


Registration document

2012

Technical perfection, automotive passion

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faurecia

Registration Document 2012

AUTORITÉ DES MARCHÉS FINANCIERS

AMF

The French version of this Registration Document, including the annual financial report, was filed with the Autorité des marchés financiers (AMF) on April 24, 2013, pursuant to Article 212-13 of the General Regulation of the AMF. It may be used in connection with a financial transaction if accompanied by a memorandum approved by the AMF. This document has been prepared by the issuer under the responsibility of its signatories.

The English language version of this Registration Document is a free translation from the original, which was prepared in French. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions expressed therein the original language version of the document in French takes precedence over this translation

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Introduction to Faurecia

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Board of Directors, Executive Committee and Auditors

Board of Directors

Yann Delabrière
Chairman and Chief Executive Officer

Directors

Éric Bourdais de Charbonnière
Jean-Baptiste Chasseloup de Chatillon
Jean-Pierre Clamadieu
Lee Gardner
Jean-Claude Hanus
Hans-Georg Härter
Linda Hasenfratz
Ross McInnes
Amparo Moraleda
Thierry Peugeot
Robert Peugeot
Philippe Varin

Statutory Auditors
Members of the Compagnie Régionale de Versailles

Ernst & Young Audit
Represented by Denis Thibon
Tour First
TSA 14444
92037 Paris – La Défense Cedex
France

PricewaterhouseCoopers Audit
Represented by Dominique Ménard
63 rue de Villiers
92208 Neuilly sur Seine
France

Executive Committee

Yann Delabrière
Chairman and Chief Executive Officer

Hervé Guyot
Executive Vice-President, Group Strategy

Jean-Marc Hannequin
Executive Vice-President, Faurecia Emissions Control Technologies (until May 1, 2013)
Senior Advisor (from May 1, 2013)

Frank Imbert
Chief Financial Officer

Patrick Koller
Executive Vice-President, Faurecia Automotive Seating

Jacques Mauge
Executive Vice-President, Faurecia Automotive Exteriors

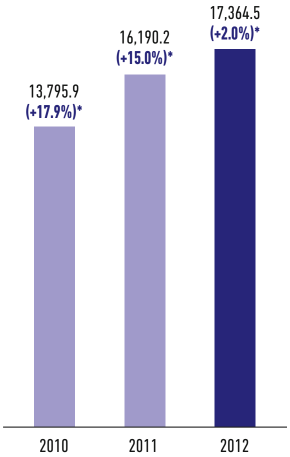
Kate Philipps
Executive Vice-President, Group Communications

Jean-Michel Renaudie
Executive Vice-President, Faurecia Interior Systems (from April 1, 2013)

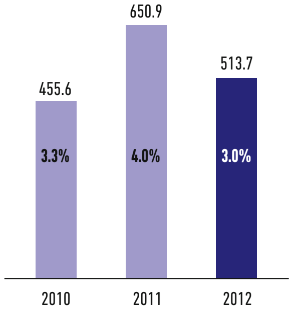
Christophe Schmitt
Executive Vice-President, Faurecia Interior Systems (until March 31, 2013)
Executive Vice-President, Faurecia Emissions Control Technologies (from May 1, 2013)

Jean-Pierre Sounillac
Executive Vice-President, Group Human Resources

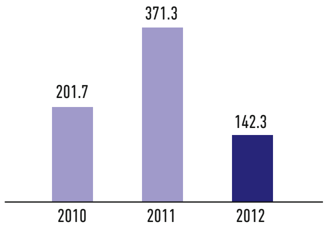
Key figures



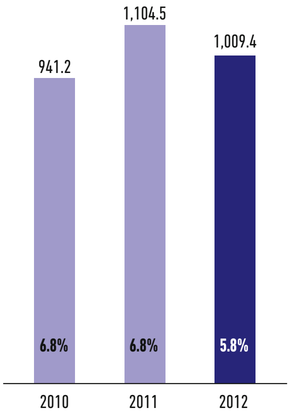
Sales *(in €m)*
** Variation on a like-for-like basis*



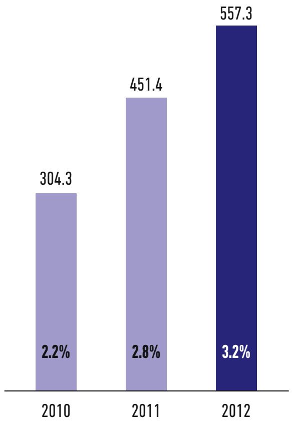
Operating income (1)
(in €m and as a % of sales)



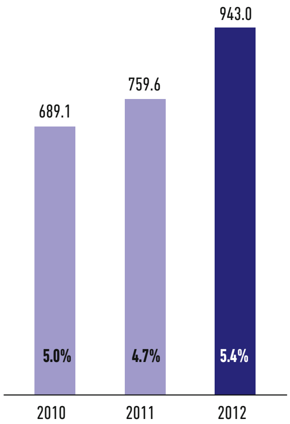
Net income/(loss) attributable to equity holders
(in €m)



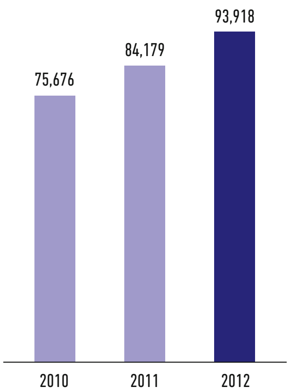
EBITDA (2)
(in €m and as a % of sales)



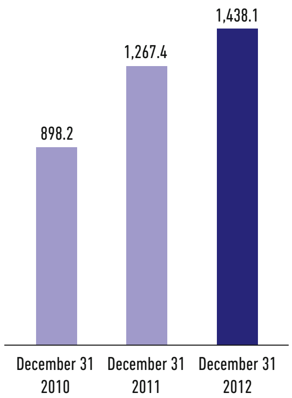
Capital expenditure
(in €m and as a % of sales)



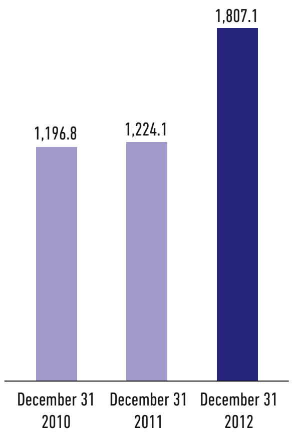
Gross R&D expenditure (3)
(in €m and as a % of sales)



Number of employees



Total equity
(in €m)



Net debt (4)
(in €m)

(1) Definition in Note 1.15 to the consolidated financial statements.

(2) Operating income plus depreciation, amortization and provisions for impairment in value of property, plant and equipment and intangible assets (See Note 5.5 to the consolidated financial statements).

(3) Before capitalized development costs and amounts billed to customers (See Note 5.4 to the consolidated financial statements).

(4) Definition in Note 26.1 to the consolidated financial statements.

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Business review 2012

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In accordance with Article 28 of European Commission Regulation 809/2004, the following information is incorporated by reference in this Registration Document:

- **the consolidated financial statements, the parent company financial statements, the corresponding Statutory Auditors' reports, the comments on the consolidated financial statements and significant events of the year by Business Group, set out respectively on pages 105 to 166, 181 to 203, 172 to 173, 204 to 205 and 8 to 20 of the 2011 Registration Document filed with the AMF on April 25, 2012 under number D. 12-0402;**
- **the consolidated financial statements, the parent company financial statements, the corresponding Statutory Auditors' reports, the comments on the consolidated financial statements and significant events of the year by Business Group, set out respectively on pages 101 to 171, 179 to 201, 172 to 173, 202 to 203 and 8 to 20 of the 2010 Registration Document filed with the AMF on April 28, 2011 under number D. 11-0379.**

This section provides a description of Faurecia's activities and results in 2012. All information concerning market positions is based on estimates made by Faurecia on the basis of information contained in the annual reports of the various actors of the market, industry publications and other market research.

2.1. The Faurecia Group

2.1.1. DESCRIPTION OF THE GROUP'S ACTIVITIES

The Faurecia group is a global leader in automotive equipment. It develops, manufactures and markets original equipment through four major Business Groups: Faurecia Automotive Seating (FAS), Faurecia Interior Systems (FIS), Faurecia Emissions Control Technologies (FECT) and Faurecia Automotive Exteriors (FAE).

The Group's portfolio comprises high-quality and high-technology products based on proprietary expertise. These products have won numerous awards and accolades from customers. Faurecia works very closely with virtually all major global automakers. It also works closely with its customers to develop the design and functionality of products, thereby bolstering its operations and leadership in the market.

As such, Faurecia assists its automaker customers through an active development policy involving it in all stages of the equipment development process, from the definition of product specifications to the initial marketing. Faurecia develops products specifically for new car models, and generally concludes contracts to provide these products throughout the anticipated life of the model (usually between five and 10 years). The quality of Faurecia products is widely acknowledged among automakers. It is backed up by the Faurecia Excellence System (FES) of the Group, a rigorous set of project management procedures and methodologies, and by the expertise of the 5,500 Faurecia engineers and technicians who design products and develop technological solutions.

Faurecia boasts a broad geographic footprint, and is one of only a handful of players with the capacity to supply automakers' global vehicle programs. The Group estimates that a quarter of vehicles in service in the world were originally equipped with a product manufactured by one of Faurecia's Business Groups.

As of December 31, 2012, Faurecia employed approximately 94,000 people in 34 countries, spread over 320 plants and 30 research and development centers.

Faurecia analyzes its revenue primarily on the basis of product sales (shipments of parts and components to automakers). The Group also derives sales from two other sources. First, the sales of Faurecia Emissions Control Technologies include sales of monoliths, which are components used in catalytic converters for exhaust systems. Monoliths are directly managed by automakers. They are purchased from suppliers designated by them and invoiced to automakers on a pass-through basis. They accordingly generate no industrial value added. Second, the Group generates revenue from sales of tooling, research and development, and prototypes.

2.1.2. EVOLUTION OF THE GROUP'S ACTIVITY

The growth in global automotive production between 2011 and 2012, estimated at 6% worldwide, masked a more mixed picture regionally. So, while business in 2012 remained brisk in North America and Asia (automotive production up 17% and 12% respectively), there was a significant drop in Europe, where automotive production is estimated to have fallen 6% compared with 2011 (source: IHS Automotive, December 2012).

Against this backdrop, Faurecia's 2012 consolidated sales totaled €17,364.5 million, compared to €16,190.2 million in 2011. They included:

- the sales generated by the Saline plant (Michigan, USA), acquired from Ford and consolidated since June 1, 2012, totaling €281.3 million;
- the impact, in the first quarter of 2012, of the sales generated by the seat assembly plant in Madison (Mississippi), serving Nissan, which has been consolidated since April 4, 2011, totaling €43.8 million;
- the sales generated by the new Interior Modules operations acquired in the first half of 2012: the Saint-Quentin plant, acquired from Borgers, plus the Mornac plant in France and the Pardubice plant in the Czech Republic, acquired from Mecaplast, totaling €42.5 million;
- the sales generated by the new composite activities of Faurecia Automotive Composites which were acquired on July 13, 2012 and housed in Faurecia Automotive Exteriors, totaling €17.3 million;

- the sales generated by the Plastal France plant in Hambach, acquired on August 30, 2012, totaling €26.8 million.

Faurecia's consolidated sales thus grew 7.3% on a reported basis between 2011 and 2012. On a like-for-like basis (2011 data restated to factor in the first quarter 2012 sales of the Madison plant, 2012 data excluding the sales generated over the full year by the Saline and Hambach plants, and the new Interior Modules and composites operations), they were up 2.0% compared with 2011 (3.8% growth in the first half, 0.2% in the second).

Product sales (shipments of parts and components to automakers) amounted to €13,296.3 million, compared with €12,391.1 million in 2011. This represents 7.3% growth on a reported basis. On a like-for-like basis, sales increased by 1.4% (2.6% in the first half, 0.3% in the second).

Sales of tooling, research and development, prototypes and other services totaled €1,414.1 million, compared with €1,111.8 million in 2011. This represents 27.2% growth on a reported basis. On a like-for-like basis, sales increased by 24.3% (20.2% in the first half, 27.6% in the second). This performance stems from the high number of orders received in 2011 and 2012.

Sales of catalytic converter monoliths totaled €2,654.1 million, compared with €2,687.3 million in 2011. They were down 1.2% on a reported basis and 4.4% on a like-for-like basis, with growth of 3.8% in the first half and 12.4% in the second.

Total sales excluding catalytic converter monoliths totaled €14,710.4 million in 2012, compared to €13,502.9 million in 2011, an 8.9% increase on a reported basis. On a like-for-like basis, there was an increase of 3.3% compared to 2011, breaking down as increases of 3.8% in the first half of the year and 2.8% in the second.

BREAKDOWN OF TOTAL SALES

(in € millions)	Product sales	Catalytic Converter Monolith sales	Development, Tooling, Prototypes and Other Services	Total sales
FAS	4,904.5		251.4	5,155.9
FIS	3,597.1		755.6	4,352.7
TOTAL INTERIOR MODULES	**8,501.6**		**1,007.0**	**9,508.6**
FECT	3,233.2	2,654.1	192.2	6,079.5
FAE	1,561.5		214.9	1,776.4
TOTAL OTHER MODULES	**4,794.7**	**2,654.1**	**407.1**	**7,855.9**
TOTAL	**13,296.3**	**2,654.1**	**1,414.1**	**17,364.5**

In the second half of 2012, product sales declined 1.1% on a reported basis compared with the same period in 2011, and 5.9% on a like-for-like basis.

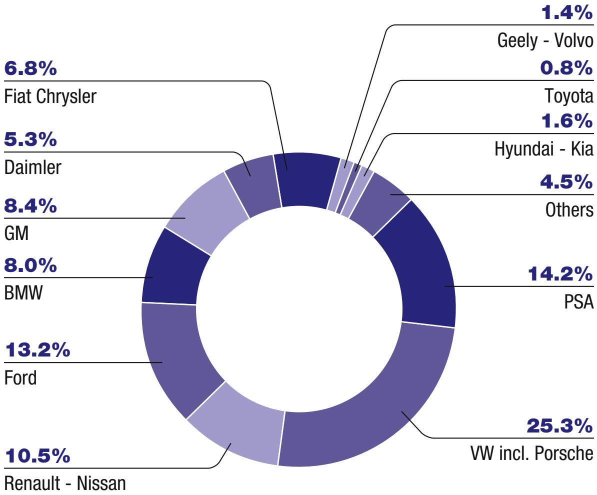
(in € millions)	2H 2012	2H 2011	Chg.*	2012	2011	Chg.*
Sales	**8,599.9**	**8,039.9**	**0.2%**	**17,364.5**	**16,190.2**	**2.0%**
Interior Modules	4,775.4	4,240.5	3.7%	9,508.6	8,626.7	3.3%
Other Modules	3,824.5	3,799.4	-3.6%	7,855.9	7,563.5	0.6%
Product Sales	**6,543.4**	**6,058.9**	**0.3%**	**13,296.3**	**12,391.1**	**1.4%**
FAS	2,346.5	2,319.9	-1.9%	4,904.5	4,769.9	-1.0%-
FIS	1,863.4	1,492.3	4.9%	3,597.1	3,075.3	4.2%
TOTAL INTERIOR MODULES	**4,209.9**	**3,812.2**	**0.8%**	**8,501.6**	**7,845.1**	**1.0%**
FECT	1,573.4	1,478.3	2.2%	3,233.2	2,934.6	6.4%
FAE	760.2	768.4	-5.9%	1,561.5	1,611.3	-5.6%
TOTAL OTHER MODULES	**2,333.5**	**2,246.7**	**-0.5%**	**4,794.7**	**4,545.9**	**2.2%**

* *On a like-for-like-basis (perimeter and exchange rates).*

Product sales by geographic region in 2012 break down as follows:

- in Europe [1], against the backdrop of a 6% decline in vehicle production (source: IHS Automotive, December 2012), product sales totaled €7,411.7 million (55.7% of total product sales), compared with €7,861.0 million in 2011. They were down 5.7% on a reported basis and 6.9% on a like-for-like basis, with growth of 5.2% in the first half and 8.8% in the second;
- in North America, where light vehicle production increased 17% (source: IHS Automotive, December 2012) product sales totaled €3,645.5 million (27.4% of total product sales), compared with €2,579.2 million in 2011, an increase of 41.3% on a reported basis. On a like-for-like basis, they were up 19.2% (+21.8% in the first half and +16.7% in the second). Most of the gain was attributable to growth in sales to Daimler (Mercedes M-Class and GL-Class), Volkswagen (in particular the new Beetle and Passat), Ford (Escape program and Focus) and Chrysler (in particular the new 200 and Grand Cherokee). In addition, the acquisition of the Saline plant from Ford contributed to the very strong growth of North American sales to the Ford group;
- in South America, product sales totaled €661.6 million (5.0% of the total), compared with €639.0 million in 2011. They were up 3.5% on a reported basis on a 1% decline in automobile production (source: IHS Automotive, December 2012). On a like-for-like basis, growth was 10.1%, breaking down as increases of 4.4% in the first half of the year and 15.6% in the second;
- in Asia, where light vehicle production increased 12% (see IHS Automotive, December 2012), product sales amounted to €1,388.4 million (10.4% of the total), versus €1,116.8 million in 2011, up 24.3% on a reported basis. On a like-for-like basis, the increase was 13.7%, of which 12.4% was in China – bringing annual product sales to €1,097.9 million – and 6.2% in Korea, where annual product sales totaled €184.4 million. In the second half, product sales grew by 11.0% in Asia at constant exchange rates, including 10.8% in China;
- in other countries, product sales amounted to €189.1 million. They were down 3.0% on a reported basis and up 0.7% at constant exchange rates. These sales were mainly recorded in South Africa.

PRODUCT SALES IN 2012 BY CUSTOMER *(%)*



Product sales to the Volkswagen group totaled €3,365.3 million in 2012, up 5.6% on a reported basis and 3.9% on a like-for-like basis. They accounted for 25.3% of the Faurecia group's total product sales. On a reported basis, sales grew 1.4% in Europe, as a result of the combined effect of increased production of the Golf 7 and the Audi A3 interiors, on the one hand and, on the other, of the non-renewal of the front-end-module production business for the new Audi A3. In the other regions, on a reported basis, sales grew by 54% in North America and 20.2% in Asia. They fell by 4.9% in South America.

Product sales to the PSA Peugeot Citroën group totaled €1,893.6 million in 2012, down 8.1% on a reported basis and 10.4% on a like-for-like basis. They accounted for 14.2% of the Faurecia group's total product sales. On a reported basis, sales were down 11.7% in Europe and 9.7% in South America. They were up 33.5% in Asia.

Product sales to the Ford group accounted for 13.2% of the Faurecia group's product sales, totaling €1,754.8 million in 2012. They were up 29.3% on a reported basis and 6.6% on a like-for-like basis. In the second half, Ford became Faurecia's second-largest customer following the acquisition of the Saline plant in June 1, 2012. Sales growth in North America continued to be very robust (+85.7% on a reported basis). In Europe, sales were down 8.9% on a reported basis.

(1) Following the inclusion of Russia in the Europe geographic region in 2012 (previously reported in "rest of the world"), the published data for 2011 were restated to ensure comparability.

Product sales to the Renault-Nissan group represented 10.5% of Faurecia's total product sales. They were down 1.5% compared to 2011 on a reported basis and 6.5% on a like-for-like basis, at €1,402.7 million. Product sales to Renault, greatly hindered by the decline in automotive production in Europe, were down 13.4% on a reported basis whereas sales to Nissan, underpinned by the North American operations, were up 31.0% on a reported basis.

Product sales to the General Motors group in 2012 rose 6.3% on a reported basis and 0.2% on a like-for-like basis, to €1,119.0 million (8.4% of total product sales). On a reported basis, sales were up 47.0% in Asia and up 6.0% in North America. They were down 8.2% in Europe and 9.1% in South America.

Product sales to the BMW group amounted to €1,066.4 million (8.0% of total product sales). They were up 2.0% on a reported basis but down 2.2% on a like-for-like basis, notably as a result of the internalization of the European front-end-module production business by the manufacturer. The decline in Europe (7.3% on a reported basis) was partly offset by the sharp growth in sales in Asia, as well as growth in North America (+4.7% on a reported basis).

Product sales to the Daimler group totaled €710.2 million (5.3% of the Faurecia group's total product sales). They were up 21.4% on a reported basis and 15.7% on a like-for-like basis. They benefited from the growth of the interior parts and seats delivery business in North America with the first full year of production of the Mercedes M-Class and the 2012 launch of the new GL-Class.

In 2012, product sales to Fiat-Chrysler rose 25.1% (17.4% on a like-for-like basis) mainly by reason of the increase of the sales to Chrysler in North America while sales to Hyundai/Kia were up 25.1% (18.5% on a like-for-like basis). Sales to Geely-Volvo were down 5.4% (5.6% on a like-for-like basis) and those to Toyota down 22.1% (21.6% at constant exchange rates).

In 2012, the Group took new orders in a total estimated amount of €17.8 billion, based on the total value of the products to be delivered to customers over the life of the corresponding vehicles. Order intakes increased by 31.9% year-on-year (€13.5 billion in 2011). Contracts were won with satisfactory margins estimated at 4.9% of sales (5.2% in 2011). Their geographic split reflects the Group's strategy, with 34% of new orders coming from North America, 15% from Asia and 47% from Europe.

After a record year in terms of order intakes, Faurecia's backlog of orders in progress stood at €38.8 billion at the end of 2012 (€32.6 billion at the end of 2011), with a margin estimated at 5.5% of projected sales, unchanged compared with the prior year.

2.2. Interior Modules

Sales in the Interior Modules segment totaled €9,508.7 million in 2012, up 10.2% on a reported basis. On a like-for-like basis, they were up 3.3% (3.0% in the first half of the year, 3.7% in the second).

Product sales amounted to €8,501.6 million in 2012, compared to €7,845.1 million in 2011, an increase of 8.4% on a reported basis. On a like-for-like basis, sales were up 1.0% (1.3% in the first half of the year, 0.8% in the second).

2.2.1. FAURECIA AUTOMOTIVE SEATING

Sales	Headcounts	Sites	Country	R&D Centers
€5,155.9 million	33,600	75	24	23

Faurecia is the third-largest supplier of seat systems, and the leading supplier of frames and mechanisms worldwide. It designs and manufactures seat systems, as well as components: frames, mechanisms, foam, seat covers, electronic systems, mechatronics and pneumatics. During the manufacturing process, Faurecia assembles the various components to create complete systems – front seats and rear seats – delivered on a just-in-time basis to its customers' plants. Faurecia has extensive experience in the design and development of automotive seating. The Group develops solutions with an emphasis on safety, comfort, perceived quality, versatility and use of natural/recycled materials.

The Automotive Seating business generated €5,155.9 million in sales in 2012, up 3.5% compared to 2011 on a reported basis and unchanged (-0.2%) on a like-for-like basis.

Product sales totaled €4,904.5 million, versus €4,769.9 million in 2011, up 2.8% on a reported basis, and down 1.0% on a like-for-like basis. The second half of the year saw an increase of 1.1% on a reported basis and a 1.9% decline on a like-for-like basis.

In Europe, product sales were down 10.4% year-on-year on a reported basis to €2,806.9 million (10.7% on a like-for-like basis).

With product sales totaling €1,229.7 million, North America saw a 39.7% year-on-year increase on a reported basis, including 29.1% growth in the second half compared to the second half of 2011. Business is driven by increased sales to Nissan and Daimler (M Class and new GL Class). On a like-for-like basis, growth totaled 23.4% for the full-year and 19.1% for the second half of the year.

In South America, product sales totaled €249.3 million in 2012, down 6.2% compared to 2011 on a reported basis (-0.5% on a like-for-like basis). In the second half of the year, sales were down 4.2% on a reported basis (up 3.2% on a like-for-like basis).

In Asia, product sales totaled €589.3 million, up 26.8% year-on-year on a reported basis (15.1% on a like-for-like basis) and 21.5% in the second half (11.1% on a like-for-like basis). This growth is driven by the steep increase in sales in China (+27.8% on a reported basis; +15.2% on a like-for-like basis).

2012 was marked by the start of mass production of seat systems for the new Audi A3 and BMW 3 Series in Germany, the Peugeot 301 in Spain, the Dacia Largus and Nissan Almera in Russia, the new Peugeot 208 in Slovakia, the new Citroën C3 in Brazil and the new Nissan Altima and Mercedes GL-Class in the United States. The year also saw the continuation of the worldwide roll out of front seating frame platforms developed and produced by Faurecia Automotive Seating for Nissan, General Motors, Volkswagen and PSA with new applications in Europe, North America, South America and Asia. These new generation standard frames (which are now fitted in more than 50 different models) have helped Faurecia bolster its leading position in the international seating platform market. During the year, Faurecia managed a total of more than 60 complete seat and seating frame programs and delivered over 150 million seating components and sub-assemblies, including mechanisms, front and rear frames, covers, foam components and headrests, integrated into over five million complete seat units.

Faurecia Automotive Seating also began the construction of its new adjustment mechanisms plant in Yancheng (China) in 2012. Starting in 2013, this plant will make more than 4 million mechanisms every year, for shipment worldwide. 2012 also saw

Faurecia inaugurate the new electronics laboratory specializing in automotive seating applications at its technical center in Brières-les-Scellés (France). This technical center combines all seat-related activities, and has the capacity to take new developments to the preproduction phase. Among the Faurecia Automotive Seating innovation centers, it has a special focus on frames and electronics, which are increasingly present in seats.

Moreover, 2012 proved to be a very important year regarding the acquisition of new programs, with record order intakes across all of Faurecia Automotive Seating business segments. More than half of these orders were renewals of existing programs, ensuring the consolidation of Faurecia's positions with major customers including Audi, BMW, PSA and Renault. Growth was focused on North America, South America and China, with Ford, Nissan, VW and the Chinese manufacturers, confirming the balance of the sales split by geography and by customer. New market share was won from the competition in international frame platforms and seat mechanisms with a number of customers, strengthening Faurecia's position in these segments.

In early 2012, Faurecia Automotive Seating and its partner NHK Springs signed an update of the joint venture agreement that has bound them for more than ten years. The new agreement provides for an extension of the partnership, with the creation of two new business units and two new production units in China and North America. The strengthening of the cooperation between Faurecia and NHK Springs will support the growth of their respective business with the Renault-Nissan alliance, to which the FNK joint venture is dedicated. FNK has been made an Alliance Growth Partner by RNPO, the joint purchasing subsidiary of Renault and Nissan.

2.2.2. FAURECIA INTERIOR SYSTEMS

Sales	Headcounts	Sites	Country	R&D Centers
€4,352.7 million	30,900	90	23	8

Faurecia is a global leader in interior systems. The Group manufactures cockpit modules (instrument panels and central consoles), doors (panels, modules and door systems), acoustic modules, as well as decorative and metal parts (Faurecia Angell Demmel).

The Interior Systems business generated sales of €4,352.7 million in 2012, up 19.4% on a reported basis versus 2011, and 8.2% on a like-for-like basis.

Product sales totaled €3,597.1 million, versus €3,075.3 million in 2011, up 17.0% on a reported basis and 4.2% on a like-for-like basis. In the second half of the year, product sales were up 24.9% and 4.9% respectively.

In Europe, product sales totaled €2,062.5 million in 2012, down 1.3% compared with 2011 on a reported basis (-3.7% on a like-for-like basis).

In North America, product sales amounted to €1,141.7 million, up 83.5% on a reported basis versus 2011, and 27.8% on a like-for-like basis. They included the robust seven-month contribution from the Saline plant and benefit from the business growth with Volkswagen, Ford (Escape), Cadillac (ATS) and Daimler.

In South America, product sales totaled €213.7 million in 2012, up 11.2% compared to 2011 on a reported basis (18.2% on a like-for-like basis).

In Asia, the Interior Systems business saw product sales of €132.3 million, down 4.0% on a reported basis and 12.8% on a like-for-like basis, as a consequence of the end of a contract that will not be replaced until 2014.

Like 2011, 2012 was a particularly eventful year in terms of production launches. Of particular note in Europe was the start of production of instrument panels for the Peugeot 208, Ford Transit, Mercedes A-Class, Audi A3 and the new Renault Clio, and the door panels of the new VW Golf, Mercedes SL/SLC and Range Rover, and interior acoustics for the PSA 208. North America started production of panels for the new Ford Escape/Kuga and Cadillac ATS, in addition to door panels for the latter. South America started production of instrument panels for the Ford Ecosport and Citroën C3. In Asia, the most important production launches were instrument and door panels for the Ford Focus and Ford Ecosport.

In 2012, Faurecia Interior Systems began production at ten new plants, confirming its growth objectives and its plans to build plants on all continents. In Europe, the Gorzow II (Poland) and Kaluga (Russia) plants started work, respectively manufacturing door panels for the new Golf and various domestic products delivered to PSA and Renault/Nissan/Autocomponents. In North America, two plants started operations this year in Fraser (United States), delivering to General Motors, and Puebla (Mexico). In Asia, Rayong (Thailand) started work in April (Ford C346). In China, six plants have been built following the conclusion of the alliance with Geely, five of which began operations in 2012 (Beilun, Cixi, Lanzhou, Chengdu, Xiangtan).

2012 saw a level of program acquisitions comparable to that of previous years. Renewals of existing programs accounted for two-thirds of gains, ensuring the consolidation of positions in North America. In parallel with the acquisition of the activities of the Saline plant, the renewal of the major productions of this Ford plant (Ford Mustang, Ford Explorer, Ford F150) was also confirmed, reinforcing the site's sustainability.

All other gains were evenly split between new business and renewal business, and were made in all geographical regions. Major contract wins included Renault (renewal of the Laguna/Espace range in Europe), Nissan (acquisition of market share in Brazil and wins in global platforms for Frontier vehicles), Volkswagen (renewal of Passat in Europe) and Chrysler (renewal of the JS/200 platform in North America). In China, market share was won with PSA (DS and 309 range development), Volkswagen (development of the Magotan and Audi A3) and Geely (Volvo S60).

In addition, 2012 was marked by the gain of the interior components activity of Saline, Michigan (United States), previously operated by Automotive Components Holdings, LLC (ACH) owned by the Ford group. Under this contract, Faurecia has since June 2012 provided cockpit modules, instrument panels, door panels and central consoles for 12 Ford programs (F150, Focus, Edge/MKX, Explorer, Taurus, Mustang, Expedition/Navigator, Transit, Econoline, MKS, MKT and Flex). In 2012, Saline generated sales of €281 million and employed 1,630 people.

Concurrently with the acquisition of Saline, Faurecia signed a joint venture agreement with Rush Group Ltd, a subsidiary of the Rush Group, which operates chiefly in automotive logistics. The joint venture, known as Detroit Manufacturing Systems (DMS), 55% held by the Rush group and 45% by Faurecia, supports the assembly and sequencing of interior parts in a new plant located in Detroit.

During the first half, Faurecia acquired the Mecaplast sites in Mornac (France) and Pardubice (Czech Republic), as well as the Borgers site in Saint-Quentin (France). These acquisitions strengthened Faurecia Interior Systems' positions in the acoustic products range. The new activities generated €42.5 million in sales in 2012, and employed 394 people.

Lastly, with regard to partnerships, Faurecia signed a 50/50 joint venture with Howa Textile Industry Co., Ltd. in June 2012. The new joint venture, known as Faurecia Howa Interiors (FHI), will be based in Atsugi (Japan) and will be dedicated to the development of automotive interior systems including door panels, cabin insulation, textiles and roofs. The partnership will position Faurecia as a preferred supplier of Nissan on markets worldwide for door panels and acoustic systems.

2.3. Other Modules

Sales in the Other Modules segment totaled €7,855.9 million in 2012, up 3.9% on a reported basis. On a like-for-like basis, they were up 0.6% (increasing by 4.8% in the first half of the year, decreasing by 3.6% in the second).

Product sales amounted to €4,794.7 million in 2012, compared with €4,545.9 million in 2011, an increase of 5.5% on a reported basis. On a like-for-like basis, the increase was 2.2% (4.8% growth in the first half, 0.5% decline in the second).

2.3.1. FAURECIA EMISSIONS CONTROL TECHNOLOGIES

Sales	Headcounts	Sites	Country	R&D Centers
€6,079.4 million	20,400	77	22	7

Faurecia is the world leader in the emissions control market, developing and producing complete exhaust systems, including all components helping reduce emissions.

The Emissions Control Technologies business generated total sales of €6,079.5 million in 2012, up 5.2% on a reported basis and 1.8% at constant exchange rates.

Product sales* totaled €3,233.2 million in 2012, up 10.2% on a reported basis and 6.4% on a like-for-like basis. In the second half of 2012, product sales increased by 6.4% on a reported basis and 2.2% at constant exchange rates.

In Europe, product sales were unchanged compared with 2011 at €1,091.5 million (-0.1% on a like-for-like basis), despite a 4.0% fall on a reported basis in the second half (-4.2% at constant exchange rates).

In North America, product sales were €1,163.4 million, a 14.7% rise on a reported basis compared with 2011, with second half growth of 6.8%. On a like-for-like basis, sales grew by 7.3% over the year despite a 1.3% fall over the second half, a growth of 6.8% in the second half.

In South America, product sales totaled €198.6 million in 2012, up 9.7% on a reported basis compared with 2011 (16.9% on a like-for-like basis). Over the second half, they rose 14.4% on a reported basis and 24.0% at constant exchange rates.

In Asia, product sales were €666.7 million in 2012, a 29.7% rise on a reported basis (19.5% at constant exchange rates). On a reported basis, they rose 30.5% in China, 19.5% in Korea and 102.4% in Thailand. Over the second semester, product sales rose by 28.7% on a reported basis (18.3% on a like-for-like basis).

One hundred and fifteen new products were launched in 2012, a large proportion of which in Asia, for global customers including VW, GM and PSA, as well as our new Chinese customers, Chang An, Dong Feng, FAW and Guangzhou Auto.

In China, Faurecia Emissions Control Technologies provides manifolds and pollution control systems for the 1.8L motor of the Peugeot 408 and the new 1.4L and 1.6L motors of the VW Jetta NF and VW Santana. In South Korea and Thailand, the GM Global Small SUV platform started work this year, equipped with Faurecia lines.

In Europe, Faurecia Emissions Control Technologies is equipping the new PSA and Ford low-consumption 3-cylinder gasoline motors, and providing complete systems for the new Toyota Auris and the Peugeot 208 and 301.

The Group's first plant in Romania, located in Craiova, started production of cold ends for the Ford B-Max. It will be the first plant in the world using the brazing process exclusively in assembling systems.

In North America, Faurecia Emissions Control Technologies is equipping the Ford Fusion with complete systems, and the Ford Escape with the hot end for its 1.6L and 2.0L gasoline motors. Also noteworthy was the start of production of the EHRM collector of the Ford C-Max Hybrid, which recovers heat from exhaust gases to reduce the vehicle's fuel consumption.

In South America, Faurecia Emissions Control Technologies provides systems for the Ford Eco-Sport and the HB20, the first vehicle launched by Hyundai in Brazil.

In 2012, Faurecia Emissions Control Technologies held on to its position as world market leader, with over 70 new programs won. Its growing presence in the Chinese market was confirmed,

* *Product sales exclude monolith catalytic converters throughout this sub-section.*

with a large proportion of new programs won among Chinese manufacturers. A significant number of contracts were also won in Europe, with our major customers VW and Ford. Activity in the commercial vehicle market continued to grow, with program wins with manufacturers Scania and Cummins. In China, Faurecia Emissions Control Technologies established presence in Beijing to deliver pollution control systems for commercial vehicles.

Faurecia Emissions Control Technologies is present in all automotive markets worldwide, with an overall manufacturing presence covering 77 sites and seven research and development centers. In July 2012, a new site was opened in Brazil, combining a production plant, a research and development center, and the new headquarters of Faurecia Emissions Control Technologies in South America.

Faurecia Emissions Control Technologies consolidated its presence in the Asian market this year, with the signing of a joint venture agreement with Malaysian company DRB-Hicom. The new company, known as Faurecia-Hicom, of which Faurecia Emissions Control Technologies will be the majority shareholder, is operational in 2013. It will produce exhaust systems in Malaysia.

In India, the construction of a new manufacturing plant got underway near Chennai. The new site, designed to meet the standards of the Faurecia Excellence System, will produce complete systems for its customers Ford, Hyundai and Renault-Nissan.

Through its new products, Faurecia Emissions Control Technologies has confirmed its position as the technology leader in emissions control, recovery of exhaust heat, acoustic treatment and the lightening of exhaust systems.

As part of this thrust, Faurecia Emissions Control Technologies has co-developed an Exhaust Heat Recovery Manifold (EHRM) with the Ford Group, which already equips the Ford C-Max Hybrid and will soon equip the Ford Fusion Hybrid. This technology involves integrating a heat-recovery function into the manifold. It warms the cabin more quickly than in a conventional system, and helps reduce fuel consumption and emissions.

Already acknowledged for its expertise in the acoustic treatment of exhaust systems, Faurecia Emissions Control Technologies has become the market leader in valves for the cold end of exhaust systems.

By developing the self-piloted valve (Adaptive Valve™), it has responded to growing demand for lighter vehicles in the American market. The integration of this valve into the muffler cuts its size in half and results in a significant reduction of the weight of the exhaust system. It is now standard on the Chevrolet Camaro Convertible and Chrysler SRT, as well as GMC and Chevrolet pickups and SUVs based on the GMT900 platform.

The use of brazing in the welding process is also part of this approach. By reducing the thickness of its components, it not only reduces the weight of an exhaust system by between 30% and 50%, but also enhances its durability and the qualitative aspect. This technology is now applied to the EHRM, as well as the Ford Fusion exhaust system.

2.3.2. FAURECIA AUTOMOTIVE EXTERIORS

Sales	Headcounts	Sites	Country	R&D Centers
€1,776.4 million	7,300	32	9	9

Faurecia Automotive Exteriors is present on three product lines:

- painted exterior body parts (bumpers, tailgates, fenders, spoilers, etc.);
- front-end modules (technical/structural front-ends, fan units, etc.);
- composite structural parts (floors, roof structures, rear rings, crash absorption systems, etc.);

Faurecia Automotive Exteriors has positioned itself as the leading provider of bumpers in Europe.

The Automotive Exteriors business generated sales of €1,776.4 million in 2012, down 0.4% compared to 2011 on a reported basis, and 3.4% on a like-for-like basis.

Product sales totaled €1,561.5 million in 2012. They were down 3.1% on a reported basis. On a like-for-like basis, product sales were down 5.6% compared with 2011. Sales in Europe, which represented 93% of business in 2012, fell by 6.4% on a reported basis (-8.4% on a like-for-like basis) to €1,450.7 million. They suffered the impact of stopping the production of front-end modules for BMW and the new Audi A3. In North America sales in 2012 were €110.7 million, a 78.1% rise on a reported basis (+64.5% at constant exchange rates) as a result of the dynamism of the Chrysler business.

2012 saw a continuation of the strategy developed in 2011, with an extension of the scope of products, technologies and customers in the field of plastics and composites. Faurecia Automotive Exteriors carried out the acquisition of Plastal France and Sora Composites, resulting in the creation of Faurecia Automotive Composites (FAC).

With FAC, Faurecia Automotive Exteriors will be able to enter the composites market and win new customers, especially among high-performance sports brands (Aston Martin, McLaren, Lotus). As such, with two new plants specializing in composites in Saint-Meloir-des-Ondes and Theillay, and a research and development center in Laval, FAC will complement and accelerate the technological plan already embarked on by Faurecia Automotive Exteriors in the field of composites. The goal is to reduce vehicle weight through the use of composites. Capitalizing on experience acquired in high-performance sports cars, the goal is to adapt processes and product solutions to meet the needs of high-volume programs.

The acquisition of Plastal France will allow Faurecia Automotive Exteriors to enter the full-plastic body parts market, and notably to acquire Mold-in-Color technology. By acquiring the integrated plant in the Smartville industrial center in Hambach, Faurecia Automotive Exteriors became a reference supplier of plastic exterior parts for the Smart program, and reinforced its presence alongside the Daimler Group.

The 27 successful program launches in 2012 are representative of the diversity of Faurecia Automotive Exteriors' customer portfolio. The following starts were noteworthy: BMW X1, Citroën C4 Picasso, Dacia Logan, Dodge Hornet, Fiat C-sedan, Ford Fiesta, Mercedes S-Class, Opel Astra GTC, Peugeot 208, Renault Mégane, Seat Leon, Skoda Octavia, Volkswagen Amarok and Gol, and Volvo V30.

2012 was a stellar year in terms of order intakes, with more than €2.8 billion of orders received. Faurecia Automotive Exteriors won major contracts with its legacy customers across all geographies. Examples include Audi in Europe (front-end module for the A1, A4 and A5, bumpers for the A6 and A7), Chrysler in the United States (Chrysler 200 modules), Volkswagen in South America (bumpers for the Up!) and Mexico (front-end carrier for the Golf), and Volvo in China (front-end carrier for the S60).

With three new plants (two for FAC and one in Hambach), the Automotive Exteriors business now has a total of 32 plants in nine countries, 26 of which in Europe, two in the United States, three in South America and one in China. The research and development centers are located close to customers, as is the case for Audincourt and Laval in France, Weissenburg and Gaimersheim in Germany (Bavaria), Barcelona in Spain and Auburn Hills in the United States. Three development centers are shared with other Faurecia activities: Pune in India, Shanghai in China and Sao Bernardo in Brazil.

3

Results of operations and financing

CONTENTS

3.1. Results of operations

3.1.1. OPERATING INCOME

Operating income for 2012 was €513.7 million (3.0% of total sales), compared with €650.9 million in 2011 (4.0% of total sales) (see the consolidated statement of comprehensive income for the period, in Section 9.1).

In the second half of 2012, operating income totaled €211.1 million (2.5% of sales). In the second half of 2011, it had amounted to €310.8 million (3.9% of total sales).

The €137.2 million decline in operating income over the full-year compared to 2011 was attributable to the same factors:

- lower sales in Europe, on the back of the 6% overall fall in automotive production (source: IHS Automotive, December 2012), cut operating income by €136 million;
- operating income rose €10 million in North America;
- in Asia, higher sales resulted in a €20 million increase in operating income;
- in South America and other countries, operating income was down €31 million (see above).

The €99.7 million reduction in operating income in the second half of 2012 compared to the same period of 2011 was mainly due to regional-specific issues:

- in Europe, the decline in automotive production, estimated at 8%, with a sharp acceleration in the fourth quarter to an estimated 14%, led to a fall-off in sales, resulting in an €87.3 million reduction in operating income;
- in North America, the sharp growth in sales was not accompanied by higher profitability due to the cost of establishing new operations and higher start-up costs than expected at a handful of sites. This had a €4.4 million negative impact on operating income;
- South America and other countries saw operating income fall €14.4 million as a result of the cost of starting up two new Faurecia Automotive Exteriors sites in Brazil and Argentina, and increases in labor and materials costs that it was not possible to immediately pass on to customers;
- in Asia, operating income continued to rise in line with sales, and contributed an additional €6.5 million.

The trend for individual business segments was similar to that for the Group as a whole (see Note 4.1 to the financial statements):

- operating income in Interior Modules (Faurecia Automotive Seating and Faurecia Interior Systems) totaled €324.7 million in 2012 (3.4% of sales), compared with €407.5 million in 2011 (4.7% of sales). This decline was mainly driven by the fall in automotive production in Europe;
- operating income in Other Modules (Faurecia Emissions Control Technologies and Faurecia Automotive Exteriors) totaled €189.0 million (2.4% of sales), compared with €243.4 million in 2011 (3.2% of sales). Given that the Emissions Control Technologies business has expanded the most outside Europe (66% of its product sales excluding catalytic converter monoliths are outside Europe), it hasn't been as badly hit by the decline in automotive production in Europe.

Gross R&D expenditure totaled €943.0 million (5.4% of sales), compared with €759.6 million in 2011 (4.7% of sales) (see Note 5.4 to the consolidated financial statements). It rose 24% on a like-for-like basis. This increase was attributable to development activity generated by the high level of order-taking in 2011 and 2012 (€13.5 and €17.8 billion respectively), reflecting Faurecia's strong sales performance. Amounts billed and billable to customers rose from €498.0 million in 2011 to €595.9 million in 2012. The portion of R&D expenditure capitalized under IFRS totaled €263.9 million, compared to €178.9 million in 2011. This represented 28.0% of total R&D expenditure.

Faurecia benefited in France from the regime of specific tax credits awarded on the basis of research and development activity conducted in that country. For 2012, these tax credits, which are set against gross R&D expenditure, amounted to €25 million, compared to €35 million in 2011, which included an additional amount connected with expenditure in prior years.

Taken together, these items resulted in a net R&D cost of €239.6 million, up from €222.3 million in 2011.

Selling and administrative expenses amounted to €569.9 million (3.3% of sales), compared to €510.6 million (3.2% of sales) in 2011.

EBITDA – which represents operating income before depreciation, amortization and provisions for impairment of property, plant and equipment and capitalized R&D expenditure – stood at €1,009.4 million (5.8% of sales), compared to €1,104.5 million in 2011 (6.8% of sales). The €137.2 million fall in operating income was partly offset by a €42.1 million improvement in amortization and depreciation.

3.1.2. NET INCOME (LOSS)

Other income and expenses totaled €87.2 million (see Note 6 to the consolidated financial statements). It included €83.7 million in restructuring charges. These mainly pertained to the restructuring of operations in France (€11.3 million), Germany (€60.9 million) and a number of other countries (€11.5 million). These charges stemmed from restructuring plans implemented with a view to bringing costs in Europe into line with new market realities. They also include expenses relating to the downsizing of 1,713 employees.

Cash financial income totaled €10.2 million, versus €10.6 million in 2011. Finance costs totaled €175.4 million, versus €109.1 million in 2011. The increase in finance costs was attributable to an increase in average borrowing costs from 4.42% in 2011 to 6.06% in 2012, and the higher average debt. In 2012, Faurecia made further bond issuances, the details of which can be found in the financing section, in order to raise the funds needed to grow its business.

Other financial income and expenses totaled €30.5 million, versus €19.0 million in 2011. This item included an €8.7 million impact of discounting of pension liabilities and €10.0 million in foreign exchange gains and losses on financial liabilities (see Note 7 to the consolidated financial statements).

The tax expense for the year was €67.4 million, versus €95.9 million in 2011, representing an average tax rate of 29% in 2012. A €31.0 million tax asset was recognized in the USA, since the Group is now comfortably profitable in that country. At the end of 2012, Faurecia had unrecognized deferred tax assets of €730.9 million, primarily in France (see Note 8 to the consolidated financial statements).

The share of net income of associates totaled €23.6 million, versus €33.7 million in 2011. The difference stemmed from the performance of SAS Automotive, a joint-venture with the Continental group specializing in cockpit assembly.

Net of net income attributable to minority interests (totaling €42.1 million in 2012 and mainly consisting of net income accruing to investors in Chinese companies in which Faurecia is not the sole shareholder), net income for the year totaled €142.3 million, compared to €371.3 million in 2011.

Basic earnings per share totaled €1.31 (diluted earnings per share of €1.27), compared with €3.37 in 2011 (diluted earnings per share of €3.11) (see Note 9 to the consolidated financial statements).

In the second half of 2012, net income totaled €22.3 million, compared to €185.4 million in the second half of 2011.

3.2. Financial structure and net debt

2012 was a year of strong growth for Faurecia outside Europe of increased investment both on production platforms and product development, to ensure the Group continues to grow in North America, in South America and in Asia.

Net cash flow, representing the net change in debt adjusted for non recurring or non directly operational items ie changes in sales of derecognized trade receivables, dividends paid to shareholders, acquisitions of new operations, investments in associates, and the impact of exchange-rate fluctuations on debt denominated in foreign currencies, was -€410 million, breaking down into -€119 million in the first half of the year and -€291 million in the second half.

The €410 million in net cash outflows over the year was attributable to the following:

- EBITDA totaled €1,009.4 million, compared with €1,104.5 million in 2011;
- working capital requirements that, when adjusted for sales of derecognized trade receivables, were up by €233 million. This increase was partly due to the €73 million increase in production inventory, with production in Europe having being disrupted in the fourth quarter by shutdowns at automakers, and the increase in billable studies and tooling following a surge in new contracts (€132 million);
- restructuring represented cash outflows of €53 million, compared with €93 million in 2011;
- financial costs represented cash outflows of €164 million, compared with €120 million in 2011. The increase was mainly due to the arrangement of new sources of financing;
- capital expenditure on property, plant and equipment represented cash outflows of €557 million, compared with €451 million in 2011. This expenditure was increased from €257 million to €337 million in low-cost countries (31% increase), and from €194 million to €220 million in high-cost countries. The share of investments made outside Europe was 50%, while sales outside Europe accounted for 44% in 2012;
- capitalized R&D expenditure represented cash outflows of €267 million, compared with €180 million in 2011. The percentage of total R&D expenditure capitalized stood at 28%;
- taxes represented cash outflows of €100 million, compared with €114 million in 2011;
- finally, other cash flow items represented €45 million in outflows, compared with €57 million in outflows in 2011.

The €291 million in net cash outflows in the second half of 2012 was attributable to the following:

- EBITDA amounted to €476 million;
- working capital requirements, adjusted for sales of trade receivables, were -€134 million. As indicated above, it was impacted by the decline in automotive production in the fourth quarter. This broke down into a €141 million deterioration in production working capital requirements and a €25 million increase in billable studies and tooling;
- restructuring represented €19 million in cash outflows;
- finance costs represented €88 million in cash outflows;
- capital expenditure on property, plant and equipment represented €291 million in cash outflows;
- capitalized R&D expenditure represented €176 million in cash outflows;
- taxes represented €32 million in cash outflows;
- finally, other items represented €27 million in cash outflows.

In addition to net restated cash flows, the other items contributing to change in net debt were as follows:

Over the second half:

- a €3 million net impact from acquisitions;
- a €64 million fall in trade receivables sold and removed from the balance sheet;
- a €24 million positive exchange rate effect on financial liabilities;
- a €52 million positive impact from the equity component of the convertible bond issued in September.

Over the entire year:

- acquisitions of new companies and investments in associates represented cash outflows of €60.7 million, including €8.3 million for the acquisition in June 2012 of the Interior Modules operations at the Ford plant in Saline (Michigan), net of the cash flows generated from the operations to be transferred to DMS, the takeover of the Interior Modules plants in Mornac and Saint-Quentin in France and in Pardubice in the Czech Republic for €24.8 million, the takeover of Plastal France for €4.8 million, and lastly the takeover of the Sora Composites in France for €11.2 million, and €11.5 million on other investments;

- dividends paid to shareholders represented €38.6 million in cash outflows;
- non-recourse sales of trade receivables were down €149 million over the year, from €461.7 million to €313 million. This decline was the result of lower end of year sales to European clients;
- €52 million in shareholders' equity, consisting of €46 million for the convertible option component of the OCEANE issued in September 2012 and €6 million in convertible bonds issued as part of the acquisition of Sora Composites;
- other exchange-rate fluctuations totaled plus €23 million.

Net debt thus stood at €1,807.1 million at end-2012, versus €1,224.1 million at end-2011.

Note 26 to the consolidated financial statements provides further information on these items.

The Group's shareholders' equity rose from €1,153.9 million at end-2011 to €1,305.5 million at end-2012, mainly driven by net income for the year.

In 2012, Faurecia pushed forward with its financing program designed to raise the funds needed to pursue its growth:

- issuance in February of a €140 million add-on at 107.5% of face value to the €350 million 2016 bond issued in November 2011, bearing a coupon of 9.375%, thereby bringing the total to €490 million;
- issuance in May of a €250 million bond, maturing in June 2019, issued at 99.974% of face value, with a coupon of 8.75%;
- issuance in September of €250 million in bonds convertible into and/or exchangeable for new or existing shares of common stock (OCEANE) maturing on January 1, 2018, with a face value of €19.48 per bond and a coupon of 3.25%.

  All these issuances were well received by the market and each transaction was significantly over-subscribed, demonstrating Faurecia's ability to diversify its sources of financing and to tap into the debt markets;
- finally, in November, Faurecia exercised the option to extend by one year the €690 million tranche of the syndicated credit facility maturing in 2014, thereby pushing it back to December 2015, in the amount of €649 million.

The maturity of the new bonds and the extension of the maturity of the syndicated credit facility mean that the maturity of the debt, which will not require a significant repayment before 2016, can be extended.

At the end of the year, Faurecia's cash position was €628 million, stable compared to the end of 2011, and it disposed of undrawn medium-term credit lines up to €850 million.

Disclosures relative to major investments by business segment and geographic area are provided in Notes 4.1 and 4.3 ("Key figures by operating segment", "Key figures by geographic region") to the consolidated financial statements for 2012. They were carried out primarily in Europe, North America and Asia.

Disclosures relative to key ongoing investments and firm orders for property, plant and equipment and intangible assets are provided in Note 31.1 ("Commitments given") to the consolidated financial statements for 2012.

3.3. Outlook

In 2013, there will be contrasting trends in the automotive market.

In Europe, due to the macroeconomic environment and manufacturers' car inventories, a 4% to 5% fall in automotive production is expected compared to 2012. The trend should be more pronounced during the first half of the year, with an 8% to 10% fall compared to the first half of 2012. In North America, where the market environment has been more dynamic at the end of 2012 and the start of 2013, automotive production should grow by 5% to 7%. In South America, growth in automotive production should be around 3% to 5%. Finally, Chinese automotive production should accelerate, with growth of 9% to 11%.

In this context, Faurecia expects that its sales in Europe will be in line with changes in automotive production. In North America, Faurecia sales should continue to grow as a result of a full year of production at the Saline plant and the growth of the emissions control for commercial vehicles business; moreover, new models for two important vehicles will be rolled out during the year. In Asia, growth will continue to take place at a steady pace.

Overall, Faurecia aims to achieve sales of €17.5 to €17.9 billion.

Operating income should grow as a result of improved profitability in North America and South America, as well as from continued growth in Asia. In Europe, the cost-reduction plans which are being implemented should partly offset the effects of the fall in automotive production volumes.

Faurecia is aiming for a neutral cash-flow before restructuring costs (of which the effect on the cash position should be of €120 to €140 million) as a result of its improved operating income, increased amortization which should increase by about €50 million in 2013, the stabilization of its investments and capitalized developments, and an improved working capital requirement, particularly by recovering from part of the deterioration towards the end of 2012.

3.4. Risk factors

The Group's objectives are set by the Board of Directors. They relate not only to financial performance but also to areas in which the Group aims to achieve a particular level of excellence, such as human resources management, quality, innovation, working conditions and environmental performance.

The Group takes care to monitor and control risks that may affect the achievement of its objectives. The Board of Directors is accordingly kept informed by the Audit Committee of the main measures taken to watch and monitor risks, the Committee itself being kept informed by the Head of Internal Audit, who is required to provide information on Group-wide risks at least once a year.

Broadly speaking, all risks identified within the Group are reviewed and discussed in specific bodies, and are consolidated at the Executive Committee level. The management team of each Business Group is responsible for identifying and controlling risks inherent to its business, which are reviewed monthly in the appropriate Operations Committee. For all Group companies, risks of a financial nature are managed centrally by the Group's Finance department, and are reviewed within a specific committee.

It should be noted that some operational risks identified as Group-wide are subject to additional review by the Operational Risk Committee. They include personal safety, quality, program management, liquidity risk, the availability of Just In Time information systems, reliability of supplies, asset protection (fire risks), reliability of financial information, fraud, and the environment. This list is reviewed regularly by the Committee and submitted to the Audit Committee.

Faurecia has reviewed its risk and considers that it is not currently exposed to any material risks other than those described below.

3.4.1. INDUSTRIAL AND ENVIRONMENTAL RISKS

3.4.1.1. Dependence on the automotive sector

Specializing in the manufacture of original equipment for its automaker customers, the Faurecia group's business is directly related to the vehicle production levels of these customers in their markets. The cyclical nature that characterizes its customers' business can have a significant impact on the Group's sales and results. The level of sales and automobile output for each of Faurecia's customers depends on numerous parameters, notably the general level of consumption of goods and services in a given market; confidence levels of economic players in that market; buyers' availability to access credit for vehicle purchases; and in some cases governmental aid programs (such as the recent financial support provided to the automotive sector and incentives introduced for the purchase of vehicles).

As such, the Group's sales are directly linked to the performance of the automotive industry in the major geographic areas where Faurecia and its customers do business (see Note 4.3 to the consolidated financial statements), especially Europe (55.7% of consolidated sales in 2012) and North America (27.4% of consolidated sales in 2012).

Faurecia's risk is tied to the commercial success of the models for which it produces components and modules. At the end of a model's life cycle, the risk is also linked to the uncertainty of whether its products will be taken up again for the replacement model. In addition, the orders placed with the Group are open orders without any guarantees of minimum volumes. They are generally based on the life of the vehicle model concerned.

As Faurecia's customers include the majority of the world's major automakers, it is totally dependent on developments in the global automotive industry. However, the Group's exposure to customer risk is naturally attenuated by its market share and its diversified international presence.

3.4.1.2. Customer risk

In view of the economic context in the automotive sector, Faurecia cannot rule out the possibility that one or more of its customers may not be able to honor certain contracts or suffer financial difficulties. Furthermore, changes in the automotive sector could accelerate the concentration of automakers, ultimately resulting in the disappearance of certain brands or vehicle models for which the Group produces equipment. The occurrence of one or more of these events could have a significant impact on the Faurecia group's sales, results and future prospects.

In 2012, Faurecia's five largest automaker customers accounted for 71.6% of product sales, as follows: Volkswagen (including Porsche) 25.3%, PSA 14.2%, Ford 13.2%, Renault-Nissan 10.5% and GM 8.4%.

As of December 31, 2012, past-due payments represented €137.7 million or 0.8% of consolidated sales for the year.

Details of trade accounts receivable and other receivables are provided in Note 18 to the consolidated financial statements.

3.4.1.3. Supplier risk

The Group uses a large number of suppliers based in different countries for its raw materials and basic parts supplies.

In 2012, out of a total of approximately €7,855 million in purchases (production and non-production) from approximately 3,000 main suppliers, the ten biggest suppliers together accounted for 32% of the Business Groups' combined purchases and 15% of consolidated sales.

Purchases from the five biggest suppliers of each of the Business Groups together accounted for 23% of total purchases and 10% of total consolidated sales.

If one or more of the Group's main suppliers were to go bankrupt, or experience an unforeseen stock-out, quality problems, a strike or any other incident disrupting its supplies for which it were liable, this could impact Faurecia's production output or lead to additional costs that would affect the Group's sales, results and overall financial position.

Faurecia closely monitors the quality and reliability of suppliers' production operations as well as their credit status and sustainability in order to ensure that the Group's supply chain is secure.

3.4.1.4. Raw material risks

The Group's operating and net income can be adversely affected by changes in the prices of the raw materials it uses, notably steel and plastics.

To the extent that the Group's sales contracts with customers do not include price indexation clauses linked to the price of its raw materials, Faurecia is exposed to risks related to unfavorable fluctuations in commodity prices. Efforts are therefore made to reduce this exposure by continually negotiating conditions with customers and strictly managing inventories. Faurecia does not use derivatives to hedge its purchases of raw materials or energy.

Plastics and steel accounted for approximately 10% of total purchases consumed.

If commodity prices were to rise steeply, Faurecia could not guarantee that it would be able to pass on all of such price increases to its customers, which could have an unfavorable impact on the Group's sales, results and overall financial position.

A 10% change in the price of raw materials would have an impact of 0.2% on operating income (expressed as a percentage of total sales), bearing in mind that the residual exposure borne by Faurecia is approximately 30% of total exposure to raw materials.

3.4.1.5. Risks related to order volumes

As a components producer and components and systems assembler for the automotive industry, and given the high volumes that its customers order, Faurecia constantly has to adapt its business activity to its customers' demands in terms of their supply chain, production operations, services and R&D. Should the Group, or one of its suppliers or service providers, default at any stage of the manufacturing process, the Group could be held liable for failure to fulfill its contractual obligations or for technical problems. The Group could also be required to make certain investments which may not be offset by customer order volumes.

3.4.1.6. Environmental risks

On account of their industrial nature, the Group's sites and operations are subject to increasingly stringent environmental laws and regulations in the various countries where it operates.

European Directive 2000/53/EC of September 18, 2000 on end-of-life vehicles, for instance, sets a reuse and recycling target of 85% of the weight of such vehicles as of January 1, 2015, and a reuse and recovery target of 95% (see Subsection 7.1.1.1 of this Registration Document).

Moreover, pursuant to Article 75 of French Law No. 2010-788 of July 12, 2010, the Group's French sites are required to prepare and publish a report on their emissions of greenhouse gases. Some sites are also subject to self-monitoring by local authorities as part of the monitoring of the quality of wastewater discharges and/or atmospheric emissions (see Subsection 7.1.2.3 of this Registration Document).

The Group may be required to incur additional costs and/or investments in order to remedy a situation, comply with the applicable regulations, or pay any penalties in the event of any malfunction or other incidents affecting the Group's equipment; human error; regulatory non-compliance; or any reinforcement of the applicable regulations.

Faurecia conducts surveillance and monitoring of its environmental risks as described in Section 8.4 of this Registration Document.

To date, there have been no major cases of loss or damage caused to third parties as a result of accidental environmental harm. However, the related risks are covered by an insurance policy taken out with a leading insurer specialized in the area.

The provisions set aside to cover these risks are not material and were not specifically monitored in 2012. They are included in the amount of provisions disclosed in Note 24.2 to the consolidated financial statements.

Fines and litigation are described in Subsection 7.1.2.3 of this document (Other environmental indicators).

3.4.1.7. Risks related to the Company's external growth strategy

As part of its external growth policy, Faurecia has made, and may make in the future, acquisitions of varying sizes, some of which have been and may be significant on a Group-wide scale.

These acquisitions entail risks, such as:

- the assumptions of the Business Plans on which valuations are made may prove incorrect, especially in respect of synergies and assessments of market demand;
- Faurecia may not succeed in integrating the acquired companies, their technologies, product ranges and employees;
- Faurecia may not be in a position to retain some key employees, customers or suppliers of the acquired companies;
- Faurecia may be forced or decide to terminate pre-existing contractual relationships with costly and/or unfavorable financial conditions; and
- Faurecia may increase its debt with a view to financing these acquisitions or refinancing the debt of the acquired companies.

As a result, the benefits expected from future acquisitions or those already made may not be confirmed within the expected time frames and/or levels and, consequently, may affect the Faurecia group's financial position.

The main acquisitions made by the Group over the last few years are described in Section 10.4 of this Registration Document.

3.4.1.8. International nature of business activities

Due to the international nature of its business activities, Faurecia is exposed to economic, political, fiscal, legal and other types of risks.

The Group's sales are mostly generated in Europe, in North America, in Asia and in South America. The geographic breakdown of sales is provided in Note 4.3 to the consolidated financial statements.

Furthermore, Faurecia expects that sales generated in Asia, notably in China, will constitute a larger percentage of overall sales in the future. In 2012, 18.3% of sales were made outside Europe and North America. The Group's activities are exposed to certain risks, including:

- any potential changes to laws or regulations, or to the commercial, monetary or fiscal policies;
- customs regulations, foreign exchange controls, investment restrictions or requirements or any other constraint such as levies or other forms of taxation on settlements and other payment; and
- difficulties in enforcing agreements, collecting payments due and protecting property through foreign legal systems, in particular, where intellectual property protection is less stringent.

3.4.1.9. Competitiveness

The global automotive supply sector is highly competitive. Competition is based mainly on price, technology, quality, delivery and customer service as whole. There are no guarantees that Faurecia products will be able to compete successfully with those of its competitors. Supply contracts are mostly awarded through competitive bids, and are often subject to renewed bidding when their terms expire.

