SAPMER

FINANCIAL ANNUAL **REPORT 2011**

CONTENTS

CHAPTER 1

MANAGEMENT REPORT

SAPMER
A French *société anonyme* with a Board of Directors
Share capital of €2,773,838
Registered office: Magasin 10 – Darse de Pêche
97823 Le Port – La Réunion
Trade & Companies Registration RCS Saint-Denis 350.434.494

Management report of the Board of Directors

Including the Group management report for the year ending December 31, 2011

Mixed Annual and Special Shareholders' Meeting of April 26, 2012
Report of the Board of Directors

To the shareholders:

We have called this Shareholders' Meeting to report to you on the business of the Company and the Group for the year ended December 31, 2011, and to submit the parent company and consolidated financial statements for that year together with various resolutions for your approval.
The reports of the Statutory Auditors and this management report as well as the annual financial statements and other related documents have been available for your inspection at the Company's registered office under the conditions and for the periods of time required by law.

SAPMER has been listed on the Alternext market of the Paris Stock Exchange since July 2009 (ISIN code FR0010776617 – ALMER). SAPMER is the historic deep-sea fishing operator in the French Southern and Antarctic Lands (TAAF) based in Reunion Island. Having been created in 1947, SAPMER now operates a wholly-owned fleet of four freezer-longliners for Patagonian toothfish and a freezer trawler for rock lobster. In order to accelerate its growth, the Company has extended its activity to tuna fishing (yellowfin and skipjack) in the Indian Ocean, and invested €93m in the construction of three -40°C new-generation freezer tuna purse seiners.

SAPMER is positioned on high-value niche activities and segments its activities into two distinct categories:

- The fishing activity includes the sale of toothfish and rock lobster caught in the Antarctic Ocean and the sale of whole tuna (skipjack and yellowfin) caught in the Indian Ocean.

- Processing and value enhancing halieutic products at its Mer des Mascareignes factory.

1. Situation and activities during the year

The objectives of the Cap 2012 strategic plan were reached a year early in 2011. The successful achievement of these objectives included expansion of the fleet, annual revenues above €70m and net profitability of 10%.

1.1. Fishing activity

Southern Seas fishing (toothfish and rock lobster) is subject to quotas. Higher yields were achieved in 2011, so quotas were caught more rapidly than in previous campaigns and the tonnage fished per day at sea was bigger. This is partly due to the effectiveness of the crews in their constant search for improvements in catching techniques and partly to their knowledge and understanding of the fishing areas in the difficult seas of the French Southern and Antarctic Lands (TAAF) based on their experience and their stability at SAPMER.

Good management of the resource through close cooperation with the local and national fishing authorities (an observer is present on each boat) also contributed to these good results.

The number of days at sea between 2010 and 2011 declined, since the quotas granted by the TAAF authorities were caught in full. This resulted in lower operating costs, particularly in terms of fuel consumption.

Due to this good management, the toothfish quotas granted by the authorities were increased by nearly 3% for the new 2011/2012 campaign compared with the 2010/2011 campaign.

The very strong commercial demand both for rock lobster and toothfish led to significant price increases.

For whole rock lobster, the dominant market is Japan (99% of sales) where orders held up despite the disaster in March 2011. Concerning toothfish, there has been strong growth in sales in Asia, particularly China. Sales in the "Rest of Asia" (Vietnam, Hong Kong, Thailand, Singapore etc.) represent 83% of the total, up 14% from 2010, which offset the decline in Japan -10% and the USA -5%.

Tuna fishing grew strongly between 2010 and 2011. A total of 16,400 tons was caught in 2011 compared with 6,800 tons in 2010.

This increase is due to the full-year operation of three new-generation tuna purse seiners in 2011 compared with 1.3 in 2010. The Franche Terre began its first fishing campaign in July 2009, the Manapany in August 2010, and the Bernica in January 2011.

Of the total volume of tuna caught, yellowfin (>10 kg) represents 39% (vs. 29% in 2010), with the balance mainly composed of skipjack and a small quantity of bigeye. These species are not subject to quotas and the stocks of this resource are not over-fished. The quantity fished by SAPMER, 16,400 tons, is not significant in comparison with the 850,000 tons fished by other operators in the Indian Ocean (2010 estimate – fish destined principally for the canning and fresh markets).

2011 confirmed the value of the technological choices of SAPMER's new tuna purse seiner fleet. In particular, diesel-electric propulsion reduces fuel consumption and offers greater flexibility of operation compared with classic propulsion; state-of-the-art fishing aids such as sonars, probes and information satellites contribute to higher fishing yields; and deep-freezing at a temperature of -40°C enables the fish to be preserved in optimal quality conditions, highly valued by the Japanese market.

Given the good results and the applicability of the business model adopted, the decision was taken in the second half of 2011 to invest in two new tuna purse seiners, sister-ships of the first three. Construction contracts were signed with PIRIOU shipyards' vietnamese subsidiary, SEAS, in December 2011. To monitor the construction of these two new tuna vessels, SAPMER created a special engineering and consultancy subsidiary called SAPMER TECHNICAL SERVICES, tasked with supervising vessel construction – in the case in point, these two tuna vessels at PIRIOU's SEAS shipyards in Vietnam.

This fleet of five tuna purse seiners in the Indian Ocean will enable SAPMER to reach a critical fleet size. With higher and more regular volumes of fish, SAPMER will achieve economies of scale with better absorption of its fixed costs. The aim is to catch 6,000 tons per tuna vessel for a total of 30,000 tons in 2013.

2011 saw strong demand on the whole tuna market (i.e. tuna not processed in the factory) and the average price was up 25% compared with 2010. The main clients for this segment are based in Mauritius and Japan.

1.2. Value-enhancing activity

The "value-enhancing" activity includes the sale of processed tuna (fish processed in the factory into loins, steaks etc.) and the activities of the Mauritian subsidiaries.
The first half of 2011 saw a marked increase in the value-enhancing activity. Results in the second half proved the value of the work to optimize resources and processes that had been carried out earlier in the year:

- the MER DES MASCAREIGNES factory steadily ramped up its production capacity from 20 tons a day at the beginning of 2011 to over 35 tons a day by the end of the year (annual capacity of 9,000 tons),

- freezer storage capacities at -40° in Port Louis were extended by 1,800 tons in February 2011 and by a further 900 tons in the second half, to a total of 3,600 tons. These investments were made via SAPMER's Mauritian partnerships: the MFD (MAURITIUS FREEPORT DEVELOPMENT) group, and the logistics and storage specialist company FDM (FROID DES MASCAREIGNES),

- SAPMER MANAGEMENT SERVICES, a subsidiary based in Mauritius, was created to manage the logistics organization.

2,400 tons of tuna were processed at the factory in the first half and 2,900 tons in the second. Altogether, 33% of the fish caught in 2011 was processed at the MER DES MASCAREIGNES factory, representing a 6% increase over 2010.

Mirroring its toothfish and lobster activity, SAPMER is positioned on a "very high quality" niche market and enjoys an excellent reputation for its value-enhanced tuna products, especially loins. SAPMER is now the only company in the Indian Ocean operating across the entire value chain: fishing, deep-freezing at -40°C, cutting and packing tuna into "sashimi" quality loins. This high-end positioning is particularly appreciated by Japanese clients and generates high demand for "sashimi" loins.

The advent of two new tuna vessels in 2012 will enable SAPMER to expand its processing volumes and respond to the growing Japanese market for loins and the European and US markets for steaks.

Since the initial launch of its tuna activity, SAPMER has been engaged in a continuous improvement program to ensure the high quality of these products – recognized for example by the responsible fishing award from Bureau Veritas in April 2010. This strategic focus on quality is widely appreciated by clients, enabling SAPMER to command premium prices for its products in the top segment of the market.

1.3. Economic and macro-economic environment

The current economic crisis in Europe makes assessing the economic and financial prospects more complex. In this context, the Group has drawn up estimates and assessments in a rigorous framework and to the best of its knowledge.

However, it is worth noting that SAPMER is little impacted by the European economic situation since the majority of its sales are exports:

- either to economically buoyant countries in global terms, such as China,
- or to countries with a major and growing market for fish, such as Japan. The disaster that hit Japan in early 2011 did not affect our sales since the country had an even greater need for supplies from beyond its shores.

2. Financial results

The SAPMER Group presents its consolidated financial statements according to IFRS. The accounting policies applied as of 31 December 2011 are consistent with those of the previous year.

2.1. Scope of consolidation

There are two new companies in the consolidated group:

"SAPMER MANAGEMENT SERVICES LTD" ("SMS"), a management company incorporated in Mauritius with capital of MUR 5,000, was created on June 30, 2010. It is included in the consolidation scope as of January 1, 2011 according to the full consolidation method.

"SAPMER TECHNICAL SERVICES", a company with capital of €500 created on May 18, 2011, is included in the consolidation scope as of January 1, 2011 according to the full consolidation method.
The number of companies included in the consolidation thus increased from six to eight.

2.2. Income Statement

Revenues
The Group's revenues totaled €77 million, up €29m by comparison with 2010 (+60%).

Revenues by activity were as follows:

In millions of euros – IFRS	*31.12.2011*	*31.12.2010*	*Growth 2011/2010*	*31.12.2009*
Fishing	*63.8*	*45.0*	*+ 41.8 %*	*32.1*
Value-enhancing and processing	*13.2*	*3.0*	*+ 340 %*	*0.9*
Annual revenues	**77.0**	**48.0**	**+ 60.4 %**	**33.0**
Number of vessels in operation	**8**	**7**		**6**

Consequently, the activity in the first half of 2011 totaled €42.2m (versus €22.8m in 2010), with the majority of sales of toothfish and rock lobster in the early part of the year made at the time of unloading the vessels. In the second half, revenues of €34.8m (compared with €25.2m in 2010) benefited from the expansion of the value-enhancing activity and an increase in sales of whole tuna.

Fishing activity

Sales from the "fishing" activity were up €18.8m in 2011 compared with 2010. This increase was mainly due to sales of "lobster" +€1m, "toothfish" +€8.8m and "whole tuna" +€8.8m.

Sales of toothfish in 2011 came to €8.7m, up 13% from 2010. This €1m increase was largely due to an increase in the price of whole lobster in 2011 which offset the underlying negative "volume" due to destocking in 2010 after the 2009 crisis. Fishing quotas were stable at 400 tons per campaign. SAPMER currently has six main clients in Japan (primarily for whole rock lobster), two clients in Reunion (lobster tails and whole rock lobster) and two clients in France.

Sales of toothfish in 2011 came to €40.7m, up 28% from 2010. Continuing the trend of 2010, 2011 saw particularly high demand from Asian countries, which significantly boosted prices. The fish catches of the four longliners were entirely sold after the first fishing trip in 2011/2012. 895 tons were caught in the first trip of 2011/2012 versus 585 tons fished in the first trip in 2010/2011.

Fishing quotas were virtually stable at 3,200 tons per annum out of global production limited to less than 20,000 tons per annum.

The ten biggest toothfish clients accounted for 73% of all toothfish sales.

Sales of whole tuna principally concern unprocessed volumes of smaller tuna (fish over 1.8kg and under 3.5kg) caught by the three tuna purse seiners. In 2011, sales totaled €13.8m by comparison with €5m in 2010. This reflects the increased volume due to the coming into operation of the Manapany in August 2010 and the Bernica in January 2011, whereas the 2010 revenues only included the Franche Terre sales for one year and the Manapany for 4 months. In addition, prices rose by an average of 25% between 2010 and 2011.

Tuna sold whole is not usually stored as it tends to be sold directly to the Mauritian canning factories on the vessel's arrival.

Value-enhancing activity

"Value-enhancing" revenues at €13.2m increased by €10.2m compared with 2010, linked to the expansion of the tuna fleet (3 vessels in 2011 compared with 1.3 in 2010), increased productivity at the MER DES MASCAREIGNES factory, and higher prices. The second half was up €8.7m against €4.5m in the first part of the year.

Loins accounted for 71% of sales and steaks 15%.

In 2011, 72% of sales were to Japan (increase in proportion of loins) and 20% to Europe (mainly steaks). In 2010, 48% of sales had been to Europe and 39% to Japan.

Operating income (EBIT)

The Group's operating income totaled €15.2m in 2011, with an operating profit of 20% (percentage of revenues).

	Fishing activity			Value-enhancing and processing			Total		
In € thousands	**déc-11**	**déc-10**	***Change***	**déc-11**	**déc-10**	***Change***	**déc-11**	**déc-10**	***Change***
Revenues	63 815	45 030	*42%*	13 179	2 963	*345%*	76 994	47 993	*60%*
Operating income	**13 741**	**3 524**	*290%*	**1 465**	- **86**	*1812%*	**15 207**	**3 439**	*342%*
% total revenues	*21,5%*	*7,8%*		*11,1%*	*-2,9%*		*19,8%*	*7,2%*	

Most of the operating costs for the tuna vessels were allocated between the "whole tuna fishing" activity and the "value-enhancing" activity as a percentage of processed volume over the tuna vessels' total catch.

Operating income from the "fishing" activity in 2011 came to €13.7m, up €10.2m from 2010. This increase was largely due to the 42% increase in sales between 2010 and 2011 – due to the rise in the toothfish price (index 155: average price 2011 based on the average price for the years from 2006 to 2010) which had a directly positive effect on income, and to increased volumes of sales of whole tuna (10.8k tons in 2011 versus 5k tons in 2010).

Operating income from the "value-enhancing" activity generated profitability of over 10%. This excellent result for the first full year of the three tuna vessel fleet's operation is mainly due to sales margins on loins. The improvement in quality between the first and second half enabled Sapmer to increase its selling prices from September 2011.

Financial income

Financial income amounted to an expense of -€3.4m and was composed as follows:

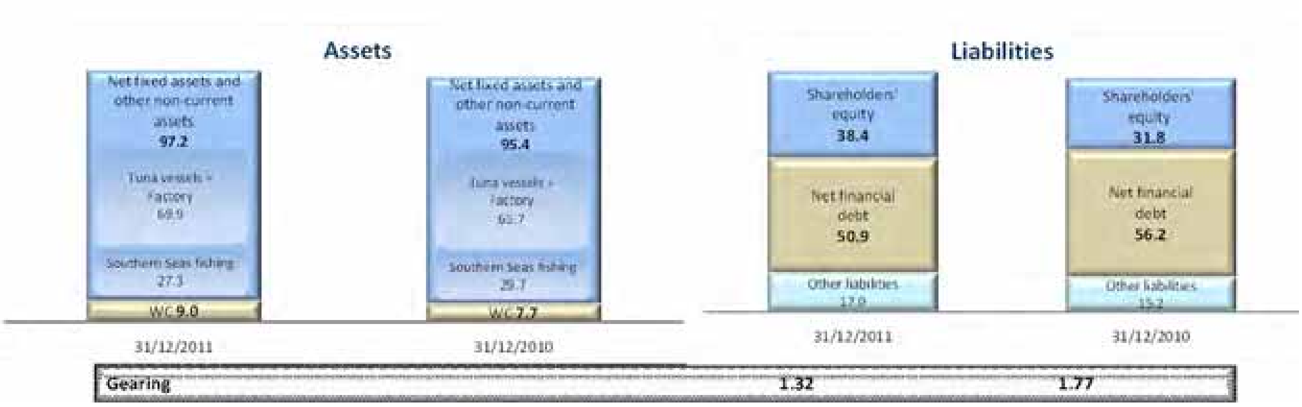
- financial expenses for -€3.4m due mainly to interest payments on borrowings contracted to finance the first three tuna purse seiners,
- income from cash and cash equivalents: +€0.3m on the Group's investments,
- other financial income and expenses amounting to -€0.3m due to currency gains and losses and fair value discounting of the non-effective part of financial instruments used for hedging.

Net income

Net income amounted to €7.7m, representing net profitability of 10% (as a percentage of revenues).

It should be noted that the elimination of the one-third tax allowance in the amended finance law for 2011, approved at the end of 2011, had a negative impact on the tax expense.
Corporation tax payable for fiscal 2011 amounted to €3m.

2.3. <u>Balance Sheet</u>



Net fixed assets and other non-current assets totaled €97.2m in 2011, an increase of +€1.8m over 2010, mainly due to the book value of investments totaling +€6.3m (including €5m in advance payments on two new tuna vessels), the capitalization of major repair components for +€0.8m (longliners) and depreciation of -€5.3m.

