in 2011, up €36.3 million, or +14.6%, compared with 2010. In percentage of sales, the gross margin reached 23% compared with 22.8% at December 31, 2010.

Gross margin evolved over the year as follows:

(in € thousands)	Q1 2011	Q2 2011	Q3 2011	Q4 2011	2011	2010 (1)
Gross margin	**84.7**	**74.6**	**63.7**	**62.5**	**285.4**	**249.1**
% of sales	*24.4%*	*22.6%*	*21.6%*	*23.3%*	*23.0%*	*22.8%*

(1) *unaudited pro-forma financial statements*

Operating income

With growth in activity of 13.7% in 2011, operating expenses (including depreciation, amortization, and provisions) decreased by €22 million to €241.9 million, from €263.9 million a year earlier.

Operating income includes the following items:

- €4.8 million for reorganization costs that should result in savings of €3.8 million on full year basis;
- €1.1 million for fees related to legal group reorganization and asset disposals;
- €4.2 million for impairment of assets, mainly in Italy and the Czech Republic, including €3.6 million recognized on the fourth quarter;
- €1.5 million in net reversal of provisions for customer risk, whose outcome was partially favorable in 2011;
- €3.1 million in capital gains from asset disposals.

Restructuring costs accounted for €5.9 million (reorganization costs and fees) of operating expenses of 2011, compared with €11.7 million in 2010.
Operating income therefore amounted to €46.6 million, or 3.8% of sales.

Financial result

Financial result amounted to €-11.2 million in 2011, compared with €-11.1 million in 2010. It changed as follows:

(in € million)	2011	2010[1]
Net cost of debt	**(8.8)**	**(10.4)**
Other financial items	(2.5)	(0.7)
Financial result	**(11.2)**	**(11.1)**

[1]unaudited pro-forma financial statements

In 2011, net cost of debt amounted €8.8 million, a decline of 16% from 2010, attributable mainly to the reduction of the average gross debt, which declined from €223 million in 2010 to €192 million in 2011. Gross cost of debt is stable, at 4.6% per year. Net cost of debt does not include gains of €0.8 million from interest-rate hedging instruments. Adjusted for such gains, average borrowing costs in 2011 were 4.2%.

Other financial items amounted to €2.5 million and are mainly composed of banking service charges (€2.8 million, including amortization of fees for the implementation of the 2010 syndicated loan), foreign-exchange gains and losses (€1 million), and gains from hedging instruments (€0.8 million).

Net income

(in € million)	2011	2010 [1]
Income before tax	**35.4**	**(25.8)**
Corporate income tax	(13.7)	(0.8)
Tax rate	*38.7%*	*-2.9%*
Consolidated net income	21.7	(26.5)
Minority share	(1.0)	(0.4)
Net income (Group share)	**20.7**	**(26.9)**
% sales	*1.7%*	*-2.5%*

[1] *unaudited pro-forma financial statements*

Tax expense was €13.7 million or an average rate of 38.7%. Adjusted for various accounting options, mainly on unrecognized tax loss carryforwards, the Group's average tax rate is around 33% for fiscal year 2011, in line with historically observed rates.

Minority interests represent the share of income attributable to minority interests, mainly managers of franchises of JACQUET brand.

Net income (Group share) reached €20.7 million in 2011, or €0.88 per share.

1.4. Activity and results by brand

The new organization by brand has been operational since the beginning of the year 2011. It is nearly complete from a legal standpoint, only the following companies IMS Stalserwis (Poland), CL Staal (Nederland), Fleischmann (Austria) should be still reorganized.
The transfer of shares of some JACQUET companies still held by Jacquet Metal Service to JACQUET Holding should be still performed.

The results by brand presented in this section were established on the basis of the target structure, i.e., on the legal structure at December 31, 2011, adjusted for the above-mentioned operations.

JACQUET **Stainless-steel quarto plates**

(in € million)	Q1 2011	Q2 2011	Q3 2011	Q4 2011	2011	2010
Sales	**57.7**	**53.8**	**51.2**	**47.7**	**210.5**	**176.3**
Change 2011 v.2010	*53.1%*	*18.6%*	*10.9%*	*1.6%*	*19.4%*	
Price effect	*33.7%*	*0.3%*	*7.5%*	*2.3%*	*9.4%*	
Volume effect	*19.4%*	*18.2%*	*3.3%*	*-0.7%*	*10.0%*	
Gross margin	**16.1**	**14.1**	**13.5**	**14.2**	**57.9**	**47.9**
% of sales	*27.9%*	*26.1%*	*26.4%*	*29.8%*	*27.5%*	*27.2%*
Operating profit	**2.8**	**1.8**	**1.7**	**1.7**	**8.0**	**na**
% of sales	*4.9%*	*3.4%*	*3.2%*	*3.6%*	*3.8%*	*na*

n.a : not available

In 2011, volumes distributed rose by 10% compared to 2010, and sales increased by 19.4%, to €211 million.

The brand benefited particularly from its American subsidiaries, all of which began operating over the past 5 years. Their activity grew by 46% in 2011 (volume effect 35%, price effect 11%). The United States has become the brand's leading market, and represents 20% of the brand’s sales.
In Europe and in Asia, activity levels have increased by 14% (volume effect 4%, price effect 10%) and by 5% (volume effect 10%, price effect -5%).

Operating profit at December 31, 2011 amounted to €8 million, or 3.8% of sales, after taking into account €0.5 million for asset impairment.

Investments for the brand amounted to €5.8 million, mainly to increase cutting and processing capacity (especially in the Netherlands, the United States, and the United Kingdom).

By 2013, JACQUET intends to accelerate its international development:

- in Germany (1st market in Europe) and in the Czech Republic, with the opening of 2 service centers;
- in China, with the opening of a service center in the Chengdu area, to be followed by a third center in the Beijing area;
- in the United States and Canada, where the Group plans to open several service centers.

Stappert **Long stainless-steel products**

(in € million)	Q1 2011	Q2 2011	Q3 2011	Q4 2011	2011	2010
Sales	**149.8**	**137.5**	**131.2**	**108.6**	**527.1**	**473.3**
Change 2011 v.2010	*44.3%*	*10.7%*	*4.2%*	*-9.0%*	*11.4%*	
Price effect	*34.0%*	*12.4%*	*4.5%*	*0.0%*	*11.4%*	
Volume effect	*10.2%*	*-1.7%*	*-0.3%*	*-8.9%*	*0.0%*	
Gross margin	**31.5**	**25.2**	**22.4**	**18.6**	**97.7**	**102.6**
% of sales	*21.0%*	*18.3%*	*17.1%*	*17.1%*	*18.5%*	*21.7%*
Operating profit	**10.9**	**4.8**	**3.7**	**(1.8)**	**17.6**	**na**
% of sales	*7.3%*	*3.5%*	*2.8%*	*-1.6%*	*3.3%*	*na*

n.a : not available

In 2011, Stappert recorded an increase of 11.4% of its sales mainly benefiting from a favorable price effect.

Until the end of 2011, Stappert was a distributor of long stainless-steel products, mainly in Germany and Eastern European countries. In December, the brand laid the foundation for its development in Western Europe, in Holland, Belgium, France, and Switzerland.

Stappert's operating income amounted to €17.6 million in 2011, and includes €1.1 million of expenses related to the reorganization of the integrated companies, which should result in savings of €0.7 million on a full year basis, and €0.8 million of impairment of assets.

In 2012 and 2013, Stappert, within new expanded scope, will continue to develop through organic growth.

ABRASERVICE **Wear-resistant quarto plates**

(in € million)	Q1 2011	Q2 2011	Q3 2011	Q4 2011	2011	2010
Sales	**25.9**	**24.9**	**22.7**	**20.7**	**94.2**	**95.9**
Change 2011 v.2010	*5.3%*	*3.0%*	*0.8%*	*-15.8%*	*-1.7%*	
Price effect	*10.1%*	*11.7%*	*3.0%*	*-1.6%*	*5.7%*	
Volume effect	*-4.7%*	*-8.7%*	*-2.1%*	*-14.2%*	*-7.4%*	
Gross margin	**7.7**	**7.4**	**6.2**	**6.7**	**28.1**	**29.2**
% of sales	*29.8%*	*29.9%*	*27.3%*	*32.5%*	*29.8%*	*30.5%*
Operating profit	**0.9**	**0.3**	**0.3**	**1.5**	**3.0**	**na**
% of sales	*3.5%*	*1.2%*	*1.3%*	*7.2%*	*3.2%*	*na*

n.a : not available

In 2011, sales of Abraservice reach €94.2 million. For its 1st year of operation, Abraservice generated an operating profit of €3 million of which €1.6 million of capital gain on asset sales. Operating result also include €0.7 million of reorganization costs.

The brand is now present in 9 countries in Europe after the launch at the end of 2011 of Abraservice Türkiye (Turkey) and Abraservice Polska (Poland). The brand will continue its expansion in Central Europe with 2 new subsidiaries in the Czech Republic and Austria.

In China, the launch of Abraservice Shanghai is planned for 2012. This subsidiary will share its infrastructure with JACQUET Shanghai.

The brand could also begin operations soon in the United States and South America, where mining markets have significant growth potential.

Engineering steels

(in € million)	Q1 2011	Q2 2011	Q3 2011	Q4 2011	2011	2010
Sales	**119.4**	**119.1**	**96.2**	**97.1**	**431.8**	**357.0**
Change 2011 v.2010	*48.0%*	*25.7%*	*14.9%*	*-0.7%*	*21.0%*	
Price effect	*23.3%*	*12.8%*	*6.5%*	*6.4%*	*11.5%*	
Volume effect	*25.1%*	*14.3%*	*9.6%*	*-5.7%*	*10.6%*	
Scope effect	*-0.4%*	*-1.4%*	*-1.2%*	*-1.4%*	*-1.1%*	
Gross margin	**28.9**	**27.6**	**21.8**	**23.0**	**101.2**	**68.1**
% of sales	*24.2%*	*23.2%*	*22.6%*	*23.7%*	*23.4%*	*19.1%*
Operating profit	**4.7**	**2.5**	**1.1**	**1.3**	**9.6**	**na**
% of sales	*3.9%*	*2.1%*	*1.1%*	*1.4%*	*2.2%*	*na*

n.a : not available

Up 21% compared to 2010, sales of IMS group reached €431.8 million euros in 2011, benefiting from growth in volumes of 10.6%. Gross margin reaches €101.2 million, increasing by 48.6%.

After 2 years of restructuring, particularly in France and in Italy, the brand specialized in the distribution of engineering steels generates an operating profit of €9.6 million. Operating profit includes €3 million for asset impairment and €2.5 million for restructuring costs that should result in annual savings of €2.1 million.
Operating income also benefited from a gain of €2 million corresponding to reversals of net risk customer whose outcome was partially favorable.

IMS group has strong positions in Southern Europe (France, Spain, and Italy) which it intends to strengthen itself in 2012 and 2013. IMS group is also located in northern Germany with Hoselmann, and could develop its activity in southern Germany in the short term.

1.5. Consolidated financial structure

Simplified Balance Sheet

The following simplified balance sheet presents the financial position of the consolidated entity Jacquet Metal Service at December 31, 2010, and at December 31, 2011.

(in € thousands)	12.31.2011	12.31.2010
Goodwill	60,621	61,745
Net fixed assets	97,791	113,457
Net inventory	258,327	249,750
Net accounts receivable	160,605	189,424
Other assets	50,610	59,539
Cash and cash equivalents	75,023	64,999
Total assets	**702,977**	**738,914**
Shareholders' equity	278,776	257,632
Provisions (incl. Provisions for employee benefits)	32,494	32,782
Accounts payable	167,713	169,822
Financial debt	168,617	215,227
Other liabilities	55,377	63,451
Total liabilities	**702,977**	**738,914**

Shareholders' equity

(in € thousands)	Share capital	Reserves	Foreign exchange difference group share	Shareholders' equity group share	Minority interests	Shareholders' equity
As of December 31, 2010	**36,631**	**214,003**	**2,919**	**253,553**	**4,079**	**257,632**
Net income (loss)		20,704		20,704	998	21,702
Foreign-exchange differences			(2,395)	(2,395)	(61)	(2,456)
Total comprehensive income	-	**20,704**	**(2,395)**	**18,309**	**937**	**19,246**
Changes in scope of consolidation		(46)		(46)	31	(15)
Dividends paid				-	(993)	(993)
Other		2,907		2,907	(1)	2,906
As of December 31, 2011	**36,631**	**237,568**	**524**	**274,723**	**4,053**	**278,776**

Group's equity increased by €21.1 million in 2011, to €278.8 million.

Foreign-exchange differences were recognized in countries whose currencies fluctuated in 2011, mainly Poland, Turkey, and Hungary.

Other changes correspond mainly to transactions involving treasury shares. In 2011, the Group sold treasury shares representing 0.8% of its share capital.

Net debt

(in € thousands)	12.31.2011	12.31.2010
Financial debt	*168,617*	*215,227*
Cash and cash equivalents	*75,023*	*64,999*
Net debt	**93,594**	**150,228**
Gearing (Net debt / Shareholders' equity)	*33.6%*	*58.3%*

At December 31, 2011, net debt amounted to €93.6 million, compared with €150.2 million at December 31, 2010, for shareholders' equity of €278.8 million. The gearing 2011 is improving by nearly 25 points compared to December 31, 2010, from 58.3% to 33.6%.

At December 31, 2011, the Group sold without recourse (deconsolidating factoring) €14.4 million of trade receivables, compared with €2.1 million at December 31, 2010. This amount is not included in net debt.

Financing

(in € millions)	Authorized at 12.31.2011	Employed at 12.31.2011	% employed
Jacquet Metal Service SA Financing	**135.0**	**72.8**	**54%**
Syndicated term loan	*60.0*	*60.0*	*100%*
Syndicated revolving loan	*50.0*	*0.0*	*0%*
lines of credit / facilities	*25.0*	*12.8*	*51%*
Subsidiaries financing	**165.6**	**95.8**	**58%**
lines of credit / facilities	*72.8*	*26.6*	*37%*
Factoring	*51.5*	*27.8*	*54%*
term loans	*25.6*	*25.6*	*100%*
Leasing	*15.8*	*15.8*	*100%*
Total	**300.6**	**168.6**	***56%***

At December 31, 2011, the Group holds cash and cash equivalents for €75 million, including €33.1 million for Jacquet Metal Service S.A, and €301 million of authorized financing. The unused authorized financing amounted to €132 million, including €50 million of syndicated revolving loan available at Jacquet Metal Service S.A. and confirmed until December 31, 2013.
The group has also lines of sale of receivables without recourse for €32.5 million used for up to €14.4 million.
Concerning the syndicated term loan, the Group has paid 2 terms in 2011:

- €10 million on June 30;
- €40 million on December 31.

The next terms for the syndicated term loan are the following:

- €30 million on June 30, 2012;
- €30 million on December 31, 2012.

Bank covenants

The future obligations relative to the financing mainly concern the syndicated loan, used up €60 million at December 31, 2011. These obligations are the following and consist of commitments to be honored at the Group level:

- December 31, 2011: leverage (net debt over EBITDA) below 3.0 or net debt below €160 million and capital expenditure below or equal to €18 million ;
- June 30,2012: leverage below 2.5 or net debt below €130 million ;
- December 31,2012: leverage below 2.0 or net debt below €100 million and capital expenditures below or equal to €22 million;
- June 30, 2013: leverage below 2.0 or net debt below €70 million ;
- December 31,2013: leverage below 2.0 or net debt below €70 million and capital expenditures below or equal to €20 million;
- The debt to equity ratio must be below 1 at all times ;
- A shareholders' clause stipulates that JSA must hold at least 40% of share capital and voting rights of Jacquet Metal Service S.A.

At December 31, 2011, all obligations related to financing were respected:

- Net debt: €93.6 million
- Leverage : 1.49 (12-months rolling EBITDA: €62.8 million)
- Capital expenditure : €10 million
- Debt to equity ratio : 33.6%
- JSA holds 40.16% of the share capital and 45.24% of Jacquet Metal Service's voting rights.

The bank debts of the company Stappert (€5.6 million at December 31, 2011) are also subject to compliance with a ratio of equity to total assets which must remain above 27,5%. This obligation was respected at December 31, 2011.

Working capital requirements

At December 31, 2011, operating working capital requirements represented 20.4% of sales, compared with 24.7% at December 31, 2010.

(in € thousands)	12.31.2011	12.31.2010
Net inventory	258,327	249,750
Number of days of sales (12 months rolling)	*114*	*116*
Net accounts receivable	160,605	189,424
Number of days of sales (12 months rolling)	*59*	*60*
Accounts payable	(167,713)	(169,822)
Number of days of purchases (12 months rolling)	*74*	*73*
Net operating WCR	**251,219**	**269,352**
% of sales	20.4%	24.7%
Other receivables/payables excluding tax and financial elements	(26,417)	(31,312)
WCR excluding tax and financial elements	**224,802**	**238,040**
Changes in scope of consolidation and other(1)		(7,441)
WCR excluding tax, financial elements and changes in scope of consolidation	**224,802**	**230,599**
% of sales	18.1%	21.1%

[(1)] *Cf .paragraph 7 of part « Consolidated financial structure »*

Net inventory amounted to €258 million compared with €250 million at December 31, 2010. They have been adjusted to their net realizable value with a provision amounting to 9.2% of the gross value of inventories at December 31, 2011 compared with 10.3% at December 31, 2010. Lower depreciation rate of 1.1 point is in part due to the reduction of non-strategic inventories for €15 million in 2011, bringing the reduction since June 2010 to more than €25 million. Reduction of non-strategic inventories contributed to lower operating WCR by 1.2 point as a percentage of sales.
In terms of days of sales, inventory volume is slightly down, to 114 days at the end of December, compared with 116 days late in 2010.

Trade receivables amounted to €161 million at end of December 2011. The average customer payment schedule is flat at 59 days of sales, compared with 60 days at December 31 2010.

At December 31, 2011, the Group sold without recourse (deconsolidating factoring) €14.4 million of trade receivables, compared with €2.1 million at December 31, 2010. This amount lowers operating WCR by 1 point as percentage of sales.

Supplier credit amounted to €168 million at December 31, 2011. The average supplier payment schedule is 74 days, unchanged from late 2010.

Cash flow

(in € thousands)	2011	2010
Operating cash flow before change in WCR	44,768	(4,997)
Change in WCR	5,797	22,864
Cash flow from operating activities	**50,565**	**17,867**
Capital expenditures	(10,006)	(14,297)
Asset disposals	20,292	1,087
Other transactions	(4,217)	1,154
Change in net cash	**56,634**	**5,811**
Net debt at opening	**150,228**	**156,039**
Net debt at closing	**93,594**	**150,228**

Profitability and efforts to optimize working capital requirement enabled the Group to generate a positive operating cash flow of €50.6 million.
In 2011, asset disposals amounted to €20.3 million:

- €17 million corresponding to disposals of IMS France's activities in aluminum and nonferrous metals, and to disposals of the companies Euralliage, Produr, and various property assets;
- €3.3 million of treasury shares, representing 0.8% of the share capital. At December 31, 2011, the Group still held 268,886 unallocated treasury shares (1.1% of the share capital).

Capital expenditures

Brand development consists mainly in opening new service centers to cover new geographic areas. The average investment for a warehouse is approximately €3 million, made by two-thirds of stocks. Because of the nature of its business of distribution of special steels, capital expenditures involve primarily buildings and processing capacity (machines for cutting, folding, etc.).

This business model requires relatively little capital and can be adjusted to economic conditions. It also has a low risk profile, because in the event of weak ROI at a given service center, inventory can be deployed rapidly to other of the brand's warehouses.

In 2011, gross tangible and intangible investments amounted to €10 million and are spread across the brand JACQUET for €5.8 million, €1.1 million for Stappert, €0.9 million for Abraservice, and €1.6 million for IMS group.

Because of the nature of its business, the Jacquet Metal Service Group does not make investment in research and development.

Events occurring after the end of the year

None.

1.6. Subsidiaries

The figures reported below are based on reporting prepared for IFRS consolidation. Only those subsidiaries generating sales above €5 million are presented below.

1.6.1. JACQUET

JACQUET– France

The company is active in the storage and distribution of full and cut plates made from high-value metals. The company’s sales are mainly to Group companies. In 2011, as a consequence of its support of sales growth of the brand's subsidiaries, the Company’s operating margins fell. Net income was boosted by a reversal of a provision for price rises.

(in € thousands)	2011	2010
Sales	34,006	31,198
Operating income	(159)	1,515
Net income	1,228	1,994
Workforce at the close of the financial year	4	6

JACQUET Lyon – France

The company is active in France in the distribution of full and cut plates made from high-value metals.

(in € thousands)	2011	2010
Sales	7,922	8,190
Operating income	631	292
Net income	423	209
Workforce at the close of the financial year	5	4

JACQUET Benelux – Belgium

The company has been active in Benelux since 1991 in the distribution and cutting of plates made from high-value metals.

(in € thousands)	2011	2010
Sales	11,336	11,282
Operating income	469	699
Net income	339	484
Workforce at the close of the financial year	18	20

JACQUET UK – United Kingdom

This company has been active in United Kingdom since 1998 in the distribution and cutting of plates made from high-value metals. Business benefited from the rise in raw-materials prices and volumes.

(in € thousands)	2011	2010
Exchange rate € / GBP	0.87	0.86
Sales	7,599	7,094
Operating income	855	1,076
Net income	704	724
Workforce at the close of the financial year	18	18

JACQUET Deutschland – Germany

The company is active in Germany in the distribution of full and cut plates made from high-value metals. In 2011, the company bought out Jacquet Steinau. Business of the resulting merger benefited from higher volume growth.

(in € thousands)	2011	2010
Sales	17,911	10,592
Operating income	1,069	419
Net income	694	263
Workforce at the close of the financial year	12	6

JACPOL – Poland

The company is active in Poland in the distribution and cutting of plates made from high-value metals for other subsidiaries of the JACQUET product line, mainly in Poland, Germany, and the Czech Republic. Volumes rose by 39% in the financial year.

(in € thousands)	2011	2010
Exchange rate € / PLN	4.12	4.00
Sales	16,432	12,045
Operating income	738	858
Net income	318	770
Workforce at the close of the financial year	32	31

JACQUET Nederland – Netherlands

The company has been active in the Netherlands since 1997 in the distribution of full and cut plates made from high-value metals. Business and results benefited from the rise in raw-materials prices.

(in € thousands)	2011	2010
Sales	23,825	20,159
Operating income	1,409	1,134
Net income	1,064	865
Workforce at the close of the financial year	15	13

JACFRIESLAND – Netherlands

This company, held at 80% by JACQUET Nederland BV, is active in the distribution and cutting of plates made from high-value metals. Specialized in laser cutting, this distribution center generates nearly all of its sales from JACQUET Nederland BV. Business and results of financial year 2011 benefited from the rise in raw materials prices and volumes.

(in € thousands)	2011	2010
Sales	13,105	10,515
Operating income	966	778
Net income	624	491
Workforce at the close of the financial year	32	27

JACQUET Osiro – Switzerland

This company, held at 51% by JACQUET International, has been active in Switzerland since 1999 in the distribution and cutting of plates made from high-value metals. In 2010 and 2011, the company invested in new processing capacity that will be fully operational as from 2012.

(in € thousands)	2011	2010
Exchange rate € / CHF	1.23	138
Sales	5,195	5,442
Operating income	327	672
Net income	393	502
Workforce at the close of the financial year	9	9

JACQUET Finland – Finland

This company has been active in Finland since 2000 in the distribution and cutting of plates made from high-value metals. Business and results of financial year 2011 benefited from the rise in raw materials prices.

(in € thousands)	2011	2010
Sales	10,266	9,559
Operating income	501	568
Net income	450	551
Workforce at the close of the financial year	16	16

JACQUET Metallservice – Austria

JACQUET Metallservice is active in Austria in the distribution and cutting of plates made from high-value metals. Business and results in 2011 were impacted by the departure of the management team and the restructuring that followed.

(in € thousands)	2011	2010
Sales	6,858	9,302
Operating income	(992)	108
Net income	(1,302)	6
Workforce at the close of the financial year	16	20

JACQUET Iberica – Spain

This company is active in Spain in the distribution and cutting of plates made from high-value metals. Business and results for the 2011 financial year benefited from the growth of 9% in distribution volume.

(in € thousands)	2011	2010
Sales	8,676	7,158
Operating income	379	375
Net income	207	198
Workforce at the close of the financial year	13	10

JACQUET Italtaglio – Italy

This company has been operational since end of 2008. It is active in the Venice region in the distribution and cutting of plates made from high-value metals.
In the second semester of 2011, Jacquet Italtaglio changed its sales policy, focusing more on products with higher added value. This change, which impacted the second semester of 2011, should allow the company to be profitable as from 2012.

(in € thousands)	2011	2010
Sales	5,198	5,955
Operating income	(215)	(6)
Net income	(382)	(145)
Workforce at the close of the financial year	9	8

JACQUET Nova – Italy

The company is active in the greater Milan region (Italy) in the distribution and cutting of plates made from high-value metals. Business benefited from the rise in raw-materials prices and volumes.

(in € thousands)	2011	2010
Sales	5,546	4,572
Operating income	44	124
Net income	20	104
Workforce at the close of the financial year	10	11

JACQUET Sverige – Sweden

The company is active in Sweden in the distribution and cutting of plates made from high-value metals. Business and results in financial year 2011 benefited from the rise in volumes.

(in € thousands)	2011	2010
Exchange rate € / SEK	9.03	9.55
Sales	6,794	5,401
Operating income	770	484
Net income	566	367
Workforce at the close of the financial year	17	19

JACQUET Shanghai – China

This company is active in the distribution and cutting of plates made from high-value metals. It is the Group’s bridgehead for development of the JACQUET brand into the Asian markets. Business and results in financial year 2011 benefited from the rise in raw-materials prices and volumes. For the past 2 years, JACQUET Shanghai has implemented an aggressive commercial strategy to take market share at the expense of its gross margin, which amounts to 10%, compared with 28% on average for the JACQUET brand.

(in € thousands)	2011	2010
Exchange rate € / CNY	9.09	8.95
Sales	5,307	5,033
Operating income	(706)	(1,001)
Net income	(839)	(1,115)
Workforce at the close of the financial year	41	35

JACQUET Mid Atlantic – United States

This company, based in Philadelphia, has been operational since end of 2006. It is active in the distribution and cutting of plates made from high-value metals, and is the bridgehead for the JACQUET brand into the American market. The company has four subsidiaries in the United States: Houston, Chicago, Los Angeles, and Charlotte, North Carolina. Distribution volume rose by 34% in 2011.

(in € thousands)	2011	2010
Exchange rate € / USD	1.39	1.33
Sales	24,572	17,063
Operating income	1,165	583
Net income	779	286
Workforce at the close of the financial year	47	38

JACQUET Houston – United States

This company is held at 80% by JACQUET Mid Atlantic. The company has been active in the southern United States since 2007 in the distribution and cutting of plates made from high-value metals. Distribution volume rose by 37% in 2011.

(in € thousands)	2011	2010
Exchange rate € / USD	1.39	1.33
Sales	8,681	5,654
Operating income	331	(286)
Net income	178	(398)
Workforce at the close of the financial year	9	8

JACQUET Midwest – United States

This company, held at 95% by JACQUET Mid Atlantic, has been operational since the first quarter of 2008. It operates in the Chicago region in the distribution and cutting of plates made from high-value metals. Distribution volume rose by 15% in 2011.

(in € thousands)	2011	2010
Exchange rate € / USD	1.39	1.33
Sales	7,776	5,880
Operating income	245	(559)
Net income	125	(633)
Workforce at the close of the financial year	13	11

JACQUET Southeast – United States

This company, held at 80% by Jacquet Mid Atlantic, has been operational since the first quarter of 2010. It operates in the Charlotte region in the distribution and cutting of plates made from high-value metals. The company reached breakeven after its first full year of operations. Distribution volume rose by 26% in 2011.

(in € thousands)	2011	2010
Exchange rate € / USD	1.39	1.33
Sales	5,261	4,108
Operating income	12	(190)
Net income	(18)	(205)
Workforce at the close of the financial year	9	8

1.6.2. Stappert

Stappert Spezial-Stahl – Germany

Stappert Spezial-Stahl distributes long stainless-steel products, mainly on the German market, where it has a significant market share and a reputation for expertise. The company also owns all subsidiaries of the Stappert brand except CL Staal.

The company's sales amounted to €308 million, a rise of 15% from 2010 on a like-for-like basis (after spinning off the wear-resistance businesses).

Operating income amounted to €19.4 million, or 6.3% of sales, compared with 8.9% in 2010 (a year that benefited from very favorable market conditions).

(in € thousands)	2011	2010
Sales	308,005	284,991
Operating income	19,395	25,314
Net income	7,697	14,423
Workforce at the close of the financial year	326	348

Fleischmann – Austria

Fleischmann is a pivotal company of the Group in Central Europe. Hungarian, Czech, and Slovak warehouses lie within a radius of 200 km. This proximity makes daily transport possible, which is more cost-efficient than stocking all distributed products at each site.

Sales in 2011 rose by 18%, to €42.2 million.

Operating income amounted to €0.8 million, or 1.8% of sales, compared with 5.9% in 2010 (a year that benefited from very favorable market conditions).

(in € thousands)	2011	2010
Sales	42,199	35,731
Operating income	768	2,112
Net income	530	1,516
Workforce at the close of the financial year	59	57

Lega Inox – Czech Republic

Lega Inox is a leading player in the sale of tubes, fittings, bars, and profiles in the Czech Republic. The 2010 and 2011 financial years were affected by restructuring operations (closing of a warehouse). A new management team was appointed in the first quarter of 2012.

(in € thousands)	2011	2010
Exchange rate €/ CZK	24.59	25.29
Sales	29,630	31,176
Operating income	(910)	(922)
Net income	(957)	(931)
Workforce at the close of the financial year	70	81

R&T – Hungary

The company distributes long stainless-steel products in Hungary. The 2011 business level benefited from higher raw-materials prices and volume growth.
Operating income amounted to €1 million, or 3.9% of sales, compared with 6.5% in 2010 (a year that benefited from very favorable market conditions).

(in € thousands)	2011	2010
Exchange rate / HUF	279.31	275.35
Sales	24,467	20,932
Operating income	952	1,359
Net income	572	871
Workforce at the close of the financial year	41	40

Specialstal – Sweden

The company distributes long stainless-steel products in Sweden. The company reported an operating loss of €0.4 million, or -1.7% of sales, compared with an operating income of +0.9% in 2010 (a year that benefited from very favorable market conditions).

(in € thousands)	2011	2010
Exchange rate / SEK	9.03	9.55
Sales	24,467	22,207
Operating income	(417)	208
Net income	(255)	249
Workforce at the close of the financial year	26	23

IMS Kupa – Slovakia

The company distributes long stainless-steel products in Slovakia. Operating income amounted to €0.1 million, or 0.8% of sales, compared with 3.5% in 2010 (a year that benefited from very favorable market conditions).

(in € thousands)	2011	2010
Sales	18,075	17,397
Operating income	148	609
Net income	8	346
Workforce at the close of the financial year	32	33

Antera – Lithuania

The company distributes long stainless-steel products in Lithuania. Operating income amounted to €0.1 million, or 1.8% of sales, compared with breakeven in 2010.

(in € thousands)	2011	2010
Exchange rate / LTL	3.45	3.45
Sales	6,066	4,853
Operating income	108	(1)
Net income	21	(71)
Workforce at the close of the financial year	19	20

IMS Stalserwis – Poland

IMS Stalserwis is a distributor specializing in long stainless-steel products and engineering steels. At September 1st, 2011, the wear-resistant business and 10 employees of IMS Stalserwis were transferred to Abraservice Polska. Sales in 2011 were up by 21% for stainless steels (of which 8% of volume effect) and by 37% for engineering steels (19% for volume effect).

(in € thousands)	2011	2010
Exchange rate / PLN	4,12	4,00
Sales	32 534	26 934
Operating income	158	465
Net income	(316)	261
Workforce at the close of the financial year	67	75

Intramet – Belgium

The company distributes long stainless-steel products in Europe, where it benefits a reputation for expertise. Intramet joined the Stappert brand in December 2011. As a result of restructuring measures and sales-policy reorientation, the company should be profitable as from 2012.

(in € thousands)	2011	2010
Sales	22,005	36,950
Operating income	(426)	(656)
Net income	(286)	(431)
Workforce at the close of the financial year	25	35

CL Staal – Netherlands

CL Staal is a sales office that distributes stainless steels and engineering steels. The decline in sales in 2011 was related solely to the transfer of the wear-resistant business to Abraservice Nederland.

(in € thousands)	2011	2010
Sales	7,200	8,964
Operating income	110	16
Net income	94	2
Workforce at the close of the financial year	10	13

Noxon – Netherlands

The company distributes fittings and stainless-steel tubes in the Netherlands. It has significant market share and a reputation for expertise. The company's restructuring measures in 2010 resulted in profitability in 2011.

(in € thousands)	2011	2010
Sales	44,510	39,689
Operating income	712	(2,563)
Net income	261	(2,102)
Workforce at the close of the financial year	83	88

TRD Inox – France

The company distributes fittings, tubes, and long stainless-steel products in France.
TRD joined the Stappert brand in December 2011. As a result of restructuring measures and sales-policy reorientation, the company should be profitable as from 2012.
The business combination with Stappert, which owns 54% of TRD Inox, was carried out through a capital increase. At the end of 2011, the company's shareholders' equity amounted to €6.4 million, and the company is now debt-free.

(in € thousands)	2011	2010
Sales	15,035	1,028
Operating income	(2,199)	(244)
Net income	(1,567)	(172)
Workforce at the close of the financial year	30	35

1.6.3. Abraservice

Abraservice France – France

Abraservice France distributes and cuts wear-resistant plates.
In 2010, Abraservice France's business was carried out from within IMS France and represented €30.1 million, compared with €29.2 million in 2011. In its first year of operations, the company made €0.8 million in operating profit.

(in € thousands)	2011	2010
Sales	29,168	n.a
Operating income	769	n.a
Net income	314	n.a
Workforce at the close of the financial year	71	n.a

Abraservice Deutschland – Germany

Abraservice Deutschland distributes and cuts wear-resistant plates.
In 2010, Abraservice Deutschland's business was carried out from within Stappert Spezial-Stahl and represented €16 million, compared with €15.6 million in 2011. In its first year of operations, the company made €0.2 million in operating profit.

(in € thousands)	2011	2010
Sales	15,574	n.a
Operating income	241	n.a
Net income	148	n.a
Workforce at the close of the financial year	37	n.a

Abraservice Italia – Italy

Abraservice Italia distributes and cuts wear-resistant plates.
In 2010, Abraservice Italia's business was carried out from within IMS SpA and represented €12.2 million, compared with €11.5 million in 2011. In its first year of operations, the company came close to operating breakeven.

(in € thousands)	2011	2010
Sales	11,492	n.a
Operating income	(71)	n.a
Net income	(154)	n.a
Workforce at the close of the financial year	15	n.a

Abraservice Iberica – Spain

Abraservice Iberica distributes and cuts wear-resistant plates.
In 2010, Abraservice Iberica's business was carried out from within Aceros IMS and represented €8.3 million, compared with €8.2 million in 2011. In its first year of operations, the company came close to operating breakeven.

(in € thousands)	2011	2010
Sales	8,205	n.a
Operating income	(128)	n.a
Net income	(136)	n.a
Workforce at the close of the financial year	16	n.a

Abraservice Belgium – Belgium

Abraservice Belgium distributes and cuts wear-resistant plates.
In 2010, Abraservice Belgium's business in the sale and cutting of wear-resistant steels was carried by IMS Belgium, since renamed Intramet, and represented €7.8 million, compared with €8.6 million in 2011. In its first year of operations, the company made €0.2 million in operating profit.

(in € thousands)	2011	2010
Sales	7,756	n.a
Operating income	191	n.a
Net income	60	n.a
Workforce at the close of the financial year	14	n.a

1.6.4. IMS group

IMS France – France

IMS France was created on December 1st, 2010, after the spin-off of IMS France into 3 new companies: IMS France (engineering steel and nonferrous metals), TRD Inox (stainless-steel tubes and fittings), and Abraservice France (wear-resistant steel).
On a like-for-like basis, sales in 2011 rose by 16%, compared with sales in 2010, to €118 million. After restructuring costs of €0.8 million, the company made an operating income of €3.1 million in 2011.

(in € thousands)	2011	2010 (1)
Sales	118,115	n.a
Operating income	3,061	n.a
Net income	1,407	n.a
Workforce at the close of the financial year	184	n.a

(1) *1 month of business in 2010*

Aceros IMS Int. – Spain

Aceros IMS is a leading player on the Spanish market in the distribution and transformation of engineering steels. On a like-for-like basis (excluding the wear-resistant business), sales in 2011 rose by 16%, compared with sales in 2010, to €95 million. Net income rose by 42% in 2011.

(in € thousands)	2011	2010
Sales	95,254	90,689
Operating income	5,008	3,618
Net income	4,487	3,170
Workforce at the close of the financial year	163	162

IMS Portugal Comercio de Aços – Portugal

IMS Portugal is specialized in the distribution of carbon and stainless steels for engineering.

(in € thousands)	2011	2010
Sales	15,015	14,752
Operating income	(92)	(9)
Net income	(18)	56
Workforce at the close of the financial year	47	51

IMS SpA – Italy

IMS SpA distributes engineering and tool steels via 8 warehouses in Italy, as of December 31, 2011. The company has undergone significant restructuring over the past two years, which decreased operating income in 2011 by more than €1 million. In 2011, sales grew by 12% (of which 7% for volume effect) and operating income amounted to €1.7 million.

(in € thousands)	2011	2010
Sales	145,081	129,815
Operating income	1,659	(27,404)
Net income	329	(33,433)
Workforce at the close of the financial year	154	191

IMS Ozel Celik – Turkey

Since September 1st, 2011, after the sale of its wear-resistant-steel business to Abraservice Türkiye, IMS Ozel Celik has specialized in the distribution of engineering steels. Sales growth in the engineering-steels business reached 26% in 2011.

(in € thousands)	2011	2010
Exchange rate €/ TRY	2..34	2.00
Sales	10,600	8,016
Operating income	280	(172)
Net income	(171)	(68)
Workforce at the close of the financial year	8	13

Hoselmann – Germany

Hoselmann distributes engineering steels, with an important focus on trading. The company's sales grew by 29% in 2011, and volumes rose by 23%. Operating income in 2010 was hurt by a provision for customer risk of €4 million. In 2011, operating income benefited from the favorable outcome concerning 50% of this risk.

(in € thousands)	2011	2010
Sales	40,254	31,293
Operating income	3,294	(4,580)
Net income	2,282	(3,050)
Workforce at the close of the financial year	61	63

1.7. Human resources information

1.7.1. Workforce

At December 31, 2011, group-wide staff totaled 2,185 employees (full-time equivalent), compared with 2,303 at December 31, 2010.
The workforce includes all employees with permanent or fixed-term contracts who work full or part time, including apprentices and beneficiaries of government-sponsored contracts as well as staff on sick leave or parental leave.

	2011	2010
Full-time equivalent at the close of the financial year	**2,185**	**2,303**
France	474	596
Abroad	1,711	1,707
	2011	**2010**
Average workforce	**2,203**	**2,363**
France	491	611
Abroad	1712	1752

1.7.2. Working hours

The Group complies with the working hours provided for by law in each country in which it is established.