Without prejudice to Faurecia's ranking, the three main competitors by business segment are as follows:

- **Faurecia Automotive Seating:**
  - Lear (United States),
  - Johnson Controls International (United States),
  - Toyota Boshoku (Japan);
- **Faurecia Interior Systems:**
  - Johnson Controls International (United States),
  - IAC (International Automotive Components) (United States),
  - Yanfeng/Visteon (China);
- **Faurecia Automotive Exteriors:**
  - Magna (Canada),
  - Plastic Omnium (France),
  - Peguform (Germany/India;
- **Faurecia Emissions Control Technologies:**
  - Tenneco (United States),
  - Eberspächer (Germany),
  - Boysen (Germany).

3.4.2. FINANCIAL RISKS

Given its level of debt, the Group is exposed to significant risks related to liquidity and changes in interest rates. It is also exposed to currency risks as its production sites are located in a large number of countries outside of the euro zone. Faurecia's counterparty risk in relation to its derivatives is not significant as the majority of its derivatives are set up with leading banks with strong ratings that form part of its banking pool. The Group Finance and Treasury department authorizes any new banking relations and the opening of accounts.

Generally, interest rate and currency risks are managed centrally for the Group as a whole by the Corporate Finance department.

3.4.2.1. Interest rate risks

Before taking into account the impact of interest rate hedges, 51.9% of the Group's borrowings were at variable rates as of the end of December 2012, compared to 67.7% as of year-end 2011. Variable rate financial debt mainly relates to the €1,150 million syndicated bank loan refinanced in December 2011, as well as short-term debt. The main components of fixed-rate debt are:

- bonds convertible into and/or exchangeable for new or existing shares, issued in November 2009, with a principal amount of €211.3 million, maturing on January 1, 2015;
- bonds maturing in December 2016, issued in November 2011 and February 2012, with a principal amount of €490 million;
- bonds maturing in June 2019, issued in May 2012, with a principal amount of €250 million;
- bonds convertible into and/or exchangeable for new or existing shares, issued in September 2012, with a principal amount of €250 million, maturing on January 1, 2018.

Faurecia manages the hedging of interest rate risks on a central basis. Said management is implemented through the Group Finance and Treasury department, which reports to Group General Management. Hedging decisions are made by a Market Risk Management Committee that meets on a monthly basis.

As a significant part of the borrowings (syndicated credit loan, short term loans, commercial paper) are at variable rates, the aim of the Group's interest rate hedging policy is to reduce the impact on earnings of changes in short-term rates. The hedges arranged comprise mainly euro denominated interest rate swaps. These hedges protect some of the borrowings due in 2013, 2014 and, to a lesser extent, 2015, against a rise in rates. The Group's interest rate position based on the nature of the instruments used and the sensitivity of interest expense to short-term rates are disclosed in Note 30.2 to the consolidated financial statements.

3.4.2.2. Foreign exchange risks

Faurecia is also exposed to risks arising from fluctuations in the exchange rates of certain currencies, particularly due to the location of some of its production sites, as well as the fact that certain subsidiaries purchase raw materials and other supplies or sell their products in a currency other than their functional currency.

In 2013, Faurecia estimates that the US dollar against the euro will remain at levels comparable to those of 2012.

Note 30-1 to the consolidated financial statements gives the description of the underlying currency positions and the derivative instruments hedging them, as well as the sensitivity of the Group's net income and shareholders' equity to fluctuations against the euro of the various currencies to which it is exposed.

3.4.2.3. Liquidity Risks

Faurecia pursued the implementation of its long-term financing plan during 2012 through:

- a €140 million add-on on February 21, 2012 to the €350 million issue of November 2011 due December 2016;
- a €250 million bond issue in May 2012 due June 2019;
- a €250 million convertible bond issue in September 2012 due January 2018;
- the exercise in November 2012 of the one-year extension option of the €690 million tranche due initially in December 2014 of the syndicated credit loan, thus extended to December 2015 for €649 million.

The various components of Faurecia's long-term debt and the maturities of the Group's liquidities are described in Notes 26-2 and 26-3 to the consolidated financial statements.

As is noted in Note 26-2 of the consolidated financial statements, as of December 31, 2012, Faurecia was compliant with the financial ratios required by the syndicated credit facility:

Ratio	Limit	Carrying amount as of 12/31/2012
Net debt*/ EBITDA**	< 2.50	1.8
EBITDA**/ Net interest	> 4.50	6.2

* *Net debt = published consolidated debt.*

** *Operating income plus depreciation, amortization and funding of provisions for impairment of property, plant and equipment and intangible assets, corresponding to the past twelve months.*

In addition to the above-described bank and bond debt, part of Faurecia's liquidity requirements is met through receivables sale programs. Proceeds from receivables sold came to €419.9 million as of December 31, 2012 (see Note 18 to the consolidated financial statements), including €313.0 million from receivables that were sold and derecognized (see Note 18 to the consolidated financial statements).

Lastly, Faurecia regularly issues commercial paper to investors, mainly in France.

As of December 31, 2012, the long-term credit rating assigned by Moody's to Faurecia was Ba3, with a negative outlook. On February 20, 2013, Moody's downgraded Faurecia's rating to B1, with a stable outlook.

As of December 31, 2012, Faurecia had diversified funds with staggered maturities until 2019. As of that date, the average maturity of the main resources comprising the Group's long-term debt (i.e. convertible bonds issued in 2009 and 2012, as well as other bonds, the syndicated loan and the other main long-term debt), was approximately 3.8 years (without further exercise of the extension option on the first tranche of the syndicated loan) and approximately four years (with the exercise of the option to extend the term of the said tranche until 2016).

Thus, in view of the Group's current situation, and notwithstanding the possible future consequences of any deterioration in its operations or outlook, Faurecia does not believe itself to be exposed to significant liquidity risk.

3.4.3. LEGAL RISKS

3.4.3.1. Litigation

As of the date this Registration Document, there were no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Group was aware) likely to have, or have had a significant impact on the Group's financial position or profitability in the past 12 months.

Faurecia believes that, in view of the nature and amounts of the claims and litigation that were known or in process at the date of this Registration Document, such disputes would not materially affect its consolidated financial position in the event of an unfavorable outcome. Adequate provisions have been set aside to cover litigation facing the Group, in accordance the facts and information available at the balance sheet date. Note 24.2 to the 2012 consolidated financial statements gives a description of claims and litigation currently in process and indicates the total amount of provisions for litigation.

However, Faurecia cannot guarantee that in the future Group subsidiaries will not be involved in legal, administrative, or regulatory proceedings, particularly in view of the complex regulatory requirements applicable to the Group; technical failures, or breaches of contract by customers, suppliers or partners.

Moreover, the Company benefited in France from the specific regime of tax credits based on research and development activity conducted in that country. Faurecia cannot be sure that such tax provisions will be maintained in the future.

Situations such as those described above could have a significant unfavorable impact on the Group's operations and/or financial position.

Litigation is monitored through quarterly reporting established by the Legal department.

3.4.3.2. Industrial Property Risks

Faurecia's proactive Research and Development policy allows the Group to be at the root of its own innovations and control the patents that are essential for its operations. Faurecia has not identified any risk of technological dependence in relation to its products, modules or systems.

Where possible and when justified by strategic technological considerations, Faurecia registers patents to protect the intellectual property relating to industrial know-how and innovations from Group research.

Faurecia also uses third-party patents under license in the normal course of business. None of these licenses represent a major industrial or financial risk.

Faurecia considers that it either owns or may validly use all the intellectual and industrial property rights required for its business operations and that it has taken all reasonable measures to protect its rights or obtain guarantees from the owners of third-party rights. However, the Group cannot rule out the risk that its intellectual and/or industrial property rights may be disputed by a third party on the grounds of pre-existing rights or for any other reason. Furthermore, for countries outside France the Group cannot be sure of holding or obtaining intellectual and industrial property rights offering the same level of protection as those in France.

3.4.3.3. Industrial Risk Management and Insurance

As Faurecia does not have any captive insurance entities, its system for safeguarding assets is based on the implementation and ongoing adaptation of its risk prevention policy and its strategy of transferring its principal risks to the insurance market.

INDUSTRIAL RISK PREVENTION POLICY

Faurecia's industrial risk prevention policy aims to reduce accidents caused by fire and to encourage Group sites to achieve excellence in fire safety by obtaining the Highly Protected Risk (HPR) label from Faurecia's insurer.

The HPR policy is based on the following priorities:

- fire safety audits conducted by the Group's insurer on an annual basis. 115 sites were audited in 2012, including 47 new sites. 90% of active sites were audited less than three years ago. 52% of the Group's sites are classified as HPR or pre-HPR;
- incorporating fire safety factors into the early stages of any plant design or major refurbishing of existing sites, through fire partitioning and ensuring that adequate fire safety equipment, such as extinguishers, is available;
- analysis and assessment of feedback, fires or simple outbreaks of fire are systematically analyzed and the results of this analysis shared with the plants' HSE network;
- an intranet-based fire safety management system, through which the HPR policy is relayed to the entire Group by placing technical specifications, experience-based information and best practices online.

A comprehensive survey of sites' exposure to natural hazards was also conducted in 2012.

Moreover, 2012 saw the extension of Risk and Insurance Management System, a project combining all the information held by the Group relating to insurance (loss, civil liability, local and master policies), prevention and claims in the same Internet/IT environment and shared with brokers and insurers.

FIRE, PROPERTY DAMAGE AND BUSINESS INTERRUPTION INSURANCE

Faurecia has set up a fire, property damage and business interruption insurance policy with a number of leading insurers. Despite the high level of claims of 2011, a tender for the renewal of the policy in July 2011 resulted in a significant reduction in the premium. In 2012, the Group paid approximately €8 million for property and casualty and business interruption insurance.

The coverage for buildings and equipment is based on replacement value. Coverage is organized around a Master policy, which includes direct coverage for the freedom of services area, with local policies for subsidiaries in countries located outside this area. Special coverage has been set up to cover specific risks in certain countries.

Since July 2010, the premiums applicable to the capital at risk (direct loss and annual gross margin) are directly dependent on the HPR classification given to the site following an audit by the insurance company.

There were no significant claims in 2012, in contrast to 2011, which was marked by a major fire on the foam production line in the acoustic products plant in Washington, UK (total cost: approximately €3.6 million) and two client default claims following the earthquake in Japan (accident compensation) and floods in Thailand (currently being processed).

LIABILITY INSURANCE

In 2012, the Group paid approximately €4.5 million in premiums for all its liability coverage policies, including product liability insurance applicable after delivery to customers. Faurecia renewed its liability insurance policy on January 1, 2013, with the Axa group as its new frontline partner. Liability insurance covers operating liability, product liability after delivery and environmental liability. Liability insurance takes the form of a "Master" policy combined with local policies taken out in countries where Faurecia has subsidiaries.

4

The Group's Human Resources Policy

CONTENTS

4.1. Safety in the Workplace

Safety in the workplace is one of the key elements of the excellence initiative embodied by the Faurecia Excellence System (FES). It forms part of the personal respect requirement which every facility must satisfy. Faurecia's health and safety at work policy hinges, on a daily basis, on two key objectives: ensuring the protection of employees' health and improving the safety of employees in the workplace.

Thanks to our constant commitment to enhancing occupational safety and working conditions, we have consistently reduced the number of work-related accidents since 2003. To speed up this trend, in 2010, Faurecia launched a Breakthrough Safety Plan. In two years, the Breakthrough Safety Plan 2010 has enabled us to achieve the highly ambitious objective of reducing the frequency of work-related accidents with lost time per million working hours by two thirds.

4.1.1. WORKPLACE SAFETY INDICATORS

Analyzes of changes in the frequency rate of work-related injuries are performed in order to measure the effectiveness of actions carried out in this area. To guarantee the same level of workplace safety for all employees, temporary workers are included in the same manner as permanent staff in the following indicators:

- the Group's excellence indicators are FR0t and FR1t. FR0t measures the number of work-related accidents involving a Faurecia employee or temporary worker, with lost time, per million hours worked. FR1t measures the number of work-related accidents involving a Faurecia employee or temporary worker, with or without lost time, per million hours worked across the Group. Both indicators are calculated on a rolling, six-month basis;
- in its plants, Faurecia also monitors the FR2t indicator. This indicator measures the number of first aid procedures performed following an incident per million hours worked. This monitoring enables plants that have few accidents, with or without lost time, to identify their prevention priorities and to focus on accident prevention. Faurecia does not consolidate this indicator. Plants also monitor the severity of accidents that result in accident-related lost time. In 2012, a rate of 0.03 was observed, corresponding to 4,838 calendar days and 163 million working hours lost;
- first aid procedures are now monitored in all autonomous production units using the Faurecia Quick Response Continuous Improvement (QRCI) method of problem resolution. This has enabled production managers to take greater responsibility for accident investigations and to increase their responsiveness;
- after each FR0t and FR1t accident, a QRCI analysis is performed using quality problem solving best practices to ensure that the root causes of the accident are understood, that corrective actions have been effectively applied and that preventative measures are implemented and shared across the various sites.

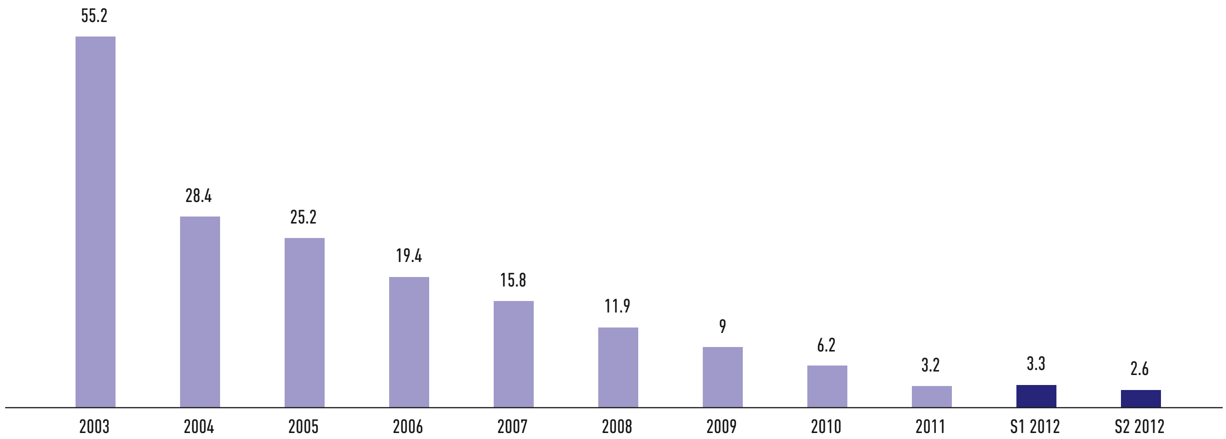
FREQUENCY OF ACCIDENTS RESULTING IN LOST TIME PER MILLION HOURS WORKED (FR0T)

The rates shown above are for the second half of the years 2003-2011 and the first and second halves of 2012.

In 2012, the Faurecia group achieved its objectives in terms of accidents with lost time (FR0t of 0.6), with indicators reduced by three-quarters since 2009. This result shows Faurecia to be among the best industrial companies worldwide.

Out of a total of 249 internal sites, 87% of the units (including the sites acquired in 2011) did not experience an accident with lost time and, therefore have an FR0t of 0 (a 31-point improvement over 2009).

FREQUENCY OF ACCIDENTS WITH, OR WITHOUT, LOST TIME, PER MILLION HOURS WORKED (FR1T)



An FR1t of 2.6 was obtained in 2012, representing an improvement of more than 70% since 2009.

The rates shown above are for the second half of the years 2003-2011 and the first and second halves of 2012.

4.1.2. BREAKTHROUGH SAFETY PLAN INITIATIVES

The purpose of the Breakthrough Safety Plan is to reduce the number of work-related accidents and serious Health, Safety, Environment (HSE) alerts following work-related accidents by providing training in the Group's various mandatory HSE rules as well as in monitoring the application of these rules.

Faurecia has defined 13 mandatory personal safety-related HSE rules. These rules have been deployed at all Faurecia sites.

Any plant reporting a serious HSE alert or an abnormally high work-related accident rate was audited by the Group's Quality department. An unsatisfactory audit result (level D) systematically resulted in a report being sent to the Chairman. No site was still on level D by the end of 2011. Faurecia ensures that these rules are applied at all the other sites by means of FES production audits.

Applying these 13 rules has made it possible to significantly reduce the number of serious HSE alerts and to achieve our FR0t objective.

In addition to the 13 mandatory HSE rules, Faurecia defined three rules on personal protection equipment (3PPE) for all Group sites. The application of these rules and their monitoring via FES production audits is speeding up the rate of reduction of work-related accidents not resulting in lost time (FR1t).

A film has been made about the 13 mandatory HSE and the three PPE rules so as to raise their profile among Faurecia employees. This film, based on practical scenarios demonstrating the different rules, is used for FES training for managers, notably for Europe, North America, China and India in 2012. In particular, these training courses focused on learning about HSE QRCI.

Three mandatory HSE rules apply to the control of non-production operational risks. The first two cover consignment operations (stopping processes, locking and draining energy and blocking gravitational energy), the third requires the application of a "Personal ID" label when working with equipment. This prevents machines being restarted by others, the owner of the personal ID being the only person entitled to remove it from the machine.

Four rules apply to the protection of personnel during production operations. They cover protection against access to moving parts of machines through the establishment of protective devices such as light curtains, safety mats, radars and fixed barriers. The plant must ensure that the failure of one component of the safety loop will stop the machine automatically. Protective equipment is tested before production begins. If the protective equipment has any faults, the machine must not be used.

The other rules focus on the prevention of falls, the crushing of fingers, traffic accidents, the bursting of hydraulic circuits, and fires and explosions.

The three rules related to protective equipment require the wearing of helmets during maintenance operations, gloves and cut-resistant sleeves when using cutting elements or handling metal, and thermal protection when working with hot materials. These rules also make it mandatory to wear ear protectors in noisy environments.

4.1.3. ERGONOMICS AND WORKING CONDITIONS

Most occupational illnesses reported by employees involve musculoskeletal disorders. To reduce this, Faurecia has taken steps for several years to take the strain caused by workstations into greater consideration and to remedy the situation as much as possible.

Ergonomic reviews of workstations form part of the Faurecia Excellence System and the Group systematically carries out audits at each of its manufacturing sites on an annual basis.

As a result of these analyzes, a variety of solutions have been implemented for manufacturing workstations. The analyzes are also used to prepare a list of recommendations that are systematically taken into account during the design of products and manufacturing tools. A number of recommendations from professional ergonomists and Group HSE coordinators are being factored into the Program Management System (PMS).

All of the Group's operations managers and plant managers have been given training in ergonomics as part of the acceleration of the deployment of the Faurecia Excellence System, which was launched by the Chairman during the second half of 2009 and continued in subsequent years. The goal of this program is to ensure that these managers play a real leadership role in the continuous improvement process, notably for ergonomics-related issues.

An "Ergonomics" memorandum is available to all Group process engineers and managers in charge of efficiency in manufacturing systems, to provide additional information on analyzing workloads and how to take into consideration the ergonomic constraints of workstations. This memorandum is aimed at providing basic training in this area for people such as members of Health and Safety Committees, who are involved in organizing work schedules or designing workstations.

4.2. Skills development

The Group's human resources policy aims to support its strong growth. The objective is to make appropriate resources available across all businesses while continuing to build a corporate culture based on excellence.

4.2.1 TRAINING POLICY

4.2.1.1. Principles

Within the Group, training is considered an investment in the service of the strategy and the deployment of the Faurecia Excellence System.

It is a key tool in the implementation of genuine continuous improvement. Training plans are focused on improving results. Training actions are favored, as is internal training.

Training is a development tool. Specific actions are implemented to encourage individual development and to increase team effectiveness.

Training is a management tool. It is the responsibility of supervisors (identification of needs, communication with interested parties) and is implemented with the support of the human resources network.

4.2.1.2. Priorities

The priorities identified in training plans are used to achieve the goals set for different business units. They are structured around the following themes:

- improve plant performance (safety, quality, cost, time) and ensure production launches in optimal conditions;
- increase the attractiveness of offers to customers;
- increase technological expertise in products/processes;
- increase the professional qualifications of staff, foster their career development and enhance their employability;
- develop managerial skills;
- anticipate skills needed in the medium term and foster their development;
- strengthen the Faurecia Excellence System culture and promote the use of shared working methods;
- develop the ability to work in an international context.

4.2.1.3. Key figures in 2012

In 2012, the Group's training effort numbered more than 1.6 million hours, an increase of nearly 3% compared with the previous year. A total of 77.5% of employees received an average of 22 hours of training each.

4.2.1.4. Focus on the training and development of engineers and managers

In 2012, 106 training sessions were provided as part of the "Faurecia University" program. In total, 2,346 people from 32 countries benefited from these corporate programs.

Faurecia University's top priority is the development of the skill sets of future senior-level managers, prepared as part of the Global Leadership programs.

The experts and managers destined for key positions such as plant manager, program manager, foreman and autonomous production unit manager, are prepared to take up their role in full through dedicated training sessions. Another focal point of the Group's training policy is strengthening business-specific expertise.

2012 was marked by a significant expansion in the "Faurecia University" program. Five new programs were launched, in line with the needs expressed by operational management: China Intercultural Awareness and Russia Intercultural Awareness, Finance Fundamentals, R&D Center Managers, Global Program Managers.

Industrial training programs, which serve as a basis for the Faurecia Excellence System (FES), focus on industrial tools and the Group's methodologies and are provided in-house at the site level.

Faurecia Automotive Seating and Faurecia Interior Systems have rolled out training courses in technical academies dedicated to their specific products and processes.

4.2.2. EMPLOYEE EMPOWERMENT

Employee empowerment is an integral part of the Faurecia Excellence System (FES).

In 2012, particular attention was paid to training of Senior FES Specialists and Management Committees of plants, which are the key players when it comes to industrial progress. In line with this approach, four new training/action modules were launched on the following themes: human organization of production, development of operators, day-to-day management of performance indicators and mastery of workstations. The aim of this approach is to help make employee empowerment an operational reality and to assist in the deployment of FES tools in plants. The content of these modules is systematically adjusted in line with the maturity of the various plants in order to improve the effectiveness of training.

During the second half, a first group of 216 human resources managers and senior FES specialists were trained worldwide. In turn, it will now be up to them to train their colleagues in plants.

At the same time, existing programs continued to be rolled out:

1. employee empowerment for human resources managers: this module aims to equip human resources managers in their operational role and in the implementation of the excellence system. Sixty people benefited from this training this year;
2. the seven basic principles of employee empowerment: this module is intended for plant management committees. It aims to develop their role in the day-to-day management of teams using the FES system and the seven basic principles. A total of 850 people benefited from this training this year;

Performance indicators continued to improve:

- the number of improvement ideas per employee was 14.3 at the end of December 2012, compared with 13 in December 2011;
- 30.4% of supervisors within Faurecia have a level of education equivalent to a bachelor's degree or higher. The target is 33%. This indicator is a priority in recruitment to secure long-term pools of autonomous production unit and plant managers.

4.2.3. DEVELOPING THE POTENTIAL OF MANAGERS AND TECHNICAL EXPERTS

Faurecia is committed to building the skills and motivation of its teams and continually adapting its human resources to the short-term requirements of the business. Identifying medium-term requirements is also essential in order to ensure that the Group always has best-in-class teams of managers and technical experts, driven by the pursuit of excellent customer service.

In order to achieve these objectives, the Group continued to implement a four-pronged strategy.

4.2.3.1. Adapting to Short-Term Requirements

Buoyed by strong growth, accompanied by the opening of new plants and a large number of new development programs, Faurecia had to recruit significant numbers of employees in production and program management functions in 2012.

At the same time, to further strengthen its technological leadership, the Group hired engineers in its main research and development centers, as well as experts for each of the major areas of expertise.

Fifty-three percent of hires were in the field of production, 23% in sales, research and development, and program functions, and 24% in support roles.

Young graduates accounted for 17.8% of hires, of which 32.7% from the panels of target schools in the major countries.

In total, 2,566 managers were hired on open-ended contracts in 2012, compared with 2,338 in 2011. Reinforcements were made primarily in fast-growing emerging markets including China (538), Mexico (205), India (111) and Brazil (48), but also in countries where the Group has firmly established presence, namely the United States (626), France (324) and Germany (280), although recruitments slowed in the latter two countries during the second half.

In 2012, the number of international corporate volunteer (Volontariat International en Entreprise, VIE) contracts continued to grow, with 133 signed, compared with 103 in 2011. It is noteworthy that 72% of the young engineers and managers who completed their VIE period in 2012 were subsequently hired. Germany remains the country in which the Group signs the highest number of VIE contracts, followed by the United States and the countries of Central Europe.

In this context of sustained growth, it is vital to capitalize on the experience and expertise of our engineers and managers. Despite a high stream of recruitments, the rate of vacancies filled internally amounted to 47% overall in 2012, compared with 51.9% in 2011. It is much higher if we look solely at senior management positions (73.6%). These results were achieved through the implementation of robust succession planning and development plans, based on personal reviews made at least once a year at all levels of the Company (sites, divisions, Business Groups, Group).

4.2.3.2. Preparing for the medium term

The Group's priority is to make sure that it always has the available resources to cover its needs worldwide. To do this, it is essential to anticipate future requirements in terms of staffing, skills and expertise. This is why Faurecia's medium-term plan includes a human resources component every year.

A short- and medium-term plan to strengthen the population of plant managers was added to this medium-term process at Group level in 2011. The aim is to recruit people with the experience and potential allowing them to eventually become plant managers.

A similar plan was then adopted to significantly increase the number of experts. Particular emphasis was placed on the number of high-level experts ("senior and master experts"), as well as the level of internationalization in this field, through promotions and recruitments.

In 2012, this initiative was extended to program manager positions, leading to the recruitment of 39 program managers. At the same time, a comprehensive skills evaluation and building plan was implemented within this population.

More broadly, engineers and managers are encouraged to develop their skills in their original positions before moving on to different departments to complement their technical and/or managerial skills. Career managers are tasked with supporting skills development and ensuring the timely availability of human resources.

In 2012, cross-function mobility represented 23% of the Group's total mobility assignments for over 445 engineers and managers.

It is crucial for an international group to develop, encourage and promote diversity. A total of 53% of the Group's engineers and managers worked outside Western Europe in 2012, and 75% of recruitments took place outside Western Europe. This means that Faurecia can offer its people international assignments and projects in order to boost the diversity of its teams. The Group also places great importance on the international dimension of its Senior Management team, while taking steps to attract, develop and retain local talent across the globe. In keeping with this strategy, 52% of the Group's Senior Management team is non-French, and 52.5% of the managers and technical experts identified as high-potential are from non-Western European countries.

Lastly, a stable employee base is essential for safeguarding our investment in human capital. In 2012, the resignation rate was 7.5%, comparable with that of 2011. It was impacted by the strength of the labor market in emerging markets and in North America. It remains below its pre-crisis level in 2008, mainly as regards the Group's senior management (5.2%) and in European countries.

4.2.3.3. Reinforcing our performance culture

The Group measures the overall performance of its employees. This concept encompasses three dimensions: results compared with objectives, work conduct in relation to the Group's values, and expertise. The annual performance and development appraisal is also an opportunity to discuss career prospects, through individual career plans.

Our internal promotion policy revolves around offering career opportunities to employees who succeed and demonstrate their potential. Promotions often entail increased responsibility. In 2012, 16.1% of the Group's employees benefited from internal mobility, 41% of which were promotions.

In line with the Group's expertise management policy, Faurecia particularly rewards performance in technical and technological areas. The Group offers its experts a specific career program, which has the added advantage of allowing it to enhance business-specific skills within each product line. In 2012, 37 experts and six senior experts were appointed in the "Product and Process Engineering" businesses. At the end of 2012, Faurecia had a total of 290 experts.

4.3. Strengthening economic and social dialog

4.3.1. AN ENVIRONMENT OF CONTRASTING BUSINESS ACTIVITY BY GEOGRAPHIC REGION AND TARGETED ACQUISITIONS

After a year marked by automobile production growth in 2011, 2012 saw Faurecia's sales grow in all geographic regions, with the exception of Europe, which was down very sharply at year's end.

Over the year, the number of employees grew by 8,795, rising from 72,030 at the end of 2011 to 80,825 at the end of 2012 (a 12.2% increase). This change was due to increased levels of business (6,619 new employees) and to acquisitions (2,176 new employees).

Industrial and job reclassification plans affected 15 sites and impacted more than 1,156 jobs in eight countries.

Change in the number of employees by region encompasses highly diverse realities due to the combined impact of business levels, restructuring and acquisitions.

In this context, Europe saw its workforce grow by 5.9% (3.6% at constant scope of consolidation), benefiting fully from Faurecia's participation in the consolidation of a number of markets, most notably in France with the acquisitions, for Faurecia Interior Systems, of the Mecaplast plant in Mornac and the Borgers plant in Saint Quentin and, for Faurecia Automotive Exteriors, of Plastal France and Sora Composites.

The North American workforce grew by 18.9% at constant scope of consolidation and by 26.4% including the acquisition in the United States of the Saline plant (Michigan). This reflects the Group's substantial growth in this market.

In South America, the number of employees rose significantly, with an overall increase of 13%, confirming Faurecia's growth in this geography.

Lastly, Faurecia continued to grow in Asia, where the number of employees grew by 28.2%, confirming the growth potential of this market and the good business momentum gained with automakers in this region.

4.3.2. GREATER SOCIAL DIALOG AND CONSULTATION WITH EMPLOYEE REPRESENTATIVES

Pursuant to the component on the development of economic and social dialog of the Code of Ethics in force since 2007, the Group's various entities continued an active policy of dialog and negotiation with employee representatives.

This policy led to the signing of 316 agreements in 22 countries in 2012, of which 135 in France, 86 in Germany, 46 in Brazil, 9 in Mexico, 5 in Tunisia and 4 in Argentina.

26 percent of agreements related to wages and benefits, 20% to statutory profit-sharing and incentive plans, and 30% to working conditions.

The European Works Council, a key body in the Group's economic and social dialog, is the preferred forum for exchanges with employee representatives on the Group's strategy, results and outlook.

As the agreement on the European Works Council expired on March 31, 2012, negotiations began in late 2011. A new four-year agreement was unanimously signed on January 10, 2012. It increases the resources allocated to elected officials and recognizes new rights (such as an increase in the hours granted to officers or the provision of interpreters for the meeting during which the annual results are presented).

The rules governing the split of the 25 seats resulted in each of the 15 European countries in which Faurecia operates being represented: Belgium regained a seat, while Austria saw the arrival of a representative.

It should be noted that the process of designating members under the new agreement led to the re-election of nearly 50% of the members of the European Works Council.

To enable them to perform their tasks in the best possible conditions, training is scheduled for the first quarter of 2013.

The European Works Council met in plenary session on April 18 and 19, 2012; the Council Board, comprising representatives of the six biggest countries in terms of workforce (i.e. France, Germany, Spain, Portugal, Czech Republic and Poland), met three times during the year.

For the first time, the last meeting of the year was held in Portugal. It was preceded by two plant visits, providing an opportunity for an exchange on the achievements of these plants in the fields of safety, employee empowerment and production.

4.3.3. RESPECT OF FUNDAMENTAL RIGHTS

Faurecia adhered to the UN Global Compact in 2004. By doing so, it committed to abiding by and promoting, in its business practices, a set of values and principles drawn from texts and international conventions relating to human rights, labor standards and the environment. Changes within the Group, the new requirements of our customers and new guidelines bearing on corporate social responsibility and sustainable development prompted Faurecia in 2007 to prepare a new version of its Code of Ethics mirroring the International Labour Organization's (ILO) Core Conventions.

4.3.3.1. Prohibition of child labor

Faurecia complies with national laws and regulations relating to child labor. It will not under any circumstances employ children under the age of 16, and abides by the provisions of the ILO relating to the health, safety and morals of young people aged between 15 and 18. The Faurecia group ensures that its suppliers and/or partners adhere to the same principles.

4.3.3.2. Elimination of all forms of forced labor

Faurecia is committed to the free choice of employment and the elimination of all forms of forced and compulsory labor. It ensures that its suppliers and/or partners adhere to the same principles.

4.3.3.3. Freedom of association and the effective recognition of the right to collective bargaining

Faurecia recognizes throughout the world the existence of unions and the right of workers to form the trade unions of their choice and/or to organize employee representation within the framework of prevailing laws and regulations. It is committed to protecting union leaders and members, and does not discriminate on the basis of positions held.

The Group is also committed to promoting a policy of dialog and negotiation. The Group's decentralized legal and managerial structure means that this policy results in the signing of collective bargaining agreements at the level of each plant on the one hand and within the relevant companies on the other hand.

4.3.3.4 Elimination of discrimination in respect of employment and occupation

The Group is committed not to discriminate against anyone, notably on the basis of age, sex, skin color, nationality, religion, health status or disability, sexual orientation, political, philosophical or union-related opinion in its recruitment and career development initiatives. Every employee has the right to work in a healthy environment, free from any form of hostility or harassment qualified as unlawful under the regulations and practices in force in the countries where the Faurecia group operates.

Faurecia accordingly specifically prohibits illegal conduct in the form of moral or sexual harassment, even in the absence of a hierarchical link or subordination.

4.3.4. COMPENSATION AND BENEFITS

The total amount of compensation paid, including social contributions increased (+11.3%) across the Group as a whole: €2,929.9 million in 2012, compared with €2,632.7 million in 2011. At the same time, the number of employees increased by 12.2%.

The Group adheres to current minimum wage legislation in each country. Wage negotiations are held in the majority of countries. They led to the signing of 81 agreements within the Group in 2012.

The variable compensation system – which is mainly based on collective performance targets – is applied consistently in all countries where the Group has operations. At the end of 2012, approximately 3,200 out of a total of 14,212 managers benefited from this system.

Studies aimed at harmonizing compensation practices were conducted for engineers and managers in key countries to support the practice of annual compensation reviews.

The new international mobility policy came into force on January 1, 2012.

4.4. Company savings, incentive and profit-sharing bonuses in the development of the Group

4.4.1. COMPANY SAVINGS SCHEMES IN FRANCE

In France, the Group has over the past few years implemented several mechanisms to allow employees to accumulate savings.

Since 2004, employees have had access to a Group Savings Plan (PEG) open to amounts distributed under profit-sharing and incentive plans, as well as voluntary contributions.

Many funds are available, including Faurecia Actionnariat, a mutual fund investing exclusively in Faurecia stock. Funds invested in the PEG at the end of 2012 totaled nearly €30 million, 10.7% of which invested in Faurecia Actionnariat (2,424 employees).

Employees now have a Collective Retirement Savings Plan (PERCO), set up in late 2012. Like the PEG, the PERCO is open to profit-sharing and incentive bonuses, and voluntary payments.

A defined-contribution pension plan was also introduced in 2006 for Group executives, completed in 2011 by an inter-company savings plan (PERI). The various retirement savings schemes have more than €54.5 million under management.

4.4.2. INCENTIVE PLANS IN FRANCE

All of the Group's French companies are covered by voluntary incentive plans, with the exception of three entities acquired in 2012.

The agreements in force establish how voluntary incentive payouts are calculated based on two sets of indicators:

- financial indicators pertaining to each company. This represents approximately 40% of the total voluntary incentive payout and is calculated and paid on a yearly basis;
- operational performance indicators calculated for each site and selected from among the Faurecia Excellence System indicators. This represents approximately 60% of the total voluntary incentive payout and is calculated and paid on a half-yearly basis.

Under these agreements, the incentive payment on fulfillment of objectives is capped at 6% of the payroll, although in exceptional cases it may be raised to 8% if objectives are exceeded, partly in proportion to the salary and partly on a uniform basis (depending on how long the person has worked for the Company).

Lastly, in recognition of the improvement of the Company's situation in 2011, and thereby to encourage the efforts of all staff, it was decided to pay an extra bonus of €350 (gross) per employee.

In 2012, €20.1 million was paid to employees under the incentive plan, of which €3.0 million invested in the Group's French employee savings plan.

4.4.3. PROFIT-SHARING IN FRANCE

The mandatory profit-sharing agreements of the various Group companies stipulate, for the most part, that employee profit-sharing calculated in accordance with the legal formula must be allocated among employees prorated on the basis of their compensation for the year in question, subject to compliance with regulatory limits.

The amounts allocated to the profit-sharing reserve may be held in a blocked current account or invested in the corporate mutual funds set up in connection with the Group employee savings plan (PEG) or retirement savings plan (PERCO).

In 2012, €3.5 million was invested in the Group’s French employee savings plan under the mandatory profit-sharing plan, out of a total of €8.6 million paid that same year.

4.4.4. STOCK OPTIONS AND SHARE GRANTS SUBJECT TO PERFORMANCE REQUIREMENTS

Faurecia has set up a performance share plan for its senior management, with a view to promoting motivation and fostering loyalty. It follows a procedure established by the Board of Directors at its meeting of December 17, 2009. The Annual Shareholders’ Meeting of May 26, 2011 authorized the Board of Directors to grant a maximum of 2,000,000 shares of the Company in keeping with this procedure. Based on this authorization, on July 23, 2012, the Board granted 1,049,100 shares to 255 beneficiaries, subject to performance requirements. An external performance condition compared with a benchmark group has been introduced in addition to the internal performance condition. In addition, the Board of Directors has approved an equivalent cash plan for six recipients in Russia and China.

As of December 31, 2012, stock options granted but not yet exercised totaled 1,126,725, with a further 2,336,200 performance shares liable to be granted by July 2016, subject to the associated performance conditions.

4.5. Other Employee-Related Data

TOTAL WORKFORCE IN 2012 VS 2011

	2012				2011				2012 vs 2011			
	Registered employees	Temporary employees	Total headcount	Of which % open-ended contracts (CDI)	Registered employees	Temporary employees	Total headcount	Of which % open-ended contracts (CDI)	Registered employees	Temporary employees	Total headcount	Of which open-ended contracts (CDI) (in points)
Europe	45,406	4,873	50,279	82.8%	43,349	6,510	49,859	79.3%	4.7%	-25.1%	0.8%	3.5
North America	18,189	3,237	21,426	73.0%	14,388	1,585	15,973	78.6%	26.4%	104.2%	34.1%	-5.6
South America	5,719	82	5,801	91.5%	5,057	123	5,180	91.0%	13.1%	-33.3%	12.0%	0.4
Asia	6,794	4,507	11,301	52.9%	5,301	3,651	8,952	52.0%	28.2%	23.4%	26.2%	0.9
Other	4,717	394	5,111	72.1%	3,935	280	4,215	65.4%	19.9%	40.7%	21.3%	6.8
FAURECIA	**80,825**	**13,093**	**93,918**	**76.9%**	**72,030**	**12,149**	**84,179**	**76.3%**	**12.2%**	**7.8%**	**11.6%**	**0.6**

Total employees

The Group's total workforce increased by 9,739 people, or 11.6%, in 2012. Excluding acquisitions, the total workforce increased by 6,757 people, or 8.0%.

The proportion of staff employed on open-ended contracts increased from 76.3% to 76.9%. The proportion of staff on fixed-term contracts decreased from 9.3% to 9.2%, and the proportion of temporary staff fell from 14.4% to 13.9%. Total employment grew in all geographic areas in 2012.

Registered employees

The Group's registered employees increased by 8,795 people in 2012 (+12.2%). The increase was particularly marked in North America (+3,801), Europe (+2,057) and Asia (+1,493).

The trend was attributable partly to new businesses acquired in 2012 (Saline in the United States, Mecaplast in the Czech Republic, and Borgers/Mecaplast/Plastal and Sora in France).

These acquisitions resulted in 2,163 new employees joining the Group, of which 1,086 in Europe and 1,077 in North America.

On a like-for-like basis, registered employees increased by 6,632 people (+9.2%). This reflects business growth, primarily in North America and Asia.

Temporary employees

The calculation of the number of temporary employees is based on the full-time equivalent hours of work provided in December 2012.

The number of temporary employees rose by 944 people in 2012 (+7.8%). Excluding acquisitions, the increase numbered 125 people (+1.0%).

As of end-December 2012, the interim rate was 13.9%, a decline of 0.5 percentage points compared with 2011. In Europe, the rate fell from 13.0% to 9.7%.

Western Europe, which was particularly impacted by lower production volumes, saw the interim rate fall sharply to 7.5%, with 9.9% in Germany, 5.2% in France, 4.4% in Spain and 2% in Portugal.

REGISTERED EMPLOYEES IN 2012 VS 2011

	2012 registered employees				2011 registered employees				
	Operators & workers	Technicians, foremen & administrative staff	Managers & professionals	Total	Operators & workers	Technicians, foremen & administrative staff	Managers & professionals	Total	Year-on-year change
Europe	29,101	8,347	7,958	45,406	27,922	7,932	7,495	43,349	4.7%
North America	13,695	1,280	3,214	18,189	10,715	1,098	2,575	14,388	26.4%
South America	3,841	1,348	530	5,719	3,354	1,249	454	5,057	13.1%
Asia	3,054	1,272	2,468	6,794	2,258	1,078	1,965	5,301	28.2%
Other	3,698	576	443	4,717	3,042	536	357	3,935	19.9%
FAURECIA	**53,389**	**12,823**	**14,613**	**80,825**	**47,291**	**11,893**	**12,846**	**72,030**	**12.2%**

Registered employees increased by 12.2% in 2012. On a like-for-like basis, registered employees increased by 9.2%.

In Europe, registered employees increased by 4.7%, of which 4.2% for operators and workers, 5.2% for technicians, foremen and administrative staff, and 6.2% for managers.

This increase was due, in part, to the integration of 1,086 employees who joined the Group as a result of the acquisitions of Mecaplast in the Czech Republic (166 people) and Borgers/Mecaplast/Plastal and Sora in France (920 people).

At constant scope of consolidation, the number of registered employees increased by 2.2%, positively impacted by higher volumes in Germany, Poland and Slovakia in particular.

In North America, the number of registered employees grew by 26.4% across all categories. The impact of the consolidation of the 1,077 employees of Saline in the United States accounted for nearly 30% of the increase.

On a like-for-like basis, the number of registered employees increased by 18.9% due to increased production volumes, mainly in Mexico and the USA.

In South America, the number of registered employees grew by 13.1%, mainly in Brazil and Uruguay. Numbers were up by 14.5% for operators and workers, 7.9% for technicians, foremen and administrative staff, and 16.7% for managers.

In Asia, the number of registered employees rose by 28.2%, mainly in China (32.5%), but also in India (+20.8%) and Thailand (+90.9%).

Other countries experienced an increase of 19.9% in the number of registered employees attributable, in particular, to strong activity in Russia (+85.7%), Turkey (+58.9%) and South Africa (+12.2%).

REGISTERED EMPLOYEES BY TYPE OF CONTRACT ON 12/31/2012 VS 12/31/2011

	2012			2011			2012 vs 2011		
	Open-ended contracts (CDI)	Fixed-term contracts (CDD)	Total	Open-ended contracts (CDI)	Fixed-term contracts (CDD)	Total	Open-ended contracts (CDI)	Fixed-term contracts (CDD)	Total
Europe	41,608	3,798	45,406	39,519	3,830	43,349	5.3%	-0.8%	4.7%
North America	15,631	2,558	18,189	12,552	1,836	14,388	24.5%	39.3%	26.4%
South America	5,307	412	5,719	4,716	341	5,057	12.5%	20.8%	13.1%
Asia	5,983	811	6,794	4,657	644	5,301	28.5%	25.9%	28.2%
Other	3,686	1,031	4,717	2,755	1,180	3,935	33.8%	-12.6%	19.9%
FAURECIA	**72,215**	**8,610**	**80,825**	**64,199**	**7,831**	**72,030**	**12.5%**	**9.9%**	**12.2%**

Fixed-term contracts signed for periods exceeding two years are treated as open-ended contracts regardless of the geographic region.

The number of employees working on open-ended contracts increased by 8,016 (+12.5%) and the number of employees working under fixed-term contracts increased by 779 (+9.9%).

On a like-for-like basis, the number of employees working on open-ended contracts increased by 5,893 (+9.2%) and the number of employees working under fixed-term contracts increased by 739 (+9.4%).

The breakdown by type of contract was stable in 2012 compared with 2011. Permanent staff accounted for 89.3% of the Group's registered employees in 2012, versus 89.1% in 2011.

Acquisitions added 2,123 open-ended contracts, of which 1,046 in Europe (Czech Republic and France) and 1,077 in North America (USA). This represents 26.5% of the increase in this type of contract.

On a like-for-like basis, the number of permanent contracts increased by 1,043 in Europe, primarily in Poland and Slovakia, and by 2,002 in North America (mainly Mexico).

Change in other regions was also positive, with increases of 591 in South America, 1,326 in Asia (China and India) and 931 in other countries (mainly Russia), in line with the recovery and growth in activity.

The number of fixed-term contracts increased by 9.9%. They accounted for 10.6% of employees at the end of 2012, compared to 10.9% at the end of 2011. The number of employees working under this type of contract rose by 779, mainly in North America (Mexico) and Asia (China), so as to ensure a rapid response to the upturn in business in these regions.

AGE PYRAMID BY GENDER – 12/31/2012

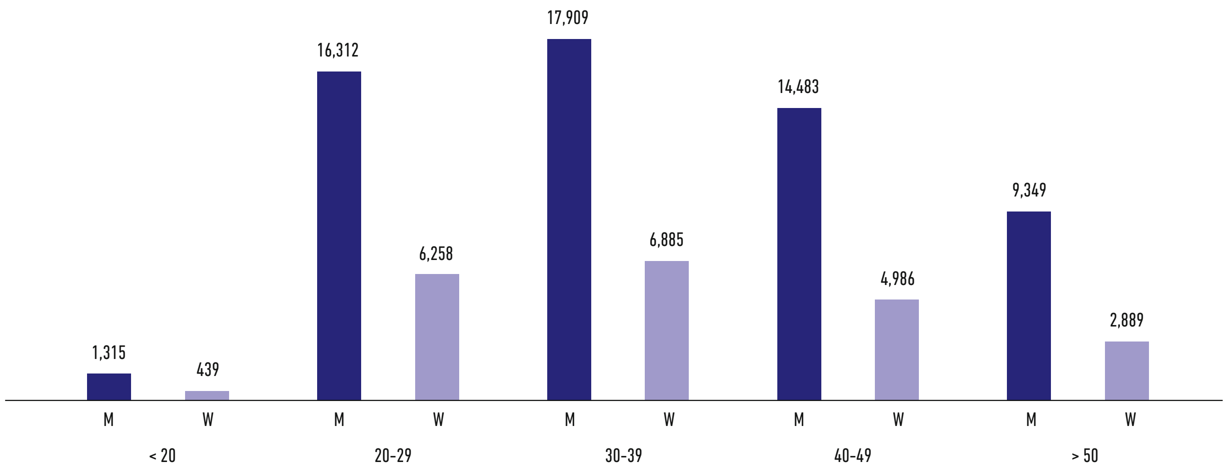
Registered employees	< 20		20-29		30-39		40-49		> 50		Total	
	Men	**Women**	**Men**	**Women**	**Men**	**Women**	**Men**	**Women**	**Men**	**Women**	**Men**	**Women**
Operators & workers	1,150	329	11,876	4,349	10,994	4,547	8,507	3,602	5,874	2,161	38,401	14,988
Technicians, foremen & administrative staff	165	110	2,512	1,105	2,784	1,010	2,392	706	1,573	466	9,426	3,397
Managers & professionals	0	0	1,924	804	4,131	1,328	3,584	678	1,902	262	11,541	3,072
TOTAL	**1,315**	**439**	**16,312**	**6,258**	**17,909**	**6,885**	**14,483**	**4,986**	**9,349**	**2,889**	**59,368**	**21,457**

Women accounted for 26.6% of the Group's registered employees, an increase of 0.6% compared with 2011.

The Group's registered employees are relatively young: 60.8% are aged under 40 years and 30.1% under 30.

A total of 12,238 registered employees are aged over 50 (15.1%).

For all age brackets, the breakdown by staff category was stable year-on-year, with 66% of registered employees among operators and workers and 16% among technicians, foremen and administrative staff, and 18% among managers and professionals.



IMPACT OF CHANGES IN SCOPE IN 2012 ON REGISTERED EMPLOYEES

New registered employees	Open-ended contracts (CDI)	Fixed-term contracts (CDD)	Total	Operators & workers	Technicians, foremen & administrative staff	Managers & professionals
Europe	1,046	40	1,086	719	270	97
North America	1,077	0	1,077	851	-	226
South America	-	-	-	-	-	-
Asia	-	-	-	-	-	-
Other	-	-	-	-	-	-
FAURECIA	**2,123**	**40**	**2,163**	**1,570**	**270**	**323**

This table summarizes the impact of changes in scope in 2012 by contract type and staff category.

98% of the employees added under these acquisitions have open-ended contracts.

73% are operators and workers, 12% technicians, foremen and administrative staff, and 15% managers and professionals, a slightly different profile from that observed prior to the change in scope due to the inclusion of sites with high levels of direct labor.

EXTERNAL HIRES IN 2012 VS 2011

	2012			2011			2012 vs 2011		
Registered employees	Hires Open-ended contracts (CDI)	Hires Fixed-term contracts (CDD)	Total	Hires Open-ended contracts (CDI)	Hires Fixed-term contracts (CDD)	Total	Hires Open-ended contracts (CDI)	Hires Fixed-term contracts (CDD)	Total
Europe	2,428	3,423	5,851	2,515	3,909	6,424	-3.5%	-12.4%	-8.9%
North America	2,924	6,394	9,318	4,138	4,495	8,633	-29.3%	42.2%	7.9%
South America	1,660	362	2,022	1,544	335	1,879	7.5%	8.1%	7.6%
Asia	1,995	1,044	3,039	1,417	656	2,073	40.8%	59.1%	46.6%
Other	1,080	858	1,938	734	720	1,454	47.1%	19.2%	33.3%
FAURECIA	**10,087**	**12,081**	**22,168**	**10,348**	**10,115**	**20,463**	**-2.5%**	**19.4%**	**8.3%**

This table shows year-on-year changes in hiring, excluding changes in scope and excluding the impact of transfers from fixed-term to open-ended contracts.

The number of hires as a whole increased by 8.3% compared with 2011. A decline of 2.5% was recorded for open-ended contracts.

Hires on fixed-term contracts increased by 19.4%.

This increase followed the growth of more than 50% recorded in the prior year, in view of the upturn in the automotive industry worldwide.

In Europe, hires on open-ended contracts were made primarily in Poland (31.8%), Germany (16.8%) and France (16.5%), with other countries in the region recording lower hiring volumes than in 2011 in line with the downturn in activity.

The same trend was observed on fixed-term contracts.

In North America, 2,924 hires were made on open-ended contracts, compared with 4,138 in 2011. By contrast, hires on fixed-term contracts rose sharply, from 4,495 in 2011 to 6,394 in 2012, notably in Mexico, so as to ensure a quick response to increased activity.

In South America, the volume of new hires grew compared with 2011, confirming the strength of this region, particularly in Brazil. In Asia, volumes of new hires were up nearly 50% compared with 2011, mainly in China and Thailand.

In other countries, mainly Russia and Turkey, the consolidation of the Group's industrial sites and their increased workload explains the growth of more than 33% in new hires compared with 2011, for all types of contracts.

EXTERNAL HIRES IN 2012 VS 2011

Registered employees	2012 Operators & workers	2012 Technicians, foremen & administrative staff	2012 Managers & professionals	2012 Total	2011 Operators & workers	2011 Technicians, foremen & administrative staff	2011 Managers & professionals	2011 Total
Europe	3,903	1,128	820	5,851	4,485	1,157	782	6,424
North America	7,834	557	927	9,318	7,231	546	856	8,633
South America	1,399	557	66	2,022	1,206	609	64	1,879
Asia	1,785	534	720	3,039	916	516	641	2,073
Other	1,593	206	139	1,938	1,126	214	114	1,454
FAURECIA	**16,514**	**2,982**	**2,672**	**22,168**	**14,964**	**3,042**	**2,457**	**20,463**

Operators and workers represented 74.5% of external hires in 2012, compared with 13.5% for technicians, foremen and administrative staff, and 12% for managers and professionals, compared with 73%, 15% and 12% respectively in 2011. These figures do not include changes in scope in 2012.

Hiring of operators and workers increased by more than 10% in 2012. All geographic regions with the exception of Europe recorded an increase due to the growth and recovery of activity in these regions.

In Europe, hires of operators and workers fell by nearly 13% due to the slowdown.

The volume of hires of recruitment of technicians, foremen and administrative staff decreased slightly by 2% this year, following strong growth in this category in 2011.

Asia was the only region to see an increase in hiring volumes of technicians in 2012.

Hiring of managers and professionals grew for the second consecutive year. The volume of new hires in this category increased by nearly 9% in 2012.

Increases were recorded in all geographic regions.

TRANSFERS FROM FIXED-TERM TO OPEN-ENDED CONTRACTS IN 2012 VS 2011

Registered employees	2012 Operators & workers	2012 Technicians, foremen & administrative staff	2012 Managers & professionals	2012 Total	2011 Operators & workers	2011 Technicians, foremen & administrative staff	2011 Managers & professionals	2011 Total
Europe	1,171	207	103	1,481	539	185	58	782
North America	2,443	121	115	2,679	1,461	56	74	1,591
South America	0	29	1	30	2	49	0	51
Asia	249	19	7	275	84	10	5	99
Other	383	8	3	394	167	15	4	186
FAURECIA	**4,246**	**384**	**229**	**4,859**	**2,253**	**315**	**141**	**2,709**

The number of transfers from fixed-term to open-ended contracts increased by 80% in 2012, with increases of 88% for operators and workers, 22% for technicians, foremen and administrative staff, and 62% for managers and professionals.

The increase came amidst a slight decline in volumes in external hires on open-ended contracts in 2012, by focusing on strengthening this type of contract internally and in a sustainable manner.

By volume and percentage, it was particularly marked in Europe (Germany, Poland and Slovakia) and North America (Mexico).

DEPARTURES (BROKEN DOWN BY REASON) IN 2012 VS 2011

Registered employees	2012 Resignations (open-ended contracts)	2012 Individual layoffs	2012 Group layoffs	2012 Other	2012 Total	2011 Resignations (open-ended contracts)	2011 Individual layoffs	2011 Group layoffs	2011 Other	2011 Total
Europe	1,159	1,221	442	1,996	4,818	1,180	1,013	1,148	1,953	5,294
North America	1,430	3,736	86	1,387	6,639	1,477	1,863	89	2,030	5,459
South America	248	824	26	263	1,361	288	807	0	233	1,328
Asia	630	365	0	559	1,554	514	187	0	313	1,014
Other	320	364	11	469	1,164	156	298	0	379	833
FAURECIA	**3,787**	**6,510**	**565**	**4,674***	**15,536**	**3,615**	**4,168**	**1,237**	**4,908**	**13,928**

* *Including 4,316 upon expiration of fixed-term contracts.*

The number of employees who left the Group totaled 15,536 in 2012, compared with 13,928 in 2011, an increase of 11.5%. Of these departures, 30% corresponded to the expiration of fixed-term contracts.

Resignations accounted for 24.4% of departures in 2012, compared to 27.6% in 2011. The highest rises were recorded in Asia and in other countries, which had strong labor markets in 2012. By contrast, the number of resignations decreased by 1.8% and 3.2% respectively in Europe and North America.

Individual and group layoffs (including negotiated contract terminations) accounted for 45.5% of total departures, compared with 38.8%.

TRAINING HOURS IN 2012 VS 2011

	2012 Training hours	2012 Training hours per employee	2011 Training hours	2011 Training hours per employee
Europe	847,847	20	831,881	21
North Amæerica	312,680	19	254,889	20
South America	78,592	16	60,857	14
Asia	296,552	50	292,702	63
Other	85,748	21	137,280	38
FAURECIA	**1,621,419**	**22**	**1,577,609**	**25**

Training hours include hours provided to the Group's internally registered workforce, via an attendance record, and its external workforce.

The average number of training hours edged down in 2012. It was 22 hours per employee across the Group, compared with 25 hours in 2011, due to the big increase in registered employees.

The total number of training hours in 2012 increased by nearly 3% over the period, positively impacted by sustained training programs in Asia (China), North America (USA and Mexico) and South America (Brazil).

EXPATRIATES BY DESTINATION IN 2012 VS 2011

	2012	2011
Europe	67	69
North America	66	36
South America	26	20
Asia	76	67
Other	35	25
FAURECIA	**270**	**217**

The number of expatriates increased by 24.4% Group-wide in 2012, notably in North America and Asia. Growth in the number of expatriates, of 24 different nationalities in 2012, is aimed at supporting the Group's international growth.

DISABLED EMPLOYEES IN 2012 VS 2011

	2012	2011
Europe	1,144	1,131
North America	17	16
South America	18	29
Asia	6	3
Other	21	18
FAURECIA	**1,206**	**1,197**

Faurecia employs more than 1,200 disabled people, the vast majority in Europe. The criteria used to define disabled employees are those set down in the legislation of each country. In Europe – particularly France and Germany – such legislation tends to favor a more proactive approach than in other countries. The proportion of disabled employees in France and Germany was stable, representing just over 4% of the Group's workforce.

WORK SCHEDULES IN 2012

Registered employees	Two 8-hr shifts (1)	Three 8-hr shifts (2)	Weekend (3)	Other	Total
Europe	12,133	14,581	472	18,220	45,406
North America	1,954	8,222	176	7,837	18,189
South America	650	3,129	0	1,940	5,719
Asia	2,366	717	0	3,711	6,794
Other	1,580	1,897	0	1,240	4,717
FAURECIA	**18,683**	**28,546**	**648**	**32,948**	**80,825**

(1) Two shifts.
(2) Three shifts.
(3) Reduced weekend hours.

Staff work schedules within the Group are aimed at meeting customer needs, based on production capacity at our sites. Shift work and weekend work mainly concern the production sites, and together account for 59.2% of the Group's registered employees. Faurecia uses partial unemployment schemes in countries where the possibility for such arrangements exists, depending on business trends and, more specifically, stoppages decided by customers.

PART-TIME STAFF IN 2012 VS 2011

	Part-time staff 2012	Part-time staff 2011
Europe	701	736
North America	0	0
South America	0	0
Asia	0	20
Other	0	0
FAURECIA	**701**	**756**

Practically all of the Group's part-time employment contracts are in Europe, particularly France and Germany. Part-time staff accounted for 2.3% of the Group's regular employees in France in 2012, compared with 2.7% in 2011, and 2.0% in Germany.

565 women and 136 men work part time.

OVERTIME IN 2012 VS 2011

	2012		2011	
	Overtime (in hours)	% hours worked	Overtime (in hours)	% hours worked
Europe	1,877,016	2.5%	2,060,051	2.9%
North America	4,752,621	13.2%	4,148,149	14.8%
South America	591,114	6.2%	505,937	6.1%
Asia	1,703,160	13.0%	1,628,089	14.9%
Other	648,616	7.7%	784,126	10.0%
FAURECIA	**9,572,526**	**6.8%**	**9,126,353**	**7.2%**

Overtime hours are determined in accordance with the legislation of each country. The 0.4-percentage-point decline observed between 2011 and 2012 was attributable mainly to a reduction in overtime in Europe, where the volume was reduced by 9%, given the slowdown in activity.

ABSENTEEISM IN 2012 VS 2011

	Absenteeism rate 2012	Absenteeism rate 2011
Europe	3.2%	3.1%
North America	1.6%	1.7%
South America	2.3%	2.4%
Asia	0.5%	0.5%
Other	2.8%	2.6%
FAURECIA	**2.4%**	**2.5%**

Absenteeism reported was due to illness, workplace accidents and various unauthorized absences. The number of hours of employee absence was up 8% in 2012 compared with 2011, rising from 3.2 million to 3.5 million hours in total. Over the period, the number of hours worked increased by 12% from 126.6 million to 141.7 million hours. This had the mechanical effect of lowering the rate for the Group as a whole by 0.1 percentage points in 2012.

SUBCONTRACTING IN 2012 VS 2011

	2012			2011		
	One-off subcontracting projects	Ongoing subcontracting	Total	One-off subcontrac-ting projects	Ongoing subcontrac-ting	Total
Europe	719	1,673	2,392	599	1,666	2,265
North America	115	371	486	105	237	342
South America	162	359	521	182	315	497
Asia	178	589	767	102	592	694
Other	79	178	257	36	279	315
FAURECIA	**1,253**	**3,170**	**4,423**	**1,024**	**3,089**	**4,113**

4,423 subcontractors worked on our sites in 2012.

The use of subcontractors increased by more than 7.5% in 2012.

This rise was mainly due to the integration of subcontractors in relation to our changes in scope in 2012 in Europe and North America.

Use of subcontractors was also considerable in Asia as a result of strength of our business in the region.

CULTURAL AND SOCIAL SECURITY BENEFITS IN 2012 *(IN € THOUSANDS)*

	Accommodation	Transportation	Catering	Medical care	Supplementary health and personal risk insurance	Subsidies	Total
Europe	2,175	10,270	8,915	4,209	20,732	4,590	50,891
North America	4,968	8,293	1,852	13,553	4,617	711	33,994
South America	1,685	3,037	4,822	3,427	450	563	13,984
Asia	6,707	4,581	3,926	9,819	5,809	388	31,230
Other	438	1,628	1,208	1,676	305	37	5,294
FAURECIA	**15,973**	**27,809**	**20,724**	**32,684**	**31,913**	**6,290**	**135,392**

The total was up by more than 27% in 2012.

In addition to the increase in this item of expenditure following changes in scope, supplementary protective measures (medical services, mutual and risk insurance) were established, particularly in Asia (China and India) and North America in order to back the development and support of our employees in these regions.

5

Quality

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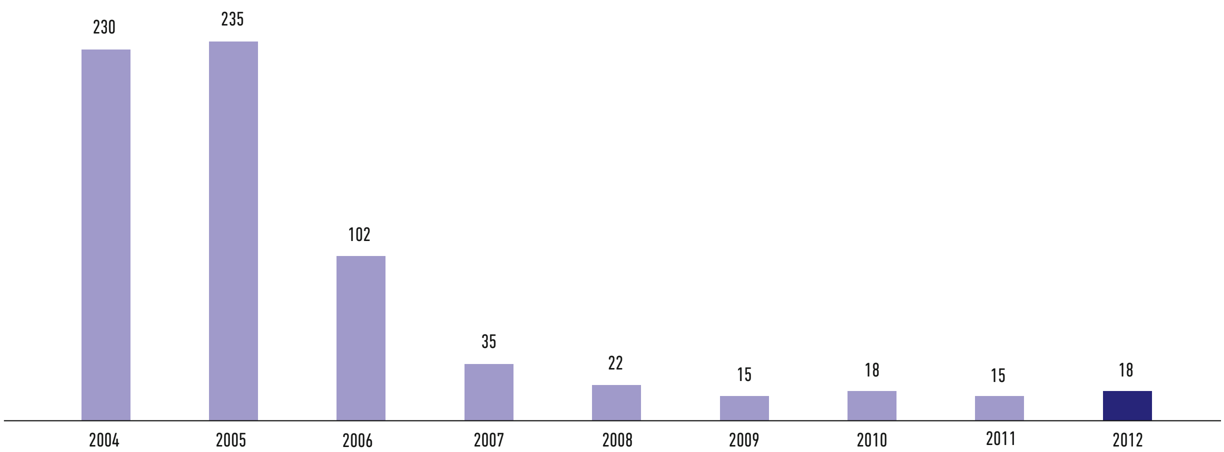
5.1. Quality achievements

Faurecia's quality performance, measured as the average half-yearly rate of customer rejects per million parts delivered (ppm), was virtually stable despite the consolidation in 2011 and 2012 of new sites such as the plants of Angell Demmel, Plastal France, Ford Saline and plants acquired from Borgers and Mecaplast in France.

PPM EXTERNAL CUSTOMERS AS OF DECEMBER 31 (ON A SIX-MONTHLY ROLLING BASIS)



The strict application of the methods laid down in the Breakthrough Quality Plan allowed sites acquired in 2011 and 2012 to meet Faurecia's quality performance. The Breakthrough Quality Plan, launched in 2006, has now reached maturity. Faurecia's major customers now acknowledge that Faurecia offers one of the highest levels of quality worldwide. Detailed monitoring of specific performance for each customer has been introduced in order to ensure that corrective measures are taken immediately to address any quality issues at a given plant. Every major problem is addressed by means of systematic transversal action at the sites in question in order to prevent any recurrence.