The working capital requirement reflects the increase in customer receivables (sales of toothfish in December 2011) and an rise in inventories which is offset by the increase in other current liabilities mainly due to the expansion of the activity and recognition of the current income tax liability (€3m).

Shareholders' equity totaled €38.4m at the end of 2011 compared with €31.8m at the end of 2010. The increase (+€6.4m) includes the 2010 dividends paid in June 2011 for -€0.7m, 2011 net income for +€7.7m, fair value discounting of financial instruments for hedging interest rates for -€0.6m, and the cost of stock options for +€0.2m.

The reduction in net financial debt (total financial debt including the short-term minus available cash) reflects loan repayments and the change in accrued interests for -€5.9m, and the change in the cash position for +€0.6m. Gearing (the net debt ratio) improved to 1.32 at the end of 2011 compared with 1.77 at the end of 2010. No new borrowing was contracted in 2011.

The increase in "provisions and other" was due to non-current liabilities: negative revaluation (-€1m) of swap contracts and increase in deferred tax liabilities (-€0.7m).

Financing

Financial debt on the balance sheet at the end of 2011 relates to the financing of the first three tuna purse seiners for €68.9m and the financing of the MER DES MASCAREIGNES factory for €0.6m. The balance of loans for the longliners was cleared in 2011 so there is no further financial debt on the Southern Seas fishing activity.

After debt servicing, long and medium-term borrowings came to €64.5m at a fixed rate in euros.

The two new tuna vessels will be financed by bank borrowing. The objective is to maintain gearing below 2 in 2012. Tax exemption documents have been filed with the Ministry of Finance.

2.4. Analysis of cash flow table

In thousands of euros	déc-11	déc-10
Cash at the beginning of the period	**19 202**	**11 484**
Net cash flow from operating activities	15 430	11 012
Net cash flow from investing activities	- 6 261	- 24 137
Net cash flow from financing activities	- 9 762	20 832
Impact of changes in exchange rates	-	10
Cash at the end of the period	**18 610**	**19 202**
Change in cash	**- 592**	**7 708**

Cash flow of +€15.4m generated by operating activities was strongly impacted by good results for Southern Seas fishing and tuna value-enhancing operations. The change in working capital requirement was negative at -€1.9m due to the increase in customer receivables and inventories on the balance sheet at the end of 2011 as a result of expanding the activity.

Cash used for capital investment came to -€6.3m. Its main components are advance payments (10% of the order) for a total of €5m following signing of the construction contracts for the two new tuna vessels in December 2011.

Net cash flow from financing activities was negative at -€9.8m, and includes dividend payments of -€0.7m, loan repayments of -€5.6m, and interest payments -€3.6m.

In 2011, the change in cash was slightly negative at -€0.6m.

3. Development and outlook

2012 will be marked by the delivery of two new tuna vessels constructed at the SEAS shipyards in Vietnam. The planned delivery dates are “Dolomieu” on March 30, 2012 and “Seas 44” on August 30, 2012.

SAPMER is aiming to achieve 10% growth in revenues in 2012, maintaining profitability at 10%. This assumes current economic conditions will continue, particularly with regard to the price of Southern Seas fishing products and the selling price of whole tuna.

3.1. Fishing activity

The yields of vessels fishing in the French Southern and Antarctic Lands are continuing to improve in 2012. Quotas for toothfish and rock lobster are being caught in normal conditions. Over the first quarter of 2012, demand has remained very strong for SAPMER's historic products. Selling prices in 2012 for whole rock lobster and toothfish increased slightly by comparison with 2011 prices. In addition, the devaluation of the euro versus the US dollar is favorable for export sales.

The volume of tuna fishing will increase in 2012 due to the operation of two new tuna vessels. The objective is to fish 6,000 tons per tuna vessel per annum. With its fleet of five vessels, SAPMER has set itself a target of 30,000 tons in 2013.
Having a fleet of five -40°C freezer tuna purse seiners makes SAPMER the only fishing company in the Indian Ocean able to compete with the fishing techniques of the Japanese and Korean seiners in the Pacific Ocean. It is also important to note that the SAPMER fleet is new (Franche Terre, its first tuna vessel, was delivered in 2009) by comparison with the ageing fleets of its competitors.

Fishing with new tuna vessels enables SAPMER to benefit from the latest technologies, in particular diesel electric propulsion which helps save on fuel and represents a very important factor in the context of rising oil prices.

This technological advantage helps attract experienced sailors and gives SAPMER the opportunity to recruit the best crews for its vessels.

3.2. Value-enhancing activity

Loins accounted for 71% of value-enhanced products sold by SAPMER in 2011. This product line is ideal for the Japanese market where quality is paramount. In Asia, SAPMER is seen as a supplier offering very high quality products. This boosts demand for SAPMER products and makes them more profitable.

In Southern Europe and the USA, the tuna market is dominated by steaks and it saw strong demand in the first quarter of 2012.

For the loin and steak markets, SAPMER is selecting clients to build a long-term strategy based on a high-end positioning for its products.

SAPMER’s objective is to factory-process 50% of its tuna vessels' catches and to sell this quantity of value-enhanced product for at least three times the price of whole tuna (mainly for canning). In 2011, it processed 33% of the catch. With a fleet of five vessels, the plan is to process 100% of its yellowfin tuna (fish over 10kg) – this accounts for 35% to 40% of the fish caught – and around 20% of its skipjack tuna (fish over 3.5 kg). SAPMER is also working on launching new products based on processed skipjack tuna.

The creation of a new factory is under consideration to enable SAPMER to respond to the strong demand from its clients. This factory would have specific production lines to process yellowfin (fish > 10 kg) and skipjack (fish between 3.5 kg and 8 kg).

4. Subsidiaries of SAPMER SA

The Mauritian companies SMS and STS have joined the Group's scope of consolidation. The impact on the consolidated financial statements of including these companies is marginal.

The scope of consolidation at December 31, 2011 includes the following companies:

			2011			2010		
Companies	Location	siren number	Consolidation method	% control	% holding	Consolidation method	% control	% holding
SAPMER SA (*)	Reunion Island	350,434,494	Full consolidation	Parent	Parent	Full consolidation	Parent	Parent
LES ARMEMENTS REUNIONNAIS SAS (*)	Reunion Island	414,550,079	Full consolidation	100%	100%	Full consolidation	100%	100%
MER DES MASCAREIGNES LTD	Mauritius	63,122	Proportionate Consolidation	50%	50%	Proportionate Consolidation	50%	50%
ARMEMENT SAPMER DISTRIBUTION SARL (*)	Reunion Island	408,532,307	Full consolidation	100%	99.60%	Full consolidation	100%	99.60%
ARMAS PECHE SAS (*)	Reunion Island	444,504,229	Full consolidation	100%	100%	Full consolidation	100%	100%
SOPARMA SAS (*)	France	493,712,426	Full Consolidation	100%	100%	Full consolidation	100%	100%
SAPMER MANAGEMENT SERVICES	Mauritius	096,219	Full Consolidation	100%	100%			
SAPMER TECHNICAL SERVICES	Mauritius	102,751	Full consolidation	100%	100%			

(*) Fiscally consolidated companies

✓ LES ARMEMENTS RÉUNIONNAIS SAS:

This subsidiary is the owner and operator of the only longliner (for toothfish) the "Ile Bourbon".
Revenues were up sharply due to the increase in toothfish prices in 2011. This price rise has had a positive effect on income.

✓ ARMEMENTS SAPMER DISTRIBUTION SARL:

This subsidiary conducts occasional marketing operations in France for SAPMER Group products. No activity in 2011.

✓ ARMAS PÊCHE SAS:

This subsidiary is the owner and operator of "Mascareignes III" (for toothfish) and co-owner and 35% operator of "Austral" (for rock lobster). Net income was positive and the outlook is satisfactory.

✓ SOPARMA SAS:

Its activity is limited to the management of its subsidiary ARMAS PÊCHE. Income was positive.

✓ MER DES MASCAREIGNES LTD

MER DES MASCAREIGNES, a business that adds value to seafood, is a joint venture between SAPMER SA and SEA FOOD HUB LTD (IBL Group). It is located at Port Louis, Mauritius. Net income increased sharply following the increased processing of the volumes of yellowfin caught (3 tuna purse seiners in 2011 versus 1.3 in 2010).The outlook for the activity is favorable for 2012 given the expected fish volume for the three tuna purse seiners and the delivery of the two new vessels.

5. Additional information

5.1. Accounting methods

The consolidated financial statements for the SAPMER Group are drawn up according to IFRS, as adopted in the European Union. There was no change in the accounting methods in 2011.

5.2. SAPMER SA parent company financial statements

The financial statements of SAPMER SA are drafted in accordance with the rules of the French General Accounting Plan (*Plan Comptable Général*) 1999.

There was no change to the accounting methods or presentation of the annual financial statements in 2011.

SAPMER SA is the Group's parent company; it is the owner and operator of the longliners Albius and Croix du Sud, and 65% co-owner and operator of the lobster trawler, the Austral. The three tuna purse seiners are leased to "tax-exempt" companies (under finance lease contract).

BALANCE SHEET IN € THOUSANDS	Dec-11	Dec-12
ASSETS		
Net intangible assets	1 597	1 712
Net tangible assets	11 232	6 273
Financial assets	60 616	66 067
Non-current assets	**73 445**	**74 053**
Net inventories	8 395	6 504
Net trade and other receivables	21 803	11 431
Cash and cash equivalents	3 659	12 313
Current assets	**33 857**	**30 247**
TOTAL ASSETS	**107 302**	**104 300**
LIABILITIES	**Dec-11**	**Dec-10**
Share capital	2 774	2 751
Reserves and retained earnings	14 441	16 208
Income for the period	2 034	-1 057
Subsidies and provisions	1 454	1 570
Total shareholders' equity	**20 703**	**19 473**
Provisions for risks and contingencies	**2 059**	**1 727**
Financial debt	68 858	73 868
Other liabilities	15 583	9 208
Deferred income		
Total liabilities	**84 441**	**83 076**
Exchange adjustments	99	25
TOTAL LIABILITIES	**107 302**	**104 300**

INCOME STATEMENT IN € THOUSANDS	Dec-11	Dec-10
Revenues	57 856	34 645
Other income from operations	4 580	6 133
Total Operating Revenue	**62 436**	**40 778**
Supplies, inventories and external charges	-38 348	-26 203
Taxes and duties	-2 508	-2 250
Personnel expenses	-14 886	-11 115
Operating provisions	-1 893	-2 017
Other operating expenses net of income	-737	-487
Operating income	**4 064**	**-1 295**
Share of transfered results	-695	-553
Financial income	-565	-270
Extraordinary income	112	-93
Pre-tax income	**2 916**	**-2 211**
Employee profit-share	-940	0
Income tax	58	1 153
NET INCOME	**2 034**	**-1 057**

Revenues for SAPMER SA were significantly (+67%) higher at €57.9m in 2011, compared with €34.6m in 2010. Net income came to +€2m in 2011 versus €1.1m in 2010. This improvement is largely due to the increase in prices for toothfish and rock lobster as well as the increase in the volume of tuna sales in 2011.

5.3. Breakdown of the balance of trade payables

The situation of trade payables in the SAPMER SA parent company financial statements is shown in the table below.

SITUATION AT Dec. 31, 2011 in € thousands	DUE				
	Balance	< 30 days	31-60 days	61-90 days	> 90 days
Trade payables	**3 934**	3 168	372	237	157
Related accounts	**2308**				
Total trade payables and related accounts	**6 242**				

SITUATION AT Dec. 31, 2010 in € thousands	DUE				
	Balance	< 30 days	31-60 days	61-90 days	> 90 days
Trade payables	**3 510**	2 952	191	167	200
Related accounts	**1211**				
Total trade payables and related accounts	**4 721**				

5.4. Dividends paid for the last three years

Dividends distributed for the last three years were as follows:

	Number of shares	Dividend distribution per share in €	Distributed income eligible to the tax credit mentioned in 2° of 3 of Article 158 of the French Tax Code in € thousands	Distributed income not eligible to the tax credit mentioned in 2° of 3 of Article 158 of the French Tax Code
2008	3 198 670	0,2	640	N/A
2009	3 438 948	0,2	688	N/A
2010	3 438 948	0,2	688	N/A

On the recommendation of the Board of Directors to the Shareholders' Meeting, it is proposed that in May 2012, a dividend will be paid from the income for 2011 in the amount of €0.4 per share, for a total distribution of €1,387k (based on 3,467,298 shares comprising the share capital at December 31, 2011).

5.5. Events subsequent to the close

No significant event occurred between the year-end and the date of drafting this report.

5.6. Information on the directors and corporate officers

The Board of Directors of SAPMER SA is composed of five members. The positions held by the directors and corporate officers of SAPMER SA in 2011 are presented below.

Jacques de CHATEAUVIEUX: Director and Chairman of the Board of Directors of SAPMER

Henri de CHATEAUVIEUX: Director of SAPMER

Guy DUPONT: Director of SAPMER

Christian LEFÈVRE: Director of SAPMER

Yannick LAURI: Director and General Manager of SAPMER

Other positions exercised in 2011 outside SAPMER:

- **Jacques de CHATEAUVIEUX**:

First term of office: June 18, 1992

Chairman of BOURBON
Chairman of CANA TERA SAS
Chairman and Managing Director of JACCAR HOLDINGS SA (Luxembourg)
Director of AXA until February 15, 2012
Director, SINOPACIFIC SHIPBUILDING GROUP (China)
Director, SINOPACIFIC OFFSHORE AND ENGINEERING (China)
Director, PIRIOU SAS
Director, EVERGAS (Denmark)
Advisor to the Board, CBo Territoria SA
Chairman of the Board of Directors of SAGES

- **Henri de CHATEAUVIEUX**:

First term of office: June 18, 1992
Chairman: MACH-INVEST
Director: BOURBON
Managing Director of MACH-INVEST INTERNATIONAL SA

- **Guy DUPONT**:

First term of office: June 15, 1995
Chairman: A.S.R. SAS,
Director or Board Member of: BOURBON – CBo Territoria – ART SA – AFD
Manager of: SAS GVS – SCI ORION – SARL LOGSUD – INK OI

- **Christian LEFÈVRE**:

First term of office: April 9, 2008
Chief Executive Officer of BOURBON (from January 1, 2011)
Chairman of MARINE SAS

- **Yannick LAURI**:

First term of office: April 12, 2002
General Manager of SAPMER SA
Manager of ARMEMENT SAPMER DISTRIBUTION SARL
Representing SAPMER SA, Chairman of LES ARMEMENTS RÉUNIONNAIS SAS
Representing SAPMER SA, Chairman of SOPARMA SAS
General Manager of SAPMER INVESTISSEMENTS SAS
Chairman of the Board of Directors of MER DES MASCAREIGNES Ltd
Director of SAPMER MANAGEMENT SERVICES LTD
Director of SAPMER TECHNICAL SERVICES LTD

None of the terms of office of SAPMER SA directors expires at this Shareholders' Meeting.

5.7. Shareholders and the stock market

Increase in capital

Sapmer SA share capital	Dec. 31, 2010	Movements 2011	Dec. 31, 2011
Number of shares	3 438 948	28 350	3 467 298
Nominal amount in €	2 751 158	22 680	2 773 838

The share capital increase recognized in 2011 was due to the allocation of free shares to personnel. This operation was approved by the Board of Directors on June 14, 2011, as delegated by the Shareholders' Meeting of May 12, 2009. The share capital was increased by €22,680 by incorporation of reserves.

Shareholders at December 31, 2011

	Number of shares held	%
Sapmer Investissements (*)	2 774 037	80,0%
Shareholders and others	447 486	12,9%
Oxaco holding	173 584	5,0%
Personnel and directors	72 191	2,1%
Total	**3 467 298**	**100%**

(*) SAPMER INVESTISSEMENTS is a company wholly owned by JACCAR HOLDINGS

The capital does not include any shares with a preferential right. The employees hold a total of 1.5% of the Company's share capital. SAPMER SA does not hold any own shares.

Stock market performance in 2011

Share price high: €16.01 Share price low: €11.05

The share flotation price was €15 in July 2009.

ISIN: FR0010776617- ALMER

5.8. Related party transactions

In accordance with Article L.225-40 of the French Commercial Code, we request your approval for the regulated agreements.

The Statutory Auditors have drafted a corresponding special report.