1.8. Risks

The Company has carried out an evaluation of risks that could have a significantly unfavorable effect on its activity, financial position, or results (or its capacity to reach its objectives), and considers that there are no significant risks other than those presented below.
The inventory of risks and their translation onto the financial statements is organized on a half-yearly basis through internal reporting coordinated by Group financial management and analyzed subsidiary by subsidiary. This analysis covers the strategic fields regarding the operational processes of the Group, its economic environment, and its support functions.
The primary risk areas identified are as follows:

- the economic environment: third-party attitude change, fluctuating prices and prices of raw materials, market change;
- operations: continued application of business strategy, choice of acquisitions and their successful consolidation, maintaining operations during a crisis, efficient control processes in a Group context of decentralized operational decisions;
- human resources: motivating and building the loyalty of employees, reliance of the Group or its subsidiaries on certain senior executives and key employees;
- support functions: performance and adaptation of information systems and tools for measuring financial performance.

Other risks than those enumerated below may also arise, and none have been identified or their occurrence is not considered to have a significant negative effect on the Group.

1.8.1. Risks tied to Group activities

1.8.1.1. Information technology risk

All companies belonging to the JACQUET and Abraservice brands use exclusively the Integrated Management Program (IMP), developed originally by JACQUET Metals. It comprises both a business application and an accounting solution adapted to local tax laws. Centralized tools such as these are vital for efficient and responsive internal control. The transfer of the Stappert brand is under way and that of IMS group is planned for 2013. In order to achieve this transfer, the Group is working with specialized consultants.

Jacquet Metal Service has secured its information-system structure against risks of breakdown or major damage with two identically equipped computer hubs that are linked to one another, whereby data from one site are reproduced by the other in real time. The production room is located in a data center that offers high-level service and secured access along with high-speed internet service.
Data are backed up automatically in real time, thereby providing identical information to the Group from both sites.

1.8.1.2. Procurement risk

Considering the type of business the Company is involved in, Jacquet Metal Service does not depend on any specific procurement contract. Jacquet Metal Service is thus able to diversify its procurement process and carries out a stringent selection of all its suppliers in order to avoid relying on a particular supplier.

1.8.1.3. Distributor risk

Jacquet Metal Service distributes its products mainly through second-tier intermediaries and distributors, which makes it impossible to monitor the final destinations of the products delivered.

1.8.1.4. Work-related accident risk

While the Group deems that it adheres to each country's safety rules and legal regulations, measures taken do not completely guard against work-related accidents.

1.8.2. Market risk

1.8.2.1. Country risk

More than 93% of Group sales are made in Europe, and the Group is established mainly in countries belonging to the European Union or considered to be very stable politically. For this reason, country risk is considered to be low.

1.8.2.2. Price elasticity

Purchase prices are generally composed of two distinct parts:
- the base price is the result of negotiation with each producer at the time an order is given;
- and a more variable part that depends on changes in raw-materials prices. For example, surplus scrap iron for engineering steels and surplus alloy for stainless steels. The alloy surcharge is generally determined at the time of delivery on the basis of formulae specific to producers, who incorporate the prices of nickel, chromium, titanium, molybdenum, scrap iron, and the euro/dollar exchange rate.

Delivery deadlines also play an important role in price setting. These are often disregarded, and can range from 1 to 12 months. Given the fluctuations in raw-materials prices that affect the value chain, the purchase price may be subject to adjustments based on observance of the delivery deadlines. Some agreements also provide for a price adjustment based on the actual delivery date, as opposed to the theoretical delivery date, just as the base price can be changed by the producer after delivery, etc.
In addition, annual discounts can be granted on the basis of volume purchased and the overall performance of the producer.

The Group's gross margin, expressed as a percentage of sales, fluctuates in response to the following:
- change in activities mix (relative weight of the product lines in sales, each line having a different margin);
- price levels in absolute value;
- effect of price trends on inventory sales.

The Group's policy, and standard practice in the sector, is thus to transfer increases in purchase prices directly to the customer as they occur, if possible. Correspondingly, when prices decrease, the competitive environment leads the Group to pass on the lower prices to the customer. This ability to reflect price fluctuations has a price effect on inventory and affects gross margin.

Trends in basic steel prices and certain metals used in alloys (nickel, molybdenum, chrome, etc.) have repercussions on the gross margin expressed as a percentage of sales.

1.8.2.3. Risks related to changes in metals prices

The Group does not rely structurally on financial hedging instruments for fluctuations in the prices of raw materials used to produce the steels it sells. For some of the metals used (particularly molybdenum and chrome), this situation can be explained by the absence of a market that would allow such hedging to be implemented. In the case of nickel, this is a deliberate management choice, as the Group currently estimates that the implementation of such a policy would not be necessarily economically advantageous. Expenses related to the implementation of this policy would most likely outweigh its economic benefits. The appropriateness of implementing such a hedging policy is re-evaluated periodically. Presently, this choice inevitably exposes the Group to fluctuations in metals prices.

1.8.2.4. Foreign-exchange risk

Because of the Group's geographical location, subsidiaries carry out most of their raw materials purchases in euros. Foreign-exchange risk is thus chiefly a concern for subsidiaries outside the euro zone for purchases made in euros, all other flows being denominated in the functional currency of each subsidiary.
Jacquet Metal Service S.A is exposed to currency risk when it accords cash advances in local currency to subsidiaries outside the euro zone. An analysis of foreign-exchange risk is provided in part 4.17.3 of the notes to the 2011 consolidated financial statements.

1.8.2.5. Interest-rate risk

These short-term investments are mainly money-market funds with very limited risk.
Liability exposure to interest-rate risk concerns principally Group floating-rate debt, which is partially hedged by interest-rate swaps.
An analysis of these risks is provided in part 4.17.3 of the notes to the 2011 consolidated financial statements.

1.8.2.6. Liquidity risk

Some loans are subject to the observance of covenants. The inapplicable character of these clauses at December 31, 2011, is provided in part 5.4 of the notes to the 2011 consolidated financial statements.
The Group has begun a specific review of its liquidity risk, and considers that it is able to meet all future maturities.
An analysis of liquidity risk is provided in part 4.17.3 of the notes to the 2011 consolidated financial statements

1.8.2.7. Credit and counterparty risk

Group exposure to credit and counterparty risks primarily concern uninsured trade receivables. The Group does not depend commercially upon any of its customers.
It is also specified that the Group does not depend upon any single supplier, and avails itself of subcontractors only on occasion.
An analysis of credit risk is provided in part 4.17.3 of the notes to the 2011 consolidated financial statements.

1.8.2.8. Market valuation risk

Except for its treasury shares, Jacquet Metal Service S.A, does not have a share portfolio.

At December 31, 2011, the company held 404 886 unallocated treasury shares for a net total of €3.2 million in the annual financial statements.

A 10 % drop in the Jacquet Metal Service share price would lower Jacquet Metal Service S.A net financial income by €0.3 million. Jacquet Metal Service share price, however, would not affect Group consolidated earnings or consolidated shareholders' equity, because treasury stock is deducted from consolidated shareholders' equity, thereby neutralizing any possible impact on earnings.

1.8.3. Legal risk

There is no pending or threatened governmental, judicial, or arbitration proceedings, including any proceedings known to the Group, which in the last 12 months may have or did have a material impact on the financial position or profitability of the Group and/or of the company.

1.8.4. Patents

The company does not depend on patents for its operations.

1.8.5. Subcontracting

The Group's business is in no way dependent on subcontracting.

1.8.6. Insurance and risk coverage

Concerning operational risks, each Jacquet Metal Service Group subsidiary has contracted risk coverage appropriate to its activity through locally underwritten insurance policies that cover all potential risks. The Group is thus insured against damage to physical property, car fleets, theft of money or computers, etc. Because the costs of these types of insurance are insignificant for the subsidiaries, the Group does not list them precisely.

Concerning third-party liability, the group has taken out a master policy, a version of which is available to most subsidiaries in the form of a local policy. The policy covers the Company's and its subsidiaries' third-party liability against damages inflicted to third parties:

- in the context of business activities, for a sum equal to €25 million for all liability risks, per incident, subject to specific limits according to the types of risk covered by the policy;
- after product delivery, for a sum equal to €25 million for all liability risks, per incident and per year, subject to specific limits according to the types of risk covered by the policy..

The company is confident that its coverage conforms to French and European professional standards for third-party liability insurance. However, it cannot guarantee that this policy will cover all incidents the Group may confront.
At December 31, 2011, there were no identified potential significant risks whose consequences were not already provided for in the financial statements.

1.8.7. Environmental risk

As a distributor and a company engaged in steel processing prior to delivery, Jacquet Metal Service is not exposed to any significant environmental risks. Jacquet Metal Service uses no particularly hazardous materials, nor does its business have significant impact on the environment. However, more stringent environmental and safety regulations in the future cannot be ruled out. In addition, some of the sites run by the Group have a long industrial history. Consequently, if pollution, especially historical pollution, were to be identified on the sites currently or previously operated by the Group, the Group might be held liable.

As of this date, Jacquet Metal Service has not been informed of environmental restrictions that might influence the use made by the Group of its tangible fixed assets.

2. MANAGEMENT REPORT - INFORMATION ON THE PARENT COMPANY JACQUET METAL SERVICE S.A.

At the Shareholders' General Meeting, which took place on June 30, 2011 in Saint Priest, shareholders approved a new name for IMS S.A., reflecting the history of Jacquet Metals and International Metal Service: **JACQUET METAL SERVICE S.A**.

The main missions of Jacquet Metal Service S.A., which holds shares either directly or indirectly in Group subsidiaries, are the following:

- defining Group strategy and driving the development of the Group;
- development of information systems;
- control, coordination and negotiation of purchasing conditions;
- financial control, financing management, financial communication and investor relations;
- corporate communication.

The Jacquet Metal Service S.A financial statements for the period ended December 31, 2011, were prepared in accordance with French legal requirements and according to the same principles and methods as those used for the preparation of the previous year's financial statements.

2.1. Situation and activity change during the financial year

2.1.1. Statement of comprehensive income

(in € thousands)	2011	2010
Sales	18,131	15,398
Operating profit	7,273	(13,756)
Financial result	9,738	30,597
Net exceptional profit	(13,012)	(9,329)
Net income	**3,141**	**9,285**

Jacquet Metal Service S.A. sales came to €18.1 million in 2011. They include services invoiced to subsidiaries, primarily IT and management fees. The Group's sales evolution is directly related to its activity.
The operating profit for FY 2011 amounted to €7.3 million, compared with a loss of -€13.8 million in 2010. The 2010 result included €14.6 million of non-recurring elements and is therefore not directly comparable to the 2011 result.

Financial income of €9.7 million breaks down as follows:

(in € thousands)	2011	2010
Subsidiary dividends	11,791	70,772
Investment income [(1)]	4,891	3,845
Reversal of provisions [(3)]	173	21,935
Other	840	1,179
Financial revenue	**17,695**	**97,731**
Interest income and related [(2)]	6,063	8,871
Foreign exchange loss	511	1,353
Additions to provisions [(3)]	1,383	56,910
Financial expenses	**7,956**	**67,134**
Financial income	**9,738**	**30,597**

[(1)] Of which loans to subsidiaries and interest on cashpools account for €4.887 thousands compared with €3.842 thousands in 2010.

[(2)] Including interest from interest-rate swaps.

[(3)] See analysis of financial assets in paragraph 2.1.2.

The exceptional loss of -€13 million was mainly due to a capital loss on equity security transfert of Noxon, Intramet and Trinox to Stappert.

2.1.2. Statement of financial position

(in € thousands)	12.31.2011	12.31.2010
Financial assets	210,452	265,361
Tangible and intangible fixed assets	1,781	2,051
Cash and cash equivalents	33,068	17,808
Other assets	84,792	76,171
Total assets	**330,094**	**361,391**
Shareholders' equity	195,703	192,752
Debt	118,573	152,817
Other liabilities	15,818	15,822
Total equity and liabillities	**330,094**	**361,391**

Financial assets

(in € thousands)	12.31.2011	12.31.2010
Equity investments – gross value	177,475	256,010
Amortization	(12,353)	(55,628)
Equity investments – net value	**165,122**	**200,382**
Receivables on equity investments	41,755	57,504
Treasury shares	3,228	7,008
Other	347	466
Total Financial assets	**210,452**	**265,361**

The gross value of equity investments amounted €177.5 million at December 31, 2011, compared with €256 million at December 31, 2010. This change is due to:

- the sale of Euralliage to a third party;
- the security transfer of Noxon, Intramet and Trinox to Stappert.

Change in provisions for impairment is mainly due to reversals of provisions recognized in the context of this reclassification.

Receivables on equity investment amount €41.8 million and correspond to long-term (over one year) advances granted to subsidiaries held either directly or indirectly by Jacquet Metal Service S.A.

In 2011, Jacquet Metal Service sold part of its treasury stock for €3.3 million. The balance of the change corresponds to movements on the liquidity contract.

Net cash position

(in € thousands)	12.31.2011	12.31.2010
Cash and cash equivalents	33,068	17,808
Current bank lending	(7,768)	(417)
Net cash position	**25,300**	**17,391**

Other assets and liabilities

Other assets amount to €84.8 million and mainly comprise cash-pooling accounts for €72.1 million.
Other liabilities amount to €15.8 million, €6.8 million correspond to operating liabilities and €3.7 million to provisions for employee benefit obligations. The latter are assigned a value by outside actuaries.

At December 31, 2011, due dates of trade receivables and payables break down as follows:

(in € thousands)	Balance sheet item	Total statement of financial position at December 31	Closing entries[1]	Balance of receivables and payables	Un-matured	*Matured*			
						due date < 30 days	due date between 30 and 60 days	due date between 60 and 90 days	due date > 90 days
2011	Trade receivables	6,118	1,487	4,630	2,965	431	48	186	1,001
	Trade payables	3,339	2,508	830	595	75	6	0	154
2010	Trade receivables	7,913	107	7,806	3,773	2,365	1,400	(39)	307
	Trade payables	4,153	3,063	1,090	900	52	14	14	110

[1] *Invoices to issue and accrued expenses.*

Debt

In June and December 2011, Jacquet Metal Service S.A. repaid the first two terms of the syndicated loan set up in September 2010 for respective amounts of €10 million and €40 million. This repayment reduced the fixed-term loan from €110 million to €60 million.
The balance of this loan will be amortized according to the following schedule:

- June 30, 2012: €30 million;
- December 31, 2012: €30 million.

The other financial debts are mainly composed of cash-pooling accounts for €42.8 million and current bank overdraft for €7.8 million.

2.2. Changes in equity investments

In 2011, Jacquet Metal Service S.A. carried out the following legal operations:

- Sale of Euralliage to a third party;
- Transfert of the following subsidiaries shares to JACQUET Holding, 100% owned subsidiary: ERDBRÜGGER Metallservice, JACQUET Berlin, JACQUET Iberica, JACQUET Italtaglio, JACQUET Nordpol, JACQUET Portugal, JACQUET UK, JACQUET Mid Atlantic and indirectly JACQUET Houston, JACQUET Midwest, JACQUET West, JACQUET Southeast;
- Sale of companies Intramet, Trinox and Noxon to Stappert, a 100%-owned subsidiary;
- Increase in TRD Inox capital by Stappert. As a result of the operation, TRD Inox is 54% owned by Stappert (subsidiary of Jacquet Metal Service S.A.) and 46% owned by Jacquet Metal Service S.A.

2.3. Share capital

At December 31, 2011, the share capital remained unchanged compared to the previous year. It amounted to a total of €36,631,126.16, representing 24,028,438 shares.
Information on share capital change is detailed in paragraph 5 of the “Other information” part of the registration document.

2.4. Progress and outlook

The company will continue to guide Group strategy and manage its equity investments by brand in its various subsidiaries owned directly or indirectly. The Group’s progress and outlook are set out in paragraph 1.2 of the management report - information on the Group.

2.5. Treasury share buyback program and treasury-stock (disclosures in compliance with Article L. 225-211, al2 of the Commercial Code)

In its twelfth resolution, the General Meeting of June 30, 2011, authorized the Board to allow the Company to buy back its own shares to:

- Favor transaction liquidity and regular listing of company shares or avoid all discrepancies in rates not justified by market trends through an investment-services provider, acting independently under a liquidity contract, under terms and conditions determined by recognized regulations and market practices in compliance with an ethics charter approved by the French Financial Markets Authorities;
- Grant shares to officers or employees of the Company and/or companies in its Group under terms and conditions established by legal and regulatory requirements applicable within the context (i) of participation in the benefits of expansion of the company, (ii) of the share option regime established by articles L. 225-179 and seq. of the Commercial Code, (iii) of the free share issuance regime established by articles L. 225-197-1 and seq. of the Commercial Code and (iv) of a company savings plan, as well as to carry out all hedging operations relating to these operations, under the conditions established by market authorities and during periods when the Board of Directors or person acting as its representative so decides;
- allocate shares during the exercise of rights attached to shares giving immediate or deferred access to capital by reimbursement, conversion, exchange, presentation of a warrant, or by any other method of granting Company shares, as well as carry out all hedging operations with regard to the issuance of such securities, under the conditions established by market authorities and during periods when the Board of Directors or person acting as its representative so decides;
- retain shares and allocate them at a later date for payment or exchange in the context of acquisitions, mergers, spin-offs or contributions, in compliance with market practices approved by the French Financial Markets Authorities; or
- cancel shares partially or in full by reducing the share capital (particularly to optimize cash management, return on equity or earnings per share).

Conditions of the share buy-back program are as follows:

- the maximum price for the Company to purchase its own shares is set at €50 per share and the minimum sale price is set at €8, it being noted that this price will be adjusted as necessary to reflect capital transactions, in particular incorporation of reserves or free share allotments and/or share splits or reverse splits;
- the maximum number of shares that can be bought back is set at 10% of the total number of shares comprising the share capital (at that time, this percentage being applied to a share capital figure adjusted to reflect transactions affecting the share capital subsequent to the General Meeting of June 30, 2011), for a maximum amount of €120,142,190, subject to legal limits. Purchases of the Company's shares may concern any number of shares such that the number of shares that the Company purchases during the repurchase program may not exceed 10% of the shares comprising the share capital (at that time, this percentage being applied to a share capital figure adjusted to reflect transactions affecting the share capital subsequent to the General Meeting of June 30, 2011), subject to the provisions of Article 5-2° and 3° of European regulation 2273/2003/CE, with the understanding that (i) in the case of shares acquired within the context of a liquidity contract, the number of shares taken into consideration to calculate the aforementioned limit of 10% of the share capital corresponds to the number of shares purchased, minus the number of shares resold over the term of this authorization and (ii) the number of shares acquired with a view to their subsequent delivery within the context of a merger, spin-off or asset contribution transaction may not exceed 5% of its share capital at the time of acquisition;
- the duration of this authorization is eighteen months as from June 30, 2011.

As of December 31, 2011, the number of shares registered under the Company's name reached 405,597 shares, representing 1.69% of the share capital for a total value of €3.2 million:

- 711 treasury shares were allocated to a bonus share allocation plan authorized by the Jacquet Metals S.A. General Meeting of June 13, 2008, and by the Jacquet Metals S.A. Board of Directors' meeting of February 24, 2010. These shares are recognized under "marketable securities" for a book value of €6 thousand ;
- 268,886 treasury shares were unallocated at December 31, 2011, and are recognized under "financial assets" for a net book value of €2.1 million;
- 136,000 treasury shares were held in the context of the liquidity contract and are recognized under "financial assets" for a net book value of €1.1 million.

The valuation method used for the Company's commitment relating to the bonus share allocation plan is explained in note 2.7 below.
The company has not issued convertible bonds or stock options.

2.6. Bonus share allocation (disclosures in compliance with Article L. 225-197-4 of the Commercial Code)

Jacquet Metals S.A. implemented a complementary compensation tool in 2008 with a bonus share allocation. This tool was still in force in at Jacquet Metal Service S.A. as of December 31, 2011.

2.6.1. Description of bonus share allocation plan

The eighth resolution of the Combined Ordinary and Extraordinary General Meeting of June 13, 2008, authorized the Board to grant bonus shares (existing shares) to beneficiaries to be chosen among employees and corporate executive officers of the Company or related entities within the meaning of Article L. 225-197-2 of the Commercial Code, limited to 1% of share capital of the Company at the date of allocation by the Board. On June 13, 2008, the Board of Directors, acting under this authorization, adopted a bonus share allocation plan for the granting of bonus shares to beneficiaries to be determined by the Board.

The bonus shares are subject to compliance with the following:

a) vesting period:
The length of the vesting period was set at two years, beginning on the date of the decision by the Board of Directors to grant bonus shares.
Consequently, beneficiaries become Company shareholders only at the end of the vesting period, on condition that requirements and criteria (see below) for share grants have been met.

b) length of employment:
The definitive acquisition of shares requires that each beneficiary remain an employee or corporate executive officer in the Company or related entity within the meaning of Article L. 225-197-2 of the Commercial Code until the end of the vesting period.
Accordingly, the breach of an employment contract and/or the termination of duties of a corporate officer during the vesting period, for any reason whatsoever, shall lead to the beneficiary's loss of the right to bonus shares.
However, in accordance with the provisions of Article L. 225-197-3, paragraph 2, of the Commercial Code, in the event of the death of a beneficiary, the heirs may ask that the shares be granted within six months of the date of death.

c) required holding period:
The holding period has been set at two years from the date the shares are effectively granted.
However, bonus shares granted may be disposed of in the event of the death of a beneficiary by the heirs of that beneficiary, or in the event of a disability of the beneficiary that corresponds to category two or three as provided for in Article L. 341-4 of the Social Security Code.
The beneficiaries agree to hold all shares granted, for the duration of the holding period, as registered shares specified as unavailable by the account agreement.
Pursuant to Article L. 225-197-1 II, paragraph 4, of the Commercial Code, beneficiaries of bonus shares who fulfill in the Company the function of Chairman of the Board of Directors, CEO or Deputy CEO are required to hold five percent (5%) of their bonus as registered shares until termination of office.

2.6.2. Bonus shares allocated in 2011

None.
At December 31, 2011, no Company officer or director held bonus shares that were still in their vesting period.

2.7. Valuation of the bonus share allocation plan

At December 31, 2011, the Company's obligation relating to treasury shares allocated to the bonus share allocation plan was valued at €6,000. This obligation is calculated on the basis of the stock price on the date of purchase and the probability of share grants as determined on the closing date. The obligation is provisioned for €5,500, after amortization on a period of two years from the grant date of the shares, recorded under "personnel expenses."

2.8. Liquidity contract

By contractual agreement of March 17, 2008, Jacquet Metal Service S.A. entrusted to Oddo Corporate Finance the implementation of a liquidity contract, in compliance with the AMAFI Ethics Charter, expiring December 31, 2008, and automatically renewable by tacit agreement for 12-month period. The liquidity provider was initially accorded €2,600,000 for the effective implementation of this contract.
At December 31, 2011, there were 136,000 Jacquet Metal Service S.A. shares in the liquidity account, with a net book value of €1.1 million.

2.9. Identity of shareholders crossing legal thresholds

At December 31, 2011, Mr. Eric Jacquet and the holding company JSA, which he controls at 99.99%, held 40.57% of the Jacquet Metal Service S.A. share capital and 45.58% of the voting rights.
The extraordinary general meeting of June 30, 2010, granted double voting rights for registered shares held for more than two years. At December 31, 2011, double voting rights were attributed to 4,386,335 Jacquet Metal Service shares, including 3,204,986 shares held by JSA.

The voting-rights thresholds are calculated in accordance with the provisions of Article 223-11 of the AMF General Regulation (concerning all shares with voting rights and treasury shares without voting rights).

In accordance with the provisions of Article L. 233-3 II of the Commercial Code, JSA and Mr. Eric Jacquet was presumed to have de facto control of Jacquet Metal Service because it held more than 40% of voting rights. JSA and Mr. Eric Jacquet agreed to limit the percentage of ownership of Jacquet Metal Service shares and voting rights to under 46% for a period of three years, as from July 20, 2010, the date of the definitive transaction granting JACQUET Metals control over IMS. Except for legal protection provided for by the Commercial Code, no special measure has been taken to protect against abusive exercise of control.

At June 28, 2011, the decrease in the percentage of share capital held by Caja de Ahorros y Monte de Pieda de Navarra below the 5% threshold and the increase of shares held by Banca Civica SA above the 5% threshold were announced following the contribution of shares held by Caja de Ahorros y Monte de Pieda de Navarra to Banca Civica SA. At December 30, 2011, Banca Civica SA (subsidiary of Caja de Ahorros y Monte de Pieda de Navarra) held 1,236,706 shares of Jacquet Metal Service, representing 5.15% of share capital.

In 2011, the Group disposed of treasury shares representing 0.8% of share capital (excluding movements related to the liquidity contract).

The breakdown of share capital and voting rights over the past three years is as follows:

	At December 31, 2011			At December 31, 2010			At December 31, 2009		
	Number of shares	***% of capital***	***% of voting rights***	**Number of shares**	***% of capital***	***% of voting rights***	**Number of shares**	***% of capital***	***% of voting rights***
JSA / Eric Jacquet	9,747,471	*40.57%*	*45.58%*	9,661,971	*40.21%*	*45.92%*	1,809,669	*10.02%*	*10.02%*
JACQUET Metals	-	-	-	-	-	-	4,183,342	*23.17%*	*23.17%*
Public	13,875,370	*57.75%*	*52.99%*	13,820,755	*57.52%*	*52.07%*	11,390,957	*63.08%*	*63.08%*
Treasury shares	405,597	*1.69%*	*1.43%*	545,712	*2.27%*	*2.01%*	673,042	*3.73%*	*3.73%*
Total	**24,028,438**	***100%***	***100%***	**24 028 438**	***100%***	***100%***	**18,057,010**	***100%***	***100%***

To the Group's knowledge, no other shareholder held more than 5% of share capital or voting rights at December 31, 2011, except for those mentioned below:

	At December 31, 2011			At December 31, 2010		
	Number of shares	***% of the capital***	***% of the voting rights***	**Number of shares**	***% of the capital***	***% of the voting rights***
Banca Civica SA	1,236,706	*5.15%*	*4.35%*	1,263,118	*5.26%*	*4.66%*
Amari	903,000	*3.76%*	*6.36%*	1,326,283	*5.52%*	*4.89%*
Other public	11,735,664	*48.84%*	*42.28%*	11,231,354	*46.74%*	*42.53%*
Total	**13,875,370**	***57.75%***	***52.99%***	**13,820,755**	***57.52%***	***52.07%***

At December 31, 2011, there was no shareholders' agreement or declared concert. At March 8, 2012, the company was not aware of any threshold crossings after December 31, 2011.

2.10. Dividends paid over the past three years

(in €)	2011	2010	2009
Net dividend per share	n.a. [(1)]	-	-
Dividend payout ratio	n.a. [(1)]	-	-

[(1)] not available: decision of the General Meeting unknown at publication date.

2.11. Share transactions by corporate officers

In compliance with Article L. 621-18-2 of the French Monetary and Financial Code and with Article 223-22 of the Code of the French Financial Markets Authority, transactions involving Jacquet Metal Service S.A. shares or other financial instruments by any member of the Board of Directors or other “related parties” must be declared in cases where any one of the aforementioned persons make a transaction exceeding €5,000 in a given calendar year.

In 2011, Mr. Eric Jacquet, Chairman of the Board of Directors of Jacquet Metal Service S.A., informed the Company that he acquired 85,500 shares at an average unit price of €9.7 between September 1 and October 14, 2011. To the Company’s knowledge, no other transaction provided for in Article L. 621-18-2 was carried out during the period.

2.12. Transactions concerning stock options (new or existing shares) open to Company employees

None.

2.13. Compensation of corporate officers

2.13.1. Compensation of corporate executive officers

2.13.1.1. Summary of compensation

Since July 20, 2010, the corporate executive officers have comprised Mr. Eric Jacquet, Chairman of the Board of Directors and Chief Executive Officer, and Mr. Philippe Goczol, Deputy chief executive officer. The compensation referred to below is for financial years 2010 and 2011.

Mr. Eric Jacquet, Chairman of the Board of Directors and Chief Executive Officer

Gross amounts (in € thousands)	2011	2010
Compensation due for the financial year	709	395
Valuation of options granted during the financial year	-	-
Valuation of performance shares granted during the financial year	-	-
Total	**709**	**395**

including:

Gross amounts (in € thousands)	2011		2010	
	Amount due	Amount paid	Amount due	Amount paid
Fixed compensation	600	600	382	382
Variable compensation	91	-	-	-
Exceptional compensation	-	-	-	-
Attendance fees	12	6	9	3
Post-employment benefits	6	6	4	4
Benefits in kind	-	-	-	-
Total	**709**	**612**	**395**	**389**

Mr. Philippe Goczol, Deputy chief executive officer

Gross amounts (in € thousands)	2011	2010
Compensation due for the financial year	193	198
Valuation of options granted during the financial year	-	-
Valuation of performance shares granted during the financial year	-	-
Total	**193**	**198**

including:

Gross amounts (in € thousands)	2011		2010	
	Amount due	Amount paid	Amount due	Amount paid
Fixed compensation	170	170	143	143
Variable compensation	18	-	47	66
Exceptional compensation	-	-	-	-
Attendance fees	-	-	3	3
Post-employment benefits	5	5	5	5
Benefits in kind	-	-	-	-
Total	**193**	**175**	**198**	**217**

The variable portion of compensation of corporate executive officers is based on quantitative criteria. It varies according to Group profitability, with the calculation based on the ratio of net attributable income to consolidated sales. There are no fixed objectives. When applicable, qualitative criteria are left to the discretion of the Compensation Committee, which submits executives' annual compensation levels to the Board of Directors. Variable compensation is payable annually, after Group results have been reported.

Corporate executive officers do not receive specific pension plans. The abovementioned post-employment benefits correspond to unemployment-insurance policy agreements for GSC-type managers, which pay an indemnity for no more than 18 months as from the month following the occurrence of the event covered by the policy.

2.13.1.2. Stock options (new or existing shares) granted to corporate executive officers during the financial year

None.

2.13.1.3. Stock options (new or existing shares) exercised by corporate executive officers during the financial year

None.

2.13.1.4. Performance shares granted to corporate officers

None.

2.13.1.5. Performance shares vested during the financial year for corporate executive officers

None.

2.13.1.6. Bonus shares

The corporate executive officers do not receive compensation in the form of stock options. Bonus share grants, approved by the Board of Directors of June 13, 2008, and which became definitive on June 13, 2010, were carried out prior to publication of the AFEP-MEDEF guidelines in October 2008, and they are not performance shares.

2.13.1.7. Other information

The corporate executive officers of Jacquet Metal Service are not bound by employment contracts within the Group.
Mr. Philippe Goczol is the only member eligible for compensation for the revocation or nonrenewal of his term of office. The performance requirements, which are cumulative, may be found in paragraph 2.13.1.9. below.

The assets belonging directly or indirectly to Mr. Eric Jacquet and used for Group activity are as follows:

(in € thousands)	Sites	2011 rents (excl. VAT)	2010 rents (excl. VAT)	Tenants
JERIC SARL	Saint Priest (69)	400	388	Jacquet Metal Service S.A.
	Villepinte (93)	114	114	Jacquet Metal Service S.A.
SCI Migennes	Migennes (89)	203	203	Jacquet Metal Service S.A.
SCI Rogna Boue	Grésy sur Aix (73)	121	120	Détail Inox

2.13.1.8. Indemnity for the revocation or nonrenewal of the term of office of Mr. Philippe Goczol

At its meeting of November 15, 2010, the Board of Directors decided to grant Mr. Philippe Goczol an indemnity for the revocation or nonrenewal of his duties as the Company's Deputy chief executive officer. The requirements for the payment and amount of the indemnity are determined as follows:

Conditions for indemnity grant:

Subject to recognition by the Board of Directors that performance requirements have been met, Mr. Philippe Goczol shall be granted a revocation indemnity under the following circumstances:

- Decision by the Board of Directors to remove Mr. Philippe Goczol from the office of Deputy chief executive officer;
- Decision by the Board of Directors not to renew the mandate of Mr. Philippe Goczol as Deputy chief executive officer unless he is offered other functions, whether as an employee or not, in the Company and/or related companies within the meaning of Article L. 225-197-2 of the Commercial Code, in return for annual compensation equal to the total gross compensation effectively received by Mr. Philippe Goczol over the 24-month period prior to the month in which the revocation indemnity is granted, divided by two. "Compensation received" includes fixed and variable compensation (PBMG, attendance bonus, and any other variable compensation that the Deputy chief executive officer may receive during his term of office). Compensation does not include stock options or bonus share allocations. The gross salary as enumerated on the pay slip of Mr. Philippe Goczol shall be referred to in calculating the compensation received over the last 24 months.

In addition, the Board of Directors decided that no revocation indemnity shall be payable to the Deputy chief executive officer if the revocation or nonrenewal of his term of office occurs after the date on which be becomes eligible for retirement or has retired.

Calculating the indemnity on the basis of performance requirements:

The amount of the indemnity shall be based on the change in the Company's theoretical enterprise value (TEV) between:

- the year 2010, when Mr. Philippe Goczol took office;
- the average TEV for the reference period of the departure year and the two previous years.

This indemnity will amount to six months' salary if the Company's TEV has increased by an average of 3% to 6% per year, compared with 2010, and to 12 months' salary if the average increase is higher than 6% per year. No indemnity will be paid if the average change in TEV is less than 3% per year.

For the calculation of the indemnities described above, the following definitions shall apply:

- the reference salary used to calculate the indemnity corresponds to the average fixed and variable compensation (PBMG, attendance bonus, and any other compensation that the Deputy chief executive officer may receive during his term of office) owed over the last three years ("Salary") and available as of the departure date. Compensation does not include stock options or bonus share allocations.
- the TEV shall be assessed each year using the following formula: TEV = average market capitalization + average Group debt, where
  (1) the average market capitalization is equal to the number of shares (recorded at the end of the reference period for the year of departure) x the daily volume-weighted average share price over the reference period;
  (2) the average debt is calculated on the basis of the average net debt at the end of the two most recent reference periods.
- the reference period is determined on the basis of the departure date, as follows:
  - If the departure occurs before the date of the Board of Directors meeting that examines the half-year financial statements of the departure year (year N), and no later than September 1 of year N, the reference period for the departure year corresponds to the most recent financial year ended (N-1). The two previous reference periods therefore correspond to financial years N-2 and N-3.
  - If the departure occurs after the date of the Board of Directors meeting that examines the half-year financial statements of the departure year (year N) but before that for the annual financial statements of the current financial year (which must be held no later than March 1), the reference period for the departure year corresponds to the 12 months preceding the close of the half-year (N). The two previous reference periods are determined in the same way for the 12 months preceding the close half-years N-1 and N-2.

2.13.1.9. Unemployment insurance for corporate officers

The Board of Directors decided that Mr. Philippe Goczol shall be covered by an unemployment-insurance policy for GSC-type managers, which pays an indemnity for no more than 18 months as from the month following the occurrence of the event covered by the policy.

2.13.1.10. Noncompetition clause

The Board of Directors approved the application of a noncompetition clause with Mr. Philippe Goczol, Deputy chief executive officer, for a period of no more than one year following the termination of his duties as Deputy chief executive officer.

During the contractual period of noncompetition, the Company shall pay the Deputy chief executive officer monthly financial compensation equal to:

- the monthly compensation (hereinafter "MC") x 0.5, in the event that the termination of duties is the result of the resignation of the Deputy chief executive officer;
- the monthly compensation (hereinafter "MC") x 0.6 in all other cases.

MC corresponds to all gross compensation effectively received by Mr. Philippe Goczol over the 12 months proceeding the month in which his duties were terminated, divided by 12. "Compensation received" includes fixed and variable compensation (PBMG, attendance bonus, and any other compensation that the Deputy chief executive officer may receive during his term of office). Compensation does not include stock options or bonus share allocations. The gross salary as enumerated on the pay slip of Mr. Philippe Goczol shall be referred to in calculating the compensation received over the last 12 months.

The Company reserves the right to waive the noncompetition clause and consequently not to pay financial compensation.

2.13.2. Compensation of corporate nonexecutive officers

Aside from corporate executive officers, the Combined Ordinary and Extraordinary General Meeting of June 30, 2010, appointed the following board members for a period of two years, which ends subsequent to the General Meeting convened to approve the financial statements for the financial year ended December 31, 2011:

- Jean Jacquet,
- Jean-François Clément,
- Henri-Jacques Nougein,
- Xavier Gailly,
- Jacques Leconte,
- Yvon Jacob (resigned from his position as Company board member on February 25, 2011),
- JSA, company under Belgian law,
- CCAN 2007 Inversiones Internacionales, ETVE, SL, company under Spanish law.

Members of the Board of Jacquet Metal Service are not bound by employment contracts within the Group. The only compensation they receive for their service takes the form of attendance fees. Compensation as presented below includes compensation paid to JSA as a member of the board of Jacquet Metal Service S.A.

Attendance fees (in € thousands)	2011		2010	
	Amount due	Amount paid	Amount due	Amount paid [1]
Jean Jacquet	21.0	12.5	12.5	-
Jean-François Clément	14.5	8.5	8.5	-
Henri-Jacques Nougein	13.5	7.5	7.5	-
Xavier Gailly	16.5	9.0	9.0	-
Jacques Leconte	16.5	9.0	9.0	-
Yvon Jacob	-	-	-	-
JSA	12.0	6.0	6.0	-
CCAN 2007	12.0	4.5	4.5	-
Total	**106.0**	**57.0**	**57.0**	-

[1] Compensation paid to members of the Supervisory Board in 2010 prior to the change in governance on July 20, 2010 is not recalled here. This compensation amounted to €118 thousand, including €106 thousand in attendance fees.

2.14. Employment Information

The Jacquet Metal Service S.A. workforce was composed of 20 executive-level employees as of December 31, 2011. Four employees joined the company over the period, and fourteen employees left the company.