Twelve plants currently have a result above 50 ppm, with delivery volumes exceeding 100,000 parts per month. One of Faurecia's priorities for 2013 is to reduce the disparity between plants and ensure that all plants achieve a result of less than 50 ppm.

Faurecia has benefited from its quality problem solving experience by developing its methodology along the lines of a new concept, Quick Response to Continuous Improvement (QRCI). QRCI is a management approach whereby all defects must be dealt with through corrective action immediately, within 24 hours at the latest, working from an in-depth analysis to pinpoint the root causes of the problems and determine appropriate technical solutions that can be used across all Group businesses. It is applied Company-wide, from production line operators to workshop and site managers, as well as in project development teams and development centers.

Despite the consolidation of new plants and new technologies, Faurecia managed to stabilize its scrap rate. A structured approach to reducing scrap rates will help achieve the objective of a further 20% reduction in 2013.

5.2. Faurecia Excellence System (FES)

The Faurecia Excellence System is based on objectives assigned in each of the following four categories: leadership, development, production and customers.

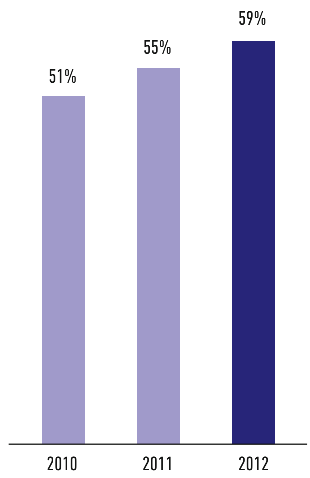
Faurecia organizes an annual three-and-a-half-day training program for all plant and program managers to reinforce their knowledge of the FES. In 2013, Faurecia organized events in China, North America, South America, Northern Europe and Southern Europe. Training includes theoretical work, but is dominated by fieldwork in plants. For this reason, Faurecia holds the courses in plants that have received very good results in FES audits.

The Faurecia Excellence System Production audit plan was continued in plants in 2012, to ensure the effective deployment of FES at all levels of the organization and in all the countries where Faurecia's business is expanding.

The 2009 audit reference framework provides for a simple and structured 14 point assessment.

The A/B/C/D rating awarded after the audit is a tool used to motivate management. Each site that receives a "D" must submit an immediate adjustment plan to Faurecia's Chairman. Results show ongoing improvement year-on-year. One hundred and thirty-eight plants were audited by Faurecia group auditors in 2012. The number of plants obtaining an A (Excellent) was 33 in 2012. The percentage of plants considered to be good (A or B) stood at 59% in 2012. A total of 112 plants have received a second audit. Seventy-one percent of them obtained good scores (A or B).

PERCENTAGE OF PLANTS RATED A OR B FOLLOWING THE FES AUDIT



5.3. Customer awards

In 2012, Faurecia received several customer awards.

At the Faurecia group level:

- Renault Global Quality Award for continuous improvement over several years, and for consistent quality performances worldwide.

At the production site level:

- the Almussafes site (Spain), Faurecia Interior Systems Business Group, received a Silver World Excellence Award from the Ford Motor Company;
- the Valencia Quart de Poblet site (Spain), Faurecia Interior Systems Business Group, received a Silver World Excellence Award from the Ford Motor Company;
- the Cleveland site (USA), Faurecia Automotive Seating Business Group, received a Supplier Quality Excellence Award from General Motors;
- the Pretoria site (South Africa), Faurecia Interior Systems Business Group, received a Supplier Quality Excellence Award from General Motors;
- the Bakov site (Czech Republic), Faurecia Emission Control Technologies Business Group, received a Supplier Quality Excellence Award from General Motors;
- the Augsburg site (Germany), Faurecia Emissions Control Technologies Business Group, received a Supplier Quality Excellence Award from General Motors;
- the Wuhan site (China), Faurecia Automotive Seating Business Group, received a Supplier General Manager Special Award by Dong Feng Peugeot Citroën Automotive (DPCA);
- the Changchun Frames site (China), Faurecia Automotive Seating Business Group, received a Best Top 10 Best Quality Suppliers Award from First Automobile Works Volkswagen (FAW-VW);
- the Guangzhou Frames site (China), Faurecia Automotive Seating Business Group, received an Excellent Quality Performance award from DFL (Dongfeng Nissan);
- the Anting site (China), Faurecia Automotive Seating Business Group, received a Quality System Basics Outstanding Process award from General Motors Shanghai;
- the Wuhan site (China), Faurecia Emissions Control Technology Business Group, received a Supplier Quality Excellence Award from the Ford Motor Company;
- the Nanjing site (China), Faurecia Emissions Control Technology Business Group, was recognized as an Excellent Quality Supplier by Changan Ford Mazda Automotive (CFMA);
- the Changchun site (China), Faurecia Emissions Control Technology Business Group, received multiple awards:
  - Excellent Supplier 2012 from First Automobile Works (FAW),
  - Excellent Supplier 2012 from First Automobile Works-FAW Car Company (FAW-FCC),
  - Excellent Quality Prize from FAW-VW.

5.4. Outlook 2013

Objectives for 2013 are:

- ongoing quality performance optimization;
- more widespread improvement in quality performance, bringing individual plant performance below 50 ppm;
- 20% reduction in scrap between 2012 and 2013.

These objectives will be achieved by pressing forward with the roll out of the Faurecia Excellence System in all Group plants, with an upgrade of the newly acquired sites. The Faurecia Excellence System target is for 70% of plants to be classed A or B by the FES audit system in 2013.

6

Research and development

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Innovation and product development represent a strategic challenge for Faurecia. These activities are structured around two main divisions:

- the Research and Innovation Unit, which covers upstream activities prior to program acquisitions. This Unit is critical to enabling the Group to provide an appealing and competitive offering to its customers, which it achieves by designing new products and processes, proposing innovative solutions and developing generic products and processes;
- the Program Engineering Unit, which covers vehicle applications. It is a downstream unit responsible for ensuring that programs are completed within the required timeframes, cost and quality levels.

R&D represented gross expenditure of €943 million in 2012 (5.4% of sales). Of this, €110 million was devoted to innovation.

Some 5,500 engineers and technicians based in 30 centers represent the Group's global R&D community. 460 patents were filed in 2012.

Technological development and innovation are key priorities for Faurecia. In support of this priority, Faurecia confirmed its policy of joint efforts with the academic world in 2012, signing strategic partnership contracts including an agreement with the Fraunhofer Institut für Chemische Technologie in Germany and the establishment of new industrial chairs: with *École Supérieure d'Électricité* (Supélec) for mechatronics, with *École Centrale de Paris* (ECP) and Technische Universität Munchen (TUM) in Munich for assembly lines and logistics, and with Technische Universität Dortmund (TUD) for metallic materials and their processing. Industrial chairs are medium-term bilateral contracts concluded between industry and educational institutions with the purpose of encouraging work on technology and innovative processes. They bring together teachers, PhD and/or post-doctoral students, and masters candidates in the appropriate disciplines for periods of approximately five years.

Faurecia has also implemented an ambitious deployment and monitoring plan in respect of internal expertise. Some 300 experts now combine skills in the Group's 60 areas of expertise. The pooling of experts as appropriate ensures optimal use of skills. Areas of expertise were reviewed in 2012 in order to adapt to technological developments and the new product ranges that Faurecia aims to master in the future.

General Management's involvement in monitoring innovation plans via the Technology Leadership Seminar, the Technology Sessions and participation in the Experts' Forum, shows that the Company is committed to technology and innovation, believing these to be key drivers of its success.

6.1. Market Expectations

Market trends

Consumer expectations and societal changes are the two main drivers of change within the market. Regulatory change, which mirrors societal change, aims to reduce the impact of automobiles on the environment across all major automotive markets. The globalization of the automotive markets and swift change in consumption patterns and tools, particularly in the field of electronics, have prompted automakers to look for new solutions enabling them to offer diverse, customizable and financially attractive product ranges.

Reduced fuel consumption, a growing imperative

In response to change in the regulations governing carbon dioxide emissions, the automotive industry has dramatically reduced fuel consumption by improving the efficiency of drivetrains, increasing electrification, and reducing friction and weight. Significant progress has already been made, resulting in a reduction in the average weight of a B segment vehicle from 1,250 kg to 1,100 kg. The widely shared goal of 800 kg will require breakthroughs in design and materials. Characterized by an excellent ratio of weight to resistance, plastic composites have the added advantage of integrating related functions, and will therefore play an increasingly important role in the next generation of vehicles. A technological breakthrough will nevertheless be necessary to meet the economic constraints of mass production. Faurecia is already very active in the various areas that help reduce vehicle weight: it offers new products and architectures, and is working to develop alternative materials and new manufacturing processes. These innovations already enable Faurecia to offer weight reductions of up to 60 kg.

By adding to its expertise in the field of vehicle interiors and exteriors, and by integrating structural composite technologies, Faurecia is equipped to make an additional contribution of up to 50 kg to its customers' reduction targets in terms of vehicle weight.

Environmental performance

Emissions of all combustion-related pollutants are subject to standards that, while specific to each market, are converging towards a drastic reduction. And while reducing fuel consumption has the direct effect of reducing emissions, the use of smaller turbocharged engines results in increased levels of pressure and higher temperatures in combustion chambers, which is damaging in terms of emissions of gas, pollutants and particulates.

Increasingly widespread in gasoline engines, direct fuel injection allows the engine to work leanly and to limit consumption, but generates particles that may require treatment in the exhaust system.

For diesel engines, regulatory change combined with high temperatures generating nitrogen oxides will result in the widespread adoption of post-treatment in the exhaust system for such programs by 2018 in most markets.

By mastering all aspects of the design and production of exhaust systems, Faurecia is able to provide systems integrating the most efficient pollutant and particle treatment technologies in an optimized volume.

Sustainable development and use of raw materials

In addition to their contribution in reducing vehicle weight and cutting fuel consumption, materials are increasingly chosen and designed to satisfy regulatory constraints and societal expectations, in respect of both the end of vehicle lives and the environmental footprint.

Europe is leading the way in the treatment of end-of-life vehicles: it has imposed a reuse and recovery rate of more than 95% of vehicle weight, and a reuse and recycling rate of over 85% by 2015. This makes the recyclability of synthetic materials such as plastics – an area in which Faurecia is already very active – a key challenge in developing the vehicle of tomorrow for the automotive industry, and as such for Faurecia. In the longer term, the same will go for composites.

As with alternative energy sources, the development of biosourced resins associated with natural fiber reinforcements will ultimately allow the car to survive the depletion of oil resources. Faurecia is already making a contribution by developing technology strategies and innovative partnerships in these two areas.

Attractiveness

With more than half the global population now living in urban areas, average travel distances are decreasing, while time spent driving is on the rise. Vehicles are becoming living spaces in which users expect comfort, quality and seamless connectivity with their personal and professional environments. In all segments, users are looking for consistency between the look, feel and functionality of equipment. Accordingly, while the use of wood, aluminum and leather is indispensable for interiors in the upper segments, alternative technologies can increasingly provide a premium touch in the intermediate segments.

Connectivity is where the need for seamlessness is greatest: the cabin must naturally accommodate portable devices and use the information they provide within the constraints imposed by driving.

The pursuit of well-being also involves seats with extended functions: optimal positioning aids, temperature management and multi-zone massages.

From the body to the cockpit and the seats, the products supplied by Faurecia represent the main interfaces between the vehicle and the user. Continuous technological innovation helps us meet the expectations of automakers in terms of style, attractiveness, comfort, perceived quality and durability.

Competitiveness

Cost overruns and increased diversity are the downsides of the increase in embedded equipment and the increasing number of versions of bodywork, trims and equipment. The standardization of components not specific to the various versions and their extension to all production sites in the context of platform strategies can help automakers offset these additional costs. For suppliers, the ability to adapt to the platform strategy and offer cross-cutting solutions for several automakers can help reduce costs and lead times, without sacrificing quality.

By offering pre-developed products, rolled out globally, Faurecia is making a contribution to the strategy of streamlining costs imposed by automakers, while continuing to provide the highest level of technical performance.

6.2. Research and Innovation

In 2012, investment in innovation was increased, with the following five objectives: reduce fuel consumption, environmental performance, increase use of renewable materials, increase attractiveness and boost competitiveness. Overall research and innovation performance is based on three pillars: a systems approach, optimized product design and control, and technological developments.

6.2.1. DESIGN APPROACH

Systems approach

Faurecia develops and supplies complete modules such as seats, front-end modules, cockpits and exhaust systems. It develops its own product architectures for each module.

Faurecia develops systems engineering in each of the areas covered by the modules it designs. In 2012, Faurecia made particular efforts to enhance its expertise in mechatronics, with the creation of an electronics laboratory in Brières (France) and an industrial chair of automobile mechatronics with Supélec and ESIGELEC (France), devoted to mechatronics.

Faurecia also reinforced its expertise in the optimization of assembly lines and logistics through the creation of an industrial chair with *École Centrale Paris* (ECP, France) and the *Technische Universität Munchen* (TUM, Germany).

Product design and process

Product design and processes are central to the activity of its engineering teams. Faurecia develops its own rules and design standards. This guarantees a high level of robustness and a competitive advantage.

Its design rules are part of knowledge management, and result in technical training.

This approach has allowed it to develop lighter products than the competition and given it benchmark price/performance ratios.

The industrial chair of composites with *École Centrale de Nantes* (France) and processing methods for metal materials with the *Technische Universität Dortmund* (TUD, Germany) is part of this process.

6.2.2. ENVIRONMENTAL PROTECTION

Weight reduction

Faurecia's emphasis on weight reduction has given it a product offering of the highest standard.

Our multi-criteria approach allows us to combine the effects of a systems approach to product design with the development of new processing or assembly technologies.

This has resulted in weight reductions in the order of 20% to 30% in products currently being developed. This corresponds to gains of approximately 60 kg out of the 200 kg represented by the scope of Faurecia products. Some of the following products and processes were introduced in 2012, and will be rolled out in 2013.

The systems approach developed on acoustic products has resulted in the emergence of a concept known as LWC (Light Weight Concept). This concept was applied for the first time on the Peugeot 208, providing a 14 kg weight reduction with no deterioration in acoustic performance. Faurecia received an innovation Award from PSA Peugeot Citroën for this project in 2012.

Work by successive approaches from an efficient concept in respect of seat structures has allowed weights to be brought down to roughly 10 kg, compared with approximately 14 kg and then 12 kg for previous generations. Laser welding was a key factor in achieving this. The mechanisms of these frames are currently undergoing further weight reductions of approximately 30% to 40%, setting a new benchmark.

Induction brazing developed to assemble the various parts of the components of exhaust systems is now in mass production, resulting in a gain of 20% to 25% by allowing the use of thinner materials. The proprietary application of this technology in exhaust systems will be gradually extended to numerous other applications. The hydroforming technology developed by Faurecia to reduce the number of parts and optimize thickness can be combined with induction brazing to provide gains of more than 30%.

The development of microcellular plastics using "microject" technology (injection molding combining resin and a foaming agent or gas) makes it possible to reduce the density of molded parts without affecting performance. When applied to door panels, central consoles or instrument panels, the weight of the molded parts is reduced by 20% compared with the conventional method.

Moreover, Lignolight technology (a Faurecia patent), using compressed fibers for between 50% and 90% of the resin, applied to door panels, improves density by 40% compared with traditional components.

New technologies currently under development will allow further progress. Strategic partnerships with research laboratories, internal knowledge and the acquisition of the automotive composites business of Sora will enable Faurecia to become a key player in the development of components for the automotive industry. Faurecia in this way has mastered all the technologies currently used in mass production and is investing in future technologies including thermoplastic resins with reduced cycle times. The industrial chair with *École Centrale de Nantes*, the involvement with the Jules Verne IRT and the contract signed with Fraunhofer ICT in 2012 will allow us to combine the results of academic research with Faurecia's own innovations. Mastery of these technologies opens up a new field of business development for Faurecia, with the potential use of composite materials for the structural parts of a scope representing weight of approximately 100 kg. The target reduction is of the order of 40%.

Size reduction

Reducing product size optimizes passenger space and helps reduce vehicle size. This translates directly or indirectly into a decrease in mass.

In Faurecia Automotive Seating, lighter and less bulky new mechanisms, and the use of composites for the back of the front seat bring significant space gains.

In Faurecia Emissions Control Technologies, the grouping of oxidation, selective catalytic reduction and particulate filtering functions into a module capable of being integrated into the engine environment frees up space under the floor.

Energy recovery

Faurecia develops technologies for the recycling of thermal energy available in the exhaust system, either directly to warm the cabin or to allow the powertrain to warm more quickly, or indirectly by transforming the heat into electricity for powering accessories and, potentially, hybrid drivetrains.

Direct application (known as "thermal recycling") saw the emergence in 2012 of two new products: the second generation of the underfloor Exhaust Heat Recovery System (EHRS), more compact than the first generation, and the Exhaust Heat Recovery Manifold (EHRM), which equips the latest version of the Ford Fusion. These products, applied to conventional and hybrid vehicles, reduce consumption by 2 g to 8 g of carbon dioxide per kilometer on the EU test cycle.

Two technologies are used for indirect application (conversion of thermal energy into electrical energy): thermoelectricity, which uses a semiconducting material crossed by a heat flow to generate electricity, and the generation of mechanical energy from the "Rankine" cycle, which uses vaporized fluid to power a standard turbine. This mechanical energy is then converted into electricity. These two principles can potentially reduce carbon dioxide emissions by 4 g to 15 g/km.

Emissions control

Faurecia works with the full range of technologies used to reduce emissions of nitrogen oxides and particulates for diesel engines, regardless of the vehicle (passenger and/or commercial). Principles are of two types:

- recycling of gases through the low-pressure loop. The gases burned are re-injected into the cylinders to lower the combustion temperature. This loop, known as the EGR (Exhaust Gas Recirculation), requires an electric valve that opens on demand. Faurecia has developed its own valve to meet growing market demand;
- direct treatment of gas through selective catalytic reduction (SCR). Using this process, Faurecia has developed a system for mixing gases using either a liquid catalyst known as AdBlue® or a gaseous catalyst. Faurecia is developing its own gaseous catalytic system to reduce emissions of nitrogen oxides. The Ammonia Storage and Delivery System (ASDS) process stores ammonia in a compact gaseous form, delivering an improved performance compared with a traditional liquid-form storage system.

Faurecia is also developing a system that incorporates the oxidation catalyst, the gas mixer, with a liquid or gaseous catalyst (BlueBox) and the particulate filter. This helps bring these various elements closer to the engine to improve the efficiency of gas treatment, to reduce size and, in turn, weight.

EGR and SCR technologies are increasingly being used for passenger and utility vehicles (less than 5 metric tons) in Europe and North America. The most stringent regulations make particulate filters and SCR or EGR systems mandatory for commercial vehicles. In addition, some applications require innovations such as the Thermal Regenerator™. These NOx treatment technologies have already been incorporated into Faurecia's product offering, and are already included in several models that are looking ahead to the Euro 6 standard or similar regulations.

Durable materials

With a view to positioning itself along the entire life cycle of its products, Faurecia is developing and integrating biosourced materials. Several significant developments emerged in 2012.

In addition to the Lignolight technology mentioned above, natural fibers are a focus for Faurecia. NAFI technology (NAtural Fiber Injection), combining natural hemp fibers with polypropylene resin, reduces weight by 25% compared with polypropylene charged with fiberglass. Faurecia's portfolio includes natural fibers combined with polypropylene fibers Already in production on the Smart instrument panel, this technology is set to be extended to the door panels, providing a weight reduction of 20% compared with the best alternative technologies.

The final step is the generation of 100% natural materials for the mass production of semi-structural automotive applications. This was the purpose of the partnership launched in 2012 with Mitsubishi Chemicals announced November 5, 2012. This joint work is based on the modification of polybutylene succinate (PBS), derived from biomass and patented by Mitsubishi Chemicals, allowing it to be made entirely from natural materials. BioAmber will provide biosourced succinic acid for both partners. This resin is combined with natural reinforcing fibers to make parts using the injection molding process.

6.2.3. ATTRACTIVENESS

Ergonomics of seat adjustments, fit and finish of bumpers, harmony of the instrument panel, compatibility with mobile electronic devices and filtering of external noise: Faurecia products are at the interface between the user and the vehicle, and are major vectors of its attractiveness. Striking the right balance for each vehicle and automaker requires the implementation of scenarios based on the resources of industrial design, using a range of technologies including decoration and electronics.

Decoration

From the instrument panel to the seats, console and door panels, Faurecia is responsible for all the surfaces constituting the visual atmosphere inside the vehicle.

The painting of parts on the instrument panel can ensure continuity with the body color or provide a counterpoint, using piano black or high gloss finishes. Films deposited directly on molded parts allow an infinite variety of patterns and colors. In high-end segments, three-dimensional Ligneos technology allows large and complex wood surfaces to be covered in an industrial and repeatable process, which can be supplemented by skins with visible stitching and highlighted by brushed or polished aluminum parts.

The use of these materials can be further enhanced by lighting. The inclusion of fiber optics in the instrument panel can be used to create patterns and illuminate door linings.

By providing a wide range of materials and technologies, Faurecia allows the creation of varied interior environments for all market segments.

Industrial design

At the early stages of the project, Faurecia's advanced design teams allow automakers to transform specifications into stylistic and functional solutions. Developed using technology building blocks pre-validated by dedicated teams, these proposals ensure both feasibility and the respect of the customer's identity. This synthesis is regularly illustrated by demonstrators.

Following the Premium Vision and Performance seats for the driver's area, the Oasis seat is designed for rear passengers. With settings ranging from upright seating to relaxing positions worthy of First Class, the Oasis seat incorporates an advanced massage function developed around ergonomic kinematics.

Launched in 2011, the "Collections By Faurecia" concept provides tables setting out trends in the materials, styles and technologies available for the vehicle interior. For the 2013 collection, design teams based in five different megacities expressed trends in the form of tables showing fashions in their home market, combining materials, technology and stylistic universes popular in Europe, America and China.

Electronics solutions

Many new car features stem from the integration of electronics. Faurecia products are no exception to the rule. Moreover, the trend towards the decentralization of electronics into modules requires that technology be integrated into products rather than being commanded by a centralized electronics system. Different approaches are used:

- develop partnerships to provide innovative products and optimize integration. In 2012, Faurecia signed a partnership with Philips & Lite-On Digital Solutions (PLDS) to develop an onboard charging system for wireless phones;

- manage product development and integration, and partner with industrial groups for production. This was the approach used for the latest developments of the SmartFit seat concept, which allows dynamic change in shape in keeping with the morphology of the driver, but also taking into account driving style and road type, making it predictive. Other examples are the reduction in noise in exhaust systems or changes in sound to simulate an engine with a larger number of cylinders by a counter-acoustic system driven electronically.

Faurecia's efforts in electronics resulted in the opening of an electronics laboratory in Brières (France) in 2012. The center, equipped with the best resources for testing and validating electronic components and systems, will be used as a base for the development of electronic functions.

In addition, the creation of an industrial chair in mechatronics with Supélec and ESIGELEC demonstrates the Company's medium- to long-term commitment in this field.

6.2.4. COMPETITIVENESS

Generic platforms and products

To reduce the cost of products and the developments and investments needed to manufacture vehicles, automakers have rolled out global platforms, which are generally used for different vehicles and brands. Automakers contribute to these strategies as part of their activities.

These strategies represent a competitive advantage for Faurecia, through three action plans:

- develop standard or generic products to be used for different automakers: our seat mechanisms are a global benchmark, with market share of approximately 20%. The number of parts manufactured and their standardization make them robust and competitive, with lifetimes lasting beyond vehicle renewal cycles;
- develop standard and modular concepts tailored to the needs of the customer, in accordance with specifications. In such cases, the product must take into account the greatest number of specifications (performance, size, cost) and be sufficiently flexible to adapt to basic needs and specific requirements. This is the case of seat frames developed by Faurecia, which contain standard areas aimed at reducing development costs and allowing the use of generic means of production, while at the same time allowing different functions from one application to another (mechanical or electric versions, for instance). This approach requires a thorough knowledge of the market and a high level of control of the product and manufacturing processes. Other products, such as exhaust system components, use the same logic;
- develop the same products for different geographic areas, with the virtually simultaneous start of mass production. This requires a global footprint and global control of programs, taking local realities into account. Faurecia has acquired expertise making it one of the best automotive suppliers worldwide. The recent experience of the Ford Focus instrument panel, produced on 13 Faurecia sites for shipment to seven Ford plants, is a striking example.

Faurecia is a front-ranking partner for automakers developing modular products worldwide, ensuring high levels of robustness and optimizing economic performance.

Production technologies

Faurecia must master the best technologies applied to its products to be competitive. Some technologies have a significant impact on product performance. For Faurecia Automotive Seating, the use of laser welding for mass assembly, starting several years ago, has drastically reduced the size of seat structures while maintaining their modular nature. Use of induction brazing in the mass production of exhaust systems began on the Ford Fiesta in 2012. It provides an overall reduction of between 20% and 30% in size, by reducing thickness, while increasing the quality of assemblies. Regarding the shaping of parts, hydroforming of exhaust parts and cold forging of mechanical parts provide reductions of 20% to 30% in size. Slush molding technology, which Faurecia is one of the leading automotive equipment suppliers to have mastered, delivers a 20% reduction in the thickness of skins for instrument panels. Lastly, microject technology applied to molded parts of the vehicle interior also provides a 20% weight saving. This molding procedure combines the injection of resin and a foaming agent, which causes the formation of air bubbles in the material during the production cycle.

In addition, an agreement was signed in 2012 with the University of Dortmund in Germany for the creation of an industrial chair on innovative molding of parts from metal tubes or sheets. It will help consolidate Faurecia's leading position in this field.

Materials development

The development of specific plastics can allow changes in molding, creating materials that meet market expectations with a higher level of performance. The non-exhaustive list of target criteria includes durability, strength, resilience and improved conditions for use.

The search for metallic materials that meet increasingly advanced requirements and optimize weight is also a focal point for new product development.

Simulation

More than 300 engineers are dedicated to the development or use of simulation tools, and more than 100,000 calculations are performed every year. Simulations cover a wide field, ranging from safety calculations on seats and instrument panels, pedestrian impact on the front end, and calculations of gas and acoustic flows for exhaust systems. The simulation process is being phased in for all activities. This is the case for the injection molding of thermoplastics or the foaming of instrument panels, stamping and hydroforming. The simulation process generally involves combining phenomena that become multi-physical, which increases the complexity.

Production processes/assembly lines

To show its willingness to adopt a long-term approach, Faurecia in 2012 signed a contract for the creation of an industrial chair on the optimization of assembly lines and logistics with *École Centrale Paris* (ECP, France) and *Technische Universität Munchen* (TUM, Germany).

6.2.5. ORGANIZATION OF INNOVATION

The innovation process

Faurecia develops its products and technologies within a structured approach known as process innovation. This process sets out the different stages in maturation from the initial idea to final validation. At each step, a validation committee rules on the transition to the next step.

Monitoring this process makes our innovation more robust, and allows it subsequently to be integrated into vehicle projects with limited risk.

Management of expertise

Faurecia's expertise is structured around skills in 67 areas. The network of experts numbered 300 in 2012, divided into three levels: expert, senior expert and master expert, recognized as such within the Company. Experts are primarily responsible for innovation, but are also involved in all stages of product development and processes so as to ensure technical excellence at all levels.

Partnerships

To expand and enhance its expertise, Faurecia is actively developing new partnerships with suppliers and research institutes.

This is demonstrated by the creation of a chair in composites with *École Centrale de Nantes* in 2011, followed by an additional three chairs in 2012 (automotive mechatronics with Supélec and ESIGELEC; assembly lines and logistics with *École Centrale de Paris* (ECP, France) and the *Technische Universität Munchen* (TUM, Germany); metallic materials and processes with innovative transformations with *Technische Universität Dortmund* (TUD, Germany)).

In addition, a master agreement with Fraunhofer ICT (Germany) on composite processing technologies further confirmed Faurecia's determination to work with academic institutions to achieve greater mastery of phenomena encountered and to open other avenues of innovation.

Specific cooperative actions are also implemented for innovation projects that require technologies related to Faurecia's core business. For example, in the context of man-machine interface, the administration of portable electronic devices has led to cooperation with industry players in the fields of connectors, switches and electronics.

Investments

In 2012, the Group's continuous innovation work resulted in the filing of 460 new patents. This result, significantly higher than in previous years, when an average of approximately 300 patents were filed per year, confirms Faurecia's commitment to innovation. These patents pertain to products, materials, and manufacturing processes, demonstrating the efforts made by Faurecia to optimize the entire product value chain.

In 2012, the commitment to research and development was embodied by:

- the creation of Faurecia Automotive Seating electronics laboratory in Brières;
- the opening of the Limeira development center in Brazil for Faurecia Emissions Control Technologies;
- the opening of a new development center in Pune (India) for Faurecia Interior Systems, Faurecia Automotive Exteriors and Faurecia Automotive Seating.

6.3. Engineering and Program Management

Carrying out vehicle innovation and application projects calls for highly reliable and effective organization of engineering and programs. Faurecia is organized in a way that meets both these requirements.

Engineering

Following streamlining measures, Faurecia currently operates 30 R&D centers worldwide. Each Business Group's research and development is spread across our three main geographic areas: Europe, America and Asia. Since it is structured as a network, it can run global programs and commit as many of its resources as are needed through its worldwide workforce (quantity), or commit the right quality of resources needed through its roster of experts, particularly for innovation projects or vehicle applications (quality).

Project Management

Vehicle application programs follow a unique process, bringing together all the participants needed to develop and launch a new, mass-produced product. The Program Management System (PMS) process, describes all the requirements at each phase of the program. Every program is given periodic interim reviews, first by specialists and then at the close of each phase by management, so that its progress can be seen.

The PMS consists of five phases:

- obtain and validate customer needs;
- develop the product;
- test the product and develop the manufacturing process;
- plan and validate productive machinery;
- ramp up line speeds and launch mass production.

To track performance throughout the development process and steer it towards excellence, Faurecia has introduced the idea of program management excellence. This new approach involves the foregoing elements plus:

- system audits of the program requirements to ensure the consistency of applications;
- performance indicators, reviewed monthly, to signal future risks.

These various tools have made it possible to significantly improve such programs' performance financially and in terms of quality, lead times and launches of mass production.

At the end of 2012, 540 programs run by 370 program managers were under development.

7

Faurecia and sustainable development

SUMMARY

The purpose of the information contained in this Section is notably to meet the requirements of Article L. 225-102-1 of the French Commercial Code, as amended by French Law No. 2010-788 of July 12, 2010 and Decree No. 2012-557 of April 24, 2012.

Workforce-related disclosures are provided contained in Section 4 of this Registration Document.

7.1. Faurecia and the environment

7.1.1. FAURECIA'S PRODUCTS AND THE ENVIRONMENT

Depending on the engine type and driving cycle, decreasing the average vehicle's total weight by 100 kg reduces carbon dioxide emissions by approximately 8-10 g per kilometer driven. The scope of Faurecia products can represent up to 20% of the total weight. This makes the Group a major player in the reduction of vehicle weight as a means of cutting fuel consumption, limiting emissions of greenhouse gases and reducing the use of raw materials in vehicle production. Through its Emissions Control Technologies Business Group, Faurecia also makes a significant contribution to lowering emissions and reducing noise pollution.

In order to grow and manufacture lighter and cleaner vehicles, Faurecia takes environmental factors into account at all stages in the product life cycle, from product design to the environmental impact of its production sites, from supplier collaboration to product end-of-life.

7.1.1.1. Product approach

From product design to the technical expertise we provide to automakers, Faurecia's process spans six areas:

- reducing the weight of the components and sub-assemblies;
- reducing the space taken up by products, which helps to reduce vehicle size without affecting vehicle performance or capacity (or more space for vehicles of equal size);
- recycling, including anticipation of the end-of-life phase, optimization of production waste recovery and the use of recycled materials;
- increasing the use of biosourced materials;
- reviewing and enhancing environmental performance based on life cycle analysis;
- lowering emissions of greenhouse and other pollutant gases.

DESIGN

Subsection 6.2.2 of this Registration Document contains a description of actions taken by Faurecia to reduce weight and size.

MATERIALS

Recycling initiatives

Recyclability

European Directive 2000/53/EC of September 18, 2000 on end-of life vehicles sets a reuse and recycling target of 85% of the weight of such vehicles as of January 1, 2015, and a reuse and recovery target of 95%.

In view of the increasingly strict regulations in this area, automakers have made more stringent demands on their equipment suppliers in terms of recycling end-of-life products.

All of Faurecia's businesses are affected by these obligations and, depending on the characteristics of the component in question, have implemented plans and solutions to ensure that end-of-life products are processed as efficiently as possible in the future.

In comparison with current solutions, innovative products must be evaluated both on the basis of the improvement they offer in terms of technical and economic performances and by their environmental footprint. Faurecia is committed to a proactive approach in the reuse of future products at the end of their life. Targeted tests, run by Faurecia, are the first step in a more comprehensive approach taken by the automotive sector in partnership with industry and academia, combining automotive clusters and anticipating sources of recycled materials in the future.

Faurecia Automotive Seating, in its search for lighter solutions, uses LCA (life-cycle analysis) tools to assess the impact of the recycling potential of new materials, new products or multi-material concepts, numbers of which are set to multiply.

In this area, collaborative research and development work, such as that undertaken in 2012 as part of France's Investments for the Future Program, are particularly suitable for the assessment of case studies and generic multi-module solutions.

Faurecia Interior Systems, after performing tests on the recycling and recovery of complex products via disassembly, has begun similar operations after shredding vehicles. Industrial-scale recyclability studies and tests have been undertaken with certain car-shredding plants, both on existing products and materials being developed, including agro-composites.

The aim of the results expected from these studies is to define the most appropriate technical and economic models for Faurecia. All possibilities for the recycling of end-of-life products are studied at the design stage with a view to integrating the best solutions, ensuring reduced environmental impact and taking into account all utilization cycles. We also use life-cycle analyzes to "eco-design" our products, integrating all of the above criteria as early as possible into the innovation and development processes.

Recycling

Faurecia offers an increasing number of recycled plastic parts.

In Faurecia Automotive Seating Business Group, depending on the type and category of vehicle, various components are now partly made of recycled polypropylene. Taking all these components together, recycled plastics can now account for 15% to 20% of the materials comprising the seats manufactured by Faurecia.

In Faurecia Interior Systems Business Group, the incorporation of recycled material is taken into account and validated in new product development, with the same constraints and specifications as virgin materials.

In addition, Faurecia maximizes the incorporation of recycled natural fibers (mainly cotton) in its vehicle soundproofing systems.

The Boreve project, launched by Faurecia Automotive Exteriors Business Group in 2008, was completed in July 2012, with the development of a process ideally suited to the scrap vehicle sector, both in terms of equipment and the formulation of the material. The mechanical and aesthetic performances achieved allow us to incorporate a percentage of recycled materials compatible with requirements for the bumper skin, one of the most critical parts in terms of appearance.

Life-cycle analyzes show that the use of recycled materials can reduce the environmental impact of manufactured products. Faurecia, like its automaker customers, has considerably extended its panel of suppliers of recycled materials. This allows us today to offer increasingly technical applications with increasingly wide material grades.

Action in the field of biosourced materials

Bio-materials

Subsection 6.2.2 of this Registration Document contains information on the use of sustainable materials.

EMISSIONS

Subsection 6.2.2 of this Registration Document describes action taken by the Group with regard to control of emissions.

7.1.1.2. Weight reduction

Weight reduction is discussed in Section 6 of this Registration Document (see Subsection 6.2.2 among others).

7.1.1.3. Life-cycle analysis

Faurecia is increasingly using life cycle analyzes at various levels to steer its strategic decisions and those of automakers. These analyzes are carried out on its products, on the entire vehicle, from the extraction of materials to delivery to automakers, and to the entire life cycle of the car (including customer use and recycling).

Framed by international standards ISO 14040 and ISO 14044, this methodology consists of assessing the environmental impact of products designed and manufactured by Faurecia for use in automobiles. It involves the fullest possible impact assessment, including climate change (including carbon dioxide), the consumption of non-renewable resources (oil and coal) and eutrophication.

These life cycle analyzes allow both Faurecia and automakers to:

- make the right design choices for current vehicles (with gasoline or diesel internal combustion engines) and for those of the future using alternative fuels and with more environmentally-friendly emissions control systems;
- assess and avoid impact transfer by focusing on alternative solutions (e.g. by developing a lighter, non-recyclable product, for instance).

This tool is particularly valuable and popular in the field of innovation to assess the benefits or the potential impact transfer as far upstream as possible, taking a broad view of environmental impacts, thereby preparing subsequent innovations.

It also allows us to go further in understanding the choices made by an entire sector on the environment. Faurecia participates actively in developing and using life-cycle analysis with automakers and automotive industry partners, with a view to achieving a shared understanding of environmental issues.

Whether in the short term with conventional engine power or in the medium term with the growth of hybrid engines and the emergence of "electric" engines, Faurecia's customers are keenly looking for groundbreaking solutions. This is the only way in which they can reduce their energy consumption and environmental footprint while at the same time ensuring autonomy, comfort, safety and driving pleasure.

Moreover, in an increasingly competitive environment, automakers must meet increasingly diverse local and global demand, while complying with existing regulations and anticipating future changes to the regulatory framework.

However, while the reduction in weight and the ensuing reduction of carbon dioxide emissions have a direct impact on the structure of automakers' offers, product lineups themselves are gradually gaining in visibility, especially for Tier 1 equipment manufacturers.

The broad scope of its customer portfolio allows Faurecia to achieve a better overview of the market and a better understanding of customer expectations, resulting in a more appropriate structuring of its offers.

In 2012, anticipation of regulations and customer demand continued to inform Faurecia's innovation plan and its research and development budget. This also matched specific demands from manufacturers in respect of the integration of green materials (recycled or renewable) and the reuse of automotive materials.

For most parts manufactured by Faurecia, the goal of weight reduction is a clear priority for current vehicles, and can be quantified and confirmed by LCA studies. In some cases, however, weight reduction may not be the best solution.

7.1.2. FAURECIA'S MANUFACTURING SITES AND THE ENVIRONMENT

Monitoring of environmental issues within the Group (environmental assessments when necessary, waste management and pollution when regulatory constraints apply, waste management for process activities, etc.) is decentralized and organized by each Business Group.

Each Business Group accordingly has an HSE officer tasked primarily with managing and coordinating the reporting of environmental data for the various sites of the Business Group in question. As such, environmental monitoring is carried out at the various sites, which define their own environmental objectives. Consumption and emissions are reported annually using software developed by the Group. In addition, any environmental incident is monitored by the Group's alert management system (AMS).

7.1.2.1. Environmental protection improvement initiatives

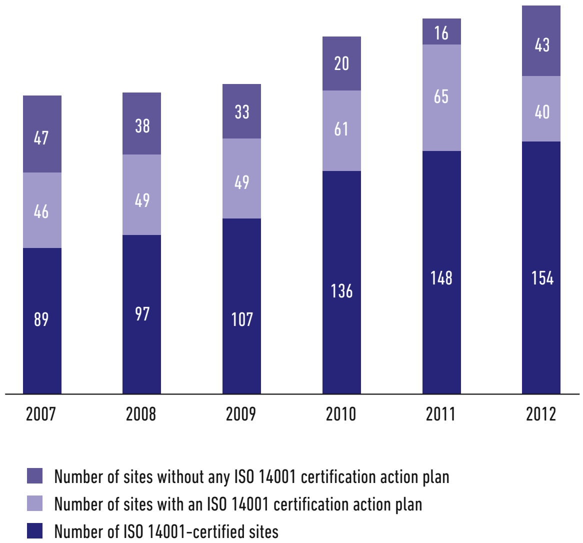
Faurecia takes into account the reduction of the impact of its industrial activities on the natural environment in the areas surrounding its sites, especially in terms of the emission of pollutants into the air and water, energy consumption, the generation of greenhouse gases and the production of waste. With this aim in mind, the Group intensified in 2012 its strategy of implementing pollution abatement equipment at the end of its manufacturing processes or modifying processes to limit the quantity and harmful effects of their emissions and waste. The Group's sites invested a total of €12.6 million on environmental protection and equipment upgrades in 2012, an increase of more than 70% compared with 2011. Investments dedicated exclusively to environmental protection totaled €2.9 million in 2012.

7.1.2.2. Certification and training

In keeping with the Group's environmental policy, Faurecia's sites are implementing environmental management systems based on the ISO 14001 standard, within the overall framework of the Faurecia Excellence System (FES). ISO 14001 certification is often demanded by the Group's customers.

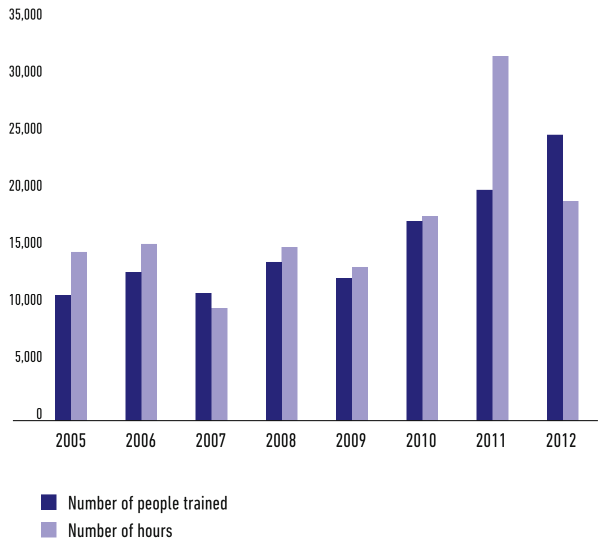
The number of ISO 14001 certified sites continued to increase, totaling 154 in 2012 (compared with 148 in 2011), nearly 65% of the total number of industrial sites. In a process of improvement and optimization of the Group's policy, 40 sites currently have action plans geared towards implementing a certified environmental management system (EMS). As well as implementing ISO 14001 management systems, Faurecia organizes environmental training and awareness-raising sessions for its employees. In 2012, 18,705 hours of training were provided to 24,370 people in the Group, 32% of the workforce. The investment in the skills of employees represented nearly €147,080.

NUMBER OF SITES WITH ISO 14001 CERTIFICATION OR AN ACTION PLAN AIMED AT OBTAINING ISO 14001 CERTIFICATION



NUMBER OF PEOPLE TRAINED IN ENVIRONMENTAL ISSUES

(NUMBER OF HOURS)



7.1.2.3. Environmental indicators

WATER CONSUMPTION AND WASTEWATER DISCHARGES

The estimated total water consumption of the Group's sites was 3.645 million cubic meters in 2012.

On the scope of the 214 sites already operated in 2011, overall water consumption increased only by 2.9% (an additional 101,000 cubic meters) between 2011 and 2012, against a backdrop of increased hours worked. On these 214 sites, water consumption per number of hours worked was cut by 8.4%, from 26.7 liters to 24.5 liters per hour worked.

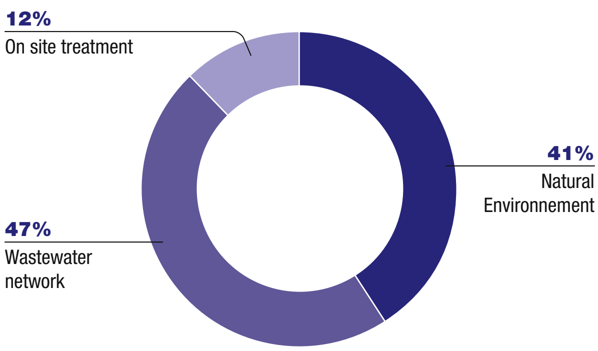
In addition, consumption of surface water was attributable solely to three sites present in both 2011 and 2012. It declined by 7% or 50,000 cubic meters.

In 2012, the source of the water consumed by the Group's plants broke down as follows: 52% from city mains networks, 18% pumped from surface water and 30% taken from the water table.

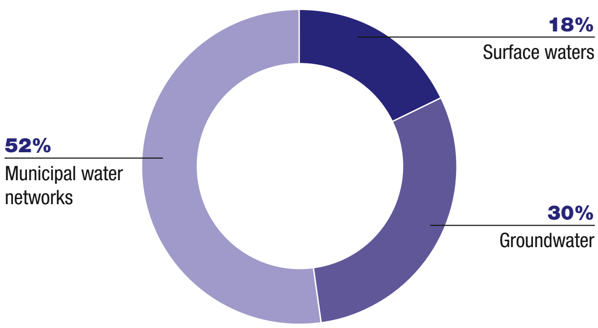
Water is used mainly for cooling purposes. Of the water consumed, 53.1% was discharged into the natural environment (including 12.2% requiring on-site treatment), with the remaining 46.9% discharged into collective wastewater treatment systems.

Of the 237 Group sites, 121 are required to report self-monitoring data to local authorities on the quality of their wastewater discharges. Of these 121 sites, 86% were compliant with requirements relative to aqueous discharges.

WASTEWATER DISCHARGES IN 2012



WATER COMSUMPTION BY SOURCE IN 2012



ENERGY CONSUMPTION AND ATMOSPHERIC EMISSIONS

In 2012, total energy consumption is estimated at 2.12 million MWh, a level close to that of 2011. At the same time, across the Group, the number of hours worked increased by 15% year-on-year. In terms of the number of hours worked, energy consumption was cut by 12.2% compared with 2011, with the reduction attributable primarily to ISO 14001 certified sites (13.9% reduction). In 2012, 65% of energy consumed was electricity, 30.68% natural gas, 2.8% liquefied petroleum gas (LPG), 0.58% fuel oil and 0.57% steam.

The decline in energy consumption related mainly to fossil fuels. On a comparable reporting scope, natural gas consumption decreased by 1.1% (6,814 MWh), that of liquefied petroleum gas (LPG) by 23.3% (-17,459 MWh) and industrial fuels by 24.2% (-3,956 MWh). The decline can be ascribed to a change of energy supply for some sites.

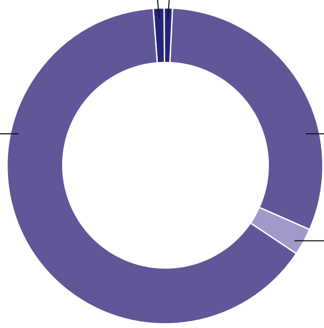
On a comparable reporting scope, electricity consumption increased by 5% (62,845 MWh) compared with 2011. This increase is attributable to the acquisition of eight sites and an increase in hours worked.

Atmospheric emissions from Faurecia sites result mainly from natural gas, liquefied petroleum gas and fuel oils. These three sources generated approximately 150,940 thousand metric tons of CO_2 in 2012, a reduction of 4.8% (7,650 metric tons) compared with 2011, their respective consumption having declined. Faurecia's electricity consumption in 2012 also resulted in the indirect emission of 539,647 metric tons of CO_2, an increase of nearly 14.7% compared with 2011, in line with the trend in consumption. The other part of this increase was attributable to change in emission factors following the amendment of the calculation methodology of the IEA (International Energy Agency). Some countries saw a big increase in their factor between 2011 and 2012 (Russia, Poland and Portugal). For information, the change in emission factors led to an 8% increase in indirect emissions.

The decrease in fuel consumption also helped reduce emissions of N_2O, CH_4 and NO_2 by 4.4%, 2.8% and 4.3% respectively compared with 2011.

Of the 237 Group sites, 161 are required to report self-monitoring data to local authorities on the quality of their atmospheric emissions. Of these 161 sites, 86% were compliant with the requirements set as part the self-monitoring process.

ENERGY CONSUMPTION IN 2012



SOURCES OF ATMOSPHERIC EMISSIONS IN 2012

	CO_2 (t)	N_2O (t)	CH_4 (t)	SO_2 (t)	NO_2 (t)
Natural gas	133,559.77	5.85	9.36	1.30	140.35
Liquefied petroleum gas	13,362.82	0.52	0.21	0.45	12.53
Low-sulfur industrial fuel oil (sulfur content ≈ 2%)	803.15	0.02	0.03	10.30	10.30
Very low-sulfur industrial fuel oil (sulfur content ≈ 1%)	323.54	0.01	0.01	2.07	2.07
Light fuel oil (sulfur content ≈ 0.3%)	2,889.39	0.06	0.06	3.67	3.86
TOTAL	**150,938.67**	**6.45**	**9.67**	**17.80**	**169.10**

Pursuant to Article 75 of French Law No. 2010-788 of July 12, 2010 (known as *Loi Grenelle 2*), Faurecia's French sites performed carbon accounting and provided regional authorities with action plans aimed at reducing emissions of greenhouse gases. Proposed action includes notably the commitment of some sites to a systems approach in respect of energy management in accordance with standard ISO 50001, reducing the frequency of collection and analysis of indicators related to energy in the aim of accurately tracking energy consumption by use (air conditioning, heating, lighting) so as to identify sources of further reductions.

CONSUMPTION OF RAW MATERIALS

The quantity of raw material used is a new item of data, pursuant to the decree issued in relation to Article 225 of French Law No. 2010-788 of July 12, 2010 (*Loi Grenelle 2*). It was decided to collect data relating to plastics and metals, which are the two most widely used raw materials within the Group, in 2012.

In 2012, the production process required the use of 1,144,090 metric tons of metal and 297,870 metric tons of plastics (excluding inventories and recycled materials).

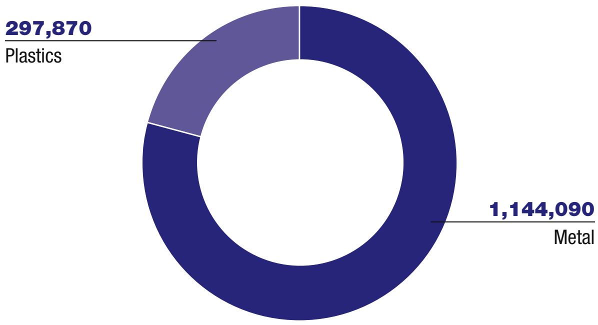
BREAKDOWN OF THE CONSUMPTION OF RAW MATERIALS BY BUSINESS GROUP *(IN METRIC TONS)*

	FAE	FAS	FECT	FIS
Metals	1,510	542,224	598,079	2,278
Plastic	49,926	59,831	244	187,870

Metals are used mainly in the manufacture of seats and exhaust systems, which respectively account for 47% and 52% of their use.

Plastics are used chiefly for the production of instrument panels: Faurecia Interior Systems uses 63% of this raw material.

RAW MATERIAL CONSUMPTION 2012



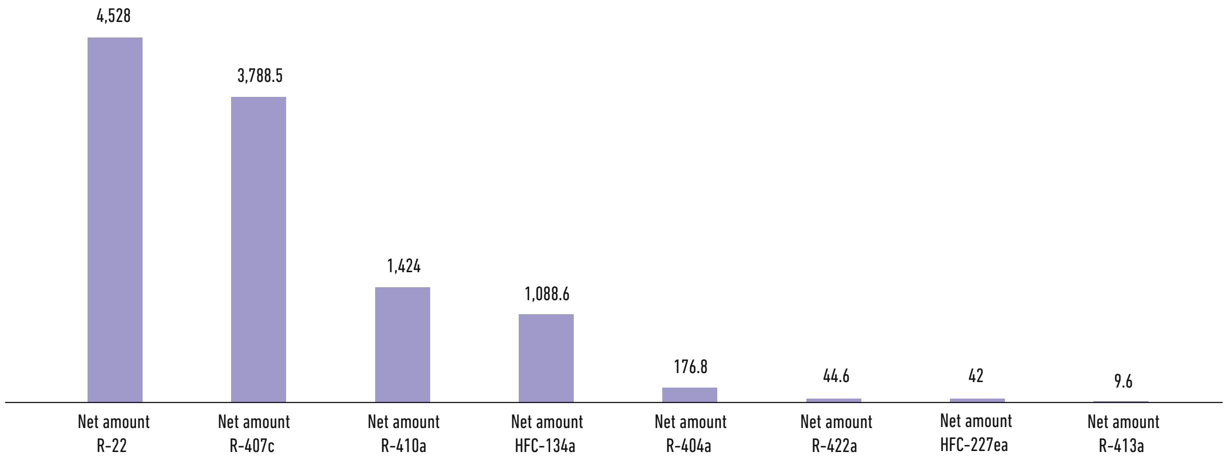
CONSUMPTION OF REFRIGERANTS AND ATMOSPHERIC EMISSIONS

Pursuant to Article 225 of French Law No. 2010-788 of July 12, 2010 *(Loi Grenelle 2)*, Faurecia has begun collecting data to provide new indicators relative to fugitive emissions.

In 2012, the majority of leaks on Faurecia's sites related to four types of refrigerants. They are used in the operation of the Group's air conditioning, refrigeration (R-22; R-407c; R410a; HFC-134a; R-404a; R-422a; R-413a) and fire-extinguishing (HFC - 227) systems.

These leaks of refrigerant gases resulted in atmospheric emissions totaling 20,433.8 metric tons of CO_2 equivalent, less than 3% of the total emissions generated by Faurecia. A total of 94 sites recorded refrigerant leaks.

REFRIGERANT GAS LEAKS *(KG)*, IN 2012



Type of gas	Amount of leaks
Net amount of R-22	4,528 kg
Net amount of R-407c	3,788.5 kg
Net amount of R-410a	1,424 kg
Net amount of HFC-134a	1,088.6 kg
Net amount of R-404a	176.8 kg
Net amount of R-422a	44.6 kg
Net amount of HFC-227ea	42 kg
Net amount of R-413a	9.6 kg

USE OF GROUND SURFACES (WATERTIGHT SURFACES AND TOTAL SURFACES)

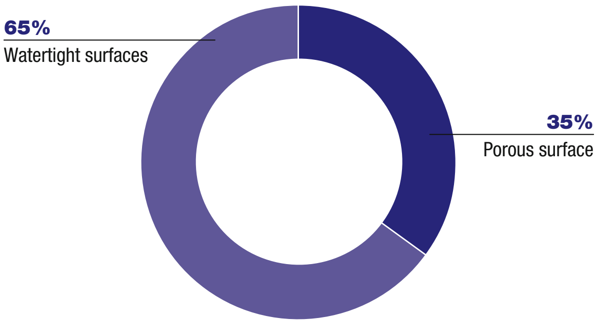
Faurecia sites occupy a total surface area of 962.25 hectares worldwide. This represents a 5% increase compared with 2011, following the acquisition of new sites in 2012 (eight additional sites compared with 2011, an increase of 3.5% in the number of sites). Of the surface area occupied, 65% is sealed against rainwater (identical to 2011).

A total of 102 sites, 43% of respondents, have made a study of soil and groundwater in order to identify, at a minimum, the impact of past activity and the environmental impact of the existing site.

Soil and groundwater pollution checks are also regularly conducted on most sites in compliance with regulatory requirements, and as part of environmental due diligence audits requiring further investigation.

Some 28 sites currently believe themselves to be located near an area protected by local authorities (within 3 km). In order to improve practices related to the protection of biodiversity, some sites are working to extend green areas and to use their organic waste as natural fertilizer.

BREAKDOWN OF SURFACE AREA USED BY THE GROUP IN 2012



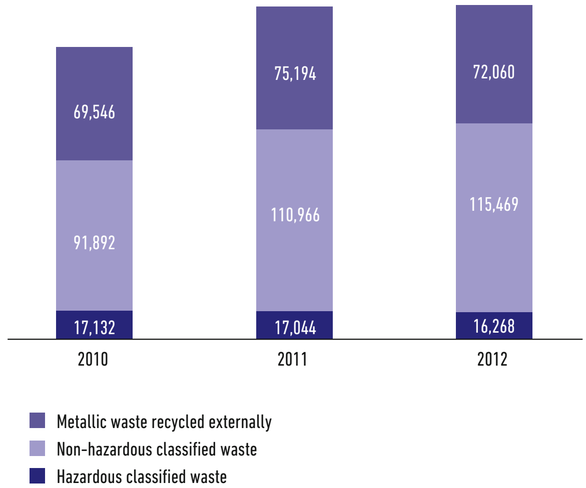
WASTE GENERATION

The Group generated 203,817 metric tons of waste in 2012 (including hazardous and non-hazardous waste and metal waste not recycled internally). The total amount of waste was similar to that recorded in 2011. In relation to the total number of hours worked, on a comparable reporting scope, the amount of waste decreased by 12.8% in 2012 to 1.28 kg per hour worked (compared with 1.46 kg per hour worked in 2011).

In 2012, non-hazardous waste accounted for 57% of waste products, scrap metal recycled externally 36%, and hazardous waste just 8%. The quantity of hazardous waste also decreased slightly between 2011 and 2012 to 16,287 metric tons.

Lastly, it should be noted that 13,472 metric tons of byproducts were directly reused as raw materials internally in 2012.

WASTE BY CATEGORIES *(METRIC TONS)*



OTHER ENVIRONMENTAL INDICATORS

Provisions

Provisions of an immaterial nature, which were not specifically monitored, were made in relation to potential environmental risks in 2012. They are included in the amount of provisions disclosed in Note 24.2 to the consolidated financial statements.

Penalties and disputes

In 2012, 24 sites received a total of 36 notices of non-compliance, 27% of which related to environmental issues and 72% to questions of health, safety and working conditions. On environmental issues, the observations made by the authorities concerned mainly the lack of supervision of certain discharges, or breaches of limits. In respect of safety, notifications bore for instances on non-compliance with HSE requirements and regulations or the absence of specific clearances. The handful of companies concerned were required to pay a total of €53,452, spread across six sites.

As of the date of this Registration Document, seven disputes on environmental issues remain unsettled worldwide.

7.2. Societal action

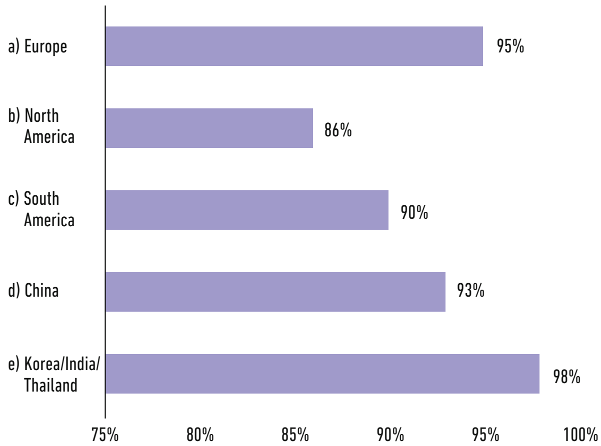
7.2.1. THE TERRITORIAL, ECONOMIC AND SOCIAL IMPACT OF FAURECIA'S ACTIVITY

7.2.1.1. Employment and regional development

Developing, encouraging and promoting diversity is essential for Faurecia's international growth. A total of 53% of the Group's managers and technical experts worked outside Western Europe in 2012, and 75% of recruitments took place outside Western Europe. This means that Faurecia can offer its people international assignments and projects in order to boost the diversity of its teams. The Group also places great importance on the international dimension of its Senior Management team, while taking steps to attract, develop and retain local talent across the globe. In keeping with this strategy, 52% of the Group's Senior Management team is non-French, and 52.5% of the managers and technical experts identified as high-potential are from non-Western European countries.

Moreover, Faurecia's goal is to make purchases as close as possible to its industrial operations in order to foster the growth of local industry, and to minimize associated logistics costs and impacts.

For purchases of mass-produced parts, the percentage of purchases made locally ranges from 86% to 98% depending on the location of Faurecia's production sites (2012 data).



For non-production purchases, the percentage of locally sourced goods is nearly 100%.

7.2.1.2. Impact on neighboring or local populations

Faurecia is committed through a number of local actions as described in Subsection 7.2.2.1.

In addition, the Code of Ethics in force within the Group, the operating principles of which are set out in Subsection 7.2.4.1, states that Faurecia is committed to continuously assessing the impact of its products and the activity of its plants on the environment and the communities with which it is in contact, with a view to continuous improvement.

7.2.2. RELATIONSHIPS WITH ORGANIZED OR INDIVIDUAL STAKEHOLDERS

7.2.2.1. Conditions for dialog with stakeholders

Faurecia has developed and maintains the conditions and tools for dialog with a number of interested parties or stakeholders in its business.

FAURECIA AND ITS RESEARCH PARTNERS

As stated in Section 6 of this Registration Document, technological development and innovation are major priorities for Faurecia.

In support of this priority, Faurecia confirmed its policy of openness towards academia in 2012 with the signing of strategic partnership contracts, such as that with the Fraunhofer

ICT (Institut für Chemische Technologie) in Germany and the establishment of new industrial chairs:

- with SUPELEC and ESIGELEC for mechatronics;
- with the *École Centrale de Paris* and the University of Munich for assembly lines and logistics;
- with the University of Dortmund for transformation processes for metallic materials.

Other existing chairs are also worthy of note. They include the industrial chair in composites with the *École Centrale de Nantes* with the aim of researching materials and manufacturing processes compatible with the automotive industry's time cycles.

Furthermore, with a view to positioning itself along the entire life cycle of its products and generating fully natural materials for semi-structural applications, Faurecia also launched in 2012 a partnership with Mitsubishi Chemicals to provide PBS (polybutylene succinate), a resin similar to polypropylene.

FAURECIA AND ITS SUPPLIERS

Faurecia has the ambition of building strong relationships with its suppliers, for our mutual benefit and development.

Great importance is placed on communication and transparency to ensure strategic alignment with partners. Annual conventions are held, with the official presentation of performance awards in different areas (Logistics, Quality, Innovation, etc.). Faurecia also organizes Strategic Supplier Meetings, in which it shares and discusses strategies to be pursued to strengthen mutual development, and Tech Days aimed at exploring, identifying, promoting and developing new innovation ideas in a fully transparent dialog.

In 2012, Faurecia Excellence System (FES), our production organization and management, quality control and human resource management system, was expanded to include a module specifically dedicated to suppliers (SES – Supplier Excellence System), taking into account their specificities, to provide them with foundations for their improvement and growth plans. Joint workshops, visits to the Group's best plants and specific training courses are now organized to develop the skills of suppliers and to help them in their own quest for excellence.

Faurecia ensures the reliability of its suppliers in terms of compliance with CSR (Corporate Social Responsibility) criteria as well as in terms of product quality.

FAURECIA AND ITS CUSTOMERS

Faurecia assists its automaker customers through an active development policy that involves it in all stages of the equipment development process, from the definition of the product's specifications to its initial marketing.

Faurecia develops products specifically for new car models, and generally concludes contracts to provide these products throughout the anticipated life of the model (usually between five and ten years). The quality of Faurecia products is widely acknowledged among automakers. It is backed up by the Group's Program Management System (PMS), a rigorous set of project management procedures and methodologies, and by the expertise of the 5,500 Faurecia engineers and technicians who design products and develop technological solutions.

The PMS process describes all the deliverables to be produced at each phase of the program. Every program is given periodic interim reviews, first by specialists and then at the close of each phase by management, so that its progress can be seen. The PMS includes five phases: obtain and validate customer needs, develop the product, test the product and develop the manufacturing process, plan and validate productive machinery, and increase line speeds and launch mass production.

To track performance throughout the development process and steer it towards excellence, Faurecia has introduced the idea of program management excellence. This new approach involves the foregoing elements plus:

- system audits of the program deliverables to ensure the consistency of applications;
- and performance indicators, reviewed monthly, to signal future risks.

These various tools have made it possible to significantly improve such programs' performance financially and in terms of quality, schedule and mass production launch.

In 2012, Faurecia received several customer awards in the field of quality:

At the Faurecia group level:

- Renault Global Quality Award for continuous improvement over several years, and for consistent quality performances worldwide.