Some of these agreements may not have been previously authorised by the Board. They therefore require approval under the terms of Article L.225-42 of the French Commercial Code.

Declassified agreements

By a decision of the Board of Directors on December 8, 2011, the following agreements have been "declassified" as they are considered to be at market rates and concluded on normal terms:

- Agreement between SAPMER SA and LES ARMEMENTS RÉUNIONNAIS SAS for centralized cash management,
- Agreement between SAPMER SA and LES ARMEMENTS RÉUNIONNAIS SAS for assistance in the operational management of the subsidiary's vessel,
- Agreement between SAPMER SA and ARMAS PÊCHE SAS for assistance in the operational management of the subsidiary's vessel,
- Agreement with SAPMER INVESTISSEMENTS SAS on guarantees given in connection with the financing of three tuna vessels in favor of SAPMER SA, concerning maintaining the shareholding of JACCAR HOLDINGS in SAPMER INVESTISSEMENTS SAS, the parent company of SAPMER SA.

5.9. Miscellaneous

Research and Development
The Company has not conducted any research and development activity during the past year.

Non-deductible expenses
The company has not undertaken any lavish expenditure (French General Tax Code, Article 39.5 – 223 *quinquies*).

Our company car tax of €11,000 is not tax deductible.

Compensation for management bodies
A total of €299,000 in compensation was recorded for financial year 2011.

Compensation for the statutory auditors (parent company and consolidated financial statements)
Fees totaling €97,000 were recorded in 2011.

Exposure to foreign exchange risks
In 2011, around 63% of our sales were in foreign currency, principally USD. These transactions were hedged by forward contracts.

Works Council observations
The Works Council has not made any observations under the provisions of Article L. 2323-8 of the French Labor Code.

6. Information concerning social and environmental aspects of the company's activity

6.1. Social

From the end of 2009 to the end of 2010, the number of SAPMER Group employees increased by 121 and between 2010 and 2011 by 20, in order to support its growth and the development of the tuna activity.

In 2011 SAPMER extended its training program and increased the number of apprenticeships and professional training contracts it offers.

The crews are qualified and receive regular training, and every measure is taken to ensure the sailors' safety at sea.

6.2. Environmental

✓ **At sea (all vessels):**

- A necessary regulation is in place to safeguard the biomass of the species fished,
- The vessels are subject to legislation requiring ongoing rounds of inspection, covering all elements of the vessels,
- A variety of methods are deployed to eliminate pollution risks,
- A "Risk Prevention Document" and training manual are in use.

✓ **At sea (longliners and lobster trawler):**

- An "observer", appointed by the TAAF (French Southern and Antarctic Territories) authorities is permanently on board our vessels whose main duty is to supervise our respect for the environment, fish resources and quotas,
- The birds that come to feed near the fishing vessels are protected by various techniques,
- The entire processing chain for the product is covered by a HACCP management plan and a detailed manual. The product is regularly analyzed by specialized laboratories,
- The product processing factory has EC veterinary approval,
- The power on the longliners and the lobster trawler has been reduced to cut fuel consumption.
- A collective MSC (Marine Stewardship Council) certification program is underway as part of the proper management of the "Patagonian toothfish" resource.

✓ **At sea (tuna purse seiners – blast-freezing at -40°C):**

- The vessels are constructed with diesel-electric propulsion generating energy savings, a reduction in polluting emissions and ease of handling.
- The hull is coated with non-polluting "metal-free" silicone that reduces fouling and enables it to glide more smoothly through the water.
- The product processing factory has EC veterinary approval.
- The entire processing chain for the product is covered by a HACCP management plan and a detailed manual. The product is regularly analyzed by specialized laboratories.
- "Responsible fishing" recognition for our tuna activity has been obtained from Bureau Veritas.
- In August 2011, SAPMER signed up to the Earth Island Institute's international "Dolphin Safe" program which defines strict rules and concrete actions to protect dolphins and other species that are not directly targeted (including other marine mammals, turtles, seabirds).
- "Friends of the Sea" certification is pending (certification expected in July 2012).
- The "Cayak" project was launched by SAPMER via the competitiveness and innovation cluster, Réunion QUALITROPIC. This project is a partnership with the University of Stellenbosch (South Africa) and is aimed at analyzing the factors generating "yake", a product quality problem otherwise known as "burnt tuna").
- SAPMER is also involved in the project to create an "eco-extraction" platform in Réunion. SAPMER's objective is to generate value from tuna waste via this platform: e.g. extraction of omega 3 oil from tuna heads.

✓ **On shore:**

- Water consumption is not significant and is treated,
- Electricity consumption is reduced as far as possible, by peak/off-peak systems and by the installation of capacitors limiting reactive energy,
- Appropriate systems have been set up to compensate for risks of loss of refrigeration and fire (insulation, computerized temperature-regulation, electricity generating units, fire detection, thermal imaging, etc.),
- Potential waste produced is processed by the port services (CCI Réunion),

- Staff representatives, particularly the CHSCT, are involved in aspects concerning security and the environment,
- A QHSE department has been created within the company and is managed by a qualified employee,
- The principal actions are governed by procedures.

The company is not exposed to "technology risks".

7. Proposed resolutions of the Board of Directors

The resolutions proposed by the Board of Directors to the Shareholders' Meeting include the following particular points:

7.1. Dividend distribution

The Shareholders' Meeting is asked to approve payment of a dividend in May 2012 from the income for 2011, in the amount of €0.4 per share, for a total distribution of €1,387k (based on 3,467,298 shares comprising the share capital at December 31, 2011).

7.2. Appointment of a new director

The Shareholders' Meeting is asked to appoint Mr Xavier THIEBLIN as a new director of SAPMER SA.

7.3. Liquidity contract

The Shareholders' Meeting is asked to authorize the Board of Directors to implement a liquidity contract pursuant to Articles L.225-209-1 *et seq*. of the French Commercial Code in order to purchase shares of the Company to stimulate the secondary market or the liquidity of the SAPMER share. This authorization is limited to eighteen months.

7.4. Capital increase in favor of members of the company savings plan

It is a legal requirement that when the management report presented to shareholders shows that the shares held collectively by the employees represent less than 3% of the share capital, shareholders must be offered, at least once every three years, a resolution to carry out a capital increase reserved for employees who are members of a company savings scheme ("PEE" – plan d'épargne d'entreprise). Accordingly, the Shareholders' Meeting is asked to grant a delegation of authority to the Board of Directors to increase the share capital on one or more occasions in favor of members of the company savings scheme, pursuant to Articles L.225-129-6 and L.225-138-1 of the French Commercial Code and L.3332-18 of the French Labor Code, with elimination of the pre-emptive subscription right and a cap of 3% of the share capital. This delegation is limited to twenty-six months.

7.5. Share subscription and/or share purchase option plans

At the Shareholders' Meeting of May 12, 2009, the Board of Directors was given authorization to grant, on one or more occasions, options giving entitlement to subscribe to new shares or shares to be issued in the future, to salaried employees and/or certain corporate officers, in accordance with Articles L.225-177 to L.225-185 of the French Commercial Code. This authority included the elimination of the pre-emptive subscription right and was limited to thirty-eight months. The Shareholders' Meeting is asked to renew this authorization for a further period of thirty-eight months.

7.6. Free share allocation

At the Shareholders' Meeting of May 12, 2009, the Board of Directors was given authorization to allocate free of charge, on one or more occasions, new shares or shares to be issued in the future, to salaried employees and/or certain corporate officers, in accordance with Articles L.225-197-1 and L.225-197-2 of the French Commercial Code. This authority included the elimination of the pre-emptive subscription right and was limited to thirty-eight months. The Shareholders' Meeting is asked to renew this authorization for a further period of thirty-eight months.

The two authorizations concerning options to subscribe and/or purchase shares and the allocation of free shares combined are capped at 3% of the share capital.

The draft resolutions submitted to you refer to the main points of this report.
We would very much appreciate it if you would approve them. Thank you for your trust in us.

The Board of Directors

Company financial results for the last five financial years

Heading	2011	2010	2009	2008	2007
I – Capital at year end (in € thousands)					
Capital	2 774	2 751	2 751	2 559	2 480
Number of ordinary shares in existence	3 467 298	3 438 948	3 438 948	3 198 670	3 100 000
Number of priority-dividend shares (with no voting right) in existence					
Maximum number of shares to be created in future					
- By bond conversion					
- By exercise of subscription warrants					
II – Operations and Income for the year (in € thousands)					
Revenues excluding VAT	57 856	34 645	20 256	25 796	23 460
Income before tax, employee profit-sharing and depreciation and provision	4 334	-238	-527	2 803	1 112
Income tax	58	1 153	192	-82	0
Employee profit-sharing due for the year	-940	0	0	-35	-2
Income after tax, employee profit-sharing and depreciation and provision	2 034	-1 057	-910	-124	-2 533
Distributed income	1 387	688	688	640	0
III – Earnings per share (in €)					
Income after tax and employee profit-sharing but before provisions for amortisation and depreciation	1.00	0.27	0.00	0.00	0.36
Income after tax, employee profit-sharing and depreciation and provision	0.59	-0.31	-0.26	-0.04	-0.82
Dividend per share	0.40	0.20	0.20	0.20	0.00
IV – Personnel (in € thousands)					
Average number of employees during the year	208	197	176	166	169
Payroll expenses for the year	13 354	9 738	7 538	6 938	6 718
Amount paid for employee benefits in the year (social security, charitable work) …)	1 532	1 376	1 052	991	972

Table showing outstanding delegations of authority given by the Shareholders' Meeting to the Board of Directors

Authorizations	Maximum nominal amount of capital increase	Date of authorization	Duration (and end date of validity of the authorization)	Use of existing authorizations during 2011	Nominal amount of the issue of shares and/or transferable securities	Particular features of the operation
Authorization to the Board of Directors to grant options to subscribe and/or purchase shares to salaried employees (and/or certain corporate officers)	3% of the share capital outstanding on the date of this allotment. The total number of shares that may be granted free of charge by the Board of Directors under the following authorization will be included in this ceiling.	AGM of May 12, 2009 (16th resolution)	38 months (July 12, 2012)			
Authorization to the Board of Directors to allocate shares free of charge to salaried employees (and/or certain corporate officers)	3% of the share capital outstanding on the date of this allotment. The total number of shares to which the options that may be granted by the Board of Directors give entitlement under the previous authorization will be included in this ceiling.	AGM of May 12, 2009 (17th resolution)	38 months (July 12, 2012)	Capital increase of 28,350 shares, i.e. 22,680 euros, on June 14, 2011.	0.80 euros	

SAPMER

A French *société anonyme* with a Board of Directors

Share capital of €2,773,838

Registered office: Magasin 10 – Darse de Pêche

97823 Le Port – La Réunion

Trade & Companies Registration RCS Saint-Denis 350.434.494

Special report on stock options

General Meeting of April 26, 2012

(l 225-184 of the French Commercial Code)

1. Statement of stock options granted to employees and corporate officers

Name of plan	Date of authorization by General Meeting	Date of award by Board of Directors	Type of shares awarded (new or existing (N or E)	Number of shares awarded	Expiration date	Exercice price (with tax credit- not applicable to corporate officers)	Number of options exercised in 2011	Number of options voided at Dec. 31,2011	Number of options not exercised at Dec. 31, 2011
SO 2009 Plan	May 12, 2009	June 11, 2009	N or E	52 700	July 31, 2015	14.25 €	None	1,800	50,900

2. Options granted to corporate officers in 2011

Options granted by the company	**Type:** **Number:** **Deadlines:** **Price:**	**None**
Options granted by an affiliated company	**Company:** **Type:** **Number:** **Deadlines:** **Price:**	**None**
Options granted by a company controlled under a mandate	**Company:** **Type:** **Number:** **Deadlines:** **Price:**	**None**

3. Options exercised by corporate officers in 2011

Options (held by the company) exercised	Type: Number: Price:	None
Options (held by an affiliated company) exercised	Company: Type: Number: Price:	None
Options (held by a controlled company) exercised	Company: Type: Number: Price:	None

4. Options granted in 2011 to the ten company employees with the highest number of options granted:

Company employees	Options granted by the company and affiliated or controlled companies				
	Type of the option	Number	Deadlines	Price	Conferring company
None					

5. Options exercised in 2011 by the ten company employees acquiring the highest number of new or existing share: None

Company employees	Exercised options held on the company and affiliated companies or controlled				
	Type of the option	Number		Price	Conferring company
None					

6. **Options granted by the company and affiliated or controlled companies in 2011, to all beneficiary employees:**

Category of beneficiaries	Number of beneficiaries	Number of the options	Type of the option	Price	Deadlines	Conferring company
None						
Total						

The Board of Directors

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A French *société anonyme* with a Board of Directors

Share capital of €2,773,838

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Trade & Companies Registration RCS Saint-Denis 350.434.494

Special report on the allotment of free shares
General Meeting of April 26, 2012

(L 225-197- 4 of the French Commercial Code)

1. **Statement of allotments of free shares to company employees or companies affiliated directly or indirectly within the meaning of Article L. 225-197-2 of the French Commercial Code and/or to corporate officers meeting the conditions stipulated in Article L. 225-197-1 of the French Commercial Code.**

Name of plan	Date of authorization	Date of allotment by Board of Directors	Number of shares allotted	Number of shares allotted that were voided	Type of shares allotted : new or existing	Effective date of allotment	Value of share (on date of allotment)
AGA 2009 Plan	May 12, 2009	June 11, 2009	31, 020	2, 670	New or existing	June 14, 2011	€15

2. **Allotments granted to corporate officers of the company in 2011.**

Allotments granted by the company for mandates and functions exercised in the company	**Number:** **Value:**	**None**			
Allotments granted by an affiliated company for mandates and functions exercised in the company	**Company:** **Number:** **Value:**	**None**			
Allotments granted by a controlled company for mandates and functions exercised within it	**Company:** **Number:** **Value:**	**None**			

3. **Allotments granted in 2011 to the ten company employees with the greatest number of allotments:**

Company employees	Number	Value	Conferring company
None			

4. **Allotments granted by the company and by affiliated companies or groupings in 2011, to all beneficiary employees:**

Category of beneficiaries	Number of beneficiaries	Number of the free shares	Value of the free shares	Conferring company
None				
Total				

The Board of Directors

CHAPTER 2

CONSOLIDATED FINANCIAL STATEMENTS

ASSETS STATEMENTS

In € thousands		31 December 2011	31 December 2010
Goodwill		0	0
Net intangible assets	Note 15.1	1 606	1 724
Net tangible assets	Note 15.1	93 956	91 993
Investment property			
Investments in associates			
Assets held for sale			
Other non-current financial assets	Note 15.3	962	1 036
Other non-current assets	Note 15.3	707	707
Deferred tax assets		0	0
Total non-current assets		**97 230**	**95 459**
Net inventories	Note 16.1	9 666	7 436
Net trade and other receivables	Note 16.2	16 535	10 779
Financial assets on transactions			
Derivative financial assets			
Tax receivables			248
Cash and cash equivalents	Note 16.3	18 650	19 263
Assets held for sale			
Total current assets		**44 851**	**37 726**
TOTAL ASSETS		**142 082**	**133 184**

LIABILITIES STATEMENTS

In € thousands		31 December 2011	31 December 2010
Share capital		2 774	2 751
Share premiums		6 330	6 330
Consolidated reserves	Note 7.5	21 592	22 114
Translation reserve		2	-6
Net income		7 745	616
Total shareholders' equity		**38 443**	**31 806**
Group share		38 442	31 806
Minority interests		1	1
Lond and medium term debt	Note 17.1	64 490	69 283
Other financial liabilities	Note 17.1	12 310	11 250
Employee benefits	Note 17.4	789	766
Provisions (>1 year)	Note 17.3	901	890
Deferred tax liabilities	Note 17.5	2 955	2 267
Total non-current liabilities		**81 444**	**84 456**
Short-term (<1 year) portion of L&MT financial liabilities	Note 17.1	5 010	6 166
Borrowings and bank loans (<1 year)			
Bank overdrafts	Note 16.3	40	61
Trade and other payables	Note 17.1	13 823	10 695
Provisions (<1 year)			
Derivative financial liabilities		282	
Tax liabilities	Note 20	3 039	
Liabilities connected with assets held for sale			
Total current liabilities		**22 195**	**16 922**
TOTAL LIABILITIES		**142 082**	**133 184**