2.15. List of positions and functions held by corporate executive officers during the financial year

1/2	Function	Professional address	Date of appointment	End of term	Number of shares held	Other offices excluding those held in Jacquet Metal Service subsidiaries
Eric Jacquet	Chairman of the Board of Directors	Jacquet Metal Service Rue Michel JACQUET BP 61 69800 Lyon St Priest Cedex	06.30.2010	2012 General Meeting	98,530	Chief executive officer and member of the Board of Jacquet Metals until 2010 Managing director of JSA Manager of SCI *DU CANAL* Manager of SCI *LA FABRIQUE* Manager of SCI *ROGNA BOUE* Manager of SCI *QUEDE* Manager of SCI *DE MIGENNES* Manager of JERIC S.A.R.L Manager of SCI *DE BOURGOGNE* Manager of JACQUET Bâtiments E.U.R.L Manager of SCI *DES BROSSES* Manager of SCI *DE MANTENAY* Manager of SCI *CITE 44*
Jean Jacquet	Vice-Chairman of the Board of Directors	8 avenue Adrien Hébrard 75016 Paris	06.30.2010	2012 General Meeting	3,000	Chief executive officer of TCRM (*Transport en commun de la région Messine*) until 2010 Chief executive officer of SOMERGIE until 2010 Chairman of Faïence et Cristal de France
JSA	Company represented by Philippe Goczol	85 rue de l'Abbaye, 4040 Herstal, Belgium	06.30.2010	2012 General Meeting	9,648,941	Personal offices : Deputy chief executive officer and Director of JACQUET Metals until 2010 Co-Manager of SCI des Acquits
Yvon Jacob	Director	Bercy International 14 place des vins de France 75572 Paris Cedex 12	06.30.2010	2012 General Meeting	93,784	Chairman of the Supervisory Board of Legris Industries until 2008 Honorary Chairman of Legris Industries since 2008 Chairman and Chief Executive Officer of the Bocage SA company

2/2	Function	Professional address	Date of appointment	End of term	Number of shares held	Other offices excluding those held in Jacquet Metal Service subsidiaries
Jean-François Clément	Director	83 rue Pierre Corneille 69003 Lyon	06.30.2010	2012 General Meeting	380	Director of Jacquet Metals S.A. until 2010 Chairman of Miltis mutual insurance company Director of Cabinet d'Etudes Marc Merlin SA Manager of the SCI at 83 Pierre Corneille street Manager of the SCI *Créqui Tête d'Or* Manager of the SCI *La Mélisse* Member of the Supervisory Board of HCM SAS Vice President of Alptis Association Member of the Supervisory Board of Alptis Assurances SAS Manager of the SCI *La Russule* until 2008 Member and Chairman of the Supervisory Board of Alptis Assurances (SA with a Management Board and a Supervisory Board) until 2007
CCAN 2007 Inversiones Internacionales, ETVE	Company represented by Jorge Galera	Avenida de Carlos III, 8 31002, Pamplona, Spain	06.30.2010	2012 General Meeting	1,263,118	Mr. Galera's offices in his capacity as CCAN 2007 Inversiones Internacionales, ETVE representative: Member of the Board of Directors of Oesia until 2010 Member of the Board of Directors of Ikusi Group until 2010 Member of the Board of Directors of Docout until 2010 Member of the Board of Directors and Vice-chairman of Bodesa until 2009 Member of the Board of Directors and Vice-chairman of Entradas-See-Tickets Member of the Board of Directors and Chairman of Grupo Amma Mr. Galera's personal offices: Member of the Board of Directors and of the Strategic Committee of Bruzon & Muller's Member of the Board of Directors and the Strategic Committee of Arenas Entertainment
Henri-Jacques Nougein	Director	34 Rue Vaubecour 69002 Lyon	06.30.2010	2012 General Meeting	10	
Xavier Gailly	Director	6 clos des Duges 6032 Mont sur Marchienne, Belgium	06.30.2010	2012 General Meeting	100	
Jacques Leconte	Director	749, chemin des Bargeonniers 38410 Vaulnaveys le Haut	06.30.2010	2012 General Meeting	20	Director of Jacquet Metals S.A. until 2010 Member of the Strategic Committee of Thermacross SA Director of the Credit Agricole Sud Rhone Alpes' Business Center in Grenoble until 2008

Mr. Yvon Jacob resigned from his position as member of the Board of Directors on February 25, 2011.

2.16. Governance

Board of Directors

The Board of Directors' operating procedure is described in the internal regulation adopted by the Board on July 20, 2010.

The General Meeting of June 30, 2010, appointed the following persons as Directors for two-year mandates, until the end of the Ordinary General Meeting convened in 2012 to approve the 2011 financial statements:

- Eric Jacquet,
- Jean Jacquet,
- Jean-François Clément,
- Henri-Jacques Nougein,
- Xavier Gailly,
- Jacques Leconte,
- Yvon Jacob,
- JSA, company under Belgian law,
- CCAN 2007 Inversiones Internacionales, ETVE, SL, company under Spanish law.

On July 20, 2010, the Board of Directors established the following list of Directors considered to be independent:

- Jean Jacquet (no relation to Eric Jacquet),
- Jean-François Clément,
- Henri-Jacques Nougein,
- Xavier Gailly,
- Jacques Leconte,
- Yvon Jacob.

On July 20, 2010, the Board of Directors appointed:

- As Chairman of the Board of Directors and Chief Executive Officer: Eric Jacquet, for the duration of his term as Director,
- As Co-chairman: Jean Jacquet, for the duration of his term as Director,
- As Deputy chief executive officer: Philippe Goczol, for the duration Mr. Eric Jacquet will be acting as Chief Executive Officer.

Mr. Yvon Jacob resigned as Director of the company on February 25, 2011.

Appointment and Compensation Committee

On July 20, 2010, the Board of Directors created an Appointment and Compensation Committee. This Committee is composed of the following Directors appointed for the duration of their term as Director:

- Jean-François Clément, Chairman,
- Henri-Jacques Nougein,
- Jean Jacquet.

Audit and Risk Committee

On July 20, 2010, the Board of Directors created an Audit and Risk Committee. This Committee is composed of the following Directors appointed for the duration of their term as Director:

- Jean Jacquet, Chairman,
- Jacques Leconte,
- Xavier Gailly.

2.17. Allocation and distribution of 2011 income

The General Meeting's decision had not been reported at the time this document was prepared.

2.18. Nondeductible expenses under Articles 39-4 and 223 of the General Tax Code

Total expenses for the 2011 financial year are €40,594, with corresponding taxes of €13,531.

2.19. Important events that occurred between the closing of the financial year and the report drafting date

None.

2.20. Authorities granted by General Meetings

The Jacquet Metal Service General Meeting of June 30, 2011, granted the Board of Directors the following powers:

<table>
<tr><th>Authority</th><th>Term</th><th>Maximum authorized amount per transaction</th><th>Overall maximum authorized amount</th></tr>
<tr><td>1. Authority to purchase or transfer company shares. (Resolution No.12)</td><td>12.31.2012</td><td>10% of capital</td><td></td></tr>
<tr><td>2. Authority to increase the company's capital by means of incorporation of premiums, reserves, earnings or other. (Resolution no. 13)</td><td>08.31.2013</td><td colspan="2">Maximum nominal capital increase: €8,000,000</td></tr>
<tr><td>3. Authority to increase the company's capital through issuance of shares with preferential subscription rights and/or issuance of securities granting access to the company's capital and/or issuance of securities with a right to debt securities. (Resolution No. 14)</td><td>08.31.2013</td><td>Maximum nominal capital increase: €5,000,000
Maximum nominal amounts of debt securities: €65,000,000</td><td rowspan="5">Maximum authorized nominal capital increase: €7,500,000
Maximum authorized nominal debt securities: €80,000,000
(Resolution No. 19)</td></tr>
<tr><td>4. Authority to increase the company's capital through issuance of shares by way of public offering <u>without preferential subscription rights</u> and/or issuance of securities granting access to the company's capital and/or issuance of securities with a right to debt securities. (Resolution No. 15)</td><td>08.31.2013</td><td>Maximum nominal capital increase: €5,000,000
Maximum nominal amounts of debt securities: €65,000,000</td></tr>
<tr><td>5. Authority to decide a capital increase through issuance of shares without a public offering and without preferential subscription rights and/or issuance of securities granting access to the company's capital (Resolution No. 16)</td><td>08.31.2013</td><td>Maximum nominal capital increase: €5,000,000
Maximum nominal amounts of debt securities: €65,000,000</td></tr>
<tr><td>6. Authority, in the event of an increase the company's capital through issuance of shares without preferential subscription rights and/or issuance of securities granting access to the company's capital, to depart from the minimum issue price (Resolution No. 17)</td><td>08.31.2013</td><td>10% of capital</td></tr>
<tr><td>7. Authority to increase the number of securities to be issued in the case of a capital increase, with or without preferential subscription rights (Resolution No. 18)</td><td>08.31.2013</td><td>15% of the initial issue</td></tr>
</table>

8. Authority for the Board of Directors to issue shares and/or securities giving access to company capital without preferential subscription rights as payment for contributions in kind comprising shares or securities granting access to capital (Resolution No. 20)	08.31.2013	10% of capital
9. Authority for the Board of Directors to issue shares and/or securities giving access to company capital, in the event of a public exchange offer initiated by the Company (Resolution No. 21)	08.31.2013	Maximum nominal capital increase: €5,000,000 Maximum nominal amounts of debt securities: €65,000,000
10. Authority to grant shares or increase capital by issuing shares or securities granting access to company capital for employees participating in a company savings plan with the elimination of the preferential subscription right (Resolution No. 22)	08.31.2013	Maximum nominal capital increase: €360,000
11. Authority to carry out allocation of existing bonus shares or bonus shares to be issued by the Company to employees and corporate executive officers of the Company and its subsidiaries (Resolution No. 23)	08.31.2014	1% of capital
12. Authority to grant options for subscription or purchase of shares in the Company for the benefit of employees and/or corporate executive officers of the Company and its subsidiaries (Resolution No. 24)	08.31.2014	1% of capital
13. Authority to reduce the company's capital by means of cancellation of treasury shares (Resolution No. 25)	12.31.2012	10% of the amount of share capital each 24-month period
14. Authority for the Board of Directors to take certain measures during a public offer period relating to the Company's shares (Resolution No. 26)	12.31.2012 (during a public offer period relating to the Company's shares)	- exercise of authorities referred to in points 2 to 12 above, - exercise of measures referred to in Article L 233-32 I and III of the Commercial Code, including initiation of a public offering, - issue of equity warrants enabling subscription of shares in the Company to be allotted free of charge to shareholders with a maximum nominal capital increase of €12,210,375)

2.21. Chart listing key figures over the past five years

(in € thousands)	2011	2010	2009	2008	2007
Share capital at year-end					
Share capital	36,631	36,631	27,528	27,528	27,528
Number of ordinary shares	24,028,438	24,028,438	18,057,010	18,057,010	18,057,010
Operations and results for the year					
Sales excluding VAT	18,131	15,398	9,856	13,350	12,958
Profit before tax, amortization/depreciation, and provisions	18,788	45,107	14,581	19,087	15,425
Income tax	859	(1,773)	(1,065)	(1,786)	(3,736)
Employee profit sharing		-	-	-	-
Profit after tax, amortization/depreciation, and provisions	3,141	9,285	15,176	15,309	15,151
Earnings distributed (year of payment)	n.a. [1]	-	-	19,180	14,400
Profit per share (in euros)					
Profit before amortization/depreciation and provisions, and after tax	0.75	1.95	0.87	1.16	1.06
Profit after tax and depreciation, amortization, and provisions	0.13	0.39	0.84	0.85	0.84
Dividend per share	n.a. [1]	-	-	-	1.10
Workforce					
Average number of employees during the year	24	39	35	33	29
Total payroll for the year	2,672	8,911	3,790	4,690	3,868
Total employee benefits paid during the year (social security, benefits, etc.)	1,948	2,517	1,885	1,716	1,931

[1] *Unavailable: decision of the General Meeting unknown at the time this document was prepared.*

2.22. Information on subsidiaries and shareholdings

Information on subsidiaries and shareholdings can be found in paragraph 5.2 of the appendix to the Jacquet Metal Service S.A. 2011 corporate financial statements (“Financial assets”).

Eric Jacquet
Chairman of the Board of Directors

3. CONSOLIDATED FINANCIAL POSITION AND EARNINGS FOR 2011

Comparative results at December 31, 2010

The merger of JACQUET Metals and IMS became definitive on July 20, 2010, and at December 31, 2010, was recognized as an acquisition of IMS by JACQUET Metals on March 8, 2010, from the standpoint of criteria provided for in revised IFRS 3, effective January 1, 2010.

In the consolidated financial statements as at December 31, 2011, the comparative consolidated statement of comprehensive income corresponds to 12 months of business for JACQUET Metals Group and nine months of business for IMS. Therefore it is not comparable with the 2011 consolidated statement of comprehensive income that presents the results of the new business combination after the merger.

To simplify the presentation of Group performances and the comparability of activities for the 2010 and 2011 financial years, part 1 of the financial report (management report – information on the Group) presents an analysis of the results of financial-year 2011 in comparison with pro-forma results at December 31, 1010, in accordance with procedures set out in paragraph 6 of the 2010 financial report (filed with the AMF, the French financial-market regulatory authority, on April 1, 2011, under no. D.11-0211), available on the Company's website: www.jacquetmetalservice.com.

Change of corporate name

At the shareholders' general meeting of June 30, 2011, in Saint Priest, shareholders approved a new corporate name for the Group reflecting the history of JACQUET Metals and International Metal Service: **JACQUET METAL SERVICE.**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in € thousands)	Notes	2011	2010 *12 months JACQUET Metals and 9 months IMS*
Sales	**3.1**	**1,240,613**	**884,308**
Costs of goods sold	3.2	(955,188)	(693,798)
Gross margin	**3.1, 3.2**	**285,425**	**190,510**
Operating expenses		(109,575)	(96,142)
Personnel expenses	3.3	(113,650)	(97,074)
Taxes		(3,239)	(2,288)
Other net income		3,859	3,620
Net depreciation and amortization		(16,422)	(18,418)
Net provisions		(2,846)	(9,792)
Capital gain on disposal of fixed assets	3.4	3,066	129
Operating income	**3.1**	**46,618**	**(29,455)**
% of sales		3.8%	-3.3%
Cost of debt		(8,860)	(8,499)
Income from investments		108	4
Net cost of debt		**(8,752)**	**(8,495)**
Other financial income		1,417	3,515
Other financial expenses		(3,883)	(5,834)
Financial result	**3.5**	**(11,218)**	**(10,814)**
Income before tax		**35,400**	**(40,269)**
Corporate income tax	3.6	(13,698)	5,361
Net consolidated income		**21,702**	**(34,908)**
% of sales		1.7%	-3.9%
Minority share of income		(998)	(383)
Share of IMS' net income (first quarter 2010)		-	(1,647)
Net income (Group share)		**20,704**	**(36,938)**
% of sales		1.7%	-4.2%
Foreign exchange difference		(2,395)	2,100
Share of IMS' comprehensive income (first quarter 2010)		-	239
Total comprehensive income (Group share)		**18,309**	**(34,599)**
Minority share		937	418
Total comprehensive income		**19,246**	**(34,181)**
Earnings per share issued (in euros)	3.7	0.88	(1.95)
Diluted earnings per share (in euros)	3.7	0.88	(1.95)

The notes are an integral part of the consolidated financial statements.

STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31

(in € thousands)	Notes	12.31.2011 Gross	12.31.2011 Depr. amort. Prov.	12.31.2011 Net	12.31.2010 Net
ASSETS					
Goodwill	4.1	60,621	-	60,621	61,745
Intangible fixed assets	4.2	17,748	15,994	1,754	2,310
Property, plant and equipments	4.3	253,095	158,243	94,852	106,980
Other financial assets	4.4, 4.17	2,755	231	2,524	2,740
Deferred taxes	4.14	33,614	-	33,614	37,722
Non-current assets		**367,833**	**174,468**	**193,365**	**211,497**
Inventories and work in progress	3.1, 4.5	284,589	26,262	258,327	249,750
Trade receivables	3.1, 4.6, 4.17	179,887	19,282	160,605	189,424
Tax assets receivables	4.7	3,666	-	3,666	6,298
Other assets	4.8, 4.17	10,806	-	10,806	12,699
Derivative financial instruments	4.17	-	-	-	80
Cash and cash equivalents	4.9, 4.15, 4.17	75,023	-	75,023	64,999
Current assets		**553,971**	**45,544**	**508,427**	**523,250**
Assets held for sale	**4.10**	**1,381**	**196**	**1,185**	**4,167**
Total Assets		**92, 185**	**220,208**	**702,977**	**738,914**

	Notes	12.31.2011 Net	12.31.2010 Net
LIABILITIES			
Share capital		36,631	36,631
Consolidated reserves		238,092	216,922
Shareholders' equity group share		**274,723**	**253,553**
Shareholders' equity minority share		4,053	4,079
Shareholders' Equity	**4.11**	**278,776**	**257,632**
Deferred taxes liabilities	4.14	11,392	13,440
Non-current provisions	4.12	2,828	3,865
Provisions for employee benefit obligations	4.13	25,041	25,861
Other non-current liabilities	4.16, 4.17	292	403
Long-term financial debt	4.15, 4.17	32,441	102,721
Non-current liabilities		**71,994**	**146,290**
Short-term financial debt	4.15, 4.17	135,285	111,179
Trade payables	3.1, 4.16, 4.17	167,713	169,822
Tax payables		6,221	4,419
Current provisions	4.12	4,625	3,056
Derivative financial instruments	4.17	219	1,179
Other liabilities	4.17	37,253	44,010
Current liabilities		**351,316**	**333,665**
Liabilities held for sale	**4.10, 4.15**	**891**	**1,327**
Total Liabilities		**702,977**	**738,914**

The notes are an integral part of the consolidated financial statements.

CASH FLOW STATEMENT

(in € thousands)	Notes	2011	2010 *12 months JACQUET Metals and 9 months IMS*
Cash and cash equivalents	4.9, 4.15	64,999	25,141
Bank overdrafts	4.15	(49,461)	(7,311)
Cash and equivalent at year opening		**15,538**	**17,830**
Operating activities			
Net income after share of equity affiliates		21,702	(36,555)
Depreciation, amortization, and provisions		20,036	20,075
Capital gains on asset disposals and others	3.4	(3,066)	(133)
Change in deferred taxes	4.14	2,179	(12,091)
Equity method and others		10	84
Cash flow after tax and cost of debt		**40,861**	**(28,620)**
Cost of debt	3.5	11,704	13,998
Interest paid		(11,861)	(14,706)
Income tax	3.6	11,754	7,410
Taxes paid		(7,690)	209
Cash flow		**44,768**	**(21,709)**
Change in inventory and work in progress	7	(15,509)	29,618
Change in trade receivables	7	24,368	(8,304)
Change in trade payables	7	419	44,945
Other changes	7	(3,481)	8,368
Total change in working capital requirements	**7**	**5,797**	**74,627**
Cash flow from operating activities	**7**	**50,565**	**52,918**
Investment activities			
Acquisitions of fixed assets	4.2, 4.3	(9,991)	(13,261)
Disposal of fixed assets	4.2, 4.3	16,946	983
Acquisitions of subsidiaries		(15)	-
Disposals of investments in associates		-	49,656
Change in consolidation scope and other changes		(2,072)	(56,857)
Cash flow from investing activities	**7**	**4,868**	**(19,479)**
Financing Activities			
Dividends paid to minority shareholders		(993)	(862)
Capital increase of minority shareholders		-	820
New borrowings	4.15	12,065	136,608
Change in other financial debt	4.15	(76,277)	(173,468)
Asset disposals (treasury shares)		3,346	-
Other changes		(626)	559
Cash flow from financing activities	**7**	**(62,485)**	**(36,343)**
Change in cash and cash equivalents		**(7,052)**	**(2,904)**
Foreign exchange translation		(740)	612
Net cash position at year closing		**7,746**	**15,538**
Cash and cash equivalents	4.9, 4.15	75,023	64,999
Bank overdrafts	4.15	(67,277)	(49,461)
Total		**7,746**	**15,538**

The notes are an integral part of the consolidated financial statements. The changes are presented in net book values.

CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY

(in € thousands)	Notes	Number of shares	Share capital	Reserves and retained earnings	Foreign exchange differences – group share	Share-holders' equity – group share	Minority interest	Shareholders' Equity
At January 1, 2010		**2,090,000**	**15**	**56,48**	**(503)**	**70,977**	**3,121**	**74,098**
Net income (loss)				(35,291)		(35,291)	383	(34,908)
Foreign exchange differences					2,1	2,1	35	2,135
Share of IMS comprehensive income				(1,647)	239	(1,408)		(1,408)
Total comprehensive income		**-**	**-**	**(36,938)**	**2,339**	**(34,599)**	**418**	**(34,181)**
Change in consolidation scope of IMS Group		21,938,438	21,631	195,434		217,065		217,065
Other changes in consolidation scope				(509)		(509)	1,387	878
Distribution of dividends						-	(861)	(861)
Others				(464)	1,083	619	14	633
At December 31, 2010	**4.11**	**24,028,438**	**36,631**	**214,003**	**2,919**	**253,553**	**4,079**	**257,632**
Net income (loss)				20,704		20,704	998	21,702
Foreign exchange differences	4.11.3				(2,395)	(2,395)	(61)	(2,456)
Total comprehensive income		**-**	**-**	**20,704**	**(2,395)**	**18,309**	**937**	**19,246**
Change in scope of consolidation				(46)		(46)	31	(15)
Distribution of dividends						-	(993)	(993)
Others	4.11.2			2,907		2,907	(1)	2,906
At December 31, 2011	**4.11**	**24,028,438**	**36,631**	**237,568**	**524**	**274,723**	**4,053**	**278,776**

The notes are an integral part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Consolidation principles and methods

Pursuant to European regulation 1606/2002 of July 19, 2002 on international standards, the IMS group's consolidated financial statements published for financial year 2011 and the comparative financial statements for financial year 2010 were drawn up in accordance with International Financial Reporting Standards (IFRS) applicable on December 31, 2011 as approved by the European Union.
The standards and interpretations used were published in the Official Journal of the European Union before December 31, 2011, the deadline for publication.

This reference contains the standards approved by the International Accounting Standards Board (IASB), namely the IFRS standards, the international accounting standards (IAS) and the interpretations issued from the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC). It is available on the European commission's website at the following address: http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm.

The new texts or amendments adopted by the European Union, which became mandatory starting on January 1, 2011, were applied to the consolidated financial statements for the period ended December 31, 2011. These standards and interpretations had no significant effect on the 2011 consolidated financial statements or their presentation. The following standards and amendments were involved:

- IAS 24 revised – related-party disclosures;
- amendment to IAS 32 – classification of rights issues;
- amendment to IFRIC 14 – prepaid contributions to minimum funding requirements;
- IFRIC 19 – extinguishing financial liabilities with equity instruments;
- amendment to IFRS 7 – financial instruments: disclosures about transfers of financial assets (applicable as from July 1, 2011).

The Group has chosen not to apply the standards and interpretations in advance adopted by the European Union before the closing date and which enter into force after this date.

The impact of the application of amended IAS 19 – employee benefits, not adopted by the European Union, as from fiscal years begun on and after January 1, 2013, is currently under consideration. On the basis of the analyses under way, the Group does not anticipate a significant impact on equity.
The impact of the application of the following standards as from fiscal years begun on and after January 1, 2013, is currently under consideration: IFRS 10 – consolidated financial statements, IFRS 11 – joint arrangements, IFRS 12 – disclosure of interests in other entities, and IFRS 13 – fair-value measurements. These standards have not yet been aproved by the European Union.

In 2011, the Group did not apply mandatory or optional accounting principles not yet adopted on the European level. It does not expect that standards and interpretations published by the IASB but not yet approved on the European level will have a significant impact on its financial statements.

The use of estimates

Preparing consolidated financial statements under IFRS rules requires that management take into account assumptions and estimates that have an effect on the assets and liabilities appearing on the statement of financial position and which are mentioned in the notes to the financial statements as well as on the expenses and income items on the consolidated statement of comprehensive income. The estimates may be revised if these circumstances on which they were based change or following the receipt of new information. The actual results may differ from these estimates.

Pursuant to IAS 10, management estimates were made on the basis of information available as the end of the reporting period, after inclusion of events arising after the end of the reporting period.

The main estimates carried-out at December 31, 2011 are as follow:

- the analysis of recoverable value and deferred tax assets: the methodology employed is based on internal five-year plans; the Group's business cycle is generally five years long and takes into consideration the time necessary for taxes to be recovered, in accordance with local law effective at the end of the reporting period. At December 31, 2010, five months after the merger and in a period of restructuring, the use of estimates for tax analysis was voluntarily restricted to a horizon of four years. In 2011 the Group returned to the full estimate horizon (to adhere to the business cycle and to adapt to legislative changes). The use of the five-year horizon retains recognition of €2 million in additional taxes. This approach had no impact on the 2011 consolidated statement of comprehensive income.
- Inventory depreciation evaluations: The methodology used to determine the net realizable value of inventory is based on the best estimate, at the date the financial statements were prepared, of the selling price in the normal course of business minus, where necessary, any estimated costs necessary to complete the sale ;
- impairment of trade receivables is reviewed to reflect the specific situation of certain customers;
- social liabilities are assessed using statistical actuarial assumptions;
- current and long-term provisions are measured in order to reflect the best estimate of risks at the end of the reporting period;
- accrued expenses are attributable mainly to orders received for a known amount for which the invoice was not received.

1.1. Scope of consolidation

Companies consolidated at December 31, 2011	Country	% Interest	% Control
Jacquet Metal Service SA	**France**	**Parent company**	**Parent company**
JACQUET Metallservice GmbH	Austria	75.00%	75.00%
Foncière Engis S.A	Belgium	100.00%	100.00%
JACQUET Finland OY	Finland	78.95%	78.95%
JESTION EURL	France	100.00%	100.00%
SCI DU CANAL	France	98.00%	98.00%
TRD Inox SAS	France	46.00%	100.00%
Metals Immo SARL	France	100.00%	100.00%
CL Staal B.V	The Netherlands	100.00%	100.00%
JACQUET Nederland B.V	The Netherlands	50.40%	50.40%
JACFRIESLAND B.V	The Netherlands	40.32%	80.00%
JACQUET s.r.o.	Czech Republic	80.00%	80.00%
Jacquet Holding SARL	**France**	**100.00%**	**100.00%**
JACQUET Deutschland GmbH	Germany	99.96%	100.00%
ERDBRÜGGER Metallservice GmbH	Germany	51.25%	51.25%
JACQUET Berlin GmbH	Germany	66.66%	66.66%
JACQUET Benelux S.A	Belgium	99.92%	99.96%
JACQUET Shanghai Co. Ttd.	China	100.00%	100.00%
JACQUET Danmark ApS	Denmark	100.00%	100.00%
JACQUET Iberica S.A	Spain	70.00%	70.00%
JACQUET Mid Atlantic Inc.	United States	75.00%	75.00%
JACQUET Houston Inc.	United States	60.00%	80.00%
JACQUET Midwest Inc.	United States	71.25%	95.00%
JACQUET West Inc.	United States	60.00%	80.00%
JACQUET Southeast Inc.	United States	60.00%	80.00%
JSP EURL	France	100.00%	100.00%
JACQUET SAS	France	99.99%	99.99%
FRANCE INOX SAS	France	99.99%	99.99%
DETAIL INOX SAS	France	99.99%	99.99%
QUARTO Europe SASU	France	100.00%	100.00%
FFF HOLDING SAS	France	99.98%	99.98%
OSS SARL	France	99.94%	99.96%
JACQUET Paris SAS	France	99.99%	100.00%
JACQUET Lyon SASU	France	100.00%	100.00%
JACQUET Export SASU	France	100.00%	100.00%
JACQUET Magyarorszag Kft	Hungary	100.00%	100.00%
JACQUET Nova Srl	Italy	100.00%	100.00%
JACQUET Italtaglio Srl	Italy	85.00%	85.00%
JACQUET International S.A	Luxembourg	99.96%	99.96%
JACQUET Polska Sp.z.o.o	Poland	99.96%	100.00%
JACPOL Sp.z.o.o	Poland	100.00%	100.00%
JACQUET Nordpol Sp.z.o.o	Poland	90.00%	90.00%
JACQUET Portugal LDA	Portugal	51.00%	51.00%
JACQUET UK Ltd	United Kingdom	76.00%	76.00%
JACQUET Jesenice d.o.o	Slovenia	100.00%	100.00%
JACQUET Sverige AB	Sweden	100.00%	100.00%
QUARTO Nordic AB	Sweden	100.00%	100.00%
JACQUET Osiro AG	Switzerland	50.98%	51.00%

Companies consolidated at December 31, 2011	Country	% Interest	% Control
Stappert GmbH	**Germany**	**100.00%**	**100,00%**
Fleischmann GmbH	Austria	100.00%	100,00%
Intramet S.A	Belgium	100.00%	100,00%
TRD Inox SAS	France	54.00%	100.00%
R&T Kft	Hungary	100.00%	100.00%
UAB Antera	Lithuania	100.00%	100.00%
Noxon Stainless B.V	The Netherlands	100.00%	100.00%
IMS Stalserwis Limited Liability	Poland	100.00%	100.00%
Lega Inox s.r.o	Czech Republic	100.00%	100.00%
IMS Kupa a.s	Slovakia	100.00%	100.00%
Specialstål AB	Sweden	100.00%	100.00%
Trinox S.A	Switzerland	100.00%	100.00%
Abraservice Holding SAS	**France**	**100.00%**	**100.00%**
Abraservice Deutschland GmbH	Germany	100.00%	100.00%
Abraservice Belgium SA	Belgium	99.99%	100.00%
Abraservice Ibérica INT, S.L	Spain	100.00%	100.00%
Abraservice France SAS	France	100.00%	100.00%
Abraservice Italia SpA	Italy	100.00%	100.00%
Abraservice Nederland BV	The Netherlands	99.99%	100.00%
Abraservice Polska Sp. Z.o.o	Poland	100.00%	100.00%
Abraservice UK Ltd	United Kingdom	100.00%	100.00%
Abraservice CZ s.r.o	Czech Republic	100.00%	100.00%
Abraservice Turkiye Ltd.Şi	Turkey	99.99%	100.00%
IMS group Holding SAS	**France**	**100.00%**	**100.00%**
Hoselmann Stahl GmbH [1]	Germany	100.00%	100.00%
IMS Aceros INT, S.A.U	Spain	100.00%	100.00%
IMS France SAS	France	100.00%	100.00%
Calibracier SAS	France	100.00%	100.00%
IMS SpA	Italy	100.00%	100.00%
Venturi Srl	Italy	100.00%	100.00%
Brescia Acciai Srl	Italy	100.00%	100.00%
IMS Portugal S.A	Portugal	100.00%	100.00%
IMS Ozel çelik Ltd.Şi	Turkey	99.99%	100.00%

[1] *Transfer of Hoselmann securities by Stappert to IMS Holding group on January 1, 2012, with no impact on Group financial statements.*

1.2. Change in scope of consolidation

In 2011, the scope of consolidation was affected by the following legal operations:

Asset disposals:

- February 28, 2011, disposal of aluminum and nonferrous metals businesses of IMS France;
- February 28, 2011, sale of Euralliage, a subsidiary of Jacquet Metal Service S.A.;
- December 29, 2011, sale of Produr by Abraservice Holding.

Change of corporate names:

- Abraservice Benelux was renamed Abraservice Belgium;
- IMS Belgium was renamed Intramet;
- Intramet was renamed Foncière Engis.

Dissolution:

- On June 30, 2011, Intramet International was dissolved.

In addition, the following transactions were carried out in 2011:

JACQUET brand:

- early 2011, transfert from Jacquet Metal Service S.A. to JACQUET Holding of the following subsidiaries share: Erdbrügger Metallservice, JACQUET Berlin, JACQUET Iberica, JACQUET Italtaglio, JACQUET Nordpol, JACQUET Portugal, JACQUET UK, JACQUET Mid Atlantic, JACQUET Houston, JACQUET Midwest, JACQUET West and JACQUET Southeast;
- in August 2011, JACQUET Steinau merged with JACQUET Deutschland, effective retroactively as of January 1, 2011.

Stappert brand:

- in December 2011, sale of Intramet, Trinox and Noxon by Jacquet Metal Service S.A. to Stappert;
- in December 2011, capital increase for TRD Inox carried out by Stappert. After completion of the operation, Stappert (subsidiary of Jacquet Metal Service S.A.) owned 54% of TRD Inox, and Jacquet Metal Service S.A. owned the remaining 46%.

Abraservice brand:

- in the second half of 2011, creation in Turkey of Abraservice Özel çelik (trade name Abraservice Türkiye), a wholly owned subsidiary of Abraservice Holding, taking over the wear-resistant business of IMS Özel çelik;
- in December 2011, creation in Poland of Abraservice Polska, a wholly owned subsidiary of Abraservice Holding, taking over the wear-resistant business of IMS Stalserwis;
- end-December 2011, creation in the Czech Republic of Abraservice Czech, a wholly owned subsidiary of Abraservice Holding, to take over the wear-resistant business of Lega Inox in Q1 2012;
- in September 2011, creation in the Netherlands of Abraservice Nederland, a wholly owned subsidiary of Abraservice Belgium.

IMS group brand:

- December 19, 2011, creation in Italy of Venturi, a wholly owned subsidiary of IMS group Holding, taking over the business of the Venturi agency of IMS SpA;
- December 19, 2011, creation in Italy of Brescia Acciai, a wholly owned subsidiary of IMS group Holding, with no operating business at present.

1.3. Consolidation method

All subsidiaries exclusively controlled via the direct or indirect holding of their voting rights are accordingly fully consolidated. All transactions internal to the Group, as well as profits internal to the Group (such as dividends, capital gains and margins on inventory) are eliminated.
Financial statements are given in euros, rounded off to the closest thousand.

1.4. Closing date

The closing dates used for consolidation are the same as the financial years, i.e. December 31 for all of the consolidated companies.
Jacquet Metal Service Group's consolidated financial statements as of December 31, 2011 were approved by the Board of Directors on March 7, 2012 and will be submitted for approval before the General Meeting to be held before June 30, 2012.

1.5. Restatements and eliminations

The restatements needed to harmonize the methods for valuing the consolidated companies were carried-out. The effect of the group's internal transactions on the statement of financial position on the consolidated statement of comprehensive income was eliminated.

1.6. Translating the financial statements of foreign companies

The financial statements of foreign companies, for which the local currency is the functional currency, are translated into euros on the closing date following these principles:

- line items in the financial position statement are converted at the exchange rate in use at the closing of the period;
- line items of the consolidated statement of comprehensive income are converted at the average exchange rate over the period;
- the differences resulting from this methodology are recognized in shareholders' equity.

Table of foreign exchange rates in euros used in consolidation

Country	Currencies	Average rate in 2011	Closing rate in 2011
China	CNY	9.0887	8.1625
Denmark	DKK	7.4507	7.4342
United States	USD	1.3917	1.2939
Hungary	HUF	279.3093	314.5800
Latvia	LVL	0.7062	0.6995
Lithuania	LTL	3.4528	3.4528
Poland	PLN	4.1187	4.4580
Czech Republic	CZK	24.5890	25.7870
United Kingdom	GBP	0.8678	0.8353
Sweden	SEK	9.0276	8.9120
Switzerland	CHF	1.2340	1.2156
Turkey	TRY	2.3351	2.4432

2. Valuation methods

2.1. Sales

Sales include the value, excluding VAT, of goods and services provided by companies that are consolidated in the normal context of their business, after elimination of intra-group sales.
Pursuant to IAS 18 – revenue from ordinary activities, sales are recognized on the date that the greatest part of the risks and advantages inherent in the property sold are transferred; most often this is the date of the transfer of said goods. Sales are measured at the fair value of the consideration received or to be received; hence trade discounts and rebates are deducted.
The International Commercial Terms ("incoterms") had no significant impact on procedures for revenue recognition.

2.2. Cost of goods sold

The allowances and discounts along with financial discounts obtained are deducted from purchases. No direct expense for personnel or for depreciation and amortization is included in cost of goods sold.

2.3. Personnel expenses

Personnel expenses include the costs relating to restructuring and to bonus share allocation plan.

2.4. Public subsidies

In accordance with IAS 20 – accounting for government grants and disclosure of government assistance, government investment subsidies are progressively accrued to income from current operations in prorata to the depreciation of the corresponding assets.

2.5. Financial profit

Net financial profit includes the following:

- interest revenues and expenses on net consolidated debt, including loans, cash, and other financial liabilities (including debt on financial leases);
- banking service charges;
- net profit/loss on foreign exchange differences on all Group operations;
- foreign exchange profit/loss on futures contracts and other financial instruments.

Accrued interests are recorded using the effective interest rate method.
Net financial expenses do not include rebates that are granted and received, as these are recorded directly as income from ordinary activities or purchase costs.

2.6. Income tax

The tax expense carried on the consolidated statement of comprehensive income includes the corporate income tax and deferred taxes.

The tax expense due equals the income tax owed to the tax authorities for the financial year under the rules and taxation rates in force in each country.

Under IAS 12 – Income tax, the provisions for deferred taxes are calculated using the balance sheet approach of the liability method for all of the temporary differences resulting from the discrepancy between the tax basis and the accounting basis of the assets and liabilities as well as for the deferrable tax losses.

The Levy on the Added Value of the Companies (CVAE in French), which is levied on the added value resulting from the individual financial statements, is henceforth recorded under "Tax" in the consolidated statement of comprehensive income.

2.7. Earnings per share

The basic earnings per share is calculated by dividing the group share of the net income for the period by the average weighted number of shares which make up the shares outstanding during the period except for the treasury shares. This average weighted number of shares outstanding equates to the number of common shares outstanding at the start of the period adjusted for the number of common shares repurchased or issued during the period.
The diluted earnings per share is computed by dividing the group share of net income by the weighted average number of common shares outstanding plus all of the potentially dilutive shares (stock options, warrants, etc.) restated for treasury stock.
A stock subscription plan is considered dilutive when it results in issuing common stock at a price below the average market price for the period.

2.8. Operating segments

In application of IFRS 8 – operating segments, the information presented is based on internal reporting used by management to measure the performance of each operating segment.

Pursuant to the Group's new operational organization implemented in early 2011, performance measurement is no longer carried out at the subsidiary level by product line, but at the subsidiary level by brand. These brands correspond to the Group's four markets:

- JACQUET: distribution of stainless-steel quarto plates;
- Stappert: distribution of long stainless-steel products;
- Abraservice: distribution of wear-resistant quarto plates;
- IMS group: distribution of engineering steels.

Management focuses on the following performance indicators per sector: sales, gross margin, operating income, working capital requirements / inventories and working capital requirement in terms of inventory turnover.

2.9. Goodwill – business combinations

The business combinations prior to January 1, 2010 were treated using the acquisition method as described in IFRS 3 (partial goodwill method).
Starting on January 1, 2010, the group has applied IFRS 3 revised, which stipulates that business combinations occurred at this date are valued and recorded in accordance with the new acquisition method:

- the acquisition cost (or "transferred consideration") is assigned the fair value of the assets remitted, shareholders equity issued, and accrued liabilities as of the date of exchange;
- the assets and liabilities which can be identified from the acquired company are assessed at their fair value on the acquisition date;
- the costs which can be directly attributed to the takeover are recorded as an expense;
- all of the surplus transferred consideration on the group share in the net fair value of the identifiable assets and liabilities of the acquired company are accounted for as goodwill.

In accordance with IAS 27 amended, any purchase or sale of equity interest not modifying the control, and made after the business combination, is considered as a transaction on shareholders' equity and must be recorded directly in shareholders' equity.

Should the group acquire additional equity interests in an affiliated company which do not result in gaining control, it maintains the assets and liabilities previously acquired at their value in the consolidated financial statements.
In the event control is gained by stages, the equity interest previously held is revalued at the fair value as of the takeover, the difference between the fair value and the net book value of this equity interest being recorded directly in the statement of comprehensive income as "Other operating income" or "Other operating expenses".

The amounts recorded at the acquisition date may give rise to an adjustment, provided that the factors allowing for an adjustment to these amounts match the new information made known to the acquirer and originate from the facts and circumstances prior to the acquisition date. Goodwill may not be adjusted at all following the assessment period of a maximum of 12 months following the date control was gained of the acquired entity. Hence, any subsequent acquisition of equity interests that do not result in control may not result in booking additional goodwill.