At the production site level:

- the Almussafes site (Spain), Faurecia Interior Systems Business Group, received a Silver World Excellence Award from the Ford Motor Company;
- the Valencia Quart de Poblet site (Spain), Faurecia Interior Systems Business Group, received a Silver World Excellence Award from the Ford Motor Company;
- the Cleveland site (USA), Faurecia Automotive Seating Business Group, received a Supplier Quality Excellence Award from General Motors;
- the Pretoria site (South Africa), Faurecia Interior Systems Business Group, received a Supplier Quality Excellence Award from General Motors;
- the Bakov site (Czech Republic), Faurecia Emission Control Technologies Business Group, received a Supplier Quality Excellence Award from General Motors;
- the Augsburg site (Germany), Faurecia Emission Control Technologies Business Group, received a Supplier Quality Excellence Award from General Motors;

- the Wuhan site (China), Faurecia Automotive Seating Business Group, received a Supplier General Manager Special Award by Dong Feng Peugeot Citroën Automotive (DPCA);
- the Changchun Frames site (China), Faurecia Automotive Seating Business Group, received a Top 10 Best Quality Suppliers award from First Automobile Works Volkswagen (FAW-VW);
- the Guangzhou Frames site (China), Faurecia Automotive Seating Business Group, received an Excellent Quality Performance award from DFL (Dongfeng Nissan);
- the Anting site (China), Faurecia Automotive Seating Business Group, received a Quality System Basics Outstanding Process award from General Motors Shanghai;
- the Wuhan site (China), Faurecia Emissions Control Technology Business Group, received a Supplier Quality Excellence Award from the Ford Motor Company;
- the Nanjing site (China), Faurecia Emissions Control Technology Business Group, was recognized as an Excellent Quality Supplier by Changan Ford Mazda Automotive (CFMA);
- the Changchun site (China), Faurecia Emissions Control Technology Business Group, received multiple awards:
  - Excellent Supplier 2012 from First Automobile Works (FAW),
  - Excellent Supplier 2012 from First Automobile Works-FAW Car Company (FAW-FCC),
  - Excellent Quality Prize from FAW-VW.

FAURECIA AND ITS INDUSTRIAL OR COMMERCIAL PARTNERS

In 2012, Faurecia forged new partnerships and strengthened existing ones.

Concurrently with its acquisition of Saline, Faurecia Interior Systems signed a joint venture agreement with Rush Group Ltd., a subsidiary of the Rush Group. The joint venture, known as Detroit Manufacturing Systems (DMS), 55% held by the Ford Group and 45% held by Faurecia, will support the assembly and sequencing of interior parts in a new plant located in Detroit.

A 50/50 joint venture agreement was also signed with Howa Textile Industry Co., Ltd. The new joint venture, known as Faurecia Interiors Howa (FHI), will be based in Atsugi (Japan) and will be dedicated to the development of automotive interior systems including door panels, cabin insulation, textiles and roofs. The partnership will position Faurecia as a preferred supplier of Nissan on markets worldwide for door panels and acoustic systems.

Faurecia Automotive Seating and its partner NHK Springs signed an update of the joint venture agreement that has bound them for more than ten years. The new agreement provides for an extension of the partnership, with the creation of two new business units and two new production units in China and North America. The strengthening of the cooperation between Faurecia and NHK Springs will support the growth of their respective business with the Renault-Nissan alliance, to which the FNK joint venture is dedicated. FNK has been made an Alliance Growth Partner by RNPO, the joint purchasing subsidiary of Renault and Nissan.

Faurecia Emissions Control Technologies consolidated its presence in the Asian market this year, with the signing of a joint venture agreement with Malaysian company DRB-Hicom. The new company, known as Faurecia-Hicom, of which Faurecia Emissions Control Technologies will be the majority shareholder, is operational in 2013. It will produce exhaust systems in Malaysia.

FAURECIA AND THE FINANCIAL COMMUNITY

All of Faurecia's shareholders are given full, clear and transparent information which is tailored to their specific needs and provides them with an objective view of the Group's growth strategy and earnings performance. This financial communication policy is aimed at ensuring that all shareholders have access to the information required in accordance with customary market practice.

A great variety of public documents, including those published as regulated disclosures, cover the Company's business operations, strategy and financial information, such as: the Registration Document, the interim financial report, shareholder newsletters, corporate bylaws and the internal rules of the Board of Directors. All these documents are readily accessible on the Group's website www.faurecia.fr, on the Finance page, in French and English, and upon request from Faurecia's Investor Relations department. Shareholders can also automatically receive documents, such as the annual report, corporate brochures and press releases, through a free subscription service by e-mailing shareholders@faurecia.com.

Faurecia regularly publishes the disclosures required by listed companies in the French legal gazette, the BALO (*Bulletin des annonces légales obligatoires*). This information is supplemented by press releases for both the financial community and the general public regarding matters that are of major importance in understanding the Company's strategy. In addition, periodic meetings are held on an interactive basis with financial analysts and business journalists in order to give updates on the Group's goals, products and results.

In 2012, Faurecia organized 400 different events and meetings in 14 countries, attended by around 900 institutional investors and financial analysts. Themed presentations were also organized for analysts, investors and asset managers.

In addition, employee shareholders have access to a dedicated space on Faurecia's Intranet that provides information on the Group employee savings plan.

Annual reports presented and filed as Registration Documents with the *Autorité des marchés financiers* (AMF) and interim financial reports are broadly circulated within the financial community.

FAURECIA AND CERTIFICATION BODIES

In keeping with the Group's environmental policy, Faurecia's sites are implementing environmental management systems based on the ISO 14001 standard, within the overall framework of the Faurecia Excellence System (FES). ISO 14001 certification is often demanded by the Group's customers.

The number of ISO 14001 certified sites continues to increase, totaling 154 in 2012 (compared with 148 in 2011), nearly 65% of the total number of industrial sites.

In a process of improvement and optimization of the Group's policy, 40 sites currently have action plans geared towards implementing a certified environmental management system. As well as implementing ISO 14001 management systems, Faurecia organizes environmental training and awareness-raising sessions for its employees. In 2012, 18,705 hours of training were provided to 24,370 people in the Group, 32% of the workforce. The investment in the skills of employees represented nearly €147,080.

The environmental and social requirements (ISO 14001 and OHSA 18000) are part of supplier evaluation criteria.

7.2.2.2. Partnership and sponsorship

Faurecia employees, in France and abroad, regularly rally around certain societal projects.

In 2012, a week devoted to the employment of people with disabilities was held at the headquarters in Nanterre. Activities included the distribution of flyers addressing misconceptions about disability in the workplace, a contest with a dinner "in the dark" as a prize, a photo shoot of employees spelling out the word "Faurecia" and a series of workshops discussing the lives of people with disabilities. The week, which was well received by employees, allowed all involved to challenge their prejudices and take a fresh look at disability in the workplace.

The FUELS ("Faurecia Unites with Employees for Local Service") program was launched in 2010; it involves all Faurecia sites in North America (USA, Canada and Mexico).

Throughout September 2012, the employees of the 45 relevant Faurecia sites collected nearly 300 metric tons of non-perishable food for local food banks, i.e. the equivalent of 730,000 meals distributed to needy families in cities where more than 17,000 Faurecia North America employees live and work.

To collect this food, Faurecia volunteers devoted part of their free time to various events: raffles, bake sales, golf games or sporting sweepstakes.

A USD5,000 check was given by Faurecia North America to the two food banks chosen by the two sites that collected the most food per employee, to provide further support for their efforts. In addition, awards of USD500 were also made on behalf of all sites that reached their fundraising goal.

2012 was a record year for the FUELS program, with the amounts collected four times higher than the target set by participants.

Since its inception, the FUELS program has raised the equivalent of more than 1.3 million meals in total.

7.2.3. OUTSOURCING AND SUPPLIERS

7.2.3.1. Consideration of environmental and social issues in procurement policy

The Code of Ethics of Faurecia, the principles of which are set out in Subsection 7.2.4.1, defines the general rules on ethical behavior applicable on a day-to-day basis to all of Faurecia's employees in their relations both inside and outside the Group, as well as to the Group's partners. It also describes how the Group seeks to implement its core values of respecting customers, shareholders, people and the environment.

The promotion of sustainable procurement policies is a strong goal within the Group. As such, Faurecia ensures the reliability of its suppliers in terms of compliance with CSR (Corporate Social Responsibility) criteria, as well as in terms of product quality, such as:

- compliance with laws;
- prohibition of child labor;
- elimination of all forms of forced labor;
- respect of the environment;
- promotion of health and safety in the workplace;
- freedom of expression and social dialog;
- equality of treatment;
- ethics and rules of behavior, particularly in the fight against corruption.

The Code of Ethics is built into the basic principles of the supplier relationship, in the contract documents (notably the terms and conditions of purchases, which were updated in 2011) and in the Group's procurement process.

Suppliers are also asked to provide a written commitment backed up by proof of compliance with this Code within their own organization and its deployment in their own production chain. This is a pre-requisite for joining the Faurecia panel.

In addition, on a specifically environmental level, Faurecia has implemented an ambitious policy to avoid or minimize the local and/or global problems potentially posed by car use. Through its industrial, human resources, and research and innovation policies, Faurecia actively contributes to the reduction of greenhouse gas and pollutant emissions, as well as improvements in road safety. Throughout the vehicle life cycle, Faurecia requires and encourages its suppliers to support them in this progressive approach.

7.2.3.2. Importance of outsourcing and consideration of social and environmental responsibility in relations with suppliers and subcontractors

In addition to the information provided above, change in subcontracting is quantified by indicators provided in Section 4.5 of this Registration Document.

7.2.4. FAIR PRACTICES

7.2.4.1. Action to prevent corruption

By signing the UN Global Compact in March 2004, Faurecia pledged to respect and promote the ten principles enshrined in the Universal Declaration of Human Rights, the Declaration of the International Labour Organization on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development and the United Nations Convention against Corruption. These commitments were reiterated in the Faurecia Code of Ethics, published in 2007.

The Code was presented to the European Works Council in April 2007, and was subsequently the subject of discussions with unions in the companies based in the different countries where the Group operates. It was then sent individually to each employee of the Group.

It is issued to each new employee and is available in 14 languages on Faurecia's website and intranet.

It is part of the Faurecia Core Procedure (FCP) process, and aims to develop the accountability and involvement of Group employees. During Internal Audits, auditors systematically check that everyone working at the plant is familiar with the Code.

The Code is structured around four themes: respect for fundamental rights, development of economic and social dialog, skills development, ethics and rules of conduct.

It also includes an early warning procedure in case of violations of the Code of Ethics.

Ethical principles and rules of conduct contain several rules:

USE OF FUNDS, SERVICES OR ASSETS BELONGING TO THE GROUP

Any funding of political activity is forbidden, as are any unlawful payments to public authorities or officials. Assets, liabilities, expenses and other transactions made by Group entities must be recorded in the books and accounts of these entities, and should be kept truthfully and accurately, in accordance with the applicable principles, rules and laws.

RELATIONSHIPS WITH CUSTOMERS, PROVIDERS OR SUPPLIERS

Acceptance of gifts and entertainment from customers and/or suppliers is subject to limits. It is forbidden to accept any gift or gratuity from customers or suppliers with a value greater than the equivalent of €50 per year and per business partner.

The selection of suppliers must be based on quality, need, performance and cost. Under the terms of procurement procedures in place, agreements between the Group and its agents, representatives, consultants and other service providers must clearly state the actual services to be provided, the basis of the price or remuneration, and all other terms and conditions of the said services. This rule also prohibits any investment in suppliers and any purchase of property or service from providers or customers for personal use.

COMPLIANCE WITH COMPETITION LAW

Faurecia aims to adhere strictly to the applicable regulations in all the countries where it operates, including the prohibition of reaching agreements, deals, plans, arrangements or coordinated conduct between competitors in respect of prices, territories, market shares or customers.

CONFIDENTIALITY

This rule covers both the confidentiality of personal information of employees and that of the assets, documents and data of Faurecia.

LOYALTY AND EXCLUSIVITY

It is incumbent on employees and executives of the Group to exercise their work contract faithfully.

CONFLICTS OF INTEREST

Employees shall not draw any personal advantage from a transaction carried out on behalf of a Group company, notably with customers and suppliers.

SAFEGUARDING THE GROUP'S ASSETS

Group employees and managers are responsible for the proper use of the assets and resources of the Group, including those related to intellectual property, technology, equipment and computer media, software, real estate, equipment, machinery and tools, components, raw materials and liquidities.

The Code provides a mechanism for the purpose of managing violations.

As such, any employee who becomes aware of a violation of the rules defined in the Code of Ethics can make use of internal alert procedures, and may, for this purpose, refer the matter to his or her supervisor or HRD, verbally or in writing.

Depending on the nature and importance of the alleged violation, further inquiries may be initiated, an investigation set in motion or an Internal Audit procedure undertaken.

A heightened alert procedure can also be initiated when the violation involves serious risks for the Group in the areas of accounting, financial auditing and the fight against corruption. Conduct threatening the physical or moral integrity of an employee may also be taken into account in the context of this procedure, which involves calling on an external body to which the Group has outsourced the collection and initial treatment of such procedures.

If the alleged conduct falls within the areas defined for this procedure and if its importance so warrants, the external body will refer the matter to the Group, in the person of its Chairman and CEO, who may then instruct the Group's Internal Audit department to carry out the necessary investigations.

7.2.4.2. Measures for the health and safety of consumers

Regulatory change, which mirrors societal change, aims, across all major automotive markets, to reduce the impact of automobiles on the environment. The globalization of the automotive markets and swift change in consumption patterns and tools, particularly in the field of electronics, has prompted automakers to look for new solutions that enable them to offer diverse, customizable and financially attractive ranges.

Faurecia has based its research and innovation on a number of priority issues aimed in particular on achieving a positive impact on the health and safety of consumers, who are also drivers: reduction in weight, reduction in size, reuse of energy, emissions control and use of sustainable materials. Research and development projects undertaken and their impact on products are described at length in Section 6 and Subsection 7.1.1 of this Registration Document.

In general, and in accordance with its Code of Ethics relating to fundamental rights, the Group is committed to promoting health and safety by implementing policies and methods of active prevention of risks liable to affect the health and safety of employees and by regularly monitoring their proper implementation and measuring their effectiveness.

In this context, it is particularly committed to empowering its managers and staff in the preservation of health and the prevention of occupational accidents and to organizing the design and development of its products and means of production with a view to achieving the best possible working conditions. All subcontractors working on the premises of Group companies are required to implement these health and safety policies.

7.2.5. OTHER ACTION TAKEN IN SUPPORT OF HUMAN RIGHTS

The Code of Ethics contains a number of rules on fundamental rights.

These rules are described in Subsection 4.3.3 of this Registration Document.

8

Corporate governance

CONTENTS

8.1. Board of Directors

Section 8.1.1 (Members, conditions for the preparation and organization of the work of the Board of Directors), Subsection 8.1.2.2 (paragraph discussing the restrictions placed by the Board on the powers of the Chairman and the Chief Executive Officer) and 8.4 (Internal control) constitute the Chairman's report to the Shareholders' Meeting as per the provisions of Article L. 225-37 of the French Commercial Code.

The aim of this report, prepared by the Chairman of the Board of Directors, is to provide an account of the Board's membership, the conditions governing the preparation and organization of its work during 2012, and the internal control and risk management procedures introduced by Faurecia.

The report also indicates any restrictions applied by the Board of Directors to the powers exercised by the Chairman and Chief Executive Officer and refers to the principles and rules defined by the Board in order to determine the compensation and benefits of the corporate officers, the rules governing the participation of shareholders in Shareholders' Meetings as well as factors that may be relevant in the event of a tender offer.

It was prepared and drafted in accordance with the Act of July 3, 2008 which amended various provisions of French corporate law to align them with European Community law and the AFEP-MEDEF Corporate Governance Code applicable to listed companies which the Board of Directors has adopted as its reference framework and which can be viewed on the MEDEF's website (www.medef.fr)

Finally, this report was approved by the Board of Directors at its April 18, 2013 meeting and was included in this Registration Document, which can be viewed on Faurecia's website at www.faurecia.com

8.1.1. MEMBERS, CONDITIONS FOR THE PREPARATION AND ORGANIZATION OF THE WORK OF THE BOARD OF DIRECTORS

8.1.1.1. Members of the Board of Directors

According to the applicable legal and regulatory requirements and the Company's bylaws, the Board of Directors comprises at least three and no more than fifteen members. Since the Shareholders' Meeting of May 26, 2011, the term of office of directors is five years and since the Shareholders' Meeting of May 23, 2012, the Board of Directors of Faurecia now has thirteen members.

As of the date of this report, the Board members were as follows:

	Age	Date of first appointment	Date of most recent appointment	Expiry of current term
Mr. Yann DELABRIÈRE	62 years	Board meeting of November 18, 1996	Shareholders' Mtg of 05/23/2012	Shareholders' Mtg held in 2017 to approve the 2016 financial statements
Mr. Éric BOURDAIS DE CHARBONNIÈRE	73 years	Shareholders' Mtg of February 8, 2010	-	Shareholders' Mtg held in 2015 to approve the 2014 financial statements
Mr. Jean-Baptiste CHASSELOUP DE CHATILLON	48 years	Shareholders' Mtg of May 23, 2012	-	Shareholders' Mtg held in 2017 to approve the 2016 financial statements
Mr. Jean-Pierre CLAMADIEU	54 years	Shareholders' Mtg of May 29, 2007	Shareholders' Mtg of 05/23/2012	Shareholders' Mtg held in 2017 to approve the 2016 financial statements
Mr. Lee GARDNER	66 years	Shareholders' Mtg of February 8, 2010	-	Shareholders' Mtg held in 2015 to approve the 2014 financial statements
Mr. Jean-Claude HANUS	66 years	Board meeting of February 21, 2000	Shareholders' Mtg of 05/26/2011	Shareholders' Mtg held in 2016 to approve the 2015 financial statements
Mr. Hans-Georg HÄRTER	67 years	Shareholders' Mtg of May 26, 2010	-	Shareholders' Mtg held in 2015 to approve the 2014 financial statements
Mrs. Linda HASENFRATZ	46 years	Shareholders' Mtg of May 26, 2011	-	Shareholders' Mtg held in 2016 to approve the 2015 financial statements
Mr. Ross McINNES	59 years	Shareholders' Mtg of May 29, 2007	Shareholders' Mtg of 05/23/12	Shareholders' Mtg held in 2017 to approve the 2016 financial statements
Mrs Amparo MORALEDA	48 years	Shareholders' Mtg of May 23, 2012	-	Shareholders' Mtg held in 2017 to approve the 2016 financial statements
Mr. Robert PEUGEOT	62 years	Shareholders' Mtg of May 5, 2007	Shareholders' Mtg of 05/23/2012	Shareholders' Mtg held in 2017 to approve the 2016 financial statements
Mr. Thierry PEUGEOT	55 years	Board meeting of April 17, 2003	Shareholders' Mtg of 05/26/2011	Shareholders' Mtg held in 2016 to approve the 2015 financial statements
Mr. Philippe VARIN	60 years	Board meeting of April 9, 2009	Shareholders' Mtg of 05/26/2011	Shareholders' Mtg held in 2016 to approve the 2015 financial statements

Mr. Yann Delabrière has been Faurecia's Chairman and Chief Executive Officer since February 16, 2007. He was reappointed Chairman and Chief Executive Officer by the Board of Directors on May 23, 2012 for the duration of his term of office as director.

The members of the Board of Directors bring together a range of premier quality managerial, industrial and financial skills. The directors enhance the work and discussions of the Board and its committees thanks to their broad range of experience gained in the automotive industry and in business sectors that differ from the Group's. They also contribute their international experience. Finally, they act in the best interests of all shareholders and are fully involved in defining Faurecia's corporate strategy so that they can actively contribute to and support the decisions of the Board.

Apart from the Chairman and Chief Executive Officer, no member of the Board of Directors holds an executive management or salaried position within a Group company.

The directors' business address is that of Faurecia.

Information on the expertise and experience of each Faurecia Board member and details of directorships and other positions held by them are provided in Chapter 8 of this Registration Document.

8.1.1.1.1. INDEPENDENCE OF MEMBERS

The AFEP-MEDEF Code, which Faurecia follows, provides that at least one third of directors be independent in companies with a controlling shareholder and one half in other companies. At least two thirds of the members of the Audit Committee must be independent. The Compensation Committee must have a majority of independent directors.

These independence criteria are as follows:

- not be an employee or corporate officer of the Company, employee or director of its parent company or of a company it consolidates and not have been within the previous five years;
- not be a corporate officer of a company in which the Company directly or indirectly holds a directorship or in which an employee designated for this purpose or a corporate officer of the Company (current or having been so within the previous five years) holds a directorship;
- not be a customer, supplier, investment banker or commercial banker:
    - who is significant for the Company or its group,
    - or for whom the Company or the Group represents a significant share of business;
- not have any close family ties with a corporate officer;
- not have been company auditor within the previous five years;
- not be director of the Company for over 12 years.

As regards directors representing major company shareholders, the Code specifies that they may be considered independent so long as they do not play a part in controlling the Company. Above 10% of the share capital or voting rights, the Board should systematically review the independent status having regard to the make-up of the Company's share capital and the existence of a possible conflict of interest.

These criteria were reviewed by the Board of Directors on April 18, 2013 on the recommendation of the April 10, 2013 meeting of the Appointments and Compensation Committee.

The Board found as follows:

Five directors hold or have held executive management or supervisory positions within the PSA Peugeot Citroën group, the parent company of which, Peugeot SA, has a 57.18% interest in Faurecia's share capital and cannot thus be considered independent. These are Messrs Jean-Baptiste Chasseloup de Chatillon, Jean-Claude Hanus, Robert Peugeot, Thierry Peugeot and Philippe Varin.

Seven directors are independent. These are Ms. Amparo Moraleda and Ms. Linda Hasenfratz and Messrs Éric Bourdais de Charbonnière, Jean-Pierre Clamadieu, Lee Gardner, Hans-Georg Härter and Ross McInnes, none of whom meet the exclusion criteria set out in the Code. In particular, none of them has business dealings with Faurecia in the sense that none of them is a significant customer, supplier, investment banker or commercial banker of Faurecia or of its Group or for whom Faurecia or the Group represents a significant share of business.

Thus, under the criteria set out in the AFEP-MEDEF Code, over one-third of the Board of Directors of Faurecia is made up of independent directors.

8.1.1.1.2. GENDER BALANCE ON THE BOARD OF DIRECTORS

As of the date of this report, the Board of Directors had two female members and is thus compliant with the provisions of Act 2011-103 of January 27, 2011 on gender balance on Boards of Directors.

8.1.1.2. Responsibilities of the Board of Directors

The Board of Directors is responsible for determining the strategic, economic and financial aspects of Faurecia and the Group's business strategy. It oversees their implementation.

With the exception of the powers expressly assigned to Shareholders' Meetings and within the scope of the corporate purpose, the Board, at the Chairman's initiative, shall take up any matter concerning the proper operation of Faurecia and, through its deliberations, deal with matters within its purview. This includes, in particular, all strategic issues concerning Faurecia and the Group.

The internal rules of the Board of Directors – which may be consulted by shareholders at the Company's headquarters or on Faurecia's website at www.faurecia.com, detail the responsibilities of the Board and of its committees. The internal rules describe the Board's modus operandi and its role in the management of Faurecia and the Group as carried out in accordance with the law and company bylaws. They specify the rights and responsibilities of Board members, particularly regarding the prevention of conflicts of interest, the holding of multiple directorships and the need for strict confidentiality as well as diligence in taking part in the Board's work. In addition they set out rules governing transactions involving Faurecia's shares, as recommended by the *Autorité des marchés financiers*.

In order for it to be able to properly exercise its functions the Board of Directors has included the following requirements in its internal rules:

(i) the Chairman, assisted by the Board Secretary, shall be responsible for sending any useful information to the other Board members;

(ii) where items on the agenda at a Board or Committee meeting require specific analysis or review, information and/or documentation on the issues concerned shall be provided on a timely basis prior to the Meeting;

(iii) the Board shall be regularly informed of any significant events affecting Faurecia's affairs;

(iv) the Board is authorized to make use of video- or teleconference facilities on an exceptional basis, provided that at least four directors – including the Chairman – attend the Meeting in person at the venue specified in the notice of meeting in order to facilitate attendance at meetings as well as in certain instances the decision-making process.

Lastly, the Board of Directors decides which type of management structure Faurecia applies. The Company's management may be placed under the responsibility of either the Chairman of the Board of Directors or another person appointed by the Board who holds the title of Chief Executive Officer. Since the Board meeting of September 8, 2006, the positions of Chairman and Chief Executive Officer of Faurecia have been combined. The Board of Directors confirmed this management structure at its meeting of February 16, 2007.

8.1.1.3. Organization and report on the work of the Board and its committees in 2012

The Board of Directors is convened by its Chairman, who sets the agenda for each meeting. To prepare as best as possible the decisions falling under its responsibilities, Faurecia's Board of Directors has set up three committees:

- the Audit Committee;
- the Strategy Committee;
- the Nomination and Remuneration Committee.

8.1.1.3.1. THE BOARD'S WORK IN 2012

The Board of Directors met seven times in 2012. The rate of attendance was 91.20%.

At each of its meetings, the Board was informed of the Group's operating results and sales and earnings outlook. The Board examined and approved the 2011 parent company and consolidated financial statements at its meeting of February 7, 2012, and the 2012 consolidated interim financial statements at its July 23, 2012 meeting. The Board meeting of July 23, 2012 examined the Group's 2012-2016 medium-term Business Plan. The half-year review of the 2012 budget and the 2013 budget were, respectively, presented at the meetings of July 23, 2012 and December 18, 2012.

As regards Group financing, the Board meeting of February 7, 2012 authorized the Chairman and Chief Executive Officer to issue additional bonds on top of those issued in November 2011, while the Board meeting of April 17 authorized him to issue further bonds. Lastly, the Board meeting of August 31 authorized him to issue convertible bonds.

The strategy of the four Business Groups was discussed at the October 16, 2012 meeting.

The Board meeting of April 17, 2012 approved the Registration Document and called an Ordinary and Extraordinary Shareholders' Meeting for May 23, 2012. In this respect, the Board resolved to ask this Shareholders' Meeting to reappoint Messrs Yann Delabrière, Jean-Pierre Clamadieu, Ross McInnes and Robert Peugeot as directors and to appoint Mr. Jean-Baptiste Chasseloup de Chatillon to replace Mr. Frédéric Saint-Geours and Ms. Amparo Moraleda to the Board, thereby bringing the number of directors to thirteen.

The Board meeting held immediately after the Shareholders' Meeting reappointed Mr. Yann Delabrière as Chairman and Chief Executive Officer and reorganized the Committees.

The Board meeting of April 17, 2012 found that the terms and conditions of performance share plan No. 1 had been satisfied for beneficiaries working and tax resident in France and empowered the Chairman to confirm the vesting of their shares for the relevant beneficiaries on June 23, 2012. Furthermore, the Board meeting of July 23, 2012 approved performance share plan No. 4.

8.1.1.3.2. THE AUDIT COMMITTEE

Members

The Audit Committee is governed by its internal rules which provide that Committee members are all directors and that these may not use proxies. The term of office of Committee members is the same as that of their directorships.

All Committee members must be members of Faurecia's Board of Directors, excluding those in executive management positions. Committee members must show evidence of specific skills in the area of finance or accounting and the majority of them must be independent as defined in the AFEP-MEDEF Code.

The Audit Committee currently has three members: Messrs Éric Bourdais de Charbonnière, Jean-Baptiste Chasseloup de Chatillon and Ross McInnes, all of whom have proven financial or accounting experience and expertise.

It is chaired by Mr. Ross McInnes.

The Committee includes two independent directors, one of whom is its Chairman. The number of independent directors is therefore two-thirds of the Committee members, as recommended in the AFEP-MEDEF Code.

Responsibilities

The general remit of the Audit Committee is to assist the Board of Directors in monitoring the preparation and verification of accounting and financial information.

More specifically, its role is to conduct an in-depth review of the interim and annual financial statements, the Group's most significant financial transactions and its reporting schedules. It also monitors off-balance sheet commitments and factors that enable the Group's risks to be assessed.

In particular, the Committee is responsible for preparing the Board meetings held to review the interim and annual financial statements and for informing the Board on these subjects. To that end, it reviews the financial statements before they are submitted to the Board and issues an opinion on:

- the application and relevance of the accounting policies and methods used, and reviews material risks;
- the appointment, fees and audit program of the Statutory Auditors and issues relating to their independence.

As part of its review of the Company's parent company and consolidated financial statements, the Audit Committee ensures that Senior Management and the Statutory Auditors formally approve accounting policies that have a significant impact on the presentation of the financial statements and that these accounting policies are presented to the Board of Directors. It also ensures that Senior Management explains and substantiates to the Board the main accounting options that are selected and that the Statutory Auditors review these options. Finally, the Committee ensures that the Statutory Auditors have access to all the information they require for performing their duties and are given the means to relay any significant observations.

As part of its internal control remit, the Audit Committee also monitors the effectiveness of internal control and risk management systems. The Committee is given a presentation by the Head of Internal Audit once a year on this issue.

The Committee also ensures the independence of the Statutory Auditors.

Organization and activity report

The Audit Committee meets at least twice a year, prior to the closing of the annual and interim financial statements. In 2012, it met four times with an attendance rate of 75%.

The main aim of the Committee meeting held on February 7, 2012 was to prepare and examine the 2011 parent company and consolidated financial statements, review the cash position and assess compliance with the bank covenants in the Group's main financing arrangements.

The Committee meeting of April 12, 2012 was dedicated to discussing the progress made rolling out the Group's IT system in the shared service centers, reviewing the report of the Internal Audit department and the establishment of the Operational Risk Committee.

At its July 23, 2012 meeting, the Committee examined the interim financial statements and the Group's cash position.

Lastly, the meeting of December 13, 2012 was mainly focused on discussing the options for the 2012 financial statements and the auditors made a presentation on the audit work done as part of the 2012 "hard close".

At each of its meetings, the Committee members reviewed the Group's cash position, financing and liquidity.

During its various meetings, the Audit Committee was also given presentations by the Group's Chief Financial Officer, the Head of the Internal Audit department and the Head of the Accounting department. The Statutory Auditors gave their observations during each meeting.

The Chairman of the Committee submitted reports on the Committee's work to the Board of Directors on February 7, April 17, July 23 and December 18, 2012.

8.1.1.3.3. THE STRATEGY COMMITTEE

The Group's Strategy Committee was set up by the Board of Directors on October 15, 2009.

Members

Strategy Committee members are all directors. The term of office of Committee members is the same as that of their directorships.

The internal rules of the Strategy Committee stipulate a minimum of three members. The Chairman of the Board of Directors is automatically a member of the Strategy Committee as is the Chief Executive Officer, provided he is a director.

The Board of Directors appoints a Committee Chairman from among its members for a term identical to that of his directorship.

The internal rules of the Strategy Committee stipulate that at least one Committee member must be independent as defined in the Corporate Governance Code.

The Strategy Committee is currently composed of four members: Messrs Yann Delabrière, Lee Gardner, Hans-Georg Härter and Philippe Varin. It is chaired by Mr. Philippe Varin. The Strategy Committee therefore includes two independent directors.

Responsibilities

As part of its general remit to analyze the Group's overall strategic vision, the Strategy Committee prepares the matters to be discussed by the Board of Directors. To this end, it issues proposals, opinions and recommendations on:

- the Group's strategic and medium-term plans;
- plans to acquire new businesses, including acquisitions of both assets and companies;
- plans to dispose of assets, companies or equity interests belonging to the Group;
- plans to set up joint ventures with partners.

To fulfill its remit, the Strategy Committee may call on external auditors or any other experts internal or external to the Group and on the Chairman of Faurecia's Audit Committee to report on any issue relating to investments, risks and the impact on the Group's financing in relation to projects submitted to it.

Organization and activity report

The Committee meets at least twice a year. In 2012, it met three times with an attendance rate of 100%.

During these three meetings, the Committee focused on the Group's strategic development opportunities including the proposed acquisition of Ford/ACH's automotive interiors business in Saline (Michigan), USA.

It also examined the Company's medium- and long-term financial balance and, in this context, the Group's financing strategy.

8.1.1.3.4. THE APPOINTMENTS AND COMPENSATION COMMITTEE

Members

The members of the Appointments and Compensation Committee are all members of the Board of Directors. They are appointed in a personal capacity and may not use proxies. The term of office of Committee members is the same as that of their directorships. The composition of the Committee may be changed at any time as decided by the Board.

The Appointments and Compensation Committee has four members: Messrs Jean-Pierre Clamadieu (its Chairman) and Jean-Claude Hanus, and Mrs Linda Hasenfratz and Mrs Amparo Moraleda (the latter was appointed by the Board of Directors on December 18, 2012). This means that a majority of members are independent directors and there are no corporate officers, in accordance with the AFEP-MEDEF Code.

Responsibilities

The role of the Appointments and Compensation Committee is to prepare matters for the Board's discussion, notably regarding (i) the selection and appointment of new directors, (ii) corporate officers' compensation, (iii) setting the terms and performance conditions applicable to stock option and performance share plans for corporate officers, and (iv) the periodic review of directors' compensation. The Committee coordinates and monitors the assessment duties of the Board of Directors. It takes part in the major decisions regarding the membership and reappointment of the Group Executive Committee and determines its compensation.

Organization and activity report

The Appointments and Compensation Committee meets at least twice a year. In 2012, it met three times with an attendance rate of 100%.

At its meeting on January 19, 2012 the Committee examined the compensation payable to the Chairman and Chief Executive Officer, together with the factors taken into account to determine the variable portion of his compensation; assessed the membership structure and the operating procedures of the Board; and discussed the bringing on Board of new directors.

The Committee meeting held on May 29, 2012 specifically discussed the conditions for awarding performance shares designed to ensure executives and key managers have a stake in the Group's medium-term performance, the review of Group's key managers and the compensation of the Group's Executive Committee.

Lastly, at its December 14, 2012 meeting, the Appointments and Compensation Committee reviewed the results of the assessment of the work of the Board of Directors done with the assistance of an outside consultant, SpencerStuart, took a decision regarding the appointment of a new member and took note of the work undertaken to strengthen the Group's management structure, in particular in North America.

At these three meetings, the Committee considered the succession plan for the Executive Committee.

8.1.1.4. Assessment of the Board of Directors

The Board of Directors carried out an assessment of its work in line with the AFEP-MEDEF Corporate Governance Code.

A report was prepared on the results of an audit carried out in 2012, with the assistance of an outside consultant, SpencerStuart, and presented to the Appointments and Compensation Committee on December 14, 2012 and to the Board of Directors on December 18, 2012.

The report covered the following aspects: the organization and operation of the Board of Directors; the Board's areas of expertise and work process; risk management; the members of the Board and director compensation; the Board's relationship with executive management and shareholders; and, lastly, the organization and operation of the Committees.

Directors are broadly satisfied with the operation of the Board of Directors and of its committees and believe they are well-informed about the Group's operations. They are especially pleased with the ability to regularly meet operational managers and with the transparency of the information provided. The holding of one Board meeting per annum outside France is also highly beneficial because it enables directors to visit plants and in that way enhance their knowledge of the Group's businesses and meet the teams. The annual meeting of the Board of Directors devoted to strategy is also considered beneficial by members.

Nevertheless, the following main recommendations were made: directors feel that more time should be spent on the strategy of the overall Group as opposed to a focus on each Business Group;

additional speaking time could be allotted to each director at Board of Director meetings once every member has made his/her point at the request of the Chairman; the HR tools designed to underpin the Group's development should be enhanced.

At its meeting of December 18, 2012, the Board of Directors took the measures required to implement these recommendations.

8.1.1.5. Restrictions placed by the Board on the powers of the Chairman and Chief Executive Officer

This information can be found in Subsection 8.1.2.2 of this Registration Document

8.1.1.6. Principles of compensation of Corporate Officiers

The determination of compensation (fixed and variable parts), compensation criteria, and benefits in kind granted to corporate officers, as well as a comparison of compensation awarded in past years, are detailed in Chapter 8 of the Registration Document.

8.1.1.7. Factors that may impact a public tender offer

The information required under Article L. 225-100-3 of the French Commercial Code is set out in sections 8.1.1, 10.3.2, and in Subsections 10.4.2.1 and 10.4.2.2 of the Registration Document.

8.1.1.8. Shareholder participation in Shareholders' Meetings

The specific rules governing the participation of shareholders in Shareholders' Meetings are described in Articles 22 and 23 of Faurecia's bylaws, which may be consulted at www.faurecia.com, and in Chapter 10 of the Registration Document.

In light of the foregoing, Faurecia is deviating from the recommendations in the AFEP-MEDEF Code on one aspect, in connection with the length of terms of office of directors.

Recommendation in the AFEP-MEDEF Code	Reasons for non-compliance
The term of office for directors set in the bylaws should not exceed four years.	The term of office of directors is currently set at five years in Article 11 of the bylaws. This term of office makes it possible, in the opinion of the Board of Directors, to reconcile the recommendations set out in the AFEP-MEDEF Code as regards providing shareholders with the opportunity to give their opinion with sufficient regularity on the appointment of directors with the requirements as to permanence and long-term involvement required in the automotive industry. Indeed, this term more closely reflects the average production and marketing cycles for automakers' vehicle ranges. Thus, Faurecia develops products specifically for new vehicle models and generally enters into contracts to supply these products for the anticipated lifespan of these models (typically between five and ten years).

8.1.2. MEMBERS OF FAURECIA'S BOARD OF DIRECTORS

8.1.2.1. Information on Board members

The Company has no employee-elected or Non-voting Directors.

Apart from the Chairman and Chief Executive Officer, no member of the Board of Directors holds a senior management or other salaried position within Faurecia or a company that is directly or indirectly controlled by Faurecia.

The only directors with a family connection were Messrs Thierry Peugeot and Robert Peugeot. There are no other family ties between Faurecia's other corporate officers.

No director has been convicted of any fraudulent offense, none has managed a company that has filed for bankruptcy or gone into receivership or liquidation in the past five years, and none has received a definitive official public incrimination and/or sanction by statutory or regulatory authorities. None of them has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer, or from acting in the management or conduct of the affairs of an issuer in the past five years.

EXPERTISE, POSITIONS AND DIRECTORSHIPS

Directors	Directorships/Positions
Yann DELABRIÈRE Mr. Yann Delabrière has held various positions within the Finance departments of several major manufacturing groups. He joined the PSA Peugeot Citroën group in 1990 where he held the position of Chief Financial Officer and member of the Executive Committee from 1998 to 2007. He has been a director of Faurecia since November 18, 1996 and has been the Chairman and Chief Executive Officer since February 16, 2007.	**Within Faurecia** • Chairman and Chief Executive Officer of Faurecia • Member of the Strategy Committee **Outside Faurecia** As of December 31, 2012, Mr. Yann Delabrière also held the following directorship: • Director of Capgemini • Director of Société Générale Over the last five years, Mr. Yann Delabrière has also held the following directorships and positions, which he no longer holds: • Chief Financial Officer of Peugeot SA • Chairman and Chief Executive Officer of Banque PSA Finance • Chairman and Chief Executive Officer of Compagnie Générale de Crédit aux Particuliers - Credipar • Director of Peugeot Citroën Automobiles SA • Director of Automobiles Citroën • Director of Gefco • Chairman of Pergolese Investissements • Chief Executive Officer of Grande Armée Participations • Chairman of the Supervisory Board of SIT • Permanent representative of Peugeot SA on the Board of Directors of Automobiles Peugeot • Manager of PSA Services SrL (Italy) • Chairman of the Board of Directors of Peugeot Citroën Argentina SA (Argentina) • Chairman of the Supervisory Board of Peugeot Finance International (Netherlands) • Vice-Chairman and Director of PSA International SA (Switzerland)
Éric BOURDAIS DE CHARBONNIÈRE Mr. Éric Bourdais de Charbonnière joined JP Morgan in 1965, and went on to hold various positions within it. From 1987 to 1990 he was the *Executive Vice-President*, Head of Europe. In 1990, he joined Michelin as Chief Financial Officer, and subsequently became a member of the Group Executive Council. He has been Chairman of the Supervisory Board since September 2000.	**Within Faurecia** • Director of Faurecia • Member of the Audit Committee **Outside Faurecia** As of December 31, 2012, Mr. Éric Bourdais de Charbonnière also held the following directorships and positions: • Chairman of the Supervisory Board of Michelin (France) and member of the Audit Committee • Member of the Supervisory Board of ODDO (France) and member of the Audit Committee Over the last five years, Mr. Éric Bourdais de Charbonnière has also held the following positions, which he no longer holds: • Vice-Chairman of the Supervisory Board of ING Group • Member of the Board of Directors of Thomson SA (France)

Directors	Directorships/Positions
Jean-Baptiste CHASSELOUP DE CHATILLON Mr. Jean-Baptiste Chasseloup de Chatillon is a graduate of the Paris Dauphine University and Lancaster University (UK). He is currently Chief Financial Officer of the PSA Peugeot Citroën group and a member of the Management Board of Peugeot SA. He had previously been the Group's Financial Control Manager since June 2007. He joined Automobiles Peugeot in 1989 and has held various positions both in France and at an international level. As treasurer at Peugeot España, he then set up shared financial service centers in Spain, Italy, Belgium, Germany and the UK. In 1999, he became Chief Financial Officer of the Group's UK subsidiaries. In 2001, he was in charge of Eurozone importers for Citroën, then in 2003 he became Chief Executive of Citroën Belgique Luxembourg. He returned to Paris in 2006 to set up the Group's Warranty department.	**Within Faurecia** • Director of Faurecia • Member of the Audit Committee **Outside Faurecia** As of December 31, 2012, Mr. Jean-Baptiste Chasseloup de Chatillon also held the following directorships and positions: • Chief Financial Officer of the PSA Peugeot Citroën group • Member of the Management Board of Peugeot SA • Director of Automobiles Citroën • Member of the Supervisory Board of Gefco • Permanent representative of Peugeot SA, director of Automobiles Peugeot • Director of Peugeot Citroën Automobiles • Chairman of the Supervisory Board of Peugeot Finance International NV • Vice-Chairman and Chief Executive Officer of PSA International SA • Director of PCMA Holding B.V. • Director of Dongfeng Peugeot Citröen Automobiles Company Ltd • Director of Changan PSA Automobiles Co., Ltd Over the last five years, Mr. Jean-Baptiste Chasseloup de Chatillon has also held the following directorships and positions, which he no longer holds: • Director of Gefco • Chairman of the Supervisory Board of Peugeot Finance International NV • Permanent representative of Citröen Belux, director of PSA Finance Belux
Jean-Pierre CLAMADIEU Mr. Jean-Pierre Clamadieu was in charge of various divisions of Rhodia, also serving as its Chief Executive Officer from October 2003 to March 2008, and then as its Chairman and CEO until October 2011. He has *been Chief Executive* Officer of Solvay since May 8, 2012.	**Within Faurecia** • Director of Faurecia • Member of the Appointments and Compensation Committee **Outside Faurecia** As of December 31, 2012, Mr. Jean-Pierre Clamadieu also held the following directorships and positions: • Chief Executive Officer of Solvay (Belgium) • Chairman of the Board of Directors of Rhodia (France) • Director of AXA (France) • Director of the SNCF (France) • Member of the Supervisory Board of Solvay GmbH (Germany) • Director of Solvay Finance (Luxembourg) SA • Director of Solvay Iberica SL (Spain) • Director of Solvay Quimica S.L. (Spain) • Director of Solvay America, Inc. (United States) Over the last five years, Mr. Jean-Pierre Clamadieu has also held the following directorships and positions, which he no longer holds: • Deputy Chief Executive Officer of Solvay (Belgium) until May 8, 2012 • Chief Executive of Rhodia until March 2008 • Chairman and Chief Executive Officer of Rhodia until October 27, 2011

Directors	Directorships/Positions
Lee GARDNER Mr. Lee Gardner joined One Equity Partners in 2001. In 2008, he became Chairman and CEO of Emcon Technologies, a member of the OEP group, a position he relinquished following the sale of Emcon Technologies to Faurecia. He is currently a director of Precision Gear Holdings. He has also kept his position as Partner and Managing Director of One Equity Partners.	**Within Faurecia** • Director of Faurecia • Member of the Strategy Committee **Outside Faurecia** As of December 31, 2012, Mr. Lee Gardner also held the following directorship: • Partner and Managing Director of One Equity Partners • Director of Precision Gear Holdings • Director of OEP East Balt I LP • Member of the Supervisory Board of Smartrac N.V. Over the last five years, Mr. Lee Gardner has also held the following directorships and positions, which he no longer holds: • Director and Chairman of Emcon Technologies • Director of OEP Precision Holdings LLC • Director of Polaroid Inc. • Director of Mauser - Werke GmbH • Director and Chairman of Progress Rail
Jean-Claude HANUS Mr. Jean-Claude Hanus has spent his entire career with the Peugeot SA group, where he was director of Legal Affairs and then Company Secretary until September 30, 2011, when he retired.	**Within Faurecia** • Director of Faurecia • Member of the Appointments and Compensation Committee **Outside Faurecia** As of December 31, 2012, Mr. Jean-Claude Hanus also held the following position: • Non-Executive Chairman of Pôle Mov'eo since June 7, 2011. Over the last five years, Mr. Jean-Claude Hanus has also held the following directorships and positions, which he no longer holds: • Company Secretary and director of Legal Affairs of Peugeot SA • Director of Association Auxiliaire de l'Automobile • Director of Automobiles Peugeot • Director of Compagnie Générale de Crédit aux Particuliers – Credipar • Permanent representative of Peugeot SA on the Board of Directors of Banque PSA Finance • Permanent representative of Peugeot SA on the Board of Directors of Gefco SA • Chairman of DJ6 • Chairman of Grande Armée Participations • Director of Peugeot Citroën Automobiles España SA • Director of PCMA Holding B.V. • Permanent representative of Peugeot SA on the Board of Directors of Automobiles Citroën • Director of Comité des Constructeurs Français Automobiles

Directors	Directorships/Positions
Hans-Georg HÄRTER Mr. Hans-Georg Härter spent his entire career with the ZF Group, which he joined in 1973. He held the position of Chief Executive Officer of ZF Friedrichshafen AG from January 2007 to May 2012, when he retired.	**Within Faurecia** • Director of Faurecia • Member of the Strategy Committee **Outside Faurecia** As of December 31, 2012, Mr. Hans-Georg Härter also held the following directorships and positions: • Member of the Supervisory Board of Klingelnberg AG • Member of the Board of the Zeppelin University Friedrichshafen Foundation • Member of the Board of Association Deutsche Wissenschaft e.V. • Member of Institut Deutsche Wissenschaft • Member of the Advisory Committee of Unterfränkische Überlandzentrale eG • Director of Axega GmbH • Director of Altran SA (France) • Member of the Supervisory Board of Kiekert AG • Member of the Supervisory Board of Knorr-Bremse AG Over the last five years, Mr. Hans-Georg Härter has also held the following directorships and positions, which he no longer holds: • Chief Executive Officer of ZF Friedrichshafen AG • Member of the Supervisory Board of ZF Getriebe GmbH, Saarbrücken • Member of the Supervisory Board of ZF Lemförder GmbH, Lemförde • Member of the Supervisory Board of ZF Passau GmbH, Passau • Member of the Supervisory Board of ZF Sachs AG, Schweinfurt • Member of the Supervisory Board of Verband der Automobilindustrie (VDA)

Directors	Directorships/Positions
Linda HASENFRATZ Mrs Linda Hasenfratz has *been Chief Executive* Officer of Linamar Corporation since August 2002. She was also its *President* from April 1999 to August 2004, and its Chief *Operating Officer* from September 1997 to September 1999. She has been a director since 1998.	**Within Faurecia** • Director of Faurecia • Member of the Appointments and Compensation Committee **Outside Faurecia** As of December 31, 2012, Mrs Hasenfratz also held the following directorships and positions: • Chief Executive Officer of Linamar Corporation (Canada) • Director of Linamar Corporation (Canada) • Vice-President of the Board of Governors, Royal Ontario Museum (Canada) • Director of Canadian Imperial Bank of Commerce (CIBC) (Canada) • Director of Original Equipment Manufacturers Association (USA) • Director of the Canadian Council of Chief Executives (Canada) • Member of the Catalyst Canadian Board of Advisors Over the last five years, Ms. Hasenfratz has not held any directorships and positions that she no longer holds.
Amparo MORALEDA Mrs Amparo Moraleda is an engineering graduate from ICAI (*Escuela Técnica Superior de Ingeniería Industrial*) in Madrid and has an MBA from the Madrid IESE Business School. From January 2009 until February 2012, *she was Chief Operating Officer* – Iberdrola SA International Division (one of the main producers of renewable energy worldwide). From 1988 to 2008, she held various positions at the IBM group, which she joined as Systems Engineer. From June 2001 to June 2005, she was, most *notably, General* Manager of IBM Spain and Portugal. Between June 2005 and December 2008, *she was* General Manager of IBM for Spain, Portugal, Greece, Israel and Turkey.	**Within Faurecia** • Director of Faurecia • Member of the Appointments and Compensation Committee **Outside Faurecia** As of December 31, 2012, Ms. Amparo Moraleda also held the following directorships and positions: • Member of the Board of Directors of Melià Hotels International SA (Spain) • Chairwoman of the Appointments and Compensation Committee and member of the Audit Committee of Melià Hotels International SA (Spain) • Member of the Supervisory Board of CSIC (Consejo Superior de Investigaciones Cientificas) (Spain) Over the last five years, Ms. Amparo Moraleda has also held the following directorships and positions, which she no longer holds: • Chief Operating Officer - International Division of Iberdrola SA • Member of the Board of Directors of Acerinox, SA

Directors	Directorships/Positions
Ross MCINNES Mr. Ross McInnes held the position of Chief Financial Officer of Eridania Beghin-Say from 1991 to 2000, and became a director in 1999. He joined Thomson-CSF (Thales) in 2000, as Senior Vice-President and Chief Financial Officer, before joining the PPR group in 2005, as Senior Vice-President Finance and Strategy. From 2007 to 2009 he held the position of Vice-Chairman of Macquarie Capital Europe. In March 2009 Mr. Ross McInnes joined the Safran group as Advisor to the Chairman of the Management Board. In June 2009 he then became Chief Operating Officer responsible for Economic and Financial Affairs. He was a member of the Management Board from July 2009 to April 2011. On April 21, 2011 he was appointed Deputy Managing Director responsible for Economic and Financial Affairs by Safran's Board of Directors.	**Within Faurecia** • Director of Faurecia • Chairman of the Audit Committee **Outside Faurecia** As of December 31, 2012, Mr. Ross McInnes also held the following directorships and positions: • Deputy Managing Director responsible for Economic and Financial Affairs at Safran • Director of Vallaroche Conseil • Permanent representative on the Board of Directors of Établissements Vallaroche (company represented: Safran) • Director of Messier-Bugatti-Dowty • Permanent representative on the Board of Directors of Soreval (Luxembourg) (company represented: Établissements Vallaroche) • Director of Aircelle • Director of Sagem Défense Sécurité • Director of Morpho • Director of Snecma • Director of Turbomeca • Director of Safran USA, Inc. (United States) • Director of Financière du Planier • Permanent representative on the Board of Directors of Générale de Santé SA* (company represented: Santé Europe Investissements Sàrl) • Permanent representative of the Board of Directors of Santé SA (Luxembourg) (company represented: Santé Europe Investissements Sàrl) • Director of Limoni SpA (Italy) • Member of the Audit Committee of Générale de Santé Over the last five years, Mr. Ross McInnes has also held the following directorships and positions, which he no longer holds: • Member of the Executive Board of Safran • Director of SME • Director of Messier-Dowty SA • Permanent representative on the Board of Directors of Messier-Dowty SA (company represented: Safran) • Director of Santé SA (Luxembourg) • Chairman of Chartreuse & Mont-Blanc SAS • *Vice-Chairman* of Macquarie Capital Europe Ltd (UK) • Director of Macquarie Autoroutes de France SAS • Director of Eiffarie SAS • Director of Autoroutes Paris-Rhin-Rhône • Director of AREA and Adelac SAS • Director of Chartreuse & Mont-Blanc Global Holdings SCA (Luxembourg), Chartreuse & Mont-Blanc GP SARL (Luxembourg) and Chartreuse & Mont-Blanc Holdings Sarl (Luxembourg) • Director of Bienfaisance Holding • Member of the Supervisory Board of Générale de Santé • Member of the Supervisory Board of Pisto SAS • Permanent representative on the Board of Directors of La Financière de Brienne (company represented: Établissements Vallaroche) • Censor at the Board of Générale de Santé SA

** Listed company*

Directors	Directorships/Positions
Robert PEUGEOT Mr. Robert Peugeot is Chairman and CEO of FFP. Robert Peugeot studied at the École Centrale de Paris and INSEAD. He has held various senior positions within the PSA Peugeot Citroën group, and was a member of the Group Executive Committee from 1998 to 2007, holding the position of Vice-President, Innovation and Quality. He has been a member of the Supervisory Board of Peugeot SA since February 2007 and a member of the Finance Committee and chair of the Strategy Committee since December 2009. He is also a member of the Appointments and Governance Committee. He has managed the expansion of FFP since the end of 2002.	**Within Faurecia** • Director of Faurecia **Outside Faurecia** As of December 31, 2012, Mr. Robert Peugeot also held the following directorships and positions: • Chairman and Chief Executive Officer of FFP • Member of the Supervisory Board of Peugeot SA • Member of the Supervisory Board of Hermès International • Member of the Supervisory Board of IDI Emerging Markets SA • Permanent representative of FPP on the Supervisory Board of Zodiac Aerospace • Director of Sanef • Director of Imerys • Director of Holding Reinier • Director of Établissements Peugeot Frères • Director of Sofina • Director of DKSH AG • Permanent representative of FFP Invest, Chairman of Financière Guiraud SAS • Manager of SC Rodom • Manager of Sarl CHP Gestion Over the last five years, Mr. Robert Peugeot has also held the following directorships and positions, which he no longer holds: • Chairman and Chief Executive Officer of Simante SL • Director of Fomento de Construcciones y Contratas SA (FCC) • Director of LFPF (La Française de Participations Financières) • Director of Immeubles et Participations de l'Est • Director of Alpine Holding • Director of Waste Recycling Group Ltd. • Director of B-1998, SL • Director of FCC Construction SA

Directors	Directorships/Positions
Thierry PEUGEOT Mr. Thierry Peugeot has been Chairman of the Supervisory Board of Peugeot SA since the end of 2002. A graduate of ESSEC, Mr. Thierry Peugeot began his career at the Marrel group as Export Manager for the Middle East and Anglophone Africa, before becoming director of Air Marrel America. In 1988, he joined PSA Peugeot Citroën group, initially as Area Manager for South-East Asia at Automobiles Peugeot, before becoming CEO of Peugeot do Brasil and CEO of SLICA (Peugeot's main sales subsidiary) in Lyon. In 2000 he was appointed Head of International Key Accounts at Automobiles Citroën. He subsequently became director of Services and Parts for Citroën and a member of the Group's Management Committee. In December 2002, he was appointed Chairman of the Supervisory Board of Peugeot SA.	**Within Faurecia** • Director of Faurecia **Outside Faurecia** As of December 31, 2012, Mr. Thierry Peugeot also held the following directorships and positions: • Chairman of the Supervisory Board of Peugeot SA • Chairman of the Compensation Committee of Peugeot SA • Member of the Appointments and Governance Committee of Peugeot SA • Member of the Strategy Committee of Peugeot SA • Vice-Chairman and Chief Operating Officer of Établissements Peugeot Frères • Member of the Supervisory Board of Gefco • Director of Société Anonyme de Participations (SAPAR) • Director of Air Liquide SA • Director of Compagnie Industrielle de Delle (CID) • Permanent representative of CID on the Board of Directors of LISI • Member of the Compensation Committee of LISI • Director and member of the Holding Committee of FFP • Manager of SCI du Doubs Over the last five years, Mr. Thierry Peugeot has also held the following directorships, which he no longer holds: • Director of Française de Participation Financière
Philippe VARIN Mr. Philippe Varin is a graduate of École Polytechnique and École des Mines de Paris. He held different positions of responsibility within Pechiney group prior to his appointment as director of the Rhenalu Division in 1995, and then as director of the Aluminum Sector and member of the Executive Board in 1999. He was appointed as Chief Executive of Anglo-Dutch steel group Corus in 2003, a position he held until April 2009 when he joined Peugeot SA as Chairman of the Managing Board.	**Within Faurecia** • Director of Faurecia **Outside Faurecia** As of December 31, 2012, Mr. Philippe Varin also held the following directorships and positions: • Chairman of the Management Board of Peugeot SA • Director of Banque PSA Finance • Chairman of the Board of Directors of Peugeot Citroën Automobiles SA • Director of PCMA Holding B.V. • Non-executive Director of BG group PLC Over the last five years, Mr. Philippe Varin has also held the following directorships, which he no longer holds: Chairman of the Board of Directors of Gefco • Director of Tata Steel Europe Ltd • Director of Tata Steel Ltd • Director of Tata Steel UK Ltd

DIRECTOR SHAREHOLDINGS

Pursuant to the bylaws, each Board member must hold at least 20 Faurecia shares throughout his or her term of office.

As of December 31, 2012, directors held the following interests on the basis of a share capital of €775,836,215 divided into 110,833,745 shares representing 174,611,021 theoretical voting rights.

	Number of shares	Percentage of share capital	Number of voting rights	Percentage of voting rights
Mr. Yann DELABRIÈRE	43,344	0.04%	49,638	0.03%
Mr. Éric BOURDAIS DE CHARBONNIÈRE	100	0.00%	200	0.00%
Mr. Jean-Baptiste CHASSELOUP DE CHATILLON	20	0.00%	20	0.00%
Mr. Jean-Pierre CLAMADIEU	364	0.00%	728	0.00%
Mr. Lee GARDNER	27,310	0.02%	27,410	0.01%
Mr. Jean-Claude HANUS	100	0.00%	200	0.00%
Mr. Hans-Georg HÄRTER	720	0.00%	1,440	0.00%
Mrs Linda HASENFRATZ	100	0.00%	100	0.00%
Mr. Ross McINNES	100	0.00%	200	0.00%
Mrs Amparo MORALEDA	1,000	0.00%	1,000	0.00%
Mr. Robert PEUGEOT	100	0.00%	200	0.00%
Mr. Thierry PEUGEOT	628	0.00%	921	0.00%
Mr. Philippe VARIN	20	0.00%	40	0.00%
TOTAL	**73,906**	**0.07%**	**82,097**	**0.05%**

CONFLICTS OF INTEREST

As provided for in the Board of Directors' internal rules of procedure, each director must disclose to the Board any conflicts of interest (including any potential conflicts of interest) relating to issues on the agendas of Board meetings, and must refrain from taking part in the vote on the matters in question. No such situations arose in 2012.

Thus, to the best of the Company's knowledge and as of the date of drafting of this document, no conflicts of interest had been identified between the duties of each member of the Board of Directors and of executive management vis-à-vis the Company in their capacity as corporate officers and their personal interests or other duties.

To the best of the Company's knowledge and as of the date of drafting of this document, there were no arrangements or agreement with major shareholders, customers or suppliers resulting in a member of the Board of Directors or executive management being appointed in that capacity.

To the best of the Company's knowledge and as of the date of drafting of this document, no restriction has been agreed to by members of the Board of Directors or of executive management regarding the disposal of their interests in the Company's share capital.

Aside from regulated agreements, which are the subject of a report to the Shareholders' Meeting, no service agreement has been entered into between a member of the Board of Directors and Faurecia or any of its subsidiaries.

The Statutory Auditors' special report on related party agreements and commitments can be found in Subsection 11.1.2.5 of this Registration Document.

The Board of Directors strengthened its rules relating to conflicts of interest by adopting a procedure regarding the use of insider information. This procedure provides that no transactions may be carried out involving the Company's shares until the related information has been made public. Directors and certain categories of personnel, who are all included in a regularly updated list, must disclose any trades they carry out in Faurecia's shares to the Company which then informs the markets.

On April 14, 2010, the Board of Directors modified its internal rules of procedure for the purpose of:

- setting out situations where directors could encounter conflicts of interest and restating the confidentiality and discretion incumbent on directors with regard to information not in the public domain acquired during the course of their duties;
- setting up blackout periods during which directors are prohibited from carrying out transactions involving Faurecia shares, in particular periods during which interim or annual results or quarterly revenue are reported; directors are accordingly prohibited from trading on Faurecia securities (including derivatives), including through the exercise of stock options, during the following periods:

- from the date of the annual December meeting of Faurecia's Board of Directors up to and including the third day following the announcement of Faurecia's annual results,
- within 30 calendar days prior to the announcement of interim results, and up to and including the third day following the announcement, this deadline having been extended from 15 to 30 days by the Board meeting of April 14, 2011, and the internal rules of procedure amended accordingly,
- within 15 calendar days prior to the publication of quarterly revenue and up to and including the third day following the announcement,
- throughout the period between the dates on which the Company (acting through its management) becomes aware of information that, if it became public, would be liable to have a significant impact on the share price of Faurecia, or the price of related financial instruments, and the date on which this information is made public. In the case of doubt on the nature of the information in its possession, each director may refer to the Group Chief Financial Officer, who has 24 hours to issue an opinion on the prospective transaction in his capacity as ethics officer,
- creating a position of compliance officer to facilitate the handling of securities transactions and sensitive information discussed by the Board.

TRANSACTIONS BY CORPORATE OFFICERS DURING THE PAST FINANCIAL YEAR

Declarant	No. and date of the AMF Notice/ Decision	Financial instrument	Type of transaction	Date of transaction	Date of receipt of declaration	Transaction venue	Unit price	Amount of transaction
-	-	-	-	-	-	-	-	-

DIRECTORS' COMPENSATION

Directors' compensation is paid in the form of attendance fees allocated by the Board of Directors. Total attendance fees were decided by the Ordinary Shareholders' Meeting of May 27, 2003, and are apportioned among Board members.

At its meeting of April 14, 2010, the Board decided that as of January 1, 2010:

- directors would receive a fixed portion of attendance fees amounting to €12,000 in recognition of their directorship position, and a variable portion representing a maximum of €2,000 based on the number of Board meetings attended;
- Committee members receive a fixed portion of attendance fees amounting to €7,000 and a variable portion of €1,500 per relevant Committee meeting;
- the Chairman and Chief Executive Officer waives all attendance fees for his participation in Board or Committee meetings;
- members of the Board of Directors holding executive management or associate positions in a company that is a shareholder of the Group do not receive any attendance fees in respect of their position on Faurecia's Board of Directors.

At the Meeting, Mr. Thierry Peugeot indicated that he would waive attendance fees for Faurecia.

Directors received gross attendance fees in respect of 2011 and 2012 in the amounts detailed in the table below:

Attendance fees

TABLE 3 (NUMBERING AS PER AMF RECOMMENDATION OF DECEMBER 22, 2008)

Directors *Gross amounts in €*	**Amount of attendance fees paid in 2011**	**Of which variable portion paid in 2011**	**Amount of attendance fees paid in 2012**	**Of which variable portion paid in 2012**
Éric BOURDAIS DE CHARBONNIÈRE	31,500	12,500	37,500	18,500
Jean-Baptiste CHASSELOUP DE CHATILLON*	-	-	0	0
Jean-Pierre CLAMADIEU	35,000	16,000	37,500	18,500
Yann DELABRIÈRE	0	0	0	0
Frank ESSER**	24,000	5,000	-	-
Linda HASENFRATZ***	26,500	7,500	35,500	16,500
Hans-Georg HÄRTER	36,500	17,500	35,500	16,500
Jean-Claude HANUS	0	0	37,500	18,500
Lee GARDNER	36,500	17,500	35,500	16,500
Ross McINNES	33,000	14,000	39,000	20,000
Amparo MORALEDA****	-	-	22,000	10,000
Frédéric SAINT-GEOURS*****	0	0	0	0
Thierry PEUGEOT	0	0	0	0
Robert PEUGEOT	22,000	10,000	26,000	14,000
Philippe VARIN	0	0	0	0
TOTAL	**245,000**	**100,000**	**306,000**	**149,000**

* *Director since May 23, 2012.*
** *Director until May 26, 2011.*
*** *Director since May 26, 2011.*
**** *Director since May 23, 2012.*
***** *Director until May 23, 2012.*

Directors are not entitled to any termination benefits or deferred compensation for the loss of their corporate office.