COMPREHENSIVE INCOME STATEMENT

In € thousands		31 December 2011	31 December 2010
Revenues	Note 21	76 994	47 993
Change in stored production		678	-720
Other operating income	Note 18.1	819	5 249
Total operating revenue		**78 491**	**52 522**
Purchases consumed		-19 740	-14 721
Payroll costs		-18 690	-13 410
External expenses		-16 744	-13 272
Duties and taxes		-3 910	-3 428
Net provisions, depreciation and impairment	Note 18.2	-5 258	-4 710
Other operating expenses net of income	Note 18.3	1 059	458
Operating income (EBIT)	Note 20	**15 207**	**3 439**
Income from cash and cash equivalents		269	5
Cost of gross debt		-3 442	-3 691
Cost of net debt		**-3 173**	**-3 686**
Other financial income and expenses	Note 19	**-250**	**639**
INCOME BEFORE TAXES		**11 784**	**393**
Income taxes	Note 20	**-4 039**	**224**
NET INCOME		**7 745**	**617**
-Group share		**7 745**	**617**
-Minority interests		**0**	**0**
-Basic earnings per share (€)	Note 22	**2,242**	**0,179**
-Diluted earnings per share (€)	Note 22	**2,242**	**0,178**
Effective portion of profits and losses on hedging instruments		-607	108
Profits and losses on translation of subsidiaries' financial statements to foreign currency		8	-27
COMPREHENSIVE INCOME		**7 146**	**698**

CONSOLIDATED CASH FLOW STATEMENTS

In € thousands	31 December 2011	31 December 2010
Consolidated net income including minority interests	**7 745**	**616**
Net depreciation of fixed assets	5 313	4 466
Net depreciation and provisions allowance, and others	-756	184
Calculated income and expenses linked to stock options and similar	176	338
Change in fair value of financial instruments	415	922
Cash flow after the cost of debt	**12 893**	**6 526**
Cost of gross debt	3 442	3 691
Deferred tax for the period	1 000	-224
Cash flow before cost of debt and tax	**17 335**	**9 994**
Change in WCR related to operating activities	**-1 905**	**1 018**
Net cash flow from operating activites	**15 430**	**11 012**
INVESTING ACTIVITIES		
Acquisition of intangible assets	-13	-32
Acquisition of tangible assets	-6 250	-23 418
Disposal of tangible & intangible assets	2	1
Outflow / acquisition of long-term financial assets		-697
Disposal of long-term financial assets		9
Net cash flow from investing activities	**-6 261**	**-24 137**
FINANCING ACTIVITIES		
Contributions from investors		18 971
Dividends paid	-688	-688
Inflow from borrowings		16 253
Repayment of borrowings	-5 632	-10 013
Net financial interests paid	-3 442	-3 691
Net cash flow from financing activities	**-9 762**	**20 832**
Net change in cash and cash equivalents	**-592**	**7 708**
Impact of changes in exchange rates	0	10
Cash at beginning of period	**19 202**	**11 484**
Restatement of cash		0
Cash at end of period	**18 610**	**19 202**

SHAREHOLDERS' VARIATIONS

(In € thousands)	Capital	Premiums	Consolidated reserves	Income of the period	Currency translation adjustments	Total shareholders' equity	Of which: *Group share*	Of which: *Minority interest*
Shareholders' equity at 31 December 2009 (IFRS)	**2 751**	**6 330**	**21 577**	**1 040**	**21**	**31 719**	**31 719**	**-**
2009 Earnings			1 040	- 1 040		-		
Consolidated income 2010				617		617	617	
Distributions paid			- 688			- 688	- 688	
Financial instrument			108			108	108	
Treasury shares						-	-	
Capital increase						-	-	
Stock options			338			338	338	
Minority buyout						-		
Other variations			575		- 27	548	548	
Shareholders' equity at 31 December 2010 (IFRS)	**2 751**	**6 330**	**22 950**	**617**	**- 6**	**32 642**	**32 642**	**-**
Restatement of deferred tax at the opening (*)			- 836			- 836	- 836	
Shareholders' equity at 31 December 2010 (IFRS)	**2 751**	**6 330**	**22 114**	**617**	**- 6**	**31 806**	**31 806**	**-**
2010 Earnings			617	- 617		-		
Consolidated income 2011				7 745		7 745	7 745	0
Distributions paid			- 688			- 688	- 688	0
Financial instrument			- 607			- 607	- 607	
Treasury shares						-		
Capital increase	23		- 23			-		
Stock options			176			176	176	
Minority buyout						-		
Other variations			3		8	11	11	
Shareholders' equity at 31 December 2011 (IFRS)	**2 774**	**6 330**	**21 592**	**7 745**	**2**	**38 443**	**38 442**	**1**

(*) Cf. Note 7.5

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2011

FIRST PART: ACCOUNTING METHODS AND RULES AND KEY EVENTS

NOTE 1 – GENERAL PRINCIPLES

IFRS STANDARDS

The SAPMER Group's consolidated financial statements for the year ended December 31, 2011 have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted in the European Union.

IFRS accounting includes the IFRS, the International Accounting Standards (IAS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC).
The standards and interpretations used to prepare the consolidated financial statements as of December 31, 2011 are those published in the Official Journal of the European Union, the application of which was mandatory as of December 31, 2011.

The new amendments to standards and interpretations that are mandatory on or after January 1, 2010 did not result in any significant change in the valuation methods or the presentation of the statements. The Group has not opted for the early application of the standards and interpretations that are not mandatory as of January 1, 2011.

No work has been done regarding IFRS 10 and 12 impact on the consolidated accounts. Indeed they have still not been voted by the European Union. Our Mauritian subsidiary should be the only one impacted by the change in standards.

The financial statements include the financial statements of SAPMER SA and its subsidiaries as of December 31 of each year. The financial statements of the subsidiaries are prepared over the same reference period as those of the parent company, on the basis of homogeneous accounting policies.

The accounting policies applied as of December 31, 2011 are consistent with those of the previous year.

ESTIMATES AND ASSUMPTIONS

In drafting its accounts, the Group is required to make certain estimates and assumptions that may affect the financial statements. It regularly reviews its estimates and assessments to take into account past experience and other factors deemed relevant with regard to economic conditions. Depending on changes in these assumptions or different conditions, the amounts shown in its future financial statements may differ from the current estimates.

The impact relating to changes in accounting estimates is recorded during the period in which the change is noted and during subsequent periods if these are also affected.

The main sections of the financial statements using estimates are the following:

- determination of the fair value of financial instruments (interest rate and currency hedges) ;
- deferred taxes.

The financial statements reflect the best estimates, based on information available at the time the accounts are drafted.

Deferred tax assets have not been impacted by the new tax laws which have reduced the possibility of carrying forward tax losses. Indeed they rely on planned tax benefits which are more than likely.

CRISIS ENVIRONMENT

Economic and financial outlooks are more difficult to apprehend in today's crisis environment. The Group has made estimates and assumptions in this environment with strict commitment and the best knowledge available.

For the moment SAPMER is not affected by the economic and financial crisis thanks to export-oriented sales:

- either toward bullish markets such as China
- or toward countries such as Japan, where fishing is a strong and growing market.
  The disaster in Japan that happened earlier this year did not affect our sales, on the contrary the country has increased its importations from outside of its frontiers even more.

NOTE 2 – KEY EVENTS RELATED TO THE PERIOD

In 2011, SAPMER followed the development strategy prescribed by the CAP 2012 plan.

2011 key events:

- sales grew strongly to 77 M€ by 29 M€ in comparison with 2010, it contributed in the operating result increase,
- SAPMER MANAGEMENT SERVICES was set up in Mauritius to manage the logistics operations for the tuna activities and SAPMER TECHNICAL SERVICES - an engineering and consultancy company - was created to supervise the construction of the two tuna purse seiners at the shipyards of PIRIOU's Vietnamese subsidiary,
- deep-freeze storage capacities at -40°C in Port Louis were increased by 1,800 tons last February and by 900 tons on the second semester taking them to 3,600 tons. The investments were provided by our Mauritian partners, MFD (MAURITIUS FREEPORT DEVELOPMENT) and FDM (FROID DES MASCAREIGNES), specialized in logistics and storage,
- construction contracts of the two tuna seiners, sisterships of the three first ones, were signed with PIRIOU's shipyards SEAS (Dolomieu and SEAS 44) in December 2011,
- cancellation of the tax incentive "third allowance" following the amendment to the 2011 finance Law which was voted in the end of December has affected the tax expense.

NOTE 3 – CAPITAL INCREASE

In its seventeenth resolution, the General Meeting of Shareholders on May 12, 2009 authorized the Board of Directors to proceed, under Article L.225-197-1 to L.225-197-2 of the French Commercial Code, to award existing or newly-issued ordinary shares of the company to salaried employees of the company or companies directly or indirectly affiliated as defined by Article L.225-197-1 of the French Commercial Code and/or corporate officers who meet the conditions defined by Article L.225-187-1 of the French Commercial Code. The total number of bonus shares thus awarded may not exceed 3% of the share capital on the date of the decision for their award by the Board of Directors.

By virtue of this authorization, 31,020 ordinary shares were awarded in 2009.

The bonus shares were permanently awarded on June 14, 2011 following the capital increase agreed upon by the Board of Directors and conducted by the incorporation of reserves. This share award is subject to a 2-year vesting period. Share capital is now made up of 3 467 298 shares.

NOTE 4 - CONSOLIDATION METHODS AND PRINCIPLES

CONSOLIDATION SCOPE AND METHODS

The consolidated financial statements include SAPMER SA and its subsidiaries. The combined entity forms “the Group”.

The consolidated financial statements have been prepared on the basis of historic cost, with the exception of vessels for which the accounting value was adjusted to “fair value” at January 1, 2007.

The financial statements are presented in euros, to the nearest thousand, unless otherwise indicated.

The company financial statements for each Group company are drafted in accordance with the accounting principles and regulations in force in their respective country. They are restated to comply with the consolidation principles applied by the Group.

These principles, described below, have been applied consistently to all periods presented in the consolidated financial statements.

All subsidiaries:

- controlled by the parent company are fully consolidated,
- under joint control are proportionately consolidated.

Control exists when the company has the power to directly or indirectly influence the operational and financial policies of the entity in order to obtain benefits from its activities.

Control is generally presumed to exist if the Group holds more than half the voting rights of the controlled company.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date of the transfer of effective control through to the date on which control ceases to exist.

When determining control, potential voting rights, which are currently exercisable or convertible, are taken into account.

CONVERSION OF ITEMS IN FOREIGN CURRENCY

The Group’s operating and accounting currency is the euro.
When converting the accounts of a subsidiary whose operating currency is not the euro:

- balance sheet items are converted at the year-end exchange rate,
- income statement items are converted at the average exchange rate for the period.

SECOND PART: FINANCIAL POSITION STATEMENT

NOTE 5 - NON-CURRENT FINANCIAL ASSETS

INTANGIBLE ASSETS

Intangible assets mainly include software and operating permits for vessels.

The Group assesses whether the useful life of an intangible asset is finite or indefinite.

Intangible assets with a finite useful life are amortized over their economic useful life and are subject to an impairment test when there is an indication that the intangible asset is impaired. The amortization period and method for amortizing an intangible asset with a finite useful life are reviewed at least at the end of each year.

The amortization periods of the main intangible assets are:

Software	3 years
Operating permits	22 years

TANGIBLE ASSETS

Property, plant & equipment (excluding vessels) are recorded at acquisition (or internal production) cost minus cumulative amortization and depreciation.

All the vessels belonging to the Group at January 1, 2007 were valued at fair value on that date.

Vessels are broken down into 4 to 6 components depending on the type of vessel (and activity), including the item "major repairs".
Each component has its own useful life, but the most significant component, "structure", represents 80 to 90% of the vessel's value.

The useful life of a vessel is determined by the probable use that the company will make of the vessel to continue its current operation, in a similar context, provided that this period does not exceed the remaining life of the vessel (in the current activity).

Depreciation is calculated according to the straight-line method over the useful life expected for each category of goods taking account of a residual value.

The useful lives for the principal categories are as follows:

Fixtures and fittings	10 to 14 years
Office and computer equipment	3 to 5 years
Furniture	3 to 5 years
Transportation equipment	3 to 5 years
Vessels: structure	15 to 25 years
Vessels: major repair	5 years

Moreover, if there are indications of impairment, an impairment test is then performed on the group of assets (Cash Generating Unit) by comparing its net book value with its recoverable value. The recoverable value is generally determined with reference to a market valuation. Such valuations are obtained from independent experts and reviewed by the Group's management. When the recoverable value turns out to be less than the net book value of the asset group, an impairment is recognized.

Amortization, depreciation and impairment for intangible and tangible assets are included in the item "Amortization, depreciation and provisions" on the income statement.

CONSTRUCTION CONTRACTS

Vessel construction contracts were signed in July 2007 with PIRIOU (a French shipyard at Concarneau (29) in Brittany) for the construction of three deepfreeze tuna purse seiners. The first tuna vessel was delivered in July 2009. The following deliveries were made in May and November 2010. The total capital expenditure is €92.3m, including construction and fitting out.

Two sisterships seiners are currently under construction on PIRIOU's Vietnamese shipyards SEAS. Investments amount to 54 M€, including shipyard and fitting out expenses. Contracts were signed in December 2011 and 5M€ were paid as down payment in 2011. The first one, Dolomieu, is expected at the end of March 2012 and the second, the SEAS 44, should be delivered at the end of August 2012.

FINANCE LEASE CONTRACTS

Assets acquired under finance leases are recognized as assets of the Group when the terms of the lease substantially transfer to the Group most of the risks related to ownership of the asset. The value used is the market value of the leased asset.

The asset is depreciated according to the Group's depreciation method.

The contribution of tax investors are recorded in less than the fixed asset gross value.

The amount of the subsidy is recorded as a deduction from depreciation allowances in the year.

IMPAIRMENT OF FIXED ASSETS

IAS 36 defines the procedure that a company must apply to ensure that the book value of its assets does not exceed their recoverable value, in other words the amount recovered by their use or sale.

No depreciation was recognized during the year. Indeed our business plan shows profit on all of the Group's activities and no indication of impairment was recorded.

NOTE 6 - OTHER CURRENT FINANCIAL ASSETS

NOTE 6-1 INVENTORIES

Inventories of supplies are valued according to the weighted-average unit cost method, except bait and oil inventories which are valued according to the FIFO method (First In First Out), hence they are more prone to price variation (likely to change with price fluctuation).

Inventories of products fished in the French Southern and Antarctic Territories (mainly Toothfish and Rock lobster) are valued based on the production cost of the tax year calculated according to IAS 2.

Inventories of products from the tuna vessels are valued based on the cost of production of the second semester hence a cruising speed was reached: less non-recurring costs and volumes in tune with the tuna seiners' capacities, thanks to previous experience.

If the realization value is lower than this value, a provision for impairment is recognized.

Internal profits included in the inventories of Group companies are eliminated and the effect of the corresponding tax is recognized.

NOTE 6-2 CLIENTS AND OTHER DEBTORS

Client receivables are recognized initially at fair value. As the payment deadlines are short, fair value generally corresponds to the nominal value of the debt.

Receivables in foreign currencies are converted at the year-end price.

NOTE 6-3 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash accounts, marketable securities and demand deposits. These items are not subject to any restriction.

Bank overdrafts repayable on demand which form an integral part of the Group’s cash management constitute a component of cash and cash equivalents for the purposes of the cash flow statement.

NOTE 7 - NON-CURRENT/CURRENT LIABILITIES

NOTE 7-1 LONG-TERM DEBT

Debt is recorded based on amortized cost, using the effective interest rate method.

Interest on debt is recognized as an expense for the period.

The Group has obtained bank loans in the amount of €75m to finance the construction of three deep freeze tuna purse seiners.

These contracts are concluded at floating rates over periods from 17 to 20 years and include a 2-year deferred capital reimbursement period.

NOTE 7-2 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

The Group uses derivative instruments such as forward exchange contracts and interest rate swaps to manage its exposure to movements in interest rates and foreign exchange rates.

These financial instruments are valued at market rates (“marked to market”) at each closing, at their fair value.

The market value, recognized in the consolidated financial statements at December 31, is a current indication calculated according to anticipations of the future performance of the markets and is consequently liable to change, favorably or unfavorably, depending on market movements.

Derivative instruments are booked as assets when the fair value is positive and as liabilities when the fair value is negative.