Furthermore, the additional costs are included in the cost of acquisition at their fair value starting on the acquisition date no matter what their probability of happening. During the assessment period, the subsequent adjustments are given their consideration in goodwill when they pertain to facts and circumstances which were present at the time of acquisition. Beyond that, adjustments of additional prices are recorded directly in the statement of comprehensive income as" Other operating income" or "Other operating expenses" unless the additional prices had a shareholders' equity instrument as consideration. In the latter case, the additional price is not revalued subsequently.
Fixed assets representing business goodwills that do not meet the definition of an intangible asset (an identifiable asset that can be sold separately or corresponds to contractual rights) are booked as goodwill.
After the acquisition cost is allocated to the fair value of assets and liabilities acquired, the remaining difference between the acquisition cost and the group’s share in the shareholders’ equity of these subsidiaries at the date of acquisition is assigned to goodwill.

Goodwill resulting from the acquisition of foreign companies outside the euro zone are treated as assets and liabilities of the foreign activity and is thus translated at the year-end rate in accordance with IAS 21.

In accordance with IAS 36 – Impairment of assets, the value of goodwill is tested at least once a year and every time there is an indication of a loss of value. The objective of this test, which is made at each financial year end, is to factor in the items that could have had an impact on the recoverable value of these assets. This test is made at the Cash Generating Units level (CGUs) to which the goodwill had been allocated.
In the case of major unfavorable internal or external factors (such as the economic deterioration of a sector or a country, unfavorable changes in the prices of raw materials or the deterioration of performance compared to projections), the group may re-examine the useful value of the assets and decide to depreciate some of them.

The useful value is calculated using the net present value of forecasted cash flow from operations over a period of 5 years, corresponding to the 5 years business cycle observed over time on the markets in which the Group is present, and a residual value based on capitalization of cash flows to infinity.
When the recoverable value of such a unit (CGUs) is less than the net book value, a loss of value is recognized in operating profit and loss from continuing operations. The recoverable value of the unit is the higher between fair value and useful value.

The discount rate used is assessed individually at each independent CGU and is determined on the basis of the weighted average cost of capital as determined by the group to which a country risk premium is applied for the subsidiaries located outside of the euro zone plus a size of company premium for the less material subsidiaries.

The discounted cash flow method, which is used to assess the recoverable value of goodwill (more specifically, the useful value that management expects to obtain from the assets under consideration) is contingent by its very nature. The values obtained are sensitive to changes in the assumptions and parameters used, such as:

- economic and market changes;
- changes in sales prices and gross margins;
- fluctuations in raw-materials prices and foreign-exchange rates.
- the choice of the discount rate and perpetual growth rate at the end of the projection period.

Therefore, the assumptions used by the management to draw up business plans and the rate parameters used, create uncertainty that may affect the value of goodwill.

Depreciations of goodwill are definitively affected to the gross value of goodwill.

2.10. Research and development costs

The group has no activity in the research and development area.

2.11. Intangible fixed assets

In accordance with IAS 38 - Intangible Assets, an asset is recognized in the statement of financial position if it is likely that future economic advantages linked to said asset will accrue to the Group. Intangible fixed assets composed primarily of assets that can be amortized, such as softwares.

With the exception of development costs, the intangible fixed assets internally generated are not activated and the expenses are accounted for as a charge the year in which they are incurred. No development cost had been activated as of December 31, 2011.

The useful life of intangible fixed assets is assessed for each asset as being finite or indeterminate. When an intangible fixed asset has a finite useful life, it is amortized over this period.

The amortization periods and methods for intangible fixed assets with a finite useful life are reviewed at least at the closing of each accounting year, or when there is an indication that impairment may have occurred.

2.12. Tangible fixed assets

Gross values

In accordance with IAS 16 - Property, plant, and equipment (PP&E), assets are recognized separately if said components have different useful lives or if they provide advantages to the company at different rhythms which require the use of different depreciation rates and methods.

The assets are recorded in the statement of financial position at their historical cost:
- the purchase price, including customs and other non-recoverable taxes and duties;
- all expenses directly engaged for making the asset operational for the purposes of its planned use;
- all trade discounts and rebates deducted in calculating the sales price;
- plus valuation differences from purchase price allocation differences.

Impairment

The method and duration of depreciation that the Group applies to PP&E are as follows:
- lands are not depreciated;
- buildings and improvements are depreciated on a straight-line basis over their useful life, estimated between 5 and 30 years;
- machinery and equipment are depreciated on a straight-line basis over their useful life, estimated between 5 and 15 years;
- other categories of PP&E such as vehicles and computer hardwares are depreciated on a straight-line basis over their useful life, estimated between 3 and 10 years.

The Group uses its assets for as long as possible and sales of PP&E are quite rare. In effect, the Group exploits its assets over their useful life without taking residual value into account.

The tangible assets may undergo impairment testing when events or changes in circumstances indicate that the book value may not be recoverable. If there is some sort of index of this type, and if the book values exceed the estimated recoverable value, the assets or Cash Generating Units are written back down to their recoverable value, which is determined based on the highest of either the market value or the discounted forecasted cash flows.

2.13. Leases

Financial leases

A contract is classified as a financial lease in the sense of IAS 17 when it transfers nearly all of the risks and benefits inherent to ownership of the rented asset to the group and when it meets one of the four following criteria:
- there is an option to purchase the asset at the end of the contract at a lower value than its market value;
- ownership is transferred at the end of the contract;
- the duration of the lease contract covers the majority of the economic life of the asset, even if ownership is not transferred;
- the discounted value of the minimal payments under the lease equates at least to nearly all of the fair value of the leased asset at the beginning of the lease agreement.

When a lease is considered to be a financing lease, the related asset is recorded as a fixed asset at the lower of its fair value or the present value of minimum lease payments, with the lease recorded as an interest-bearing non-current liability. The value of the interest-bearing non-current liability is progressively reduced by the amortization element included in the lease payments.

Assets covered by financing leases are depreciated over the shorter of the lease term and the useful life of the asset. In cases where a property transfer at the end of the contract is reasonably certain, the useful life is used.

Operating leases

Payments for operating leases are expensed on a linear basis throughout the term of the operating lease.

2.14. Financial instruments

2.14.1. Financial assets

- Financial assets recognized at amortized cost: this item includes long-term financial assets such as loans, deposits and cautions and current assets (trade receivables, other receivables excluding prepaid expenses).
- Financial assets classified as at fair value through profit or loss: this item includes cash and cash equivalents as well as derivative financial instruments.
- Financial assets classified as at fair value through profit or loss option: not applicable.
- Available-for-sale financial assets: available-for-sale financial assets are measured at fair value or at market value at the closing date of the financial year; the company intends to hold these assets for an undetermined period. Changes in fair value are recognized in equity. In the event of disposal or impairment, cumulative changes in fair value recognized in equity are transferred to the statement of consolidated statement of comprehensive income.

2.14.2. Financial liabilities

- Financial liabilities recognized at amortized cost: this item includes current and non-current financial debts (banks and finance leasing firms, other financing and overdrafts) and current liabilities (trade payables, other receivables excluding deferred revenue).
- In accordance with IAS 39 – Financial Instruments: Recognition and Measurement – loans and overdrafts are measured at amortized cost using the effective interest method. The part with maturity of less than one year is classified under “current financial debts” and that with maturity of more than one year is classified under “long-term borrowings”.
- Financial liabilities classified as at “fair value through profit or loss”: this item includes derivative financial instruments.
- Financial liabilities classified as at “fair value through profit or loss option”: not applicable.

2.14.3. Derivative financial instruments

The derivative instruments mainly consist of the proceeds from interest rate hedges and those from hedging foreign exchange rates.

The carrying amounts of derivatives are adjusted for fair value at the closing date. Because the Group does not apply hedge accounting, fair value changes are recognized in profit or loss.

2.15. Inventory and work in progress

Gross value

Inventories are valued at the weighted average cost price. The internal profits on inventory resulting from intercompany sales transactions are eliminated.

Net realizable value

If need be, the inventory is written down to its net realizable value. The net realizable value corresponds with the estimated sales price in the course of normal business minus the estimated costs needed to realize the sale. The impairment is thus computed based on an estimated net realizable value, which is discounted depending on the estimated date of resale.

2.16. Trade receivables

Receivables are recognized at their face value. Given the short term payment, their fair value is considered as the face value.
Unmatured discounted bills, securitized receivables or receivables discounted under the Dailly Act, are recorded under trade receivables. Receivables assigned without recourse conforming to the requirements of IAS 39 – financial instruments are excluded.
Trade receivables may be subject to impairment. A provision for depreciation is recognized when there is a risk of non-recovery. The inventory value of receivables is examined receivable by receivable, depending on the degree of risk of non-recovery. In case of a receivable is covered by an insurance credit policy, only the uninsured portion is subject to impairment.
Irrecoverable receivables are removed from the statement of financial position and recognized as losses.

2.17. Cash and cash equivalents

This line item includes demand deposits in banks, cash on hand, time accounts and deposits, and marketable securities (generally moneymarket funds or CDs), which are highly liquid and have very low risk. Marketable securities are measured at fair value, and unrealized gains and losses are recognized in the statement of consolidated comprehensive income under financial income or expense. These investments are usually held for purposes of short-term sale.

2.18. Assets – liabilities held for sale

The following rules are applied:

Statement of financial position classification

The assets or group of assets classified as held for sale as defined by IFRS 5 are presented on their own line on the asset side. The debts relating to groups of assets held to be sold are presented on their own line on the liabilities side. As soon as they meet the conditions to be classified as assets held for sale, i.e., as soon as they are available for an immediate disposal and their disposal is probable, the fixed assets cease to be depreciated.
At each closing, the book value is compared to the fair value net of disposal expenses, and an impairment is recorded if appropriate.

Income statement classification

A group of assets disposed of, held for sale or discontinued is considered as a component of the entity if it:

- represents a major and distinct business line or geographical area of operations;
- forms part of a single and coordinated plan to withdraw from a major and distinct business line or geographical area of operations;
- is a subsidiary acquired solely with a view to reselling it.

Where a group of assets that is disposed of, held for sale or discontinued is a component of the entity, its charges and revenues are presented on a separate line of the consolidated statement of comprehensive income (profit from discontinued operations) made up of the total of:

- the profit or loss after tax for discontinued operations and/or operations being sold;
- the profit or loss after tax based on the assessed fair value less expenses for the sale or disposal of assets or group(s) of assets held for sale making up the discontinued operations and/or operations being sold.

2.19. Shareholders' equity, treasury shares, bonus stock award programs

Minority interests

Shareholders' equity includes the minority interests unless there is a commitment to buy them out.

Share-based payments

Pursuant to IFRS 2 – Share-based payment, the bonus shares granted to the group's employees are assessed at the fair value of the benefit granted on the award date.
The changes in value subsequent to the award date have no effect on this valuation. The expense calculated in this manner is recorded as personnel expense as a contra account to shareholders' equity and is recorded using the straight line method over the vesting period.

Treasury shares

The treasury shares held by the group are recorded as a deduction from shareholders' equity at its acquisition cost. Any eventual profits or losses stemming from the purchase, sale, issue or cancellation of the shares are recorded directly in shareholders' equity without affecting the net profit.

2.20. Current and non-current provisions

Pursuant to IAS 37, provisions are recorded when:

- there is a legal or implicit obligation resulting from past events;
- it is probable that an outflow of resources will be needed to extinguish the obligation;
- and the amount of the obligation can be estimated in a reliable manner.

Depending on their expiration, provisions are deemed to be "current" (expiring in less than one year) or "noncurrent" (expiring in more than one year).
The possible assets are mentioned in the notes to the financial statements when their realization is probable and their amount is material. The possible liabilities are mentioned in the notes to the financial statements when their amount is material.

2.21. Provisions for employee benefit obligations

In addition to the statutory retirement payments under local legislation in the countries where the companies operate, some group employees receive retirement benefits (or termination allowances) and supplementary pension payments. The group also operates long-service (work medal) award schemes. The group offers these benefits in certain countries through defined benefit schemes or defined contribution schemes.

In the case of defined contribution schemes, the group has no obligation other than the payment of premiums, which are charged directly to the statement of comprehensive income for the year.
In the case of defined benefit schemes, the Group has no other obligation than the paiement of premiums, corresponding expense is recognized immedialtely in result of the year. In the case of a defined benefit plan, pension liabilities are valued in accordance with IAS 19, using the actuarial method of projected credit unit. Assumptions take into account discount rates, mortality tables, staff departures and wage increases.
Since December 31, 2010, the group has elected to use the corridor method previously applied by the Group IMS.

Actuarial gains and losses are amortized over the average residual duration using the corridor rule, that is to say, for the portion exceeding 10% of the highest value between the amount of the actuarial liability and the insurance fund assets.

The provision is assigned a value by outside actuaries.

2.22. Deferred taxes

Deferred taxes are accounted for using the balance sheet variable carry-forward method, for all timing differences at the year-end between the tax base of assets and liabilities and their book value on the statement of financial position. Deferred tax assets are only recorded as assets where sufficient taxable profits to absorb them are anticipated based on a 5 years business plan drawn up using the most likely assumptions, corresponding to the 5 years business cycle observed over time on the markets in which the Group is present and taking into into consideration the time necessary for taxes to be recovered, in accordance with local law effective at the end of the reporting period.
The accounting value of the deferred tax assets is reviewed at least once per year at the year-end.

Each adjustment resulting from the introduction of IFRS, with the exception of recognition of any exceptional goodwill amortization, results in the recording of deferred tax.

Deferred tax assets and liabilities are valued using the tax rate applied, or virtually applied, at the year end.
Under the variable carry-forward method, the effect of any changes in tax rates on deferred tax items previously recognized is recorded on the statement of comprehensive income for the year in which such changes in tax rates became certain.

2.23. Tax liabilities

All tax liabilities are recorded in compliance with IAS 37.

2.24. Receivables and debts denominated in foreign currencies

Transactions denominated in foreign currencies are accounted for at their equivalent value in euros on the transaction date. At financial year-end, the financial assets and monetary liabilities denominated in foreign currency are translated into euros at the closing price. The losses and gains on foreign exchange resulting there from are recognized in the item, "Foreign exchange experience" and presented in "Other financial income and expenses" in the consolidated statement of comprehensive income.

The foreign exchange gain or loss relating to monetary items making up the group's net investment in a foreign subsidiary are treated in the same way as the investment in the subsidiary's equity, i.e., accounted for in shareholders' equity in accordance with IAS 21 – Effects of changes in foreign exchange rates. At the time the net investment is sold, these foreign exchange gains or losses are reclassified from shareholders' equity to the statement of comprehensive income.

3. Notes to the consolidated statement of comprehensive income

3.1. Operating segments

At December 31, 2011, key indicators by operating segment were as follows:

(in € millions) 2011	Sales	Gross margin	Operating income	Net WCR	Operating WCR as % of sales
JACQUET	210.5	57.9	8.0	41.6	20%
Stappert	527.1	97.7	17.6	88.2	17%
Abraservice	94.2	28.1	3.0	22.6	24%
IMS group	431.8	101.2	9.6	98.6	23%
Other [1]	1.2	0.4	8.5	3.9	n.a
Inter-brand eliminations	(24.3)	-	-	(3.6)	n.a
Total	**1,240.6**	**285.4**	**46.6**	**251.2**	**20%**

[1] Activities excluding brands (including Jacquet Metal Service S.A.) contribute €8.5 million to operating income.

n.a : not applicable

The Group has been organized around four brands since the beginning of 2011. There are no comparative data by sector for 2010. Paragraph 1.4 of the management report – information on the Group, presents unaudited pro-forma data for each brand for 2010, including sales and gross margin.

3.2. Cost of goods sold

(in € millions)	2011	2010 *12 months JACQUET Metals and 9 months IMS*
Sales	**1,240.6**	**884.3**
Purchases consumed	(956.9)	(686.7)
Inventory impairment	1.7	(7.1)
Cost of goods sold	**(955.2)**	**(693.8)**
Gross margin	**285.4**	**190.5**
Margin rate %	*23.0%*	*21.5%*

The gross profit for the 2010 financial year includes the consumption effects from revaluing inventory done as part of the allocation of the goodwill following the merger. This penalized the gross profit for the year by €17.2 million.

3.3. Personnel expenses and staff

(in € millions)	2011	2010 *12 months JACQUET Metals and 9 months IMS*
Wages and salaries	86.2	69.6
Payroll taxes	24.2	19.5
Other personnel expenses	3.2	8.0
Personnel expenses	**113.7**	**97.1**
Payroll tax rate	*28.1%*	*28.0%*

Workforce

As of December 31, 2011 the group employed 2,185 people (in full-time equivalent) compared with 2,303 at December 31, 2010.

	2011	2010
Full-time equivalents at closing	**2,185**	**2,303**
Full-time equivalents for the period	**2,203**	**2,363**
of which France	491	611
of which foreign	1,712	1,752

Compensation of company officers

(in € thousands)	2011		2010	
	Amount owed for the year	Amount paid for the year	Amount owed for the year	Amount paid for the year
Short-term benefits				
fixed salary	770	770	525	525
variable salary	109	-	47	66
exceptional items	-	-	-	-
attendance fees [1]	118	63	68	6
benefits in kind	-	-	-	-
Post-employment benefits	11	11	9	9
Other long-term benefits	-	-	-	-
Severance pay	-	-	-	-
Payment in shares	-	-	-	-
Total	**1,008**	**844**	**649**	**606**

[1] Compensation paid in 2010 to members of the Supervisory Board before the change in governance of July 20, 2010, is not stated here. It amounted to €118 thousand, including €106 thousand in directors' fees.

Fixed and variable salaries correspond to compensation due and/or paid to executive corporate officers for the entire 2010 and 2011 financial years.

Directors' fees correspond to compensation of directors of Jacquet Metal Service S.A., including JSA, due and/or paid since the change of governance of July 20, 2010.

The personal detail of these compensations and benefits is shown in paragraph 2.13.1 of the management report under parent company information.

3.4. Capital gains on fixed-asset disposals

Capital gains on fixed-asset disposals correspond mainly to the disposal of a warehouse in France and the sale of Produr, recognized at December 31, 2010, under assets/liabilities intended for sale.

3.5. Net financial result

(in € millions)	2011	2010 *12 months JACQUET Metals and 9 months IMS*
Interest on long-term financial debt	(5.2)	(4.9)
Interest on finance leases	(0.7)	(0.7)
Interest on short-term financial debt	(3.7)	(4.5)
Interest income	0.8	1.7
Cost of debt	(8.9)	(8.5)
Income from investments	0.1	0.0
Net cost of debt	**(8.8)**	**(8.5)**
Other financial income	1.4	3.5
Other financial expenses	(3.9)	(5.8)
Other financial income and expenses	**(2.5)**	**(2.3)**
Financial result	**(11.2)**	**(10.8)**

In 2011, net cost of debt came to €8.8 million at an annual weighted average cost of 4.6%. Net cost of debt does not include gains of €0.8 million from interest-rate hedging instruments. Adjusted for such gains, average cost of debt in 2011 were 4.2%.
Other financial items came to €2.5 million and are mainly composed of banking service charge (€2.8 million), foreign-exchange gains (€1 million), and gains of €0.8 million from hedging instruments.
An analysis of currency and interest-rate risk management may be found in notes 4.17.3.2 and 4.17.3.3.

3.6. Income tax

(in € millions)	2011	2010 *12 months JACQUET Metals and 9 months IMS*
Taxes due	(11.8)	(7.4)
Deferred taxes	(2.0)	12.8
Total taxes	**(13.7)**	**5.4**

Tax expenses came to €13.7 million, an average rate of 38.7%. Adjusted for various accounting options, mainly those concerning unrecognized loss carryforwards, the Group's average tax rate was 33% for 2011, in line with past rates.
The reconciliation between the theoretical income tax, calculated by applying the current French tax rate (33.33% in 2011) to the pre-tax profit, and the actual income tax is shown as follows:

(in € millions)	2011 basis	Corresponding tax (+ income/ - charge)	Rate
Net consolidated income before tax	**35.4**		
Calculated using the theoretical tax rate in France		**(11.8)**	***33.33%***
Impact from the permanent differences [(1)]		(1.1)	*3.0%*
Impact from nonrecognition of loss carryforwards		(1.9)	*5.3%*
Impact from use of prior unrecognized loss carryforwards		0.6	*-1.7%*
Other		(0.2)	*0.7%*
Total impacts from corrections of the taxable base		**(14.4)**	***40.6%***
Additional tax owed for rate differences between France and other countries		1.7	*-4.9%*
Other		(1.1)	*3.0%*
Real income tax expense		**(13.7)**	***38.7%***

[(1)] *The permanent differences arise from non-tax-deductible expenses.*

Concerning tax-loss carryforwards, the analysis of changes in the statement of financial position at December 31, 2011, and of unrecognized loss carryforwards is presented in paragraph 4.14.

3.7. Earnings per share

	2011	2010 [(1)] *12 months JACQUET Metals and 9 months IMS*
Total number of shares from January 1 to March 31	24,028,438	5,971,429
Total number of shares from April 1 to December 31	24,028,438	24,028,438
Treasury shares	405,597	545,712
Total number of shares outside of treasury shares	23,622,841	18,968,474
Net income Group share (in thousands of euros)	20,704	(36,938)
Undiluted net earnings per share (in euros)	**0.88**	**(1.95)**
Bonus-share allocation [(2)]	1,516	8,552
Total number of shares after dilutive effect outside of treasury stock	23,624,357	18,977,026
Net income Group share (in thousands of euros)	20,704	(36,938)
Diluted earnings per share (in euros)	**0.88**	**(1.95)**

[(1)] *Earnings per share in 2010 have been adjusted from the EPS figure published in the 2010 annual report (€2.05), to correct the number of shares in the denominator.*

[(2)] *Average number of shares for the financial year.*

4. Notes to the financial position statement

4.1. Goodwill – business combinations

On March 8, 2010, JACQUET Metals took a controlling interest in IMS Group. This merger became definitive on July 20, 2010.

Changes in the “Goodwill” item break down as follows:

(in € millions)	12.31.2010	Increases	Decreases	12.31.2011
Goodwill (historic) JACQUET Metals	1.8	-	-	1.8
Goodwill IMS	59.9	-	(1.1)	58.8
Net goodwill	**61.7**	**-**	**(1.1)**	**60.6**

The value of IMS’s goodwill was established definitively at March 31, 2011, pursuant to IFRS. In the first quarter of 2011, goodwill was decreased in order to reflect the fair value of the aluminum business in France of €1.1 million after its disposal on February 28, 2011. Details of other entries under “purchase accounting” are presented in paragraph 6 of the 2010 annual report filed with the AMF on April 1, 2011 (no. D.11-0211).

"IMS" goodwill corresponds to residual goodwill from the acquisition and represents IMS's expertise and expected synergies. Goodwill was allocated in accordance with the Group’s new structure; each item is tested for impairment at least once a year:

- UGT Stappert: €40.4 million;
- UGT Abraservice: €8.0 million;
- UGT IMS group: €10.4 million.

At December 31, 2011, the entity carried out an analysis of performances achieved by the various cash-generating units (CGUs), in order to identify possible impairment losses. The principal assumptions applied in determining the value in use of assets in accordance with the discounted-cash-flow method are as follows:

- estimate period: 5 years;
- growth rate to infinity used to extrapolate cash-flow estimates beyond the estimated period: from 1.5% (for companies operating in markets considered mature and/or in the Group's traditional markets) to 2.5% (for companies operating in developing markets and/or in which the Group has growth ambitions greater than expected market growth);
- a discount rate between 8.6% and 9.1% is applied to cash-flow estimates, in accordance with the various brands.

Sensitivity tests were carried out by varying the growth rate to infinity in increments of +/-0.6% and the discount rate in increments of 0.5%.

A second sensitivity test was performed by varying:

- the benchmark volume for the residual value by +/-5%, compared with the volume estimated for 2016;
- the percentage of gross margin in €/ton by +/-5%.

These analyses did not result in impairment recognized for the financial year.

4.2. Intangible fixed assets

(in € millions)	12.31.2010	Increase	Decrease	Reclassification	Foreign exchange differences	Changes in consolidation scope	12.31.2011
Software	17.0	0.5	(0.9)	-	-	(0.1)	16.5
Others	1.5	-	(0.1)	0.2	-	(0.4)	1.2
Gross value	**18.5**	**0.5**	**(0.9)**	**0.2**	**-**	**(0.5)**	**17.7**
Software	(15.1)	(0.8)	0.8	-	-	0.1	(14.9)
Others	(1.1)	(0.3)	0.1	-	-	0.2	(1.1)
Amortization	**(16.2)**	**(1.0)**	**0.9**	**-**	**-**	**0.3**	**(16.0)**
Software	1.9						1.6
Others	0.4						0.2
Net value	**2.3**						**1.7**

"Changes in consolidation scope" are attributable mainly to the disposals of Euralliage and the aluminum and nonferrous-metals businesses of IMS France on February 28, 2011, and to the sale of Produr on December 29, 2011.

4.3. Tangible fixed assets

(in € millions)	12.31 2010	Increase	De-crease	Reclassification	Foreign exchange differences	Changes in consolidation scope	12.31 2011
Land	10.4	-	-	-	(0.2)	-	10.3
Leased land	2.1	-	-	-	-	-	2.1
Buildings	60.6	1.9	(0.2)	2.7	(0.5)	(0.3)	64.2
Leased buildings	13.5	-	-	1.9	-	-	15.4
Equipment, tools, technical installations	108.1	4.0	(3.8)	1.5	(0.1)	(2.5)	107.3
Leased equipment, tools, technical installations	20.0	1.0	(0.1)	(1.8)	(0.1)	(0.5)	18.4
Transport equipment	3.0	0.6	(0.7)	2.4	-	(0.1)	5.3
Leased transport equipment	1.0	-	(0.2)	(0.1)	-	-	0.8
Computer equipment	9.2	0.2	(1.3)	0.2	-	(0.3)	8.1
Leased computer equipment	0.1	-	-	-	-	-	0.1
Other tangible fixed assets	22.3	1.0	(0.8)	(2.7)	(0.1)	(0.4)	19.4
Other leased tangible fixed assets	0.7	-	-	-	-	(0.0)	0.7
Tangible fixed assets in progress	3.6	0.7	-	(3.2)	-	-	1.1
Advance payments	0.3	-	(0.1)	(0.2)	-	-	-
Total gross value	**255.0**	**9.5**	**(7.2)**	**0.9**	**(1.0)**	**(4.1)**	**253.1**
Buildings	(26.8)	(3.1)	0.2	-	0.1	0.2	(29.4)
Leased buildings	(4.0)	(0.5)	-	(1.9)	-	-	(6.4)
Equipment, tools, technical installations	(71.4)	(8.7)	3.3	0.4	-	2.1	(74.2)
Leased equipment, tools, technical installations	(13.7)	(0.5)	0.1	0.5	0.1	0.3	(13.1)
Transport equipment	(2.4)	(0.7)	0.6	(1.5)	-	0.0	(3.9)
Leased computer equipment	(0.8)	(0.1)	0.1	0.1	-	-	(0.7)
Computer equipment	(8.5)	(0.5)	1.3	(0.2)	-	0.3	(7.6)
Leased computer equipment	(0.1)	-	-	-	-	-	(0.1)
Other tangible fixed assets	(17.0)	(1.6)	0.7	1.7	0.1	0.3	(15.7)
Other leased tangible fixed assets	(0.5)	-	-	-	-	-	(0.5)
Total depreciation	**(145.1)**	**(15.7)**	**6.4**	**(0.9)**	**0.3**	**3.3**	**(151.7)**
Land	(0.3)	(0.7)	-	-	-	-	(1.0)
Buildings	-	(0.1)	-	-	-	-	(0.1)
Equipment, tools, technical installations	(2.6)	(3.4)	0.5	-	-	-	(5.5)
Total provisions	**(2.9)**	**(4.2)**	**0.5**	**-**	**-**	**-**	**(6.5)**
Net book value	**107.0**						**94.9**

In 2011, gross capital expenditures and investments amounted to €9.5 million, including €5.8 million for the JACQUET brand, €0.8 million for Stappert, €1.1 million for Abraservice and €1.6 million for IMS group.

"Decreases" corresponds mainly to the sale of warehouses in France and Belgium. No other significant sale occurred during the financial year.

"Changes in consolidation scope" corresponds to the sale of Euralliage and of the aluminum and nonferrous-metals businesses of IMS France, and to the sale of Produr.

In addition, in 2011 the Group recognized impairment of assets held mainly in Italy and the Czech Republic, for €4.2 million.

4.4. Other financial assets

This item mainly includes deposits as well as receivables maturing in more than one year.

4.5. Inventories and work in progress

(in € millions)	12.31.2011	12.31.2010
Gross value	284.6	278.4
Provisions on inventories	(26.3)	(28.6)
Net value	**258.3**	**249.8**

Net inventories came to €258.3 million at December 31, 2011, compared with €249.8 million at December 31, 2010. They were adjusted to their net realizable value, with a provision representing at December 31, 2011, 9.2% of the gross inventory value, compared with 10.3% at December 31, 2010. The decrease of the impairment rate by 1.1 points was due notably to the reduction of nonstrategic inventories for €15 million 2011, bringing to more than €25 million the total reductions made since July 2010 (date of merger of JACQUET Metals and IMS).

The changes in inventory impairment break down as follows:

(in € millions)	12.31.2011	12.31.2010
At January 1	**(28.6)**	**(2.4)**
Changes in consolidation scope	0.6	(19.1)
Net impairment charges	1.7	(7.1)
Foreign exchange differences	0.1	(0.1)
At December 31	**(26.3)**	**(28.6)**

4.6. Trade receivables

(in € millions)	12.31.2011	12.31.2010
Trade receivables	115.9	148.3
Bills for collection	34.7	32.2
Bills receivable	3.2	3.6
Notes receivable discounted	2.8	2.3
Doubtful receivables	23.0	24.5
Accrued income	0.4	-
Gross value	**179.9**	**210.8**
Receivables impairment	(19.3)	(21.4)
Impairment losses	**(19.3)**	**(21.4)**
Net book value	**160.6**	**189.4**

All receivables are due in less than 12 months.
In 2011, a net reversal for provisions for customer risk of €1.5 million was recognized, mainly for a customer risk whose outcome was partially favorable.
The net value of receivables does not include €14.4 million of receivables sold without recourse in 2011, compared with €2.1 million in 2010.
An analysis on credit and counterparty risks management is set-out in note 4.17.3.1.

Changes in the impairment of trade receivables break down as follows:

(in € millions)	**12.31.2011**
As of January 1	**(21.4)**
Changes in consolidation scope	0.0
Provisions	(1.1)
Reversals employed	0.2
Reversals not employed	2.4
Other	0.6
As of December 31	**(19.3)**

4.7. Tax-asset receivables

At December 31, 2011, tax-asset receivables amounted to €3.7 million, of which €3.3 million were carrybacks recognized by Jacquet Metal Service S.A. for French companies consolidated in its tax group. These receivables were recognized in 2009 at an initial value of €3.3 million and are due at the end of a five-year period. The balance of this item consists of amounts which are insignificant individually.

4.8. Other assets

(in € millions)	**12.31.2011**	**12.31.2010**
Advances and down-payments no orders	0.6	0.7
Tax receivables	5.4	4.7
Other assets	2.8	5.0
Prepaid expenses	2.0	2.3
Gross value	**10.8**	**12.7**

The "tax receivables" are receivables other than the corporate income tax (especially VAT).
All of the receivables taken together mature in less than one year.

4.9. Cash and cash equivalents

(in € millions)	**12.31.2011**	**12.31.2010**
Cash	72.1	53.5
Cash equivalents	2.9	11.5
Cash and cash equivalents	**75.0**	**65.0**

"Cash equivalents" are money-market funds.

An analysis of how interest rate risk is managed on the asset side of the statement of financial position appears in note 4.17.3.2.

4.10. Assets-liabilities held for sale

Two warehouses in France and Belgium, classified at December 31, 2010, under assets-liabilities held for sale, were sold in the first half of 2011.

At December 31, 2011, this item comprised a warehouse (asset) in France for which a finance lease (liability) has been recognized.

4.11. Shareholder's equity

(in € thousands)	Notes	Number of shares	Share capital	Reserves	Goodwill (Group share)	Shareholders' equity (Group share)	Minority interests	Shareholders' equity
At December 31, 2010		**24,028,438**	**36,631**	**214,003**	**2,919**	**253,553**	**4,079**	**257,632**
Earnings for the period				20,704		20,704	998	21,702
Foreign-exchange translation difference	4.11.3				(2,395)	(2,395)	(61)	(2,456)
Total comprehensive income		-	-	**20,704**	**(2,395)**	**18,309**	**937**	**19,246**
Change in consolidation scope				(46)		(46)	31	(15)
Dividends paid						-	(993)	(993)
Other changes	4.11.2			2,907		2,907	(1)	2,906
At December 31, 2011		**24,028,438**	**36,631**	**237,568**	**524**	**274,723**	**4,053**	**278,776**

4.11.1. Share capital

At December 31, 2011, the share capital was unchanged from the previous financial year. It is composed of 24,028,438 shares representing a total amount of €36,631,126.16. The number of shares authorized and outstanding changed as follows for the past two years:

	12.31.2011	12.31.2010
Number of shares outstanding at financial year-end	**24,028,438**	**24,028,438**
number of shares with a dual voting right	4,386,335	3,105,837
number of treasury shares	405,597	545,712

4.11.2 Other changes recognized in shareholders' equity

"Other changes" affecting the consolidated reserves at December 31, 2011, came to €2.9 million, of which €2.7 million corresponds to treasury-share transactions carried out by the Group and recorded as deductions from shareholders' equity at their acquisition cost. In 2011 the Group sold a portion of its treasury shares, for €3.3 million. Another variation of -€0.6 million corresponds to liquidity-contract transactions.

4.11.3 Translation differences recognized in shareholders' equity

The foreign-exchange translation differences recognized in shareholders' equity at December 31, 2011, came to - €2.4 million, resulting from exchange differences between 2010 and 2011.

The net effect on shareholders' equity from foreign-exchange translation differences concerning long-term cash advances granted to subsidiaries, pursuant to IAS 21, was insignificant. These differences correspond mainly to advances granted to American, Turkish and Polish subsidiaries.

4.11.4. Share buyback program and bonus-share allocation

Share buyback program

In its twelfth resolution, the General Meeting of June 30, 2011, authorized the Board to allow the Company to buy back its own shares to:

- Favor transaction liquidity and regular listing of company shares or avoid all discrepancies in rates not justified by market trends through an investment-services provider, acting independently under a liquidity contract, under terms and conditions determined by recognized regulations and market practices in compliance with an ethics charter approved by the French Financial Markets Authorities;
- Grant shares to officers or employees of the Company and/or companies in its Group under terms and conditions established by legal and regulatory requirements applicable within the context (i) of participation in the benefits of expansion of the company, (ii) of the share option regime established by articles L. 225-179 and seq. of the Commercial Code, (iii) of the free share issuance regime established by articles L. 225-197-1 and seq. of the Commercial Code and (iv) of a company savings plan, as well as to carry out all hedging operations relating to these operations, under the conditions established by market authorities and during periods when the Board of Directors or person acting as its representative so decides;
- allocate shares during the exercise of rights attached to shares giving immediate or deferred access to capital by reimbursement, conversion, exchange, presentation of a warrant, or by any other method of granting Company shares, as well as carry out all hedging operations with regard to the issuance of such securities, under the conditions established by market authorities and during periods when the Board of Directors or person acting as its representative so decides;
- retain shares and allocate them at a later date for payment or exchange in the context of acquisitions, mergers, spin-offs or contributions, in compliance with market practices approved by the French Financial Markets Authorities; or
- cancel shares partially or in full by reducing the share capital (particularly to optimize cash management, return on equity or earnings per share).

Conditions of the share buy-back program are as follows:

- the maximum price for the Company to purchase its own shares is set at €50 per share and the minimum sale price is set at €8, it being noted that this price will be adjusted as necessary to reflect capital transactions, in particular incorporation of reserves or free share allotments and/or share splits or reverse splits;
- the maximum number of shares that can be bought back is set at 10% of the total number of shares comprising the share capital (at that time, this percentage being applied to a share capital figure adjusted to reflect transactions affecting the share capital subsequent to the General Meeting of June 30, 2011), for a maximum amount of €120,142,190, subject to legal limits. Purchases of the Company's shares may concern any number of shares such that the number of shares that the Company purchases during the repurchase program may not exceed 10% of the shares comprising the share capital (at that time, this percentage being applied to a share capital figure adjusted to reflect transactions affecting the share capital subsequent to the General Meeting of June 30, 2011), subject to the provisions of Article 5-2° and 3° of European regulation 2273/2003/CE, with the understanding that (i) in the case of shares acquired within the context of a liquidity contract, the number of shares taken into consideration to calculate the aforementioned limit of 10% of the share capital corresponds to the number of shares purchased, minus the number of shares resold over the term of this authorization and (ii) the number of shares acquired with a view to their subsequent delivery within the context of a merger, spin-off or asset contribution transaction may not exceed 5% of its share capital at the time of acquisition;
- the duration of this authorization is eighteen months as from June 30, 2011.

As of December 31, 2011, the number of shares registered under the Company's name reached 405,597 shares, representing 1.69% of the share capital for a total value of €3.2 million:

- 711 treasury shares are allocated to the bonus-share plan authorized by the General Meeting of Jacquet Metals S.A. of June 13, 2008, by the Board of Directors of JACQUET Metals S.A. of February 24, 2010;
- 268,886 treasury shares were unallocated at December 31, 2011;
- 136,000 shares were held for the purposes of the liquidity contract.

At December 31, 2011, the 405,597 treasury shares were recognized at their intial value as a deduction from equity at a book value of €5.2 million.

Bonus share allocation plan in the consolidated financial statements

As of December 31, 2011, the plan's fair value was €8,000. This fair value of the shares granted factors in the probability of achieving the attendance condition once this acquisition period is over and is amortized over a two-year term starting on the date of award. It may be adjusted subsequently depending on the beginning real interest rate experienced by the employees in question. As of December 31, 2011, the impact on current operating profit was €10,000.
The fair value of the bonus shares granted under the allocation plan authorized by the General Shareholders' Meeting of June 13, 2008 of JACQUET Metals S.A (before the merger) is defined as follows:
Bonus share allocation by the Board of directors of JACQUET Metals S.A (before the merger) on February 24, 2010:

- Number of shares granted: 350 (i.e., 1,000 Jacquet Metal Service shares) ;
- Number of shares canceled: 100 (i.e., 289 Jacquet Metal Service shares);
- Stock price on the date of award: €36.48;
- Acquisition period: 2 years;
- Probability of achieving the attendance condition by the end of the acquisition period: 99.25%.

4.12. Provisions

(in € millions)	12.31.2010	Provision	Unused reversals	Used reversals	Reclassifications	12.31.2011
Provision for legal disputes	1.1	0.5	-	(0.5)	-	1.1
Provisions for reorganization	2.6	1.0	(0.5)	(0.1)	-	2.9
Other provisions	3.2	0.5	(0.2)	(0.5)	0.4	3.5
Total	**6.9**	**2.0**	**(0.7)**	**(1.1)**	**0.4**	**7.5**
non-current	3.9					2.8
current	3.1					4.6

The provisions for warehouse reorganization came to €2.9 million, carried mainly by the Italian subsidiaries. Other provisions correspond to employee disputes and to legal actions under way.