The controlling company, Peugeot SA, paid fixed and variable compensation as well as benefits in kind to the following officers who also hold a corporate office within Faurecia.

In his capacity as Chairman of the Management Board of Peugeot SA since June 1, 2009, Mr. Philippe Varin received €1,302,172 in respect of 2012.

In his capacity as member of the Management Board of Peugeot SA, Mr. Jean-Baptiste Chasseloup de Chatillon received €498,013 in respect of 2012.

In his capacity as Chairman of the Supervisory Board of Peugeot SA, Mr. Thierry Peugeot received €515,000 in respect of 2012.

In his capacity as member of the Supervisory Board of Peugeot SA, Mr. Robert Peugeot received €90,000 in respect of 2012.

Faurecia does not have any information concerning the compensation of its corporate officers who are not also corporate officers of the controlling company. Faurecia specifies that no compensation other than the attendance fees mentioned above was paid to any of its directors by the Company or its subsidiaries during the past year.

8.1.2.2. Information on corporate officers

Mr. Yann Delabrière has been Faurecia's Chairman and Chief Executive Officer since February 16, 2007. He is the Company's sole corporate officer.

RESTRICTIONS PLACED BY THE BOARD ON THE POWERS OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Board of Directors has entrusted its Chairman with responsibility for Faurecia's general management. The internal rules of the Board of Directors, which may be consulted on Faurecia's website at www.faurecia.com, set out the manner in which the Board's responsibilities and those of the Chairman are to be exercised. The Chairman must obtain approval from the Board of Directors before carrying out any acquisition, disposal or joint venture project representing a total asset value of over €100 million and/or revenue in excess of €300 million. These rules also state that the Board should be consulted on all Faurecia and Group strategic decisions at the Chairman's initiative. At its meeting of July 23, 2012, the Board of Directors authorized the Chairman and Chief Executive Officer to give endorsements or guarantees subject to an overall ceiling of €50 million, with a limit of €10 million per transaction. If the Group is required to provide advance payment guarantees or performance bonds for contracts with successive performance commitments, the Chairman and Chief Executive Officer is authorized to provide guarantees representing a maximum of €5 million per transaction, subject to the same overall ceiling. Lastly, through its internal rules and within the scope of the applicable laws governing its activities, the Board has the powers to deal with all matters required for the efficient running of Faurecia.

COMPENSATION OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Faurecia complies with the AFEP-MEDEF Corporate Governance Code as regards the compensation of corporate officers of companies whose securities are admitted to trading on a regulated market.

The fixed compensation for Mr. Yann Delabrière, Chairman and Chief Executive Officer of Faurecia, in respect of 2012 was set at €700,000 by the Board of Directors on February 7, 2012, based on a recommendation by the Appointments and Compensation Committee on January 19, 2012.

At its meeting of February 7, 2012, the Board further decided that the variable portion of the Chairman and Chief Executive Officer's compensation for 2012 would represent 100% of his fixed compensation, subject to the full achievement of certain Group targets, and would be capped at 150% of his fixed compensation if the said targets were exceeded.

The targets that were set by the Board are based on operating income (loss) after net financial income (expense), cash flow and the presentation of the strategic plan that satisfies certain criteria and shall be subject to a qualitative assessment by the Board of Directors on the report of the Appointments and Compensation Committee.

The contribution of each of these targets was set as follows by the Board of Directors at its meeting of February 7, 2012:

- operating income (loss) after net financial income (expense): 40%;
- cash flow: 40%;
- presentation of the strategic plan: 20%.

The target levels for the aforementioned quantitative criteria were clearly defined by the Board but were not made public for confidentiality reasons.

On the recommendation of the Appointments and Compensation Committee meeting of February 5, 2013, the Board, at its meeting of February 11, 2013, set Mr. Yann Delabrière's variable compensation in respect of 2012 at €140,000, in line with the targets achieved.

The Board also set Mr. Yann Delabrière's fixed compensation for 2013 at €700,000 and agreed the components of his variable compensation for that same year.

The targets set by the Board are based on operating income, free cash flow and qualitative targets.

The contribution of each of these targets was set as follows by the Board of Directors at its meeting of February 11, 2013:

- operating income: 20%;
- free cash flow: 50%;
- qualitative targets: 30%.

The target levels for the aforementioned quantitative criteria were clearly defined by the Board but were not made public for confidentiality reasons.

Having waived any compensation in his capacity as member of the Board of Directors and member of the Strategy Committee, Mr. Yann Delabrière received no attendance fees for 2012.

Mr. Yann Delabrière did not receive or exercise any company stock options in 2012.

At its meeting of July 23, 2012, the Board approved performance share plan No. 4 as described in table 6 below and resolved that the shares granted to Mr. Yann Delabrière would be subject to the same performance conditions as share allocations for other members of Faurecia's Senior Management, as these members are defined in Section 8.2 of this Registration Document.

To this end, the aforementioned decision of the Board of Directors made performance share plan No. 4 60% subject to an internal performance target based on pretax net income (before gains on asset disposals and change in the scope of consolidation) and 40% subject to an external target based on a comparison between the Company's earnings per share growth, measured between 2011 and 2014, and the average growth of a reference group comprising global automotive suppliers.

The Board also decided that Mr. Yann Delabrière should keep 30% of his allocation until the expiry of his term of office, regardless of the number of times it is renewed.

If the conditions set out in plan No. 4 are achieved by the end of 2014, Mr. Yann Delabrière will be allocated a maximum of 52,000 shares.

The benefits in kind granted to Mr. Yann Delabrière correspond to a company car for business use as well as the services of a driver.

Mr. Yann Delabrière is a member of the supplementary pension scheme set up for all of Faurecia's managerial employees in France, which comprises:

- a defined contribution plan relating to salary tranches A and B with total contributions representing 1% on tranche A and 6% on tranche B of the compensation without the beneficiary's participation;
- a defined benefit plan relating to salary tranche C whose contribution rate corresponds to 1% of salary tranche C multiplied by the beneficiary's years of seniority within Faurecia. Further information on the supplementary pension scheme can be found in Note 25-F to the consolidated financial statements.

Mr. Yann Delabrière is not entitled to any deferred compensation in the event that he loses his corporate office. He receives no other form of compensation.

The tables below provide an analysis of Mr. Yann Delabrière's compensation.

Only applicable tables are shown.

Compensation, stock options and performance shares granted to Mr. Yann Delabrière

TABLE 1 (NUMBERING AS PER AMF RECOMMENDATION OF DECEMBER 22, 2008)

	Year 2011	Year 2012
Compensation due for the year (see Table No. 2)	€1,100,771.60	€847,371.60
Value of stock options granted during the year (see Table No. 4)	-	-
Value of performance shares granted during the year	€1,085,040	€435,080
TOTAL	**€2,185,811.60**	**€1,282,451.60**

Breakdown of compensation received by Mr. Yann Delabrière

TABLE 2 (NUMBERING AS PER AMF RECOMMENDATION OF DECEMBER 22, 2008)

	Year 2011		Year 2012	
(gross in €)			Amount due	Amount paid
Fixed compensation	€700,000	€700,215.08	€700,000	€700,000.08
Variable compensation	€393,400*	€700,000**	€140,000***	€393,400****
Exceptional bonus	0	0	0	0
Attendance fees	-	-	-	-
Benefits in kind	€7,371.60	€7,371.60	€7,371.60	€7,371.60
TOTAL	**€1,100,771.60**	**€1,407,586.68**	**€847,371.60**	**€1,100,771.68**

* *Amount due in respect of fiscal year 2011 and paid in 2012.*
** *Amount due in respect of fiscal year 2010 and paid in 2011.*
*** *Amount due in respect of fiscal year 2012, to be paid in 2013.*
**** *Amount paid in respect of fiscal year 2011.*

Stock options granted to Mr. Yann Delabrière during prior years by Faurecia and other group companies

TABLE 4 (NUMBERING AS PER AMF RECOMMENDATION OF DECEMBER 22, 2008)

Yann DELABRIÈRE	Number and date of plan	Type of options (purchase or subscription)	Value of options based on the method used in the consolidated financial statements	Number of options granted (adjusted)	Adjusted exercise price	Exercise period
	No. 17 – April 16, 2007	Subscription	911,090	48,000	44.69	04/16/2011 – 04/162017
	No. 18 – April 10, 2008	Subscription	603,624	60,000	28.38	04/10/2012 – 04/10/2016
TOTAL	**-**	**-**	**1,514,714**	**108,000**	**-**	**-**

As far as the Company is aware, there are no hedges on the Company's stock subscription options.

TABLE 5: NOT APPLICABLE

Performance shares granted to Mr. Yann Delabrière

TABLE 6 (NUMBERING AS PER AMF RECOMMENDATION OF DECEMBER 22, 2008)

Yann DELABRIÈRE	Number and date of plan	Max. number of shares granted during the period*	Valuation of stock by the method used for the consolidated financial statements	Acquisition date	Vesting date	Performance requirements
Plan No. 1	Plan No. 1 of June 23, 2010	37,050	383,468	06/23/2012	06/23/2014	Pretax net income of the Group as of December 31, 2011 before gains on asset disposals and change in the scope of consolidation
Plan No. 2	Plan No. 2 of July 21, 2010	37,050	399,514	07/21/2013	07/21/2015	Pretax net income of the Group as of December 31, 2012 before gains on asset disposals and change in the scope of consolidation
Plan No. 3	Plan No. 3 of July 25, 2011	52,000	1,085,040	07/25/2014	07/25/2016	Pretax net income of the Group as of December 31, 2013 before gains on asset disposals and change in the scope of consolidation
Plan No. 4	Plan No. 4 of July 23, 2012	52,000	435,080	07/23/2015	07/23/2017	Pretax net income of the Group at December 31, 2014 before gains on asset disposals and change in the scope of consolidation; and comparison between the Company's earnings per share growth between 2011 and 2014 and the average growth of a reference group comprising global automotive suppliers.
TOTAL	**-**	**178,100**	**2,303,102**	**-**	**-**	**-**

* *The number of performance shares given in this table is the maximum number and corresponds to 130% of the number of shares used in the valuation.*

TABLE 7: NOT APPLICABLE

Record of purchase or subscription options granted to Mr. Yann Delabrière

TABLE 8 (NUMBERING AS PER AMF RECOMMENDATION OF DECEMBER 22, 2008)

Disclosures regarding stock subscription options	Plan No. 17	Plan No. 18
Date of Shareholders'/Board meeting authorizing stock option grants	Shareholders' Mtg of May 23, 2005 Board meeting of April 16, 2007	Shareholders' Mtg of May 29, 2007 Board meeting of April 10, 2008
Adjusted total number of shares available for subscription	48,000	60,000
Start of exercise period	04/16/2011	04/10/2012
Expiration date	04/16/2017	04/10/2016
Adjusted exercise price	44.69	28.38
Exercise conditions (where the plan includes more than one tranche)	-	-
Number of shares purchased on exercise of stock options as of December 31, 2011	0	0
Total stock options canceled or forfeited	0	0
Stock options outstanding at year-end	48,000	60,000

No other corporate officer received stock options.

Historical data in respect of stock subscription or purchase is provided in Note 22 to the consolidated financial statements.

TABLE 9: NOT APPLICABLE

TABLE 10 (NUMBERING AS PER AMF RECOMMENDATION OF DECEMBER 22, 2008)

Mr. Yann Delabrière	Employment Contract		Supplementary pension plan		Compensation or benefits due or potentially due because of leaving or changing office		Compensation due under a non competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Position: Chairman and Chief Executive Officer Start of term: February 16, 2007 End of term: Shareholders' Meeting held in 2017		X	X*			X		X

* *Supplementary pension plan applicable to all of Faurecia's managerial employees (see Section 8.1.2.2).*

8.2. The Executive Committee

8.2.1. EXECUTIVE COMMITTEE MEMBERS

Faurecia's executive management function is performed under the responsibility of the Chairman and Chief Executive Officer by an Executive Committee that meets every month to review the Group's results and consider general matters concerning the Group.

Its members are as follows:

Yann Delabrière
Chairman and Chief Executive Officer

Hervé Guyot
Executive Vice-President, Group Strategy

Jean-Marc Hannequin
Executive Vice-President, Faurecia Emissions Control Technologies (until May 1, 2013)

Senior Advisor (from May 1, 2013)

Frank Imbert
Chief Financial Officer

Patrick Koller
Executive Vice-President, Faurecia Automotive Seating

Jacques Mauge
Executive Vice-President, Faurecia Automotive Exteriors

Kate Philipps
Executive Vice-President, Group Communications

Jean-Michel Renaudie
Executive Vice-President, Faurecia Interior Systems (from April 1, 2013)

Christophe Schmitt
Executive Vice-President, Faurecia Interior Systems (until March 31, 2013)

Executive Vice-President, Faurecia Emissions Control Technologies (from May 1, 2013)

Jean-Pierre Sounillac
Executive Vice-President, Group Human Resources

8.2.2. MISSION AND STRUCTURE

The Faurecia group is organized into Business Groups dedicated to managing and developing Faurecia's activities worldwide.

They are responsible for the operating results of their individual businesses, as well as investments and the management of operating cash flow.

Faurecia comprises four Business Groups:

- the Automotive Seating business (Faurecia Automotive Seating) is responsible for the management and development of the complete seat unit business and all aspects of the design and production of seat such as metal frames, mechanisms, comfort and safety submodules, foams and covers;
- the Emission Control Technologies business (Faurecia Emissions Control Technologies) is responsible for the management and development of complete exhaust systems and exhaust components covering both the hot end of the exhaust system such as particulate and exhaust fume treatments, as well as the cold end;
- the Interior Systems business (Faurecia Interior Systems) is responsible for the management and development of the main parts making up vehicle interiors such as instrument panels, cockpits, center consoles, door panels, door modules, sound insulation solutions, soft trim and acoustic modules;
- the Automotive Exteriors business (Faurecia Automotive Exteriors) is responsible for front-end modules and exterior equipment.

The Corporate departments include:

- the Finance and Human Resources departments, which are responsible for the management of their respective areas of expertise. They are structured around country-based divisions and shared service centers in charge of providing financial and administrative services (cash management, accounting, tax, legal) and human resources management services to the Faurecia group as a whole;

- the Strategy department, which drives the Group's strategy and medium-term planning, and coordinates the Business Groups' innovation and R&D activities, as well as Faurecia's expansion in emerging markets;
- the Communications department, which conducts the Group's internal and external communications.

8.2.3. COMPENSATION OF THE EXECUTIVE COMMITTEE

The total compensation paid or allocated to members of the Executive Committee for 2012 amounted to €5,543,678.

The compensation of the Executive Committee includes a variable bonus. Performing on target can result in a bonus worth 50% of the base salary. Should objectives be exceeded, this percentage can rise to 100% of the base salary. 55% of the bonus depends on collective objectives for operating income and cash generation within the scope of responsibility, 15% on the same objectives measured across the Group and 30% on personal objectives. Within the Corporate departments, 70% is based on collective objectives measured across the Group.

If the employment contract of an Executive Committee member is terminated, he or she may receive contractual severance pay of up to 12 months' compensation, depending on their position. This amount is not payable in the event of gross or willful misconduct.

Details on the number of stock options granted to Executive Committee members are provided in Subsection 10.4.2.2 of this Registration Document. Members of the Executive Committee also benefit from the performance share plan instituted by the Board of Directors. An initial tranche contained three plans that were awarded at its June 23, 2010, July 21, 2010 and July 25, 2011 meetings. The second tranche of three plans was approved and the first plan awarded at its July 23, 2012 meeting (see Subsection 10.4.2.2 of this Registration Document).

8.3. Senior Management

Each of the four core businesses is organized into geographic divisions – Europe, divided when appropriate into Northern and Southern Europe, North America, South America, and Asia (China) – which manage operations in their region and also coordinate operations with customers headquartered in their region.

The four businesses also have a central staff that handles the main operating functions (sales and marketing, programs, manufacturing support, purchasing, human relations and finance). These functions are also managed within the geographic divisions by equivalent teams. Additionally, some specialized areas are managed by worldwide product lines within the four businesses, such as seat mechanisms, acoustic treatments and decorative interior trims.

Senior Management at Faurecia consists of all the aforementioned management teams along with the Executive Committee and the key headquarters managers of the manufacturing and quality staff, the Human Relations department and the Financial departments.

Faurecia Senior Management included 270 members as of December 31, 2012. This is Faurecia's operational management, responsible for the Company's operations, growth and performance. As such, the members of this team have an interest in the short-term results, through a system of variable incentives. The collective portion is based on the objectives involving operating income and cash generation, with 55% dependent on their direct scope of responsibility, 15% on the scope immediately above, while the individual portion (30%) is based on objectives designed to improve operating income and cash generation.

Members of this team also benefit from the performance share plan instituted by the Board of Directors. An initial tranche contained three plans that were awarded at its June 23, 2010, July 21, 2010 and July 25, 2011 meetings. The second tranche of three plans was approved and the first plan awarded at its July 23, 2012 meeting (see Subsection 10.4.2.2 of this Registration Document).

8.4. Internal control

8.4.1. INTERNAL CONTROL: DEFINITION AND OBJECTIVES

Internal control is a group structure that comprises a set of resources, patterns of conduct, procedures and actions adapted to the individual characteristics of each company and the Group which:

- contributes to the control over its activities, to the efficiency of its operations and to the efficient utilization of its resources; and
- enables it to take into consideration, in an appropriate manner, all major risks, be they operational, financial or compliance.

The underlying aim of internal control is to ensure:

- compliance with legislation and regulations;
- that the instructions and directional guidelines fixed by Senior Management and/or the Board of Directors are applied;
- that the Company's internal processes are functioning correctly, particularly those implicating the security of its assets;
- that financial information is reliable.

Nevertheless, internal control cannot give an absolute guarantee that Faurecia's objectives shall be achieved. Any internal control system has inherent limitations. These limitations are due to several factors, notably the uncertainties in the outside world, the exercise of people's judgment or the cost/benefit relationship of setting up new controls.

Faurecia verifies that internal control procedures have been set up within its subsidiaries. These procedures are adapted to the specific characteristics of the subsidiaries and to relations between the parent company and the companies included in the scope of consolidation.

8.4.2. REFERENCE FRAMEWORK USED BY FAURECIA

The Faurecia group continues to develop its internal control system by making use of the AMF Reference Framework and its Application Guide, as updated on July 22, 2010. This system applies to processes relating to the preparation of accounting and financial information intended for publication and the general organization of the Group's operating divisions. This system is also applied to the risk management procedures set up by Faurecia, including the basic rules of internal control, and its application by operational departments is verified.

The Group's internal control system is implemented with regard both to its operations and to its legal structure.

It affects all of the Group's fully consolidated subsidiaries.

The summarized information provided in this report on Faurecia's internal control procedures is focused on the main areas that could have an impact on the financial and accounting information published by the Group.

8.4.3. INTERNAL CONTROL PROCEDURES: PARTICIPANTS AND ORGANIZATION

Internal control is implemented by both Senior Management and all of the Group's other employees on a daily basis in strict compliance with the Group's procedures, including in particular the 11 basic rules.

The main participants in the internal control system are as follows:

- the Board of Directors, which is responsible for determining Faurecia's overall strategic vision and specific Group strategy, and for overseeing the implementation;
- the Audit Committee, described earlier in this report, whose responsibilities are set by the Board of Directors and which plays a vital role, particularly in the monitoring of (i) the process by which financial data are developed, (ii) the effectiveness of internal control and risk management systems, and (iii) audits of parent company and consolidated financial statements by Statutory Auditors;
- the Group Executive Committee, which orchestrates the Group's strategy, allocates the resources required to implement this strategy, sets the objectives for all Group entities and verifies that these objectives are met;

- monthly Operations Committee meetings are held between Group Senior Management and the executive team of each Business Group at which all management indicators are reviewed. This Committee particularly focuses on the various key aspects of development programs relating to quality, financial performance and respecting deadlines;
- the Financing and Treasury department, the Financial Control department, the Quality department, the Legal Affairs department and the Country Finance departments, which all play a specific role in the internal control process on account of their cross-functional skills;
- the Operational Risk Committee which is charged with both ensuring that certain Group-wide risks are correctly monitored and that the indicators used to measure them are relevant;
- the Internal Audit department which reviews the internal control system and any changes thereto, ensures that the Group's procedures comply with the applicable legislation and market recommendations and verifies that the system as a whole is complete, consistent and relevant and that the procedures and the basic rules of internal control are respected via regular tests and checks. In the event of shortfalls, it ensures that corrective measures are taken and reports on the system's effectiveness.

The Internal Audit department reports directly to the Group's Finance department. While centralized at Group level, it has regional teams based in France, Germany, the United States and China. Its work is approved and supervised by the Chairman and reviewed by the Audit Committee. The role of the Internal Audit department is to ensure continuous improvement in the effectiveness of all systems of internal financial control, by applying a systematic and methodical approach. It is authorized to take action where required in relation to any Group process throughout the world. It conducts its assignments wholly independently and systematically supports its findings with hard facts that have been duly verified and rigorously calculated. All of the Internal Audit department's work is made available to Group Senior Management, to which it reports regularly on the progress of its assignments and the measures taken to reach its objectives. Tracking the recommendations sent by Internal Audit to the audited sites is accomplished by (i) an analysis by questionnaire three, six and 12 months after the final report, (ii) monitoring by the Operations Committee, and (iii) a post-audit on site if that is deemed necessary. It presents its audit plan, as well as the reports it has drawn up – including an assessment of its performance – to the Chief Financial Officer twice a year, and to the Audit Committee once a year. In 2004, the department drew up an Internal Audit Charter which defines its roles and remit, its field of competence and audit methodology.

The Operational Risk Committee, set up on November 10, 2011, and chaired by the Head of the Internal Audit department, brings together the owners of Group-wide risks at Group level. This Committee is charged with defining, monitoring, quantifying, prioritizing and finally checking the relevance of these risks in terms of Group objectives. Its deliberations include an evaluation of the usefulness over time of the key indicators of each Risk in question as well as the measures needed to reinforce their control or to manage them. Finally, the Committee assists the Head of the Internal Audit department compile and check information regarding risks for the Audit Committee.

The work of the Group's Internal departments is rounded out by the actions of external parties, including:

- the Statutory Auditors. The latter are not directly involved, through their statutory duty, in the internal control or risk management systems. They take note of them, make use of the Internal Audit reports to improve their understanding thereof and give a wholly independent opinion as to their relevance. They perform an audit of the Group every year as part of their statutory audit of the consolidated financial statements and audit of the financial statements of Group entities. In accordance with French company law, the financial statements of the Company and the Group are certified by two audit firms which undertake a joint review of the full accounts and the procedures used for preparing them and also examine certain Group internal control processes concerning the preparation of accounting and financial information. Backed by members of their networks in each of the Group's host countries, these two audit firms perform statutory or contractual audit engagements for all of the Group's fully consolidated companies. The Statutory Auditors present their comments on the Chairman's report with respect to those internal control procedures which have to do with preparing and processing financial and accounting data, and certify that other disclosures required by law have been made;
- third-party organizations which carry out the following certification processes for the whole Group over a three-year cycle:
  - environment (ISO 14001),
  - quality (ISO/TS);
- engineers from fire and property & casualty insurance companies which conduct a two-yearly audit at each of Faurecia's sites with the aim of:
  - assessing fire risks and any potential impact on production and customers,
  - assessing whether the prevention and protection measures in place are adequate,
  - issuing recommendations on reducing risks.

8.4.4. RISK ANALYSIS AND RISK MANAGEMENT PROCEDURES

The Group's objectives are set by the Board of Directors. They relate not only to financial performance but also to areas in which the Group aims to achieve a particular level of excellence, such as human resources management, quality, innovation, working conditions and environmental performance.

To this end, the Group monitors and manages risks that are likely to affect the achievement of its objectives. The Audit Committee thus reports to the Board of Directors on the major steps taken to oversee and monitor risks, the Committee itself being informed by the Internal Audit department which provides it, at least once a year, with an update on the Group-wide risks.

Generally speaking, all the risks identified within the Group are reviewed and discussed by specific bodies and are consolidated by the Group Executive Committee. The executive team of each Business Group is responsible for identifying and managing the risks inherent in its business, which are reviewed monthly by its Operations Committee. Financial risks for all Group companies are centralized within the Group's Finance department and are reviewed by a special committee.

It should be noted that certain operational risks, identified as Group-wide at Group level, are subject to an additional review by the Operational Risk Committee, as described above.

These risks are associated with personal safety, quality, program management, liquidity risk, the availability of Just In Time information systems, the reliability of supplies, asset protection and fire risks, reliability of financial information, fraud, and the environment. This list is regularly reviewed by the Committee and presented to the Audit Committee.

Faurecia has undertaken a risk review and considers that it is not currently exposed to any material risks other than those described in Section 3.4 of the Registration Document.

8.4.5. DESCRIPTION OF INTERNAL CONTROL PROCEDURES

The Group's internal control system is underpinned by a set of procedures including the basic rules of internal control that can be accessed by all employees via the intranet. These procedures are part of the Faurecia Excellence System (FES) which defines the way in which the Group's employees work across the globe and structures the Group's identity.

The related Faurecia Core Procedures (FCP) is organized around the following six processes:

- leadership, which sets a common framework for all Group entities in relation to issues such as financial control, setting objectives, drawing up strategic plans, quality policies, communication and health and safety;
- development, which includes the applicable procedures for defining the Group's product offering, innovation strategy and program control measures;
- production, corresponding to the various production process stages within the Group's plants: preparing for the start-up of new programs or units; planning and controlling the production process; and managing flows;
- customer relations, which details the process for building up customer relations and ensuring customer satisfaction through competitively priced high-quality products and services;
- supplier relations, covering processes set up with the Group's suppliers with a view to building a sustainable relationship based on excellence;
- employee empowerment, encompassing human resource policies.

These procedures are developed by each Group function while respecting a common general framework, and apply to all subsidiaries controlled by the Group. They are regularly updated and continually enhanced.

An annual audit is carried out by the Group at each plant to ensure that the FES is correctly implemented. Each plant is rated "Insufficient/Acceptable/Excellent/Benchmark". Where a site is rated Insufficient it is required to prepare a remedial action plan, which is presented directly to Faurecia's Chairman, with a view to reaching an Acceptable level within a maximum period of three months.

8.4.5.1. Program control

Program control measures are subject to specific procedures. Each contract signed with a customer represents a program and corresponds to a project which:

- responds to a specific request from an automaker, Request for Quotation (RFQ), for the supply of complex automotive equipment;

- meets set objectives concerning quality, cost and lead times;
- meets the Group's profitability criteria.

The life of a program can stretch to ten years, from the beginning of the development phase (including the order-placing phase and start-up of industrial production) to the end of series life (production).

Every program is subject to control procedures and tools throughout its life. The program management system (PMS) lays out a strict succession of steps for the entire duration of a program. Each program involves various milestones from the bid processing stage to the end of product life. As part of this control system, program reviews are carried out once a month by the Business Group concerned. Formal reports of these reviews are required and a certain number of documents must be submitted. This process is designed to identify program risks on an ongoing basis, in order to draw up and implement the necessary action plans.

Right from its inception – i.e. during the filing of the bid – each program is subject to a forward-looking financial analysis in the form of a Business Plan (BP). BPs are prepared in accordance with a standard method developed and monitored by Group management. The BP is regularly updated as assumptions are changed. Therefore, it contains all the information required to assess a program at every stage, from the preparation of the quotation, through contract negotiations, to the development phase.

To improve program effectiveness, a plan to speed up the implementation of the Faurecia Excellence System (FES) was launched in July 2012. It covers methodology, quality, profitability and the program managers' individual development. The aim of this plan is ensure that development procedures are strictly applied and that deadlines are met, right from the business acquisition phase through to series production. As part of the plan the Group monitors progress indicators on a monthly basis. The program audit framework was updated to reflect audit best practices used by the industrial function, with very specific and progressive clarification of the expectations, allowing the project team to self-audit and assess divergence with best practice. Group audits are carried out per R&D center to assess, by means of a sample of audited programs, the level of the center and the improvement initiatives. Furthermore, the Faurecia alert system called AMS (Alert Management System) was updated and strengthened to facilitate more rapid resolution of issues with the support of management.

8.4.5.2. Code of Ethics

The Faurecia group is deeply committed to respecting the fundamental principles of accountability, integrity and ethical conduct. The Group's Code of Ethics forms an integral part of the FCPs. It defines the general rules on ethical behavior applicable on a day-to-day basis to all of Faurecia's employees in their relations both inside and outside the Group, as well as to the Group's partners. The Code also describes how the Group seeks to implement its core values of respecting customers, shareholders, the people it works with and the environment. In addition to strengthening the measures already in place, the Code introduced a whistle-blowing procedure enabling employees to notify Faurecia, in confidence, of any breaches of the law or Group procedures. A reinforced whistle-blowing procedure, accessible to all Group employees who are aware of matters that constitute serious risks for the Group in terms of accounting, financial auditing and anti-corruption, has been established. This procedure allows Faurecia to refer to an outside organization which gathers and initially processes the alert procedures. If circumstances warrant, the organization contacts the Faurecia group through its Chairman and CEO, who can ask the Group's Internal Audit department to carry out the necessary investigation. The Code of Ethics has been widely relayed throughout the Group – notably via intranet – so that all employees can access it and comply with it at all times and in all circumstances. It is aimed at developing a sense of accountability and involvement among the Group's employees. During Internal Audits, auditors systematically check that everyone at plant level is familiar with the Code.

8.4.5.3. Quality risk management

Quality risks are measured based on precise indicators and are detailed in both monthly reports and continuous improvement plans. A specific Group-wide monitoring system has been put in place to trigger warnings if any safety or regulatory requirements are breached and corrective measures are subsequently taken. Each safety warning is systematically followed up by a quality audit in the subsequent month. The objective for 2013 is once again to ensure that there are no safety or regulatory warnings that have an impact on customers.

The launch of the Breakthrough Quality Plan has enabled the Group to significantly improve its management of quality and program risks. The plan is based on seven straightforward practical rules, including in particular Quick Response Continuous Improvement (QRCI) – an approach designed to correct development and production problems rapidly and which must be carefully and strictly applied by each employee.

The risk prevention and protection system is based on:

- daily on-site reviews as well as audits conducted by the Quality department. The quality audits are designed to cover all Group sites and programs on a rotating basis. Recommendations from the audits are systematically monitored. Priority action is taken for sites and programs that are deemed to be critical;
- a highly practical quality validation review system for critical program phases;
- a training plan for all participants involved in the program development phase;
- the measurement of programs for the first six months following the start of series production, based on precise criteria and leading to immediate corrective action where required;
- a structured process for reporting information up to management as well as a management support system;
- quality audits designed to cover all Group sites and programs on a rotating basis.

8.4.5.4. Internal control procedures for the preparation and processing of accounting and financial information

PRINCIPLES APPLIED TO THE PREPARATION OF FINANCIAL STATEMENTS

The Board of Directors is collectively responsible for publishing reliable financial and accounting information.

The Audit Committee is expected to study and prepare certain of the Board's deliberations. It issues proposals, opinions and recommendations within its sphere of competence. The Committee has a consultative role only, and acts under the authority of the Board, to whom it reports whenever necessary.

It is the Audit Committee's assignment to review the yearly and half-yearly parent company financial statements of the Faurecia group.

It may hear from outside auditors, without the Finance department necessarily being present, as well as from the Group's Chief Financial Officer, who may be supported by any employee he or she chooses.

Senior Management specifically relies on input from the Accounting, Consolidation, Financial Control and Financial Communications departments.

The Accounting department prepares monthly consolidated financial statements and the interim and annual financial information that is issued publicly. It ensures that local financial managers properly prepare the subsidiaries' financial statements and that they do so in compliance with local regulations. It defines the Group's accounting principles in accordance with IFRS and sees that all subsidiaries follow them. It also prepares the financial statements of Faurecia.

The internal control procedures necessary to produce reliable accounting data are implemented at the local level. These include, among others, physical inventorying, a separation of tasks and reconciliations with independent sources of information.

The following principles are implemented across the Group regarding the preparation of financial statements:

- ensuring that information about transactions is complete;
- ensuring that transactions comply with the applicable accounting principles;
- periodically reviewing the value of assets.

Ensuring consistency between financial reporting tools and the Group's operating systems is vital for the preparation of reliable financial and accounting information. The volume of information involved, the quality and integrity required to process the information and ever-tighter financial reporting deadlines – enabling management to respond quickly and to efficiently control operations – require the use of effective information systems. Since 2008, Faurecia has had a Group ERP system built on SAP, which continues to be progressively rolled out across the various Group sites.

The Group's financial statements are prepared using information provided by each subsidiary and integrated into the BO FC reporting and consolidation system. The accounting data submitted by each subsidiary are prepared in accordance with the Group's accounting policies, which comply with IFRS as adopted by the European Union. An IFRS accounting manual is included in the Faurecia Core Procedures system, which can be accessed via the intranet.

Each subsidiary's accounting information comprises income statements prepared by nature and by function, as well as a breakdown by business segment, an analysis of current and deferred taxes, a balance sheet, a cash flow statement, and a statement of commitments and contingent liabilities.

Inter-company transactions are entered monthly into the ICS software.

The Finance department also uses short- and medium-term forecasts to verify the value of cash-generating units; actuarial reports to assess pension and other employee benefit obligations; and fair-value measurements of derivatives confirmed by the Group's banking counterparties.

In each subsidiary, the head of accounting and the financial controller have access to all the information they require in order to draw up accurate financial statements in compliance with local GAAP for the statutory financial statements and with the Group's accounting policies for reporting purposes.

At every interim and annual close the heads of all subsidiaries are required to prepare an IFRS/local GAAP reconciliation for equity and income and expenses.

Every month instructions are sent to the accountants and financial controllers specifying the closing procedures to be followed. Training sessions on the reporting systems are regularly provided to newly recruited accounting and financial staff.

The preparation of monthly reporting packages requires each entity to ensure it has the appropriate resources to draw up quality information.

OFF-BALANCE SHEET COMMITMENTS

Off-balance sheet commitments are handled in accordance with a specific identification and valuation process.

Each commitment is tracked by nature. Currency and interest-rate risks, as well as inter-company financing in foreign currencies, are managed at Group level under the supervision of the Group Finance department. Currency hedges are set up where required. Any sureties or guarantees granted by Faurecia S.A. are issued and monitored at Group level.

IDENTIFICATION AND ANALYSIS OF RISKS IMPACTING ACCOUNTING AND FINANCIAL INFORMATION

The preparation of full monthly financial statements greatly reduces risks at interim and annual closes, particularly regarding meeting financial reporting deadlines. Any problems are anticipated, inter-company accounts are reconciled each month, specific transactions are accounted for without waiting for the yearly close, and tax calculations are regularly substantiated.

By preparing and reviewing monthly financial statements and reconciling them with the budget each entity can detect any anomalies in the accounts, such as in relation to inventories or cash flows. Implemented in tandem with specific procedures, this process is intended to reduce the risk of errors and fraud.

"HARD CLOSE" PROCEDURE

A hard close is carried out on October 31 each year aimed at anticipating, evaluating and validating the main accounting options for the yearly close. Similarly a hard close is carried out in May for the interim financial statements as of June 30.

ACCOUNTING AND FINANCIAL CONTROL TOOLS

The Group has drawn up procedures for preparing and processing financial and accounting information. These procedures comply with applicable accounting principles and standards and, like all the other internal control procedures, are available on the Company's intranet. The following figure among the most important Group procedures:

- a capital expenditure authorization procedure, aimed at determining capital spending criteria and designating authorized signatories who can commit the Company for amounts up to pre-defined thresholds;
- an authorization procedure for capital increases, capital injections, acquisitions of shareholdings and inter-company loans;
- a procedure for drafting Program Business Plans;
- a procedure relating to the acquisition of new programs;
- a procedure for consolidating the financial statements.

The Group financial services are structured primarily so as to segregate "accounting" functions from "financial control" functions and to create shared accounting services centers for each country, with these centers reporting to the Finance Director of the country concerned. The Group Finance department is responsible for drawing up rules and procedures as well as for consolidation, audits and managing the Group's cash position and financing.

This organization makes it possible to handle the variety of businesses within the Group, to enhance the applicability and consistency of the Group's procedures and therefore the effectiveness of the internal control system. The underlying aim is to gradually strengthen the roles and responsibilities of the accounting function and enhance reporting processes, as well as to increase the effectiveness of information systems and reinforce financial controls relating to programs. In addition, it is intended to help build the skill sets of the employees involved and boost their motivation as their tasks will be more interesting and rewarding than previously.

FINANCIAL REPORTING PROCESSES

The reporting processes are aimed at providing systems for informing and steering the Group and ensuring maximum responsiveness to any risks that may arise. A "reporting glossary" describes the content of all reporting data and procedures explain how reporting should be carried out.

The Group uses the BO FC consolidation system for its monthly reporting process. This tool provides for the reporting of both financial information (income statement and balance sheet data) and non-financial information (such as indicators relating to quality, production, purchasing, safety, human resources, etc.).

The level of control over the process for consolidating results at Group level has been reinforced by applying blocking controls upstream in reporting documents, and intermediate controls related to the structure of the reporting system.

Monthly reporting data include estimated sales and operating results for each business unit within three days of the month-end, and definitive data five days after the month-end prepared in accordance with the Group's accounting policies. Every month, the Operations Committee reviews the operating performance and action plans of each Group business.

MEDIUM-TERM PLAN AND THE BUDGET

Faurecia's budget is drawn up on an annual basis and updated half-yearly.

The Group Finance department provides the economic and financial assumptions to be used in the budget, and sets specific objectives for each operating unit. The budget is then tailored to each plant, R&D center and administrative center. Finally, it is converted to monthly periods using standard schedules, and then consolidated.

In order to effectively anticipate short-term changes and improve responsiveness, the monthly reporting package includes a rolling three-month forecast (current and subsequent quarters) for the income statement and cash flow statement.

As Faurecia's contracts span several years, the Group needs a medium-term overview of its financial position in order to effectively manage risks. To this end, the Group draws up a five-year plan each year in which the program-related dimension plays an essential part. This plan makes it possible to clarify the Group's outlook in terms of profitability and required resources. It is consolidated on the same basis as the monthly reporting process, by applying the same stringent procedures, and is used to define the targets set in the budget.

FINANCIAL PRESS RELEASES, ANNUAL REPORT AND REGISTRATION DOCUMENT

The Group's Finance and Communications departments are responsible for drawing up and relaying all of the Group's financial information to the financial markets. Financial communication is transmitted through two main vehicles:

- the annual report/Registration Document; and
- financial press releases.

Preparation of the annual report/Registration Document is coordinated by the Legal Affairs department. A wide number of people who are experts in their field contribute to the process, ensuring that the document contains in-depth, high-quality and broad-ranging information. The Registration Document is then reviewed and approved by the Board of Directors before it is published.

Financial press releases are systematically reviewed by the Finance department, and annual and half-yearly earnings announcements are also approved by the Board of Directors.

8.4.6. KEY TRENDS

During the year the Group continued to improve its internal control procedures:

- it continued to implement the standards and procedures of the Faurecia Excellence System, particularly by regularly updating the procedures and self-assessment questionnaires that enable each site to appraise whether it complies with these standards;
- it defined and disseminated the basic rules of internal control throughout the Group's sites. The Internal Audit department carried out special audits to ensure that the sites observed these basic principles. The compliance of each site visited was rated on a scale of four, ranging from inadequate to satisfactory;
- the Faurecia group has for several years undertaken a program to reform its management information systems. Based on Faurecia Core Procedures, the Faurecia Core System (FCS) project makes use of management software published by the German company SAP.

The objective of this project is for the Faurecia group to employ best practices in accounting and administrative management, together with uniform tools and processes for approving and monitoring management's actions, from requisition through to the payment of the supplier, from an order received from the customer through to final payment.

Through the project an emphasis is placed on the consistency and uniformity of financial information. All the control processes and quality checks of financial data, from their creation to their publication in the monthly or yearly consolidated statements, receive particular attention.

The FCS project has been an opportunity to clarify the roles and responsibilities of those involved in the management process: accounting management centers, controllers of profit centers, purchasing and sales administration offices.

Another outcome has been the development of shared services for accounting, sales and purchasing as a way of optimizing support staff and improving the quality of teams by recombining skill sets.

By upgrading its information systems based on the SAP architecture the Group has created standardized, reliable and up-to-the-minute tools that correspond to Faurecia's standards and procedures and which are gradually being rolled out across the Group since the implementation of pilot sites in 2008.

The first operational sites were integrated into FCS in mid-2008 in France and Korea.

At end-2012, the FCS system was rolled out at 80% of R&D centers, 68% of accounting centers and 53% of production sites. The rollout of the FCS project should be complete, on a like-for-like basis, by end-2015.

To check the quality of what has been accomplished, the Group has performed audits with the help of ad hoc companies as well as Internal Audits of targeted management processes.

It was also decided to speed up the decommissioning of old ERP systems that have become obsolete.

Lastly, the upgrading of the Magnitude application was undertaken and the Metis project approved and launched in 2012 (scheduled to go into production in early April 2013).

The main goal of Metis is to improve the production timeframes for financial information, to strengthen integrity by ensuring improved interfacing with FCS and to provide more powerful analytical tools.

- Finally, with regard to managing the authorizations to access the data processing tools, Faurecia has developed and implemented a policy of managing user account profiles and having these profiles validated by the managers to whom employees report, using an IAM (identity access management) application. These profiles employ a strict definition of roles and responsibilities and a strict separation of tasks in order to comply with the Company's rules of internal control.

These procedures are also audited by independent outside parties.

8.5. Statutory Auditors' report prepared in accordance with Article L. 225-235 of the French Commercial Code on the report prepared by the Chairman of the Board of Directors of Faurecia

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

To the Shareholders,

In our capacity as Statutory Auditors of Faurecia and pursuant to the provisions of Article L. 225-235 of the French Commercial Code (*Code de commerce*), we hereby report on the report prepared by the Chairman of your Company in accordance with the provisions of Article L. 225-37 of the French Commercial Code for the year ended December 31, 2012.

It is the Chairman's responsibility to prepare and submit for the Board of Directors' approval a report on internal control and risk management procedures implemented by the Company, and to provide the other information required by Article L. 225-37 of the French Commercial Code (*Code de commerce*) relating notably to corporate governance.

Our role is to:

- report on any matters as to the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information; and
- confirm that the report also includes the other information required by Article L. 225-37 of the French Commercial Code (*Code de commerce*). It should be noted that our role is not to verify the fairness of this other information.

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

Information on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

Professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consist mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and of the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our work are properly disclosed in the Chairman's report.

On the basis of our work, we have no matters to report on the information relating to the Company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the Chairman of the Board of Directors in accordance with Article L. 225-37 of the French Commercial Code (*Code de commerce*).

Other information

We confirm that the report prepared by the Chairman of the Board of Directors also contains the other information required by Article L. 225-37 of the French Commercial Code (*Code de commerce*).

Neuilly-sur-Seine and Paris-La Défense, April 19, 2013

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Dominique Ménard	Denis Thibon

9

Consolidated financial statements

CONTENTS

9.1. Consolidated statement of comprehensive income

(in € millions)	*Notes*	2012	2011	2010
SALES	4	**17,364.5**	**16,190.2**	**13,795.9**
Cost of sales	5	(16,041.3)	(14,806.4)	(12,593.3)
Research and development costs	5	(239.6)	(222.3)	(303.2)
Selling and administrative expenses	5	(569.9)	(510.6)	(443.8)
OPERATING INCOME		**513.7**	**650.9**	**455.6**
Other non-operating income	6	15.5	0.3	87.2
Other non-operating expense	6	(102.7)	(58.2)	(123.2)
Income on loans, cash investments and marketable securities		10.2	10.6	8.1
Finance costs		(175.4)	(109.1)	(98.7)
Other financial income and expenses	7	(30.5)	(19.0)	(25.6)
INCOME (LOSS) BEFORE TAX OF FULLY CONSOLIDATED COMPANIES		**230.8**	**475.5**	**303.4**
Current taxes	8	(96.9)	(97.7)	(85.9)
Deferred taxes	8	29.5	1.8	(3.9)
NET INCOME (LOSS) OF FULLY CONSOLIDATED COMPANIES		**163.4**	**379.6**	**213.6**
Share of net income of associates:	13			
Before tax		34.0	46.0	26.7
After tax		23.6	33.7	18.8
NET INCOME OF CONTINUED OPERATIONS		**187.0**	**413.3**	**232.4**
NET INCOME OF DISCONTINUED OPERATIONS		**(2.6)**		
CONSOLIDATED NET INCOME (LOSS)		**184.4**	**413.3**	**232.4**
Attributable to owners of the parent		**142.3**	**371.3**	**201.7**
Attributable to minority interests		42.1	42.0	30.7
Basic earnings (loss) per share *(in €)*	9	1.29	3.37	1.87
Diluted earnings (loss) per share *(in €)*	9	1.25	3.11	1.79
Basic earnings (loss) from continued operations per share *(in €)*	9	1.31	3.37	1.87
Diluted earnings (loss) from continued operations per share *(in €)*	9	1.27	3.11	1.79

OTHER COMPREHENSIVE INCOME

(in € millions)	2012	2011	2010
CONSOLIDATED NET INCOME (LOSS)	**184.4**	**413.3**	**232.4**
Gains (losses) arising on fair value adjustments to cash flow hedges	10.8	(6.3)	(1.3)
of which recognized in equity	*(4.0)*	*(7.6)*	*(0.8)*
of which transferred to net income (loss) for the period	*14.8*	*1.3*	*(0.5)*
Exchange differences on translation of foreign operations	(15.4)	(1.2)	53.8
TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD	**179.8**	**405.8**	**284.9**
Attributable to owners of the parent	141.0	357.4	250.3
Attributable to minority interests	38.8	48.4	34.6

9.2. Balance sheet consolidated

ASSETS

(in € millions)	Notes	12/31/2012	12/31/2011	12/31/2010
Goodwill	*10*	1,300.0	1,260.6	1,230.8
Intangible assets	*11*	588.1	464.2	435.2
Property, plant and equipment	*12*	1,972.2	1,733.4	1,575.5
Investments in associates	*13*	85.2	71.0	43.6
Other equity interests	*14*	13.4	38.8	15.3
Other non-current financial assets	*15*	54.2	35.4	27.8
Other current financial assets	*16*	18.3	16.9	14.5
Deferred tax assets	*8*	94.7	78.3	86.2
TOTAL NON-CURRENT ASSETS		**4,126.1**	**3,698.6**	**3,428.9**
Inventories, net	*17*	1,096.2	885.4	734.0
Trade accounts receivables	*18*	1,702.8	1,620.2	1,387.7
Other operating receivables	*19*	357.8	297.6	223.3
Other receivables	*20*	150.0	131.2	100.7
Other current financial assets	*30*	0.6	1.5	0.0
Cash and cash equivalent	*21*	628.0	630.1	605.8
TOTAL CURRENT ASSETS		**3,935.4**	**3,566.0**	**3,051.5**
Assets held for sale		8.7		
TOTAL ASSETS		**8,070.2**	**7,264.6**	**6,480.4**

LIABILITIES

(in € millions)	*Notes*	12/31/2012	12/31/2011	12/31/2010
SHAREHOLDERS' EQUITY				
Capital	*22*	775.8	772.6	772.6
Additional paid-in capital		279.1	282.4	282.4
Treasury stock		(1.6)	(1.7)	(10.4)
Retained earnings		35.5	(357.1)	(529.8)
Translation adjustments		74.4	86.4	94.0
Net income (loss)		142.3	371.3	201.7
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	*22*	**1,305.5**	**1,153.9**	**810.5**
Minority interests	*23*	132.6	113.5	87.7
TOTAL SHAREHOLDERS' EQUITY		**1,438.1**	**1,267.4**	**898.2**
Long-term provisions	*24*	217.0	218.8	214.5
Non-current financial liabilities	*26*	1,671.1	1,240.1	1,114.9
Other non-current liabilities		0.2	1.5	1.3
Deferred tax liabilities	*8*	14.0	15.5	29.2
TOTAL NON-CURRENT LIABILITIES		**1,902.3**	**1,475.9**	**1,359.9**
Short-term provisions	*24*	321.2	322.3	416.6
Current financial liabilities	*26*	764.6	615.6	687.7
Prepayments from customers		170.3	138.5	87.8
Trade payables		2,754.0	2,762.0	2,419.9
Accrued taxes and payroll costs	*27*	519.1	507.6	452.8
Sundry payables	*28*	154.4	175.3	157.5
TOTAL CURRENT LIABILITIES		**4,683.6**	**4,521.3**	**4,222.3**
Liabilities linked to assets held for sale		46.2		
TOTAL EQUITY AND LIABILITIES		**8,070.2**	**7,264.6**	**6,480.4**

9.3. Consolidated cash flow statement

(in € millions)	Notes	Year 2012	Year 2011	Year 2010
I - OPERATING ACTIVITIES				
Consolidated net income (loss) from continued operations		187.0	413.3	232.5
Depreciation and amortization		499.7	460.7	497.8
Deferred tax (benefits) charges		(29.5)	(1.8)	3.9
Increase (decrease) in long-term provisions		14.9	2.7	(5.9)
Share of net income of associates, net of dividends received		1.4	(12.7)	(3.8)
Capital (gains) losses on disposals of non-current assets		1.1	2.4	(0.4)
Others*		(17.2)	45.2	(86.4)
CASH FLOW FROM OPERATIONS		**657.4**	**909.8**	**637.7**
Increase (usage & decrease) in short-term provisions	24	(19.2)	(114.5)	(35.3)
Change in inventories		(208.9)	(137.6)	(80.7)
Change in trade accounts receivables		(91.2)	(221.9)	(33.6)
Change in trade payables		(22.6)	312.8	298.6
Change in other operating receivables and payables		(18.1)	20.7	(47.8)
Change in other receivables and payables		(26.9)	(43.8)	(14.8)
(Increase) decrease in working capital requirement		**(386.9)**	**(184.3)**	**86.4**
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		**270.5**	**725.5**	**724.1**
II - INVESTING ACTIVITIES				
Additionals to property, plant and equipment	12	(557.3)	(451.4)	(304.3)
Capitalized development costs		(266.7)	(180.2)	(154.3)
Acquisitions of investments and business (net of cash and cash equivalents)		(71.2)	(66.3)	30.2
Proceeds from disposal of property, plant and equipment		13.0	10.2	17.3
Proceed from disposal of financial assets		0.7	0.2	31.0
Change in investment-related receivables and payables		7.6	11.0	25.9
Other changes		(28.9)	(21.0)	(39.8)
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES		**(902.8)**	**(697.5)**	**(394.0)**
CASH PROVIDED (USED) BY OPERATING AND INVESTING ACTIVITIES (I)+(II)		**(632.3)**	**28.0**	**330.1**
III - FINANCING ACTIVITIES				
Issuance of shares by Faurecia and fully-consolidated companies (net of costs)		9.0	1.2	4.2
Option component of convertible bonds		52.5		
Dividends paid to owners of the parent company		(38.6)	(27.6)	
Dividends paid to minority interests in consolidated subsidiaries		(27.0)	(26.7)	(6.0)
Issuance of debt securities and increase in other financial liabilities		850.5	925.1	77.6
Repayment of debt and other financial liabilities		(244.3)	(881.9)	(188.0)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		**602.1**	**(9.9)**	**(112.2)**
IV - OTHER CHANGES IN CASH AND CASH EQUIVALENTS				
Impact of exchange rate changes on cash and cash equivalents		(6.9)	6.2	30.1
Net flows from discontinued operations		35.0		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(2.1)**	**24.3**	**248.0**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR		**630.1**	**605.8**	**357.8**
CASH AND CASH EQUIVALENTS AT END OF YEAR	26	**628.0**	**630.1**	**605.8**

* *O/w badwill from Saline acquisition €15.5 million for the full year 2012 and from Plastal Germany and Plastal Spain acquisition: €84.3 million for the full year 2010.*

9.4. Consolidated statement of changes in equity

(in € millions)	Number of shares [(2)]	Capital stock	Additional paid-in capital	Treasury Stock	Retained earnings and net income (loss) for the period	Faire value and translation adjustments		Equity attributable to owners of the parent	Minority interests	Total
						Translation adjustments	cash flow hedges			
SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2009 BEFORE APPROPRIATION OF NET INCOME (LOSS)	**89,448,504**	**626.1**	**130.1**	**(10.4)**	**(523.5)**	**44.1**	**(9.5)**	**256.9**	**45.8**	**302.7**
Net income (loss)					201.7			201.7	30.7	232.4
Translation adjustments						49.9		49.9	3.9	53.8
Changes in fair value of currency and interest rate hedging instruments							(1.3)	(1.3)		(1.3)
TOTAL INCOME (EXPENSE) RECOGNIZED IN EQUITY					**201.7**	**49.9**	**(1.3)**	**250.3**	**34.6**	**284.9**
Capital increase	20,918,224	146.4	152.3					298.7	4.2	302.9
2009 dividends								0.0	(6.0)	(6.0)
Measurement of stock options and shares grant					4.6			4.6		4.6
Purchases and sales of treasury stock								0.0		0.0
Option component of convertible bonds								0.0		0.0
Changes in scope of consolidation and other								0.0	9.1	9.1
SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2010 BEFORE APPROPRIATION OF NET INCOME (LOSS)	**110,366,728**	**772.5**	**282.4**	**(10.4)**	**(317.2)**	**94.0**	**(10.8)**	**810.5**	**87.7**	**898.2**
Net income (loss)					371.3			371.3	42	413.3
Translation adjustments						(7.6)		(7.6)	6.4	(1.2)
Changes in fair value of currency and interest rate hedging instruments							(6.3)	(6.3)		(6.3)
TOTAL INCOME (EXPENSE) RECOGNIZED IN EQUITY					**371.3**	**(7.6)**	**(6.3)**	**357.4**	**48.4**	**405.8**
Capital increase	1,617	0.1						0.1	1.2	1.3
2010 dividends					(27.6)			(27.6)	(26.7)	(54.3)
Measurement of stock options and shares grant					11.1			11.1		11.1
Purchases and sales of treasury stock				8.7	(2.3)			6.4		6.4
Option component of convertible bonds								0.0		0.0
Changes in scope of consolidation and other					(4.0)			(4.0)	2.9	(1.1)

(1) Capital increase arising from the conversion of bonds for the Group part.
(2) O/w 270,814 of treasury stock as of 12/31/2009 & 2010, 46,872 as of 12/31/2011 and 41,979 as of 12/31/2012 (cf. Note 22.3).

(in € millions)	Number of shares [(2)]	Capital stock	Additional paid-in capital	Treasury Stock	Retained earnings and net income (loss) for the period	Faire value and translation adjustments: Transla-tion adjust-ments	Faire value and translation adjustments: cash flow hedges	Equity attribu-table to owners of the parent	Minority interests	Total
SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2011 BEFORE APPROPRIATION OF NET INCOME (LOSS)	**110,368,345**	**772.6**	**282.4**	**(1.7)**	**31.3**	**86.4**	**(17.1)**	**1,153.9**	**113.5**	**1,267.4**
Net income (loss)					142.3			142.3	42.1	184.4
Translation adjustments						(12.0)		(12.1)	(3.3)	(15.4)
Changes in fair value of currency and interest rate hedging instruments							10.8	10.8		10.8
TOTAL INCOME (EXPENSE) RECOGNIZED IN EQUITY					**142.3**	**(12.0)**	**10.8**	**141.0**	**38.8**	**179.8**
Capital increase [(1)]	465,400	3.3	(3.3)					0.0	8.7	8.7
2011 dividends					(38.6)			(38.6)	(27.0)	(65.6)
Measurement of stock options and shares grant					(2.3)			(2.3)		(2.3)
Purchases and sales of treasury stock				0.1				0.1		0.1
Option component of convertible bonds					52.5			52.5		52.5
Changes in scope of consolidation and other					(1.1)			(1.1)	(1.4)	(2.5)
SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2012 BEFORE APPROPRIATION OF NET INCOME (LOSS)	**110,833,745**	**775.9**	**279.1**	**(1.6)**	**184.1**	**74.4**	**(6.3)**	**1,305.5**	**132.6**	**1,438.1**

(1) Capital increase arising from the conversion of bonds for the Group part.
(2) O/w 270,814 of treasury stock as of 12/31/2009 & 2010, 46,872 as of 12/31/2011 and 41,979 as of 12/31/2012 (cf. Note 22.3).

9.5. Notes to the consolidated financial statements

CONTENTS

Faurecia S.A. and its subsidiaries ("Faurecia") form one of the world's leading automotive equipment suppliers in four vehicle businesses: Faurecia Automotive Seating, Faurecia Emissions Control Technologies, Faurecia Interior Systems and Faurecia Automotive Exteriors.

Faurecia's registered office is located in Nanterre, in the Hauts-de-Seine region of France. The Company is quoted on the Eurolist market of Euronext Paris.

The consolidated financial statements were approved by Faurecia's Board of Directors on February 11, 2013.

The accounts were prepared on a going concern basis.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Faurecia group have been prepared in accordance with International Financial Reporting Standards (IFRS) published by the IASB, as adopted by the European Union and available on the European Commission website: http://ec.europa.eu/internal_market/accounting/ias_fr.htm

These standards include International Financial Reporting Standards and International Accounting Standards (IAS), a well as the related International Financial Reporting Interpretations Committee (IFRIC) interpretations.

The standards used to prepare the 2012 consolidated financial statements and comparative data for 2011 and 2010 are those published in the *Official Journal of the European Union* (OJEU) as of December 31, 2012, whose application was mandatory at that date.

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all of the years presented.

Since January 1, 2012 Faurecia has applied the amendments and revisions to the existing standard IFRS 7; these amendments did not have any material impact on the consolidated financial statements as from December 31, 2012. Moreover, Faurecia has not applied by anticipation the standards, amendments or interpretations:

- adopted by the European Union but which application is due after December 31, 2012 (standards and amendments to IAS 1 and IAS 19, IFRS 10, IFRS 11 and IFRS 12). The amendment to IAS 19 Employee benefits suppresses notably the possibility retained by Faurecia to apply the corridor method. All actuarial gains and losses as well as service costs will be directly accounted for as liabilities in the balance sheet (see Note 25.2 Pension benefit obligations). Actuarial variances will be fully recognized through other comprehensive income (expense) directly in equity and past service costs in period net income. This amendment defines also the return on assets as the discount rate used to measure the benefits liability. The net impact on equity as of December 31, 2012 is estimated at €83.6 million. The impact on the net income is not significant. No significant impact is expected when applying the standards IFRS 10, 11 and 12;
- not yet adopted by the European Union as of December 31, 2012 (standards and amendments to IFRS 9, IFRS 13, IAS 28).

1.1 Consolidation principles

Companies over which the Group exercises significant influence and which are at least 20%-owned are consolidated where one or more of the following criteria are met: annual sales of over €20 million, total assets of over €20 million, and/or debt of over €5 million.

Non-consolidated companies are not material, either individually or in the aggregate.

Subsidiaries controlled by the Group are fully consolidated. Control is presumed to exist where the Group holds more than 50% of a company's voting rights, and may also arise as a result of shareholders' agreements.

Subsidiaries are fully consolidated as of the date on which control is transferred to the Group. They are no longer consolidated as of the date that control ceases.

Companies over which the Group exercises significant influence but not control -generally through a shareholding representing between 20% and 50% of the voting rights are accounted for by the equity method.

The Faurecia group's financial statements are presented in euros.

The functional currency of foreign subsidiaries is generally their local currency. The assets and liabilities of these companies are translated into euros at the year-end exchange rate and income statement items are translated at the average exchange rate for the year. The resulting currency translation adjustments are recorded in equity.

Certain companies located outside the eurozone which carry out the majority of their transactions in euros may, however, use euros as their functional currency.

All material inter-company transactions are eliminated in consolidation, including inter-company gains.

The accounting policies of subsidiaries and companies accounted for by the equity method are not significantly different from those applied by the Group.

1.2 Goodwill

In case of a business combination, the aggregate value of the acquisition is allocated to the assets acquired and liabilities assumed based on their fair value determined at their acquisition date.

A goodwill is recognized when the aggregate of the consideration transferred and the amount of any non-controlling interest in the acquire exceed the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. In accordance with IAS 36, goodwill is not amortized but is tested for impairment at least once a year and more often if there is an indication that it may be impaired. For the purpose of impairment testing, goodwill is allocated to cash-generating units (CGUs). A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The CGU to which goodwill is allocated represents the lowest level within the operating segment at which goodwill is monitored for internal management purposes. The Group has identified the following CGUs:

- Faurecia Automotive Seating;
- Faurecia Emissions Control Technologies;

- Faurecia Automotive Interiors;
- Faurecia Automotive Exteriors.

The carrying amount of assets and liabilities thus grouped is compared to the higher of its market value and value in use, which is equal to the present value of the net future cash flows expected, and their net market value including costs of disposal.

1.3 Intangible assets

A – RESEARCH AND DEVELOPMENT EXPENDITURE

The Faurecia group incurs certain development costs in connection with producing and delivering modules for specific customer orders which are not considered as sold to the customer, specially when paid for by the customer on delivery of each part. In accordance with IAS 38, these development costs are recorded as an intangible asset where the company concerned can demonstrate:

- its intention to complete the project as well as the availability of adequate technical and financial resources to do so;
- how the customer contract will generate probable future economic benefits and the company's ability to measure these reliably;
- its ability to measure reliably the expenditure attributable to the contracts concerned (costs to completion).

These capitalized costs are amortized to match the quantities of parts delivered to the customer, over a period not exceeding five years except under exceptional circumstances.

Research costs, and development costs that do not meet the above criteria, are expensed as incurred.

B – OTHER INTANGIBLE ASSETS

Other intangible assets include development and purchase costs relating to software used within the Group – which are amortized on a straight-line basis over a period of between one and three years – as well as patents and licenses.

1.4 Property, plant and equipment

Property, plant and equipment are stated at acquisition cost, or production cost in the case of assets produced by the Group for its own use, less accumulated depreciation.

Maintenance and repair costs are expensed as incurred, except when they increase productivity or prolong the useful life of an asset, in which case they are capitalized.

In accordance with the amended version of IAS 23, borrowing costs on qualifying assets arising subsequent to January 1, 2009 are included in the cost of the assets concerned.

Property, plant and equipment are depreciated by the straight-line method over the estimated useful lives of the assets, as follows:

Buildings	20 to 30 years
Leasehold improvements, fixtures and fittings	10 to 20 years
Machinery, tooling and furniture	3 to 10 years

Certain tooling is produced or purchased specifically for the purpose of manufacturing parts or modules for customer orders, which are either a) not sold to the customer, or b) paid for by the customer on delivery of each part. In accordance with IAS 16, this tooling is recognized as property, plant and equipment.

It is depreciated to match the quantities of parts delivered to the customer over a maximum of three years, in line with the rate at which models are replaced.

Investment grants are recorded as a deduction from the assets that they were used to finance.

Property, plant and equipment acquired under finance leases which transfer substantially all the risks and rewards incidental to ownership of the asset to the lessee are recorded under assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The recognized assets are subsequently depreciated as described above. An obligation of the same amount is recorded as a liability.

1.5 Cash generating units and impairment tests

Impairment tests are carried out whenever there is an indication that an asset may be impaired. Impairment testing consists of comparing the carrying amount of an asset, or group of assets, with the higher of its market value and value in use. Value in use is defined as the present value of the net future cash flows expected to be derived from an asset or group of assets.

The assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash Generating Units, or CGUs).

Impairment tests are performed on each group of intangible assets (development costs) and property, plant and equipment attributable to a customer contract. This is done by comparing the aggregate carrying amount of the group of assets concerned with the present value of the expected net future cash flows to be derived from the contract.

An impairment loss is recorded when the assets' carrying amount is higher than the present value of the expected net future cash flows. A provision is also recorded for losses to completion on loss-making contracts.