For the purposes of hedge accounting, hedges are classified as:

- fair value hedges when they hedge the exposure to changes in the fair value of a recognized asset or liability, or a firm commitment (except for the exchange risk);
- cash flow hedges when they hedge the exposure to variability in cash flows that is attributable either to a specific risk associated with a recognized asset or liability, or to a highly probable forecasted transaction or to the exchange risk on a firm commitment;

The “effective” portion of the derivative financial instrument is recorded in equity capital and the “non-effective” portion on the income statement.

In 2011 the negative impact on equity amounts to 910 in € thousands before tax and 607 in € thousands after deferred tax, the negative impact on the income statement amounts to 415 in € thousands before tax (133 in € thousands related to interest rate hedging and 282 in € thousands related to exchange rate hedging), 277 in € thousands after tax. The negative impact of interest rate hedging arises from the sharp decrease of reference rates on the second semester, because the Group has hedged floating interest rates against fixed rates. The negative impact of exchange rate hedging arises from the dollar increase at the end of 2011, after sales were already hedged.

NOTE 7-3 PROVISIONS

Provisions are recognized when the Group has an actual obligation (legal or implicit) resulting from a past event, the amount of which can be reliably estimated and which is likely to be translated by an outflow of resources representing economic benefits to the Group when it is extinguished.
During 2011 no new significant provision has been recorded.

NOTE 7-4 EMPLOYEE BENEFITS AND SIMILAR COMMITMENTS

The Group does not have a defined benefit pension scheme apart from the French statutory lump-sum payments due on retirement.

Defined contribution scheme (a scheme in which the Group is committed to guarantee a defined amount or level of service) are recognized in the balance sheet on the basis of an actuarial assessment of commitments at the year end.

Contributions paid to defined contribution scheme (meaning the Group has no obligation other than the payment of contributions) are recognized as expenses for the period.

The provision in the consolidated financial statements is assessed according to the projected unit credit method and is based on the assumption of seagoing personnel retiring at the age of 55 and onshore personnel retiring at the latest age possible.

The amount of future payments corresponding to benefits granted to employees is assessed on the basis of assumptions concerning staff turnover, salary increases, retirement age, and mortality, discounted to present value.

The provision has been revaluated on the December 31, 2011 and amounts to 789 in € thousands.

NOTE 7-5 DEFERRED TAX

The deferred tax assets and liabilities are assessed at the tax rate expected to be applied in the year in which the tax asset will be realized or the liability paid, based on the tax regulations adopted or due to be adopted at the year end.

Deferred taxes are recognized on timing differences between the book value of assets and liabilities and between their tax values, on tax losses carried forward that are deemed recoverable, and on certain consolidation restatements.

A tax asset is recorded provided that the tax entity is expected to generate enough tax benefit to balance tax losses carried forward. Hence tax losses should not happen again in the future.

Assets and liabilities are balanced in the tax entity which is made of the fiscally consolidated entities (Cf. Note 17.5).

In order to assess deferred tax assets and liabilities, the company had always taken into account the benefit arisen from the "third allowance" in the tax base used to calculate the taxable income of commercial and industrial companies in the French overseas departments (article 217 bis of the French CGI), taking these measures for granted.
Lots of uncertainties about the fiscal environment evolution have arisen in 2011. At the end of 2011, amendment to the finance Law, with retroactive effect on the 1st January 2011, has definitely abolished the third allowance benefit in the French overseas departments. In this context the company has decided to reconsider the deferred tax excluding this tax benefit and such back to fiscal year 2010.

Consequently deferred taxes were reassessed without taking into account any allowance or whatever reduction in regards to the French official tax rate of 33.33%. According to IAS 8 the negative impact has been recorded in equity in 2010 for 836 in € thousands, and was therefore included in the 2011 opening statements.

NOTE 7-6 AWARD OF STOCK OPTIONS

In its sixteenth resolution, the General Meeting of Shareholders on May 12, 2009 authorized the Board of Directors to grant, on one or more occasions, under Article L.225-177 to L.225-185 of the French Commercial Code, options giving entitlement to subscription to new shares of the company to be issued under a capital increase or to purchase existing shares of the company, made available as a result of share buybacks by the company as permitted by law, to employees or certain employees, or certain categories of personnel of SAPMER, and if applicable, of companies in the economic interest grouping related to it, as prescribed by Article L.225-185 of the French Commercial Code and corporate officers who meet the conditions defined in Article L.225-185 of the French Commercial Code.

The total options that may be granted by the Board of Directors cannot exceed 3% of the share capital existing on the day of the first award. By virtue of this authorization, 52,700 stock options to subscribe to new ordinary shares were granted in 2009. Outstanding stock options amount to 50 900 at the end of 2011.

Except in the first year, the exercise of options is subject to economic performance conditions. No options were exercised this year. The period for the exercise of options is July 1-31 each year. No option was exercised in 2011.

The cost has been valued according to the Black & Scholes model. The cost incurred in 2011 for the plan amounts to 74 in € thousands and corresponded to an equivalent increase in the equity.

7-7 AWARD OF BONUS SHARES

In its seventeenth resolution, the General Meeting of Shareholders on May 12, 2009 authorized the Board of Directors to proceed, under Article L.225-197-1 to L.225-197-2 of the French Commercial Code, to award existing or newly issued ordinary shares of the company, to salaried employees of the company or companies directly or indirectly related to it as defined by Article L.225-197-1 of the French Commercial Code and/or corporate officers who meet the conditions defined in Article L.225-187-1 of the French Commercial Code.

The cost has been valued according to the Black & Scholes model. The cost incurred in 2011 for the plan amounts to 102 in € thousands and corresponded to an equivalent increase in the equity.

PART THREE: COMPREHENSIVE INCOME STATEMENT

NOTE 8 – CURRENT OPERATING INCOME

INCOME FROM ORDINARY ACTIVITIES

Revenues include the sale of products fished and processed as well as storage and added-value services for third parties.

OTHER INCOME FROM ACTIVITY

Other income from activity mainly includes vessel management services, transferred charges largely constituted by the capitalization of shipyard supervision expenses and the initial fitting out of the tuna vessels Dolomieu and SEAS 44, plus miscellaneous indemnities.

OTHER OPERATING EXPENSES (INCOME)

This item mainly includes expenses net of income for assets disposed of during the year and income related to the capitalization of “technical revision” components for the vessels.

NOTE 9 – FINANCIAL INCOME

COST OF NET DEBT

This item is composed of all expenses on net debt for the period.

OTHER FINANCIAL INCOME AND EXPENSES

These are financial expenses and income that do not form part of the cost of net debt.

This item particularly includes the translation gain or loss at the year-end on receivables and payables in foreign currency and the discounting of financial instruments for hedging and exchange rates.

NOTE 10 – TAX PAYABLE

INCOME TAX

Tax on corporate profits corresponds to the aggregate of tax payable by individual Group companies, adjusted of deferred tax.

Tax is recorded on the income statement, unless it is related to items that are recognized directly under shareholders’ equity, in which case it is recognized under shareholders’ equity.

SAPMER SA has opted for the tax consolidation regime. Tax is allocated as follows:

- The tax for which each subsidiary is responsible is the same as the tax it would have been required to pay if it was not part of the tax consolidation group;
- SAPMER SA recognizes the tax saving or charge resulting from the difference between the sum of the individually calculated tax and the tax payable according to the consolidated tax group's fiscal income.

FOURTH PART – GENERAL INFORMATION

NOTE 11 – SEGMENT INFORMATION

Segment reporting is based on the Group's internal organization systems and management structure.
In 2010, in order to make the financial statements clearer, segment information was defined under two activities: "Fishing" activity and "Value-enhancing and processing" activity.
With the inclusion of the two new Mauritian subsidiaries "SAPMER MANAGEMENT SERVICES" and "SAPMER TECHNICAL SERVICES" in the scope of consolidation at January 1, 2011, we have:
- The "Fishing" activity which includes the sale of rock lobster, toothfish and gross tuna (fish without factory added-value),
- The "Value-enhancing and processing" activity which includes the sale of processed tuna (fish processed in the factory into loins, steaks etc.) and the activities of the Mauritian subsidiaries.

In light of current trends on the tuna market, and in particular better prices for gross tuna, we have optimized the product mix offered to our clients, by selling greater amounts of gross tuna than forecasted. Consequently, we have split the assets and liabilities for the tuna vessels between the "Fishing" and "Value-enhancing and processing" activities on the basis of the percentage of caught tuna processed at the MER DES MASCAREIGNES factory (gross tonnage processed by MDM / tonnage caught in the period; Base = Actual 2011 over 12 months).

NOTE 12 - EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net income for the year attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares, excluding treasury shares, outstanding during the year.

Diluted earnings per share are calculated by dividing the net income for the year attributable to ordinary holders of capital of the parent company by the weighted average number of ordinary shares, excluding treasury shares, outstanding during the year.

Stock options with an anti-dilutive effect are not taken into account in the calculation. That is why diluted earnings per share equal earnings per share.

TREASURY SHARES

When the Group buys shares of its own equity capital (treasury shares), these shares are deducted from shareholders' equity. No profit or loss is recognized in the income statement on the purchase, sale, issue or cancelation of the Group's treasury shares.

No treasury share was bought back in 2011.

NOTE 13 - WORKFORCE

The number of SAPMER Group employees increased by 121 from the end of 2009 to the end of 2010 and then by 20 from 2010 to 2011 to support its growth and the development of the tuna activity.

NOTE 14 - OFF-BALANCE-SHEET COMMITMENTS

The "tax-exempt" companies acted simply as mortgage guarantors for the borrower SAPMER with the banks up to the limit of the vendor credit (sale price of the vessels minus the contribution from the "tax-exempt" companies).

Mortgages related to longliners have been lifted because loans have been entirely paid off.

FIFTH PART – INFORMATION RELATING TO THE CONSOLIDATION SCOPE

IDENTITY OF THE COMPANIES

All the companies included in the consolidation are fully consolidated except for MER DES MASCAREIGNES which is proportionately consolidated.

MER DES MASCAREIGNES is controlled jointly with SEAFOOD HUB LTD (Mauritius). The percentage of control and interest between the parties is 50/50.
The company is managed by a board of directors, each party having an identical number of directors, and the chair rotates annually. Strategies and decisions are therefore the result of agreement between the directors.

CHANGE IN SCOPE OF CONSOLIDATION – METHODS

SAPMER MANAGEMENT SERVICES LTD ("SMS"), a management company incorporated in Mauritius with share capital of MUR 5,000, was created on June 30, 2010. It is included in the consolidation scope as of January 1, 2011 according to the full consolidation method.

"SAPMER TECHNICAL SERVICES", a company with share capital of €500 created on May 18, 2011, is included in the consolidation scope as of the first 2011 semester according to the full consolidation method.

Eight companies are included in the consolidation scope.

			2011			2010		
Companies	**Location**	**siren number**	**Consolidation method**	**% control**	**% holding**	**Consolidation method**	**% control**	**% holding**
SAPMER SA (*)	Reunion Island	350,434,494	Full consolidation	Parent	Parent	Full consolidation	Parent	Parent
LES ARMEMENTS REUNIONNAIS SAS (*)	Reunion Island	414,550,079	Full consolidation	100%	100%	Full consolidation	100%	100%
MER DES MASCAREIGNES LTD	Mauritius	63,122	Proportionate Consolidation	50%	50%	Proportionate Consolidation	50%	50%
ARMEMENT SAPMER DISTRIBUTION SARL (*)	Reunion Island	408,532,307	Full consolidation	100%	99.60%	Full consolidation	100%	99.60%
ARMAS PECHE SAS (*)	Reunion Island	444,504,229	Full consolidation	100%	100%	Full consolidation	100%	100%
SOPARMA SAS (*)	France	493,712,426	Full Consolidation	100%	100%	Full consolidation	100%	100%
SAPMER MANAGEMENT SERVICES	Mauritius	096,219	Full Consolidation	100%	100%			
SAPMER TECHNICAL SERVICES	Mauritius	102,751	Full consolidation	100%	100%			

(*) Fiscally consolidated companies

SIXTH PART – POST BALANCE SHEET EVENTS SINCE THE YEAR-END

No particular events have occurred that could have a significant impact on the financial statements for the period ended December 31, 2011 or influence their reading.

ADDITIONAL INFORMATION ON THE NOTES

NOTE 15 - NON-CURRENT ASSETS

15-1 Breakdown of fixed assets

		2 011	2 010
Intangible assets			
	Gross amount	2 239	2 218
	Amortization/provisions	(634)	(494)
	Net carrying amount	**1 606**	**1 724**
Tangible assets			
	Gross value of assets	50 960	44 211
	Gross value of assets on finance lease	92 273	92 273
	Tax benefit	(29 986)	(29 986)
	Depreciation of fixed assets	(16 900)	(13 609)
	Depreciation of fixed assets on finance lease	(2 391)	(896)
	Net carrying amount	**93 956**	**91 993**

15-2 Change in fixed assets

The change in fixed assets breaks down as follows:

Intangible assets	Gross	Depreciation and provisions	Net
December 31, 2009	**2 186**	**(373)**	**1 813**
Increases	32	(120)	(88)
Decreases			0
December 31, 2010	**2 218**	**(493)**	**1 724**
Increases	21	(138)	(117)
Decreases			0
December 31, 2011	**2 239**	**(631)**	**1 606**

Tangible assets			
December 31, 2009	**101 529**	**(10 365)**	**91 164**
Increases (*)	24 714	(5 571)	19 143
Tax benefit	(18 971)	1 225	(17 746)
Decreases	(896)	226	(670)
Currency translation adjustment	122	(20)	102
Change in consolidation			0
December 31, 2010	**106 498**	**(14 505)**	**91 993**
Increases (*)	7 055	(7 173)	(118)
Tax benefit		1 999	1 999
Decreases	(443)	422	(21)
Currency translation adjustment	137	(34)	103
Change in consolidation			0
December 31, 2011	**113 247**	**(19 291)**	**93 956**

(*) The principal increases relate to the construction of the new tuna vessels ordered from the Seas Shipyards.

15 -3 Other non-current assets

Financial assets	
December 31, 2009	**412**
Increases (*)	1 026
Decreases	(402)
Change in consolidation	
December 31, 2010	**1 036**
Increases	257
Decreases	(331)
Change in consolidation	
December 31, 2011	**962**

(*) The increase of financial fixed assets concerns in 2010 the payment to a deposit fund of the amount for the business tax dispute.

Non-current assets break down as follows:

	2 011	2 010
Current account facilities	707	707
Total	**707**	**707**

NOTE 16 - CURRENT ASSETS

16-1 Breakdown of inventories

Inventories include fishing equipment as well as stocks of fished products. The breakdown of inventories is as follows:

	2 011	2 010
Raw materials and other consumables	4 488	3 033
Finished and semi-finished goods	5 223	4 545
Gross value of inventories	**9 711**	**7 578**
Impairment of inventories of raw materials and other consumables		**(64)**
Impairment of inventories of finished goods	(45)	(78)
Net value of inventories	**9 666**	**7 436**

16-2 Other net current assets

The breakdown of other current assets is as follows:

	2 011	2 010
Client receivables and other accounts receivable	14 704	8 695
Advances and installments	74	53
Tax and social security receivables	113	24
Other receivables	501	927
Prepaid expenses	1 144	1 080
Total	**16 535**	**10 779**

Current assets expire within one year.