4.13. Provisions for employee benefits

Pension obligations are mainly located in France, Germany, Austria, the Netherlands, and in Italy. The main assumptions used were the following:

Assumptions used		France	Germany	Italy
				Discount rate
2011	Central pension scheme	*4.50%*		
	Other schemes	*4.30%*	*4.50%*	*4.30%*
2010	Central pension scheme	*4.50%*		
	Other schemes	*4.50%*	*4.50%*	*4.50%*
Inflation rate				
2011		*2.00%*	*N/A*	*2.00%*
2010		*2.00%*	*N/A*	*2.00%*
Average wage growth				
2011		From 0.39% to 4.69% depending on SPC [1], pay schemes and age	*N/A*	*N/A*
2010		From 0.39% to 4.69% depending on SPC [1], pay schemes and age	*N/A*	*N/A*

[1] *SPC: socio-professional category.*

As with previous years, the discount rate used was assessed based on investment grade bonds of private companies rated AA (reference iBoxx € Corporate AA 10+).

The provision is assigned the value by outside actuaries.

Changes in employee benefits over the year

	(in € millions)	12.31.2011 France	Germany	Italy	Other countries	Total	12.31.2010 Total
	Reconciliation of the opening financial position						
1	Acturial debt (DBO) at 01/01/2011	(17.1)	(9.9)	(1.7)	(4.8)	(33.5)	(0.2)
2	Fair value of insurance fund assets at 01/01/2011	0.5	2.0	-	3.7	6.2	-
3	**Opening financial position (1)+(2)**	**(16.6)**	**(7.9)**	**(1.7)**	**(1.1)**	**(27.3)**	**(0.2)**
4	Non-financed costs of past services	0.4	-	-	-	0.4	-
5	Non-financed actuarial gains/(losses)	1.2	-	-	(0.1)	1.1	-
6	**(Provision)/prepayment at opening (3)+(4)+(5)**	**(15.0)**	**(7.9)**	**(1.7)**	**(1.2)**	**(25.8)**	**(0.2)**
	Charge for 2011						
1	Cost of services	0.3	0.3	0.0	0.3	0.9	0.4
2	Discount cost	0.7	0.4	0.1	0.2	1.4	1.5
3	Expected return on insurance funds	(0.0)	(0.1)	-	(0.2)	(0.3)	(0.2)
4	Employee contributions	-	-	-	(0.1)	(0.1)	-
5	Administrative cost	-	-	-	0.1	0.1	-
6	Amortization of past services costs	0.0	-	-	-	0.0	-
7	Amortization of actuarial (gains)/losses	0.1	(0.0)	-	0.1	0.2	0.1
8	Reduction	(1.2)	-	-	-	(1.2)	(0.4)
9	**Charge for the year 2011 = the sum of (1) to (8)**	**(0.1)**	**0.6**	**0.1**	**0.3**	**1.0**	**1.4**

(in € millions)		12.31.2011 France	Germany	Italy	Other countries	Total	12.31.2010 Total
	(Provision) /prepayment at 12.31.2011						
1	(Provision)/prepayment at 01.01.2011	(15.0)	(7.9)	(1.7)	(1.2)	(25.8)	(0.2)
2	Acquisition	-	-	-	-	-	(26.6)
3	Charge for 2011	0.1	(0.6)	(0.1)	(0.3)	(1.0)	(1.4)
4	Benefits paid by employer in 2011	0.8	(0.2)	0.3	0.3	1.2	2.0
5	Contributions paid in 2011	-	-	-	-	-	0.2
6	Others	-	-	0.1	-	0.1	(0.1)
7	Reduction/Liquidation of accounting treatment in 2011	-	-	-	-	-	-
8	Contributions paid to the insurance fund in 2011	-	0.5	-	-	0.5	0.3
9	**(Provision)/The amount paid in advance as of 12.31.2011 = the sum of (1) to (8)**	**(14.1)**	**(8.2)**	**(1.4)**	**(1.2)**	**(25.0)**	**(25.8)**
	Reconciliation of financial situation at 12.31.2011						
1	Actuarial debt (DBO) at 12.31.11	(16.9)	(9.9)	(1.7)	(5.1)	(33.6)	(33.5)
2	Fair value of insurance fund assets at 12.31.11	0.4	1.8	-	3.7	5.9	6.2
3	**Financial position (1) + (2)**	**(16.5)**	**(8.1)**	**(1.7)**	**(1.4)**	**(27.7)**	**(27.3)**
4	Non-financed cost of past services	0.3	-	-	-	0.3	0.4
5	Non-financed actuarial (gains)/losses	2.1	-	0.2	0.1	2.4	1.1
6	**(Provision)/prepaid at 12.31.2011 = (3)+(4)+(5)**	**(14.1)**	**(8.1)**	**(1.5)**	**(1.3)**	**(25.0)**	**(25.8)**
	Change in actuarial debt (DBO)						
1	Actuarial debt at 01.01.11	(17.1)	(9.9)	(1.7)	(4.8)	(33.5)	(0.2)
2	Cost of services	(0.3)	(0.3)	-	(0.2)	(0.8)	(0.4)
3	Discounting cost	(0.7)	(0.4)	(0.1)	(0.2)	(1.4)	(1.5)
4	Gains/losses generated over the financial year	(1.1)	0.1	(0.2)	0.1	(1.1)	(2.7)
5	Changes in scheme	0.4	-	-	-	0.4	(0.6)
6	Benefits paid	0.8	0.6	0.3	-	1.7	1.7
7	Reduction/liquidation of scheme	1.1	-	-	-	1.1	0.4
8	Others	-	-	-	-	-	-
9	Acquisition	-	-	-	-	-	(30.2)
10	**Actuarial debt at 12.31.2011= sum of (1) to (9)**	**(16.9)**	**(9.9)**	**(1.7)**	**(5.1)**	**(33.6)**	**(57.2)**
	Projected insurance fund assets						
1	Fair value of insurance fund assets at 01.01.11	0.5	2.0	-	3.7	6.2	-
2	Real return on assets	-	0.1	-	0.2	0.3	0.2
3	Employer contributions to insurance funds	0.8	0.2	0.3	0.2	1.5	1.9
4	Employee contributions to insurance funds	-	-	-	0.1	0.1	0.1
5	Benefits paid by the fund	(0.8)	(0.5)	(0.3)	-	(1.6)	(1.3)
6	Reduction/liquidation of scheme	(0.1)	-	-	-	(0.1)	-
7	Actuarial gains/(losses)	-	-	-	(0.5)	(0.5)	0.7
8	Acquisition	-	-	-	-	-	4.7
9	Transfer – Closing	-	-	-	-	-	(0.1)
10	**Fair value of insurance fund assets at 12.31.2011 = sum of (1) to (9)**	**0.4**	**1.8**	**-**	**3.7**	**5.9**	**6.2**
	Rationalization of actuarial gains and losses during the financial year						
1	Differences due to a change in assumptions	-	(0.1)	-	-	(0.1)	2.7
2	Experience differential	1.1	(0.1)	0.2	(0.1)	1.1	0.1
3	Actuarial differences generated by the fund	-	-	-	0.5	0.5	(0.8)
4	**Total underwriting (Gains)/Losses during the year - Closing (D)**	**1.1**	**(0.2)**	**0.2**	**0.4**	**1.5**	**2.0**

There were €5.9 million of assets held to hedge employee benefits located mainly in the Netherlands and in Germany. They are invested in the insurer's general fund for which the company did not require an investment strategy i.e., allocating shares, real estate, etc.

France is not obligated, either legally or contractually, to pay or to subscribe to the insurance fund.
The results from the sensitivity analysis for assigning a value to the actuarial debt at the discount rate, which was conducted with a step length of +/- 0.25% on the majority of the companies in question, are as follows:

(in € millions)	France	Italy	Other countries	Total tested	Group total
Actuarial debt as of 12.31.11 calculated at the rate of 4.5% for the central pension schemes and 4.3% for other schemes	(17.0)	(1.2)	(4.2)	**(22.4)**	(33.6)
Actuarial date calculated at the rate of 4.3% or 4.5% + 0.25%	(16.4)	(1.2)	(4.0)	**(21.6)**	
Actuarial date calculated at the rate of 4.5% - 0.25%	(17.5)	(1.3)	(4.5)	**(23.2)**	

4.14. Deferred taxes

The origin of deferred taxes is the following:

(in € millions)	12.31.2011	12.31.2010
Temporary differences and restatements	14.5	15.7
Tax loss carryforwards	20.9	22.0
Asset revaluation [1]	(1.8)	-
Deferred tax assets	**33.6**	**37.7**
Temporary differences and restatements	(11.2)	(11.3)
Asset revaluation	(0.2)	(2.1)
Deferred tax liabilities	**(11.4)**	**(13.4)**

[1] *In 2011, corresponds to the reclassification of taxes charged to existing deferred tax assets of the subsidiaries concerned.*

Excluding taxes on tax-loss carryforwards, deferred taxes correspond to temporary differences and to IFRS restatements. Deferred tax assets arise mainly from the deferral of certain tax-deductible expenses of the French and Italian subsidiaries, such as charges for inventory impairment and pension provisions. Deferred tax liabilities come mainly from provisions for price increases from the French subsidiaries.

Changes in taxes on tax-loss carryforwards are as follows:

(in € millions)	Tax-loss carryforwards
December 31, 2010	**22.0**
Reclassifications	2.2
Recognitions	0.7
Uses	(3.4)
Derecognitions	(0.5)
Foreign-exchange differences	(0.1)
December 31, 2011	**20.9**

Reclassifications correspond to deferred taxes for loss carryforwards recognized as current assets at December 31, 2010, and transferred to long-term assets at December 31, 2011.

Excluding reclassifications, deferred taxes recognized for loss carryforwards decreased by €3.3 million between December 31, 2010, and December 31, 2011, resulting from:

- recognition of €0.7 million of tax losses;
- use of €3.4 million in taxes through tax losses previously recognized, mainly in France (tax consolidation group), Germany, and Spain;
- cancellation of €0.5 million of taxes previously recognized as tax-loss carryforwards.

At December 31, 2011, the total amount of unrecognized taxes on tax-loss carryforwards amounted to €19.9 million, including €9.3 million in Italy and €6.4 million in the United States.
Unrecognized taxes on tax-loss carryforwards increased by €1.5 million in 2011, mainly because of:

- the non recognition of €1.4 million of tax-loss carryforwards for the financial year, mainly in the United States for €0.3 million, in Turkey for €0.2 million, and in the Stappert brand's Swiss and Polish subsidiaries for €0.3 million;
- the use of €0.6 million for unrecognized tax-loss carryforwards from prior financial years, mainly for the JACQUET brand's American subsidiaries;
- the cancellation of €0.5 million of taxes for previously recognized tax-loss carryforwards (see above).

4.15. Financial debt

(in € millions)	12.31.2011	Maturity		
		< 1 year	From 1 to 5 years	> 5 years
Financial leasing debts over 1 year	12.9	-	4.8	8.1
Long-term financial debts over 1 year	19.6	-	17.0	2.6
Long-term financial debt	**32.4**	**-**	**21.8**	**10.7**
Financial leasing debts under 1 year	2.0	2.0	-	-
Long-term financial debts under1 year	65.9	65.9	-	-
Bank overdrafts, factoring, discounts	67.3	67.3	-	-
Accrued interest	0.1	0.1	-	-
Short-term financial debt	**135.3**	**135.3**	**-**	**-**
Liabilities held for sale	0.9	0.9	-	-
Total financial debt	**168.6**	**136.2**	**21.8**	**10.7**

"Bank overdrafts, factoring, discounts": the primary use is in the form of sales of trade receivables (discounts or factoring).

The analysis of liquidity risk and of interest rates is shown in note 4.17.3.2.

Schedule of bank overdrafts

(in € millions)	12.31.2011
Less than one month	94.1
From 1 to 3 months	3.7
From 3 to 12 months	37.5
Total	**135.3**

Change in long-term financial debts

(in € millions)	
At December 31, 2010	**215.2** (1)
New borrowings (including finance leases)	12.1
Change in financial debt and borrowings	(76.3)
Change in bank overdrafts, factoring, discounts	17.8
Translation differences and others	(0.2)
At December 31, 2011	**168.6** (1)

(1) *Including liabilities held for sale*

New borrowings amounted to €12.1 million and correspond to new financing implemented by subsidiaries, mainly in Spain and France.

The change in financial debt of €-76.3 million corresponds mainly to the reimbursement, in June and December 2011, of the first two payments due for the syndicated loan implemented in September 2010, for of €10 million and €40 million, thereby reducing the fixed-term loan from €110 million to €60 million. The balance of this loan will be amortized according to the following schedule:

- June 30, 2012: €30 million;
- December 31, 2012: €30 million.

Breakdown of net financial debt by interest rate and currency

(in € millions)	12.31.2011	12.31.2010
Fixed-rate borrowings	29.9	31.1
Variable-rate borrowings	70.5	133.1
Bank overdrafts, factoring, discounts	67.3	49.5
Accrued interest	0.1	0.2
Financial debt	**167.7**	**213.9**
EUR	*154.6*	*202.0*
CZK	*3.2*	*4.8*
CHF	*2.5*	*0.7*
TRY	*2.2*	*0.6*
CNY	*1.8*	*1.6*
LTL	*1.4*	*1.6*
GBP	*0.9*	*0.1*
SEK	*0.8*	*0.6*
HUF	*0.2*	*1.4*
DKK	*0.0*	*0.0*
USD	*0.0*	*0.3*
PLN	*0.0*	*0.0*
Accrued interest	*0.1*	*0.2*
Liabilities held for sale	**0.9**	**1.3**
Cash and cash equivalents	**75.0**	**65.0**
Net financial debt	**93.6**	**150.2**

4.16. Trade payables and other liabilities

(in € millions)	12.31.2011	12.31.2010
Trade payables	**167.7**	**169.8**
Income tax payables	**6.2**	**4.4**
Tax payables	10.7	15.3
Social payables	22.8	23.4
Advances and deposits	0.2	0.2
Debts on fixed assets	0.3	0.7
Other payables	2.6	4.0
Deferred income	0.7	0.4
Other current liabilities	**37.2**	**44.0**
Other noncurrent liabilities	**0.3**	**0.4**

All trade payables and other liabilities have a maturity less than one year. Terms of payment generally granted by suppliers are 30-90 days depending on the country.

4.17. Financial instruments

4.17.1. Financial assets

12.31.2011 *(in € millions)*	Full statement of financial position	Current	Non-current	Breakdown by category of instrument				
				Fair value through profit and loss	Fair value through profit and loss on option	Derivative instruments at their fair value through profit and loss	Securities available for sale	Loans and receivables at their amortized cost
Other financial assets	2.5	-	2.5	-	-	-	-	2.5
Trade receivables	160.6	160.6	-	-	-	-	-	160.6
Other assets	10.8	10.8	-	-	-	-	-	10.8
Derivatives	-	-	-	-	-	-	-	-
Cash and cash equivalents	75.0	75.0	-	75.0	-	-	-	-
Total financial assets	**248.9**	**246.4**	**2.5**	**75.0**	**-**	**-**	**-**	**173.9**

12.31.2010 *(in € millions)*	Full statement of financial position	Current	Non-current	Breakdown by category of instrument				
				Fair value through profit and loss	Fair value through profit and loss on option	Derivative instruments at their fair value through profit and loss	Securities available for sale	Loans and receivables at their amortized cost
Other financial assets	2.7	-	2.7	-	-	-	-	2.7
Trade receivables	189.4	189.4	-	-	-	-	-	189.4
Other assets	12.7	12.7	-	-	-	-	-	12.7
Derivatives	0.1	0.1	-	-	-	0.1	-	-
Cash and cash equivalents	65.0	65.0	-	65.0	-	-	-	-
Total financial assets	**269.9**	**267.2**	**2.7**	**65.0**	**-**	**0.1**	**-**	**204.8**

4.17.1.1. Loans and receivables at their amortized cost

(in € millions)	2011			2010		
	Gross	Impairment	Net	Gross	Impairment	Net
Other financial assets	2.8	0.2	2.5	2.9	0.2	2.7
Trade receivable	179.9	19.3	160.6	210.8	21.4	189.4
Other assets	10.8	-	10.8	12.7	-	12.7
Total loans andreceivables at amortized cost	**193.4**	**19.5**	**173.9**	**226.5**	**21.6**	**204.8**

4.17.1.2. Financial assets measured at fair value through profit or loss

(in € millions)	2011		2010	
	Current	Non-current	Current	Non-current
Derivative financial instruments	-	-	0.1	-
Cash and cash equivalents	75.0	-	65.0	-
Total financial assets measured at fair value through profit or loss	**75.0**	**-**	**65.1**	**-**

The financial derivatives on the asset side of the statement of financial position on December 31, 2011, are presented in Paragraph 4.17.4. The Group does not apply hedging accounting, and recognizes all of the changes in the fair value of hedging instruments through profit or loss. (The change was not material in 2011 for the financial derivatives on the asset side).

4.17.1.3. Fair value of the financial assets

12.31.2011 *(in € millions)*	Quoted price	Model with observable data	Model with observable data	Fair value	Statement of financial position
Other financial assets	-	-	2.5	2.5	2.5
Trade receivables	-	160.6	-	160.6	160.6
Other assets	-	10.8	-	10.8	10.8
Derivatives	-	-	-	-	-
Cash and cash equivalents	75.0	-	-	75.0	75.0
Total financial assets	**75.0**	**171.4**	**2.5**	**248.9**	**248.9**

12.31.2010 *(in € millions)*	Quoted price	Model with observable data	Model with observable data	Fair value	Statement of financial position
Other financial assets	-	-	2.7	2.7	2.7
Trade receivables	-	189.4	-	189.4	189.4
Other assets	-	12.7	-	12.7	12.7
Derivatives	0.1	-	-	0.1	0.1
Cash and cash equivalents	65.0	-	-	65.0	65.0
Total financial assets	**65.1**	**202.1**	**2.7**	**269.9**	**269.9**

4.17.1.4. Changes in impairment of financial assets

(in € millions)	12.31.2010	Change in scope	Impair-ment losses	Foreign exchange difference	Reclas sifications	Net amortization	12.31.2011
Impairment of non current financial assets	0.2	-	-	-	-	-	0.2
Impairment of trade receivables	21.4	-	-	(0.2)	(0.4)	(1.4)	19.3
Total	**21.6**	**-**	**-**	**(0.2)**	**(0.4)**	**(1.4)**	**19.5**

(in € millions)	12.31.2009	IMS Acquisition	Impair-ment losses	Foreign exchange difference	Reclas sifications	Net amortization	12.31.2010
Impairment of noncurrent financial assets	-	0.2	-	-	-	-	0.2
Impairment of trade receivables	0.7	14.6	-	-	-	6.1	21.4
Total	**0.7**	**14.8**	**-**	**-**	**-**	**6.1**	**21.6**

4.17.2. Financial liabilities

12.31.2011 (in € millions)	Full statement of financial position	Current	Non-current	Breakdown by category of instruments			
				Fair value through profit or loss	Fair value through profit or loss on option	Derivative instruments at their fair value by profit or loss	Loans and receivables at their amortized cost
Other long-term liabilities	0.3	-	0.3	-	-	-	0.3
Financial debt	167.7	135.3	32.4	-	-	-	167.7
Trade payables	167.7	167.7	-	-	-	-	167.7
Derivative financial instruments	0.2	0.2	-	-	-	0.2	-
Other liabilities	37.3	37.3	-	-	-	-	37.3
Total financial liabilities	**373.2**	**340.5**	**32.7**	**-**	**-**	**0.2**	**373.0**

12.31.2010 (in € millions)	Full statement of financial position	Current	Non-current	Breakdown by category of instruments			
				Fair value through profit or loss	Fair value through profit or loss on option	Derivative instruments at their fair value by profit or loss	Loans and receivables at their amortized cost
Other long-term liabilities	0.4	-	0.4	-	-	-	0.4
Financial debts	213.9	111.2	102.7	-	-	-	213.9
Trade payables	169.8	169.8	-	-	-	-	169.8
Derivative financial instruments	1.2	1.2	-	-	-	1.2	-
Other liabilities	44.0	44.0	-	-	-	-	44.0
Total financial liabilities	**429.3**	**326.2**	**103.1**	**-**	**-**	**1.2**	**428.1**

Except for financial derivatives, all of the groups' liabilities were assessed at their amortized cost at December 31.

4.17.2.1. Financial debts

The items comprising financial debts are shown in note 4.15.
An analysis of how liquidity risks are managed can be found in note 4.17.3.2.

4.17.2.2. Derivative financial instruments

(in € millions)	2011		2010	
	Current	Non-current	Current	Non-current
Derivative financial instruments	0.2	-	1.2	-
Total	**0.2**	**-**	**1.2**	**-**

The derivatives financial instruments on the liabilities side of the statement of financial position on December 31, 2011 are presented in paragraph 4.17.4. The Group does not apply hedging accounting, rather it recognizes through profit and loss all of the changes in fair value of the hedging instruments. This generated a gain of €0.8 million for financial year 2011.

The analysis of how foreign exchange risks and interest rate risks are managed as well as the characteristics of hedging contracts are shown in notes 4.17.3.2, 4.17.3.3 et 4.17.4.

4.17.2.3. Trade payables and other liabilities

The components of trade payables and other liabilities are analyzed in note 4.16.

4.17.2.4. Fair value of financial liabilities

12.31.2011 (in € millions)	Quoted price	Model with observable data	Model with unobservable data	Fair value	Statement of financial position
Other long-term liabilities	-	0.3	-	0.3	0.3
Financial debt	167.7	-	-	167.7	167.7
Trade payables	-	167.7	-	167.7	167.7
Derivative financial instruments	0.2	-	-	0.2	0.2
Other liabilities	-	37.3	-	37.3	37.3
Total fair value of financial liabilities	**167.9**	**205.3**	**-**	**373.2**	**373.2**

12.31.2010 (in € millions)	Quoted price	Model with observable data	Model with unobservable data	Fair value	Statement of financial position
Other long-term liabilities	-	0.4	-	0.4	0.4
Financial debt	213.9	-	-	213.9	213.9
Trade payables	-	169.8	-	169.8	169.8
Derivative financial instruments	1.2	-	-	1.2	1.2
Other liabilities	-	44.0	-	44.0	44.0
Total fair value of financial liabilities	**215.1**	**214.2**	**-**	**429.3**	**429.3**

4.17.3. Risk management for financial instruments

4.17.3.1. Credit and counterparty risks

Group exposure to credit and counterparty risks primarily concern uninsured trade receivables. The Group does not rely commercially on any of its customers. It should also be noted that the Group does not rely on a specific supplier and subcontracts only occasionally.
All receivables have a maturity less than one year. Payment conditions granted to customers generally range from 30 to 90 days, depending on geographic area.

(in € millions)	12.31.2011	12.31.2010
Receivables not overdue and not impaired	121.8	142.3
Receivables overdue and impaired	22.0	24.5
< 30 days	*1.8*	*3.7*
From 30 to 60 days	*1.0*	*1.4*
From 60 to 90 days	*0.7*	*1.1*
From 90 to 120 days	*1.0*	*1.0*
> 120 days	*17.5*	*17.3*
Receivables overdue but not impaired	36.1	44.0
< 30 days	*30.6*	*36.2*
From 30 to 60 days	*3.7*	*3.6*
From 60 to 90 days	*0.9*	*1.1*
From 90 to 120 days	*0.4*	*0.4*
> 120 days	*0.5*	*2.7*
Total receivables	**179.9**	**210.8**

4.17.3.2. Interest-rate and liquidity risks

Analysis of interest-rate risk to assets
Asset exposure to interest-rate risks concerns principally Group treasury investments. These treasury investments are essentially in low-risk money-market funds.

Analysis of interest-rate risk to liabilities
Liability exposure to interest-rate risk concerns principally Group floating-rate debt, which is partially covered by hedges.

With such hedges in place, the change of +/- 1 point of interest would have an insignificant effect on interest expense of approximately €0.2 million. Without such hedges, the impact would be €1 million.

(in € millions)	12.31.2011	12.31.2010
Floating-rate debt	70.5	133.1
Hedged loans	(60.0)	(110.0)
Unhedged balance	**10.5**	**23.1**

Analysis of liquidity risk

Based on undiscounted contractual cash flows from both principal and interest, the maturity schedule for financial debt is as follows:

12.31.2011 (in € millions)	Financial debts at 12.31.2011	Contractual commitments at 12.31.2011	Maturity < 1 year	Maturity 1 to 5 years	Maturity > 5 years
Long-term financial debt > 1 year	32.4	32.4	-	21.8	10.7
N bank overdrafts	-	-	-	-	-
Long-term financial debt	**32.4**	**32.4**	**-**	**21.8**	**10.7**
Short-term financial debt < 1 year	68.0	72.3	72.3	-	-
Bank overdrafts, factoring, discounts	67.3	67.3	67.3	-	-
Short-term financial debt	**135.3**	**139.6**	**139.6**	**-**	**-**
Total financial debt	**167.7**	**172.1**	**139.6**	**21.8**	**10.7**

Long and short-term financial debts are composed mainly of euro denominated debt. Therefore no exchange rate assumption has been applied.

"Bank overdrafts, factoring, discounts" comprises only the nominal amount.

Financial debt (excluding "Bank overdrafts, factoring, discounts") amount to €100.4 million on December 31, 2011, and are composed by €29.9 million of fixed-rate debt and €70.5 million of floating-rate debt.
Except for the syndicated loan taken out by Jacquet Metal Service S.A, the difference between the contractual commitment and the financial debt is not material. Hence, the contractual commitment corresponds to the debt recorded on the statement of financial position as of December 31, 2011. The future interest was computed based on the following rates:

- unhedged portion: 3-month Euribor plus spread variable contractual rate i.e., a 1.39% rate to which the real spread was added;
- part covered by a swap agreement: the fixed rate chosen was 4.13%;
- part covered by cap agreements: the fixed rate chosen was 2%.

Some loans are subject to covenants presented in paragraph 5.4.

Derivative financial instruments liabilities held are measured at fair value (paragraph 4.17.2.2).
The Group conducted a special review of its liquidity risk and considers that it will be able to meet all future maturities. As of December 31, 2011:

- the Group's cash and cash equivalents amounted to €75 million, including €33.1 million from Jacquet Metal Service S.A.;
- Jacquet Metal Service S.A. has an unused revolving credit facility of €50 million and other lines of credit;
- the subsidiaries have €69,8 million of unused lines of credit.

The amount of lines of credit is presented in paragraph 5.3.

4.17.3.3. Foreign-exchange risk

Because of the group's geographical location, subsidiaries carry out most of their raw-materials purchases in euros. Foreign-exchange risk is thus chiefly a concern for British, Swedish, Swiss, Polish, American, and Chinese subsidiaries for purchases made in euros, all other flows being denominated in the functional currency of each subsidiary. American and Chinese subsidiaries use their local currency to obtain most of their supplies.
Jacquet Metal Service S.A is exposed to currency risk when it accords cash advances in local currency to subsidiaries outside the euro zone.

As a result, with the majority of its subsidiaries mostly selling to their own country in the euro zone, the Group incurs a limited foreign exchange risk that can be controlled.

The financial management team analyzes foreign-exchange positions every month, by currency and by subsidiary, and then defines and implements the necessary hedges. The hedging instrument most frequently employed is the forward purchase or sale of currencies.

At December 31, 2011, the Group's currency positions were as follows:

At December 31, 2011 (in € millions)	**CHF**	**CNY**	**CZK**	**DKK**	**GBP**	**HUF**	**LTL**	**LVL**	**PLN**	**SEK**	**TRY**	**USD**	**Total**
Assets excluding tangible and intangible fixed assets	2.7	3.2	10.3	-	7.5	7.6	1.7	-	16.8	9.4	7.8	17.0	84.0
Liabilities excluding shareholders' equity	5.0	2.0	7.3	-	3.7	4.8	2.3	0.3	11.5	5.1	7.9	34.8	84.7
Net exposure before management	**(2.3)**	**1.2**	**2.9**	**-**	**3.8**	**2.7**	**(0.6)**	**(0.3)**	**5.4**	**4.3**	**(0.1)**	**(17.7)**	**(0.8)**
Off-balance-sheet position	-	-	-	-	-	-	-	-	-	-	-	-	-
Net exposure after management	**(2.3)**	**1.2**	**2.9**	**-**	**3.8**	**2.7**	**(0.6)**	**(0.3)**	**5.4**	**4.3**	**(0.1)**	**(17.7)**	**(0.8)**

Except for the nonmaturing-debt financing (zloty, Turkish pound and US dollar) presented in paragraph 4.11.3, the subsidiaries have no significant unhedged currency positions.

In 2011, a change of 10% in the exchange rate represented a cumulative impact of €0,1 million on the net exposure after management.

4.17.3.4. Other risks

The other risks identified by the group are shown in section 1.8 of the management report - information on the Group.

4.17.4. Hedging derivatives

These instruments have been valued on the basis of expected interest rates and exchange rates through net financial expenses:

(in € millions)	12.31.2010	Change in consolidation scope	Increase	Decrease	12.31.2011
Derivatives – interest rate [1]	1.1	-	-	(0.9)	0.2
Derivatives – foreign exchange	0.1	-	-	(0.1)	-
Total derivatives – liabilities	**1.2**	**-**	**-**	**(1.0)**	**0.2**
Derivatives – interest rate [1]	0.1	-	-	(0.1)	-
Derivatives – foreign exchange	-	-	-	-	-
Total derivatives – assets	**0.1**	**-**	**-**	**(0.1)**	**-**

[1] *Five interest rate hedging instruments at Jacquet Metal Service S.A. whose characteristics are presented below.*

At December 31, 2011, the interest-rate derivative instruments used by Jacquet Metal Service S.A. were the following:

Type of contract *(in € millions)*	Debt at 12.31.2011	Amount hedged at 12.31.2011	Rate	Market value	Duration
Floating-for-fixed swap + Euribor three months		8.0	*4.13%*	(0.1)	from 05/08/2007 to 02/08/2012
Collar		20.0	*Floor rate: 4.23%* *Cap rate: 4.55%*	0.1	from 05/08/2007 to 02/08/2012
Cap	60.0	15.5	*2%*	-	from 12/31/2010 to 12/31/2012
Cap		11.6	*2%*	-	from 12/31/2010 to 12/31/2012
Cap		11.6	*2%*	-	from 12/31/2010 to 12/31/2012
Total	**60.0**	**66.7**		**0.1**	

A detailed analysis of the foreign exchange, interest rate and liquidity risks appears in note 4.17.3.2.

5. Off-balance-sheet commitments

The group's financial management at each subsidiary conducts a detailed review of the commitments to ensure that they are listed correctly.
The commitments received and given set forth below are shown based on the principle remaining due on the debts to which they are given.

5.1. Summary of the commitments given or received

The off-balance-sheet commitments break down as follows:

(in € millions)	12.31.2011	12.31.2010	Maturity		
			< 1 year	1 to 5 years	> 5 years
Commitments received for financing transactions (guarantees)	**-**	**0.7**	**-**	**-**	**-**
Commitments given	**86.0**	**54.3**	**48.7**	**7.2**	**30.1**
Supplier guarantee	19.2	13.7	19.2	-	-
Bank guarantees	18.8	19.8	12.4	2.6	3.7
Documentary credit / letter of credit / SBLC	21.5	4.1	5.5	-	15.9
Comfort letter	6.1	2.0	3.0	1.3	1.8
Mortgages	4.7	2.6	0.8	0.8	3.1
Pledges	1.9	1.4	1.8	-	0.1
Sureties on WCR	8.5	9.3	5.7	0.3	2.5
Guarantees	5.4	1.5	0.2	2.2	2.9

In addition to the items mentioned below, the shares of Stappert Spezial-Stahl, held by Jacquet Metal Service S.A., were pledged in September 2010 during the setting up a new syndicated loan of €110 million.

The main pledges and mortgages given appear below:

(in € millions)	Collateralized assets on 12.31.2011	Starting date	Maturity	Total statement of financial position at 12.31.2011		Collateralized assets as % of statement of financial position item
Mortgages on land or buildings						
JACFRIESLAND	0.8	07.01.2005	10.01.2015	2.4	(1)	34%
JACQUET Finland	0.8	02.03.2006	02.03.2013	1.0	(1)	80%
JACQUET Metallsevice	1.0	10.01.2007	09.30.2017	1.6	(1)	61%
JACQUET Osiro	2.1	06.01.2011	03.01.2021	3.5	(1)	58%
JACQUET Osiro		03.01.2011	03.01.2017			
Collateralized business assets						
JACQUET Finland	-	01.16.2007	01.16.2012	N/A		N/A
Collateralized plant and equipment						
JACQUET Metallsevice	0.1	10.01.2007	09.30.2017	0.8	(1)	10%
Collateralized open ended mutual funds						
SICAV JMS SA given as overdraft coverage for JACQUET Shanghai	1.8	11.30.2011	12.30.2012	2.3	(1)	77%
Total	**6.5**					

(1) Gross value of the balance-sheet item in the parent-company financial statements.

(2) Corresponds to the share in the net position of the subsidiary held.

5.2. Contractual obligations

(in € millions) 2011	Total	Payments due over the period < 1 year	1 to 5 years	> 5 years
Obligations involving financial leases (1)	18.2	2.8	8.0	7.4
Discounted value of the obligations involving financial leases (2)	14.9	2.6	6.9	5.4
Operating lease contracts (3)	60.8	14.7	40.3	5.8
Irrevocable purchase obligations	-	-	-	-

(in € millions) 2010	Total	Payments due over the period < 1 year	1 to 5 years	< 1 year
Obligations involving financial leases (1)	18.1	2.5	6.8	8.8
Discounted value of the obligations involving financial leases (2)	13.6	2.4	6.0	5.2
Operating lease contracts (3)	56.5	22.9	27.4	6.2
Irrevocable purchase obligations	4.8	4.8	-	-

(1) This represents the total minimal future payments under financial leasing contracts. As of December 31, there was no subleasing agreement under the financial leasing contracts.

(2) The commitment reflects the discounted value of the minimal future payments under financial leasing contracts.

(3) The commitment reflects total minimal future payments under non-rescindable operating leasing agreements.

5.3. Lines of credit

The amount of lines of credit breaks down as follows:

(in € millions)	2011			2010		
	Amounts granted	Amounts used	Amounts available	Amounts granted	Amounts used	Amounts available
Jacquet Metal Service S.A. financing	**135.0**	**72.8**	**62.2**	**169.0**	**126.3**	**42.7**
syndicated fixed-term loan	*60.0*	*60.0*	*-*	*110.0*	*110.0*	*-*
syndicated revolving credit	*50.0*	*-*	*50.0*	*50.0*	*14.0*	*36.0*
lines of credit / facilities	*25.0*	*12.8*	*12.2*	*9.0*	*2.3*	*6.7*
Subsidiaries financing	**165.6**	**95.8**	**69.8**	**166.1**	**172.8**	**168.4**
Total	**300.6**	**168.6**	**132.0**	**335.1**	**299.1**	**211.1**

5.4. Bank covenants

The obligations attached to financing involve mainly the syndicated loan used for €60 million at December 31, 2011. These obligations are shown below and consist of commitments to be honored at the group level:

- December 31, 2011: leverage (net debt over EBITDA) less than 3.0 or net debt below €160 million and investment costs below or equal to €18 million;
- June 30, 2012: leverage less than 2.5 or net debt below €130 million;
- December 31, 2012: leverage less than 2.0 or net debt below €100 million and investment costs below or equal to €22 million;
- June 30, 2013: leverage less than 2.0 or net debt below €70 million;
- December 31, 2013: leverage less than 2.0 or net debt below €70 million and investment costs below or equal to €20 million;
- the gearing ratio must be below 1 at all times;
- there is a shareholders' clause stipulates that JSA must hold enough IMS shares to represent at least 40% of the capital stock and voting rights.

As of December 31, 2011, all obligations related to financing were respected:

- net debt: €93.6 million
- leverage: 1.49 (12-month moving EBITDA: €62.8 million)
- capital expenditure: €10 million
- gearing: 33.6%
- JSA owns 40.16% of the share capital and 45.24% of the voting rights of Jacquet Metal Service S.A.

Stappert bank borrowings (€5.6 million at December 31, 2011) are also bound to the shareholders' equity ratio (shareholders’ equity divided by total assets), which must remain above 27.5%. This covenant was respected at December 31, 2011. Dividend payments to third parties are restricted to one-third of annual earnings and 50% of the cash flow generated during the reporting period.

5.5. Individual right to training (DIF)

The French subsidiaries have a total of 46,527 hours of individual right to training. Since the group does not have the necessary statistical elements, it cannot reliably assign a figure to the future use that will be made of this right for the employees. As a consequence, the group did not record any charge for this commitment in the 2011 financial statements.

6. Information on related parties

The related parties were defined as being the directors and corporate officers of the parent company Jacquet Metal Service S.A. Managers of subsidiaries have not been considered as related parties in so far as their responsibility is limited to a fraction of income or assets of the Group (subsidiaries and/or product lines).

Compensation of the directors and corporate officers; compensation for revoking or not renewing one's term in office; options to subscribe or purchase stock, performance shares and bonus shares; other benefits

The total amount of compensation and benefits of any type paid to the directors and corporate officers is detailed in paragraph 3.3.
The personal detail of these compensations and benefits is shown in paragraph 2.13 of the management report under parent company information.

Assets belonging directly or indirectly to Mr. Eric Jacquet which are operated as part of the group's Business

(in € thousands)	Sites	2011 rentals before tax	2010 rentals before tax	Tenants
JERIC SARL	Saint Priest (69)	400	388	Jacquet Metal Service SA
	Villepinte (93)	114	114	Jacquet Metal Service SA
SCI Migennes	Migennes (89)	203	203	Jacquet Metal Service SA
SCI Rogna Boue	Grésy sur Aix (73)	121	120	Détail Inox

7. Consolidated cash flow statement

The consolidated cash flow statement is presented in net value after clearing translation adjustments and changes in consolidated scope.

The timing differences between the financial expenses recorded for the period and the expenses paid out are taken into account in the cash flow statement but remain insignificant.

Detail of cash flows from operating

(in € millions)	12.31.2010	Change in scope of consolidation	Change in WCR	Other	Foreign exchange differences	12.31.2011
Inventories and work in progress	249.8	(5.7)	15.5	0.0	(1.3)	258.3
Trade receivables	189.4	(3.7)	(24.4)	0.4	(1.2)	160.6
Trade payables	(169.8)	2.2	(0.4)	(0.6)	1.0	(167.7)
Operating WCR	**269.4**	**(7.2)**	**(9.3)**	**(0.1)**	**(1.5)**	**251.2**
Other assets	12.7	(0.3)	(1.5)	(0.0)	(0.1)	10.8
Other liabilities	(44.0)	1.0	5.0	0.1	0.7	(37.2)
Total WCR excluding corporate tax and financial elements	**238.0**	**(6.5)**	**(5.8)**	**0.0**	**(0.9)**	**224.8**

Changes in consolidation scope are attributable mainly to the disposals of Euralliage and the aluminum and nonferrous-metals businesses of IMS France on February 28, 2011, and to the sale of Produr on December 29, 2011.

Detail of investing activities

Capital expenditures are described in parts 4.2 and 4.3 of the appendix.

Detail of financial transactions

The group did not pay any dividend in 2011. The new loans and repayments on borrowings reflect the movements identified in paragraph 4.15 on financial debt.