In case of a triggering event, impairment testing is also carried out on general and corporate assets grouped primarily by type of product and geographic area.

The cash inflows generated by the assets allocated to these CGUs are largely interdependent due to the high overlap among the various manufacturing flows, the optimization of capacity utilization, and the centralization of research and development activities.

Manufacturing assets whose closure is planned are tested independently for impairment.

1.6 Financial assets and liabilities (excluding derivatives)

A – DEFINITIONS

In accordance with IAS 39, the Group classifies its financial assets in the following categories: loans and receivables, available-for-sale financial assets, and financial assets at fair value through profit or loss. They are recorded on the following balance sheet items: "Other equity interests" (Note 14), "Other non-current financial assets" (Note 15), "Trade account receivables" (Note 18), "Other operating receivables" (Note 19), "Other receivables" (Note 20) and "Cash and cash equivalents" (Note 21).

The Group does not use the IAS 39 categories of "Held-to-maturity investments" or "Financial assets held for trading".

The Group's financial liabilities fall within the IAS 39 categories of (i) financial liabilities at fair value through profit or loss, and (ii) other financial liabilities measured at amortized cost.

They are recorded on the following balance sheet items: "Current financial liabilities" and "Non current financial liabilities" (Note 26), "Accrued taxes and payroll costs" (Note 27) and "Other payables" (Note 28).

Financial assets and liabilities are broken down into current and non-current components for maturities at the balance sheet date: under or over a year.

B – RECOGNITION AND MEASUREMENT OF FINANCIAL ASSETS

(a) Other equity interests

Equity interests correspond to the Group's interests in the capital of non-consolidated companies. They are subject to impairment testing based on the most appropriate financial analysis criteria. An impairment loss is recognized where appropriate. The criteria generally applied are the Group's equity in the underlying net assets and the earnings outlook of the company concerned.

(b) Loans and other financial assets

Loans and other financial assets are initially stated at fair value and then at amortized cost, calculated using the effective interest method.

Provisions are booked on a case-by-case basis where there is a risk of non-recovery.

(c) Cash and cash equivalent

Cash and cash equivalents include current account balances and units in money market funds that are readily convertible to a known amount of cash and are not subject to a significant risk of impairment in the event of changes in interest rates. They are measured at fair value and variances are booked through P&L.

C – RECOGNITION AND MEASUREMENT OF FINANCIAL LIABILITIES

The Group's financial liabilities are generally measured at amortized cost using the effective interest method.

1.7 Inventories and work-in-progress

Inventories of raw materials and supplies are stated at cost, determined by the FIFO method (First-In, First-Out).

Finished and semi-finished products, as well as work-in-progress, are stated at production cost, determined by the FIFO method. Production cost includes the cost of materials and supplies as well as direct and indirect production costs, excluding overhead not linked to production and borrowing costs.

Work-in-progress includes the costs of internally-manufactured specific tooling or development work which is sold to customers, i.e. where the related risks and rewards are transferred. These costs are recognized in the income statement over the period in which the corresponding sales are made, as each technical stage is validated by the customer, or when the tooling is delivered if the contract does not provide for specific technical stages.

Provisions are booked for inventories for which the probable realizable value is lower than cost.

1.8 Foreign currency transactions

Transactions in foreign currency are converted at the exchange rate prevailing on the transaction date. Receivables and payables are converted at the year-end exchange rate. Resulting gain or loss is recorded in the income statement as operating income or expenses for operating receivables and payables, and under "Other financial income and expense" for other receivables and payables.

1.9 Instruments derivatives

Faurecia uses derivative instruments traded on organized markets or purchased over-the-counter from first-rate counterparties to hedge currency and interest rate risks.

They are recorded at fair value in the balance sheet.

CURRENCY HEDGES

The effective portion of changes in the fair value of instruments used to hedge future revenues is recorded in equity and taken to operating income when the hedged revenues are received.

Changes in the fair value of instruments used to hedge trade receivables and payables are recorded as operating income or expense.

The portion of the change in fair value of these hedges that is ineffective (time value of the hedges) is recorded under "Other financial income and expense" together with changes in the fair value of instruments used to hedge other receivables and payables.

INTEREST RATE HEDGES

Changes in the fair value of interest rate hedges are recorded directly in "Other financial income and expense" when the hedging relationship cannot be demonstrated under IAS 39, or where the Group has elected not to apply hedge accounting principles.

1.10 Minority interests

This item corresponds to minority shareholders' interests in the equity of consolidated subsidiaries.

1.11 Provisions for pensions and other post-employment benefits

The Group's liability for pensions and other employee benefits is determined on an actuarial basis using the projected unit credit method. The valuation takes into account the probability of employees staying with the Group up to retirement age and expected future salary levels. Benefit obligations are partially funded by contributions to external funds. In cases where the funds are permanently allocated to the benefit plan concerned, their value is deducted from the related liability.

Actuarial gains and losses are recognized according to the corridor method over the expected average remaining working lives of the employees participating in the plans.

Periodic pension and other employee benefit costs are recognized as operating expenses over the benefit vesting period, except for the interest cost, which is recorded under "Other financial income and expense" in accordance with the alternative method under IAS 19. The impact of changes in the present value of external funds is also recorded under this item.

1.12 Stock option, share grant and free shares plans

Stock options and share grant plans for managers of Group companies. Options granted after November 7, 2002 that had not vested as of January 1, 2005 are measured at fair value as of the grant date using the Black & Scholes option pricing model. The fair value of stock options is recognized in payroll costs on a straight-line basis over the vesting period (the period between the grant date and the vesting date), with a corresponding adjustment to equity.

Free shares are measured at fair value by reference to the market price of Faurecia's shares at the grant date, less (i) an amount corresponding to the expected dividends due on the shares but not paid during the vesting period and (ii) an amount reflecting the cost of the shares being subject to a lock-up period. The fair value is recognized in payroll costs on a straight-line basis over the vesting period, with a corresponding adjustment to equity.

1.13 Restructuring and reorganization provisions

A provision is booked when Group General Management has decided to streamline the organization structure and announced the program to the employees affected by it or their representatives.

1.14 Sales recognition

Sales are recognized when the risks and rewards incidental to ownership of the modules or parts produced are transferred. This generally corresponds to when the goods are shipped.

For development contracts or the sale of tooling, sales are recognized when the technical stages are validated by the customer. If no such technical stages are provided for in the contract, sales are recognized when the related study is completed or the tooling is delivered.

1.15 Operating income

Operating income is the Faurecia group's principal performance indicator.

It corresponds to net income of fully consolidated companies before:

- other operating income and expense, corresponding to material, unusual and non-recurring items including reorganization expenses and early retirement costs, the impact of exceptional events such as the discontinuation of a business, the closure or sale of an industrial site, disposals of non-operating buildings, impairment losses recorded for property, plant and equipment or intangible assets, as well as other material and unusual losses;

- income on loans, cash investments and marketable securities;
- finance costs;
- other financial income and expense, which include the impact of discounting the pension benefit obligation and the return on related plan assets, the ineffective portion of interest rate and currency hedges, changes in value of interest rate and currency instruments for which the hedging relationship does not satisfy the criteria set forth in relationship cannot be demonstrated under IAS 39, and gains and losses on sales of shares in subsidiaries;
- taxes.

1.16 Deferred taxes

Deferred taxes are recognized using the liability method for temporary differences arising between the tax bases for assets and liabilities and their carrying amounts on the consolidated financial statements. Temporary differences mainly arise from tax loss carryforwards and consolidation adjustments to subsidiaries' accounts.

Deferred taxes are measured using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available in the short or medium term against which the temporary differences or the loss carry forward can be utilized.

Where appropriate, a deferred taxes liability is booked to cover taxes payable on the distribution of retained earnings of subsidiaries and associates which are not considered as having been permanently reinvested and for which the Group is not in a position to control the date when the timing difference will reverse.

1.17 Use of estimates

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions when measuring certain assets, liabilities, income, expenses and obligations. These estimates and assumptions are primarily used when calculating the impairment of property, plant and equipment, intangible assets and goodwill, as well as for measuring pension and other employee benefit obligations. They are based on historical experience and other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and assumptions.

The results of the sensitivity tests carried out on the carrying amounts of goodwill and provisions for pensions and other employee benefits are provided in Notes 10 and 25, respectively. In addition, Note 11 “Intangible Assets” describes the main assumptions used for measuring intangible assets.

1.18 Earnings per share

Basic earnings per share are calculated by dividing net income attributable to owners of the parent by the weighted average number of shares outstanding during the year, excluding treasury stock. For the purpose of calculating diluted earnings per share, it is adjusted for the effects of all dilutive potential ordinary shares (including stock options, free shares and convertible bonds).

1.19 Discontinued operations and assets held for sale

Non-current assets or disposal group are held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probable. These assets (or disposal groups) are presented separately on a line “assets held for sale” in the consolidated balance sheet when they are significant. The asset (or disposal group) is being measured on initial recognition at the lower of its carrying amount and fair value less costs to sell. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the consolidated balance sheet.

An operation considered as held for sale is defined as a component of the Group, for which either a sale is ongoing, or being classified as assets or disposal group as held for sale, and representing a business or a geographical area significant for the Group, or a business acquired only to be sold.

The results and cash flows of discontinued operations or held for sale are presented separately in the statement of financial position for all prior periods presented in the financial statements. Assets and liabilities as held for sale are presented without any restatement from prior year.

NOTE 2 CHANGES IN SCOPE OF CONSOLIDATION

2.1 Change in scope of consolidation in 2012

In the Interior Systems business, the operations of the Mornac (France) and Pardubice (Czech Republic) sites, acquired from Mecaplast, have been consolidated following their acquisition from March 1, 2012, as well as operations from the St Quentin site (France), acquired from Borgers, from May 1, 2012 and the Saline operations (USA), acquired from the Ford Group, from June 1, 2012. For the last, the cockpit assembly activities, acquired with the main activity, and which are progressively transferred by Faurecia to the Detroit Manufacturing Systems company, 45% held by Faurecia, are presented as discontinued operations in compliance with IFRS 5. In the Automotive Exteriors business, the operations taken over from Sora have been consolidated following their acquisition from July 1, 2012 as well as the operation taken over from Plastal France from September 1, 2012. Changchun Xuyang Faurecia Acoustics & Soft Trim Co., Ltd., 40% owned, has been consolidated by equity method from July 1, 2012, as well as Amminex, now 42% owned, as of December 1, 2012.

2.2 Reminder of change in scope of consolidation introduced in 2011

The Angell Demmel operations, in Germany, have been consolidated in the Interior Systems business following the acquisition in January 2011. The company Faurecia Technical Center India, fully owned by Faurecia, was consolidated from January 1, 2011. The company Yutaka- India, in the Emission Control Technologies business, was acquired and integrated from February 1, 2011. In China, the five companies created after the strategic alliance signed with the Geely and Limin groups (Zeijiang Faurecia Limin interior & exterior systems, Xiangtan Faurecia Limin interior & exterior systems, Lanzhou Faurecia Limin interior & exterior systems, Jinan Faurecia Limin interior & exterior systems and Chengdu Faurecia Limin interior & exterior systems), in the Interior Systems business, have been consolidated from the second semester 2011, following the equity method for the first four, as well as Changchun Huaxiang Faurecia automotive plastic components, in the Automotive Exteriors business, following the equity method.

2.3 Impact on 2012 consolidated data of changes in scope of consolidation

The changes in scope of consolidation during the period did not have a material impact on the presentation of the Group's consolidated financial statements.

NOTE 3 EVENTS AFTER THE BALANCE SHEET DATE

No significant post-balance sheet events have occurred.

NOTE 4 INFORMATION BY OPERATING SEGMENT

For internal reporting purposes the Group is structured into the following four business units based on the type of products and services provided:

- Faurecia Automotive Seating: design of vehicle seats, manufacture of seating frames and adjustment mechanisms, and assembly of complete seating units;
- Faurecia Emissions Control Technologies: design and manufacture of exhaust systems;
- Faurecia Interior Systems: design and manufacture of instrument panels, door panels and modules, and acoustic components;
- Faurecia Automotive Exteriors: design and manufacture of front ends and safety modules.

These business units are managed on an independent basis in terms of reviewing their individual performance and allocating resources. The tables below show reconciliation between the indicators used to measure the performance of each segment

– notably operating income – and the consolidated financial statements. Borrowings, other operating income and expense, financial income and expense, and taxes are monitored at Group level and are not allocated to the various segments.

In accordance with the option available under IFRS 8, the Faurecia Automotive Seating and Faurecia Interior Systems business units have been aggregated into the Interior Modules segment and the Faurecia Emissions Control Technologies and Faurecia Automotive Exteriors units have been aggregated into the Other Modules segment.

These business units have similar long term economic characteristics, notably in terms of earnings outlook, type of customer and manufacturing processes.

4.1 Key figures by operating segment

2012

(in € millions)	Interior Modules	Other Modules	Other	Total
Sales	**9,551.5**	**7,873.6**	**324.5**	**17,749.6**
Inter-segment eliminations	(42.9)	(17.7)	(324.5)	(385.1)
Consolidated sales	**9,508.6**	**7,855.9**	**0.0**	**17,364.5**
Operating income (loss) before allocation of costs	325.6	189.5	(1.4)	513.7
Allocation of costs	(0.9)	(0.5)	1.4	0.0
Operating income	**324.7**	**189.0**	**0.0**	**513.7**
Other non-operating income				15.5
Other non-operating expense				(102.7)
Finance costs, net				(165.2)
Other financial income and expenses				(30.5)
Corporate income tax				(67.4)
Share of net income of associates				23.6
Net income of continued operations				**187.0**
Net income of discontinued operations				**(2.6)**
NET INCOME				**184.4**
Segment assets				
Net property, plant and equipment	1,136.0	813.8	22.4	1,972.2
Other	3,138.8	1,948.9	50.4	5,138.1
Total segment assets	**4,274.8**	**2,762.7**	**72.8**	**7,110.3**
Investments in associates				85.2
Other equity interests				13.4
Short and long-term financial assets				703.3
Tax assets (current and deferred)				149.3
Assets held for sale				8.7
TOTAL ASSETS				**8,070.2**
Segment liabilities	**2,360.0**	**1,604.1**	**138.4**	**4,102.5**
Borrowings				2,435.7
Tax liabilities (current and deferred)				47.7
Liabilities linked to assets held for sale				46.2
Equity and minority interests				1,438.1
TOTAL LIABILITIES				**8,070.2**
Capital expenditure	292.7	241.5	23.1	557.3
Depreciation of property, plant and equipment	(206.8)	(114.6)	(1.4)	(322.8)
Impairment in value of property, plant and equipment	(4.1)			(4.1)
Headcounts	64,478	27,641	1,799	93,918

2011

(in € millions)	Interior Modules	Other Modules	Other	Total
Sales	**8,677.0**	**7,583.6**	**319.6**	**16,580.3**
Inter-segment eliminations	(50.3)	(20.1)	(319.6)	(390.1)
Consolidated sales	**8,626.7**	**7,563.5**	**0.0**	**16,190.2**
Operating income (loss) before allocation of costs	421.6	251.6	(22.4)	650.9
Allocation of costs	(14.1)	(8.3)	22.4	0.0
Operating income	**407.5**	**243.4**	**0.0**	**650.9**
Other non-operating income				0.3
Other non-operating expense				(58.2)
Finance costs, net				(98.5)
Other financial income and expenses				(19.0)
Corporate income tax				(95.9)
Share of net income of associates				33.7
NET INCOME				**413.3**
Segment assets				
Net property, plant and equipment	1,016.7	698.1	18.6	1,733.4
Other	2,772.5	1,781.1	52.0	4,605.6
Total segment assets	**3,789.2**	**2,479.2**	**70.6**	**6,339.0**
Investments in associates				71.0
Other equity interests				38.8
Short and long-term financial assets				683.9
Tax assets (current and deferred)				131.9
TOTAL ASSETS				**7,264.6**
Segment liabilities	**2,352.1**	**1,638.2**	**100.8**	**4,091.1**
Borrowings				1,855.7
Tax liabilities (current and deferred)				50.4
Equity and minority interests				1,267.4
TOTAL LIABILITIES				**7,264.6**
Capital expenditure	247.7	190.4	13.3	451.4
Depreciation of property, plant and equipment	(195.7)	(103.6)	0.5	(298.8)
Impairment in value of property, plant and equipment	(3.4)	(3.8)		(7.2)
Headcounts	57,156	25,437	1,586	84,179

2010

(in € millions)	Interior Modules	Other Modules	Other	Total
Sales	**7,708.0**	**6,153.7**	**239.0**	**14,100.7**
Inter-segment eliminations	(44.2)	(21.6)	(239.0)	(304.8)
Consolidated sales	**7,663.8**	**6,132.1**	**0.0**	**13,795.9**
Operating income (loss) before allocation of costs	284.2	216.7	(45.3)	455.6
Allocation of costs	(29.1)	(16.2)	45.3	0.0
Operating income	**255.1**	**200.5**	**0.0**	**455.6**
Other non-operating income				87.2
Other non-operating expense				(123.2)
Finance costs, net				(90.6)
Other financial income and expenses				(25.6)
Corporate income tax				(89.8)
Share of net income of associates				18.8
NET INCOME				**232.4**
Segment assets				
Net property, plant and equipment	947.3	620.1	8.1	1,575.5
Other	2,460.6	1,582.8	33.1	4,076.5
Total segment assets	**3,407.9**	**2,202.9**	**41.2**	**5,652.0**
Investments in associates				43.6
Other equity interests				15.3
Short and long-term financial assets				648.1
Tax assets (current and deferred)				121.4
TOTAL ASSETS				**6,480.4**
Segment liabilities	**2,153.7**	**1,464.3**	**100.5**	**3,718.5**
Borrowings				1,802.6
Tax liabilities (current and deferred)				61.1
Equity and minority interests				898.2
TOTAL LIABILITIES				**6,480.4**
Capital expenditure	172.5	124.4	7.4	304.3
Depreciation of property, plant and equipment	(208.0)	(96.2)	(3.3)	(307.6)
Impairment in value of property, plant and equipment	(6.7)	(2.0)		(8.7)
Headcounts	51,385	22,868	1,423	75,676

Sales by operating segment break down as follows:

(in € millions)	2012	%	2011	%	2010	%
INTERIOR MODULES						
• Automotive Seating	5,155.9	30	4,981.2	31	4,571.2	33
• Interior Systems	4,352.7	25	3,645.5	23	3,092.6	23
	9,508.6	**55**	**8,626.7**	**53**	**7,663.8**	**56**
OTHER MODULES						
• Emissions Control Technologies	6,079.5	35	5,779.3	36	4,781.4	34
• Automotive Exteriors	1,776.4	10	1,784.2	11	1,350.7	10
	7,855.9	**45**	**7,563.5**	**47**	**6,132.1**	**44**
TOTAL	**17,364.5**	**100**	**16,190.2**	**100**	**13,795.9**	**100**

4.2 Sales by major customer

Sales by major customer* break down as follows:

(in € millions)	2012	%	2011	%	2010	%
VW group	3,523.1	20	3,418.0	21	2,767.7	20
PSA Peugeot Citroën	2,263.2	13	2,433.9	15	2,300.9	17
Ford group	2,079.9	12	1,652.2	10	1,487.7	11
Renault-Nissan	1,509.5	9	1,555.2	10	1,442.1	10
BMW	1,356.7	8	1,092.6	7	1,037.0	8
GM	1,106.6	6	1,277.5	8	1,231.9	9
Other	5,525.5	32	4,760.8	29	3,528.6	25
TOTAL	**17,364.5**	**100**	**16,190.2**	**100**	**13,795.9**	**100**

* *Invoiced sales.*

The presentation of sales invoiced may differ from the one of sales by end customer when products are transferred to intermediary assembly companies.

4.3 Key figures by geographic region

Sales are broken down by destination region. Other items are presented by the region where the companies involved operate:

2012

(in € millions)	France	Germany	Other European countries	North America	South America	Asia	Other countries	Total
Sales	2,005.8	3,694.7	3,910.9	4,575.3	791.9	2,204.2	181.7	17,364.5
Net property, plant and equipment	316.6	257.2	595.8	400.6	152.3	221.2	28.5	1,972.2
Capital expenditure	72.5	55.0	152.3	104.7	87.2	82.6	3.0	557.3
Number of employees as of December 31	13,860	12,848	26,739	21,426	5,801	11,301	1,943	93,918

2011

(in € millions)	France	Germany	Other European countries	North America	South America	Asia	Other countries	Total
Sales	2,281.6	3,939.4	3,828.3	3,359.7	729.6	1,772.2	279.5	16,190.2
Net property, plant and equipment	325.8	254.0	502.4	317.5	93.8	175.5	64.4	1,733.4
Capital expenditure	85.2	49.2	106.8	76.1	43.9	65.3	24.9	451.4
Number of employees as of December 31	14,237	13,261	24,204	15,973	5,180	8,952	2,372	84,179

2010

(in € millions)	France	Germany	Other European countries	North America	South America	Asia	Other countries	Total
Sales	2,214.5	3,294.1	3,426.8	2,496.9	636.6	1,407.7	319.3	13,795.9
Net property, plant and equipment	322.9	233.5	488.3	284.8	67.5	125.4	53.0	1,575.4
Capital expenditure	63.2	27.1	52.6	72.4	23.2	42.6	23.3	304.4
Number of employees as of December 31	14,663	11,283	24,021	12,571	4,770	6,598	1,770	75,676

NOTE 5 ANALYSIS OF OPERATING EXPENSES

5.1 Analysis of operating expenses by function

(in € millions)	Year 2012	Year 2011	Year 2010
Cost of sales	(16,041.3)	(14,806.4)	(12,593.3)
Research and development costs	(239.6)	(222.3)	(303.2)
Selling and administrative expenses	(569.9)	(510.6)	(443.8)
TOTAL	**(16,850.8)**	**(15,539.3)**	**(13,340.3)**

5.2 Analysis of operating expenses by nature

(in € millions)	Year 2012	Year 2011	Year 2010
Purchases consumed	(11,983.4)	(11,048.9)	(9,339.0)
External costs	(1,629.0)	(1,420.7)	(1,212.6)
Personnel costs	(3,185.5)	(2,883.2)	(2,467.7)
Taxes other than on income	(59.7)	(56.5)	(46.0)
Other income and expenses*	442.5	257.1	171.1
Depreciation, amortization and provisions for impairment in value of non-current assets	(495.7)	(453.6)	(485.6)
Charges to and reversals of provisions	60.0	66.5	39.5
TOTAL	**(16,850.8)**	**(15,539.3)**	**(13,340.3)**
* *Including production taken into inventory or capitalized*	427.6	298.4	208.9

5.3 Personnel costs

(in € millions)	Year 2012	Year 2011	Year 2010
Wages and salaries*	(2,514.8)	(2,260.8)	(1,952.8)
Payroll taxes	(670.7)	(622.4)	(514.9)
TOTAL	**(3,185.5)**	**(2,883.2)**	**(2,467.7)**
* *Of which temporary employee costs*	(256.2)	(250.5)	(164.4)

Details of expenses relating to the Group's stock option and free shares plans and pension costs are provided in Notes 22.2 and 25, respectively.

5.4 Research and development costs

(in € millions)	Year 2012	Year 2011	Year 2010
Research and development costs, gross	(943.0)	(759.6)	(689.1)
• Amounts billed to customers and changes in inventories	595.9	498.0	393.5
• Capitalized development costs	263.9	178.9	154.3
• Amortization of capitalized development costs	(158.9)	(141.7)	(175.5)
• Charges to and reversals of provisions for impairment of capitalized development costs	2.5	2.1	13.6
NET EXPENSE	**(239.6)**	**(222.3)**	**(303.2)**

5.5 Depreciation, amortization and provisions for impairment in value of non-current assets

(in € millions)	Year 2012	Year 2011	Year 2010
Amortization of capitalized development costs	(158.9)	(141.7)	(175.5)
Amortization of items of property, plant and equipment	(21.4)	(20.9)	(19.5)
Depreciation of specific tooling	4.1	3.2	(11.5)
Depreciation and impairment of other items of property, plant and equipment	(322.0)	(296.3)	(292.7)
Provisions for impairment of capitalized development costs	2.5	2.1	13.6
TOTAL	**(495.7)**	**(453.6)**	**(485.6)**

NOTE 6 OTHER INCOME AND EXPENSE

Other non-operating income and expense are analyzed as follows:

OTHER NON-OPERATING INCOME

(in € millions)	Year 2012	Year 2011	Year 2010
Provision for contingencies	0.0	0.3	0.4
Badwill from acquisitions*	15.5	0.0	84.3
Losses on disposal of assets	0.0	0.0	2.5
Other	0.0	0.0	0.0
TOTAL	**15.5**	**0.3**	**87.2**

* *This item includes the badwill from he acquisition of Saline in 2012 and from the acquisition of Plastal Spain and Germany in 2010.*

OTHER NON-OPERATING EXPENSE

(in € millions)	Year 2012	Year 2011	Year 2010
Reorganization expenses*	(83.7)	(55.8)	(117.0)
Losses on disposal of assets	(0.3)	0.0	0.0
Others**	(18.7)	(2.4)	(6.2)
TOTAL	**(102.7)**	**(58.2)**	**(123.2)**

* *As of December 31, 2012, this item includes restructuring costs in the amount of €79.4 million and provisions for impairment in value of non-current assets in the amount of €4.3 million, versus respectively, €48.7 million and €7.1 million in 2011 and €104.7 million and €12.3 million in 2010.*

** *This item includes mainly the cost of acquisition of Saline in 2012 for €3,2 million and of Emcon and Plastal principally for €5.3 million in 2010.*

RESTRUCTURING

Reorganization costs (€83.7 million) include redundancy and site relocation payments for 1,713 people and breakdown by country as follows:

	(in € millions)	Employees
France	11.3	195
Germany	60.9	604
Other	11.5	914
TOTAL	**83.7**	**1,713**

NOTE 7 OTHER FINANCIAL INCOME AND EXPENSES

(in € millions)	Year 2012	Year 2011	Year 2010
Impact of discounting pension benefit obligations	(8.7)	(8.2)	(9.6)
Changes in the ineffective portion of currency hedges	0.6	(2.3)	(0.4)
Changes in fair value of currency hedged relating to debt	0.6	0.0	0.0
Changes in fair value of interest rate hedges	1.4	(0.3)	3.6
Translation differences on borrowings	(10.0)	3.3	(4.0)
Gains on sales of securities	-	(0.2)	0.0
Other	(14.4)	(11.3)	(15.2)
TOTAL	**(30.5)**	**(19.0)**	**(25.6)**

NOTE 8 CORPORATE INCOME TAX

Corporate income tax can be analyzed as follows:

(in € millions)	Year 2012	Year 2011	Year 2010
Current taxes			
• Current corporate income tax	(96.9)	(97.7)	(85.9)
Deferred taxes			
• Deferred taxes for the period	29.5	1.8	(3.9)
• Impairment of deferred tax assets previously recorded			
Deferred taxes	29.5	1.8	(3.9)
TOTAL	**(67.4)**	**(95.9)**	**(89.8)**

The 2012 tax charge includes for some countries the recognition of deferred income tax assets made possible by more favourable economic perspectives.

8.1 Analysis of the tax charge

The effective corporate income tax charge can be reconciled with the theoretical tax charge as follows:

(in € millions)	Year 2012	Year 2011	Year 2010
Pre-tax income of consolidated companies	230.8	475.4	303.4
Tax at 36.1% (34.43% in 2010)	*(83.3)*	*(171.6)*	*(104.5)*
Effect of rate changes on deferred taxes recognized on the balance sheet	(13.4)	(2.3)	0.0
Effect of local rate differences	26.5	45.1	31.5
Tax credits	11.6	17.5	20.4
Change in unrecognized deferred tax	16.9	18.0	(77.5)
Permanent differences & others	(25.7)	(2.6)	40.3
CORPORATE TAX RECOGNIZED	**(67.4)**	**(95.9)**	**(89.8)**

8.2 Analysis of tax assets and liabilities

(in € millions)	12/31/2012	12/31/2011	12/31/2010
Current taxes			
• Assets	54.6	53.6	35.2
• Liabilities	(33.7)	(34.9)	(31.9)
	20.9	**18.7**	**3.3**
Deferred taxes			
• Assets*	94.7	78.3	86.2
• Liabilities	(14.0)	(15.5)	(29.2)
	80.7	**62.8**	**57.0**
* *Of which tax assets on tax losses.*	89.8	35.7	40.0

Changes in deferred taxes recorded on the balance sheet break down as follows:

(in € millions)	2012	2011	2010
Net amount at the beginning of the year	**62.8**	**57.0**	**64.9**
Deferred taxes for the period carried to income	29.5	1.8	(3.9)
Deferred taxes recognized directly in equity			0.0
Effect of currency fluctuations and other movements	(11.6)	4.0	(4.0)
Impairment of tax assets carryforwards			0.0
Net amount at the end of the year	**80.7**	**62.8**	**57.0**

8.3 Impairment of tax asset carryforwards

(in € millions)	12/31/2012	12/31/2011	12/31/2010
N+1	7.5	9.8	32.6
N+2	12.1	8.9	7.0
N+3	15.2	13.2	9.5
N+4	8.0	24.7	28.1
N+5 and above	137.4	187.9	220.3
Unlimited	550.7	549.5	505.8
TOTAL	**730.9**	**794.0**	**803.3**

These deferred income tax assets on loss carry forwards are originated mainly from France.

NOTE 9 EARNINGS PER SHARE

(in € millions)	Year 2012	Year 2011	Year 2010
Number of shares outstanding at year end (1)	**110,833,745**	**110,368,345**	**110,366,728**
Adjustments:			
• treasury stock	(41,979)	(46,872)	(270,814)
• weighted impact of share issue prorated weighted average number of shares before dilution	(222,527)	(583)	(2,235,098)
Prorata temporis	**110,569,239**	**110,320,890**	**107,860,816**
Weighted impact of dilutive instruments			
• stock options (2)	0	0	0
• free shares attributed	291,200	2,465,850	1,344,500
• bonds with conversion option (3)	2,599,982	6,774,402	3,408,805
WEIGHTED AVERAGE NUMBER OF SHARES AFTER DILUTION	**113,460,421**	**119,561,142**	**112,614,121**

(1) Changes in the number of shares outstanding as of December 31, are analyzed as follows:
- *as of 12/31/2010: Number of Faurecia shares outstanding 110,366,728;*
- *capital increase (Bonds converted) 1,617;*
- *as of 12/31/2011: Number of Faurecia shares outstanding 110,368,345;*
- *capital increase (bonds converted and attribution of performance shares) 465,400;*
- *as of 12/31/2012: Number of Faurecia shares outstanding 110,833,745.*

(2) As of December 31, 2012 1,126,725 stock options were outstanding and exercisable, compared to 1,475,348 as of December 31, 2011 and 1.523.998 as of December 31, 2010. Taking into account the average Faurecia share price for 2012, none of the stock options have a dilutive impact.

(3) Bonds with conversion options have a dilutive effect when the net interest per share deriving from the conversion is less than the basic earnings per share.

The dilutive impact of the bonds was calculated using the treasury stock method.

In relation to stock options, this method consists of comparing the number of shares that would have been issued if all outstanding stock options had been exercised to the number of shares that could have been acquired at fair value (in this case the average Faurecia share price for the year was €15.12 in 2012).

Earnings per share

Earnings per share break down as follows:

	Year 2012	Year 2011	Year 2010
Net income *(Loss) (in € millions)*	**142.3**	**371.3**	**201.7**
Basic earnings (loss) per share	1.29	3.37	1.87
After dilution	1.25	3.11	1.79
Net income (Loss) of continued operations *(in € millions)*	**144.9**	**371.3**	**201.7**
Basic earnings (loss) per share	1.31	3.37	1.87
After dilution	1.27	3.11	1.79

NOTE 10A BUSINESS COMBINATION – SALINE

On May 2, 2012, Faurecia signed an agreement to acquire the Interior Components business based on the site of Saline, Michigan, USA operated by ACH (Automotive Components Holdings, LLC). This acquisition was completed on June 1, 2012 and took the form of an asset deal; it is considered a business combination under the revised IFRS 3. With this acquisition Faurecia becomes North America number one interior systems supplier and reinforces its relations with the Ford group; Ford now becoming Faurecia's second largest customer.

In conjunction with this acquisition, Faurecia entered into a new joint venture with the Rush Group Ltd, the company Detroit Manufacturing Systems (DMS), in which Faurecia holds 45% and which will take over the assembly and sequencing interior trim business, currently operated on the Saline site, in a new facility in Detroit. This business is progressively transferred by Faurecia to DMS. Therefore, the corresponding part of the business acquired from ACH by Faurecia is presented as assets held for sale in the Group's consolidated balance sheet and as net income/loss from discontinued operations in the income statement.

The net acquisition price is €43 million. This price has been allocated to the net assets acquired and liabilities assumed, resulting in the recognition of a badwill of €15.5 million, carried to the line other non operating income (see Note 6). This business combination was accounted for provisionally as the fair values assigned to the assets acquired and liabilities assumed may be amended within the one-year period following the June 1, 2012 acquisition.

NOTE 10B GOODWILL

(in € millions)	Gross	Impairment	Net
Net carrying amount as of December 31, 2009	**1,550.6**	**(510.7)**	**1,039.9**
Acquisitions and minority interest buyouts	178.7		178.7
Translation adjustments and other movements	12.6	(0.4)	12.2
Net carrying amount as of December 31, 2010	**1,741.9**	**(511.1)**	**1,230.8**
Acquisitions	25.5		25.5
Translation adjustments and other movements	3.8	0.5	4.3
Net carrying amount as of December 31, 2011	**1,771.2**	**(510.6)**	**1,260.6**
Acquisitions	40.2	0.0	40.2
Translation adjustments and other movements	(0.9)	0.1	(0.8)
Net carrying amount as of December 31, 2012	**1,810.5**	**(510.5)**	**1,300.0**

The acquisitions of the period (excluding Saline) have generated a goodwill of €40.2 million.

Breakdown of the net amount of goodwill by operating segment:

(in € millions)	12/31/2012	12/31/2011	12/31/2010
Automotive Seating	792.4	792.4	792.4
Emissions Control Technologies	339.3	340.2	335.8
Interior Systems	45.6	31.9	6.5
Automotive Exteriors	122.7	96.1	96.1
TOTAL	**1,300.0**	**1,260.6**	**1,230.8**

In accordance with the accounting policies described in Notes 1.2 and 1.5, the carrying amount of each CGU to which goodwill has been allocated has been compared to the higher of the CGU's value in use and its market value net of selling costs. Value in use corresponds to the present value of net future cash flows expected to be derived from the CGU's in question.

The cash flow forecasts used to calculate value in use were based on the Group's 2013-2016 medium-term Business Plan which was drafted in mid-2012 and adjusted at the end of the year based on the latest assumptions in the 2013 budget. The volume assumptions used in the 2013-2016 medium-term plan are based on external information sources.

The main assumption affecting value in use is the level of operating income used to calculate future cash flows and particularly the terminal value. The operating margin assumption for 2016 is 4.6% for the Group as a whole.

Projected cash flows for the last year of the medium-term Business Plan (2016) have been projected to infinity by applying a growth rate determined based on analysts' trend forecasts for the automotive market. The growth rate applied for the year-end 2012, 2011 and 2010 tests was 1.5%.

Faurecia called on an independent expert to calculate the weighted average cost of capital used to discount future cash flows. The market parameters used in the expert's calculation were based on a sample of 22 companies operating in the automotive supplier sector (eight in Europe, seven in the United States and seven in Asia). Taking into account these parameters and a market risk premium of 5.5% to 6.5%, the weighted average cost of capital used to discount future cash flows was set at 9.5% (on the basis of a range of values provided by the independent expert) in 2012 (9.5% in 2011). This rate was applied for the impairment tests carried out on all of the Group's CGU's. They all bear the same specific risks relating to the automotive supplier sector and the CGU'S multinational operation does not justify using geographically different discount rates.

The tests performed at year-end 2012 did not show any indication of further impairment in goodwill.

The table below shows the sensitivity of the impairment test results to changes in the assumptions used as of December 31, 2012 to determine the value in use of the CGU's to which the Group's goodwill is allocated:

Sensitivity *(in € millions)*	Test income (value in use - net carrying value)	Cash flow discount rate+0.5 pt	Growth rate to infinity-0.5 pt	Operating Income for terminal value -0.5 pt	Combination of the three factors
Automotive Seating	1,331	(191)	(157)	(206)	(511)
Emissions Control Technologies	668	(108)	(90)	(233)	(395)
Interior Systems	958	(131)	(107)	(168)	(374)
Automotive Exteriors	328	(43)	(35)	(70)	(135)

NOTE 11 INTANGIBLE ASSETS

Intangible assets break down as follows:

(in € millions)	Development costs	Software and other	Total
NET AS OF JANUARY 1, 2010	**369.4**	**27.5**	**396.9**
Additions	154.6	4.8	159.4
Funding of amortization provisions	(175.5)	(19.5)	(195.0)
Funding of provisions	13.6	0.0	13.6
Translation adjustments and other	15.1	45.2	60.3
NET AS OF DECEMBER 31, 2010	**377.2**	**58.0**	**435.2**
Additions	180.2	6.9	187.1
Funding of amortization provisions	(148.3)	(20.9)	(169.2)
Funding of provisions	8.7	0.0	8.7
Translation adjustments and other	(2.7)	5.1	2.4
NET AS OF DECEMBER 31, 2011	**415.1**	**49.1**	**464.2**
Additions	266.7	2.9	269.6
Funding of amortization provisions	(158.9)	(21.4)	(180.3)
Funding of provisions	2.5	0.0	2.5
Translation adjustments and other	9.4	22.7	32.1
NET AS OF DECEMBER 31, 2012	**534.8**	**53.3**	**588.1**

The carrying amount of development costs allocated to a customer contract as well as the associated specific tooling is compared to the present value of the expected net future cash flows to be derived from the contract based on the best possible estimate of future sales. The volumes taken into account in Faurecia's Business Plans are the best estimates by the Group's Marketing department based on automakers' forecasts when available.

NOTE 12 PROPERTY, PLANT AND EQUIPMENT

(in € millions)	Land	Buildings	Plant, tooling and equipment	Specific tooling	Other property, plant and equipment and property, plant and equipment in progress	Total
NET AS OF JANUARY 1, 2010	**57.5**	**365.8**	**653.3**	**24.7**	**123.3**	**1,224.6**
Additions (including own work capital) [1]	4.3	21.0	117.1	8.0	153.9	304.3
Disposals	(2.6)	(22.5)	(110.7)	(6.4)	(22.1)	(164.3)
Funding of depreciation, amortization and impairment provisions	(0.2)	(49.3)	(232.6)	(10.8)	(21.2)	(314.1)
Non-recurring impairment losses	0.0	(1.8)	(7.6)	(0.7)	(3.2)	(13.3)
Depreciation written off on disposals	1.7	19.7	112.6	6.4	22.0	162.4
Currency translation adjustments	1.9	13.2	31.2	0.3	6.7	53.3
Entry into scope of consolidation & other movements	24.5	66.9	284.5	1.1	(54.4)	322.6
NET AS OF DECEMBER 31, 2010	**87.1**	**413.0**	**847.8**	**22.6**	**205.0**	**1,575.5**
Additions (including own work capital) [1]	1.0	15.0	104.6	20.9	309.9	451.4
Disposals	(0.4)	(19.9)	(124.3)	(6.6)	(29.0)	(180.2)
Funding of depreciation, amortization and impairment provisions	(1.5)	(46.0)	(213.2)	(11.6)	(26.5)	(298.8)
Non-recurring impairment losses	(0.2)	(3.3)	(3.5)	0.0	(0.2)	(7.2)
Depreciation written off on disposals	0.2	20.0	122.8	6.4	27.4	176.8
Currency translation adjustments	(0.5)	(0.4)	(6.2)	0.5	(0.8)	(7.4)
Entry into scope of consolidation & other movements	(0.7)	46.6	138.3	(1.4)	(159.5)	23.3
NET AS OF DECEMBER 31, 2011	**85.0**	**425.0**	**866.3**	**30.8**	**326.3**	**1,733.4**
Additions (including own work capital) [1]	2.9	17.5	133.8	27.2	375.9	557.3
Disposals	(3.1)	(31.7)	(102.5)	(8.4)	(28.1)	(173.8)
Funding of depreciation, amortization and impairment provisions	(0.5)	(49.1)	(232.1)	(16.6)	(24.5)	(322.8)
Non-recurring impairment losses	0.0	(0.5)	(3.3)	0.0	(0.3)	(4.1)
Depreciation written off on disposals	1.0	29.6	97.7	7.8	27.5	163.6
Currency translation adjustments	(0.4)	(4.2)	(11.2)	(0.1)	(6.9)	(22.8)
Entry into scope of consolidation & other movements	1.0	72.5	243.6	(1.5)	(274.2)	41.4
NET AS OF DECEMBER 31, 2012	**85.9**	**459.1**	**992.3**	**39.2**	**395.7**	**1,972.2**

(1) Including assets held under finance leases:
- *in 2010 4.0;*
- *in 2011 5.4;*
- *in 2012 13.0.*

(in € millions)	12/31/2012 Gross	12/31/2012 Depreciation	12/31/2012 Net	12/31/2011 Gross	12/31/2011 Net	12/31/2010 Net
Land	95.3	(9.4)	85.9	95.2	85.0	87.1
Buildings	1,120.1	(661.0)	459.1	1,051.1	425.0	413.0
Plant, tooling and technical equipment	3,365.8	(2,373.5)	992.3	3,127.3	866.3	847.8
Specific tooling	157.6	(118.4)	39.2	141.1	30.8	22.6
Other property, plant and equipment and property, plant and equipment in progress	664.7	(269.0)	395.7	603.7	326.3	205.0
TOTAL	**5,403.5**	**(3,431.3)**	**1,972.2**	**5,018.4**	**1,733.4**	**1,575.5**
Including assets subject to lease financing	143.1	(69.7)	73.4	122.7	62.1	68.2

Property, plant and equipment are often dedicated to client programs. Their utilization rates are not monitored centrally or systematically.

NOTE 13 INVESTMENTS IN ASSOCIATES

AS OF DECEMBER 31, 2012

(in € millions)	% interest*	Group share of equity	Dividends received by the Group	Group share of sales	Group share of total assets
Teknik Malzeme	50	5.2	0.0	46.0	28.4
Amminex Emission Technology APS	42	9.0	0.0	0.0	11.9
Changchun Huaxiang Faurecia Automotive Plastic Components Co Ltd	50	5.4	0.0	45.1	32.8
Changchun Xuyang Faurecia Acoustics & Soft Trim Co., Ltd.	40	5.5	0.0	3.4	10.4
Detroit Manufacturing Systems LLC	45	3.0	0.0	10.0	10.9
Zhejiang Faurecia Limin Interior & Exterior Systems Company Ltd	50	2.9	0.0	0.5	9.4
Jinan Faurecia Limin Interior & Exterior Systems Company Ltd	50	2.4	0.0	0.0	3.1
Others**	-	7.4	0.0	306.1	90.0
TOTAL	**-**	**40.8**	**0.0**	**411.1**	**196.9**
SAS Group	50	44.4	(25.0)	1,711.5	267.5
TOTAL		**85.2**	**(25.0)**	**2,122.6**	**464.4**

* *Percent interest held by the Company that owns the shares.*
** *As the Group's share of some company's net equity is negative it is recorded under liabilities as a provision for contingencies and charges.*

SAS is a joint venture with Continental Automotive GmbH which manufactures full cockpit modules with electronics and circuitry built into the instrument panels.

In 2012 & 2011, the consolidated financial statements were prepared using SAS group's financial statements as of December 31, whereas for the year 2010 SAS group's financial statements as of September 30 were considered in order to meet the Faurecia group's publication deadlines.

13.1 Change in investments in associates

(in € millions)	2012	2011	2010
Group share of equity at beginning of the period	71.0	43.6	31.0
Dividends	(25.0)	(21.0)	(15.0)
Share of net income of associates	23.6	33.7	18.8
Change in scope of consolidation	17.1	13.8	4.8
Capital increase	0.0	0.0	0.9
Currency translation adjustments	(1.5)	0.8	3.1
Group share of equity at end of the period	**85.2**	**71.0**	**43.6**

13.2 Group share of financial items of associates

(in € millions)	12/31/2012	12/31/2011	12/31/2010
Fixed assets	89.7	64.6	39.7
Current assets	306.1	397.9	388.0
Cash and cash equivalents	68.6	60.9	42.9
TOTAL ASSETS	**464.4**	**523.4**	**470.6**
Equity	78.3	63.5	35.1
Borrowings	41.8	32.4	18.9
Other non-current liabilities	14.8	18.3	33.7
Non-current financial liabilities	329.5	409.2	382.9
TOTAL LIABILITIES	**464.4**	**523.4**	**470.6**

NOTE 14 OTHER EQUITY INTERESTS

(in € millions)	% of share capital	12/31/2012 Gross	12/31/2012 Net	12/31/2011 Net	12/31/2010 Net
Changchun Xuyang Industrial group	19	11.8	11.8	11.9	11.0
Amminex**				19.7	
Changchun Xuyang Faurecia Acoustics & Soft Trim Co., Ltd.**				5.4	
Faurecia Technology Center India Ltd*					3.6
Other	-	3.7	1.6	1.8	0.7
TOTAL		**15.5**	**13.4**	**38.8**	**15.3**

* *Companies consolidated as from 2011.*
** *Companies consolidated as from 2012.*

NOTE 15 OTHER NON-CURRENT FINANCIAL ASSETS

(in € millions)	12/31/2012 Gross	12/31/2012 Provisions	12/31/2012 Net	12/31/2011 Net	12/31/2010 Net
Loans with maturity longer than one year	38.6	(9.6)	29.0	22.6	19.4
Other	25.8	(0.6)	25.2	12.8	8.4
TOTAL	**64.4**	**(10.2)**	**54.2**	**35.4**	**27.8**

NOTE 16 OTHER CURRENT FINANCIAL ASSETS

This line includes:

(in € millions)	12/31/2012	12/31/2011	12/31/2010
Pension plan surpluses	0.7	0.1	0.2
Guarantee deposits and other	17.6	16.8	14.3
TOTAL	**18.3**	**16.9**	**14.5**

NOTE 17 INVENTORIES AND WORK-IN-PROGRESS

	12/31/2012			12/31/2011	12/31/2010
(in € millions)	Gross	Provisions	Net	Net	Net
Raw materials and supplies	414.0	(37.0)	377.0	319.3	277.4
Engineering, tooling and prototypes	468.7	(11.3)	457.4	345.5	253.5
Work-in-progress for production	35.6	(3.2)	32.4	39.8	38.6
Semi-finished and finished products	265.6	(36.2)	229.4	180.8	164.5
TOTAL	**1,183.9**	**(87.7)**	**1,096.2**	**885.4**	**734.0**

NOTE 18 TRADE ACCOUNTS RECEIVABLES

Under trade receivables sale programs, the Group can sell a portion of the receivables of a number of its French and other European subsidiaries to a group of financial institutions, transferring substantially all of the risks and rewards relating to the receivables sold to the financial institutions concerned.

The following table shows the amount of receivables sold with maturities beyond December 31, 2012, for which substantially all the risks and rewards have been transferred, and which have therefore been derecognized as well as the financing under these programs – corresponding to the cash received as consideration for the receivables sold:

(in € millions)	12/31/2012	12/31/2011	12/31/2010
Financing	435.8	571.5	566.8
Guarantee reserve deducted from borrowings	(15.9)	(36.3)	(42.3)
Cash received as consideration for receivables sold	419.9	535.2	524.5
Receivables sold and derecognized	(313.0)	(461.7)	(377.9)

Individually impaired trade receivables are as follows:

(in € millions)	12/31/2012	12/31/2011	12/31/2010
Gross total trade receivables	1,720.3	1,640.2	1,409.6
Provision for impairment of receivables	(17.5)	(20.0)	(21.9)
TOTAL TRADE ACCOUNTS RECEIVABLE, NET	**1,702.8**	**1,620.2**	**1,387.7**

Given the high quality of Group counterparties, late payments do not represent a material risk. They generally arise from administrative issues.

Late payments as of December 31, 2012 were €137.7 million, breaking down as follows:

- €72.4 million less than one month past due;
- €23.2 million one to two months past due;
- €7.4 million two to three months past due;
- €16.2 million three to six months past due;
- €18.5 million more than six months past due.

NOTE 19 OTHER OPERATING RECEIVABLES

(in € millions)	12/31/2012	12/31/2011	12/31/2010
Down payments	173.3	116.3	61.6
Currency derivatives for operations	3.0	0.0	0.0
Other receivables [1]	181.5	181.3	161.7
TOTAL	**357.8**	**297.6**	**223.3**
(1) Including the following amounts for VAT and other tax receivables.	176.5	174.8	154.9

NOTE 20 OTHER RECEIVABLES

(in € millions)	12/31/2012	12/31/2011	12/31/2010
Short-term portion of loans	6.2	3.7	3.5
Prepaid expenses	30.0	9.0	14.6
Current taxes	54.6	53.6	35.3
Other sundry payables	59.2	64.9	47.3
TOTAL	**150.0**	**131.2**	**100.7**

NOTE 21 CASH AND CASH EQUIVALENT

As of December 31, 2012, cash and cash equivalents amounted to €628 million including current account balances in the amount of €613 million (versus €564.3 million as of December 31, 2011 and €532.5 million as of December 31, 2010) and short-term investments in the amount of €15 million (versus €65.8 million as of December 31, 2011 and €73.3 million as of December 31, 2010).

The carrying amount of marketable securities is almost identical to market value as they are held on a very short term basis.

NOTE 22 EQUITY

22.1 Capital

As of December 31, 2012, Faurecia's capital stock totalled €775,836,215 divided into 110,833,745 fully paid-in shares with a par value of €7 each.

The Group's capital is not subject to any external restrictions. Shares which have been registered in the name of the same holder for at least two years carry double voting rights.

As of December 31, 2012, Peugeot SA held 57.18% of Faurecia's capital and 72.60% of the voting rights.

22.2 Employee stock options and share grants

A – STOCK OPTIONS

Faurecia has a policy of issuing stock options to the executives of Group companies.

As of December 31, 2012, a total of 1,126,725 stock options were outstanding.

The exercise of these options would result in increasing:

- the capital stock by €7.9 million;
- additional paid-in capital by €40.1 million.

Details of the stock subscription option plans as of December 31, 2012 are set out in the table below:

Date of Shareholders' Meeting	Date of Board meeting / Adjusted exercise price (in €)	Adjusted number of options granted	Including granted to senior executive management	Start of exercise period / Last exercise date	Options exercised	Options cancelled	Adjusted number of options outstanding as of December 31, 2012
	04/14/2004			04/14/2008			
05/14/2002	49.73	313,560	127,530	04/13/2014	-	152,100	161,460
	04/19/2005			04/18/2009			
05/25/2004	54.45	321,750	142,740	04/18/2015	-	129,285	192,465
	04/13/2006			04/12/2010			
05/23/2005	45.20	340,800	168,000	04/12/2016	-	141,000	199,800
	04/16/2007			04/17/2011			
05/23/2005	44.69	346,200	172,800	04/17/2017		89,400	256,800
	04/10/2008			04/10/2012			
05/29/2007	28.38	357,000	174,000	04/10/2016	-	40,800	316,200
TOTAL							**1,126,725**

Movements in the aggregate number of options under all of the plans in force were as follows:

	2012	2011	2010
Total at beginning of the period	**1,475,348**	**1,523,998**	**1,594,223**
Options granted	0	0	0
Options exercised	0	0	0
Options cancelled and expired	(348,623)	(48,650)	(70,225)
TOTAL AT REPORTING DATE	**1,126,725**	**1,475,348**	**1,523,998**

In accordance with IFRS 2, the six plans issued since November 7, 2002 have been measured at fair value as of the grant date. The measurement was performed using the Black & Scholes option pricing model based on the following assumptions:

	11/28/2002 plan	04/14/2004 plan	04/19/2005 plan	04/13/2006 plan	04/16/2007 plan	04/10/2008 plan
Option exercise price as of the grant date (in €)*	€35.65	€49.73	€54.45	€45.20	€44.69	€28.38
Share price as of the grant date (in €)	€41.82	€58.45	€62.05	€53.15	€56.15	€33.10
Option vesting period	4 years	4 years	4 years	4 years	4 years	4 years
Expected share dividend	2%	2%	2%	1.5%	0.00%	0.00%
Zero coupon rate	3.57%	3.33%	2.93%	3.50%	4.41%	3.86%
Expected share price volatility	40%	40%	40%	30%	30%	30%

* *Adjusted following the capital increase.*

The fair value of the option is amortized over the vesting period, with a corresponding adjustment to equity. The related expense in 2012 totalled €0.4 million, compared to €1.5 million in 2011.

B – FREE SHARES GRANTED

In 2010 Faurecia implemented a share grant plan for executives of Group companies. These shares are subject to service and performance conditions.

The fair value of this plan has been measured by reference to the market price of Faurecia's shares at the grant date, less an amount corresponding to the expected dividends due on the shares but not paid during the vesting period and an amount reflecting the cost of the shares being subject to a lock-up period. The corresponding expense will be deferred and recognized over the share vesting period. The amount recognized for the period is a profit of €2.7 million, compared to an expense of €9.6 million in 2011.

Details of the share grant plans as of December 31, 2012 are set out in the table below:

Date of Shareholders' Meeting	Date of Board meeting	Maximum number of free shares that can be granted* for reaching the objective	Maximum number of free shares that can be granted* for exceeding the objective	Performance condition
05/26/2011	07/25/2011	656,000	852,800	2013 pretax income target as stated in mid term plan when granted
05/26/2011	07/23/2012	790,500	1,027,650	2014 pretax income target as stated in mid term plan when granted and earning per share of Faurecia compared to a reference group of companies

* *Net of free shares granted cancelled.*

Following the achievement of the performance condition for the first plan (Board meeting 06/23/2010), 465.400 shares have been attributed and 291.200 remain to be attributed. The performance condition for the second plan granted by the Board of July 21, 2010 has not been met.

22.3 Treasury stock

As of December 31, 2012, Faurecia held 41,979 shares of treasury stock.

The cost of the shares held in treasury stock as of December 31, 2012 totalled €1.6 million, representing an average cost of €38.33 per share.

NOTE 23 MINORITY INTERESTS

Changes in minority interests were as follows:

(in € millions)	2012	2011	2010
Balance as of January 1	113.5	87.7	45.8
Increase in minority shareholder interests	8.7	1.2	4.2
Other changes in scope of consolidation	(1.3)	2.9	9.1
Minority interests in net income for the year	42.1	42.0	30.7
Dividends paid to minority interests	(27.0)	(26.7)	(6.0)
Translation adjustments	(3.3)	6.4	3.9
BALANCE AS OF DECEMBER 31	**132.6**	**113.5**	**87.7**

NOTE 24 LONG AND SHORT TERM PROVISIONS

24.1 Long-term provisions

(in € millions)	2012	2011	2010
Provisions for pensions and other employee obligations			
Pension obligations	172.0	162.4	157.3
Long-service awards	22.8	20.6	20.9
Healthcare costs	21.1	32.8	33.1
	215.9	**215.8**	**211.3**
Provisions for early retirement costs	1.1	3.0	3.2
TOTAL LONG-TERM PROVISIONS	**217.0**	**218.8**	**214.5**

CHANGES IN LONG-TERM PROVISIONS

(in € millions)	2012	2011	2010
Balance of provisions at beginning of year	**218.8**	**214.5**	**193.9**
Changes in scope of consolidation	3.4	0.0	25.8
Other movements	(7.9)	1.9	4.4
Funding (or reversal) of provision	26.2	22.3	26.2
Expenses charged to the provision	(15.5)	(7.3)	(19.5)
Payments to external funds	(8.0)	(12.6)	(16.3)
BALANCE OF PROVISIONS AT REPORTING DATE	**217.0**	**218.8**	**214.5**

24.2 Short-term provisions

(in € millions)	12/31/2012	12/31/2011	12/31/2010
Restructuring	153.0	123.8	169.2
Risks on contracts and customer warranties	86.7	96.9	123.5
Litigation	27.6	38.6	43.9
Other provisions	53.9	63.0	80.0
TOTAL PROVISIONS	**321.2**	**322.3**	**416.6**

Changes in these provisions in 2012 were as follows:

(in € millions)	Balance as of December 31, 2011	Additions	Expenses charged	Reversal*	Sub-total changes	Change in scope of consolidation and other changes	Balance as of December 31, 2012
Restructuring	123.8	79.8	(50.1)	(1.7)	28.0	1.2	153.0
Risks on contracts and customer warranties	96.9	16.9	(37.4)	(10.7)	(31.2)	21.0	86.7
Litigation	38.6	6.7	(13.8)	(2.8)	(9.9)	(1.1)	27.6
Other provisions	63.0	20.7	(25.8)	(0.8)	(5.9)	(3.2)	53.9
TOTAL	**322.3**	**124.1**	**(127.1)**	**(16.0)**	**(19.0)**	**17.9**	**321.2**

* *Surplus provisions.*

LITIGATION

In the normal course of business, the Group may be involved in disputes with its customers, suppliers, tax authorities in France or abroad, or other third parties. These disputes are being accrued for, and these accruals are presented in the line litigation of the above schedule, notably. Faurecia Systèmes d'Échappement is subject to a claim concerning electrostatic filtration which has been brought before the courts following its unsuccessful cooperation with a service provider. On June 24, 2011, the Paris *Tribunal de Grande Instance* (district court of first instance) rendered a judgement favourable to Faurecia. The opposing party has served notice of its decision to appeal the judgement. The hearings of the *Cour d'Appel* (court of appeal) will take place in March 2013.

In December 2010, the manufacturer Suzuki initiated international arbitration proceedings against Faurecia Innenraum Systeme alleging delivery of defective products. The Group has filed its arguments in defence with the arbitral tribunal. By an order dated April 24, 2012, the tribunal found in favour of the pleadings made by Faurecia Innenraum Systeme who had raised an issue about the competency of the tribunal to hear the matter. Suzuki has not filed an appeal against this decision. The two parties are in advanced discussion aimed at reaching friendly settlement of the dispute.

The Group considers that the residual risks and impact of these proceedings are not material. There are no other claims or litigation in progress or pending that are likely to have a material impact on the Group's consolidated financial position.

NOTE 25 PROVISIONS FOR PENSIONS AND OTHER POST EMPLOYMENT BENEFITS

25.1 Benefit obligations

(in € millions)	12/31/2012	12/31/2011	12/31/2010
Present value of projected obligations			
• Pension benefit obligations	365.9	290.7	270.3
• Long-service awards	22.8	20.6	20.9
• Healthcare costs	25.6	50.8	48.4
TOTAL	**414.3**	**362.1**	**339.6**
Value of plan assets:			
• Provisions booked in the accounts	215.9	215.8	211.3
• External funds (market value)	115.0	104.5	101.6
• Plan surplus [(1)]	(0.7)	(0.1)	(0.2)
• Actuarial gains and losses	84.1	41.9	26.9
TOTAL	**414.3**	**362.1**	**339.6**

(1) Pension plan surpluses are included in "Other non-current assets".

25.2 Pension benefit obligations

A – DESCRIPTION OF THE PLANS

In addition to the pension benefits provided under local legislation in the various countries where Group companies are located, Group employees are entitled to supplementary pension benefits and retirement bonuses.

B – ASSUMPTIONS USED

The Group's obligations under these plans are determined on an actuarial basis, using the following assumptions:

- retirement age between 62 and 65 for employees in France;
- staff turnover assumptions based on the economic conditions specific to each country and/or Group company;
- mortality assumptions specific to each country;
- estimated future salary levels until retirement age, based on inflation assumptions and forecasts of individual salary increases for each country;
- the expected long-term return on external funds;
- discount and inflation rates (or differential) based on local conditions.

The main actuarial assumptions used in the past three years to measure the pension liability are as follows:

(in %)	Euro Zone	United Kingdom	USA
DISCOUNT RATE			
2012	3.00%	4.22%	3.79%
2011	4.50%	5.00%	4.99%
2010	4.15%	5.54%	5.35%
INFLATION RATE			
2012	1.80%	2.65%	2.00%
2011	2.00%	2.69%	2.00%
2010	2.00%	3.45%	1.50%
EXPECTED RETURN ON PLAN ASSETS			
2012	3.09%	5.48%	7.50%
2011	3.17%	6.82%	7.50%
2010	3.09%	6.85%	7.50%

Note: the iboxx AA rate has been used as reference to determine the discount rate of the euro zone.

C – INFORMATION ON FINANCIAL ASSETS

External funds are invested as follows:

	2012		2011		2010	
(in %)	Equities	Bonds	Equities	Bonds	Equities	Bonds
France	13%	87%	14%	86%	15%	85%
United Kingdom	59%	41%	61%	39%	62%	38%
USA	59%	41%	59%	41%	64%	36%

D – PROVISIONS FOR PENSION LIABILITIES RECOGNIZED ON THE BALANCE SHEET

	2012			2011			2010		
(in € millions)	France	Abroad*	Total	France	Abroad	Total	France	Abroad	Total
BALANCE OF PROVISIONS AT BEGINNING OF YEAR	**80.8**	**81.5**	**162.3**	**76.7**	**80.4**	**157.1**	**77.0**	**66.2**	**143.2**
Effect of changes in scope of consolidation (provision net of plan surpluses)	3.2	0.0	3.2	0.0	0.0	0.0	0.2	17.4	17.6
Additions	9.1	10.2	19.3	7.5	8.7	16.2	7.7	8.7	16.4
Expenses charged to the provision	(2.3)	(7.4)	(9.7)	(0.2)	(2.1)	(2.3)	(1.7)	(7.2)	(8.9)
Payments to external funds	(3.0)	(5.0)	(8.0)	(4.1)	(5.8)	(9.9)	(6.5)	(6.7)	(13.2)
Other movements	0.0	4.2	4.2	0.9	0.3	1.2	0.0	2.0	2.0
BALANCE OF PROVISIONS AT REPORTING DATE	**87.8**	**83.5**	**171.3**	**80.8**	**81.5**	**162.3**	**76.7**	**80.4**	**157.1**

* *The provision for €83.5 million on December 31, 2012 relates mainly to Germany (€73.4 million).*

E – CHANGES IN PENSION LIABILITIES

(in € millions)	12/31/2012 France	12/31/2012 Abroad	12/31/2012 Total	12/31/2011 France	12/31/2011 Abroad	12/31/2011 Total	12/31/2010 France	12/31/2010 Abroad	12/31/2010 Total
PROJECTED BENEFIT OBLIGATION									
At beginning of the period	**102.6**	**188.1**	**290.7**	**88.7**	**181.6**	**270.3**	**80.4**	**142.5**	**222.9**
Service costs	5.6	5.8	11.4	4.8	4.6	9.4	4.5	4.0	8.5
Annual restatement	4.9	8.9	13.8	3.9	8.0	11.9	4.2	8.5	12.7
Benefits paid	(5.0)	(12.8)	(17.8)	(4.0)	(8.0)	(12.0)	(5.2)	(11.3)	(16.5)
Restatement differences	19.5	39.9	59.4	8.6	(1.3)	7.3	5.2	10.9	16.1
Other movements (including translation adjustment)	3.2	5.9	9.1	0.9	3.2	4.1	0.2	27.0	27.2
Curtailment and settlements	(0.7)	(0.1)	(0.8)	(0.3)	0.0	(0.3)	(0.6)	0.0	(0.6)
Effect of closures and plan amendments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AT REPORTING DATE	**130.1**	**235.7***	**365.8**	**102.6**	**188.1**	**290.7**	**88.7**	**181.6**	**270.3**
HEDGING OF OBLIGATIONS									
At beginning of the period	**16.3**	**88.2**	**104.5**	**15.9**	**85.6**	**101.5**	**12.6**	**71.0**	**83.6**
Expected return on plan assets	0.5	6.0	6.5	0.4	5.5	5.9	0.3	5.1	5.4
Restatement differences	(0.3)	3.4	3.1	(0.3)	(5.5)	(5.8)	0.0	0.8	0.8
Other movements (including translation adjustment)	0.0	1.0	1.0	0.0	2.6	2.6	0.0	6.1	6.1
Employer contributions	3.0	5.0	8.0	4.1	5.8	9.9	6.5	6.7	13.2
Benefits paid	(2.7)	(5.4)	(8.1)	(3.8)	(5.8)	(9.6)	(3.5)	(4.1)	(7.6)
Curtailment and settlements	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Effect of closures and plan amendments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AT REPORTING DATE	**16.8**	**98.2**	**115.0**	**16.3**	**88.2**	**104.5**	**15.9**	**85.6**	**101.5**
DEFERRED ITEMS									
At beginning of the period	**5.4**	**18.5**	**23.9**	**(3.9)**	**15.6**	**11.7**	**(9.2)**	**5.3**	**(3.9)**
New deferred items	19.8	36.4	56.2	8.9	4.2	13.1	5.2	10.1	15.3
Amortization of deferred items	0.3	(1.5)	(1.2)	(0.1)	(1.4)	(1.5)	(0.4)	(1.4)	(1.8)
Other movements (including translation adjustment)	0.0	0.6	0.6	0.0	0.3	0.3	0.0	1.5	1.5
Curtailment and settlements	0.0	0.0	0.0	0.5	(0.2)	0.3	0.5	0.1	0.6
Effect of closures and plan amendments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AT REPORTING DATE	**25.5**	**54.0**	**79.5**	**5.4**	**18.5**	**23.9**	**(3.9)**	**15.6**	**11.7**
BALANCE OF PROVISIONS AT REPORTING DATE	**87.8**	**83.5**	**171.3**	**80.9**	**81.4**	**162.3**	**76.7**	**80.4**	**157.1**

* *Of which €104.9 million for Germany.*

F – PERIODIC PENSION COST

Period pension cost is recognized:

- in operating income for the portion relating to service cost and amortization of deferred items;
- in "Other financial income and expenses" for restatement of vested rights and the expected return on external funds.