16-3 Breakdown of cash

The breakdown of cash is as follows:

	2 011	2 010
Marketable securities	0	481
Cash and cash equivalents	18 855	18 782
Short-term bank overdrafts	(40)	(22)
Financial instruments	(205)	(39)
Total	**18 610**	**19 202**

NOTE 17 - NON-CURRENT/CURRENT LIABILITIES

17-1 Schedule of due dates for borrowings and debts

The breakdown of borrowings and debts by due date is as follows:

2 010	Gross amount	< 1 year	1 - 5 years	> 5 years
Borrowings from banks				
and other financial liabilities	69 283		18 121	51 162
Sub-total of borrowings and other financial liabilities	**69 283**	**0**	**18 121**	**51 162**
Interest rate swaps	10 545		8 788	1 758
Other financial contributions	705		705	
Sub-total of other financial liabilities	**11 250**	**0**	**9 493**	**1 758**
Short-term portion of MT and LT financial debt	5 569	5 569		
Accrued interest	596	596		
Sub-total of short-term portion of MT and LT financial debt	**6 165**	**6 165**		
Trade payables and other payables	5 498	5 498		
Advances and installments received				
Tax and social security liabilities	4 508	4 508		
Other liabilities	487	487		
Prepaid income	202	129	73	
Sub-total of trade payables and other liabilities	**10 695**	**10 622**	**73**	**0**
Total	**97 393**	**16 787**	**27 687**	**52 920**

2 011	Gross amount	< 1 year	1 - 5 years	> 5 years
Borrowings from banks				
and other financial liabilities	64 490	0	17 904	46 585
Sub-total of borrowings and other financial liabilities	**64 490**	**0**	**17 904**	**46 585**
Interest rate swaps	11 555		9 629	1 926
Other financial contributions	755		755	
Sub-total of other financial liabilities	**12 310**	**0**	**10 384**	**1 926**
Short-term portion of MT and LT financial debt	4 565	4 565		
Accrued interest	445	445		
Sub-total of short-term portion of MT and LT financial debt	**5 010**	**5 010**		
Trade payables and other payables	7 035	7 035		
Advances and installments received	0			
Tax and social security liabilities	6 502	6 502		
Other liabilities	214	214		
Prepaid income	72	72	0	
Sub-total of trade payables and other liabilities	**13 823**	**13 823**	**0**	**0**
Total	**95 633**	**18 834**	**28 288**	**48 511**

17-2 Breakdown of borrowings by interest rate and currency

The breakdown of borrowings by type of interest rate and currencies is as follows:

	2 011	**2 010**
Fixed rate	53	53
Variable rate	64 436	69 230
Breakdown of borrowings by type of interest rate - Before debt servicing	**64 490**	**69 283**
Fixed rate	63 863	68 208
Variable rate	626	1 075
Breakdown of borrowings by type of interest rate - After debt servicing	**64 490**	**69 283**
Euros	64 490	69 283
Other currencies		0
Breakdown of borrowings by type of currency	**64 490**	**69 283**

17-3 Change in provisions

The change in provisions breaks down as follows:

	Start of period	Provisions allocated for the year	Writebacks	Other	End of period
Provisions for fines and penalties	817	82	104		795
Provisions for litigation	78	95	78		95
2010	**895**	**177**	**182**	**0**	**890**
Provisions for fines and penalties	795	100	89		806
Provisions for litigation	95				95
2011	**890**	**100**	**89**	**0**	**901**

The breakdown of provisions for litigation and fines is as follows:
- provision for business tax of € 806K
- provision for corporate litigation € 95K

17-4 Provision for pension obligations

Pension obligations have been assessed using the following assumptions:
- discount rate : 4.60% in 2011, 4.68% in 2010
- social security charges according to company and category of employee
- mortality table: Insee table

The change in provisions for pension obligations is as follows:

Pension obligations at December 31, 2009	**636**
Past service cost	82
Interest cost	29
Actuarial gains and losses	19
Pension obligations at December 31, 2010	**766**
Past service cost	102
Interest cost	33
Actuarial gains and losses	(112)
Pension obligations at December 31, 2011	**789**

The Group does not cover pension liabilities by payments to a fund. There are not therefore any corresponding asset yields.

17-5 Deferred tax from all activities

	2009	Movements		**2010**
		on income	Other	
Deferred tax assets				
Temporary differences – tax	18	6		24
Consolidation restatements – IFRS	245	70		315
Deficits carried forward in assets	1 001	192		1 193
Fair value of effective derivative instruments	2 073	245	(39)	2 279
Pension obligations	141	29		170
Total deferred tax assets	**3 478**	**542**	**(39)**	**3 981**
Deferred tax liabilities				
Fair value of effective derivative instruments	9		(9)	0
Regulated provisions	518	52		570
Consolidation restatements – IFRS	4 424	266	152	4 842
Total	**4 951**	**318**	**143**	**5 412**
Net position	**(1 473)**	**224**	**(182)**	**(1 431)**
Impact of discontinued activity on net position	(44)		44	0
Net position of continued activity	**(1 517)**	**224**	**(138)**	**(1 431)**

	2010 *	Movements		**2011**
		on income	Other	
Deferred tax assets				
Temporary differences – tax	37	373		410
Consolidation restatements – IFRS	369	(93)	2	278
Deficits carried forward in assets	1 668	(667)		1 001
Fair value of effective derivative instruments	3 419	138	302	3 859
Pension obligations	255	8		263
Total deferred tax assets	**5 747**	**(241)**	**304**	**5 810**
Deferred tax liabilities				
Fair value of effective derivative instruments	0			
Regulated provisions	855	44		899
Consolidation restatements – IFRS	7 159	715	(8)	7 866
Total	**8 014**	**760**	**(8)**	**8 766**
Net position	**(2 267)**	**(1 000)**	**312**	**(2 955)**

Deffered tax rate is 33.33%.
*** cf § Note 7-5**

17-6 Stock option plans

Sapmer has issued a stock option plan, details of which are described below:

	May 2009
Date of authorization by AGM	12/05/2009
Date of Board authorization	11/06/2009
Number of stock options authorized	52 700
Of which number granted to corporate officers	15 000
Number of options outstanding at year-end	50 900
Number of beneficiaries	23
Number of corporate officers concerned	1
Start date	01/09/2009
Expiration date	01/08/2015
Subscription price in euros, corporate officer	€ 15.00
Subscription price in euros, beneficiaries	€ 14.25

17-7 Allotment of bonus shares

Sapmer has issued a free share plan, details of which are described below :

	May 2009
Date of authorization by AGM	12/05/2009
Date of Board authorization	11/06/2009
Number of free shares granted	31 020
Of which number granted to corporate officers	40
Number of free shares outstanding at year-end	28 350
Number of beneficiaries	178
Number of corporate officers concerned	1

The bonus shares were permanently awarded on June 14, 2011 following the capital increase of 22,680 euros agreed upon by the Board of Directors.

NOTE 18 - OPERATING INCOME

18-1 Other income from operations

	2 011	2 010
Operating subsidies	1	1
Other income from activities	279	1 835
Capitalization of operating expenses	539	3 413
Other income from operations	**819**	**5 249**

18-2 Net provisions, depreciation and impairment

The breakdown of the item is as follows:

	2 011	2 010
Net depreciation of fixed assets	**(5 313)**	**(4 466)**
Net provisions for fines and penalties	(11)	5
Net provision for receivables depreciation	(8)	0
Net provision for inventory depreciation	97	(119)
Net depreciation and impairment on current assets	**78**	**(114)**
Net provisions for retirement commitments	(23)	(130)
Net provisions and impairment allowance	**(23)**	**(130)**
Net provisions, depreciation and impairment	**(5 258)**	**(4 710)**

18-3 Other operating expenses net of income

The breakdown of the other operating expenses item is as follows:

	2 011	2 010
Main components		
Net capital gains/(losses) on disposal of fixed assets	(20)	10
Reversal of investment subsidies	130	129
Capitalization of “repairs and technical inspections” item	810	490
Other operating income and expenses	140	(171)
Other operating expenses	**1 059**	**458**

NOTE 19 - OTHER FINANCIAL EXPENSES AND INCOME

The breakdown of the other financial expenses and income item is as follows:

	2 011	2 010
Main components		
Foreign exchange losses	166	(63)
Change in fair value of ineffective hedging instruments	(415)	(1 100)
Reversal of provisions for impairment		
Capitalization of financial expenses		1 713
Other financial expenses and income	(1)	89
Other financial expenses and income	**(250)**	**639**

NOTE 20 - CORPORATE INCOME TAX

The deferred tax rate is 33.33%.

Reconciliation of income tax expense – all activities

	2011	2010
Consolidated net income before tax from continuing activities	**11 784**	**393**
Theoretical tax expense (33.33%)	3 928	131
Impact on income tax		
Impact from statutory/tax discrepancies	-1354	-1130
Impact from consolidation restatement	1742	1012
Impact from particular tax measures	-248	-238
Other	-29	1
Income tax expense on income statement for all activities	**4 039**	**-224**
Impact of discontinued activity on deferred tax		
Income tax expense on income statement for continuing activities	**4 039**	**-224**

		2 011	2 010
Tax payable	-	3 039	0
Deferred tax	-	1 000	224
Income tax (expense)/benefit for all activities		**(4 039)**	**224**

NOTE 21 - SEGMENT INFORMATION

Breakdown of revenues by geographic region is as follows:

	2 011	2 010
Japan & Asia	53 650	35 134
Reunion & Mauritius	14 009	5 883
North America	3 866	4 492
Metropolitan France and EC	3 590	2 260
Other	1 878	224
Total revenues	**76 994**	**47 993**

Breakdown of revenues by business activity:

	2 011	2 010
Fishing activity	63 819	45 030
Value enhancing and processing activity	13 175	2 963
Total revenues	**76 994**	**47 993**

Breakdown of operating income by business activity:

	2 011	2 010
Fishing activity	13 741	3 525
Value enhancing and processing activity	1 465	(86)
Total operating income	**15 207**	**3 439**

Breakdown of net tangible assets by business activity:

	2 011	2010 (*)
Fishing activity	72 552	73 778
Value enhancing and processing activity	21 404	18 214
Total net tangible assets	**93 956**	**91 993**

(*) 2010 has been modified according to the split described in note 11.

Breakdown of debt by business activity:

	2 011	2010 (*)
Fishing activity	42 907	45 420
Value enhancing and processing activity	21 582	23 864
Total debt	**64 490**	**69 283**

(*) 2010 has been modified according to the split described in note 11.

NOTE 22 - NET EARNINGS PER SHARE

	2011	2010
Net earnings (in € thousands)	7 745	617
Weighted average number of shares in the period	3 454 793	3 438 948
Net earnings per share (in euros)	**2,242**	**0,179**
Net earnings per share after dilution (in euros)	**2,242**	**0,178**

Number of shares amounts to 3,467,298 on the 31/12/2011.

NOTE 23 - WORKFORCE

The breakdown of personnel is as follows:

Seagoing	2011	2010
Officers	69	69
Sailors	254	251
Total	**323**	**320**

Shore based	2011	2010
Managers and supervisors	21	18
White-collar employees	12	14
Blue-collar workers	105	89
Total	**138**	**121**

Total headcount	**461**	**441**

NOTE 24 - OFF-BALANCE-SHEET COMMITMENTS

Off-balance-sheet commitments break down as follows:

1 - Financial commitments

	2011	2010
Commitments given (guarantees and deposits)	75	75
Commitments received (uncommitted notes and rolling cash facility)		6 524
Reciprocal commitments (purchase of vessel and/or partnership company shares) at the end of the tax deduction period	41 524	41 524
Commitments given* (construction contract)	45 126	
Financial interests to be paid on financial debt	9 780	9 778

* with SEAS associated company

2 - Liabilities guaranteed by pledges, given or irrevocably committed

Commitments given (marine mortgage)	1 723	21 320
Commitments given (simply as mortgage guarantor)	62 287	62 287

NOTE 25 - TRANSACTIONS WITH RELATED PARTIES

Transactions with associated companies are conducted on a market price basis.

	2 011			2 010		
	Jaccar	**Piriou (3)**	**Seas (3)**	**Jaccar**	**Piriou (3)**	**Seas (3)**
Balance sheet - Assets						
Prepaiement on fixed assets (1)			5 014			
Receivables	49				549	
Cash (2)	4 000					
Balance sheet - Liabilities						
Debt	1	3			224	
Profit and Loss Account						
Supply of goods		(18)			(15)	
Rent	(24)			(24)		
Fees	(94)			(96)		
Commissions	(3)					
Interests	66					
Other revenues from current operations					1 725	

(1) contract of the 14-12-11 - 10 % on ordering
(2)Within the cash management agreement signed in 2011
(3) Piriou Group

NOTE 26 - COMPENSATION FOR MEMBERS OF THE MANAGEMENT BODIES

The amount of compensation and pension obligations paid during the periods break down as follows:	2011	2010
Compensation paid	299	288

NOTE 27 - FEES PAID TO THE INDEPENDENT AUDITORS

Fees paid to the Independent Auditors break down as follows:	2011	2010
Euraaudit, Cabinet Rousseau Consultants - 69 Lyons	49	48
Cabinet EXA - 97 Saint Denis - Reunion Island		0
HDM Conseil et Audit - 97 Sainte Clotilde - Reunion Island	48	44
Total	97	92

CHAPTER 3

SAPMER SA FINANCIAL STATEMENTS

The financial statements of the company SAPMER SA only give a partial image of the SAPMER Group's financial situation, which is described in the "Consolidated financial statements" section of this report.
The information presented concerning SAPMER SA
therefore only summarizes the most significant and useful information for the reader, based on the company accounts.
The other items on the company statements do not contain additional items that would enlighten the investor's judgment.
However, the Statutory Auditors' General Report
appended hereto concerns the company's financial statements in their entirety.
The complete financial statement, including the notes, are available from the company, upon request:

Harald Chabot - Groupe SAPMER SA - Darse de Pêche - 97823 Le Port - La Réunion Tél. 262 2 62 33 46 35 - E.mail : hchabot@sapmer.fr and on our internet website : www.sapmer.com under investors' area/ financial information/publications.

ASSETS

In € thousands	Gross	Dep. & Amort.	Net (31/12/2011)	Net (31/12/2010)
Uncalled suscribed share capital				
INTANGIBLE ASSETS				
Set-up costs				
Development costs				
Concessions, patents and similar rights	230	185	45	72
Goodwill				
Other intangible assets	2 000	448	1 552	1 640
Advance payments on intangible assets				
TOTAL intangibles assets	**2 230**	**633**	**1 597**	**1 712**
TANGIBLE ASSETS				
Land				
Building	3 040	1 863	1 176	1 373
Machinery, Equipment and tools	17 930	13 473	4 457	4 721
Other tangible assets	692	539	154	171
Fixed asets under construction	173		173	
Advance payments on tangible assets	5 271		5 271	8
TOTAL tangible assets	**27 107**	**15 875**	**11 232**	**6 273**
Financial assets				
Equity method investments				
Other investments	1 010		1 010	1 009
Receivables from equity interests	1 413		1 413	1 413
Other securities holding	1		1	1
Loans	4 970		4 970	6 270
Other financial assets	53 222		53 222	57 374
TOTAL financial assets	**60 616**		**60 616**	**66 068**
FIXED ASSETS	**89 953**	**16 508**	**73 445**	**74 053**
INVENTORIES AND WORK-IN-PROGRESS				
Raw materials and supplies	3 694		3 694	2 581
Work-in-progress goods				
Work-in-progress services				
Inventories of finished goods and intermediate finished goods	4 771	70	4 701	3 923
Supplies inventory				
TOTAL Inventories and work-in-progress	**8 465**	**70**	**8 395**	**6 504**
RECEIVABLES				
Advances and deposits paid on orders	69		69	53
Accounts receivables	11 583	8	11 575	6 195
Other receivables	6 775		6 775	1 817
Subscribed capital called and unpaid				
TOTAL receivables	**18 427**	**8**	**18 419**	**8 065**
CASH AND OTHER				
Short-term marketable securities				
Cash	3 659		3 659	12 313
Prepaid expenses	3 383		3 383	3 366
TOTAL Cash and other	**7 042**		**7 042**	**15 679**
CURRENT ASSETS	**33 934**	**78**	**33 857**	**30 247**
TOTAL ASSETS	**123 887**	**16 585**	**107 302**	**104 300**

LIABILITIES

In € thousands	31/12/2011	31/12/2010
NET EQUITY		
Share capital	2 774	2 751
Premiums from equity issues, mergers or acquisitions	6 330	6 330
Revaluation surplus of which equity accounting reserves		
Legal reserves	275	275
Statutory or contractual reserves		
Regulated reserves		
Other reserves	894	917
Retained earnings	6 942	8 687
Annual net income	2 034	-1 057
TOTAL Net Equity	**19 248**	**17 902**
INVESTMENT SUBSIDIES	72	202
REGULATED ALLOWANCE	1 382	1 368
EQUITY	**20 703**	**19 473**
Provision for risks	901	890
Provision for charges	1 158	837
PROVISION FOR RISKS AND CHARGES	**2 059**	**1 727**
FINANCIAL DEBT		
Convertible bond loan		
Other convertible loan		
Bank financial debt	68 724	73 602
Other financial debt	134	265
TOTAL financial debt	**68 858**	**73 868**
ADVANCES AND DEPOSIT PAID ON ORDERS		
OTHER LIABILITIES		
Accounts payable	6 312	4 774
Tax and social security debts	8 541	3 751
Liabilities on fixed assets & related		
Other debt	730	683
TOTAL other liabilities	**15 583**	**9 208**
DEFERRED INCOME		
DEBT	**84 441**	**83 076**
Conversion gains	99	25
TOTAL LIABILITIES	**107 302**	**104 300**