8. Statutory auditors' fees

The statutory auditors' fees amounted to €1,106,000 in 2011 and break down as follows:

(in € thousands)	*Ernst & Young*		*Bellot Mullenbach & Associés*		*Deloitte*		*Segeco (ex-Pin)*		*Others*		*Total*	
	2011	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**
Audit												
Statutory Auditors, audit of individual and consolidated statements												
- Issuer	175	186	155	165	-	-	-	-	-	-	330	351
- Fully consolidated subsidiaries	471	389	58	70	97	160	59	72	52	70	737	761
Other verifications and services directly linked to the engagement												
- Issuer	-	80	-	27	-	60	-	25	-	-	-	192
- Fully consolidated subsidiaries	-	-	-	-		-	-	-	-	-	-	-
Sub-total	**646**	**655**	**213**	**262**	**97**	**220**	**59**	**97**	**52**	**70**	**1,067**	**1,304**
	100%	*100%*	*100%*	*100%*	*71%*	*84%*	*100%*	*100%*	*100%*	*100%*	*96%*	*97%*
Other services provided by the networks to fully consolidated subsidiaries												
- Legal, fiscal and corporate	-	-	-	-	-	-	-	-	-	-	-	-
- Others	-	-	-	-	40	42	-	-	-	-	40	42
Subtotal	**-**	**-**	**-**	**-**	**40**	**42**	**-**	**-**	**-**	**-**	**40**	**42**
	0%	*0%*	*0%*	*0%*	*29%*	*16%*	*0%*	*0%*	*0%*	*0%*	*4%*	*3%*
Total	**646**	**655**	**213**	**262**	**137**	**262**	**59**	**97**	**52**	**70**	**1,106**	**1,346**

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Auditing services are provided to foreign subsidiaries by local auditors who, for the most part, are affiliated with the group's statutory auditors' networks. Deloitte served as Group actuary for a part of social commitments for financial-year 2011.

9. Events occurring after the end of the year

None.

4. STATUORY AUDITORS' REPORT ON CONSOLIDATED RESULTS FOR 2011

(Free translation of a French language original)

To the Shareholders,

In compliance with the assignment has been entrusted to us by your General Meetings, we hereby report to you, for the year ended 31 December 2011, on:

- the audit of the accompanying consolidated financial statements of Jacquet Metal Service; as attached to this report;
- the substantiation of our observations;
- the specific verification as required by law.

These consolidated financial statements have been approved by the Board of Directors. It is our responsibility, on the basis of our audit, to express an opinion on these consolidated financial statements.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements contains no material misstatements. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We certify that, according to the IFRS adopted by the European Union, the consolidated financial statements are proper and in good faith and give a true and fair view of the assets and liabilities, balance sheet and earnings of the grouping of companies included within the consolidation.

II. Justification of our assessments

Pursuant to article L. 823-9 of the commercial code relating to explaining our assessments, we draw your attention to the following items:

For accounts closing, the group Jacquet Metal Service is led to make estimates and assumptions that affect the particular value of certain assets, liabilities, revenues and expenses. The following positions of the financial statements have been evaluated based on these estimates and assumptions:

- Goodwill (notes 2.9 and 4.1)
- Deferred taxes asset (notes 2.22 and 4.14)
- Inventories and work in progress (notes 2.15 and 4.5)

For the above mentioned items, we verified the appropriate nature of the accounting rules and methods applied and the information contained in these notes. We examined the consistency of assumptions, the quantification of these and the available documentation and we proceeded on that basis and we assessed the reasonableness of the estimates underlying the evaluations chosen.

For all the elements listed above, we verified the appropriateness of rules and accounting policies, in assessing the reasonableness of the estimates made.
The assessments which result from this are part of our work of auditing the consolidated financial statements taken as a whole, and thus contributed to forming our opinion expressed in the first part of this report.

III. Specific verification

We also did a special verification as stipulated by the law of the information about the group given in the management report, in accordance with the standards for the profession as exercised in France.

We have no observation to make their fairness and their consistency with the consolidated financial statements.

Paris et Lyon, March 22, 2012

The statutory auditors

BELLOT MULLENBACH & ASSOCIES	ERNST & YOUNG et Autres
Eric Seyvos	Lionel Denjean

5. FINANCIAL STATEMENTS 2011– JACQUET METAL SERVICE S.A

STATEMENT OF COMPREHENSIVE INCOME

(in € thousands)	Notes	2011	2010
Sales	**4.1**	**18,131**	**15,398**
Reversals of depreciation, amortization, and provisions	4.3	491	873
Other income	4.2	3,377	1,221
Transfer of charges		111	1,030
Total revenues		**22,109**	**18,522**
Purchases and external costs	4.4	8,432	16, 998
Taxes, duties, and related payments	4.4	500	648
Wages and salaries	4.4	2,672	8,911
Social-security costs	4.4	1,948	2,517
Depreciation, amortization, and provisions	4.4	1,057	2,964
Other costs	4.4	226	241
Total operating expenses		**14,836**	**32,277**
Operating income		**7,273**	**(13,756)**
Financial revenues	4.5	17,695	97,731
Financial expenses	4.5	7,956	67,134
Net financial profit		**9,738**	**30,597**
Pretax profit before extraordinary items		**17,012**	**16,841**
Extraordinary income	4.6	22,854	50,205
Extraordinary expenses	4.6	35,865	59,534
Extraordinary profit		**(13,012)**	**(9,329)**
Income tax	4.7, 4.8, 4.9	859	(1,773)
Net profit for the financial year		**3,141**	**9,285**

The notes constitute an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION AT DECEMBER 31

Assets *(in € thousands)*	Notes	12.31.2011 Net	12.31.2010 Net
Intangible fixed assets	5.1	625	896
Property, plant, and equipment	5.1	1,156	1,155
Long-term financial assets	5.1, 5.2, 5.3 and 5.6	210,452	265,361
Fixed assets		**212,234**	**267,412**
Advances and deposits paid	5.3	-	-
Trade receivables	5.3 and 5.6	6,118	7,714
Other receivables	5.3 and 5.6	77,824	66,938
Cash and cash equivalents	5.4 and 5.2	33,068	17,808
Current assets		**117,010**	**92,460**
Accruals	5.3 and 5.5	850	1,520
Assets		**330,094**	**361,391**

Liabilities *(in € thousands)*	Notes	12.31.2011	12.31.2010
Shareholders' equity	**6.1 and 6.3**	**195,703**	**192,752**
Provisions for liabilities and charges	**6.4**	**3,709**	**4,330**
Loans and debt from banking institutions	6.5	60,000	125,919
Bank overdrafts	6.5	7,768	417
Other borrowings and financial debt	6.5	50,805	26,481
Financial debt		**118,573**	**152,817**
Trade payables	6.5	3,339	4,085
Tax and social-security liabilities	6.5	3,485	4,341
Operating payables		**6,824**	**8,425**
Fixed-asset liabilities and related	6.5	49	69
Income tax	6.5	633	-
Other debt	6.5	2,580	1,763
Other debt		**3,262**	**1,832**
Total debts		**128,658**	**163,075**
Accruals	6.6	2,023	1,234
Liabilities		**330,094**	**361,391**

The notes constitute an integral part of the financial statements.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

1. Highlights

At the shareholders' meeting of June 30, 2011, in Saint Priest, the shareholders approved a new corporate name for IMS S.A. reflecting the history of JACQUET Metals and International Metal Service: JACQUET METAL SERVICE S.A.

In 2011, the following legal operations were undertaken by Jacquet Metal Service S.A.:

- sale of Euralliage to a third party;
- contribution to wholly owned subsidiary JACQUET Holding of securities of the following subsidiaries: Erdbrügger Metallservice, JACQUET Berlin, JACQUET Iberica, JACQUET Italtaglio, JACQUET Nordpol, JACQUET Portugal, JACQUET UK, JACQUET Mid Atlantic and indirectly JACQUET Houston, JACQUET Midwest, JACQUET West,JACQUET Southeast;
- sale of Intramet, Trinox and Noxon to Stappert, 100% owned subsidiary;
- capital increase for TRD Inox by Stappert. After completion of the operation, Stappert (subsidiary of Jacquet Metal Service S.A.) owned 54% of TRD Inox, and Jacquet Metal Service S.A. owned the remaining 46%.

2. Accounting rules and methods

Generally applied principles

Summary financial statements for the Company have been drawn up according to the standards, principles, and methods of the French Commercial Code and General accounting plan and in accordance with decree n° 83-1020 of November 29, 1983.

The historical cost convention is used as the basic valuation method for items recorded in these accounts.

The notes to the statement of financial position and statement of comprehensive income, along with the tables presented, form an integral part of the accounts for the year.

The financial year to December 31, 2011, was a period of 12 months.

Estimates

Preparation of financial statements implies the use of assumptions and estimates that have an effect on the amounts of the items presented as assets and liabilities on the statement of financial position, as well as the amounts presented as income and expenses for the financial year. Management constantly reviews these estimates and appraisals based on past experience and various other factors deemed to be reasonable. These estimates constitute the basis for its assessments of the book value of assets and liabilities. The actual results could differ considerably from the estimates based on different assumptions or conditions.
The main estimates made by management when preparing the financial statements affect primarily:

- the impairment tests for equity investments. The valuation method used is based on the discounted cash flow model coming from internal five-year plans, the Group operating in a cyclical environment whose cycle time is generally 5 years;
- pension liabilities that are valued according to statistical actuarial assumptions;
- provisions for contingencies and liabilities are measured in order to reflect the best estimate of risks at the end of the reporting period;
- accrued expenses result mainly from services performed for an amount known prior to delivery and for which the invoice has not been received.

Property, plant, and equipment (PP&E) and intangible fixed assets

PP&E and intangible fixed assets are valued at their historical acquisition price, consisting of:

- the purchase price, including customs duties and other unrecoverable taxes;
- all expenses directly engaged for making the asset operational for the purposes of its planned use;
- all trade discounts and rebates deducted in calculating the purchase price.

Assets are recognized separately if their components have different useful lives or if they benefit the Company at different rhythms that require the use of different depreciation/amortization rates and methods.

Amortization and depreciation are calculated on a straight-line basis over the likely useful life of the asset. The main methods and useful lives for depreciation and amortization are the following:

- Software	Straight line – 1 to 10 years
- Land	Not depreciated
- Fittings, facilities	Straight line – 3 to 10 years
- Vehicles, office equipment, IT equipment, and furniture	Straight line – 1 to 10 years

The Company makes use of its assets for as long as possible and disposes of fixed assets only rarely. Jacquet Metal Service S.A therefore employs its assets over their useful lives, without taking into consideration their residual values.

In addition, where possible, the Company has chosen to use of the sliding scale depreciation method. This tax treatment, which is reserved for certain categories of assets, makes it possible to noticeably increase the amount of tax deductions made during the first few years that the asset is used. From an accounting standpoint, the share of allocations that exceeds the straight-line depreciation is noted in a provision account for excess depreciation in shareholders' equity under the category "regulatory provisions."

Tests for impairment of depreciable/amortizable assets

When events or new situations indicate that the book value of certain PP&E and intangible fixed assets may not be recoverable, this value is compared with the recoverable value, which is estimated on the basis of the value in use (calculated as the total estimated discounted cash flows expected to arise from continuing use of the assets and their eventual disposal) when fair value cannot be estimated reliably. If the recoverable value is lower than the net book value of the assets, the latter are depreciated to the recoverable value (defined as fair value or value in use, whichever is higher) through recognition of impairment of the asset in operating profit. The asset's new value is amortized on the basis of the estimated useful life of the asset.

Financial assets

The gross value of equity shares corresponds to the historical acquisition cost of the shares and other acquisition costs, i.e., all expenses directly attributable to the acquisition of the shares, except for borrowing costs.
Fair-value measurement of shares of listed companies is carried out by comparing the historical acquisition cost of the shares (book value) to their recoverable value, calculated on the basis of the average share price in the month preceding the closing. Impairment is recognized if the recoverable value of the shares is less than their book value.
Fair-value measurement of shareholdings in unlisted companies is carried out on the basis of expected forecasted cash flow increased by the company's residual value, and, more specifically, according to the following elements:

Forecasted cash flow is determined on the basis of projections made by Group management for the five years after the date on which the valuation was performed, taking into account an assessment of the economic conditions expected to prevail during the useful life of the assets.
The methodology is based on internal plans for five years, the Group operating in a cyclical environment whose cycle time is usually 5 years, and reflects the time horizons over which these taxes can be recovered in accordance with legislations effective on the date of closing. The future cash flows are calculated using operating income from projected budgets, adjusted for the change in net working capital, depreciation and capital expenditure, before impact of financial and after taking into account tax results. The future cash flows are discounted using the average cost of funding the group. The residual value is the discounted cash flow to infinity, this value being increased by available cash and reduced by the borrowings.
Even in the absence of an indication of impairment, an impairment test on the evaluation of the value of equities is performed annually at the year end to see if the recoverable amount of the securities is not less than their book value. If the carrying value of securities exceeds the amount the greater their value in use and net selling price in advance, an impairment loss for the difference is recorded.

Other long-term financial assets

Other long-term financial assets correspond primarily to unallocated treasury shares and to payment of guarantees, which are provisioned whenever the debtor's financial position reveals that reimbursement is highly unlikely.
Treasury shares are recorded at purchase cost. Impairment is recognized whenever the value of the treasury shares, as determined by the average stock price in the month preceding the end of the financial year, is less than the carrying amount. Disposals are valued at the weighted average cost per unit.
In accordance with National Accounting Board (Conseil National de la Comptabilite, CNC) Notice 2008-17 of November 6, 2008, shares allocated to bonus-share and stock-option plans are not impaired on the basis of market value, because of the commitment to allocate shares to employees and the provision recognized as a liability under employee payables. They are recorded as assets under cash and cash equivalents.

Receivables and debts

Receivables are valued at their nominal value. Trade receivables may, as appropriate, be impaired. Depreciation is booked when there is a risk of nonrecovery. The carrying amount of individual receivables is assessed on the basis of this risk.

Marketable securities

Marketable securities are stated at cost, with a provision for impairment if their market value is less than their book value.

Foreign-currency transactions

Foreign-currency transactions during the financial year are translated at the euro exchange rate prevailing on the transaction date. Debts, receivables, and cash in foreign currencies outside the Euro area are translated on the statement of financial position at their current rate at closing date. Differences arising on translation of debts and receivables in foreign currencies are recognized under “Foreign exchange differences”.
Underlying foreign exchange losses are fully provisioned.

Pension provisions

The Company records provisions for pension benefits, other post-retirement benefits, and long-service awards.
The allowances and reversals are recognized in operating income.
Provisions are computed by independent actuaries.
Rights to retirement allowances (*IDR*) are set out in the metal industry’s collective-bargaining agreement.

Pension provisions are measured annually on the basis of Company-specific factors and on changes in external factors as follows:

	2011	2010
Demographic assumptions		
Mortality table	INSEE TV/TD 2007-2009	INSEE TV/TD 2004-2006
Minimum age at beginning of career	22 for managers and 20 for non-managers	22 for managers and 20 for non-managers
Retirement age	65	65
Retirement procedures	67% retire by choice at 62 and 33% are made redundant at 60	67% retire by choice at 62 and 33% are made redundant at 60
Underlying financial assumptions		
Discount rate		
- Central pension scheme	*4.50%*	*4.50%*
- Other schemes	*4.30%*	*4.50%*
Inflation rate	*2.00%*	*2.00%*
Wage-increase rates	*0.39% to 4.69% depending on SPC[(1)], schemes and age*	*0.39% to 4.69% depending on SPC[(1)], schemes and age*
Rates of social-security charges	*50%*	*50%*
Returns on financial assets	*4.30%*	*4.50%*

[(1)] *Socio-professional categories.*

Derivative instruments

The Company manages some of its financial risks using derivative instruments known as hedging instruments. The Company primarily uses CAP rate agreements to manage rate risks related to its financing requirements. In accordance with French accounting principles, the par values of derivatives are not recorded in the accounts.

The impact of hedging instruments is recorded as a debit and credit entry offsetting the flows of the underlying hedged item in the statement of comprehensive income.

3. Post-balance-sheet events

None.

4. Notes to the statement of comprehensive income

4.1. Breakdown of sales

(in € thousands)		2011		2010
France	3,799	21%	3,494	23%
Export	14,331	79%	11,905	77%
Total	**18,131**	**100%**	**15,398**	**100%**

Sales include services invoiced to subsidiaries. The services billed are essentially management and IT fees. Sales are related directly to the Group's activity.

4.2. Other operating revenue

(in € thousands)	2011	2010
Rents	852	835
Revenue from related activities	2,524	386
Total	**3,377**	**1,221**

JERIC, property company owned by Mr. Eric Jacquet, invoices Jacquet Metal Service S.A. for the rents of certain French subsidiaries of the Group. These rents are passed on in their entirety by Jacquet Metal Service S.A. and therefore have no impact on earnings.
Revenue from related activities corresponds mainly to personnel expenses that are passed on to certain Group subsidiaries.

4.3. Reversals of provisions

Reversals of provisions amounted to €0.5 million for the 2011 financial year, including €0.3 million for the reversal of a pension provision.

4.4 Operating profit

The operating profit for the financial year ended December 31, 2011, amounts to €7.3 million, compared with a loss of €-13.8 million in 2010. Results for 2010 included €14.6 million in nonrecurring items and therefore cannot be compared directly with results for 2011.

4.5. Financial income

(in € thousands)	2011	2010
Subsidiary dividends	11,791	70,772
Investment income [1]	4,891	3,845
Reversal of provisions [3]	173	21,935
Other	840	1,179
Financial revenue	**17,695**	**97,731**
Interest income and related [2]	6,063	8,871
Foreign exchange differences gain/losses	511	1,353
Additions to provisions [3]	1,383	56,910
Financial expenses	**7,956**	**67,134**
Financial income	**9,738**	**30,597**

[1] *Including loans to subsidiaries and cashpool interest of €4,887,000, compared with €3,842,000 in 2010.*

[2] *Including interest from interest-rate swaps.*

[3] *See note 5.2 on provisions for impairment of financial assets.*

4.6. Extraordinary profit

(in € thousands)	2011	2010
Gain on asset disposals	20	9
Sale of securities	21,773	49,656
Other extraordinary income	1,061	540
Extraordinary income	**22,854**	**50,205**
Book value of disposed assets	45	7
Book value of securities sold	35,198	58,215
Other extraordinary expenses	622	1,312
Extraordinary expenses	**35,865**	**59,534**
Extraordinary profit	**(13,012)**	**(9,329)**

The extraordinary loss of €13 million is mainly due to a less capital gain realized on the security transfer of shares of Noxon, Intramet and Trinox to Stappert.

4.7. Corporate income tax

The Company has opted for the tax regime applicable to corporate groups, of which it is the Group's lead company.

At December 31, 2011, the consolidation scope comprised the following companies: IMS France, Calibracier, TRD Inox, JACQUET, JACQUET Paris, France Inox, Détail Inox, Quarto Europe, JACQUET Lyon, JACQUET Export, FFF Holding, JSP, Jestion, JACQUET Holding, OSS SARL, Abraservice Holding, Abraservice France, IMS group Holding and Metals Immo. The system for consolidation was extended for five years as from the 2010 fiscal year.

The Group's parent company, Jacquet Metal Service S.A., is alone accountable with regard to the national treasury for income tax payable by all French companies of the Group. The following key provisions were enacted for the tax accounting required by this specific regime:

- each consolidated subsidiary, while not required to pay tax to the national treasury, must nonetheless calculate what it would owe under ordinary procedures and pay that amount to Jacquet Metal Service S.A.;
- any tax decrease at the Group-declaration level arising from the recognition of a loss from a loss-making company constitutes a gain that remains an asset of the loss-making subsidiary;
- tax savings made by the Group that are not related to deficits (corrections, tax credits and tax assets from loss-making companies) are retained by the parent company and are recognized in profit or loss.

In the event that a subsidiary leaves the tax-consolidation group, the Company must pay it an indemnity in compensation for any harm suffered, corresponding to the tax that it will have to pay because it will be unable to record against its own taxable income the deficits and capital losses recognized during the consolidation period and transferred to the tax group.
The Company will pay this indemnity progressively, as the harm to the subsidiary is recognized.
However, these provisions do not apply in the event that the subsidiary's departure from the tax group is the consequence of the Company's direct or indirect loss of majority control of the subsidiary.

Carry-back

In accordance with the option provided by Article 220 quinquiès of the General Tax Code, the Company opted to carry back part of the Group's deficit for the financial year, thus giving rise to a total claim on the public treasury of €3.3 million (including €1.1 million attributable to IMS for its financial year ended December 31, 2009, and €2.2 million attributable to JACQUET Metals for its financial year ended December 31, 2009). This receivable is repayable at the end of the five-year period (see section 5.3) if it is not used during that period for payment of Group income tax. The receivable has not been assigned as a guarantee or discounted with any banking institution.

Breakdown of corporate income tax

(in € thousands) Type of income	2011 Profit before corporate income tax	Corporate income tax before tax integration	Net gain/loss from tax integration	Profit after corporate income tax	2010 Profit after corporate income tax
Pretax profit	17,012	1,923	-	15,089	16,841
Extraordinary profit	(13,012)	138	-	(13,149)	(9,329)
Employee profit sharing	-	-	-	-	-
Carry back	-	(1,370)	-	1,370	-
Tax assets	-	(64)	-	64	-
Impact of corporate income tax on subsidiaries	-	198	34	(232)	1,773
Total	**4,000**	**825**	**34**	**3,141**	**9,285**

4.8. Deferred or unrealized tax position

(in € thousands)	Base amount 12.31.2011	Amount of future tax credit 12.31.2011	12.31.2010
Accruals of deferred taxes (liability)			
Timing differences with tax liability at common law rate	-	-	-
Accelerated depreciation	860	287	350
Deferred tax liability (future debt)	**860**	**287**	**350**
Deferred tax relief (asset)			
Timing differences with tax liability at common law rate	6,767	2,256	20,037
Deficits carried forward for tax purposes	9,956	3,318	3,318
Use of loss carryforward	(4,110)	(1,370)	-
Deferred tax assets (future credit)	**12,613**	**4,204**	**23,355**
Net balance future tax relief/(accruals)	**11,753**	**3,917**	**23,005**

Unrealized tax accruals and relief have been calculated at a tax rate of 33.33%. These deferred taxes are not recorded in the statutory company accounts.

4.9. Impact of derogatory tax assessments

(in € thousands)	2011	2010
Net income for the year	3,141	9,285
Income tax	859	(1,773)
Pretax profit	4,000	7,512
Change in accelerated depreciation	(190)	(55)
Pretax profit excluding derogatory tax assessments	**3,810**	**7,457**

5. Notes to the statement of financial position - Assets

5.1. Changes in fixed assets

Gross value *(in € thousands)*	12.31.2010	Increases	Decreases	12.31.2011
Intangible fixed assets	**13,641**	**238**	**(534)**	**13,345**
Tangible fixed assets	**4,139**	**386**	**(858)**	**3,667**
Equity investments	256,010	-	(78,535)	177,475
Receivables on equity investments	57,504	8,960	(24,709)	41,755
Treasury shares	7,677	6,696	(9,135)	5,237
Loans and other long-term financial assets	466	9	(128)	347
Financial assets	**321,657**	**15,665**	**(112,507)**	**224,815**
Total gross value	**339,438**	**16,289**	**(113,899)**	**241,827**

Amortization *(in € thousands)*	12.31.2010	Increases	Decreases	12.31.2011
Intangible fixed assets	**12,745**	**464**	**(489)**	**12,720**
Tangible fixed assets	**2,984**	**385**	**(858)**	**2,511**
Equity investments	55,628	-	(43,275)	12,353
Receivables on equity investments	-	-	-	-
Treasury shares	669	1,352	(12)	2,009
Loans and other long-term financial assets	-	-	-	-
Financial assets	**56,296**	**1,352**	**(43,287)**	**14,361**
Total depreciation, amortization, and provisions	**72,026**	**2,201**	**(44,634)**	**29,593**

Net valuations of fixed assets	**267,412**			**212,234**

5.2. Financial assets

Equity investments

The gross value of equity investments amounted €177.5 million at December 31, 2011 compared with €256 million at December 31, 2010. The main changes were:
- sale of Euralliage to a third party;
- security transfert of shares of Noxon, Intramet and Trinox to Stappert.

The change in provisions for impairment results primarily from provision reversals recognized for this reclassification.

In order to simplify the financial result, the provision reversals for shareholdings sold were reclassified at December 31, 2011, under exceptional items and thereby balance the amount of realized gains and losses.

Information on subsidiaries and investments directly held is as follows:

(in € thousands)	Country	Share capital	Equity other than share capital	Share of capital held (in %)	Net Book Value of shares held	Loans and advances granted by the company	Net Book value of payable current accounts of subsidiaries (1)	Guarantees and endorsements granted	Dividends paidin the financial year	Sales (exclusive of VAT) of the previous financial year	Profit or loss from the previous financial year
JACQUET Holding SARL	**France**	**14,337**	**12,724**	**100.00%**	**19,695**	**786**	**(101)**	**-**	**-**	**-**	**8,541**
STAPPERT Spezial-Stahl	**Germany**	**8,871**	**83,004**	**100.00%**	**6,517**	**-**	**7,502**	**-**	**10,000**	**308,005**	**11,657**
ABRASERVICE Holding SAS	**France**	**1,819**	**16,329**	**100.00%**	**18,233**	**6**	**(707)**	**3,000**	**-**	**-**	**(30)**
IMS group Holding SAS	**France**	**10,854**	**89,036**	**100.00%**	**108,581**	**7**	**43,502**	**-**	**-**	**-**	**(8,651)**
Others											
JACQUET Finland OY	Finland	104	4,525	78.95%	82	-	-	-	395	10,267	450
JACQUET Metallservice GmbH	Austria	70	(1,625)	75.00%	-	2,091	-	-	-	6,858	(1,302)
JACQUET Nederland B.V	Netherlands	23	2,806	50.40%	1,000	-	-	-	504	23,824	1,064
JACQUET s.r.o	Czech Republic	60	264	80.00%	38	-	-	-	19	3,476	101
JESTION EURL	France	8	(20)	100.00%	8	-	486	-	-	2,843	40
METALS Immo SARL	France	10	(83)	100.00%	10	277	-	-	-	221	(67)
SCI du Canal	France	1	94	98.00%	448	-	(35)	-	90	90	94
FONCIERE Engis S.A	Belgium	2,975	795	100.00%	4,206	-	(2,158)	-	767	470	351
TRD Inox SAS	France	1,939	2,020	46.00%	3,297	-	2,736	-	-	15,035	(2,359)
CL STAAL B.V	Netherlands	20	1,105	100.00%	3,006	-	(849)	-	-	7,200	9
Total					**165,121**	**3,167**	**50,376**	**3,000**	**11,775**		

(1) debtors (+) / creditors (-) including cash pooling

Figures for shareholders' equity and results shown in this table are statutory company figures and do not include accounting restatements carried out at group level.

Receivables on equity investment

Receivables on equity investment amount to €41.8 million and correspond to long-term advances granted to subsidiaries held directly or indirectly by Jacquet Metal Service S.A.

Treasury shares

In 2011, Jacquet Metal Service sold part of its treasury shares, for €3.3 million. The balance of the change corresponds to liquidity-contract transactions.

5.3. Payment schedule - receivables

(in € thousands)	Gross amount at 12.31.2011	Net amount at 12.31.2011	Maturity < 1 year	Maturity 1 to 5 years	Maturity > 5 years
Fixed assets					
Receivables on equity investments	41,755	41,755	1,134	40,622	-
Loans	154	154	65	89	-
Other financial assets	193	193	-	-	193
Current assets					
Advances and deposits paid	-	-	-	-	-
Trade receivables	6,317	6,118	6,118	-	-
Other receivables	77,824	77,824	19,632	58,192	-
Prepaid expenses	217	217	217	-	-
Total	**126,461**	**126,262**	**27,165**	**98,903**	**193**

The portion of maturities of receivables on equity investments of less than one year corresponds mainly to interest invoiced to subsidiaries. Other receivables comprise mainly cash-pooling accounts for €72.1 million, including €56.3 million with maturities of more than one year, and a carryback receivable of €3.3 million, including €1.9 million maturing in more than one year.

5.4. Cash and cash equivalents

Cash and cash equivalents broke down as follows at December 31, 2011:

(in € thousands)	Net value at 12.31.2011	Net value at 12.31.2010
Marketable securities	**2,464**	**11,029**
Treasury shares	6	21
Money-market funds	2,458	11,008
Cash	**30,604**	**6,779**
Cash and cash equivalents	**33,068**	**17,808**

At December 31, 2011, marketable securities were as follows:

(in € thousands)	Gross value at 12.31.2011	Net value at 12.31.2011	Market value at 12.31.2011
Treasury shares	6	6	6
Money-market funds	2,458	2,458	2,773
Marketable securities	**2,464**	**2,464**	**2,778**

A cash-pooling agreement was established between Jacquet Metal Service S.A. and certain subsidiaries. Various credit and debit positions are combined into one account belonging to Jacquet Metal Service S.A. thereby optimizing the Group’s cash position.

5.5. Prepayments and accrued income

(in € thousands)	12.31.2011	12.31.2010
Prepaid expenses	217	448
Deferred charges	603	910
Foreign exchange differences-Assets	31	162
Prepayments and accrued income	**850**	**1,520**

Prepaid expenses include operating expenses exclusively.

Deferred charges for €0.6 million correspond to the staggering of banking expenses borne by Jacquet Metal Service S.A. for the €160 million financing package implemented on September 30, 2010.

The exchange rate differences break down as follows:

(in € thousands)	12.31.2011	12.31.2010
Receivables	28	39
Debts	3	123
Total	**31**	**162**
Provision for exchange loss	31	162
Unprovisioned exchange losses	-	-

6. Notes on the statement of financial position - Liabilities

6.1. Information on shareholders' equity

Share capital

At December 31, 2011, share capital was unchanged from the previous financial year. It is composed of 24,028,438 shares representing a total amount of €36,631,126.16.
Detailed information on the evolution of share capital is given in paragraph 5 of the "other information" section of this annual report.

Change in shareholders' equity

(in € thousands)	Number of shares outstanding	Share capital	Additional paid-in and merger premium	Legal reserve	Other reserves and unallocated retained earnings	Net income	Regulatory provisions	Shareholders' equity
December 31, 2010	**24,028,438**	**36,631**	**58,142**	**2,753**	**84,891**	**9,285**	**1,051**	**192,753**
Allocation of earnings				464	8,821	(9,285)		-
Change in provisions							(190)	(190)
Income 2011						3,141		3,141
Net income **2011**	**24,028,438**	**36,631**	**58,142**	**3,217**	**93,712**	**3,141**	**861**	**195,704**

Other reserves and retained earnings

"Other reserves and retained earnings" includes €6.2 million of unavailable reserves allocated in consideration for treasury shares.

Regulatory provisions

Regulatory provisions have been recorded in accordance with the laws in effect and include accelerated depreciation. Changes for the period are presented in §6.3.

6.2. Transactions relating to the shares of the company

Liquidity contract

By contractual agreement of March 17, 2008, Jacquet Metal Service entrusted to Oddo Corporate Finance the implementation of a liquidity contract, in compliance with the AMAFI Ethics Charter, expiring December 31, 2008, and automatically renewable by tacit agreement for 12-month periods. The liquidity provider initially accorded €2,600,000 for the effective implementation of this contract.
At December 31, 2011, there were 136,000 Jacquet Metal Service S.A. shares in the liquidity account, with a net value of €1.1 million.

Company share-buyback program

In its twelfth resolution, the General Meeting of June 30, 2011, authorized the Board to allow the Company to buy back its own shares to:

- increase the liquidity of transactions and the consistency of quotations of Company securities, and reduce price differences that are unjustified by market trends, through a liquidity contract with an investment service provider acting on its own behalf, under the terms and conditions set by regulations and standard market practices and in compliance with a code of ethics approved by the French financial-market regulatory authority (AMF);
- allocate shares to corporate officers and employees of the Company and/or Group companies, under the terms and conditions as set out in the applicable legal and regulatory provisions in the framework of (i) equity interest in Company growth; (ii) a stock-option plan, as provided for by Articles L.225-179 et seq. of the Commercial Code; (iii) a bonus-share plan, as provided for by Articles L.225-197-1 et seq. of the Commercial Code; and (iv) a company savings plan; and to carry out all hedging transactions relating to those operations, under the terms and conditions provided for by the market authorities and during the periods that the Board of Directors or the person acting on the authority of the Board of Directors will determine;
- deliver the shares upon the exercise of rights attached to securities giving the right, immediate or deferred, by reimbursement, conversion, exchange, presentation of a warrant or any other means, to the allocation of Company shares, and to carry out all hedging transactions relating to the issuance of such securities, under the terms and conditions provided for by the market authorities and at the times that the Board of Directors or the person acting on the authority of the Board of Directors will determine;
- hold the shares and deliver them at a later time in payment or exchange for operations concerning acquisitions, mergers, spin-offs or capital investments, in compliance with market practices as permitted by the market authority;
- cancel the shares wholly or partially through share capital reduction (particularly for the efficiency of cash management, profitability of shareholders' equity, and earnings per share).

Conditions of the share buy-back program are as follows:

- the maximum purchase price for the Company of treasury shares is €50 per share and the minimum sale price is €8; in the event of transactions concerning the share capital, especially through the capitalization of reserves and allocation of bonus shares and/or the split or consolidation of shares, this price shall be adjusted accordingly;
- the maximum number of shares that may be acquired is set at 10% of the total shares comprising the share capital (at any time whatsoever this percentage may apply to capital adjusted on the basis of transactions affecting it after the General Meeting of June 30, 2011) for a maximum amount of €120,142,190, subject to legal limitations. Share buybacks may concern a number of shares such that the number of shares that the Company buys during the term of the buyback program does not exceed 10% of the shares comprising Company share capital (at any time whatsoever this percentage may apply to capital adjusted on the basis of transactions affecting it after the General Meeting of June 30, 2011), subject to the observance of provisions of Article 5 paragraphs 2 and 3 of European Commission regulation no. 2273/2003/EC, which states that (i) in the event that shares are acquired in the framework of a liquidity contract, the number of shares counted for the calculation of the aforementioned 10% capital limit shall correspond to the number of shares purchased minus the number of shares sold during the present authorization, and (ii) the number of shares acquired for

later delivery in the framework of a merger, spin-off or capital investment shall not exceed 5% of its capital at the time of the acquisition;
- the duration of the authorization is eighteen months starting on June 30, 2011.

As of December 31, 2011, the number of shares registered under the Company's name reached 405,597 representing 1.69% of the share capital for a net value of €3.2 million:
- 711 treasury shares were allocated to a bonus share allocation plan authorized by the Jacquet Metals S.A. General Meeting of June 13, 2008, and by the Jacquet Metals S.A. Board of Directors' meetings of February 24, 2010 These shares are recognized under "marketable securities" for a net book value of €6,000;
- 268 886 treasury shares were unallocated at December 31, 2011, and are recognized under "financial assets" for a net book value of €2.1 million;
- 136 000 treasury shares were held in the context of the liquidity contract and are recognized under "financial assets" for a net book value of €1.1 million.

	Number of shares				(in € thousands)		
	12.31.2010	Increase	Decrease / Attribution	12.31.2011	Entry cost	Provision at 12.31.2011	Net value at 12.31.2011
Shares allocated to bonus-share plans	2,424	-	(1,713)	711	6	-	6
Allocated shares	**2,424**	**-**	**1,713**	**711**	**6**	**-**	**6**
Nonallocated shares	460,330		191,444	268,886	3,890	1,747	2,143
Shares for liquidity contract	82,958	53,042		136,000	1,346	262	1,084
Nonallocated shares	**543,288**	**53,042**	**191,444**	**404,886**	**5,236**	**2,009**	**3,227**
Total	**545,712**	**53,042**	**193,157**	**405,597**	**5,242**	**2,009**	**3,233**

Securities of authorized capital granting access to share capital

The Company has not granted any share subscription options.

At December 31, 2011, the Company's obligation relating to treasury shares allocated to the bonus share plan authorized by the JACQUET Metals S.A. (pre-merger) General Meeting of June 13, 2008, still in effect, was valued at €6,000. This obligation is calculated on the basis of the stock price on the date of purchase and the probability of share grants as determined on the closing date. The obligation is provisioned for €5,500, after amortization for a period of two years from the grant date of the shares, recorded under "personnel expenses."

Details of plans closed in the year are as follows:

	AGA 2	AGA 3
Date of General Meeting (Jacquet Metals S.A)	June 13, 2008	June 13, 2008
Date of Board Meeting (Jacquet Metals S.A)	June 23, 2009	Febr. 24, 2010
Number of bonus shares granted [(1)]	1,713	711
- corporate-officer beneficiaries	-	-
- employees	1,713	711
Beginning date of vesting period	June 23, 2009	Feb. 24, 2010
End date of vesting period corresponding to the final date of allocation	June 23, 2011	Febr. 24, 2012
Number of bonus shares at beginning of period	1,713	711
Number of bonus shares granted during the period	-	-
Number of bonus shares exercised during the year	(1,713)	-
Number of bonus shares cancelled during the year	-	-
Number of bonus shares outstanding at December 31, 2011	**-**	**711**

[(1)] *The number of shares has been converted to the merger parity of 20 IMS shares for 7 JACQUET shares.*

6.3. Regulatory provisions

Regulatory provisions correspond exclusively to accelerate depreciation where the company has chosen, if allowable, to use an accelerated depreciation method. These changed over the period as follows:

(in € thousands)	12.31.2010	Provisions	Reversals	12.31.2011
Accelerated depreciation	1,050	46	236	860
Total	**1,050**	**46**	**236**	**860**

6.4. Provisions for contingencies and charges

(in € thousands)	12.31.2010	Provisions	Reversals of provisions recognized	Reversals of provisions not recognized	12.31.2011
Provisions for exchange losses	162	31	162	-	31
Provisions for contingencies	**162**	**31**	**162**	**-**	**31**
Provisions for legal disputes	3	-	-	3	-
Provisions for pension benefits and related obligation	3,981	1	80	249	3 653
Other provisions for charges	185	-	-	160	25
Provisions for charges	**4,169**	**1**	**80**	**412**	**3,678**
Total	**4,330**	**32**	**242**	**412**	**3,709**
operational		*1*	*80*	*412*	
financial		*31*	*162*	-	
extraordinary		-	-	-	

6.5. Payment schedule – debts

(in € thousands)	Net amount at 12.31.2011	Maturity < 1 year	1 to 5 years	> 5 years
Debt and borrowings from banking institutions	60 000	60,000	-	-
Bank overdrafts and credit balances	7,768	7,768	-	-
Other borrowings and financial debts	50,805	50,569	-	236
Trade creditors and related	3,339	3,339	-	-
Tax and social security liabilities	3,485	3,485	-	-
Debt on fixed assets and related	49	49	-	-
Corporate income tax payable	633	633	-	-
Other debt	2,580	2,580	-	-
Total	**128,658**	**128,422**	**-**	**236**

In June and December 2011, Jacquet Metal Service S.A. made the first two payments of a syndicated loan implemented in September 2010, for €10 million and €40 million, respectively, thereby reducing the fixed-term loan from €110 million to €60 million.
The balance of this loan will be amortized in accordance with the following schedule:

- June 30, 2012: €30 million;
- December 31, 2012: €30 million.

The financial commitments relating to these debts are presented in paragraph 7.6. These floating-rate loan was taken out in euros and is hedged by financial instruments described in paragraph 7.5.
Other borrowings and financial debts comprise cash-pooling accounts for €42.8 million and short-term lines of credit to subsidiaries for €3.7 million.