Period pension costs break down as follows:

	2012			2011			2010		
(in € millions)	France	Abroad	Total	France	Abroad	Total	France	Abroad	Total
Service cost	(5.6)	(5.8)	(11.4)	(4.8)	(4.6)	(9.4)	(4.5)	(4.0)	(8.5)
Restatement of projected benefits	(4.9)	(8.9)	(13.8)	(3.9)	(8.0)	(11.9)	(4.2)	(8.5)	(12.7)
Change in top-up scheme	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Expected return on plan assets	0.5	6.0	6.5	0.4	5.5	5.9	0.3	5.1	5.4
Curtailment and settlements	0.7	0.1	0.8	0.9	(0.2)	0.7	1.1	0.1	1.2
Amortization of deferred differences	0.3	(1.5)	(1.2)	(0.1)	(1.4)	(1.5)	(0.4)	(1.4)	(1.8)
TOTAL	**(9.0)**	**(10.1)**	**(19.1)**	**(7.5)**	**(8.7)**	**(16.2)**	**(7.7)**	**(8.7)**	**(16.4)**

a) The supplementary pension scheme for all managerial employees in France comprises:
   - defined contribution plan financed entirely by Faurecia whose contribution rate varies depending on salary tranches A or B applies;
   - a defined benefit plan relating to salary tranche C;

b) In France, when calculating its pension liability as of December 31, 2012, the Group has used only voluntary retirement assumptions beginning at 62 years of age for non-management employees and at 65 years of age for management:

c) In France, pension liability increased by €27.6 million at year-end compared to 2011. This increase breaks down as follows:
   - +€10.5 million relating to service cost and interest cost for 2012;
   - -€5.0 million relating to lump-sum retirement bonuses and rights to capital for supplementary pension schemes;
   - -€0.7 million relating to headcount reduction plans in 2012;
   - +€3.2 million relating to acquisitions made in 2012;
   - +€2.6 million relating to the change in legislation on taxes applicable on pensions;
   - +€16.9 million resulting from actuarial gains and losses, including +€18.2 million relating to the discount rate, -€2.7 million relating to experience and +€1.4 million for other assumptions.

G – RETIREMENT PENSION LIABILITIES: SENSITIVITY TO CHANGES IN THE DISCOUNT RATE IN THE MAIN SCOPES

The impact of a 0.25 percentage point increase in the discount rate for:

- total service cost for the period would be for France a 3.37% decrease and for Germany a 5.64% decrease;
- the projected benefit obligation would be for France a 2.75% decrease and for Germany a 3.31% decrease.

25.3 Long-service awards

The Group evaluates its liability for the payment of long-service awards, given to employees based on certain seniority requirements. The Group calculates its liability for the payment of long-service awards using the same method and assumptions as for its pension liability. Provisions for long-service awards have been set aside as follows:

(in € millions)	As of December 31, 2012	As of December 31, 2011	As of December 31, 2010
French companies	7.5	6.6	6.9
Foreign companies	15.3	14.0	14.0
TOTAL	**22.8**	**20.6**	**20.9**

25.4 Healthcare costs

In addition to pension plans, some Group companies – mainly in the United States – cover the healthcare costs of their employees.

The related liability can be analyzed as follows:

(in € millions)	As of December 31, 2012	As of December 31, 2011	As of December 31, 2010
Foreign companies	21.1	32.8	33.1
TOTAL	**21.1**	**32.8**	**33.1**

The impact of a one percentage point increase in healthcare cost trend rates would be:

- a 13% rise in total service cost for the period and financial expenses;
- a 9% decrease in the projected benefit obligation.

The impact of a one percentage point decrease in medical cost trend rates would be:

- a 16% decrease in total service cost for the period and financial expenses;
- a 11% decrease in the projected benefit obligation.

Expenses recognized in connection with this liability break down as follows:

(in € millions)	As of December 31, 2012	As of December 31, 2011	As of December 31, 2010
Service cost	(0.1)	(2.7)	(3.1)
Interest cost*	(1.2)	(2.2)	(2.4)
Curtailment	0.0	0.0	0.0
Amortization of deferred differences	(0.9)	(1.4)	(1.0)
TOTAL	**(2.2)**	**(6.3)**	**(6.5)**

* *Interest cost is recorded under "Other financial income and expenses".*

NOTE 26 NET DEBT

26.1 Detailed breakdown

(in € millions)	12/31/2012	12/31/2011	12/31/2010
Bonds	1,140.0	543.6	191.8
Bank borrowings	490.5	655.8	726.1
PSA loan	0.0	0.0	142.0
Other borrowings	4.2	5.0	5.7
Obligations under finance lease	29.3	29.8	37.0
Non-current derivatives	7.1	5.9	12.3
SUB-TOTAL NON-CURRENT FINANCIAL LIABILITIES	**1,671.1**	**1,240.1**	**1,114.9**
Current portion of long term debt	74.2	36.0	78.7
Short-term borrowings [1]	684.1	573.7	608.0
Payments issued [2] (a)	0.0	0.0	0.4
Current derivatives	6.3	5.9	0.6
SUB-TOTAL CURRENT FINANCIAL LIABILITIES	**764.6**	**615.6**	**687.7**
TOTAL	**2,435.7**	**1,855.7**	**1,802.6**
Derivatives classified under non-current and current assets	(0.6)	(1.5)	0.0
Cash and cash equivalents (b)	(628.0)	(630.1)	(605.8)
NET DEBT	**1,807.1**	**1,224.1**	**1,196.8**
Net cash and cash equivalent (b)-(a)	**628.0**	**630.1**	**605.4**
(1) Including bank overdrafts.	163.6	137.2	162.7

(2) Payments awaiting clearance by the bank as they fall due on a non-banking day. The contra-entry is an increase in cash and equivalents under assets.

26.2 Maturities of long-term debt

(in € millions)	2014	2015	2016	2017	2018 and beyond	Total
Bonds	0.0	199.4	492.7	0.0	447.9	1,140.0
Bank borrowings	100.9	302.6	49.5	14.4	23.1	490.5
Other borrowigs	1.7	0.7	0.8	0.7	0.3	4.2
Obligation under finance leases	8.9	3.3	2.3	1.9	12.9	29.3
TOTAL AT DECEMBER 31, 2012	**111.5**	**506.0**	**545.3**	**17.0**	**484.2**	**1,664.0**

26.3 Financing

Faurecia has pursued the implementation of its long term financing plan during 2012 through:

- an additional €140 million issue in February 2012 to the €350 million bond issue of November 2011 due December 2016;
- a €250 million bond issue in May 2012 due June 2019;
- a €250 million convertible bond (OCEANE) issue in September 2012 due January 2018;
- the exercise in November 2012 of the one year extension option of the €690 million tranche due initially in December 2014 of the syndicated credit loan, thus extended to December 2015 for €649 million.

2016 BONDS

On November 9, 2011 Faurecia issued €350 million worth of bonds, due December 15, 2016. The bonds bear annual interest of 9.375% payable on June 15 and December 15 each year, as from June 15, 2012; they have been issued at 99.479% of the nominal value. An additional €140 million has been issued on February 21, 2012 with the same due date and same interest rate, at 107.5% of the nominal value; they are listed on the Luxembourg stock exchange. They include a covenant restricting the additional indebtness if the EBITDA after some adjustments is lower than 2.5 times the gross interest costs, and restrictions on the debt similar to the ones of the syndicated credit loan. The costs related to the bond issue are expensed in P&L over the life time of the bonds. The 2016 bonds benefit from guarantees from some Group subsidiaries.

2019 BONDS

On May 3, 2012, Faurecia issued €250 million worth of bonds, due June 15, 2019. The bonds bear annual interest of 8.75% payable on June 15 and December 15 each year, as from June 15, 2012; they have been issued at 99.974% of the nominal value and are listed on the Luxembourg stock exchange. They include the same covenants as the bonds due December 2016. They do not benefit from guarantees from Group subsidiaries. The costs related to the bond issue are expensed in P&L over the life time of the bonds.

SYNDICATED CREDIT FACILITY

The syndicated bank loan implemented on December 20, 2011 is divided into a €41 million tranche expiring in December 2014, a €649 million tranche expiring in December 2015, after the exercise of the first option to extend its duration for one year and benefiting from a second option to extend the expiration to December 2016, and a €460 million tranche expiring in December 2016. As of December 31, 2012 the undrawn portion of this credit facility was €850 million.

The contracts relating to this credit facility include covenants, concerning compliance with consolidated financial ratios. The compliance with these ratios is a condition to the availability of this credit facility. As of December 31, 2012, the Group complied with all of these ratios, of which the amounts are presented below:

- net debt*/EBITDA** < 2.50;
- EBITDA**/net interests > 4.50.

Furthermore, this credit facility includes some restrictive clauses on asset disposals (disposal representing over 15% of the Group's total consolidated assets requires the prior approval of banks representing two-thirds of the syndicate) and on the debt level of some subsidiaries. The syndicated bank loan benefits from guarantees from some Group subsidiaries.

2018 OCEANE

On September 18, 2012 Faurecia issued €250 million worth of OCEANE bonds convertible into or exchangeable for new or existing shares, due January 1, 2018. The bonds bear annual interest of 3.25% payable on January 1 each year, as from January 1, 2013. Each bond has a nominal value of €19.48.

Subject to certain conditions, Faurecia may redeem the bonds early, at any time beginning on January 15, 2016, at a price equal to their par value plus accrued interest, provided that all of the outstanding bonds are redeemed. The bonds can be converted by their holders at any time as from their date of issue.

The criteria relating to their early redemption include a clause of change of control, but, unlike the 2015 convertible bonds, they do not include an ownership clause relating to PSA.

In accordance with IAS 39, the fair value of the OCEANE bonds is split into two components: (i) a liability component calculated based on prevailing market interest rates for similar bonds with no conversion option and (ii) an equity component corresponding to the conversion option, calculated based on the difference between the fair value of the OCEANE bonds and the liability component. These two components were recognized at the bond issue date in respective amounts of €198.3 million and €46.5 million. As of December 31, 2012 the liability component was €200.8 million.

* *Net debt = published consolidated net debt.*

** *Operating income plus depreciation, amortization and funding of provisions for impairment of property, plant and equipment and intangible assets, corresponding to the past twelve months.*

2015 OCEANE

On November 26, 2009 Faurecia issued €211.3 million worth of OCEANE bonds convertible into or exchangeable for new or existing shares, due January 1, 2015. The bonds bear annual interest of 4.50% payable on January 1 each year, as from January 1, 2011. Each bond has a nominal value of €18.69.

Subject to certain conditions, Faurecia may redeem the bonds early, at any time beginning on January 15, 2013, at a price equal to their par value plus accrued interest, provided that all of the outstanding bonds are redeemed. The bonds can be converted by their holders at any time as from their date of issue. The criteria relating to their early redemption include an ownership clause relating to PSA.

In accordance with IAS 39, the fair value of the OCEANE bonds is split into two components: (i) a liability component calculated based on prevailing market interest rates for similar bonds with no conversion option and (ii) an equity component corresponding to the conversion option, calculated based on the difference between the fair value of the OCEANE bonds and the liability component. These two components were recognized at the bond issue date in respective amounts of €184.3 million and €23.3 million. As of December 31, 2012 the liability component was €199.4 million.

As part of the Sora business acquisition, ORA – bonds to be reimbursed in shares, have been issued for €9 million by a group entity and fully subscribed by the FMEA. They are due December 31, 2016 in shares of this subsidiary or can be redeemed any time in cash by the issuer. As of December 31, 2012 the liability component was €3 million.

The Group's global contractual maturity schedule as of December 31, 2012 breaks down as follows:

(in € millions)	Carrying Amount		Remaining contractal maturities					
	Assets	**Liabilities**	**Total**	**0-3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**> 5 years**
Other non-current financial assets	54.2		54.2				54.2	
Other current financial assets	18.3		18.3				18.3	
Trade accounts receivables	1,702.8		1,702.8	1,674.4	17.9	10.5		
Cash and cash equivalent	628.0		628.0	628.0				
Interests on other long term borrowings								
Syndicated credit facility			*(22.8)*	*(1.9)*	*(1.9)*	*(4.0)*	*(15.0)*	
Bonds		*(3.0)*	*(328.4)*		*(34.2)*	*(34.2)*	*(249.0)*	*(11.0)*
2015 OCEANE			*(28.5)*	*(9.5)*			*(19.0)*	
2018 OCEANE		*(2.3)*	*(48.7)*	*(8.1)*			*(40.6)*	
Other		*(1.2)*	*(9.7)*	*(2.6)*	*(2.1)*	*(1.0)*	*(4.0)*	
Obligations under finance leases (ST portion)		(11.2)	(11.2)	(6.7)	(3.4)	(1.1)		
Other current financial liabilities		(740.4)	(740.4)	(642.1)	(32.2)	(66.1)		
Trade accounts payable		(2,754.0)	(2,754.0)	(2,683.4)	(32.0)	(38.6)		
Bonds (excluding interest)								
2015 OCEANE		*(199.4)*	*(211.3)*				*(211.3)*	
2018 OCEANE		*(200.8)*	*(250.0)*					(250.0)
Bonds		*(736.8)*	*(740.0)*				*(490.0)*	*(250.0)*
Bank borrowings								
Syndicated credit facility		(300.0)	(300.0)				(300.0)	
Other		*(193.4)*	*(193.4)*				*(170.4)*	*(23.0)*
Other borrowings		(4.2)	(4.2)				(3.8)	(0.4)
Obligations under finance leases (LT portion)		(29.3)	(29.3)				(16.4)	(12.9)
Interest rate derivatives		**(9.9)**	**(9.0)**	**(2.0)**	**(1.6)**	**(1.8)**	**(3.6)**	
• o/w cash flow hedges		(9.9)	(9.0)	(2.0)	(1.6)	(1.8)	(3.6)	
• o/w derivatives not qualifying for hedge accounting under IFRS			0.0					
Currency hedges	**3.4**	**(4.3)**	**(0.8)**	**(1.2)**	**0.9**	**(0.2)**	**(0.3)**	
• o/w fair value hedges	0.6	(3.8)	(3.2)	(2.7)	(0.1)	(0.1)	(0.3)	
• o/w cash flow hedges	2.8	(0.5)	2.4	1.5	1.0	(0.1)		
• o/w derivatives not qualifying for hedge accounting under IFRS								
TOTAL	**2,406.7**	**(5,190.2)**	**(3,278.4)**	**(1,055.1)**	**(88.6)**	**(136.5)**	**(1,450.9)**	**(547.3)**

26.4 Analysis of borrowings

As of December 31, 2012, the floating rate portion was 51.9% of borrowings before taking into account the impact of hedging.

Derivatives have been set up to partially hedge interest payable on variable rate borrowings against increases in interest rates (see Note 30.2).

(in € millions)	12/31/2012	
Variable rate borrowings	1,264.4	51.9%
Fixed rate borrowings	1,171.3	48.1%
TOTAL	**2,435.7**	**100.0%**

Borrowings, taking into account exchange rate swaps, break down by repayment currency as follows:

(in € millions)	12/31/2012		12/31/2011		12/31/2010	
Euros	1,866.9	76.6%	1,431.3	77.2%	1,472.7	81.7%
US dollar	380.0	15.6%	290.0	15.6%	279.6	15.5%
Other currencies	188.8	7.8%	134.4	7.2%	50.3	2.8%
TOTAL	**2,435.7**	**100.0%**	**1,855.7**	**100.0%**	**1,802.6**	**100.0%**

In 2012, the weighted average interest rate on gross outstanding borrowings was 6.06%.

NOTE 27 ACCRUED TAXES AND PAYROLL COSTS

(in € millions)	12/31/2012	12/31/2011	12/31/2010
Accrued payroll costs	263.6	242.9	226.2
Payroll taxes	143.6	135.8	121.9
Employee profit-sharing	19.1	15.2	2.4
Other accrued taxes and payroll costs	92.8	113.7	102.3
TOTAL	**519.1**	**507.6**	**452.8**

NOTE 28 SUNDRY PAYABLES

(in € millions)	12/31/2012	12/31/2011	12/31/2010
Due to suppliers of non-current assets	71.2	64.4	54.0
Prepaid income	12.3	24	47.4
Current taxes	33.7	34.9	32
Other	36.4	38.6	22.3
Currency derivatives for operations	0.8	13.4	1.8
TOTAL	**154.4**	**175.3**	**157.5**

NOTE 29 FINANCIAL INSTRUMENTS

29.1 Financial instruments recorded in the balance sheet

FINANCIAL INSTRUMENTS RECORDED IN THE BALANCE SHEET

	12/31/2012		Breakdown by category of instrument (1)				
(in € millions)	Carrying amount	Fair value	Financial assets/ liabilities at fair value through profit or loss (2)	Financial assets/ liabilities at fair value through equity (2)	Financial assets available for sale	Loans and receivables	Payables at cost amortized
Other equity interests	13.4	13.4			13.4		
Other non-current financial assets	54.2	54.2				54.2	
Trade accounts receivables	1,702.8	1,702.8				1,702.8	
Other operating receivables	357.8	357.8				357.8	
Other receivables and prepaid expenses	150.0	150.0				150.0	
Currency derivatives	3.5	3.5	1.2	2.3			
Interest rate derivatives	0.0	0.0					
Cash and cash equivalent	628.0	628.0	628.0				
ASSETS	**2,909.7**	**2,909.7**	**629.2**	**2.3**	**13.4**	**2,264.8**	**0.0**
Long-term debt*	1,664.0	1,830.1					1,664.0
Short-term debt	758.3	758.3					758.3
Prepayments from customers	170.3	170.3				170.3	
Trade payables	2,754.0	2,754.0				2,754.0	
Accrued taxes and payroll costs	519.1	519.1				519.1	
Sundry payables	154.4	154.4				154.4	
Currency derivatives	4.3	4.3	4.3				
Interest rate derivatives	9.9	9.9	1.2	8.7			
LIABILITIES	**6,034.3**	**6,200.4**	**5.5**	**8.7**	**0.0**	**3,597.8**	**2,422.3**

(1) No financial instruments were transferred between categories in 2010.
(2) All of the instruments in this category are financial assets or liabilities designated as measured at fair value through profit or loss on initial recognition, in accordance with the criteria set out in Note 1-6.
** The market value of OCEANE was established on the base of the end of year valuation (December 31, 2012) for the OCEANE 2015 of €20.1, at €227.2 million and for the OCEANE 2018 of €18.8, at €241.2 million.*
In the balance sheet, OCEANE are recorded, on the one hand, as an amount of the component for bonds with no conversion option and, on the other hand, as a registered component of shareholder's equity that represents the value of the conversion option.
The market value of the bonds was established on the basis of the end of year valuation at December 31, 2012 for the 2016 bonds of €116.5 at €570.9 million, and for the 2019 bonds of €105.25 at €263.1 million.

FINANCIAL INSTRUMENTS RECORDED IN THE BALANCE SHEET

	12/31/2011		Breakdown by category of instrument (1)				
(in € millions)	Carrying amount	Fair value	Financial assets/ liabilities at fair value through profit or loss (2)	Financial assets/ liabilities at fair value through equity (2)	Financial assets available for sale	Loans and receivables	Payables at cost amortized
Other equity interests	38.8	38.8			38.8		
Other non-current financial assets	35.4	35.4				35.4	
Trade accounts receivables	1,620.2	1,620.2				1,620.2	
Other operating receivables	297.6	297.6				297.6	
Other receivables and prepaid expenses	131.2	131.2				131.2	
Currency derivatives	1.5	1.5	1.5				
Interest rate derivatives		0.0		0.0			
Cash and cash equivalent	630.1	630.1	630.1				
ASSETS	**2,754.8**	**2,754.8**	**631.6**	**0.0**	**38.8**	**2,084.4**	**0.0**
Long-term debt*	1,234.2	1,270.0					1,234.2
Short-term debt	615.6	615.6					615.6
Prepayments from customers	138.5	138.5				138.5	
Trade payables	2,762.0	2,762.0				2,762.0	
Accrued taxes and payroll costs	507.6	507.6				507.6	
Sundry payables	175.3	175.3				175.3	
Currency derivatives	18.4	18.4	5.0	13.4			
Interest rate derivatives	6.9	6.9	2.9	4.0			
LIABILITIES	**5,458.5**	**5,494.3**	**7.9**	**17.4**	**0.0**	**3,583.4**	**1,849.8**

(1) No financial instruments were transferred between categories in 2010.
(2) All of the instruments in this category are financial assets or liabilities designated as measured at fair value through profit or loss on initial recognition, in accordance with the criteria set out in Note 1-6.
** The market value of OCEANE was established on the base of the end of year valuation (December 31, 2011) of €20.1, at €227.2 million. In the balance sheet, OCEANE is recorded, on the one hand, as an amount of the component for bonds with no conversion option and, on the other hand, as a registered component of shareholder's equity that represents the value of the conversion option.*

FINANCIAL INSTRUMENTS RECORDED IN THE BALANCE SHEET

	12/31/2010		Breakdown by category of instrument [1]				
(in € millions)	Carrying amount	Fair value	Financial assets/ liabilities at fair value through profit or loss [2]	Financial assets/ liabilities at fair value through equity [2]	Financial assets available for sale	Loans and receivables	Payables at cost amortized
Other equity interests	15.3	15.3			15.3		
Other non-current financial assets	27.8	27.8				27.8	
Trade accounts receivables	1,387.7	1,387.7				1,387.7	
Other operating receivables	223.3	223.3				223.3	
Other receivables and prepaid expenses	100.7	100.7				100.7	
Currency derivatives	0.0	0.0				0.0	
Interest rate derivatives	0.0	0.0		0.0			
Cash and cash equivalent	605.8	605.8	605.8				
ASSETS	**2,360.6**	**2,360.6**	**605.8**	**0.0**	**15.3**	**1,739.5**	**0.0**
Long-term debt*	1,102.5	1,102.5					1,102.5
Short-term debt	687.1	687.1					687.1
Prepayments from customers	87.8	87.8				87.8	
Trade payables	2,419.9	2,419.9				2,419.9	
Accrued taxes and payroll costs	452.8	452.8				452.8	
Sundry payables	155.7	155.7				155.7	
Currency derivatives	1.9	1.9		1.3			0.6
Interest rate derivatives	12.8	12.8	3.3	9.5			
LIABILITIES	**4,920.5**	**4,920.5**	**3.3**	**10.8**	**0.0**	**3,116.2**	**1,790.2**

(1) No financial instruments were transferred between categories in 2010.
(2) All of the instruments in this category are financial assets or liabilities designated as measured at fair value through profit or loss on initial recognition, in accordance with the criteria set out in Note 1-6.
** The market value of OCEANE was established on the base of the end of year valuation (December 31, 2010) of €24.2, at €273.6 million. In the balance sheet, OCEANE is recorded, on the one hand, as an amount of the component for bonds with no conversion option and, on the other hand, as a registered component of shareholders' equity that represents the value of the conversion option.*

The main measurement methods applied are as follows:

- items accounted for at fair value through profit or loss, as well as hedging instruments, are measured using a valuation technique based on rates quoted on the interbank market, such as Euribor and exchange rates set daily by the European Central Bank;
- financial assets are primarily recognized at amortized cost calculated using the effective interest rate method;
- the fair value of trade receivables and payables related to manufacturing and sales operations corresponds to their carrying value in view of their very short maturities.

THE IMPACT OF FINANCIAL INSTRUMENTS ON INCOME

(in € millions)	2012 Impact Income	Breakdown by category of instrument: Fair trought income	Financial assets available for sale	Loans and receivables	Payables at cost amortized	Instruments derivatives
Translation differences on commercial transactions	(2.1)					(2.1)
Income on loans, cash investments and marketable securities	10.2	10.2				
Finance costs	(175.4)				(175.4)	
Other financial income and expenses	(30.5)			(33.2)		2.7
Net income (expense)	**(197.8)**	**10.2**	**0.0**	**(33.2)**	**(175.4)**	**0.6**

(in € millions)	2011 Impact Income	Breakdown by category of instrument: Fair trought income	Financial assets available for sale	Loans and receivables	Payables at cost amortized	Instruments derivatives
Translation differences on commercial transactions	(0.2)					(0.2)
Income on loans, cash investments and marketable securities	10.6	10.6				
Finance costs	(109.1)				(109.1)	
Other financial income and expenses	(19.0)			(16.4)		(2.6)
Net income (expense)	**(117.7)**	**10.6**	**0.0**	**(16.4)**	**(109.1)**	**(2.8)**

(in € millions)	2010 Impact Income	Breakdown by category of instrument: Fair trought income	Financial assets available for sale	Loans and receivables	Payables at cost amortized	Instruments derivatives
Translation differences on commercial transactions	0.3			(0.1)		0.4
Income on loans, cash investments and marketable securities	8.1	8.1				
Finance costs	(98.7)				(98.7)	
Other financial income and expenses	(25.6)			(28.9)		3.3
Net income (expense)	**(115.9)**	**8.1**	**0.0**	**(29.0)**	**(98.7)**	**3.7**

As of December 31, 2012, movements in provisions for impairment break down as follows by category of financial asset:

(in € millions)	Balance as of December 31, 2011	Additions	Utilizations	Reversals (surplus provisions)	Change in scope of consolidation and other changes	Balance as of December 31, 2012
Doubtful accounts	(20.0)	(8.6)	12.0		(0.9)	(17.5)
Shares in non-consolidated companies	(2.6)	(12.6)	0.1		13.0	(2.1)
Non-current financial assets	(9.1)	(0.3)	0.6		(1.4)	(10.2)
Other receivables	(1.2)	(1.5)			(9.6)	(12.3)
TOTAL	**(32.9)**	**(23.0)**	**12.7**	**0.0**	**1.1**	**(42.1)**

29.2 Financial instruments – fair value hierarchy

The Group's financial instruments that are measured at fair value break down as follows by level of fair value measurement: Level 1 (prices quoted in active markets) for short-term cash investments and Level 2 (measured using a valuation technique based on rates quoted on the interbank market, such as Euribor and exchange rates set daily by the European Central Bank) for currency and interest rate instruments.

NOTE 30 HEDGING OF CURRENCY AND INTEREST RATE RISKS

30.1 Hedging of currency risks

Currency risks relating to the commercial transactions of the Group's subsidiaries are managed centrally by Faurecia using forward purchase and sale contracts and options as well as foreign currency financing. Faurecia manages the hedging of interest rate risks on a central basis, through the Group Finance and Treasury department, which reports to Group General Management. Hedging decisions are made by a Market Risk Management Committee that meets on a monthly basis.

Currency risks on forecast transactions are hedged on the basis of estimated cash flows determined in forecasts validated by General Management; these forecasts are updated on a regular basis. The related derivatives are classified as cash flow hedges when there is a hedging relationship that satisfies the IAS 39 criteria.

Subsidiaries with a functional currency different from the euro are granted inter-company loans in their operating currencies. Although these loans are refinanced in euros and eliminated in consolidation, they contribute to the Group's currency risk exposure and are therefore hedged through swaps.

AS OF DECEMBER 31, 2012

Currency exposure *(in € millions)*	USD	CZK	CAD	RUB	GBP	PLN	ZAR
Trade receivables (net of payables)	(0.4)	(4.4)	0.0	0.0	(0.3)	(17.9)	1.1
Financial assets (net of liabilities)*	354.2	(0.2)	84.2	79.3	(56.4)	0.0	76.0
Forecast transactions**	37.1	(27.0)	(19.7)	0.0	(9.2)	(54.7)	0.2
Net position before hedging	**390.9**	**(31.6)**	**64.5**	**79.3**	**(65.9)**	**(72.6)**	**77.3**
Currency hedges	(347.2)	32.0	(64.9)	(79.3)	56.4	52.3	(76.0)
Net position after hedging	43.8	0.4	(0.4)	0.0	(9.5)	(20.3)	1.3

* *Including inter-company financing.*
** *Commercial exposure anticipated over the next six months.*

AS OF DECEMBER 31, 2011

Currency exposure *(in € millions)*	USD	CZK	CAD	MXN	GBP	PLN	ZAR
Trade receivables (net of payables)	(0.1)	65.8	0.0	0.0	1.7	(9.6)	(7.0)
Financial assets (net of liabilities)*	290.1	(0.7)	59.7	18.8	(36.4)	0.0	64.7
Forecast transactions**	145.6	(118.2)	(24.5)	(71.3)	(5.2)	(114.0)	(70.1)
Net position before hedging	**435.6**	**(53.1)**	**35.2**	**(52.5)**	**(39.9)**	**(123.6)**	**(12.4)**
Currency hedges	(408.9)	22.2	(41.0)	41.7	43.2	89.0	(66.9)
Net position after hedging	26.7	(30.8)	(5.9)	(10.7)	3.2	(34.6)	(79.3)

* *Including inter-company financing.*
** *Commercial exposure anticipated over the next six months.*

AS OF DECEMBER 31.2010

Currency exposure *(in € millions)*	USD	CZK	CAD	MXN	GBP	PLN	ZAR
Trade receivables (net of payables)	0.0	0.0	0.0	16.2	1.4	(10.3)	18.3
Financial assets (net of liabilities)*	279.6	1.0	35.2	17.5	(39.8)	0.0	36.3
Forecast transactions**	28.1	(39.0)	(8.2)	(25.5)	(9.6)	(72.1)	(42.6)
Net position before hedging	**307.7**	**(38.0)**	**27.0**	**8.2**	**(48.0)**	**(82.4)**	**12.0**
Currency hedges	(311.9)	27.0	(24.4)	(40.4)	42.0	66.3	(39.1)
Net position after hedging	(4.2)	(11.0)	2.6	(32.2)	(6.0)	(16.1)	(27.1)

* *Including inter-company financing.*
** *Commercial exposure anticipated over the next six months.*

Hedging instruments are recognized in the balance sheet at fair value. Said value is determined based on measurements confirmed by banking counterparties.

Information on hedged notional amounts

	Carrying amount			Maturities		
As of December 31, 2012 *(in € millions)*	**Assets**	**Liabilities**	**Notional amount***	**< 1 year**	**1 to 5 years**	**> 5 years**
Fair value hedges						
• forward currency contracts	0.0	(0.3)	6.0	6.0	0.0	
• inter-company loans in foreign currencies swapped For euros	0.6	(3.2)	755.9	755.9	0.0	
• cross-currency swap	0.0	(0.3)	37.9	0.0	37.9	
Cash flow hedges						
• forward currency contracts	2.8	(0.4)	136.0	136.0	0.0	
Not eligible for hedge accounting	0.1	(0.1)	30.5	30.5	0.0	
	3.5	**(4.3)**				

* *Notional amounts based on absolute values.*

As of December 31, 2011 *(in € millions)*	Carrying amount			Maturities		
	Assets	Liabilities	Notional amount*	< 1 year	1 to 5 years	> 5 years
Fair value hedges						
• forward currency contracts	0.0	0.0	4.5	4.5	0.0	
inter-company loans in foreign currencies swapped For euros	1.5	(5.0)	678.1	678.1	0.0	
• Cash flow hedges						
forward currency contracts		(13.5)	333.7	333.7	0.0	
• Not eligible for hedge accounting		0.1	25.8	25.8	0.0	
	1.5	**(18.4)**				

* *Notional amounts based on absolute values.*

As of December 31, 2010 *(in € millions)*	Carrying amount			Maturities		
	Assets	Liabilities	Notional amount*	< 1 year	1 to 5 years	> 5 years
Fair value hedges						
• forward currency contracts	0.0	(0.1)	3.0	3.0	0.0	0.0
• currency options	0.0	0.0	0.0	0.0	0.0	
• inter-company loans in foreign currencies swapped For euros	3.7	(3.7)	727.8	727.8	0.0	0.0
Cash flow hedges					0.0	
• forward currency contracts	1.0	(2.7)	217.2	217.2	0.0	0.0
• currency options	0.0	0.0	0.0	0.0	0.0	
Not eligible for hedge accounting	0.1	0.0	8.9	8.9	0.0	
	4.8	**(6.5)**				

* *Notional amounts based on absolute values.*

The sensitivity of Group income and equity as of December 31, 2012 to a fluctuation in exchange rates against the euro is as follows for the main currencies to which the Group is exposed:

Currency	USD	CZK	CAD	RUB	GBP	PLN	ZAR
As of December 31, 2012	1.32	25.15	1.31	40.33	0.82	4.07	11.17
Currency fluctuation scenario *(depreciation of currency/EUR)*	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Exchange rate after currency depreciation	**1.39**	**26.41**	**1.38**	**42.35**	**0.86**	**4.28**	**11.73**
Impact on pre-tax income *(in € millions)*	(0.20)	(0.25)	(4.45)	(0.20)	(0.05)	1.07	(0.26)
Impact on equity *(in € millions)*	0.15	(1.04)	0.04	0.00	0.00	(3.39)	0.00

These impacts reflect (i) the effect on the income statement of currency fluctuations on the year-end valuation of assets and liabilities recognized on the balance sheet, net of the impact of the change in the intrinsic value of hedging instruments (both those qualifying and not qualifying as fair value hedges) and (ii) the effect on equity of the change in the intrinsic value of hedging instruments for derivatives qualifying as cash flow hedges.

30.2 Interest-rate hedges

Faurecia manages the hedging of interest rate risks on a central basis. Said management is implemented through the Group Finance and Treasury department, which reports to Group General Management. Hedging decisions are made by a Market Risk Management Committee that meets on a monthly basis.

The table below shows the Group's interest rate position, with assets, liabilities and derivatives broken down into fixed or variable rates. Financial assets include cash and cash equivalents and interest rate hedges include interest rate swaps as well as in-the-money options.

	Under 1 year		1 to 2 years		2 to 5 years		More than 5 years		Total	
(in € millions) **12/31/2012**	**Fixed rate**	**Variable Rate**	**Fixed rate**	**Variable Rate**	**Fixed rate**	**Variable Rate**	**Fixed rate**	**Variable Rate**	**Fixed rate**	**Variable Rate**
Financial assets		628.0							0.0	628.0
Financial liabilities	0.0	(786.5)	(3.0)	(49.2)	(687.5)	(428.7)	(480.8)	0.0	(1,171.3)	(1,264.4)
Net position before hedging	**0.0**	**(158.5)**	**(3.0)**	**(49.2)**	**(687.5)**	**(428.7)**	**(480.8)**	**0.0**	**(1,171.3)**	**(636.4)**
Interest rate hedges	(222.9)	222.9	0.0	0.0	(420.0)	420.0	0.0	0.0	(642.9)	642.9
Net position after hedging	**(222.9)**	**64.4**	**(3.0)**	**(49.2)**	**(1,107.5)**	**(8.7)**	**(480.8)**	**0.0**	**(1,814.2)**	**6.5**

	Under 1 year		1 to 2 years		2 to 5 years		More than 5 years		Total	
(in € millions) **12/31/2011**	**Fixed rate**	**Variable Rate**	**Fixed rate**	**Variable Rate**	**Fixed rate**	**Variable Rate**	**Fixed rate**	**Variable Rate**	**Fixed rate**	**Variable Rate**
Financial assets		630.1							0.0	630.1
Financial liabilities		(623.3)			(549.4)	(632.5)	(50.5)		(599.9)	(1,255.8)
Net position before hedging	**0.0**	**6.8**	**0.0**	**0.0**	**(549.4)**	**(632.5)**	**(50.5)**	**0.0**	**(599.9)**	**(625.7)**
Interest rate hedges	(158.0)	158.0	(223.6)	223.6					(381.6)	381.6
Net position after hedging	**(158.0)**	**164.8**	**(223.6)**	**223.6**	**(549.4)**	**(632.5)**	**(50.5)**	**0.0**	**(981.5)**	**(244.1)**

	Under 1 year		1 to 2 years		2 to 5 years		More than 5 years		Total	
(in € millions) **12/31/2010**	**Fixed rate**	**Variable Rate**	**Fixed rate**	**Variable Rate**	**Fixed rate**	**Variable Rate**	**Fixed rate**	**Variable Rate**	**Fixed rate**	**Variable Rate**
Financial assets	0.0	606.0							0.0	606.0
Financial liabilities	0.0	(656.6)	(169.0)	(787.1)	(190.1)	0.0	0.0	0.0	(359.1)	(1,443.7)
Net position before hedging	**0.0**	**(50.6)**	**(169.0)**	**(787.1)**	**(190.1)**	**0.0**	**0.0**	**0.0**	**(359.1)**	**(837.7)**
Interest rate hedges	(157.2)	157.2	(278.5)	278.5	0.0	0.0	0.0	0.0	(435.7)	435.7
Net position after hedging	**(157.2)**	**106.6**	**(447.5)**	**(508.6)**	**(190.1)**	**0.0**	**0.0**	**0.0**	**(794.8)**	**(402.0)**

The bonds and convertible bonds issued in 2012 are with a fixed rate, which has increased the share of fixed rate debt versus last year. However, a significant part of the borrowings (syndicated credit loan, short term loans, commercial paper) being at variable rates, the aim of the Group's interest rate hedging policy is to reduce the impact on earnings of changes in short-term rates. The hedges arranged comprise mainly euro denominated interest rate swaps. These hedges cover a major part of the interest on borrowings, due in 2013, 2014 and to a lesser extent in 2015, against a rise in rates.

Interest rate hedging instruments are recognized in the balance sheet at fair value. Said value is determined based on measurements confirmed by banking counterparties.

The notional amounts of the Group's interest rate hedges break down as follows:

(in € millions)	Carrying amount		Notional amounts by maturity		
As of December 31, 2012	**Assets**	**Liabilities**	**< 1 year**	**1 to 5 years**	**> 5 years**
Interest rate options					
Variable-rate rate/fixed rate swaps		(9.9)	223	420	
Floor					
• Accrued premiums payable					
	0.0	**(9.9)**	**223**	**420**	**-**

(in € millions)	Carrying amount		Notional amounts by maturity		
As of December 31, 2011	**Assets**	**Liabilities**	**< 1 year**	**1 to 5 years**	**> 5 years**
Interest rate options	0.0		150		
Variable-rate rate/fixed rate swaps		(6.9)	158	224	
Floor					
• Accrued premiums payable					
	0.0	**(6.9)**	**308**	**224**	**-**

(in € millions)	Carrying amount		Notional amounts by maturity		
As of December 31.2010	**Assets**	**Liabilities**	**< 1 year**	**1 to 5 years**	**> 5 years**
Interest rate options	0.0		1,600	150	-
Variable-rate rate/fixed rate swaps		(12.3)	157	279	-
Floor			0	0	-
• Accrued premiums payable		(0.5)			
	0.0	**(12.8)**	**1,757**	**429**	**-**

A part of the Group borrowings being at variable rates as stated in Note 26.4, a rise in short-term rates would therefore have an impact on financial expense.

The sensitivity tests performed, assuming a 100 bp increase in average interest rates compared to the rate curve as of December 31, 2012 show that the effect on financial expense (before taxes) would not be significant, taking into account the profile of the Group's borrowings and derivatives in place as of December 31, 2012.

Counterparty risk in connection to its derivatives: Faurecia's counterparty risk connection with its derivatives is not significant as the majority of its derivatives are arranged with banks with strong ratings that form part of its banking pool.

NOTE 31 COMMITMENTS GIVEN AND CONTINGENT LIABILITIES

31.1 Commitments given

(in € millions)	12/31/2012	12/31/2011	12/31/2010
Future minimum lease payments under operating leases	335.1	235.1	232.6
Debt collateral:			
• mortgages	14.8	12.7	15.9
Other debt guarantees	46.2	39.7	55.0
Firm orders for property, plant and equipment and intangible assets	122.7	101.9	79.5
Other	3.0	5.0	1.3
TOTAL	**521.8**	**394.4**	**384.3**

Future minimum lease payments under operating leases break down as follows:

(in € millions)	12/31/2012	12/31/2011	12/31/2010
N+1	79.0	56.2	51.2
N+2	59.8	41.5	40.7
N+3	43.3	32.9	32.2
N+4	34.4	26.2	24.9
N+5 and above	118.6	78.3	83.6
TOTAL	**335.1**	**235.1**	**232.6**

Expiry dates of mortgages and guarantees:

(in € millions)	12/31/2012
• Less than a year	28.6
• 1 to 5 years	18.8
• More than 5 years	13.6
TOTAL	**61.0**

31.2 Contingent liabilities

INDIVIDUAL TRAINING ENTITLEMENT

In accordance with the provisions of French Act No. 2004-391 dated May 4, 2004 on professional training, employees of the Group's French companies are entitled to at least twenty hours of training per calendar year, which may be carried forward for up to six years. If all or part of the entitlement is not used within six years, it is capped at 120 hours.

In 2012, the average utilization rate of this entitlement was 1.5%.

The number of unused training hours accumulated at year-end totalled 1,259,584. No provision was recorded in the financial statements for these individual training entitlements as the Group does not have sufficiently reliable historical data to accurately estimate the related contingent liability. The potential impact is not, however, considered to be material.

NOTE 32 RELATED PARTY TRANSACTIONS

32.1 Transactions with PSA Peugeot Citroën

The Faurecia group is managed independently and transactions with the PSA Peugeot Citroën group are conducted at arm's length terms.

These transactions (including with companies accounted for by the equity method by the PSA Peugeot Citroën group) are recognized as follows in the Group's consolidated financial statements:

(in € millions)	12/31/2012	12/31/2011	12/31/2010
Sales	2,263.2	2,433.9	2,300.9
Purchases of products, services and materials	14.2	12.5	10.2
Receivables*	399.9	474.5	457.6
Payables**	44.0	46.9	170.1
* *After no-recourse sales of receivables amounting to:*	136.2	201.1	197.2
** *o/w borrowings amounting to*	0.0	0.0	142.0

32.2 Management compensation

Total compensation for 2012 awarded to the members of the Board of Directors and the Group Executive Committee serving in this capacity at Friday December 31, 2012 amounted to €5,849,678 including directors' fees of €306,000, compared with the year-earlier figures of €6,755,928 and €245,000 respectively.

No Faurecia stock subscription options were awarded to management in 2012.

NOTE 33 FEES PAID TO THE STATUTORY AUDITORS

	Pricewaterhouse Coopers				Ernst & Young			
	Amount (excl. VAT)		%		Amount (excl. VAT)		%	
(in € millions)	2012	2011	2012	2011	2012	2011	2012	2011
AUDIT								
Statutory and contracutual audits	3.2	2.8	100.0%	96.6%	4.8	4.2	100.0%	97.7%
Issuer	0.7	0.5	21.9%	17.2%	0.6	0.5	12.5%	11.6%
Fully consolidated companies	2.5	2.3	78.1%	79.3%	4.2	3.7	87.5%	86.0%
Other services relating directly to the auditor's duties	0.0	0.1	0.0%	3.4%	0.0	0.1	0.0%	2.3%
Issuer	0.0	0.1	0.0%	3.4%	0.0	0.1	0.0%	2.3%
Fully consolidated companies	0.0	0.0	0.0%	0.0%	0.0	0.0	0.0%	0.0%
SUB-TOTAL	**3.2**	**2.9**	**100.0%**	**100.0%**	**4.8**	**4.3**	**100.0%**	**100.0%**
Other services provided by the network to fully consolidated companies	0.0	0.0	0.0%	0.0%	0.0	0.0	0.0%	0.0%
Legal and tax advisory services								
Fully consolidated companies	0.0	0.0	0.0%	0.0%	0.0	0.0	0.0%	0.0%
Other (disclosure required where > 10% of audit fees)	0.0	0.0	0.0%	0.0%	0.0	0.0	0.0%	0.0%
SUB-TOTAL	**0.0**	**0.0**	**0.0%**	**0.0%**	**0.0**	**0.0**	**0.0%**	**0.0%**
TOTAL	**3.2**	**2.9**	**100.0%**	**100.0%**	**4.8**	**4.3**	**100.0%**	**100.0%**

NOTE 34 INFORMATION ON THE CONSOLIDATING COMPANY

The consolidated financial statements of the Faurecia group are included in the consolidated financial statements of its parent, the PSA Peugeot Citroën group, 75 avenue de la Grande Armée, 75116 Paris, France.

As of December 31, 2012, Peugeot SA held 57.18% of the capital and 72.60% of the voting rights of Faurecia S.A.

NOTE 35 DIVIDENDS

The Board of Directors has decided to propose at the next shareholders' meeting that no dividend be paid for 2012.

9.6. List of consolidated companies as of December 31, 2012

	Country	Interest of the parent company (%)	Stake (%) [1]
I - FULLY CONSOLIDATED COMPANIES			
Société Internationale de Participations	Belgium	100	100
Faurecia (China) Holding Co. Ltd	China	100	100
Faurecia	France	Holding company	Holding company
SFEA - Société Foncière pour l'Équipement Automobile	France	100	100
Financière Faurecia	France	100	100
Faurecia Investments	France	100	100
Faurecia Services Groupe	France	100	100
Faurecia Exhaust International	France	100	100
Faurecia Netherlands Holding BV	Netherlands	100	100
Faurecia Informatique Tunisia	Tunisia	100	100
Faurecia USA Holdings, Inc.	USA	100	100
INTERIOR MODULES			
Faurecia Argentina SA	Argentina	100	100
Faurecia Automotive do Brasil Ltda	Brazil	100	100
Faurecia Industrie NV	Belgium	100	100
Faurecia Automotive Seating Canada Ltd	Canada	100	100
Changchun Faurecia XUYANG Automotive Seat Co., Ltd (CFXAS)	China	60	60
Faurecia- GSK (Wuhan) Automotive Seating Co., Ltd	China	51	51
Faurecia (Wuxi) Seating Components Co., Ltd	China	100	100
Faurecia (Changchun) Automotive Systems Co., Ltd	China	100	100
Faurecia (Shanghai) Management Company, Ltd	China	100	100
Faurecia (Wuhan) Automotive Seating Co., Ltd	China	100	100
Faurecia (Shanghai) Automotive Systems Co., Ltd	China	100	100
Faurecia (Shenyang) Automotive Systems Co., Ltd.	China	100	100
Faurecia (Wuhan) Automotive Components Systems Co., Ltd	China	100	100
Changchun Faurecia XUYANG Interior Systems Co., Ltd	China	60	60
Chongqing Guangneng Faurecia Interior Systems Co., Ltd	China	50	50
Chengdu Faurecia Limin Automotive Systems Co., Ltd	China	51	51
Faurecia (Yancheng) Automotive Systems Co., Ltd.	China	100	100
Faurecia NHK (Xiangyang) Automotive Seating Co., Ltd.	China	51	51
Faurecia (Guangzhou) Automotive Systems Co., Ltd	China	100	100
Faurecia (Nanjing) Automotive Systems Co., Ltd	China	100	100
Faurecia Interior Systems Bohemia, sro	Czech Republic	100	100
Faurecia Components Pisek, sro	Czech Republic	100	100

(1) Total interest of fullly-consolidated companies.

	Country	Interest of the parent company (%)	Stake (%) [1]
Faurecia Interiors Pardubice, sro	Czech Republic	100	100
Faurecia Autositze GmbH	Germany	100	100
Faurecia Angell-Demmel GmbH	Germany	100	100
Faurecia Automotive GmbH	Germany	100	100
Faurecia Innenraum Systeme GmbH	Germany	100	100
Asientos de Castilla Leon, SA	Spain	100	100
Asientos del Norte, SA	Spain	100	100
Faurecia Asientos Para Automovil España, SA	Spain	100	100
Industrias Cousin Frères, SL	Spain	50	50
Tecnoconfort	Spain	50	50
Asientos D Galicia, SL	Spain	100	100
Faurecia Automotive España, SL	Spain	100	100
Faurecia Interior System España, SA	Spain	100	100
Faurecia Interior System SALC España, SL	Spain	100	100
Valencia Modulos de Puertas, SL	Spain	100	100
Incalpas, SL	Spain	100	100
Faurecia Sièges d'automobile	France	100	100
Faurecia Industries	France	100	100
ECSA - Études et Construction de Sièges pour l'Automobile	France	100	100
Siebret	France	100	100
Siedoubs	France	100	100
Sielest	France	100	100
Siemar	France	100	100
Sienor	France	100	100
Sotexo	France	100	100
Trecia	France	100	100
Faurecia Automotive Holdings	France	100	100
Faurecia Automotive Industrie	France	100	100
Faurecia Intérieur Industrie	France	100	100
Automotive Sandouville	France	100	100
Faurecia ADP Holding	France	60	60
Faurecia Intérieurs Saint-Quentin	France	100	100
Faurecia Intérieurs Mornac	France	100	100
Faurecia Automotive Seating UK Limited	Great Britain	100	100
Faurecia Midlands Limited	Great Britain	100	100
SAI Automotive Fradley Ltd	Great Britain	100	100
SAI Automotive Washington Limited	Great Britain	100	100
Faurecia Automotive Seating India Private Limited	India	100	100
Faurecia Interior Systems India Private Limited	India	100	100
Faurecia Azin Pars Company	Iran	51	51

(1) Total interest of fullly-consolidated companies.

	Country	Interest of the parent company (%)	Stake (%) [1]
Faurecia Japan KK	Japan	100	100
Faurecia Howa Interiors Co., Ltd.	Japan	50	50
Faurecia Trim Korea, Ltd	South Korea	100	100
Faurecia Shin Sung Co., Ltd	South Korea	60	60
Faurecia Automotive Systems Korea Limited	South Korea	100	100
Faurecia AST Luxembourg SA0 (ex-SAI Automotive SILUX SA)	Luxembourg	100	100
Faurecia Équipements Automobiles Morocco	Morocco	100	100
Faurecia Sistemas Automotrices de Mexico, SA de CV	Mexico	100	100
Servicios Corporativos de Personal Especializado, S.A. de C.V.	Mexico	100	100
Faurecia Automotive Seating BV	Netherlands	100	100
Faurecia Automotive Polska Spolka Akcyjna	Poland	100	100
Faurecia Walbrzych Spolka Akcyjna	Poland	100	100
Faurecia Grojec R&D Center Spolka Akcyjna	Poland	100	100
Faurecia Legnica Spolka Akcyjna	Poland	100	100
Faurecia Gorzow Spolka Akcyjna.	Poland	100	100
Faurecia - Assentos de Automovel, Limitada	Portugal	100	100
SASAL	Portugal	100	100
EDA - Estofagem de Assentos, Lda,	Portugal	100	100
Faurecia Sistemas de Interior de Portugal. Componentes Para Automoveis SA	Portugal	100	100
Faurecia Seating Talmaciu SRL.	Romania	100	100
Euro Auto Plastic Systems SRL	Romania	50	50
OOO Faurecia ADP	Russia	60	60
Faurecia Interior Systems Sweden AB	Sweden	100	100
Faurecia Slovakia sro	Slovakia	100	100
Faurecia Interior Systems Thailand Co., Ltd	Thaïland	100	100
Société Tunisienne d'Équipements d'Automobile	Tunisia	100	100
Faurecia Polifleks Otomotiv Sanayi Ve Ticaret Anonim Sirketi	Turkey	100	100
Faurecia Automotive Seating, LLC	USA	100	100
Faurecia Interior Systems, Inc.	USA	100	100
Faurecia Madison Automotive Seating, Inc.	USA	100	100
Faurecia Interiors Louisville, LLC	USA	100	100
Faurecia Interior Systems Saline, LLC	USA	100	100
Faurecia Automotive del Uruguay SA	Uruguay	100	100
Faurecia Interior Systems South Africa (Pty) Ltd	South Africa	100	100
Faurecia Interior Systems Pretoria (Pty) Ltd	South Africa	100	100
OTHER MODULES			
Faurecia Sistemas De Escape Argentina SA	Argentina	100	100
Faurecia Exterior Argentina	Argentina	100	100
ET (Barbados) Holdings SRL	Barbados	100	100
Faurecia Sistemas De Escapamento do Brasil Ltda	Brazil	100	100

(1) Total interest of fullly-consolidated companies.

	Country	Interest of the parent company (%)	Stake (%) [1]
Emcon Technologies Canada ULC	Canada	100	100
Faurecia Emissions Control Technologies Canada, Ltd	Canada	100	100
Faurecia Exhaust Systems Changchun Co., Ltd (ex-CLEC)	China	51	51
Faurecia Tongda Exhaust System (Wuhan Co., Ltd (ex-TEEC)	China	50	50
Faurecia HONGHU Exhaust Systems Shanghai, Co., Ltd (ex-SHEESC)	China	51	51
Faurecia Emissions Control Technologies Development (Shanghai) Co., Ltd	China	100	100
Faurecia (Qingdao) Exhaust Systems Co., Ltd	China	100	100
Faurecia (Wuhu) Exhaust Systems Co., Ltd	China	100	100
Faurecia Emissions Control Technologies (Shanghaï) Co., Ltd	China	100	100
Faurecia Emissions Control Technologies (Chongqing) Co., Ltd	China	72,5	72,5
Faurecia Emissions Control Technologies (Yantaï) Co., Ltd.	China	100	100
Faurecia (CHengdu) Emission Control Technologies Co., ltd	China	100	100
Faurecia Emissions Control Technologies (Beijing) Co., Ltd.	China	100	100
Faurecia Emissions Control Technologies (Nanchang) Co., Ltd.	China	51	51
Faurecia Emissions Control Technologies (Ningbo) Co., Ltd.	China	91	91
Faurecia Exhaust Systems sro	Czech Republic	100	100
Faurecia Automotive Czech Rebublic, sro	Czech Republic	100	100
Faurecia Emissions Control Technologies, Mlada Boleslav, sro	Czech Republic	100	100
Faurecia Kunststoffe Automobilsysteme GmbH	Germany	100	100
Faurecia Abgastechnik GmbH	Germany	100	100
Faurecia Emissions Control Technologies, Germany GmbH	Germany	100	100
Faurecia Emissions Control Technologies, Novaferra GmbH	Germany	100	100
Faurecia Emissions Control Technologies, Finnentrop GmbH	Germany	100	100
Faurecia Exteriors GmbH	Germany	100	100
Faurecia Sistemas De Escape España, SA	Spain	100	100
Faurecia Emissions Control Technologies, Pamplona, SL	Spain	100	100
Faurecia Automotive Exteriors España, SA (ex-Plastal Spain SA)	Spain	100	100
EAK Composants pour l'Automobile (EAK SAS)	France	51	51
EAK Composants pour l'Automobile (EAK SNC)	France	51	51
Faurecia Systèmes d'Echappement	France	100	100
Faurecia Bloc Avant	France	100	100
Faurecia-Metalloprodukcia Holding	France	60	60
Faurecia Automotive Composites	France	100	100
Hambach Automotive Exteriors	France	100	100
Faurecia Emissions Control Technologies UK Limited	Great Britain	100	100
Faurecia Magyarorszag Kipufogo-rendszer Kft	Hungary	100	100
Faurecia Emissions Control Technologies, Hungary Kft	Hungary	100	100
Faurecia Emissions Control Technologies India Private Limited	India	74	74
Faurecia Emissions Control Technologies Center India Private Limited	India	100	100
Faurecia Emissions Control Technologies, Italy SRL	Italy	100	100

(1) Total interest of fullly-consolidated companies.

	Country	Interest of the parent company (%)	Stake (%) [1]
Faurecia Emissions Control Systems Korea	South Korea	100	100
Faurecia Jit and Sequencing Korea	South Korea	100	100
Faurecia Exhaust Mexicana, SA de CV	Mexico	100	100
Exhaust Services Mexicana, SA de CV	Mexico	100	100
ET Mexico Holdings I, S de RL de CV	Mexico	100	100
ET Mexico Holdings II, S de RL de CV	Mexico	100	100
ET Dutch Holdings Cooperatie UA	Netherlands	100	100
ET Dutch Holdings BV	Netherlands	100	100
ET Dutch Holdings II BV	Netherlands	100	100
Faurecia Emissions Control Technologies Netherlands BV	Netherlands	100	100
Faurecia - SIstemas De Escape Portugal, LDA	Portugal	100	100
OOO Faurecia Metalloprodukcia Exhaust Systems	Russia	60	60
OOO Faurecia Automotive Development	Russia	100	100
Faurecia Exhaust Systems AB	Sweden	100	100
United Parts Exhaust Systems AB	Sweden	100	100
Faurecia Emissions Control Technologies, Thaïland Co., Ltd	ThaÏland	100	100
Faurecia Exhaust Systems, Inc.	USA	100	100
Faurecia Emissions Control Technologies, USA, LLC	USA	100	100
Faurecia Exhaust Systems South Africa Ltd	South Africa	100	100
Emission Control Technologies Holdings SA (Pty) Ltd	South Africa	100	100
Emission Control Technologies SA (Ga-Rankuwa) (Pty) Ltd	South Africa	100	100
Faurecia Emission Control Technologies SA (CapeTown) (Pty) Ltd	South Africa	100	100
II - COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD			
INTERIOR MODULES			
Changchun Xuyang Faurecia Acoustics & Soft Trim Co., Ltd.	China	40	40
Zhejiang Faurecia Limin Interior & Exterior Systems Company Limited	China	50	50
Lanzhou Faurecia Limin Interior & Exterior Systems Company Limited	China	50	50
Xiangtan Faurecia Limin Interior & Exterior Systems Company Limited	China	50	50
Jinan Faurecia Limin Interior & Exterior Systems Company Limited	China	50	50
Componentes de Vehiculos de Galicia, SA	Spain	50	50
Copo Iberica, SA	Spain	50	50
Detroit Manufacturing Systems, LLC	USA	45	45
Faurecia-NHK Co., Ltd	Japan	50	50
Kwang Jin Faurecia Co. Limited	South Korea	50	50
Vanpro Assentos Limitada	Portugal	50	50
Teknik Malzeme Ticaret Ve Sanayi AS	Turkey	50	50
Orcia Otomotiv Yan Sanayi Ve Ticaret Anonim Sirketi	Turkey	50	50
SAS GROUP			
SAS Automotriz Argentina SA (dormant Company)	Argentina	50	50
SAS Automotive N.V.	Belgium	50	50

(1) Total interest of fullly-consolidated companies.

	Country	Interest of the parent company (%)	Stake (%) [1]
SAS Automotive Do Brasil Ltda	Brazil	50	50
SAS (Wuhu) Automotive Systems Co. Ltd	China	50	50
SAS AutoSystemtechnik sro	Czech Republic	50	50
SAS Autosystemtechnik Verwaltungs GmbH	Germany	50	50
SAS Autosystemtechnik GmbH und Co. KG	Germany	50	50
SAS Autosystemstechnick, S.A.	Spain	50	50
SAS Automotive France	France	50	50
Cockpit Automotive Systems Douai SNC	France	50	50
SAS Automotive Systems S.A. de C.V.	Mexico	50	50
SAS Automotive Systems & Services SA de C.V.	Mexico	50	50
SAS AutoSystemtechnik de Portugal, Unipessoal, Lda.	Portugal	50	50
SAS Automotive s.r.o	Slovakia	50	50
SAS Otosistem Teknik Ticaret ve Limited Sirketi	Turkey	50	50
SAS Automotive USA, Inc.	USA	50	50
SAS Automotive RSA (Pty) Ltd	South Africa	50	50
OTHER MODULES			
Changchun Huaxiang Faurecia Automotive Plastic Components Co., Ltd	China	50	50
AD Tech Co., Ltd	South Korea	50	50
Amminex Emissions Technology APS	Denmark	42	42

(1) Total interest of fullly-consolidated companies.

9.7. Statutory Auditors' report on the consolidated financial statements

This is a free translation into English of the Statutory Auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the Group's management report.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2012, on:

- the audit of the accompanying consolidated financial statements of Faurecia;
- the justification of 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.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at December 31, 2012 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II. Justification of our assessments

In accordance with the requirements of Article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- your company performs impairment tests on goodwill at each reporting date and also assesses whether fixed assets show any indication of impairment, based on the methods described in the Notes 1-2, 1-5, 10b and 12 to the consolidated financial statements. We have reviewed the methods used to carry out these impairment tests as well as the corresponding assumptions applied by your company;

- the Notes 1-16 and 8 to the consolidated financial statements concerning deferred taxes specify that deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which they can be utilized. Our work consisted in verifying that this method had been correctly applied and reviewing the assumptions supporting the probability of recovery for these deferred tax assets;
- as part of our assessment of the accounting principles used by your company, we verified the methods used to capitalize and amortize development costs. We also verified the recoverable amount of these assets and the appropriateness of the disclosures provided in the Notes 1-3, 1-5 and 11 to the consolidated financial statements.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verification

As required by law and in accordance with professional standards applicable in France, we have also verified in the information presented in the Group's management report.

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

Neuilly-sur-Seine and Paris-La Défense, February 13, 2013

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Dominique Ménard	Denis Thibon

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Legal and financial information

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10.1. Faurecia parent company financial statements and management report

10.1.1. FAURECIA MANAGEMENT REPORT

The parent company, Faurecia S.A., is a holding company which directly and indirectly provides financial, accounting, IS, general management and administrative services to companies in the Group.

Sales in 2012 rose sharply to €191.9 million from €171.4 million in 2011, due to the Group's increased volume of business. Faurecia has since 2010 acted as a pivot for all re-invoices of work done for Group entities.

In addition to providing services to Group subsidiaries, Faurecia invoices trademark royalties to certain subsidiaries, calculated as a proportion of the subsidiaries' sales. They amounted to €24.6 million in 2012, up from €22.8 million in 2011.

Results of operations

The Company ended 2012 with an operating profit of €2.5 million, compared with an operating profit of €4.9 million in 2011.

Net financial income totalled €89.2 million versus net financial income of €301.8 million in 2011. This change is primarily attributable to movements in provisions for impairment of investments. It includes:

- a €0.7 million net reversal of provisions for impairment of and liabilities from investments in subsidiaries in 2012 compared with a net €299.1 million reversal in 2011. A provision for impairment of investments was recognized in 2012 for Faurecia Systèmes d'Échappement and the internal reclassification of shares in Faurecia Sistemas de Escape Argentina SA led to the reversal of the provision for impairment of investments for this subsidiary of €33.5 million, offset in non-recurring income;
- dividends received from subsidiaries amounting to €147.4 million in 2012, up a substantial €117 million from 2011. The largest dividends received came from Faurecia Automotive Holdings (€93.7 million), Faurecia Automotive GmbH (€18.1 million) and Faurecia Automotive Espana (€12.8 million);
- net borrowing costs of €56.1 million compared with €26.8 million in 2011.