INCOME STATEMENT
(1st part)

In € thousands	France	Export	31/12/2011	31/12/2010
Sales of goods				
Production sold - goods	1 469	53 627	55 097	32 907
Sales of services	2 757	3	2 760	1 738
Net sales	**4 227**	**53 630**	**57 856**	**34 645**
Change in inventories			726	-628
Capitalized production				
Operating subsidy			1	1
Reversal on amortization, provisions and expenses transferts			2 102	3 940
Other operating income			1 750	2 820
TOTAL OPERATING REVENUE			**62 436**	**40 778**
EXTERNAL EXPENSES				
Purchase of goods (incl. customs duty)				
Change in inventories of goods				
Purchase of raw materials and other supplies			15 772	11 954
Change in inventories (raw material and other supplies)			-1 066	-744
Other purchases and external expenses			23 641	14 993
TOTAL external expenses			**38 348**	**26 203**
DUTIES AND TAXES			2 508	2 250
PAYROLL COSTS				
Wages and salaries			13 354	9 739
Social security costs			1 532	1 376
TOTAL payroll costs			**14 886**	**11 115**
OPERATING ALLOWANCES				
Amortization of fixed assets			1 179	1 129
Depreciation of fixed assets				
Depreciation and impairment on current assets			78	185
Provisions for risks and charges allowance			637	703
TOTAL operating allowances			**1 893**	**2 017**
OTHER OPERATING EXPENSES			737	487
OPERATING EXPENSES			**58 372**	**42 073**
OPERATING INCOME			**4 064**	**-1 295**

INCOME STATEMENT

(2nd part)

In € thousands	31/12/2011	31/12/2010
OPERATING INCOME	**4 064**	**-1 295**
Profits transferred in or losses transferred out		95
Losses transferred in or profits transferred out	695	647
FINANCIAL INCOME		
Financial income from investments		
Income from other marketable securities and asset receivables	212	68
Other interest and similar income	2 651	1 547
Reversal on provisions and expenses transferts		1 713
Foreign exchange gains	318	539
Net income from sales of marketable securities		1
TOTAL financial income	**3 181**	**3 868**
FINANCIAL EXPENSES		
Amortization and charges to provisions for financial items		
Interests and similar expenses	3 393	3 564
Foreign exchange losses	353	574
Expenses from sales of marketable securities		
TOTAL financial expenses	**3 746**	**4 138**
FINANCIAL RESULT	**-565**	**-270**
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXES	**2 804**	**-2 118**
NON-RECURRING INCOME		
Non-recurring income on management operations	36	1 084
Non-recurring income from capital transactions	132	59 469
Reversal on provisions and expenses transferts	101	16
TOTAL non-recurring income	**269**	**60 569**
NON-RECURRING EXPENSES		
Non-recurring expenses on management operations	42	1 008
Non-recurring expenses from capital transactions	0	59 540
Allowance on provisions and expenses transferts	114	115
TOTAL non-recurring expenses	**157**	**60 662**
NON-RECURRING RESULT	**112**	**-93**
Participation of employees in profits and company results	940	
Income tax	-58	-1 153
TOTAL INCOME	**65 886**	**105 310**
TOTAL EXPENSES	**63 852**	**106 367**
PROFIT OR LOSS	**2 034**	**-1 057**

NOTES TO THE FINANCIAL STATEMENT
31 DECEMBER 2011

ACCOUNTING METHODS AND RULES

(French Business Law articles 9 and 11 – Decree n°83 – 1020 29, November 1983 – articles 7, 21, 24 beginning 24-1°, 24-2° and 24-3°)

Total balance sheet amounts to 107 301 634 € and total income amounts to 2 033 973€ for 2011.

Generally accepted accounting principles have been abode by, according to the prudence principle and according to the framework assumptions:

- On-going concern,
- Consistency of accounting methods,
- Matching principle,

and according to generally agreed principles in preparing financial statements.

Historical cost is the basic method chosen to evaluate items recorded in accounting.

CRISIS ENVIRONMENT

Economic and financial outlooks are more difficult to apprehend in today's crisis environment. The Group has made estimates and assumptions in this environment with strict commitment and the best knowledge available. For the moment SAPMER is not affected by the economic and financial crisis thanks to export-oriented sales:

- either toward bullish markets such as China
- or toward countries such as Japan, where fishing is a strong and growing market. The disaster in Japan that happened earlier this year did not affect our sales, on the contrary the country has increased its importations from outside of its frontiers even more.

Main accounting principles used are the following:

I. METHODS AND RULES

a) Intangible assets

Intangible assets are recorded at acquisition (purchase price and related cost) or internal production cost.
Depreciation is calculated according to the straight-line method over the expected useful life:

- Trademark registration: 10 years
- Software : 1 year
- Operating permits : 22 years

b) Tangible assets

Tangible assets are recorded at acquisition (purchase price and related cost) or internal production cost.
In regards to the vessels, components are clearly identified but their useful lives are close to the main asset useful life. That is why they were not broken into separated components.
Depreciation is calculated according to the straight-line method over the expected useful life:

- Fixtures and fittings: 10 to 14 years
- Machinery and Equipment : 3 to 15 years
- Transportation equipment : 3 to 5 years
- Office and computer equipment: 3 to 5 years
- Furniture : 3 to 5 years

High increase in assets under construction are due to down payment of 10% of the construction of two new tuna seiners for 5 014 000 €.

c) Financial assets

They are made of :

- Vendor credits granted to finance lease companies for three tuna seiners which amount to 52 520 849€ on the balance sheet.
- Loan granted to the subsidiary SOPARMA on the occasion of the repurchase of 100% of its subsidiary Armas Pêche's shares in 2007. 1 300 000€ have been paid back in 2011 and 4 970 000€ remain on the balance sheet.
- Litigation in relation to business tax paid to Treasury in 2010 appears in financial assets for 696 824 €. SAPMER appealed against the decision.

d) Inventories

Inventories of supplies are valued according to the weighted-average unit cost method, except bait and oil inventories which are valued according to the FIFO method (First In First Out), hence they are more prone to price variation (likely to change with price fluctuation). They amount to 3 694 425€ in the balance sheet.

Inventories of products fished in the French Southern and Antarctic Territories (mainly Toothfish and Rock lobster) are valued based on the production cost of the year.

Inventories of products from the tuna vessels are valued based on the cost of production of the second semester hence a cruising speed was reached.

If the realization value is lower than this value, a provision for impairment is recognized.

Inventories of products amount to 4 770 520€.

If this cost is lower than last known sale price, a provision for impairment is recognized. An impairment of 69 829€ has been recognized.

e) Client receivables

Client receivables are valued to their nominal value. A provision for impairment is recognized when the inventory value is lower than the accounting value.

f) Tax regulated provisions

- Accelerated tax depreciation is yearly recognized to record the spread between economical amortization and tax amortization. Total amount on the balance sheet is 1 364 417€. The counterpart has been recorded in exceptional charges: 114 371€ have been recorded for 2011.

- Allowance for investment: it is based on 50% of the spread between the legal calculation and the derogatory calculation of the profit-sharing reserves. As a result of the release of the 2005 profit-sharing, 100 639€ have been recorded as exceptional and tax-free profit. The balance sheet position amounts to 17 504€.

g) Provision for risks and liabilities

- Provision for major maintenance is recorded on a five year-basis (fifth-year visit to renew the classification certificate) and amounts to 805 026€ cumulated. 217 177€ have been reversed following the fifth-year visit of the longliner Albius.

- Provision for fines and penalties has been accounted for 805 026€ following an audit of our business tax. Interests have been discounted for 100 212€.

- Provision for employee litigation still remains on the balance sheet for 95 979€.

h) Capital grants :

We recorded capital grants for the building of our offices and our storage location. They are spread over the amortization period of the expenditure they relate to.

i) Loans :

In 2010, in order to finance its investments, SAPMER recoursed to a banking pool for 75 000 000€. During 2011, 4 706 437€ have been paid back.
In order to manage its exposure to market risks related to movements in interest rates, SAPMER uses derivative instruments to hedge its entire debt.
Hedging consists in swapping a variable rate against a fixed rate. In the context of hedging, revenues and expenses on derivative instruments are accounted for in financial result and offset revenues and liabilities related to hedged items.
At the year end, fair value on the instruments have been evaluated at 11 297 131€ (unrealized loss).

j) Transaction in foreign currencies :

Expenses in foreign currencies are recorded for their corresponding value on the date of the transaction.
Revenues, receivables in foreign currencies appear on the balance sheet at the traded price.
Cash in foreign currencies are accounted for in the balance sheet at the closing rate.

II. GENERAL INFORMATION

- SAPMER elected for tax consolidation with effect from January, 1, 2008 forming a tax group with SAPMER and four subsidiaries: ARMEMENT SAPMER DISTRIBUTION, LES ARMEMENTS RÉUNIONNAIS, SOPARMA and ARMAS-PÊCHE. The group tax result has yielded a tax income of 57 738€.

- SAPMER has paid 24 000€ as Directors' fees.

- SAPMER is fully consolidated in the Group JACCAR HOLDINGS Luxembourg.

III. KEY EVENTS :

- 28 350 bonus shares were definitively awarded on June 14, 2011 following the capital increase agreed by the Board of Directors and conducted by the incorporation of reserves. This share award is subject to a 2-year vesting period. Share capital is now made up of 3 467 298 shares.

- Sales grew strongly to 57 836 437€.

- Deep-freeze storage capacities at -40°C in Port Louis were increased by 1,800 tons last February and by 900 tons on the second semester taking them to 3,600 tons.

- Construction contracts of the two tuna seiners, sisterships of the three first ones, were signed with PIRIOU's shipyards SEAS (Dolomieu and SEAS 44) in December 2011.

- Third allowance abolition following the amendment to the 2011 finance Law which was voted in the end of December has affected the tax expense.

- The company STS “SAPMER TECHNICAL SERVICES LTD” with a capital share of 500€, management company with a Mauritian statute, has been set up on the 18 May 2011.

- The share of SAPMER listed on the Alternext market ended at 13.79€ on the 31/12/2011.

IV. POST-BALANCE SHEET EVENT

No particular events have occurred that could have a significant impact on the financial statements for the period ended December 31, 2011 or influence their reading.

CHAPTER 4

STATUTORY AUDITORS' REPORTS

Statutory auditor's report on the consolidated financial statements

General Meeting to approve the financial statements for the year ended December 31, 2011

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To the Shareholders,

In accordance with the mandate conferred on us by your General Shareholders' Meeting, we hereby present to you our report for the year ended December 31, 2011 on:

- the audit of the consolidated financial statements for the company SAPMER SA, as appended hereto;
- the justification for our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

1. 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 that the consolidated financial statements are free of material anomalies. An audit includes examining, using sample testing techniques or other selection methods, the evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made, as well as evaluating 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.

We certify that the consolidated financial statements, prepared in accordance with IFRS standards as adopted in the European Union, give a true and fair view of the assets and liabilities, the financial position and the results of the group consisting of the entities included in its consolidation.

Without qualifying our above opinion, we would draw your attention to the statement, described in Note 7.5 in the notes to the consolidated financial statements, concerning the evaluation of deferred tax.

2. JUSTIFICATION OF OUR ASSESSMENTS

Accounting estimates contributing to the preparation of the financial statements were drawn up in a climate of uncertainty, linked to the public finance crisis of some countries across the Euro zone and particularly of Greece. The crisis comes hand in hand with an economic and liquidity crisis, which makes economic outlooks, described in the Note 1 of the notes to the consolidated financial statements, difficult to assess. It was in this context that we made our own assessments which we bring to your attention in accordance with the requirements of Article L.823-9 of the French Commercial Code:

- Note 5 of the notes to the consolidated financial statements set forth the accounting methods for consolidating the companies serving as a financing vehicle for the three tuna purse seiners. We have verified the appropriateness of the accounting methods used and we are satisfied that they have been correctly applied.
- The company has contracted interest-rate hedges for the borrowings used to finance the tuna business. These have been recognized and valued at year-end in accordance with the principles described in Note 7.2 of the notes to the consolidated financial statements. Based on the valuations and analysis of independent experts, we are satisfied as to the consistency of the treatment of their impact on shareholders' equity and the income statement as mentioned in the notes to the consolidated financial statements.

These assessments were performed as part of our audit approach for the consolidated financial statements taken as a whole and contributed to the expression of our opinion in the first part of this report.

3. SPECIFIC VERIFICATION

As required by law and in accordance with professional standards applicable in France, we have performed the specific verification related to the information on the Group given in the management report.

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

Sainte-Clotilde and Lyons, March 9, 2012

The Statutory auditors

On behalf of Conseil & Audit HDM

On behalf of EurAAudit *C.R.C.*
Cabinet Rousseau Consultants

Statutory auditor's report
on the annual financial statements

General Meeting to approve the financial statements
for the year ended December 31, 2011

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To the Shareholders,

In accordance with the mandate conferred on us by your General Shareholders' Meeting, we hereby present to you our report for the year ended December 31, 2011 on:

- the audit of the annual financial statements for the company SAPMER SA, as appended hereto;
- the justification for our assessments;
- the specific verifications and information required by law.

These annual financial statements have been approved by the Board of Directors. Our role is to express an opinion on these annual financial statements based on our audit

1. OPINION ON THE ANNUAL 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 that the consolidated financial statements are free of material anomalies. An audit includes examining, using sample testing techniques or other selection methods, the evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made, as well as evaluating 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.

We certify that the annual financial statements, prepared in accordance with French accounting standards and principles, give a true and fair view of the result of the company's operations of the past financial period as well as of the financial position and of the assets and liabilities of the company at year end.

2. JUSTIFICATION OF OUR ASSESSMENTS

Accounting estimates contributing to the preparation of the financial statements were drawn up in a climate of uncertainty, linked to the public finance crisis of some countries across the Euro zone and particularly of Greece. The crisis comes hand in hand with an economic and liquidity crisis, which makes economic outlooks, described in the Note 1 of the notes to the consolidated financial statements, difficult to assess. It was in this context that we made our own assessments which we bring to your attention in accordance with the requirements of Article L.823-9 of the French Commercial Code:

- the notes to the financial statements set out the fixed assets valuation and amortization methods: we have checked the adequacy and implementation of the methods for the 2011 closing;

- the notes to the financial statements mention the use of hedging instruments to manage exposure to interest-rate risk due to borrowings contracted at floating rates. We have analyzed the financial liabilities and the accounts for the related costs and commitments, in particular relying on external confirmation from the banking partners;

- the notes to the financial statements describes provisions for risks and liabilities recorded for the closing under review: we have particularly checked the justification and evaluation of the provisions, especially those related to periodic major maintenance of the fleet;

- in the introduction to the notes to the financial statements, reference is made to the accounting agreement on the separation of financial periods: we have checked that this has been properly applied, both for the recognition of income and the assignment of expenses.

These assessments were performed as part of our audit approach for the financial statements taken as a whole, and contributed to the expression of our opinion in the first part of this report.

3. SPECIFIC VERIFICATIONS AND INFORMATION

In accordance with professional standards applicable in France, we have performed the specific verifications required by law.

We have no observation to make on the fair presentation and consistency between the annual financial statements and the information in the Board of Directors' management report and in the documents sent to shareholders on the financial position and the annual financial statements.

Pursuant to the law, we ensured that the various information on equity interests and control as well as the identity of holders of the capital and voting rights has been communicated to you in the management report.

Sainte-Clotilde and Lyons, March 9, 2012

The Statutory auditors

On behalf of Conseil & Audit HDM

Jocelyne ATIVE.

On behalf of EurAAudit *C.R.C.*
Cabinet Rousseau Consultants

Jean-Marc ROUSSEAU.

Statutory Auditors' Special Report on related party transactions

General Meeting to approve the financial statements for the year ended December 31, 2011

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To the Shareholders,

In our capacity as Statutory Auditors of your company, we hereby present to you our report on related party transactions.