6.6. Foreign exchange differences - liabilities

(in € thousands)	12.31.2011	12.31.2010
Receivables	2,023	1,225
Debts	-	9
Total	**2,023**	**1,234**

7. Other information

7.1. Headcount at the close of the financial year

	12.31.2011	12.31.2010
Executive staff	20	30
Technical	-	-
Clerical	-	-
Total	**20**	**30**

7.2. Individual right to training (DIF)

At December 31, 2011, the total number of training hours accumulated by employees under the DIF individual right to training amounted to 2,090 hours. No request for training has been made thus far by employees.

7.3. Compensation paid to corporate officers

The Company has two executive corporate officers, whose compensation and benefits of any kind, direct and indirect, received in 2011 amounted to €787,000, compared with €606,000 in 2010. The attendance fees, which constitute the only compensation paid to nonexecutive directors of Jacquet Metal Service S.A., amounted to €57,000 in 2011. In 2010, no compensation was paid to corporate officers of the Company between the date of change in governance, July 20, and the end of the reporting period.

Transactions between Jacquet Metal Service S.A and Company managers

The assets belonging directly or indirectly to Mr. Eric Jacquet and used for Group activity are as follows:

(in € thousands)	Sites	2011 rents (excl. VAT)	2010 rents (excl. VAT)	Tenants
JERIC SARL	Saint Priest (69)	400	388	Jacquet Metal Service S.A.
	Villepinte (93)	114	114	Jacquet Metal Service S.A.
SCI Migennes	Migennes (89)	203	203	Jacquet Metal Service S.A.
SCI Rogna Boue	Grésy sur Aix (73)	121	120	Détail Inox

Loans and guarantees granted to executive officers

None.

7.4. Information on related parties

The items presented below are in gross value prior to any provision.

Items involving related companies *(in € thousands)*	12.31.2011
Equity investments	177,474
Receivables on equity investments	41,755
Total fixed assets	**219,229**
Trade receivables	6,117
Other receivables	73,445
Total receivables	**79,562**
Other borrowings and financial debts	50,696
Trade payables	4
Miscellaneous debt	2,455
Total debt	**53,155**
Financial profit	**17,120**
Income from equity investments	11,761
Other interest and related income	4,911
Provision for shares impairment	-
Interest and related expenses	448

7.5. Financial commitments

The commitments presented below are described on the basis of the outstanding principal of the debts to which they are attached.

Financial commitments given and received as part of financing transactions

(in € thousands)	12.31.2011	12.31.2010
Pledges on mutual funds	1,796	800
Bank guarantees / sureties / letters of comfort	21,805	9,000
Total commitments given	**23,601**	**9,800**

(in € thousands)	2011			2010		
	Amount given	Amount used	Amount available	Amount given	Amount used	Amount available
syndicated fixed-term loan	60,000	60,000	-	110,000	110,000	-
syndicated revolving credit	50,000	-	50,000	50,000	14,000	36,000
lines of credit / facilities	25,000	12,825	12,175	9,000	2,336	6,664
Total commitments received	**135,000**	**72,825**	**62,175**	**169,000**	**126,336**	**42,664**

In addition to the aforementioned commitments, the Stappert shares were pledged as collateral for the syndicated loan, the balance of which was €60 million at December 31, 2011.

Commitments given for overdraft facilities of subsidiaries

(in € thousands)	12.31.2011	12.31.2010
Autonomous guarantees	19,050	11,666
Total commitments given	**19,050**	**11,666**
less than 1 year	*19,050*	*11,666*
1 to 5 years	-	-
more than 5 years	-	-

Commitments made to hedge foreign exchange risk

The Company is exposed to foreign-exchange risk primarily when it grants cash advances in local currencies to subsidiaries outside the euro zone.
At December 31, 2011, there were no significant positions in unhedged currencies, except for cash advances denominated in USD.

Commitments received for transactions of interest-rate hedges

At December 31, 2011, floating-rate debt was hedged partially by an interest-rate swap, a collar, and three caps at 2%, with the following features:

Type of contract (in € thousands)	Amount	Amount hedged at 12.31.2011	Rate	Market value	Duration
Swap Euribor 3 months		8,000	*4.13%*	(54)	from 05/08/2007 to 02/08/2012
Collar		20,000	*Floor rate: 4.23%* *Cap rate: 4.55%*	(135)	from 05/08/2007 to 02/08/2012
Cap	60,000	15,467	*2%*	0	from 12/31/2010 to 12/31/2012
Cap		11,600	*2%*	0	from 12/31/2010 to 12/31/2012
Cap		11,600	*2%*	0	from 12/31/2010 to 12/31/2012
Total	**60,000**	**66,667**		**(189)**	

7.6. Commitments relating to financing

The obligations attached to financing involve mainly the syndicated loan used up to €60 million at December 31, 2011.These obligations are the following and correspond to commitments to be honored at group level:

- December 31, 2011: leverage (net debt over EBITDA) less than 3.0 or net debt below €160 million and investment costs below or equal to €18 million;
- June 30, 2012: leverage less than 2.5 or net debt below €130 million;
- December 31, 2012: leverage less than 2.0 or net debt below €100 million and investment costs below or equal to €22 million;
- June 30, 2013: leverage less than 2.0 or net debt below €70 million;
- December 31, 2013: leverage less than 2.0 or net debt below €70 million and investment costs below or equal to €20 million;
- the gearing ratio must be below 1 at all times;
- there is a shareholders' clause stipulates that JSA must hold enough IMS shares to represent at least 40% of the capital stock and voting rights.

As of December 31, 2011, all obligations related to financing were respected:

- net debt: €93.6 million
- leverage: 1.49 (12-month rolling EBITDA: €62.8 million)
- capital expenditure: €10 million
- gearing: 33.6%
- JSA owns 40.16% of the share capital and 45.24% of the voting rights of Jacquet Metal Service S.A.

6. STATUTORY AUDITORS' REPORT ON THE PARENT COMPANY FINANCIAL STATEMENTS

(Free translation of a French language original)

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meetings, we hereby report to you, for the year ended 31 December 2011, on:

- the audit of the accompanying financial statements of Jacquet Metal Service;
- the justification of our assessments;
- the specific verification and information required by law.

These financial statements have been approved by the Board of directors. Our role is to express an opinion on these financial statements based on our audit.

I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the company's financial position and its assets and liabilities and of the results of its operations for the year then ended, in accordance with French accounting principles and regulations.

II. Justification of our assessments

Pursuant to Article L. 823-9 of the Commercial Code relating to the justification of our assessments, we bring the following items to your attention:

Investment shares, whose net amount is presented in the balance sheet at December 31, 2011 for €165.1 million, are measured at purchase price and impaired on the basis of their recoverable value, in accordance with the procedures described in Note 2, paragraph "Financial assets."

On the basis of information that we were given, our work consisted of assessing the data on which the recoverable values are based. In particular, we reviewed the updated estimates for profitability of the activities concerned and for the completion of objectives. We also compared the consistency of the assumptions applied with the provisional data from the business plans established by each of these activities, under the supervision of executive management.

As part of our assessment, we verified that these estimates were reasonable.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, specific verifications as required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information given as required by Article L. 225-102-1 of the French Commercial Code relating to remuneration and benefits paid to corporate officers and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Paris and Lyon, March 22, 2012

The statutory auditors

BELLOT MULLENBACH & ASSOCIES	ERNST & YOUNG et Autres
Eric Seyvos	Lionel Denjean

7. STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS AND COMMITMENTS

(Free translation of a French language original)

To the shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report on related-party agreements and commitments.

It is our duty to inform you, on the basis of the information we were given, the essential characteristics and terms of agreements and commintments that we have been advised, or that we discovered as a result of our mission, without having to comment on their usefulleness and validity or to seek the existence of other agreements or commintments. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code, to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, it is our responsibility to communicate, as appropriate, the information pursuant to Article R. 225-31 of the Commercial Code relating to the execution, during the previous financial year, of agreements and commitments already approved by the General Meeting.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body (*Compagnie Nationale des Commissaires aux Comptes)* relating to this type of engagement. These procedures consisted of verifying that the information provided to us is consistent with the documentation from which it has been extracted.

Agreements and commitments submitted for approval to the General Meeting

Agreements and commitments authorized during the previous financial year

In accordance with Article L. 225-40 of the Commercial Code, we were informed of the following agreements and commitments that had received prior approval by the Board of Directors.

I. Cession of receivables by your company held over IMS SpA and IMS France in favor of IMS group Holding

Person concerned

Eric Jacquet, Chief Executive Officer and Chairman of the Board of Directors of Jacquet Metal Service and Chairman of IMS SpA and IMS France SAS.

Nature, purpose and terms

At its meeting of March 3, 2011, the Board of Directors authorized the sale of part of debt owed by your company over IMS SpA and IMS France SAS in favor of IMS group Holding, in pursuing the reclassification of corresponding participation occurred in late December 2010.
These receivables sales were made at face value, or EUR 12 million for each receivable and paid by inscription on shareholder account.

II. Cession by your company of receivalbes held over Jacquet Italtaglio in favor of Jacquet Holding

Person concerned

Eric Jacquet, Chief Executive Officer and Chairman of the Board of Directors of Jacquet Metal Service and chairman of Jacquet Holding.

Nature, purpose and terms

At its meeting of March 3, 2011, the Board of Directors authorized the sale of part of the claim held by your company on the Jacquet Italtaglio amounting to EUR 120,000 for the benefit of society Jacquet Holding, in the pursuit of reclassification of the corresponding participation occurred in late December 2010.

This sale was completed for a price equal to the face value of the receivable and paid by inscription on shareholder account.

III. Transfer by your company of 100% of equity securities held in companies Noxon Stainless, and Trinox Intramet in favor of Stappert Spezial Stahl GmbH

Person concerned

- Eric Jacquet, Chief Executive Officer and Chairman of the Board of Directors of Jacquet Metal Service and manager of the company Stappert Spezial Stahl;
- Mr. Philippe Goczol, deputy Chief Executive Officer of Jacquet Metal Service and manager of the company Stappert Spezial Stahl GmbH.

Nature, purpose and terms

At its meeting of November 14, 2011, the Board of Directors authorized the sale of 100% equity held by your company in companies Noxon Stainless, Trinox Intramet in favor of Stappert Spezial Stahl GmbH for the respective amounts of EUR 4,866,000, EUR 543,000 and EUR 13,901,000.

IV. Convention of overdraft advance amounting to €4 million between your company and the company JSA

Person concerned

- The company JSA, administrator of your company and shareholder
- Eric Jacquet, Chief Executive Officer and Chairman of the Board of Directors of Jacquet Metal Service and shareholder of JSA
- Mr. Philippe Goczol, deputy Chief Executive Officer of Jacquet Metal Service and representative of JSA at the Board of Directors

Nature, purpose and terms

At its meeting of November 14, 2011, the Board of Directors authorized the signing of an agreement of advance on current account between your company and the company JSA totaling €4 million paid at a rate identical to that set in the credit agreement signed on September 14, 2010 between the Company and various banks and in accordance with the commitment that JSA had made at the request of these banks (or the rate of three months Euribor plus 2.5% for the year 2011).

Interest expensed in fiscal year 2011 under this agreement amounted to EUR 20,597.

Agreements and commitments already approved by the General Meeting

Agreements and commitments approved in previous financial years and whose performance continued in the past financial year

In accordance with Article R. 225-30 of the Commercial Code, we were informed that the execution of the following agreements and commitments, approved by the General Meeting in previous financial years, continued in the past financial year.

I. Advance granted to the company Jacquet Magyarorszag Ktf

Person concerned

Mr. Eric Jacquet, Chief Executive Officer and Chairman of the Board of Directors of Jacquet Metal Service and permanent representative of the shareholder owning more than 10% of the voting rights, executive officer of Jacquet Magyarorszag KTF.

Nature and purpose

At its meeting of September 26, 2005, the Board of Directors had authorized the payment of an unpaid advance of HUF 20 million to the company Jacquet Magyaroszag Ktf, to strengthen the capital structure of the latter

Terms

At November 29, 2011, the current account to Jacquet Magyaroszag was abandoned for EUR 81,356 (or HUF 20 million) as part of the liquidation proceedings under the Jacquet Magyarorszag Ktf.

II. Advance granted to the company Quarto Nordic

Person concerned

- Eric Jacquet, Chief Executive Officer and Chairman of the Board of Directors of Jacquet Metal Service and executive officer Quarto Nordic AB;
- Mr. Philippe Goczol, deputy Chief Executive Officer of your company and executive officer of Quarto Nordic AB.

Nature and purpose

At its meeting of November 26, 2008, the Board of Directors had authorized the payment of an unpaid advance to a maximum of SEK 15 million to the company Nordic Quarto, to strengthen the capital structure of the latter.

Terms

At December 31, 2011, the current payable account of your Company to Quarto Nordic amounts to SEK 13 million, or EUR 1,216,493.

III. Commercial Leases

Person concerned

Mr. Eric Jacquet, Chairman of the Board of Directors of Jacquet Metal Service, executive officer of JSA and deputy chief executive officer of JERIC S.A.R.L and S.C.I Migennes;

Purpose and terms

Jeric and S.C.I. Migennes have made property groups available to the Company through commercial leases. The amounts paid by the Company in 2011 amounted to:

Lessor	Tenant	Effective date	Location	Rents (expenses) in €	Property tax (expenses) in €
JERIC	JMS S.A.	09.01.2002	Lot measuring 2,442 m² in Saint Priest (69)	(5 536)	
JERIC	JMS S.A.	01.01.2003	Land for storage in Saint Priest (69)	(43 349)	
JERIC	JMS S.A.	01.01.2003	Group of buildings on rue Michel Jacquet in Saint Priest (69)	(333 519)	(32 259)
JERIC	JMS S.A.	01.01.2003	Industrial facilities in Villepinte (93)	(114 233)	(42 662)
S.C.I. MIGENNES	JMS S.A.	01.01.2003	Industrial facilities in Migennes (89)	(203 006)	(34 263)
JERIC	JMS S.A.	01.01.2004	Apartment “Flexovit” on rue Mâconnais in Saint Priest (69)	(5 637)	(2 157)
JERIC	JMS S.A.	01.01.2004	Archive space of 95 m² on rue du Mâconnais in Saint Priest (69)	(780)	
JERIC	JMS S.A.	03.23.2004	House “Torres” on rue du Lyonnais in Saint Priest (69)	(5 571)	(440)
JERIC	JMS S.A.	01.01.2005	House “Garcia” on rue du Lyonnais in Saint Priest (69)	(5 156)	(1 008)
Total				**(716.787)**	**(112.789)**

IV. With Mr. Philippe Goczol, Deputy chief executive officer of IMS International Metal Service

a. Compensation for dismissal or nonrenewal of contract

Nature and purpose

At its meeting on November 15, 2010, the Board of Directors authorized that Mr. Philippe Goczol be granted compensation for his dismissal or for the nonrenewal of his duties as deputy chief executive officer of the Company, and defined the payment conditions and amount of said compensation.

Terms

This agreement was not applied in 2011.

b. Commitment to a noncompete clause

Nature and purpose

At its meeting on November 15, 2010, the Board of Directors approved the application of a noncompete clause with Mr. Philippe Goczol, Deputy chief executive officer, for a period of no more than one year following the termination of his duties as Deputy chief executive officer.

During the contractual period of noncompetition, the Company shall pay the Deputy chief executive officer monthly financial compensation.

Terms

This agreement was not applied in 2011.

Paris and Lyon, March 22, 2012

The statutory auditors

BELLOT MULLENBACH & ASSOCIES	ERNST & YOUNG et Autres
Eric Seyvos	Lionel Denjean

8. BOARD OF DIRECTORS CHAIRMAN'S REPORT RELATED TO PREPARATION AND ORGANIZATION OF THE BOARD AND INTERNAL CONTROL PROCEDURES

In accordance with Article L. 225-37 of the Commercial Code, the Board of Directors Chairman's report is intended to render an account to shareholders of the preparation and organization of the work of the Board and of internal control procedures set up by the company.
This report was prepared by the Chairman with the assistance of Group internal audit. It was reviewed by the Audit Committee on March 1, 2012 and approved by the Supervisory Board on March 7, 2012.

CONDITIONS UNDER WHICH THE BOARD OF DIRECTORS PREPARES AND ORGANIZES ITS WORK AND CORPORATE GOVERNANCE

The preparation and organization of the Board of Directors' work is carried out within the framework defined by the legal and regulatory provisions applicable to French corporations (sociétés anonymes) with a board of directors, the Company's bylaws and the Board's internal regulations, which were adopted on July 20, 2010.

1. Corporate governance

The Company follows the AFEP-MEDEF corporate governance code of December 2008 and amended in 2010, available on the MEDEF website, hereinafter referred to as the "Reference Code."

2. Board of Directors

Independence criteria for board members

In accordance with the provisions of its internal regulations, the Board ensures that at least half of its members are independent according to the criteria regarding "corporate government."
The independence of board members is tested against the following criteria:

- Not being and not having been, for five (5) years preceding first appointment, an employee or corporate officer of IMS, or an employee or corporate officer of a company consolidated in the Group;
- Not being a corporate officer of a company in which the company directly or indirectly holds office as director or Supervisory Board members;
- Not being a corporate officer in a company where an employee designated as such or a corporate officer of the company (current, or having held office within the previous five years) holds office as director or Supervisory Board member;
- Not being a customer, supplier, or significant business or finance banker of the company or the group or represents a significant part of the business;
- Not having any close family ties with a corporate officer of the Company or of a company of the Group;
- Not having been a statutory auditor of the Company over the past five (5) years;
- Not having been a Supervisory Board member or director for more than twelve (12) years, with the understanding that losing the qualification of independent member only occurs at the expiration of the mandate during which twelve years will have passed;
- Not being a reference shareholder of the Company or, when necessary, of the parent exercing control over the Company as stipulated by Article L.233-3 of the Commercial Code

The Board of Directors can, nonetheless, consider someone not to qualify as an independent member on an ad hoc basis despite fulfilling the requirements listed above. The independent member qualification is debated each year by the Appointment and Compensation Committee and examined on a case by case basis each year by the Board of Directors with the listed criteria before the publication of the annual report.

Composition of the Board of Directors

The IMS Board of Directors is composed of nine persons, six of whom are considered independent:

- **Mr. Eric Jacquet,** 52 years old, has been CEO of Jacquet Metal Service since July 20, 2010 and had been CEO of JACQUET Metals (previously Jacquet Industrie) since 1994. He holds several mandates of legal representative of JMS companies. He is also manager of several SCI, EURL and SARL. Eric Jacquet was Vice President of the Supervisory Board and member of the IMS Strategic Committee from June 16, 2009 to February 3, 2010. He was also Chairman of the Board from June 30, 2010 to July 20, 2010.
  Eric Jacquet spent his whole career within the JACQUET Metals Group where he held the position of sales manager (1980-1985) and marketing and export development manager (1986-1993).

  In addition, Eric Jacquet is a member of the association of judges and alumni of the Commercial Court of Lyon.

- **Mr. Jean Jacquet,** (considered to be independent), 79 years old, is President of Faïence et Cristal de France. He was also CEO of Somergie (Societe d'Economie Mixte Locale of waste management for the Metz metropolitan area) and CEO of the TCRM (*Transport en commun de la région Messine*) until 2010.
  Mr. Jean Jacquet represented JSA as a Supervisory Board and Appointment and Compensation Committee member from June 16, 2009 to February 3, 2010.
  It is noted that Mr. Jean Jacquet is not related to Mr. Eric Jacquet.
  Jean Jacquet spent the first half of his career within the Renault Group until 1984. He was then CEO of Unimeta/Ascometal between 1984 and 1988, and President of the Union des Negociants en Aciers Speciaux (Unas, Special Steels Negociator's Union) between 1988 and 1999. He was chairman of the Winwise Supervisory Board, director of the Ecole National d'Ingenieurs in Metz, President of the European Interministry Development Mission of the town of Longwy (Mission Interministerielle de Développement du Pole européen), Chairman of the Board of Directors of the Usine d'électricité de Metz, Deputy Vice President of the Association Nationale des Régies d'Electricité and Vice President of the Metz metropolitan area (now known as the Metropolitan Metz Agglomeration Community).
  Jean Jacquet holds a law degree and is an alumnus of the Institut d'Etudes Politiques of Paris.

- **JSA**, a joint-stock company registered in Belgium controlled by Mr. Eric Jacquet represented by Mr. Philippe Goczol.
  Philippe Goczol, 45 years old, is also Deputy chief executive officer and a Board of Directors member of Jacquet Metal Service. He holds several legal representative mandates within the JMS Group. He is also co-manager of the SCI of Acquits.
  Mr. Philippe Goczol was member of the IMS Supervisory Board and Audit and Risk Committee member from June 16, 2009 to February 3, 2010, date at which he resigned.
  He was Jacquet Metals' Development Director between 2001 and 2004 and CEO between 2004 and 2008. Before working for Jacquet Metals, he had been a Management Board member and CEO of Anysteel (2000-2001) and held the position of Director of Sales (1999-2000), held power of attorney (1992-2000) and was commercial engineer (1988-1992) at Industeel (ex CLI-Fafer and ex Fafer). Philippe Goczol is a commercial engineer and graduated from Université du Mons (Belgium).

- **Mr. Jean-François Clément,** (considered to be independent), 69 years old, is an honorary lawyer of the Lyon bar. He holds a Ph.D. and graduated from the Institut d'Etudes Politiques of Lyon and was a lecturer at Lyon University 3.
  He is cofounder of and manager at the "Boyer-Clement & Associés" law firm, renamed "C'M'S Bureau Francis Lefebvre Lyon" in 2003. An honorary lawyer since July 2006, he specialized in counseling companies. He currently holds manager or Supervisory Board member mandates of several regional SMEs.

- **Monsieur Xavier Gailly**, (considered independent), 64 years old, spent almost his entire career at the Fabrique de Fer (Steel Factory) of Charleroi, which became Industeel Belgium, a subsidiary of Arcelor Mittal Group.
  He has held different positions with a great variety of functions (maintenance, investment, purchasing, production, human resources etc.) and then became Industrial Director then CEO and finally Deputy Director. He was then appointed Industeel's Sales Director, Arcelor Mittal's department of special flat steels. He has been a director or president of several Arcelor Mittal subsidiaries in Belgium and abroad.
  He has also been a director of the Faculté Polytechnique of Mons, Igretec (Intercommuncale pour la Gestion et la Réalisation d'Etudes Techniques et Economiques--Management, Technical and Economics Studies Intercommunal Company, a grouping of 68 provincial cities and communes of Hainaut, Belgium), Vice President of the Belgian Groupement de la Siderurgie (Steel Grouping) and President of its francophone section.
  Mr. Xavier Gailly is a civil engineer and graduated from the Faculté Polytechnique of Mons, Belgium.

- **CCAN 2007 Inversiones Internacionales, ETVE,** represented by Mr. Jorge Galera Garcia Montes, 54 years old, who sits on numerous Boards of Directors. He was censor of the IMS Supervisory Board from June 16, 2009 until July 20, 2010. He is vice president of the Board of Entradas-See-Tickets Spain and a member of the Strategic Committee of Bruzon & Miller and Arenas Entertainment in the United States. He is also a member of the venture capital investment of the Caisse de Navarre.
  He represented CCAN 2007 Inversiones Internacionales, ETVE, on the Boards of Directors of OESIA, IKUSI Group and DOCOUT until 2010. He has been chairman of the Compensation Committee and Management Board and a member of the Board of Directors of the Spanish company Azkoyen (listed on the Madrid stock exchange), for the past five years.

  Jorge Galera Garcia Montes was the founder and partner (in Spain) of the American strategic counsel company Bain and Company and founder (in Spain) of the capital risk practice. He has also worked as President and CEO of Marco Polo Investments and SCR, as well as a partner of Mac Group-Gemini Consulting and as director of Janssen Pharma.
  Mr. Jorge Galera Garcia Montes hold a law degree (CEU – Madrid) as well as an MBA from the Institute of Higher Business Studies (IESE) in Barcelona. He is currently an independent member of IC-A (Consulting and Administration Institute) in Madrid.

- **Mr. Jacques Leconte,** (considered to be independent), 66 years old, was director of Credit Agricole Sud Rhone Alpes' business center. He was particularly responsible for the financing activities of large companies, cooperatives and institutional investors at the Credit Agricole's Regional Development Agency (Agence de Développement Régionale) of the Rhône Alpes region until 2008.
  Director at JACQUET Metals since 2009, he is also a member of the strategic committee of the company THERMCROSS SA. Mr. Jacques Leconte has a degree in geography and graduated from the Institut d'Etudes Politiques of Lyon.

- **Mr. Henri-Jacques Nougein,** (considered to be independent), 64 years old, is arbitrator, mediator, fiduciary and insurance broker (specializing in corporate risk and civil liability).
  He is also honorary president of the Lyon Commercial Court, president of the Interprofesional Mediation and Arbitration Center (Centre Interprofessionnel de Mediation et d'Arbitrage) and co-manager of the European Arbitration and Mediation Network (Réseau Européen d'Arbitrage et de Médiation). He is founder and co-manager of the Franco-Argentine Mediation and Arbitration Center (Centre Franco-Argentin de Médiation et d'Arbitrage), the Franco-Chinese Mediation Center (Centre Franco-Chinois de Mediation) in partnership with the Shanghai authorities and of the Franco-Indian Mediation and Arbitration Center (in partnership with the Federation of Indian Chambers of Commerce and Industry).
  Mr. Henri-Jacques Nougein is also lecturer at Lyon III University (Judicial Economic Law) and a published author on technical and legal matters.
  He holds a degree in private law and graduated from the Institut d'Etudes Judiciaires of Lyon. He has a degree in Advanced Private Law Studies (Etudes Supérieures de Droit privé) and a Ph.D. in law (1976).

Mr. Yvon Jacob resigned from his position as Director on February 25, 2011.

To the company's knowledge, no member of the Board of Directors has been the object of official public sanction; convicted of fraud over the past five years; associated with bankruptcy of any kind; put under sequestration or liquidation; charged by regulatory or statutory authorities; or has been prevented by a court from acting as a member of an administrative, management, or oversight body of an issuer, or from intervening in the management or conduct of the affairs of an issuer, during the last five years.

To the Company's knowledge, there are no potential conflicts of interest between the duties to the Company of the members of the Board of Directors and their private interests.
There are no arrangements or agreements concluded with the main shareholders, clients, suppliers or other parties by virtue of which a member of the Board of Directors has been designated as a Director of the company.

To the company's knowledge, none of the members of the Board of Directors are related to each other, particularly Eric Jacquet and Jean Jacquet.

In accordance with the Law n° 2011-103 of January 27, 2011 relative to the parity of men and women on Boards of Directors and Supervisory Boards and to equal pay, the Board of Directors Chairman notes that there are no women currently on the Board. However, this issue will be studied in the near future.

The list of mandates and functions held by Supervisory Board members then Board of Directors is also detailed in management report § 2.15.

Organization of the Board of Directors as defined by a previous internal regulation

Further to the deliberation held on July 20, 2010 and to reflect the change in governance, the Company's Board of Directors established its internal regulation that regroups and specifies the organization and operational rules that are applicable in virtue of the law and bylaws of the Company and the operational rules for permanent committees that have been established.

Over and above the competences and powers of the Board of Directors, the internal regulations confirm the duties and obligations of its members with respect to the principles of confidentiality regarding privileged information held and the rules of independence and fairness.

The regulations also confirm the obligation on each of its members to advise the Board of Directors of all actual or potential conflicts of interest that may involve them directly or indirectly; in such cases, they must abstain from participating in deliberations and taking part in decisions on the issues concerned.

The internal regulations confirm the rules applicable to transactions in company shares as set out in Article L. 621-18-2 of the Monetary and Financial Code and Article 222-14 and 222-15 of the AMF General Regulations.

The Board of Directors assembles at least once per quarter and is equipped to participate in meetings via videoconference or by telecommunication except for the year-end closing of the financial statements.
The preceding regulation stipulates the operational rules of its permanent committees: the Board of Directors confirmed the Appointment and Compensation Committee and the Audit and Risk Committee.

The internal regulations also provide that, at least once per year, the Supervisory Board should invite its Chairman to conduct an examination of its work and an evaluation of the workings of the Board of Directors.

Tasks and workings of the Board of Directors

The Board of Directors determines the objectives of the Company's activities and sees to their implementation. It addresses all matters pertaining to the proper functioning of the Company and rules on, by its deliberations, the issues that affect it. In this context, the Board notably:

- deliberates on Group strategy and operations that are derived from it and, more generally, on all significant operations regarding investments or large divestiture;
- designates the management of the Company and controls its organization;
- sees to the quality of information supplied to shareholders and to the market particularly through the financial statements and the annual report or in the event of significant operations.

The conclusion of the following operations must have been previously approved by the Board of Directors:

- all acquisition or sale of investment projects or acquisition or sale of commercial funds for an enterprise value for each operation, superior to €5 million;
- the granting of endorsements and guarantees within the parameters specified by the relevant texts.

The Chairman or Vice-Chairman, as the case may be, shall organize and direct the work of the Board of Directors, and will render account of this to the Annual General Meeting. The chairman designates the secretary of the Board of Directors. He must oversee the proper workings of the Company institutions, especially of the Board of Directors' committees if there are any. He may attend all meetings of the Board of Directors' committees of which he is not a member, in an advisory capacity, and can consult them on any question within their remit. He must make sure that the members of the Board of Directors are capable of fulfilling their tasks, particularly within the committees. He must ensure that the Board of Directors dedicates sufficient time to questions regarding the future of the Group.

Given the cumulative functions of the Chairman and CEO, the Chairman of the Board of Directors is the only person with the power to speak in its name.

Activities of the Board of Directors

The Board of Directors of Jacquet Metal Service assembled five times in 2011. The proposed meeting schedule was sent to the members, and the notices of meeting, accompanied by the agenda and technical files submitted for their examination, were generally sent one week before the date of the meeting.

In particular, the Board of Directors:

- examined the consolidated financial statements for the year ended December 31, 2010;
- approved the Chairman of the Board's 2010 report on the preparation and organization of the work of the Board of Directors, and on internal control procedures set up by the Company;
- approved the reports and resolutions put forward by the Board of Directors to the General meeting called on June 30, 2010;
- examined the consolidated financial statements for quarters ended in March, June and September 2011;
- followed up on asset disposal and Group reorganization projects;
- reviewed all of the summary reports from the Audit and Risk Committee, the Appointment and Compensation Committee and the Strategic Committee.

Moreover, members of the Board of Directors were regularly kept informed in between meetings of events or operations that were important to the Company.

Board of Directors meetings last three hours on average, and the attendance rate of members has been 100%.

The statutory auditors were called on to attend all of the Board of Directors' meetings.

Evaluation of the Board of Directors' work

At its November 14, 2011 meeting, the Chairman of the Board of Directors reviewed its workings and its evaluation. This evaluation was established internally and mainly pertained to the following subjects: composition of the Board, frequency and length of meetings, quality of debate, Committees' work, information for Board members, compensation of Board members, access to Group executives.
The Board of Directors concluded that the frequency and length of meetings, as well as the information available in advance to himself and each member allowed the Board to carry out its mission.

3. Permanent Committees

Following the deliberation on July 20, 2010, the Board of Directors:
- confirmed the implementation of an Appointment and Compensation Committee;
- confirmed the implementation of an Audit and Risk Committee.

Specialized committees are composed of three members considered to be independent, in accordance with the recommendations of the Reference Code.

3.1. Audit and Risk Committee

The Audit and Risk Committee is composed of three members: Mr. Jean Jacquet, who is also Audit Committee Chairman, Mr. Xavier Gailly and Mr. Jacques Leconte.

The mission of this committee is:
- to ensure the relevance of the accounting methods adopted to prepare the parent company financial statements and the consolidated financial statements;
- to examine any difficulties that may be encountered in applying the accounting methods;
- to examine, before they are presented to the Board of Directors, the parent company and consolidated financial statements as well as the budgets and projections and, to this end, to review together with the Board of Directors and the Company's statutory auditors the half-yearly, annual and, when necessary, quarterly financial reports, the accounting principles and methods, the Company's audit and internal control principles and methods and the analyses and reports related to financial reporting, accounting policy and communications between the Board of Directors and the Company's statutory auditors;
- to control the quality of and compliance with internal control procedures, assess the information received from the Board of Directors, the Company's internal committees and the internal and external auditors;
- to examine and control the rules and procedures applicable to conflicts of interest and to the identification and measurement of principal financial risks and their application and to submit its evaluation annually to the Board of Directors;
- to steer the selection, designation and renewal of the statutory auditors, to formulate an opinion on the amount of the professional fees requested by them, to guarantee their independence and objectivity with respect to statutory auditors who belong to networks who provide both auditing and consulting functions and to submit the results of its work to the Board of Directors;
- to examine the schedule for the statutory auditors' controls, the results of their verifications, their recommendations and their follow-up;

- to set the rules for using the statutory auditors for work not related to auditing the financial statements and to entrust additional audit missions to external auditors;
- to ensure the independence of the statutory auditors and, in particular, to ensure that their professional fees and additional missions do nothing to affect their independence;
- more generally, to examine, control and assess anything that might be liable to affect the accuracy and honesty of the financial reports

In order to perform its tasks properly, the Audit and Risk Committee has access to all accounting and financial documents. It attends presentations from those responsible for preparing the financial statements as well as from the statutory auditors in order to obtain assurance that the auditors have had access to all information necessary for them to conduct their verifications, particularly as regards the consolidated subsidiaries, and that they have made sufficient progress at the time of approval of the financial statements to be able to make any and all material comments.

The organization and workings rules, as well as the tasks and characteristics of the Audit and Risk Committee, are detailed in the internal regulation of the Board of Directors.

The Audit and Risk Committee convenes at least twice a year before the Board meetings whose agenda concerns the examination of the corporate, annual consolidated and quarterly accounts, and on the review of statutory auditors reports related to it. It also ensures the follow-up of potential risks incurred by the Group. It will render account of this to the Board of Directors.

Activities of the Audit and Risk Committee

During the 2011 financial year, the Audit and Risk Committee convened three times with an attendance rate of 100%. The average length of a meeting is approximately four hours.
Its work mainly involved examining the annual and half-yearly financial statements of the Group and Company and seeing to the proper implementation of the accounting principles, as well as the control of the year-end closing process and the findings of the statutory auditors at the completion of their verifications.

Moreover, the Audit and Risk Committee reviewed the work of the internal audit department relating primarily to the follow-up of the recommendations of the statutory auditors, its conclusions on specific audit tasks and on the suggested approach for organizing the internal control, detection and monitoring of risks.

The Audit and Risk Committee reported its work to the Board.

Evaluation of the work of the Audit and Risk Committee

At its March 1, 2012 meeting, the Chairman of the Audit and Risk Committee reviewed its workings and its evaluation. This evaluation was established internally and mainly pertained to the following subjects: quality of debate, frequency and length of meetings and access to the financial department and Group executives.
The Audit and Risk Committee concluded that the frequency and length of meetings, as well as the information available in advance to the committee and each of its members allowed the Committee to carry out its mission.

3.2. Appointment and Compensation Committee

The Appointment and Compensation Committee is composed of three members: Mr. Jean-François Clément, who also holds the title of Chairman of the Appointment and Compensation Committee, Mr. Jean-Jacques Nougein and Mr. Jean Jacquet.

The Appointment and Compensation Committee's tasks are:

- to make any proposals to the Board of Directors concerning all the various elements of compensation of the CEO;
- to give opinions on the recruitment of the CEO(s) and the fixing of and changes to all the various elements of their compensation; and
- as needed, to make any recommendations to the Board of Directors for all compensation and profit-sharing systems for Company personnel, by any means, including employee savings plans, reserved issues of convertible shares and the allocation of stock options.

To this end, the Appointment and Compensation Committee shall obtain all necessary or useful information items in good time prior of the meeting of the said committee so that its members may review these items within a reasonable period before the meeting. The Appointment and Compensation Committee shall hear presentations from any individuals whom it is necessary and useful to hear for the purpose of fulfilling its task.

Activity of the Appointment and Compensation Committee

During the 2011 financial year, the Appointment and Compensation Committee convened once with an attendance rate of 100%. The average length of a meeting is approximately two hours.

Its work mainly consisted of the following tasks:

- examine the fixed compensation of the Managing Director and Deputy Managing Director to ensure that they are in accordance with past decisions;
- examine the compensation of operations managers and/or Company executives;
- examine the terms of Directors' mandates, as well as legal issues tied to renewal of these mandates, particularly the law relative to quotas for women;
- examine the Committee's workings.

In light of the context, the Committee has not yet to issue an opinion in its role as Appointment Committee.

The Appointment and Compensation Committee made a report of its work to the Board of Directors.

Evaluation of the work of the Appointment and Compensation Committee

At its November 14, 2011 meeting, the members of the Appointment and Compensation Committee reviewed and assessed the Committee's workings. This evaluation was established internally. They concluded that relations with General Management and the Board of Directors, as well as the information communicated by the Company allow the Committee to carry out its mission in a satisfactory manner.

4. Principles and Regulations for Setting Corporate Officers' Compensation

Compensation of members of the Board of Directors

Rules for the compensation of Board members

Board members receive compensation set by the General Meeting of Company shareholders in accordance with the bylaws, following the portioning set by the Board of Directors that take into consideration (i) the effective participation of each member to the Board of Directors' meetings or when necessary of its committees and (ii) specific tasks entrusted to the members of the Board of Directors.

Compensation of Mr. Eric Jacquet as Chairman and CEO and Mr. Philippe Goczol as Deputy chief executive officer

Fixed and variable compensation

As director/corporate officers, Mr. Eric Jacquet and Mr. Philippe Goczol are not bound by a contract within the Group.
The Appointment and Compensation Committee approved the remuneration policy for the Chairman and CEO and for the Deputy chief executive officer based on fix and variable factors to which are added commitments of any nature taken by the company. The committee also noted the studies carried out by the ATH association monitoring financial information on the 2008 remunerations of 400 directors of companies listed outside CAC 40 and of the banking and financial sector of the recommendations of the AFEP/Medef code in this field to the AFEP-MEDEF listed company governance code of December 2008 (revised in 2010).

Variable compensation are mainly calculated on the criteria of net profitability. The calculation is determined by the net income Group expressed as a percentage of sales. It is payable annually once the results of the Group are known.

Benefits in kind

None.

Attendance fees

Mr. Eric Jacquet is entitled to a portion of the attendance fees fixed by the shareholders' meeting and distributed by the Board of Directors.
Not being a director, Mr. Philippe Goczol will not receive attendance fees.

Bonus share allocation

On June 15, 2010, Mr. Eric Jacquet received 2,100 bonus JACQUET Metals shares in virtue of the previous share plan; Mr. Eric Jacquet has no shares pending.

On June 15, 2010, Mr. Philippe Goczol received 1,350 JACQUET Metals bonus shares in virtue of the previous share plan; Mr. Philippe Goczol has no shares pending.

Retirement plans

The Company pays severance fees for retirement based on a formula common to all employees including the two managers/corporate officers. There is no supplementary retirement plan.

Unemployment insurance

The Company pays a contribution to Mr. Philippe Goczol in the form of an unemployment-insurance policy agreement for GSC-type managers, which pay an indemnity for no more than 18 months as from the month following the occurrence of the event covered by the policy.

Non competition allowance vis-à-vis Mr. Philippe Goczol

On November 15, 2010, the Board of Directors approved a non-competition commitment with Mr. Philippe Goczol, upon suggestion by the Appointment and Remunerations Committee, in the event of the termination of his functions.
This agreement prohibits profiting from the Company or the Group's companies directly or indirectly for a period of one year, in the Benelux territories, mainland France and the adjacent countries in any way, including electronic trade, in the fields likely to vie with the Company's business activity.

Allowance paid to Mr. Philippe Goczol in the event of contract termination or change of position

On November 15, 2010, the Board of Directors approved the terms of a severance allowance payment in the event of termination of duties, as proposed by the Appointment and Compensation Committee.

The allowance amount depends on the variation of the Company's theoretical enterprise value (TEV) between:

- the year 2010, the date at which Mr. Philippe Goczol began working at the Company,
- and the average of this same TEV for the Reference Period of the year of departure and the two preceding years.

This allowance will be equivalent to six months' salary if the TEV has increased by 3%-6% on average in comparison to 2010. It will be equivalent to 12 months' salary if the TEV is superior to 6% per year on average. No allowance will be paid if the TEV variation is inferior to 3% per year on average.

The following definitions will be applied when calculating the allowance to be paid:

- The reference salary used to calculate the indemnity corresponds to the average fixed and variable compensation owed for the past three financial years starting from the departure date ("Salary").
- The TEV increases each year by applying the following formula:
  TEV = Average market capitalization + average Group debt,
    - the average market capitalization is equal to the number of shares (recorded at the end of the reference period for the year of departure) x the daily volume-weighted average share price over the reference period;
    - the average debt is calculated on the basis of the average net debt at the end of the two most recent reference periods.
- The reference period is determined on the basis of the departure date, as follows:
    - If the departure occurs before the date of the Board of Directors meeting that examines the half-year financial statements of the departure year (year N), and no later than September 1 of year N, the reference period for the departure year corresponds to the most recent financial year ended (N-1). The two previous reference periods therefore correspond to financial years N-2 and N-3;
    - If the departure occurs after the date of the Board of Directors meeting that examines the half-year financial statements of the departure year (year N) but before that for the annual financial statements of the current financial year (which must be held no later than March 1), the reference period for the departure year corresponds to the 12 months preceding the close of the half-year (N). The two previous reference periods are determined in the same way for the 12 months preceding the close half-years N-1 and N-2.

5. Shareholder Participation at General Meetings

The participation/attendance terms of the shareholders are stipulated in Articles 23-28 of the Company's bylaws.

6. Elements that could have an impact on a Public Offering

As far as the Company is aware, there are no mechanisms intended to delay, defer, or prevent a change in control.

INTERNAL CONTROL PROCEDURES IMPLEMENTED BY THE COMPANY

This report on the internal control procedures implemented by the Company is also based on the guide set up by the average and small values of the reference framework on internal control published by the “Autorité des marchés financiers” (French stock exchange authority) on January 9, 2008.

It covers Group subsidiaries, which are under majority control, in line with scope of consolidation of the group.

Taking into consideration the Group’s restructuring, the procedures described below may be revised and homogenized.

1. Definition and Objectives of Internal Control

Internal control is a company mechanism, defined and implemented under its responsibility, which aims to ensure:

- Compliance with applicable laws and regulations,
- Implementation of instructions and guidelines laid down by the General Management,
- The proper functioning of the Company’s internal processes, in particular those contributing to the safeguarding of its assets,
- The reliability of accounting and financial information,
- And, in general, it contributes to the Group’s control over its activities, the effectiveness of its operations and the efficient use of its resources

By contributing to preventing and controlling the risk of not meeting the objectives that the Company has set for itself, the internal control mechanism plays a key role in conducting and managing its various activities. However, internal control cannot provide an absolute guarantee that Company objectives will be achieved.

In the particular instance of a company heading up a group, as is the case with Jacquet Metal Service, internal control procedures are intended to maximize its control over its subsidiaries, within the context of decentralization of functions and responsibilities, and to guarantee the reliability of the consolidated financial statements and keep control over risks liable to have a material impact on the Group’s asset base or the achievement of the Group’s objectives.

In concrete terms, this involves processes established by Group executives intended to provide them with reasonable insurance that control is exercised over the subsidiaries, that transactions are actually carried out to best effect in accordance with the objectives, that financial information is reliable and that all laws and regulations are complied with.

The main purposes of the internal control procedures currently in force at the company are to:

- ensure that management actions fit within the strategic directions laid down by the Management Board and that they comply with the Group’s internal regulations and annual budget targets;
- verify that the accounting, financial and management information communicated to the Board of Directors and shareholders reflect the Group’s business and situation fairly and accurately.

One of the objectives of the internal control system is to prevent and control risks arising from business activity and the risk of errors or fraud, especially in the accounting and financial areas. As with all control systems, it does not guarantee that all risks have been eliminated entirely.

2. Control Environment

ISO procedures manual

ISO certification for the main subsidiaries requires an external annual review by an independent assessor to verify that procedures are being applied properly. This control is the basis of a formal report that includes recommendations. It is sent directly to the managers of the subsidiaries involved.

Definition of functions

Further to the Group's reorganization, the Group's goal, in a six month timeframe, is to modify and adapt the tasks and responsibilities of each internal control actor and draft specific studies on employment.

Group general regulations

The current regulations are similar to the duties and obligations of the managers within the group in terms of:

- commitments for the purchase of raw materials, general costs or financing;
- signing sales contracts (credit insurance, long contracts, personalized stocks etc.);
- personnel changes;
- investment or divestment, particularly.

Given the Group's restructuring, a project was initiated to modify and homogenize working rules of the management within the Group.

Internal audit chart

The purpose of the internal audit chart is to define and demarcate the role, objectives and responsibilities of the Group's internal audit and to provide conditions to enable it to fulfill its functions.

3. Contributors to Internal Control

Internal control is everyone's concern, from corporate governance bodies to all Company personnel.

Board of Directors

It is the responsibility of General Management to report to the Board of Directors and the Audit and Risks Committee the essential characteristics of the internal control apparatus, its implementation within the Group and the actions that will be taken to improve it.
In terms of what is necessary, the Board of Directors can use its general powers to launch control and verifications it deems necessary or take all other initiative it feels is appropriate in this matter.

The Board of Directors determines the direction of the Company's business activity and oversees its implementation. It addresses all questions pertaining to the proper workings of the Company and, through its deliberations, resolves issues within its area of responsibility. In this context, the Board notably:

- deliberates on Group strategy and on the operations derived from it and more generally on all significant operations regarding large investments or divestments;
- designates and controls the Company's general management;
- ensures the quality of the information supplied to shareholders and the market, more particularly through the financial statements and annual reports or during any significant operations.

Audit and Risk Committee

The task of the Audit and Risk Committee is to examine the consolidated financial statements and related reports before they are examined by the Supervisory Board, and to satisfy itself that the financial statements are consistent with other information it is aware of.
It is also responsible for tracking the effectiveness of the internal control and risk management systems.
The Audit and Risk Committee has access, as required, to all necessary accounting and financial documents, and it attends presentations from those responsible for preparing the financial statements, as well as from the statutory auditors, in order to obtain assurance that the auditors have had access to all information necessary for them to carry out their verifications, in particular with regard to the Group's consolidated subsidiaries, and that they have made sufficient progress at the time of approval of the financial statements to be able to make any and all significant comments.

The statutory auditors attend Audit and Risk Committee meetings and keep themselves informed regarding the work of the internal audit department.

Finance Department

The Group finance director is responsible for the core competences of (i) finance and treasury, (ii) consolidation and financial control, (iii) legal and insurance matters, (iv) audit and internal control, (v) taxation and (vi) investor relations. These responsibilities are exercised or delegated as follows:

- **Finance and Management Control Departments**: are responsible for subsidiaries and allocated by geographic region, the members of this department are also responsible for Group-wide tasks. The Group controllers' job description states that their task involves:
    - monitoring the monthly performance of subsidiaries, assisting in preparing their budgets, preparing Group budgets;
    - responsibility for Group-wide tasks (monitoring working capital requirement and debt, measuring operating performance).

- **Group Finance and Treasury Department:** particularly responsible for evaluating existing Group cash management systems. His/her analysis leads to the drawing up, publication and implementation of regulations and procedures to improve Group cash management while strengthening risk control. He/she must also alert management in the event of a risk of failure to comply with bank covenants.

- **Internal Audit Department:** sees to the supervising and structuring of the internal control procedures, participates in the definition and the distribution of the internal control documentation and tracks the implementation of the Group's principles. He/she exercises cross-level control over all Company activities and flows. His/her work may revolve around functions such as financial audit (review of financial statements, examination of systems and rules laid down to ensure the reliability of financial information), operational audit (review of the main business cycles and analysis of the existing organization to provide insurance that it is able to control risk and achieve set targets), various ad hoc tasks to provide support to operations, diagnostic or organizational studies.

4. Summary of Internal Control Procedures

Information and Reporting

Procedures specific to the preparation of financial and accounting information within the parent company include:

- Preparation of quarterly financial statements for consolidation and publication;
- monthly monitoring of results compared with the annual budget;
- a monthly Group treasury report, tracking the implementation of the Group's financing policy.

Identification and evaluation of risks

All subsidiary operational managers were asked to submit a list of latent or already existing risks at the subsidiary level, whether they be client, supplier, employee, environmental or fiscal. These summaries also specify an estimate for each risk and the resulting accounting treatment recorded at December 31, 2011.

Internal control guidelines

The preparation of an internal audit plan is underway to integrate the change in scope following the merger.
The objective remains the same: improve internal control by implementing ad hoc reviews and evaluations of the internal control apparatuses at the subsidiary level throughout the Group.
In time, gradually following this process should allow a formal internal control system to be set up.

5. Internal Control Procedures relating to Preparation and Processing of Accounting and Financial Information

Planning, managing and processing reports

The procedures for preparation of the budget and for monthly monitoring are as follows:

- On the basis of strategic guidelines laid down by the Group General Management, brand operating managers and managers of subsidiaries must prepare an annual budget and present it for approval to the Group general management. The Group's general regulations specify in particular that this budget should include precise information on capital expenditures, inventories, net debt and the workforce;
- At least once per quarter, brand operating managers and executives meet with Group General Management to review operating performance and strategic orientations.

These procedures affect all of the Group's consolidated subsidiaries and make the whole organization accountable in the pursuit of the Group's objectives.

Procedures for the preparation of the financial statements

The Group performs a monthly closing to consolidate certain key indicators, and a quarterly closing for its complete consolidated financial statements.
The Group finance department organizes and plans all accounting work so as to organize reliable, consistent consolidation of this data. This procedure affects all of the Group's consolidated subsidiaries and makes the whole of the organization accountable in the pursuit of the Group's objectives. Group financial statements are prepared on the basis of information supplied by the finance departments of the subsidiaries.

The accounting principles are reviewed quarterly in connection with recent regulatory changes.
The means implemented to guarantee the consistency and reliability of the data used for the needs of internal management and external publication include the implementation of a single reporting and consolidation tool, integrating every month financial management and accounting information useful for consolidation and operational management. This single consolidation tool is used for the preparation of monthly reports and for external financial information at every stage of consolidation (budget, budget revisions and monthly reporting). Using a single application meets the requirements of reliability, availability and relevance of financial and accounting information for the various types of data used for internal management and external publication.

The subsidiaries' data are transmitted according to a set format, which is identical for all of the Group's consolidated subsidiaries. Data reported back is in the same IAS/IFRS format, following a single "Group norms" chart of accounts in local currency. The subsidiaries are responsible for ensuring that this information complies with Group instructions (chart of accounts, instructions for closing) and for observing the detailed instructions sent by the Group finance department (reporting timetable and reliability of data). The adjustments required between individual and consolidated financial statements are detailed and recorded by each subsidiary and reviewed by Group controllers.
The reporting formats also include detailed analyses that make results comparable according to the same parameters, for example by isolating non-recurrent transactions or changes in the scope of consolidation.
Each subsidiary manages its specific local characteristics, carries out accounting checks and fulfils the obligations for retention of information and data used in preparing the financial and accounting records, according to applicable local regulations.

Control Activities

The Group controlling department ensures that data reported back by the subsidiaries is consistent before combining the results and recording consolidation entries, and ensures that adjustments are made on a consistent basis. Correct recording of flows according to entity is also checked automatically by the consolidation program.

Identification and listing of adjustments is conducted at an early stage by local finance departments together with Group controllers. Their review is included in the statutory auditors' testing work.

Moreover, the Group controlling department may decide to carry out specific tests on accounting issues identified as being sensitive and which might have a material impact on the presentation of the financial statements. These items are also reviewed by the statutory auditors as part of their tests.

As part of their control work, controllers in charge of subsidiaries have access to all information. Their main contacts are the manager of the subsidiary concerned, the finance manager and, if applicable, the subsidiary's controller.

Accounting and financial reporting

Each year, the Group's legal counsel draws up a timetable summarizing all Group deadlines for financial and accounting reports to stock markets and the Company's regulatory institutions.
This timetable is distributed internally, particularly to staff working specifically on financial reporting.

In addition, the Group's finance department staff follows a formal accounting and financial timetable set up in advance to ensure that the set deadlines can be met.

Control procedures for accounting and financial information are based on:

- monthly financial checks of all accounting and financial information by controlling and treasury departments;
- a review of the financial statements by the internal auditor.

Mr. Eric Jacquet
Chairman of the Board of Directors

9. STATUTORY AUDITORS' REPORT, DRAWN UP ACCORDING TO ARTICLE L.225-235 OF THE COMMERCIAL CODE, ON THE BOARD OF DIRECTORS CHAIRMAN'S REPORT OF JACQUET METAL SERVICE

(Free translation of a French language original)

To the shareholders,

In our capacity as Statutory Auditors of Jacquet Metal Service and in accordance with Article L. 225-235 of the Commercial Code, we hereby report on the report prepared by the Chairman of your Company in accordance with Article L. 225-37 of the Commercial Code for the year ended 31 December 2011.

It is the Chairman's responsibility to prepare and submit for the Supervisory Board's approval a report on internal control and risk management procedures implemented by the Company and providing the other information required by Article L. 225-37 of the Commercial Code relating to matters such as corporate governance.

Our role is to:

- report on the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of accounting and financial information, and

- confirm that the report also contains the other information required by Article L. 225-37 of the Commercial Code. It should be noted that our role is not to verify the fairness of such information.

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

Information on internal control and risk management procedures relating 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 in respect of the internal control and risk management procedures relating to the preparation and processing of accounting and financial information. These procedures consist mainly in:

- obtaining an understanding of the internal control procedures relating to the preparation and processing of accounting and financial information on which the information presented in the Chairman's report is based and of the existing documentation;

- obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;

- determining whether material weaknesses in the internal control procedures relating to the preparation and processing of accounting and financial information that we would have noted in the course of our work are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the Company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of Board of Directors in accordance with the provisions of Article L. 225-37 of the Commercial Code.

We confirm that the report prepared by the Chairman of the Supervisory Board also contains the other information required by Article L. 225-37 of the Commercial Code.

Paris and Lyon, March 22, 2012

The Statutory Auditors

BELLOT MULLENBACH & ASSOCIES	ERNST & YOUNG et Autres
Eric Seyvos	Lionel Denjean

OTHER INFORMATION

1. AUTHOR OF THE REFERENCE DOCUMENT AND THE ANNUAL FINANCIAL REPORT

Eric Jacquet
Chief Executive Officer

Certificate of the author of the Registration document and the Annual Financial report

I certify that, after having taken all reasonable care to ensure that such is the case, all information contained in this Reference Document, to the best of my knowledge, truly and fairly reflects the existing situation and contains no omissions which could impair its full meaning.

I also certify that to the best of my knowledge the financial statements have been drawn up in full compliance with applicable accounting rules and standards and provide a true and fair view of the assets, financial position and results of the Company and all of its consolidated subsidiaries, and further that the Management Report presented on pages 20 to 66) contains a true and fair view of the ongoing development of the business, results and financial position of the Company and all of its consolidated subsidiaries in addition to a description of the main risks and uncertainties facing them.

I have obtained from the Statutory Auditors a certificate of completion of audit in which they state that they have carried out a verification of the information relating to the financial situation and the financial statements set out in the Reference Document and have read the whole of the Reference Document.

Financial information and pro forma financial information concerning the financial year ended December 31, 2010, which is incorporated by reference in this Registration document, were the subject of reports by the Statutory Auditors. These reports contain observations featured on pages 92, 115 and 163 of the 2010 Registration document No. D.11-0211, filed with the AMF on April 1, 2011.

The financial information relating to the financial year closed on December 31, 2009, included for reference purposes in this document, has been subject of reports by statutory auditors that contain observations presented on pages 124 and 150 of the 2009 reference document n. D.10-0086 submitted to the "Autorité des marches financiers" (French stock exchange authority) on March 4, 2010.

Eric Jacquet

2. AUDITORS

Statutory auditors

- **Ernst & Young et Autres**, represented by Lionel Denjean – 41 rue Ybry – 92200 Neuilly sur Seine
  Date of first appointment: June 30, 2011
  Term: 6 years. Term expires at the close of the Annual General Meeting of shareholders called to approve the financial statements for the year ended on December 31, 2016;
- **Bellot Mullenbach & Associés**, represented by Eric Seyvos - 11 rue de Laborde - 75008 Paris
  Date of first appointment: April 21, 2005
  Date of renewal: April 3, 2008
  Term: 6 years. Term expires at the close of the annual General Meeting of shareholders called to approve the financial statements for the year ended on December 31, 2013.

Alternate auditors

- **Auditex**, Tour Ernst & Young - Faubourg de l'Arche – 92037 La Défense
  Date of first appointment: June 30, 2011
  Term: 6 years. Term expires at the close of the Annual General Meeting of shareholders called to approve the financial statements for the year ended on December 31, 2016;
- **M. Eric Blache** - 11 rue de Laborde- 75008 Paris
  Date of first appointment: April 21, 2005
  Date of renewal: April 3, 2008
  Term: 6 years. Term expires at the close of the Annual General Meeting of shareholders called to approve the financial statements for the year ended on December 31, 2013.

3. AUTHOR OF FINANCIAL INFORMATION AND INVESTOR RELATIONS

Thierry Philippe

CFO
Tel. +33 (0)4 72 23 23 50 – comfi@jacquetmetals.com

NewCap. – Investor Relations

Axelle Vuillermet / Emmanuel Huynh
Tel. +33 (0)1 44 71 94 94 - jacquetmetalservice@newcap.fr

4. INFORMATION ABOUT THE ISSUER

Company name (Article 3 of the bylaws)

The name of the Company is **Jacquet Metal Service**. The name wad changed following the decision of the Extraordinary General Meeting of Shareholders on June 30, 2011.

Registered office (Article 4 of the bylaws)

The Company's registered office was transferred following a decision of the Extraordinary General Meeting of Shareholders on June 30, 2011. It is located at 7 rue Michel Jacquet in Saint-Priest (69800).

Date of formation and term (Article 5 of the bylaws)

The Company was founded under the name Loire Chatillon on September 23, 1977. The memorandum of association was filed on 19 October 1977 with the clerk of the Paris Commercial Court and the Company was registered with the Trade and Companies Registry on 3 November 1977. The Company's name was changed by its shareholders to Mecamet at the Extraordinary General Meeting of 30 November 1979, to International Metal Service at the Extraordinary General Meeting of December 5, 1980, then to IMS International Metal Service at the Extraordinary General Meeting of May 25, 1989. Finally, it was changed to Jacquet Metal Service at the Extraordinary General Meeting of June 30, 2011.

The term of the Company is 99 years, to December 31, 2075, unless it is dissolved in advance or the term is extended by shareholders at an Extraordinary General Meeting.

Registration

Following the corporate headquarters on June 30, 2011, the Company is now registered on the Lyon Trade and Companies Registry. Its registration number is n.311 361 489, and its NAF code is 4676Z.

Legal form and applicable law

Jacquet Metal Service is a joint-stock company registered in France and is subject to all laws governing commercial companies in France, in particular Articles L. 224-1 and following of the Commercial Code.

Finally, at a General Meeting of April 21, 2005, the shareholders resolved to alter the Company's management system, and adopted the Management Board and Supervisory Board system.

The General Meeting of June 30, 2010, voted to change the Company's administrative and management structure to a Management Board and Supervisory Board with a Board of Directors.

This decision took effect on July 20, 2010, the day of the merger with JACQUET Metals.

Corporate purpose (Article 2 of the bylaws)

In all countries, the purpose of the Company is to:

- Purchase and sell all metal products, all industrial products and goods and any other substitute products.
- Represent, broker and distribute such products, either for the Company's own account or for the account of others.
- Undertake all operations to process and present such products.
- Obtain, acquire, sell and use any process or industrial ownership rights or expertise, and obtain or grant any licenses.
- Invest in any companies directly or indirectly associated with the purpose and activities described above.

Generally, to undertake any industrial, commercial, civil or financial transactions, and any transactions in movable or real property directly or indirectly related to the above purposes and activities.

All to be undertaken, directly or indirectly, by creating companies and new groups, and transferring, subscribing or purchasing shares and rights, through mergers, alliances, investments or leases of any goods and other rights.

And generally, to undertake any commercial, industrial and financial transactions or transactions in movable or real property that might be necessary or useful for carrying out and developing the Company's business.

Accounting year (Article 32 of the bylaws)

Each accounting year begins on January 1 and ends on December 31.

General Meetings (Articles 23 to 30 of the bylaws)

Notice (Article 24)

The General Shareholders' Meetings are convened and deliberate following law provisions.
The meetings take place either at the corporate headquarters or at another location disclosed in the meeting notice.
Any shareholder can also participate in a General Meeting via videoconference or other means of electronic telecommunications if this is specified in the meeting notice of a General Meeting, under certain conditions set by the legislation or regulation in operation in effect. The shareholder in question is then considered present at that meeting in terms of attendance and majority.

Admission (Article 26)
Any shareholder, in compliance with the law and regulation can attend General Meetings and participate in the deliberations in person or through representative regardless of the number of shares he holds.
Any shareholder can be represented within legal conditions.
Any shareholder can vote by mail using a specialized form addressed to the Company according to the legal conditions and regulations.

Location where documents and information regarding the Company can be consulted

The bylaws, financial statements and reports, General Meeting minutes that, according to legislation regarding commercial companies, are made available to the shareholders and general public, can be consulted at the Company's headquarters.

Service contracts including long-term benefits

Besides the remuneration and provisions detailed in Section 2.13 of the Management Report—Information on the Parent Company Jacquet Metal Service S.A, there are no service contracts binding the members of the executive or supervisory officers to the issuer or any of its subsidiaries that grant long-term benefits under the terms of those contracts.

Fixation – Attribution of benefits (Article 34)

The income statement which books the costs and revenues for the financial year shows the profit of the year after deduction of amortizations and provisions.

5% is deducted from the year's profits (that may have decreased due to previous losses) to build up the legal reserve funds. This deduction ceases to be mandatory when the reserve funds reaches one tenth of the corporate share capital.
Distributable profit is comprised of the financial year's profit, less previous losses and the amounts booked to reserves, in accordance with the law and bylaws, and increased by profits carried forward.

This profit is distributed amongst the shareholders proportionally based on the number of shares each one of the holds. The General Meeting can decide to distribute sums taken from the reserves at its disposal, expressly indicating which reserves are to be used for this purpose.

However, the dividends are deducted on the financial year's profits in order of priority. Except in the case of reduction of capital, benefits will not be attributed to shareholders when the equity is, or subsequently becomes, inferior to the amount of capital, which has been increased by reserves that the law or bylaws prohibit from distributing.

However, after the deduction of reserve sums in accordance with the law, the General Meeting may use any amounts it deems appropriate and book them to any optional reserves whether they be ordinary or extraordinary, or to carry-forwards.

Dividend payment – Interim payment (Article 35)

- The General Meeting can confer a payment option between the dividend in shares within legal parameters or in cash.
- The terms of payment of dividends in cash are determined by the General Meeting, or the Board of Directors by default.

The payment of dividends in cash must occur within a minimum timeframe of nine months after the close of the year, except if this time period has been prolonged by a legal authority.

However, when a half- or full-year balance sheet certified by a statutory auditor reveals that the Company has made a profit since the closing of the previous financial year after depreciation, amortization, and provisions and after deduction, if applicable, of the bylaws, the Company may distribute interim dividends before approval of the financial statements. The amount of these interim payments shall not exceed the amount of the profit thus defined.

Shareholders cannot demand the reimbursement of a dividend unless the distribution was carried out in violation of legal provisions and if the Company proves that the beneficiaries knew the irregular character of the distribution as it was taking place or couldn't ignore it, considering the circumstances. If necessary, the reimbursement is made three years after the payment of these dividends.

The dividends are claimed within five years when their payment is prescribed.

Rights and obligations related to shares (Article 11)

- Each share bestows a right, in the distribution of earnings and ownership of corporate assets or the liquidation surplus, to a proportional share of the capital it represents. Each share bestows the right to be represented and to vote at the General Meetings, without restriction, under the conditions required by law.
  However, double voting rights are attributed to fully paid-up shares that have been registered by the issuer or its representative in the name of the same shareholder for at least two years.
  In the event of capital increase through the capitalization of reserves, earnings, or additional paid-in capital, double voting rights may be allocated to registered bonus shares from the date of issue to shareholders with shares previously allocated this right.
  A merger or spin-off of the Company does not affect the double voting rights that may be exercised by the beneficiary company, if instituted by the latter's bylaws.
  Double voting rights are forfeited when the shares are converted to bearer form or sold. However, double voting rights are not forfeited when title is transferred by way of an inheritance or as a result of the liquidation of the marital estate or an inter vivos donation to a spouse or relative in the direct line of succession. This holds true in the event of a merger or spin-off by a shareholding company.
  All shareholders have the right to information on the Company's business and to certain corporate documents, on a timely basis and as provided for by law and the bylaws.
- Shareholders are liable for Company debt only up to amount of the par value of their shares.
  Rights and obligations remain with the share. Ownership of a share brings with it the right to full adherence to the Company's bylaws and to the decisions of the General Meeting.
- Heirs, creditors, assignees, trustees, or other representatives of a shareholder may under no circumstances whatsoever seal Company property, request that it be shared or put up for public auction, or interfere in any way in its administration. In order to exercise their rights, the aforementioned persons must refer to the Company's assets and liabilities and to the General Meeting's decisions.
- Whenever the exercise of a right depends on ownership of a specific number of shares, it is the responsibility of shareholders who do not own shares in sufficient quantity to combine their shares to attain the required number.

Disposal and transmission of shares (Article 10)

In addition to the information obligations resulting from the legal and regulatory provisions in place, all persons and corporate bodies acting individually or in concert, who hold or cease to hold a fraction equal to 1% of the share capital or voting rights or all multiples of this percentage up until the threshold, i.e., one third of the share capital, is beholden to inform the Company within five (5) trading days, as soon as the participation threshold has been crossed, by registered letter with receipt of delivery, addressed to its corporate headquarters specifying the number of shares and the rights held.

If not declared according to the specific afore-mentioned conditions, the shares exceeding the fraction that should have been declared do not hold the right to vote in accordance with the legally prescribed conditions, for all shareholder meetings that will be held until the expiration of a two (2) year period following the regularization date. Unless one of the thresholds specified in Article L.233-7 of the Commercial Code is crossed, the privation of voting rights will only occur at the request of one or several shareholders holding 2.5% of the capital and voting rights of the Company and will be noted in the General Meeting minutes.

5. INFORMATION ON SHARE CAPITAL

Share Capital

At December 31, 2009, the share capital came to €27,527,741, and consisted of 18,057,010 shares. At July 20, 2010, in the context of the merger between IMS S.A. and JACQUET Metals S.A., the share capital of Jacquet Metal Service S.A. was increased by €9,103,385 to €36,631,126, comprising 24,028,438 fully paid shares. The share capital has not changed since the definitive completion of the merger.

Date	Transaction	Share capital increase in €	Issuance, contribution or merger premiums in €	Number of shares issued	Cumulated amount		
					In € (a)	In shares (b)	(a) / (b)
31.12.2009 [1]			28,287,117		27,527,741	18,057,010	1.52
20.07.2010 [2]	Fusion - Absorption	9,103,385	29,854,861	5,971,428	36,631,126	24,028,438	1.52

[1] Share capital remained unchanged during the four financial years preceding FY 2009.
[2] The merger by acquisition of JACQUET Metals by IMS International Metal Service was approved by the Extraordinary General Meeting of June 30, 2010.

OTHER INFORMATION

Types of shares (Article 9)

Fully paid-up Company shares may, at the shareholder's discretion, be in either registered or bearer form, pursuant to the legal and regulatory provisions in effect, particularly Article L. 228-2 of the Commercial Code.

In order to identify the owners of bearer shares, the Company is entitled at any time to ask the custodian of the financial instruments for the name or denomination, nationality, year of birth or year of incorporation, and address of the holders of shares that grant immediate or deferred voting rights at its own shareholder meetings, as well as the quantity of shares hold by each shareholder and any potential restrictions on those shares.

In addition, the Company is entitled to request all information as specified in Articles L.228-2 and according to the Commercial Code.

The terms of use of this information are governed by the provisions of the same Article L. 228-2 of the Commercial Code.

Share trading-–Stock exchange

All shares are freely assignable and listed on the NYSE Euronext – compartment B.

Distribution of capital and voting rights

The distribution of capital and the identity of the capital holders that exceed the legal threshold are presented in Section 2.9 of the Management Report – Information on the Parent Company.

Company buyback program

This information is provided in paragraph 2.5 of the Management Report – Information on the Parent Company.

Exchangeable or reimbursable convertible bonds giving access to capital

None.

Capital securities not representing capital

None.

Shareholders' agreement and declared concert

There is no shareholders' agreement or declared concert.

Liquidity contract

This information is provided in paragraph 2.8 of the Management Report – Information on the Parent Company.

6. RELATED PARTY TRANSACTIONS

Jacquet Metal Service S.A and its subsidiaries foster contractual relationships related to the Group's organization and workings.

The invoicing of the parent company Jacquet Metal Service, to its subsidiaries consists mainly of services. The basis for invoicing is often the subsidiary's sales figure. The billing rules are identical for all subsidiaries and are subject to agreement. Billing between subsidiaries is notably relative to intergroup supplying.

Jacquet Metal Service is not only a holding company. It also supplies services to its subsidiaries in the aims of optimizing their costs by giving them economical advantage. Jacquet Metal Service sales are therefore mainly comprised of management fees and IT fees, billed directly or indirectly to all Group subsidiaries using identical criteria.

The Jacquet Metal Service Group is composed of numerous subsidiaries, which are all majority-owned, in 22 countries. The interest and control percentages of Jacquet Metal Service in each subsidiary and the list of countries in which they are present can be found in paragraph 1.1 "Consolidation scope" in the consolidated financial statement notes. The results of these subsidiaries and the important commentary on their activity are presented in paragraph 1.4 of the Management Report - Information on the Company.

The Group has minority interests in the following subsidiaries: JACQUET Finland (FI), JACQUET Metallservice (AT), JACQUET Osiro (CH), JACQUET Nederland (NL), JACFRIESLAND (NL), JACQUET Berlin (DE), JACQUET s.r.o. (CZ), JACQUET Iberica (ES), ERDBRÜGGER Metallservice (DE), JACQUET Nordpol (PL), JACQUET Portugal (PT), JACQUET Italtaglio (IT), JACQUET UK (GB), JACQUET Mid Atlantic (United States), JACQUET Houston (United States), JACQUET Midwest (United States), JACQUET West (United States) et JACQUET Southeast (United States).

Minority shareholders comprise franchise managers, with the exception of JACQUET Osiro (CH) and ERDBRUGGER Metallservice (DE).

Shareholder agreements exist between Jacquet Metal Service and the minority shareholders of the following franchises: JACQUET Finland (FI), JACQUET Metallservice (AT), JACQUET Nederland (NL), JACQUET s.r.o. (CZ).

These agreements aim to protect party interests should a party want to divest itself of the agreement or in the event of a conflict. Only the JACQUET Finland (FI) agreement is susceptible to have an impact, and an insignificant one at that, on Jacquet Metal Service.
These agreements in no way affect the terms related to the sale or purchase of Jacquet Metal Service company shares.

7. THE INFRASTRUCTURES

The Group's assets

The Group's assets are primarily made up of buildings and processing capacities (cutting and bending machines, etc.).

Real estate at December 31, 2011

In m²	Fully owned sites			Leased sites			Sites under financial leases		
Country	Building area	Land area	Number of warehouse	Building area	Land area	Number of warehouse	Building area	Land area	Number of warehouse
Germany	11,907	27,598	3	21,454	11,503	3	8,808	21,110	1
Austria	1,363	2,811	1	212	-	-	5,000	17,200	1
Belgium	14,797	29,386	2	647	-	-	-	-	-
China	5,159	15,958	1	160	-	-	-	-	-
Spain	1,284	10,295	1	61,948	38,954	10	-	-	-
United States	-	-	-	22,553	3,428	5	-	-	-
Finland	2,333	23,064	1	39	-	-	-	-	-
France	30,804	13,727	5	83,628	192,152	12	18,387	32,384	1
Hungary	4,080	22,602	1	17	-	-	-	-	-
Italy	1,950	3,200	1	92,024	112,066	11	-	-	-
Lithuania	-	-	-	1,873	470	3	-	-	-
Netherlands	5,325	13,000	1	16,663	490	1	-	-	-
Poland	8,763	62,693	2	5,905	-	2	-	-	-
Portugal	-	-	-	7,179	13,625	2	-	-	-
Czech Republic	8,403	44,608	2	2,776	-	1	-	-	-
United Kingdom	2,500	17,000	1	5,699	6,600	1	-	-	-
Slovakia	2,948	20,974	1	-	-	-	-	-	-
Slovenia	247	5,663	-	-	-	-	-	-	-
Sweden	4,169	27,927	2	865	-	1	-	-	-
Switzerland	2,535	13,645	2	-	-	-	-	-	-
Turkey	272	-	-	4,924	9,771	1	-	-	-
Total	**108,839**	**534,151**	**27**	**328,566**	**416,059**	**53**	**32,195**	**70,694**	**3**

Breakdown of Jacquet Metal Service distribution centers between full ownership and rentals

Number of warehouse	31.12.2011
Fully owned sites	27
Leased sites	53
Sites under financial leases	3
Total	**83**

There is no environmental constraint that could influence the issuer's use of its tangible assets.
The information pertaining directly or indirectly to the corporate officers regarding assets can be found in paragraph 2.13 of the Management Report - Information on the Parent Company.

8. ANNUAL DISCLOSURE DOCUMENT

In accordance with Article L. 451-1-1 of the Monetary and Financial Code and of Article 222-7 of the general rules of the “Autorité des marchés financiers” (French stock exchange authority), this document this document includes a list of all the information published or made public by Jacquet Metal Service on January 1, 2011 to March 20, 2012 to meet the legislative and regulatory obligations in effect.

8.1. Publications in the BALO (Bulletin des Annonces Légales)

Information was published in the official journal (Bulletin des Annonces Legales Obligatoires, BALO) and is available on the site of the official journal www.Journal-officiel.gouv.fr.

2010 parent company and consolidated financial statements	07.15.2011	Case n. 1104681
Convocation to the mixed General Meeting of 06.30.2011 (correction notice)	06.15.2011	Case n. 1103576
Convocation to the mixed General Meeting of 06.30.2011	05.25.2011	Case n. 1102870

8.2 Publications filed with the clerk of the Paris Commercial Court

List of former head offices	08.03.2011	File n. 18230
Change of corporate name	08.03.2011	File n. 18230
Updates Articles of Association	08.03.2011	File n. 18230
Transfer of an establishment	08.03.2011	File n. 18230
Transfer of head office	08.03.2011	File n. 18230
Minutes of Ordinary and Extraordinary General Shareholders’ Meetings	08.03.2011	File n. 18230

8.3. AMF releases

The information is available on the Autorité des Marches Financiers website: http://www.amf-france.org

Statement of executives	10.19.2011	211D5031
Statement of executives	10.06.2011	211D4797
Statement of executives	09.30.2011	211D4703
Statement of executives	09.29.2011	211D4678
Statement of executives	09.16.2011	211D4472
Statement of executives	09.16.2011	211D4473
Statement of executives	09.14.2011	211D4345
Statement of executives	09.14.2011	211D4346
Statement of executives	09.14.2011	211D4347
Statement of executives	09.14.2011	211D4348
Statement of executives	09.14.2011	211D4349
Threshold crossing	07.04.2011	211C1145
Threshold crossing	07.04.2011	211C1146
Registration document	04.01.2011	D.11-0211

8.4. Reporting and financial information

Information is available on the Jacquet Metal Service website: www.jacquetmetalservice.com

Results

2011 results	03.08.2012
Results at September 30, 2011	11.15.2011
Results at June 30, 2011	08.31.2011
Results at March 31, 2011	05.16.2011
2010 results	03.03.2011

Sales

2010 sales	01.18.2011

Reports

Quarterly Financial Report at September 30, 2011	11.15.2011
Quarterly Financial Report at June 30, 2011	08.31.2011
Quarterly Financial Report at March 31, 2011	05.16.2011
2010 Reference document	04.01.2011
2010 Management report	03.03.2011

Quarterly summaries of the liquidity contract

Half-yearly summary of the liquidity contract at June 30, 2011	07.07.2011
Half-yearly summary of the liquidity contract at December 31, 2010	01.03.2011

Buyback program

Statement of transactions on own shares from July 11 to July 15, 2011	07.20.2011
Statement of transactions on own shares from July 4 to July 8, 2011	07.12.2011
Statement of transactions on own shares from June 27 to July 1, 2011	07.05.2011
Statement of transactions on own shares from June 6 to June 10, 2011	06.15.2011
Statement of transactions on own shares from May 30 to June 3, 2011	06.10.2011
Statement of transactions on own shares from May 23 to May 27, 2011	05.30.2011
Statement of transactions on own shares from May 16 to May 20, 2011	05.24.2011

Miscellaneous

Presentation of the French Society of Financial Analysts (SFAF)	09.13.2011
Monthly information on the total number of voting rights and shares comprising share capital	09.05.2011
Press release on the supply of the 2011 Half-year Financial Report	08.31.2011

9. CROSS-REFERENCE TABLE OF THE REFERENCE DOCUMENT

10. CROSS-REFERENCE TABLE OF THE ANNUAL FINANCIAL REPORT

The current annual report was registered by the "Autorité des marchés financiers" (French stock exchange authority) on March 28, 2012 in accordance with Article 212-13 of its General Regulations. It may be used in support of a financial transaction in conjunction with a short form prospectus approved by the AMF. This document was prepared by the issuer and binds its signatories

In accordance with Article 28 of its European regulation n.809/2004 of April 29, 2004, the reader is referred to previous Registration documents in regards to certain information:

1. the management report, the statutory and consolidated accounts, the statutory auditors' reports on the statutory and consolidated accounts of the financial year closed on December 31, 2010 and the special report on the regulated agreements relating to the financial year present in this reference document submitted to the AMF on April 1, 2011 under the reference D.11-0211.

2. the management report, the consolidated and statutory accounts, the statutory auditors' reports on the consolidated accounts and statutory accounts relating to the financial year closed on December 31, 2009 and the special report on the regulated agreements regarding this financial year and present in the reference document submitted to the AMF on March 4, 2010 under the reference n. D.10-0086.

JACQUET METAL SERVICE

A European leader
in the distribution of specialty steels
NYSE Euronext Paris
Compartment B — CAC®All-tradable — CAC®Small