Our role is to communicate to you, based on the information we have been given, the essential terms and features of the agreements about which we have been informed or which we have discovered during our mission, without being required to make a judgment on their usefulness and value or seeking out the existence of other agreements. It is your responsibility, under the terms of Article R.225-31 of the French Commercial Code, to assess the value of the conclusion of these agreements for the purpose of approving them.

In addition, we are required, if applicable, to communicate to you the information prescribed in Article R.225-31 of the French Commercial Code on the performance, during the past year, of agreements previously approved by the General Meeting.

We conducted the due diligence that we considered necessary based on the recommendations of the Compagnie Nationale des Commissaires aux Comptes as regards to this audit mission. This due diligence consisted of verifying the consistency of the items of information provided to us with the original documents on which they were based.

AGREEMENTS SUBMITTED TO THE GENERAL MEETING FOR APPROVAL

- **Agreements authorized during the past year**

Pursuant to Article L.225-40 of the French Commercial Code, we have been informed of the following agreements, previously approved by the Board of Directors.

With the company JACCAR HOLDINGS S.A.

Nature and purpose: Loan granted to the company JACCAR HOLDINGS in the amount of € 3,450,000.

Director concerned: Mr. Jacques de CHATEAUVIEUX, Chairman of the Board of Directors of your company.

Authorization date: Board of Directors meeting on March 16, 2011.

Terms of application for the year: the sums loaned bear interest at fixed rate of 4%, the financial income recorded in regards to this transaction for 2011 amounts to € 26,066.67. The loan was paid back during the year, thus the agreement ended during 2011 fiscal year.

- **Agreements authorized since the close**

We report that we have not been notified of any authorized agreement since the end of the last financial closing to submit to the General Meeting for approval pursuant to the provisions of Article L.225-38 of the French Commercial Code.

AGREEMENTS ALREADY APPROVED BY THE GENERAL MEETING

- **Agreements approved in previous years which continued in operation during the past year**

Pursuant to Article R.225-30 of the French Commercial Code, we have been informed that the following agreements, already approved by the General Meeting in previous years, continued in operation during the past year.

With the company SOPARMA S.A.S.

Nature and purpose: current account advance granted by your company to SOPARMA SAS, in the amount of €6,530,000.

Terms of application for the year: this advance is remunerated at 3-month Euribor plus 0.6 points. The interest recorded for 2011 came to € 118,716.69 euros. The balance of this advance amounts to 4,970,000 at December 31, 2011.

With the company MER DES MASCAREIGNES LTD

Nature and purpose: current account advance granted by your company to MER DES MASCAREIGNES LTD in the amount of €1,413,450.

Terms of application for the year: The balance of this advance amounts to € 1,413,450 at December 31, 2011 and did not give rise to any remuneration.

With the company JACCAR HOLDINGS S.A.S.

Nature and purpose: invoicing of advisory and support services to your company.

Terms of application for the year: your company recognized an expense of € 107,578.80 excluding tax for 2011, of which:

- € 20,066.88 in regards to the Paris office rent,
- € 87,151.92 in regards to Management services.

Nature and purpose: a remunerated guarantee provided to your company by Jaccar, as a supplement to the guarantee given to the bank financing the longliner “Albius”.

Terms of application for the year: invoicing of a quarterly commission to SAPMER at 1% of the borrowing’s outstanding capital. For the year ended December 31, 2011, an amount of €3.6K was recognized in your company’s expenses. The borrowing has been paid back, thus the agreement ended in 2011.

With the company LES ARMEMENTS REUNIONNAIS S.A.S.

Nature and purpose: guarantee granted by your company for the longliner “Ile Bourbon” as a supplement to the guarantee given to the bank financing the vessel, on September 3, 2001.
The borrowing was paid back, thus the agreement ended during 2011 fiscal year.

Sainte-Clotilde and Lyons, March 9, 2012

The Statutory auditors

On behalf of Conseil & Audit HDM

Jocelyne ATIVE.

On behalf of EurAAudit *C.R.C.*
Cabinet Rousseau Consultants

Jean-Marc ROUSSEAU.

CHAPTER 5

DRAFT RESOLUTIONS TO BE PRESENTED TO THE MIXED GENERAL MEETING OF APRIL 26, 2012

Draft resolutions to be presented to the mixed General Meeting of 26 april 2012

For the ordinary meeting:

FIRST RESOLUTION

Parent company accounts

"The Shareholders' Meeting, having duly noted the management report of the Board of Directors and the reports of the Statutory Auditors, approves the annual financial statements for the year ended December 31, 2011 which show a profit of 2,033,973 euros. It also approves the operations reflected in the financial statements or summarized in these reports.
Consequently, it gives full and unreserved discharge to the directors for the execution of their office for the period.
The Shareholders' Meeting acknowledges that the financial statements for the period do not take into account non-deductible expenses of taxable income, as specified in Article 39-4 of the French General Tax Code."

SECOND RESOLUTION

Appropriation of income

The Board of Directors proposes to appropriate the profit for the year of 2,033,973 euros as follows:

ORIGIN:
- Retained earnings brought forward: 6,941,664 euros.
- Profit for the period: 2,033,973 euros.

APPROPRIATION:
- to the legal reserve: 2,269 euros,
- to retained earnings: 644,785 euros,
- dividend: 1,386,919 euros.

- The balance of the retained earnings is €7,586,449 euros.

DIVIDENDS:

✓ Amount – Payment date – Tax treatment of the dividend

The total gross dividend for each share is €0.40.
For individuals resident for tax purposes in France, this dividend is eligible to the tax credit stipulated in 2° of Article 158-3 of the French General Tax Code.
The ex-dividend date is April 30, 2012.
Dividends will be paid on May 4, 2012.

✓ Dividend and ownership of its own shares by the Company

If, when the dividend is paid, the Company holds any of its own shares, the distributable profit corresponding to the dividend not paid on those shares will be assigned to retained earnings.

Statement of dividends distributed in previous years

The Shareholders' Meeting is reminded that the sums distributed for dividends in the previous three years were as follows:

Year	Total dividend distributed	Income distributed that is eligible to the tax credit mentioned in 2° of Article 158-3 of the French General Tax Code	Income distributed that is not eligible to the tax credit mentioned in 2° of Article 158-3 of the French General Tax Code
31/12/2010	€687,790	€687,790	N/A
31/12/2009	€687,790	€687,790	N/A
31/12/2008	€639,734	€639,734	N/A

THIRD RESOLUTION

Consolidated financial statements

"Having heard the reading of the Statutory Auditors' report on the consolidated financial statements, the Shareholders' Meeting approves the consolidated financial statements as at 31 December 2011 and the transactions reflected in the financial statements or summarized in the Group's management report included in the management report, the financial statements showing revenues of 77 million euros and a profit of 7.7 million euros."

FOURTH RESOLUTION

Regulated agreements

Having heard the reading of the Statutory Auditors' special report on the agreements prescribed by Article L.225-38 *and seq.* of the French Commercial Code, the Shareholders' Meeting approves the conclusions of the report and each of the new agreements mentioned therein; the interested parties are not voting and their shares are not included for the calculation of the quorum and majority.

FIFTH RESOLUTION

Appointment of a new director

The Shareholders' Meeting hereby appoints as a director of the Company:

- Mr Xavier THIEBLIN
  Residing at 134 rue de Rennes 75006 Paris

The appointment is for the remaining term of office of the other directors, i.e. a term of ONE year, which will end at the close of the Shareholders' Meeting held in 2013 and called to review the financial statements for the previous year.
The director thus appointed shall have the powers defined in the bylaws.
He has confirmed in advance that he will accept the duties of Director of the company "SAPMER" and that he satisfies all the conditions required by the law and regulations for the exercise of those functions.

SIXTH RESOLUTION

Attendance fees

The Shareholders' Meeting hereby sets, until superseded by another decision, the annual amount of the attendance fees to be allocated to the Board of Directors at 30,000 euros.
The annual payment shall be made after the close of the financial year to which the attendance fees relate.

SEVENTH RESOLUTION

Authorization given to the Board to implement a liquidity contract pursuant to Articles L.225-209-1 *et seq*. of the French Commercial Code.

Having duly noted the report of the Board of Directors, the Shareholders' Meeting authorizes the Board of Directors, for a period of eighteen months, in accordance with Articles L.225-109-1 *et seq*. of the French Commercial Code, to proceed to purchase shares of the Company within the legal limit of the number of shares comprising the share capital, adjusted as necessary to take account of any capital increases or reductions that may take place during the liquidity contract period.

Shares will be purchased to stimulate the secondary market or the liquidity of the SAPMER share via an Investment Service Provider through a liquidity contract that complies with the AMAFI Code of Ethics authorized by the French financial markets authority, AMF.

The shares may be purchased by any means, including block purchases, and at the times determined by the Board of Directors.

The Shareholders' Meeting grants full authority to the Board of Directors to perform these transactions, determine their terms, conditions and methods, sign agreements and complete the formalities.

For the extraordinary meeting:

EIGHTH RESOLUTION

Delegation of authority to the Board of Directors to increase the capital in favor of members of the Company Savings Scheme "PEE"

Having duly noted the report of the Board of Directors and the special report of the Statutory Auditors, the Shareholders' Meeting, acting pursuant to Articles L.225-129-6 and L.225-138-1 of the French Commercial Code and L.3332-18 of the Labor Code:

1. Authorizes the Board of Directors, should the Board, at its sole discretion, deem it appropriate, to increase the share capital on one or more occasions by the issue of ordinary shares for cash, and if applicable, by the allocation free of charge of ordinary shares or other securities giving access to the capital, reserved for employees (and officers) of the Company (and companies related to it as defined by Article L.225-180 of the French Commercial Code) who are members of Company Savings Scheme ("PEE");

2. Eliminates in favor of these recipients, the pre-emptive subscription right to any shares that may be issued by virtue of this authorization;

3. Sets the period of validity of this authorization at twenty-six months from the date of this Shareholders' Meeting;

4. Limits the maximum nominal amount of the capital increase(s) that may be realized by the use of this authorization to 3% of the amount of the share capital reached as a result of the decision of the Board of Directors to carry out this increase;

5. Decides that the price of the shares to be subscribed shall be determined in accordance with the methods defined in Article L.3332-20 of the French Labor Code. The Board of Directors has full authority to appraise the value in order to decide on the subscription price for each exercise, under the control of the Statutory Auditors. It also has full authority, within the limit of the benefit permitted by law, to allocate free of charge shares of the Company or other securities giving access to the capital and determine the number of shares or securities thus allocated.

6. Grants full authority to the Board of Directors to implement this authorization and take any necessary measures and carry out formalities.

NINTH RESOLUTION

Authorization to the Board of Directors to grant options to subscribe and/or purchase shares to salaried employees (and/or certain corporate officers)

The Shareholders' Meeting, acknowledging the report of the Board of Directors and the special report of the Statutory Auditors:

1. Authorizes the Board of Directors, within the framework of the provisions of Articles L.225-177 to L.225-185 of the French Commercial Code, to grant on one or more occasions, to the beneficiaries listed below, options giving entitlement to subscription to new shares of the Company to be issued through a capital increase or to the purchase of existing shares of the Company obtained through share buybacks conducted in accordance with provisions of the law;

2. Sets at thirty-eight months from the date of this Shareholders' Meeting the period of validity of this authority;

3. Decides that the beneficiaries of these options can only be:
   - (i) employees or certain employees, or certain categories of personnel, of the company Sapmer, and if applicable, companies or economic interest groups affiliated to it as defined by Article L.225-180 of the French Commercial Code.
   - (ii) corporate officers meeting the conditions defined by Article L.225-185 of the French Commercial Code.

4. Decides that the total number of options that may be granted by the Board of Directors under this delegation cannot give entitlement to subscribe to or purchase a number of shares greater than 3% of the share capital outstanding on the day of the first allocation, it being specified that the total number of shares that may be allocated free of charge by the Board of Directors under the following authorization shall count towards this amount;

5. Decides that the subscription and/or purchase prices of the shares payable by the beneficiaries shall be set on the day that the options are granted by the Board of Directors in accordance with the applicable legal provisions in force;

6. Notes that this authorization includes, for the beneficiaries of the options to subscribe to new shares, express renunciation by shareholders of the pre-emptive subscription right to the shares issued as and when the options are exercised;

7. Delegates full authority to the Board of Directors to set other terms and conditions and methods of allocation of the options and their exercise, especially:

- to define the terms and conditions under which the options will be granted and draw up the list or categories of beneficiaries as proposed above;
- to define, if applicable, the length of service conditions that have to be met by the beneficiaries;
- to decide on the conditions under which the price and number of shares will have to be adjusted, particularly in the event of the scenarios described in Articles R.225-137 to R.225-142 of the French Commercial Code;
- to define the exercise period(s) of the options granted, it being specified that the term of the options cannot exceed a period of 6 years from the date of their allocation;
- to include the faculty to temporarily suspend the exercise of options for a maximum period of three months in the event of any financial operations involving the exercise of a right attached to the shares being carried out;
- to carry out or arrange to have carried out all deeds and formalities to formally record the capital increase(s) that may be realized by virtue of the authorization that is the subject of this resolution;
- to amend the bylaws accordingly and, in general, do everything necessary;
- at its sole discretion and if it should deem it appropriate, to charge the costs of the share capital increases to the amount of the premiums accruing to these increases and to deduct from this amount the sums necessary to take the legal reserve to one-tenth of the new capital after each capital increase.

TENTH RESOLUTION

Authorization to the Board of Directors to allocate shares free of charge to salaried employees (and/or certain corporate officers)

Having duly noted the report of the Board of Directors and the special report of the Statutory Auditors, the Shareholders' Meeting authorizes the Board of Directors to proceed, on one or more occasions, in accordance with Articles L.225-197-1 and L.225-197-2 of the French Commercial Code, to allocate ordinary shares of the Company that are in existence or are to be newly issued, in favor of:

- salaried members of staff of the Company or companies affiliated to it directly or indirectly as defined by Article L.225-197-2 of the French Commercial Code
- and/or corporate officers meeting the conditions defined by Article L.225-197-1 of the French Commercial Code.

The total number of shares thus allocated free of charge cannot exceed 3% of the share capital on the date of the decision of their allocation by the Board of Directors, it being specified that the total number of shares to which the options that may be granted by the Board of Directors under the preceding authorization give entitlement shall count towards this ceiling.

The allocation of shares to beneficiaries shall be definitive at the end of a vesting period:

- of a minimum period of two years. In addition, the beneficiaries shall be required to retain the shares allocated for a minimum period of two years. The Board of Directors is entitled to increase the length of these two periods;

- of a minimum period of four years for beneficiaries who are not resident in France for tax purposes on the date of the allocation for whom the taxable event coincides with the end of the vesting period. The Board of Directors is entitled to increase the length of this period. These beneficiaries shall not, however, be subject to the above-mentioned obligation to retain the shares, unless otherwise specified by the tax regulations.

Exceptionally, the shares may be definitively granted before the end of the vesting period in the event of the beneficiary's disability corresponding to classification in the second or third category cited in Article L.341-4 of the French Social Security Code.

The Board of Directors is granted full authority to:

- Set the conditions and, if applicable, the criteria for the allocation of shares;
- Determine the identity of the beneficiaries and the number of shares allocated to each;
- Determine the impact on the rights of the beneficiaries of operations altering the share capital, or that could affect the value of shares allocated, conducted during the vesting and retention periods, and consequently, alter or adjust if necessary the number of shares allocated in order to preserve the rights of the beneficiaries;

If applicable:

- ensure sufficient reserves are booked and, whenever an allocation is made, transfer to a blocked reserve account the necessary amounts to pay for the new shares to be allocated;
- decide, at the appropriate time, on the capital increase(s) by incorporation of reserves, premiums or profits to account for the issue of the new shares granted free of charge;
- take all practical measures to ensure compliance with the obligation of retention required of the beneficiaries;
- and, generally, do everything required by the law in force that the implementation of this authorization makes necessary.

This authorization automatically entails renunciation by the shareholders of their pre-emptive subscription right to the new shares issued by the incorporation of reserves, premiums and profits.

It is granted for a period of thirty-eight months from the date of this Shareholders' Meeting.

ELEVENTH RESOLUTION

Powers

The General Meeting gives full powers to the bearer of an original, a copy or extract of the minutes of this Shareholders’ Meeting to perform all necessary formalities.

The Board of Directors

SAPMER

Société Anonyme (Public Limited Company)
to Board of Directors with a capital of €2,773,838

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