Net non-recurring income for the financial year was minus €29.7 million. This largely reflects the impact of the internal Group reclassification of the Faurecia Sistemas de Escape Argentina SA subsidiary.

Tax income amounted to €45.3 million. This refers to the tax income recognized from the positive earnings of French subsidiaries that are part of the consolidated tax group and compares with €32.2 million in 2011.

Net income for the financial year showed a profit of €107.3 million. This compares with a profit of €250.2 million in 2011.

Financial structure and net debt

Faurecia has pursued the implementation of its long term financing plan during 2012 through:

- an additional €140 million issue on February 21, 2012 to the €350 million bond issue of November 2011 due December 2016;
- a €250 million bond issue in May 2012 due June 2019;
- a €250 million convertible bond (OCEANE) issue in September 2012 due January 2018;
- the exercise in November 2012 of the one year extension option of the €690 million tranche due initially in December 2014 of the syndicated credit loan, thus extended to December 2015 for €649 million.

The breakdown of the debt is provided in Note 16 to the parent company financial statements.

At December 31, 2012, the shareholders' equity in the Company before distribution of the period's earnings amounted to €2,168.4 million versus €2,099.7 million at the close of 2011. It thus increased by €68.7 million.

Net debt as of December 31, 2012 was down from the close of 2011. Net debt – borrowings net of cash, marketable securities, net inter-company cash advances and loans to subsidiaries – amounted to €519.4 million as of December 31, 2012, versus €641.4 million at year-end 2011. As of December 31, 2012, 34.6% of the Company's debt was at floating rates. The Company hedges its exposure to changes in interest rates on this debt through interest rate derivatives.

Trade accounts payable equaling €6.2 million do not include invoices past due. These break down as follows:

(in € millions)	12/31/2012	12/31/2011
Provision for invoices not yet received	4.5	3.5
Invoices not yet due	1.7	9.4
Invoices between 1 and 30 days past due		
Invoices between 31 and 60 days past due		0.1
Invoices between 61 and 90 days past due		
Invoices more than 90 days past due		
TOTAL	**6.2**	**13.0**

Cash flow in the period generated €156.6 million in net cash, primarily consisting of cash flow from operations which benefited this year from the sharp increase in dividends received from subsidiaries. Subscriptions to capital increases at various subsidiaries totalled €125.4 million in 2012 and primarily involved the capital increase at Faurecia USA Holdings Inc following the disposal to that entity of shares in Faurecia Emissions Control Technologies USA.

The carrying amount of investments in subsidiaries and affiliates recognized in the balance sheet at December 31, 2012 came to €2,669.4 million (€2,702.2 million in 2011).

Business review relating to the Company's subsidiaries

The operations and results of the Company's subsidiaries in 2012 are analyzed in detail in the review of the consolidated financial statements. 2012 saw internal disposals of shares in Faurecia Emissions Control Technologies USA to Faurecia USA Holdings Inc and in Faurecia Sistemas de Escape Argentina to Faurecia Exhaust International. The various production site acquisitions in 2012 (sites in Mornac, Saint Quentin, Hambach, as well as the Sora composites sites in France, Pardubice site in the Czech Republic, Saline plant in the USA) were carried out by Group subsidiaries operating in each of those countries.

Beyond the transactions cited above, the Group's continued corporate development has led to the creation of new subsidiaries, notably in China. Legal reorganizations were carried out in 2012 in Brazil, and to a lesser degree in South Korea.

As this management report is being presented in the form of this Registration Document, the various chapters in this document supplement the report.

Accordingly, the risks to which Faurecia is exposed are analyzed in Section 3.4 of this Registration Document.

Research & development activities are discussed in Chapter 6 and the information on how Faurecia addresses the social and environmental consequences of its activities as well as on sustainable development commitments as part of corporate social responsibility are also discussed in that chapter and in Chapters 4 and 7.

The current capital structure, the crossing of thresholds and employee shareholding, via the Faurecia Actionnariat corporate mutual fund, are described in Section 10.3.2.

Other information on the share capital (including the table of financial authorizations and their use in 2012, changes to the share capital, potential share capital and treasury stock) can be found in Subsection 10.4.2.2.

Details relating to the fixed, variable and exceptional compensation and benefits in kind paid to directors, the Chairman and Chief Executive Officer as well as the fees paid to the Statutory Auditors are provided in Subsections 8.1.2.1, 8.1.2.2 and 10.4.2.4. Provisions recognized by Faurecia and its subsidiaries for pensions and other employee benefits are analyzed in Note 24.1 to the consolidated financial statements.

The list of directorships and other positions held in 2012 by each corporate officer is provided in Subsection 8.1.2.1.

Details of the stock options and performance shares granted by Faurecia during the year, the principal beneficiaries thereof and the number of shares subscribed for or vesting during the year, are provided in a special report. This information is provided and, in certain cases, supplemented in Note 22.2 to the consolidated financial statements and in Subsection 10.4.2.2 of the Registration Document.

The work of the Board of Directors and its committees, as well as the key data on the Group's internal controls were included in a report of the Chairman as required under Article L. 225-37 of the French Commercial Code, consisting of Section 8.1.1, Subsection 8.1.2 2. (for the section on restrictions placed by the Board of Directors on the powers of the Chairman and Chief Executive Officer) and Section 8.4.

Lastly, the other information, as required under Article L. 225-100-3 of the French Commercial Code is provided in Subsection 10.4.2.1

The draft resolutions along with explanatory notes presented in Chapter 11, including the disclosure of the amount of dividends paid over the last three years, are an integral part of this report and supplement this information.

10.1.2. PARENT COMPANY FINANCIAL STATEMENTS

10.1.2.1. Income statement

(in € thousands)	*Notes*	2012	2011	2010
Services sold		191,916	171,389	140,575
Sales		**191,916**	**171,389**	**140,575**
Capitalized production (long-term inventory)			0	0
Outside services		(201,263)	(186,553)	(142,941)
Taxes other than on income		(2,281)	(3,914)	(1,711)
Salaries and wages		(8,940)	(9,243)	(10,215)
Payroll taxes		(4,455)	(4,799)	(4,234)
Depreciation and provisions for impairment (net of reversals) and expense transfers	*3*	3,217	15,521	(6,616)
Other income and expenses, net		24,338	22,523	28,731
Total operating expenses		**(189,384)**	**(166,465)**	**(136,986)**
NET OPERATING INCOME		**2,532**	**4,924**	**3,589**
Financial income	*4*	247,917	373,196	638,449
Financing costs	*4*	(158,746)	(71,388)	(90,142)
NET FINANCIAL INCOME (EXPENSE)	*4*	**89,171**	**301,808**	**548,307**
OPERATING INCOME (LOSS) AFTER NET FINANCIAL INCOME (EXPENSE)		**91,703**	**306,732**	**551,896**
Non-recurring income	*5*	129,524	113,750	1,812
Extraordinary expenses	*5*	(159,175)	(202,510)	(5,157)
NET NON-RECURRING INCOME (EXPENSE)	*5*	**(29,651)**	**(88,760)**	**(3,345)**
Employee profit-sharing				
Corporate income tax	*6*	45,280	32,199	7,988
NET INCOME (LOSS)		**107,332**	**250,171**	**556,539**

10.1.2.2 Balance sheet as of December 31, 2012

ASSETS

(in € thousands)	Notes	12/31/2012			12/31/2011	12/31/2010
		Amounts Gross	Depreciation & amortization and provisions	Amounts Net	Amounts Net	Amounts Net
Intangible assets	7	9,461	9,334	127	189	154
Property, plant and equipment	8	10,781	10,372	409	491	1,223
Investments	9	2,767,974	98,541	2,669,433	2,702,219	2,600,261
TOTAL FIXED ASSETS		**2,788,216**	**118,247**	**2,669,969**	**2,702,899**	**2,601,638**
Operating receivables		1,691		1,691	1,736	1,186
Other receivables	10	1,351,188	866	1,350,322	926,987	747,480
Marketable securities and equivalent receivables	11	3,305	1,117	2,188	683	5,881
Cash and cash equivalents		31,103	0	31,103	30,607	12,748
TOTAL CURRENT ASSETS		**1,387,287**	**1,983**	**1,385,304**	**960,013**	**767,295**
Prepaid expenses	12	1,072		1,072	1,252	1,781
Unrealized foreign exchange losses		3,220		3,220	16	5
Bond redemption premiums		1,413		1,413	1,762	
Deferred charges	13	28,158		28,158	25,903	11,137
TOTAL ASSETS		**4,209,366**	**120,230**	**4,089,136**	**3,691,845**	**3,381,856**

EQUITY AND LIABILITIES

(in € thousands)	Notes	12/31/2012	12/31/2011	12/31/2010
Capital		775,836	772,578	772,567
Additional paid-in capital		285,517	288,775	288,756
Legal reserves		69,070	56,562	28,734
Untaxed reserves		8,939	8,939	8,939
Other reserves				
Retained earnings		921,679	722,632	221,505
Net income (loss) for the period		107,332	250,171	556,539
Untaxed provisions				
TOTAL EQUITY	14	**2,168,373**	**2,099,657**	**1,877,040**
Provisions for liabilities and charges	15	**7,849**	**4,792**	**5,580**
TOTAL DEBT	16	**1,850,796**	**1,386,563**	**1,281,390**
Operating payables	17	12,447	19,913	24,373
Sundry payables	17	24,808	180,818	193,334
TOTAL OPERATING PAYABLES AND OTHER PAYABLES		**37,255**	**200,731**	**217,707**
Prepaid income		6,897	0	107
Unrealized foreign exchange gains		17,966	102	32
TOTAL EQUITY AND LIABILITIES		**4,089,136**	**3,691,845**	**3,381,856**

10.1.2.3 Cash flow statement

(in € millions)	2012	2011	2010
I – OPERATING ACTIVITIES			
Net income (loss)	107.3	250.1	556.5
Depreciation and amortization	7.6	10.2	9.3
Increase (decrease) in provisions and other long-term liabilities	2.7	(299.8)	(538.7)
Capital (gains) losses on disposals of fixed assets	29.6	88.2	(1.1)
Cash flow from operations	**147.2**	**48.7**	**26.0**
(Increase) decrease in working capital requirement	7.3	(62.3)	22.5
CASH FLOW PROVIDED BY OPERATING ACTIVITIES	**154.5**	**(13.6)**	**48.5**
II – INVESTING ACTIVITIES			
Acquisitions of intangible assets and property, plant and equipment	(0.2)	(0.2)	
Acquisitions of investments in subsidiaries and affiliates	(125.4)	(7.8)	(39.4)
Acquisitions of other investments	(8.9)	(0.3)	
Disposals of intangible assets and property, plant and equipment			
Disposals of investments	129.3	112.1	1.1
Disposals of other financial assets	7.3	9.0	
Other reductions in property, plant and equipment			
CASH FLOW PROVIDED BY INVESTING ACTIVITIES	**2.1**	**112.8**	**(38.3)**
SURPLUS/(USED) FROM OPERATING AND INVESTING ACTIVITIES (I)+(II)	**156.6**	**99.2**	**10.2**
III - FINANCING ACTIVITIES			
Charges posted to additional paid-in capital			(9.0)
Bond issue premium	6.9		
Dividends paid during the year	(38.6)	(27.6)	
Issuance of debt securities and increase in borrowings	700.4	915.6	139.1
Redemption of debt securities and repayment of borrowings	(236.1)	(812.2)	(213.6)
Changes in inter-company borrowings	(588.7)	(157.1)	62.8
CASH FLOW PROVIDED (USED) BY FINANCING ACTIVITIES	**(156.1)**	**(81.3)**	**(20.7)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**0.5**	**17.9**	**(10.5)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**30.6**	**12.7**	**23.2**
CASH AND CASH EQUIVALENTS AT END OF YEAR	**31.1**	**30.6**	**12.7**

10.1.2.4. Notes to the 2012 parent company financial statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The parent company financial statements have been prepared in accordance with French generally accepted accounting principles (CRC regulation 99-03 on the French general chart of accounts, amended by the regulations of the Comité de la Réglementation Comptable and of the Autorité des Normes Comptables). The main policies applied are as follows:

1.1 Property, plant and equipment

Property, plant and equipment are stated at acquisition or production cost. Depreciation is calculated by the straight-line method over the estimated useful life of the assets, as follows:

- buildings: 20 to 30 years;
- leasehold improvements, fixtures and fittings: seven to ten years;
- other fixtures and fittings: ten years;
- office equipment and computers: three to five years;
- software: one to three years;
- furniture: ten years.

1.2 Investments

Gross value is equal to contribution value or cost. A provision is made if the value in use of a security is lower than its entry value. Value in use is based on the subsidiary's revalued net assets, profitability and future outlook.

For investments intended to be sold, value-in-use estimates also take into account prices at which prior transactions were carried out, if any.

1.3 Marketable securities and equivalent receivables

Marketable securities are stated at the lower of cost and market value.

1.4 Foreign currency transactions

Unhedged payables and receivables in foreign currency are translated at the exchange rate prevailing on the transaction date. At the balance sheet date, they are remeasured at the year-end exchange rate. Gains or losses resulting therefrom are recognized under "Unrealized foreign exchange losses" for unrealized losses and under "Unrealized foreign exchange gains" for unrealized gains.

Hedged payables and receivables are translated at the hedging rate.

1.5 Provisions for pensions and other post-employment benefits

The vested rights of employees under supplementary pension and retirement bonus plans are determined on an actuarial basis using the projected unit credit method. The valuation takes into account the probability of employees staying with the Company up to retirement age and expected future salary levels. Benefit obligations are partially funded by contributions to external funds. In cases where the funds are permanently allocated to the benefit plan concerned, their value is deducted from the related liability.

1.6 Non-recurring items

Unusual or non-recurring items are included under "Non-recurring income" and "Non-recurring expense".

1.7 Financial instruments

Interest-rate risks are hedged, where appropriate, using financial instruments traded on organized or over-the-counter markets.

Hedging gains and losses are recognized on a symmetrical basis with the loss or gain on the hedged item.

NOTE 2 POST-BALANCE SHEET EVENTS

No significant post-balance sheet events have occurred.

NOTE 3 DEPRECIATION, AMORTIZATION AND PROVISIONS (NET OF REVERSALS) AND EXPENSE TRANSFERS

(in € thousands)	2012	2011	2010
Provision reversals	370	2,250	1,674
Expense transfers [1]	11,483	24,077	1,695
Depreciation and amortization	(7,584)	(10,184)	(9,310)
Provisions for impairment of current assets			
Provisions for contingencies and charges	(1,052)	(622)	(675)
TOTAL	**3,217**	**15,521**	**(6,616)**

(1) Of which:

	2012	2011	2010
Transfer of fees included in "Outside services" relating to financings:	*11,483*	*24,077*	*1,695*

NOTE 4 NET FINANCIAL INCOME (EXPENSE)

Net non-recurring income (expense) breaks down as follows:

(in € thousands)	2012	2011	2010
Financial income			
Income from investments in subsidiaries and affiliates [(1)]	147,426	30,414	40,531
Other interest and related income	63,859	36,118	32,827
Net proceeds from sales of marketable securities			
Provision reversals [(2)]	36,632	306,664	565,091
TOTAL	**247,917**	**373,196**	**638,449**
Financing costs			
Interest expense	120,031	62,909	62,802
Charges to provisions for impairment of investments [(3)]	35,000	7,561	27,328
Charges to other provisions and other financial expenses	3,715	918	12
TOTAL	**158,746**	**71,388**	**90,142**
NET FINANCIAL INCOME (EXPENSE)	**89,171**	**301,808**	**548,307**

(1) This item corresponds to dividends received from subsidiaries and affiliates.
This largely reflects:
- *in 2012: dividends received from Financière Faurecia totaling €12,650 thousand, from Faurecia Tongda Exhaust System (Wuhan) totaling €8,765 thousand, from Faurecia Automotive Espana totaling €12,796 thousand, from Faurecia Automotive Holdings totaling €93,690 thousand, from Faurecia Automotive GmbH totaling €18,068 thousand, from Faurecia Services Groupe totaling €1,347 thousand;*
- *in 2011: dividends received from Financière Faurecia totaling €12,760 thousand, from Faurecia Tongda Exhaust System (Wuhan) totaling €9,762 thousand, from Faurecia Automotive Espana totaling €4,520 thousand and from Faurecia Honghu Exhaust Systems Shanghai totaling €3,283 thousand;*
- *in 2010: dividends received from Faurecia Système d'Echappement totaling €10,168 thousand and from Financière Faurecia totaling €24,816 thousand.*

	2012	2011	2010
(2) Of which:			
• reversals of provisions for Faurecia Exhaust International shares	*2,250*		
• reversals of provisions for Faurecia Sistemas de Escape Argentina shares	*33,536*		
• reversals of provisions for Faurecia Industrie shares		*138,152*	
• reversals of provisions for Faurecia USA Holdings, Inc. shares		*165,000*	
• reversals of provisions for Trécia shares			*1,956*
• reversals of provisions for Faurecia Automotive Holdings shares			*469,200*
• reversals of provisions for Faurecia Automotive GmbH shares			*82,234*
• reversals of provisions for financial contingencies and charges	*845*	*3,512*	*11,701*
(3) Of which:			
• Faurecia Systèmes d'Echappement shares	*35,000*		
• Faurecia Industries shares			
• Faurecia USA Holdings Inc shares			
• Faurecia Sistemas de Escape Argentina shares		*7,561*	*7,328*
• Eak SAS shares			
• Eak SNC shares			
• Sté Internationale de Participation "SIP" shares			*20,000*

NOTE 5 NET NON-RECURRING INCOME (EXPENSE)

Net non-recurring income (expense) breaks down as follows:

(in € thousands)	2012	2011	2010
Non-recurring income			
From operating activities [(1)]		1,624	667
Proceeds from disposals of fixed assets [(2)]	129,524	112,126	1,145
Provision reversals			
TOTAL	**129,524**	**113,750**	**1,812**
Extraordinary expenses			
On management transactions [(3)]		12	5,071
Carrying amount of fixed and financial assets sold [(4)]	159,175	202,498	86
Depreciation, amortization and charges to provisions			
TOTAL	**159,175**	**202,510**	**5,157**
NET NON-RECURRING INCOME (EXPENSE)	**(29,651)**	**(88,760)**	**(3,345)**

	2012	2011	2010
(1) Of which:			
• Compensation for contract termination		*1,333*	*667*
(2) Of which:			
• Proceeds from the sale of investments in subsidiaries and affiliates:	*129,332*	*112,126*	*1,145*
• Faurecia Industries shares sold to Faurecia Automotive Holding		*100,400*	
• Trécia shares sold to Faurecia Automotive Holding		*11,650*	
• Faurecia Emissions Control Technologies, USA shares sold to Faurecia USA Holdings Inc	*125,400*		
• Ecia South Africa shares sold to Faurecia Exhaust Systems South Africa			*1,121*
• Faurecia Sistemas de Escape Argentina shares sold to Faurecia Exhaust International	*3,900*		
• Toucan Investissement shares sold to Faurecia Automotiv Holding	*31*		
• Hennape Trois shares sold to Faurecia Investments	*1*		
(3) Of which:			
• Compensation for contract termination			*4,741*
• Tax arrears other than corporate income tax			*276*
(4) Of which: Carrying amounts of investments in subsidiaries and affiliates sold or transferred:			
• Faurecia Industries shares sold to Faurecia Automotive Holding		*191,683*	
• Trécia shares sold to Faurecia Automotive Holding		*8,556*	
• Faurecia Emissions Control Technologies, USA shares sold to Faurecia USA Holdings Inc	*125,400*		
• Faurecia Sistemas de Escape Argentina shares sold to Faurecia Exhaust International	*33,536*		
• Toucan Investissement shares sold to Faurecia Automotiv Holding	*40*		
• Hennape Trois shares sold to Faurecia Investments	*1*		

NOTE 6 CORPORATE INCOME TAX

Faurecia has elected to file a consolidated tax return. The resulting tax group includes the parent company and its main French subsidiaries. This system allows Faurecia to obtain group relief by offsetting any tax losses recorded by the Company and certain of its subsidiaries against the taxable income of other subsidiaries in the tax group.

(in € thousands)	2012	2011	2010
Tax benefit arising from group relief	45,272	32,196	7,988
Repayment of a carry back credit			
Other tax (expense) income (tax credit)	8	3	
TOTAL	**45,280**	**32,199**	**7,988**

NOTE 7 INTANGIBLE ASSETS

This can be broken down as follows:

(in € thousands)	Concessions, patents and similar rights	Other intangible fixed assets	Intangible assets in progress	Total
NET AS OF JANUARY 1, 2010	**80**	**115**	**0**	**195**
Additions (including own work capitalized)		22		22
Disposals				
Funding of depreciation, amortization and impairment provisions		(63)		(63)
Amortization/depreciation written off on disposals				0
Other movements				
NET AS OF DECEMBER 31, 2010	**80**	**74**	**0**	**154**
Additions (including own work capitalized)		102		102
Disposals				0
Funding of depreciation, amortization and impairment provisions		(67)		(67)
Amortization/depreciation written off on disposals				0
Other movements				
NET AS OF DECEMBER 31, 2011	**80**	**109**	**0**	**189**
Additions (including own work capitalized)		2		2
Disposals				0
Funding of depreciation, amortization and impairment provisions		(64)		(64)
Amortization/depreciation written off on disposals				0
Other movements				
NET AS OF DECEMBER 31, 2012	**80**	**47**	**0**	**127**

NOTE 8 PROPERTY, PLANT AND EQUIPMENT

This can be broken down as follows:

	12/31/2012		12/31/2011	12/31/2010
(in € thousands)	Gross value	Net	Net	Net
Land	53	53	53	53
Buildings	271	0	0	0
Other property, plant and equipment	10,457	356	438	1,170
TOTAL	**10,781**	**409**	**491**	**1,223**

(in € thousands)	Land	Buildings	Other property, plant and equipment	Property, plant and equipment in progress	Total
NET AS OF JANUARY 1, 2010	**53**	**0**	**2,015**	**0**	**2,068**
Additions (including own work capitalized)			14		14
Disposals			(280)		(280)
Funding of depreciation, amortization and impairment provisions			(813)		(813)
Amortization/depreciation written off on disposals			234		234
NET AS OF DECEMBER 31, 2010	**53**	**0**	**1,170**	**0**	**1,223**
Additions (including own work capitalized)			75		75
Disposals					0
Funding of depreciation, amortization and impairment provisions			(807)		(807)
Amortization/depreciation written off on disposals					0
NET AS OF DECEMBER 31, 2011	**53**	**0**	**438**	**0**	**491**
Additions (including own work capitalized)			215		215
Disposals			(1)		(1)
Funding of depreciation, amortization and impairment provisions			(297)		(297)
Amortization/depreciation written off on disposals			1		1
NET AS OF DECEMBER 31, 2012	**53**	**0**	**356**	**0**	**409**

NOTE 9 INVESTMENTS

	12/31/2012			12/31/2011	12/31/2010
(in € thousands)	Gross value	Provisions	Net	Net	Net
Equity investments	2,767,855	98,541	2,669,314	2,702,103	2,599,078
Loans to subsidiaries and affiliates	0	0	0	0	1,149
Other non-current securities	119	0	119	116	34
TOTAL	**2,767,974**	**98,541**	**2,669,433**	**2,702,219**	**2,600,261**

Movements in investments in subsidiaries and affiliates break down as follows:

(in € thousands)	Gross value	Provisions	Carrying amount
NET AS OF JANUARY 1, 2010	**2,640,530**	**920,980**	**1,719,550**
Acquisitions	330,000		330,000
Capital increases	23,507		23,507
Charges to and reversals of provisions		(526,062)	526,062
Sale of shares	(41)		(41)
NET AS OF DECEMBER 31, 2010	**2,993,996**	**394,918**	**2,599,078**
Acquisitions	164		164
Capital increases	7,623		7,623
Charges to and reversals of provisions		(157,439)	157,439
Sale of shares	(200,353)	(138,152)	(62,201)
NET AS OF DECEMBER 31, 2011	**2,801,430**	**99,327**	**2,702,103**
Acquisitions			0
Capital increases	125,402		125,402
Charges to and reversals of provisions		32,750	(32,750)
Sale of shares	(158,977)	(33,536)	(125,441)
NET AS OF DECEMBER 31, 2012	**2,767,855**	**98,541**	**2,669,314**

Loans to subsidiaries and affiliates are due in more than one year.

NOTE 10 RECEIVABLES

(in € thousands)	12/31/2012	12/31/2011	12/31/2010
Cash advances	1,310,009	877,319	732,782
Provisions against cash advances	(866)	(861)	(849)
Tax due by subsidiaries in the tax group	11,138	15,573	175
Prepaid and recoverable corporate income tax	25,818	31,017	11,502
Securitization-related deposit			
Recoverable VAT	919	2,300	3,039
Sundry receivables	3,304	1,639	782
Other			49
TOTAL	**1,350,322**	**926,987**	**747,480**

NOTE 11 MARKETABLE SECURITIES AND EQUIVALENT RECEIVABLES

As of December 31, 2012, this item included:

- 41,979 Faurecia shares (including 16,229 shares under the liquidity agreement) with a carrying amount of €0.5 million, compared with 46,872 shares with a carrying amount of €0.7 million as of December 31, 2011.

The carrying amount of this item as of December 31, 2012 is presented net of a provision for impairment amounting to €1.1 million, versus €1 million as of December 31, 2011:

- 738 units in money market funds with a carrying amount of €1.7 million.

NOTE 12 PREPAID EXPENSES

Prepaid expenses mainly comprise:

(in € thousands)	12/31/2012	12/31/2011	12/31/2010
Premiums on currency and interest-rate instruments		9	419
Commissions and bank charges	4	88	94
Interest on commercial paper	365	390	364
Rent	603	679	864
Other	100	86	40
TOTAL	**1,072**	**1,252**	**1,781**

NOTE 13 DEFERRED CHARGES

Deferred charges as of December 31, 2012 refer to financing fees.

NOTE 14 EQUITY

14.1 Changes in equity

(in € thousands)	Balance as of 12/31/2011	Appropriation decision at the AGM of 05/23/2012	Increase in of stock	Recognized in income of the period	Balance as of 12/31/2012
Capital	772,578		3,258		775,836
Additional paid-in capital	288,775		(3,258)		285,517
Legal reserves	56,562	12,508			69,070
Untaxed reserves	8,939	0			8,939
Other reserves	0				0
Retained earnings	722,632	199,047			921,679
Net income (loss) for the period	250,171	(250,171)		107,332	107,332
Untaxed provisions	0				0
TOTAL	**2,099,657**	**(38,616)**	**0**	**107,332**	**2,168,373**

14.2 Capital stock and additional paid-in capital

As of December 31, 2012, the Company's capital stock totalled €775,836,215 divided into 110,833,745 fully paid-up shares with a par value of €7 each. Shares that have been registered in the name of the same shareholder for at least two years carry double voting rights (110,368,345 shares as of December 31, 2011).

The exercise of all the stock options granted to executives and other employees that were outstanding as of December 31, 2012, i.e. 1,126,725 options exercisable at an average price of €42.60, would result in:

- capital stock being increased by €7.9 million, corresponding to 1,126,725 shares with a par value of €7 each;
- additional paid-in capital by €40.1 million.

NOTE 15 PROVISIONS FOR CONTINGENCIES AND CHARGES

(in € thousands)	As of 12/31/2012	As of 12/31/2011	As of 12/31/2010
Provision for contingencies			
Foreign exchange losses	3,221	846	5
Other	0	0	2,251
SUB-TOTAL	**3,221**	**846**	**2,256**
Provisions for charges			
Provisions for pensions and other post-employment benefits [1]	4,624	3,942	3,321
Other provisions for charges	4	4	3
SUB-TOTAL	**4,628**	**3,946**	**3,324**
TOTAL	**7,849**	**4,792**	**5,580**

(1) Provisions for pensions and other post-employment benefits cover the following costs payable by the Company on retirement of employees:
- *statutory lump-sum bonuses;*
- *supplementary pension benefits for certain employees.*

For the latter, it is freed of its commitments by a capital deduction that covers the annuity for the insurance company, which is responsible for the service; the deduction is made from a fund established to cover pension benefits which are not yet fully acquired. Consequently, the Company has no further pension commitments towards former employees.
The benefit obligation has been estimated by independent actuaries, using a discount rate of 3% and an inflation rate of 1.80%.

(in € thousands)	2012	2011	2010
Projected benefit obligation	9,751	7,988	5,611
Hedging of obligations	(1,420)	(1,385)	(1,395)
Deferred items	(3,707)	(2,661)	(895)
PROVISION	**4,624**	**3,942**	**3,321**

(in € thousands)	2012	2011	2010
Service cost	(517)	(347)	(335)
Restatement of projected benefits	(388)	(247)	(292)
Expected return on plan assets	52	52	64
Curtailment and settlements			
Amortization of deferred differences	(194)	(79)	(62)
Other changes	365		
TOTAL	**(682)**	**(621)**	**(625)**

(in € thousands)	Balance as of 12/31/2011	Additions	Expenses charged	Reversals (surplus provisions)	Payments to retirement funds	Balance as of 12/31/2012
Provision for contingencies	846	3,221		(846)		3,221
Provisions for pensions and other employee obligations	3,942	1,052	(370)			4,624
Other provisions for charges	4					4
TOTAL	**4,792**	**4,273**	**(370)**	**(846)**	**0**	**7,849**

NOTE 16 DEBT

(in € thousands)	12/31/2012	12/31/2011	12/31/2010
Convertible bonds	461,280	211,280	211,310
Other bonds	740,000	350,000	
Borrowings from banks	642,992	819,343	917,037
Borrowings from PSA	0	0	142,000
Other	6,524	5,940	11,043
TOTAL	**1,850,796**	**1,386,563**	**1,281,390**

34.64% of the Company's debt is at floating rates. This debt is hedged through caps as described in Note 20.1.

The breakdown of the Company's debt by maturity is as follows:

(in € thousands)	12/31/2012
Maturing in 2013	245,754
Maturing in 2014	52,242
Maturing in 2015	504,897
Maturing in 2016	536,429
Maturing in 2017	11,474
Maturing in 2018	250,000
Maturing in 2019	250,000
TOTAL	**1,850,796**

Faurecia has pursued the implementation of its long term financing plan during 2012 through:

- an additional €140 million issue on February 21, 2012 to the €350 million bond issue of November 2011 due December 2016;
- a €250 million bond issue in May 2012 due June 2019;
- a €250 million convertible bond (OCEANE) issue in September 2012 due January 2018;
- the exercise in November 2012 of the one year extension option of the €690 million tranche due initially in 2014 of the syndicated credit loan, thus extended to December 2015 for €649 million.

2016 bonds

On November 9, 2011 Faurecia issued €350 million worth of bonds, due December 15, 2016. The bonds bear annual interest of 9.375% payable on June 15 and December 15 each year, as from June 15, 2012; they have been issued at 99.479% of the nominal value. An additional €140 million has been issued on February 21, 2012 with the same due date and same interest rate, at 107.5% of the nominal value; they are listed on the Luxembourg stock exchange. They include a covenant restricting the additional indebtness if the EBITDA after some adjustments is lower than 2.5 times the gross interest costs, and restrictions on the debt similar to the ones of the syndicated credit loan. The costs related to the bond issue are expensed in P&L over the life time of the bonds. The 2016 bonds benefit from guarantees from some Group subsidiaries.

2019 bonds

On May 3, 2012, Faurecia issued €250 million worth of bonds, due June 15, 2019. The bonds bear annual interest of 8.75% payable on June 15 and December 15 each year, as from June 15, 2012; they have been issued at 99.974% of the nominal value and are listed on the Luxembourg stock exchange. They include the same covenants as the bonds due December 2016. They do not benefit from guarantees from Group subsidiaries. The costs related to the bond issue are expensed in P&L over the life time of the bonds.

Syndicated credit facility

The syndicated bank loan implemented on December 20, 2011 is divided into a €41 million tranche expiring in December 2014, a €649 million tranche expiring in December 2015, after the exercise of the first option to extend its duration for one year and benefiting from a second option to extend the expiration to December 2016, and a €460 million tranche expiring in December 2016. As of December 31, 2012 the undrawn portion of this credit facility was €850 million.

The contracts relating to this credit facility include covenants, concerning compliance with consolidated financial ratios. The compliance with these ratios is a condition to the availability of this credit facility. As of December 31, 2012, the Group complied with all of these ratios, the values of which are presented below:

- Net debt*/EBITDA** < 2.50;
- EBITDA**/net interest > 4.50.

Furthermore, this credit facility includes some restrictive clauses on asset disposals (disposal representing over 15% of the Group's total consolidated assets requires the prior approval of banks representing two-thirds of the syndicate) and on the debt level of some subsidiaries. The syndicated bank loan benefits from guarantees from some Group subsidiaries.

2018 OCEANE

On September 18, 2012 Faurecia issued €250 million worth of OCEANE bonds convertible into or exchangeable for new or existing shares, due January 1, 2018. The bonds bear annual interest of 3.25% payable on January 1 each year, as from January 1, 2013. Each bond has a nominal value of €19.48.

Subject to certain conditions, Faurecia may redeem the bonds early, at any time beginning on January 15, 2016, at a price equal to their par value plus accrued interest, provided that all of the outstanding bonds are redeemed. The bonds can be converted by their holders at any time as from their date of issue.

The criteria relating to their early redemption include a clause of change of control, but, unlike the 2015 convertible bonds, they do not include an ownership clause relating to PSA.

* *Net debt = published consolidated net debt.*

** *Operating income plus depreciation, amortization and funding of provisions for impairment of property, plant and equipment and intangible assets, corresponding to the past twelve months.*

2015 OCEANE

On November 26, 2009 Faurecia issued €211.3 million worth of OCEANE bonds convertible into or exchangeable for new or existing shares, due January 1, 2015. The bonds bear annual interest of 4.50% payable on January 1, each year, as from January 1, 2011. Each bond has a nominal value of €18.69.

Subject to certain conditions, Faurecia may redeem the bonds early, at any time beginning on January 15, 2013, at a price equal to their par value plus accrued interest, provided that all of the outstanding bonds are redeemed. The bonds can be converted by their holders at any time as from their date of issue. The criteria relating to their early redemption include an ownership clause relating to PSA.

Commercial paper

A commercial paper program is active on the French domestic market for a total amount of €850 million, the liquidity of this program being guaranteed by the syndicated bank loan; a total of €223.2 million had been issued at end-2012.

NOTE 17 OPERATING PAYABLES AND OTHER PAYABLES

(in € thousands)	12/31/2012	12/31/2011	12/31/2010
Trade payables	6,225	12,963	17,774
Other operating payables	6,222	6,950	6,599
SUB-TOTAL OPERATING PAYABLES	**12,447**	**19,913**	**24,373**
Cash advances from subsidiaries	22,995	179,049	190,883
Other	1,813	1,769	2,451
SUB-TOTAL OTHER PAYABLES	**24,808**	**180,818**	**193,334**
TOTAL	**37,255**	**200,731**	**217,707**

NOTE 18 DEFERRED TAXES

Deferred taxes relate to:

- temporary differences between the recognition of income and expenses for financial reporting and tax purposes;
- tax loss carry forwards of the tax group;
- tax savings arising from the use of tax losses of subsidiaries in the tax group which will have to be restored to them if and when they return to profit.

Deferred taxes are computed based on the tax rate for the year in which they are expected to reverse (i.e. 36.10% for 2012 and beyond).

Deferred taxes can be analyzed as follows:

(in € thousands)	12/31/2012	12/31/2011	12/31/2010
Deferred tax liabilities on temporary differences			
Deferred tax liabilities corresponding to tax savings arising from the use of the tax losses of companies in the tax group	(561,285)	(520,912)	(481,653)
SUB-TOTAL TOTAL DEFERRED TAX LIABILITIES	**(561,285)**	**(520,912)**	**(481,653)**
Tax paid on taxable income that is not yet recognized	5,323	1,447	1,212
Charges recognized that are deductible for tax purposes in future years	5,339	1,380	2,203
Future tax savings on tax loss carry forwards of the tax group	445,532	440,831	402,740
SUB-TOTAL TOTAL DEFERRED TAX ASSETS	**456,194**	**443,658**	**406,155**
NET DEFERRED TAX (LIABILITIES) ASSETS	**(105,091)**	**(77,254)**	**(75,498)**

NOTE 19 FINANCIAL COMMITMENTS

As of December 31, 2012, this item included €12.9 million in guarantees given on behalf of direct and indirect subsidiaries and affiliates (versus €18.5 million in 2011, and €21.6 million at December 31, 2010).

NOTE 20 FINANCIAL INSTRUMENTS USED TO HEDGE MARKET RISKS

20.1 Interest-rate hedges

The hedges arranged comprise mainly euro-denominated interest rate swaps, designed to hedge interest payable on variable rate borrowings in 2013, in 2014 and, to a lesser extent, in 2015.

The notional amounts of the Group's interest rate hedges break down as follows:

	Notional amounts by maturity		
As of 12/31/2013 (in € millions)	**< one year**	**one to five years**	**> five years**
Variable-rate rate/fixed rate swaps	223	420	-
	223	**420**	**-**

20.2 Currency hedges

Currency risk on inter-company loans to subsidiaries outside the eurozone that are denominated in the subsidiaries' functional currency but referenced in euros is hedged through swaps.

As of December 31, 2012, the currency swaps in place involved US$452.8 million, RUB 590.0 million, ZAR 128.0 million.

NOTE 21 AVERAGE HEADCOUNT

	2012	2011	2010
Management	42	40	40
Staff	2	2	1
TOTAL	**44**	**42**	**41**

NOTE 22 COMPENSATION

In 2012, total attendance fees paid to directors amounted to €306,000 compared with €245,000 in 2011.

NOTE 23 RELATED-PARTY TRANSACTIONS

(in € thousands)	12/31/2012	12/31/2011	12/31/2010
In the income statement			
• Services invoiced to subsidiaries	216,369	194,112	159,363
• Income from subsidiaries and affiliates	167,740	49,541	54,263
• Interest income	35,734	11,125	11,747
• Services invoiced by subsidiaries	(173,387)	(145,444)	(124,670)
• Interest expense	(235)	(4,450)	(3,522)
In the balance sheet			
• Loans to subsidiaries and affiliates	0	0	1,149
• Trade and other receivables	1,321,961	893,844	733,890
• Supplier and other payables	23,182	187,073	204,787

Related companies: Related companies are companies that are fully consolidated in the Faurecia group consolidated financial statements.

NOTE 24 INFORMATION ON THE CONSOLIDATING ENTITY

Peugeot SA – 75, avenue de la Grande Armée – 75116 Paris

10.1.2.5. Five-year financial summary

	2012 (in €)	2011 (in €)	2010 (in €)	2009 (in €)	2008 (in €)
1 – Capital stock at year-end					
a) Capital stock	775,836,215	772,578,415	772,567,096	626,139,528	170,765,336
b) Number of ordinary shares outstanding	110,833,745	110,368,345	110,366,728	89,448,504	24,395,048
c) Maximum number of shares to be issued:					
On exercise of stock options	1,126,725	1,475,348	1,523,998	1,594,223	1,435,183
2 – Operations and results					
a) Net sales	191,915,579	171,388,534	140,574,549	63,259,930	75,141,626
b) Income before tax, employee profit-sharing and depreciation, amortization and provisions for impairment	72,402,124	(71,657,003)	19,110,764	37,896,293	28,051,012
c) Corporate income tax (1)	(45,279,780)	32,198,556	(7,988,370)	(20,949,860)	(26,683,576)
d) Employee profit-sharing	0	0	0	0	0
e) Income after tax, employee profit-sharing and depreciation, amortization and provisions for impairment	107,332,169	250,171,226	556,538,732	233,163,289	(136,508,655)
f) Total dividend (2) (3)	0	38,628,921	27,591,682		
3 – Per-share data					
a) Income after tax and employee profit-sharing but before depreciation, amortization and provisions for impairment	1.06	-0.36	0.25	0.66	2.24
b) Income after tax, employee profit-sharing and depreciation, amortization and provisions for impairment	0.97	2.27	5.04	2.61	-5.60
c) Net dividend per share	0.00	0.35	0.25		
4 – Employee data					
a) Average number of employees	44	42	41	43	45
b) Total payroll	8,939,563	9,242,938	10,214,816	8,500,376	11,504,857
c) Total benefits paid during the year (social security, etc.)	4,455,472	4,799,326	4,234,177	3,285,738	5,444,637

(1) The amounts in brackets represent tax benefits arising from group relief.
(2) The 2012 net dividend is pending approval by the AGM of profit distribution for the year.
(3) The part of the 2012 dividend corresponding to shares that the Company holds on its own behalf at the payment date will be allocated to "Retained earnings".

10.1.3. APPROPRIATION OF NET INCOME

(in €)	
Net income (loss) for the period:	107,332,169
Recommended appropriation:	
1 – Source	
Retained earnings carried forward from prior years	921,678,896
Net income (loss) for the period	107,332,169
	1,029,011,065
2 – Appropriation	
Legal reserves	5,366,609
Dividend [(1)]	0
Additional paid-in capital	
Retained earnings	1,023,644,456
	1,029,011,065

(1) The part of the dividend corresponding to shares that the Company holds on its own behalf at the payment date will be allocated to "Retained earnings".

Dividends for the last three years were as follows:

Financial Year	**Number of shares**	**Dividend paid out** *(in €)*
2009	89,448,504	-
2010	110,366,728	0.250
2011	110,368,345	0.350
Recommended for 2012	**110,833,745**	**-**

10.1.4. SECURITIES PORTFOLIO AS OF DECEMBER 31, 2012

(in € thousands)	Quantity	Type and nominal amount	Carrying amount
1 – MAIN SECURITIES			
a) Investments in subsidiaries and affiliates			
Faurecia Systèmes d'Echappements	5,648,700	Shares – €15	75,316
Faurecia Investments	5,044,004	Shares – €15	452,488
Faurecia USA Holdings Inc	4,280	Shares – US$0.001	600,699
Sté Internationale de Participations "SIP"	9,999,999	Equities	0
Faurecia Automotive España SL	126,859	Shares – €6	76,449
SFEA Société Foncière pour l'Equipement Automobile	642,499	Shares – €15	9,947
Financière Faurecia	2,200,000	Shares – €15	53,841
Faurecia Exhaust Systems sro	1	Equities	19,759
Faurecia Magyarorszag Kipufogo-Rendszer Kft	24,900,000	Shares – HUF 1	0
EAK - Composants pour l'Industrie Automobile SAS	158,725	Shares – €15	0
Faurecia Tongda Exhaust System (Wuhan) Co, Ltd	1	Equities	2,217
EAK - Composants pour l'Industrie Automobile SNC	51,510	Equities – €15	0
Faurecia Honghu Exhaust Systems Shanghai Co, Ltd	1	Equities	1,212
Faurecia Automotive Holdings	23,422,557	Shares – €1	918,260
Faurecia Automotive GmbH (formerly SAI Automotive AG)	1	Equities	225,184
Faurecia Services Groupe	2,500	Shares – €16	0
Faurecia Exhaust International	1,932,750	Shares – €15	29,301
Faurecia Sistemas de Escape Portugal Lda	1	Equities	1
ET Dutch Holdings Cooperatie UA		Contribution of €204,600 thousand	204,600
Hennape Un SA	3,694	Shares – €10	37
Hennape Deux SAS	100	Shares – €10	1
Hennape Quatre SAS	100	Shares – €10	1
Hennape Cinq SAS	100	Shares – €10	1
SUB-TOTAL			**2,669,314**
2 – MARKETABLE SECURITIES AND EQUIVALENT RECEIVABLES			
Faurecia	41,979	Shares – €7	492
BNP	738	Equities	1,696
TOTAL MARKETABLE SECURITIES			**2,188**
TOTAL			**2,671,502**

10.1.5. SUBSIDIARIES AND AFFILIATES AT DECEMBER 31, 2012

(in € thousands)	Capital	Reserves and retained earnings before appropriation of income	Share of capital owned *(as a %)*	Gross book value of investment
I. Detailed information				
A. Subsidiaries (at least 50% of capital owned by the Company)				
Faurecia Investments (Ex Bertrand Faure SP)	75,660	112,243	100	452,488
Financière Faurecia	33,000	62,325	100	53,841
Sté Internationale de Participations "SIP"	10,000	2,394	100	60,196
Faurecia USA Holdings Inc	590,083	23,895	85	600,699
Eak SAS	4,668	(4,029)	51	2,420
ET Dutch Holdings Cooperatie U.A.	89,616	(7,524)	100	204,600
Faurecia Systèmes d' Echappements	84,731	42,579	100	110,316
SFEA Société Foncière pour l'Equipement Automobile	9,638	657	100	9,947
Faurecia Exhaust Systems SRO (Tchéquie)	21,093	6,435	100	19,759
Faurecia Automotive Holdings	23,423	262,193	100	918,260
Faurecia Exhaust International	28,991	(21,379)	100	29,302
B. Affiliates (10% to 50% of capital owned by the Company)				
Faurecia Automotive Espana S.L.	7,138	499,317	11	76,449
Faurecia Automotive GmbH (ex SAI Automotive AG)	196,420	196,985	26	225,184
FaureciaTongda Exhaust System (WUHAN) Co, Ltd (ex TEEC)	5,547	34,846	50	2,217
II. Overall information about other companies				
Subsidiaries and affiliates not included in Section A				**2,176**
TOTAL				**2,767,854**

Carrying amount of investment	Outstanding loans and advances granted by the Company and not yet paid	Amounts of guarantees and securities given by the Company	Sales excluding tax from the last fiscal year	Profit or loss (-) from the previous year-end	Dividends received or to be received by the Company	Exchange rates used for non French subsidiaries and affiliates
452,488				32,849		
53,841	733,847			31,818	12,650	
				(1,487)		
600,699	231,986		75,267	8,757		1 euro = 1.3194 USD
				(123)		
204,600				67		
75,316			538,898	(10,276)		
9,947				57	109	
19,759			186	9,847		1 euro = 25.151 CZK
918,260			163,145	47,068	93,690	
29,302				(19,649)		
76,449			179,604	89,991	12,796	
225,184			5,789	(30,276)	18,068	
2,217			123,435	29,018	8,765	1 euro = 8.2207 CNY
1,252	**796**				**1,348**	
2,669,314	**966,629**				**147,426**	

10.2. Statutory Auditors' report on the financial statements

This is a free translation into English of the Statutory Auditors' report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to the shareholders.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2012, on:

- the audit of the accompanying financial statements of Faurecia;
- the justification of our assessments;
- the specific verifications and information required by law.

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

I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2012 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. Justification of our assessments

In accordance with the requirements of Article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- Note 1.2 to the financial statements presents the accounting rules and methods applied to investments. A provision for impairment is set aside if the value in use of an investment falls below its gross value. Value in use is based on the subsidiary's revaluated net assets, profitability and future outlook. As part of our assessment of the accounting principles and methods applied by your company, we have verified the appropriateness of the above-mentioned accounting methods and examined the application methods and the assumptions used by your company.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information. We draw your attention to the reasons presented in the management report explaining that your company does not have any information on compensation and benefits granted by the controlling entity to corporate officers of the Company who are not corporate officers of the controlling entity.

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Neuilly-sur-Seine and Paris-La Défense, April 19, 2013

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Dominique Ménard	Denis Thibon

10.3. Capital and share performance

10.3.1. FAURECIA AND THEIR SHAREHOLDERS

2013 FINANCIAL CALENDAR

February 12, 2013	8:00 am	2012 yearly earnings announced
April 23, 2013	8:00 am	First-quarter 2013 sales announced
May 30, 2013	10:00 am	Annual Shareholders' Meeting
July 25, 2013	8:00 am	2013 interim results announced
October 22, 2013	8:00 am	Third-quarter 2013 sales announced

The relationship between Faurecia and its shareholders is described in Chapter 7.2 (Subsection 7.2.2.1)

10.3.2. FAURECIA'S CAPITAL

No shares have been issued that do not represent the Company's capital.

As of December 31, 2012, the Company's capital amounted to €775,836,215 divided into 110,833,745 fully paid-up shares with a par value of €7 each, all in the same class.

According to information from the registered share ledger, the breakdown of Faurecia's share capital and voting rights as of December 31, 2012 was as follows, it being understood that for the purposes of this Registration Document and in accordance with AMF Recommendation of December 10, 2009, voting rights are those which are actually exercisable at the Shareholders' Meeting and do not include shares without voting rights such as treasury shares:

Shareholders	Shares	(%)	Double voting rights	Single voting rights	Total	(%)
Peugeot SA	63,380,509	57.18	63,380,509	0	126,761,018	72.61
Faurecia Actionnariat corporate mutual fund	270,315	0.24	167,920	102,395	438,235	0.25
Treasury stock *o/w liquidity contract*	41,979 *16,229*	0.04 *0.01*	0	0	0	0
Board members	73,906	0.07	8,191	65,715	82,097	0.05
Other (registered and bearer)	47,067,036	42.47	220,656	46,846,380	47,287,692	27.09
TOTAL	**110,833,745**	**100**	**63,777,276**	**47,014,490**	**174,569,042**	**100**

In addition, in 2012 the following declarations were made, reporting that thresholds in the bylaws had been crossed:

Name of shareholder	Date threshold crossed	Direction of the threshold	Threshold crossed	Number of shares after clearance	% capital after clearance	% voting rights after clearance
Norges Bank Investment Management	June 14, 2012	Upwards	2% of capital	2,228,036	2.02%	1.28%*
Financière de l'Échiquier	September 12, 2012	Upwards	2% of voting rights	3,527,400	3.18%	2.02%**

* *Based on voting rights as of May 31, 2012.*
** *Based on voting rights as of August 31, 2012.*

No crossing of statutory thresholds was reported in 2012.

To the best of the Company's knowledge and as of the date of drafting of this Registration Document, no other shareholder directly or indirectly, individually or in concert, owned more than 2% of the Company's capital or voting rights.

Changes in ownership structure over the last three years are presented in Section 10.4.2.2.

4,595,000 registered shares held by Peugeot SA, i.e. 4.14% of the Company's capital, were pledged with Société Financière de Banque (SOFIB). Peugeot SA is the only holder of registered shares which reported pledges on the Company's shares.

The Company has not been notified of any shareholders' agreements.

The Company's directors hold approximately 0.05% of the Company's capital and theoretical and exercisable voting rights.

10.3.3. CHANGES IN FAURECIA'S SHARE PRICE

Faurecia shares are traded on Euronext Paris (compartment A) of NYSE Euronext.

In 2012, Faurecia's share price rose by 20.0%. It closed 2012 at €11.72, compared with €14.65 at end-2011.

The average price of Faurecia shares during 2012 was €15.12, with a high of €22.86 on March 19, 2012 and a low of €10.61 on November 16, 2012.

Average monthly trading volumes for 2012 as a whole corresponded to 11.33 million shares or €177.99 million.

10.3.3.1. Share price and trading volumes (source: Euronext)

	Price *(in €)*				Trading volume	
Share price and trading volumes	**High**	**Average**	**Low**	**Close**	**Equities**	**Value** *(in € thousands)*
2012						
January	19.70	17.54	14.30	19.08	13,323,463	234,270
February	22.01	20.25	18.61	21.00	13,453,135	273,140
March	22.86	21.26	19.53	20.22	14,505,026	307,407
April	20.42	17.37	15.54	16.24	16,483,644	288,860
May	16.57	14.91	13.01	13.24	13,665,557	202,910
June	14.05	12.84	11.83	13.05	12,167,565	156,350
July	14.37	12.85	11.41	12.96	14,461,500	185,470
August	15.85	14.43	12.61	14.65	6,214,196	88,910
September	15.50	14.25	12.84	12.89	8,531,379	121,561
October	13.48	12.43	11.55	11.58	9,111,648	113,230
November	12.28	11.56	10.61	12.08	8,099,545	93,360
December	12.12	11.78	11.32	11.72	5,918,246	69,792

	Price *(in €)*				Trading volume	
Share price and trading volumes	**High**	**Average**	**Low**	**Close**	**Equities**	**Value** *(in € thousands)*
2011						
January	26.45	24.48	21.72	25.34	16,516,284	405,470
February	30.25	27.53	23.93	28.18	15,748,774	433,660
March	29.22	26.10	23.30	25.80	11,854,733	308,710
April	28.24	26.23	23.71	27.85	12,004,108	311,100
May	29.72	28.36	27.03	29.55	9,554,418	270,630
June	30.10	27.79	26.21	29.54	11,956,706	340,050
July	31.45	29.27	26.35	27.03	11,149,080	323,530
August	28.15	20.06	17.02	20.39	18,500,819	375,390
September	20.50	17.25	14.70	16.22	14,190,788	245,070
October	20.74	17.65	13.50	19.31	16,101,912	282,190
November	19.05	16.13	13.11	15.54	13,548,338	221,130
December	16.55	14.39	12.72	14.65	9,771,205	141,250

10.3.3.2. Stock market data

	12/31/2012	12/31/2011
Stock market capitalization at year-end *(in € millions)*	1,299.0	1,616.9
Share price *(in €)*		
• High	22.86	31.45
• Low	10.61	12.72
Share price at year-end *(in €)*	11.72	14.65
Shareholders' equity per share *(in €)*	11.7	10.5

10.3.3.3. Dividends

Financial Year	Number of shares carrying dividend rights	Dividends paid
2009	89,448,504	-
2010	110,366,728	0.25 cents per share
2011	110,368,345	0.35 cents per share
2012	110,833,745	-

10.3.3.4. Dividend payment policy

The Company pays dividends in line with the practices of other similar companies, based on the Group's results for the year.

10.3.3.5. Per share data

(in €)	12/31/2012	12/31/2011
Diluted earnings (loss) per share	1.27	3.11
Cash flow from operations per share (undiluted basis)	5.9	8.2

The method used to calculate the weighted average number of shares after dilution to determine per share data is explained in Note 9 to the consolidated financial statements.

10.4. Additional information on Faurecia S.A.

10.4.1. BACKGROUND

Origins

1891. The first automobiles, in the modern sense, are made, powered by gasoline engines. The first steel tubes follow, patented by Peugeot. They are produced mainly at Audincourt, in the Doubs region of eastern France.

1914. Bertrand Faure opens his first workshop, making seats for Paris trams and underground trains, at Levallois-Perret.

1929. Bertrand Faure acquires the license for the Epeda process enabling the Company to fine-tune its seats for the automotive industry and develop a new product, the spring mattress. Both businesses take off significantly after the Second World War. Bertrand Faure clients include Renault, Peugeot, Citroën, Talbot, Panhard-Levassor, Berliet and Simca.

1950. Bernard Deconinck, son-in-law of Joseph Allibert, who had founded the Allibert Company in Isère (eastern France) in 1910, decides to invest in a huge injection press, imported from the USA, to mould large plastic parts in a single piece. He then turns from refrigerator manufacturers to automotive industry customers.

1955. The Frères Peugeot company, one of whose subsidiaries is Peugeot et Cie, starts production of automotive equipment. Over the years, the companies diversify into making seats, exhaust systems, and steering columns, extends operations outside France, dropping some products to concentrate on new production lines.

1972. François Sommer, grandson of Alfred Sommer, merges his automotive floor coverings company with that of Bernard Deconinck's company, Allibert, to found the Sommer Allibert group, combining know-how in textiles and plastics.

In the early 1980s, Sommer Allibert invests heavily to meet the needs of the automotive industry and becomes a leading specialist in interior vehicle fittings for all of the major automakers. International expansion follows, with the acquisition of Spain-based Lignotock, and an extended presence in Germany from 1993.

1987. Cycles Peugeot merges with Aciers & Outillages Peugeot to form Ecia (Équipements et Composants pour l'Industrie Automobile), the PSA Peugeot Citroën group's specialist automotive equipment subsidiary. Ecia then undergoes ten years of intense industrial and geographical development.

1990. Epeda Bertrand Faure draws on its experience in manufacturing seating for transport vehicles – cars, trains, trams, etc. – to gradually diversify into other business segments. It first branches out into bedding, through the Epeda and Mérinos brands, then luggage with Delsey in 1982 and finally the aeronautics sector through Ratier-Figeac in 1987, but with automotive seating components nevertheless remaining the core business and the French market still accounting for a significant portion of revenue. After carrying out acquisitions in Portugal, Spain and Canada as from 1977, and gaining a modest foothold in Germany, the Company's international expansion takes off, with the acquisition in 1990 of Germany-based Rentrop. Epeda Bertrand Faure then becomes the European leader in the Automotive Seating business. Throughout the 1990s until 1998, the Company concentrates on its automotive equipment expertise, selling off its other businesses in bedding (Epeda and Mérinos), aeronautics (Ratier-Figeac) and luggage (Delsey).

1992. Ecia sells its cycle business, followed by its tooling business, and makes significant acquisitions of exhaust systems specialists – Tubauto and Eli Échappement in France, Leistritz Abgastechnik in Germany and Silenciadores PCG in Spain. Ecia becomes the leading European manufacturer of exhaust systems. At the same time, its Automotive Seating division joins forces with the Spanish automotive equipment supplier Irausa to form Ardasa. Clients for exhaust systems, seats, interior fittings and front ends include Volkswagen, Renault, Daimler Chrysler, Opel, Honda and Mitsubishi.

December 11, 1997. Ecia launches a friendly bid for Bertrand Faure, bringing its direct and indirect stake in this group to 99%. The acquisition leads to the formation of the Faurecia group in 1998 with the underlying aim of focusing on the automotive equipment business. At the same time as Bertrand Faure sells its luggage business (Delsey) and aeronautics business (Ratier-Figeac), Ecia sells its motorcycles business (Peugeot Motocycles) to the PSA Peugeot Citroën group in 1998.

June 1999. Ecia and Bertrand Faure merge, resulting in the PSA Peugeot Citroën group holding a 52.6% stake in Faurecia by the end of 1999. Faurecia reports sales of over €4 billion, with a workforce of 32,000. As well as boosting its size and helping it gain a worldwide position in automotive seating, Bertrand Faure gives Ecia a broader geographical and commercial reach, especially in Germany, where the Company has strong links with manufacturers such as Volkswagen and BMW.

Late 1999. The Faurecia group extends its exhaust systems coverage in North America with the acquisition of the US company AP Automotive Systems.

October 2000. Faurecia purchases Sommer Allibert. By financing this transaction, the PSA Peugeot Citroën group raises its stake in Faurecia to 71.5%. With good coverage of Germany and Spain, the Group commands high market share for vehicle interior fittings in Europe, especially for door and instrument panels and acoustic modules.

2001. The Sommer Allibert acquisition is finalized through a public offer to buy out Sommer Allibert's minority shareholders. The resulting Group posts sales of €9.6 billion. Faurecia then buys out the remaining minority shares held by external shareholders in Sommer Allibert's German subsidiary SAI Automotive AG.

2002. The Faurecia group acquires 49% of the South Korean catalytic converter maker Daeki Industrial, number two in its market. The same year, Faurecia forms a joint venture with the Taiwanese automotive equipment company GSK, with a view to making seats at Wuhan, in China.

2003. Faurecia follows up these acquisitions by buying the South Korean exhaust systems company Chang Heung Précision, which holds market share of over 20%. This gives Faurecia's Exhaust Systems business a manufacturing presence in all continents. In Europe, the Group finalizes an agreement with Siemens-VDO on strengthening and extending their joint venture (SAS), assembling cockpits for BMW, Daimler Chrysler, the Ford group, Renault-Nissan and the Volkswagen group.

2005. To step up Korean operations, Faurecia raises its stake in Daeki (specializing in exhaust systems for Hyundai) to 100%, and sets up a joint venture with the South Korean company Kwang Jin Sang Gong, to produce door modules for Hyundai Motors and Kia Motors.

2007. Faurecia takes over the bumper operations of Cadence Innovation France, enabling the Group to strengthen its market positioning in this sector in France.

2009. Faurecia acquires Emcon Technologies (formerly Arvin Industries), becoming the world leader in the exhaust systems market. This business combination strengthens Faurecia's position with automakers in Germany (as Arvin Industries acquired Zeuna Stärker in 1998), the USA (particularly Ford), South America, India and Thailand. It also enables Faurecia to enter the commercial vehicles market (trucks and off road). With this all-equity acquisition, One Equity Partners, (JP Morgan Chase & Co's private equity arm) holds a 17.3% stake in Faurecia and PSA Peugeot Citroën's interest is reduced to 57.4%.

Faurecia buys out joint venture partner Tata to become the sole owner of Taco Faurecia Design Center. The Company is renamed Faurecia Automotive Engineering India and becomes Faurecia's development center in India.

2010. Faurecia becomes the European leader in automotive exterior parts by acquiring the German activities of Plastal, and subsequently Plastal Espagne SA. Through these acquisitions, Faurecia Automotive Exteriors enlarges its client base, in particular with Ford and the four main German brands, upgrades its product offering and reinforces its industrial foothold and its R&D capacity. Its international development is extended though the formation of a joint company in China with Huaxiang, supplier of exterior parts to Fax-Volkswagen.

Acquiring an 18.75% stake in Xuyang group in China enables the Faurecia group to widen the range of products and services it provides in the following strategic segments: complete seat units, vehicle interior systems, acoustic modules and interior upholstery. A strategic alliance with the Geely and Limin groups marks a significant new development stage for Faurecia Interior Systems and Faurecia Automotive Exteriors in China.

To diversify its technological offer in seating systems, Faurecia Automotive Seating acquired the "seat comfort technology" of the German company Hoerbiger Automotive Komfortsysteme GmbH in the fourth quarter of 2010.

Finally, to strengthen the technological prowess of Faurecia Interior Systems, the Faurecia group acquired Angell-Demmel Europe GmbH, the world leader in decorative metal parts for automobile interiors.

2011. In January, Faurecia took a 21.2% stake in the Danish company, Amminex A/S, thus strengthening its technology towards diesel-emission control.

Faurecia also reinforced its presence in China by signing, in January, a new joint venture agreement with Ningbo Huazhong Plastic Products Co Ltd to make exterior automobile parts and, in June, by enlarging its scope of cooperation with Changchun Xuyang group, which allows it to develop locally, specifically with the FAW group. In July, an agreement was signed with the Economic and Technological Development Zone of Yancheng for an investment project to allow Faurecia to develop its seat mechanism activity.

In addition, Faurecia carried out a bond issue in November for €350 million, maturing in December 2016 (issue supplemented with an additional issue of €140 million in February 2012 with identical maturity) and arranged another syndicated credit loan for €1.150 billion, in two tranches – A (€690 million) and B (€460 million), maturing in November 2014 and November 2016 respectively.

2012. On May 3, Faurecia announced the acquisition of the Ford ACH interior components plant in Saline, Michigan (USA). This plant supplies cockpit modules, instrument panels, door panels and central consoles for twelve automotive programs assembled in eight Ford plants across North America.

In parallel with this acquisition, Faurecia signed a joint venture agreement with Rush Group Ltd., a Rush Group company. The purpose of this joint-venture, called Detroit Manufacturing Systems (DMS), is to take over activities such as the assembly and sequencing of interior parts at a new plant in Detroit.

On February 14, Faurecia announced that it had placed additional bonds with a principal amount of €140 million on top of its €350 million bond issue in November 2011.

On April 27, Faurecia announced that it had placed a new bond issue with a principal amount of €250 million, due in June 2019.

On August 30, Faurecia announced the acquisition, effective on that date, of Plastal France (Plastal S.A.S.), a supplier of plastic body parts for Smart branded vehicles (Daimler Group). This deal, which follows the previous acquisitions of Plastal Allemagne and Plastal Espagne in 2010, includes the manufacturing and assembly plant and its operational headquarters in Hambach (France).

On September 10, Faurecia issued convertible bonds (OCEANE), due on January 1, 2018, for an amount raised, as a result of the over-allotment option exercised on September 12, 2012, to €249,999,989.00, representing 12,833,675 bonds.

On November 29, Faurecia launched a level 1 ADR program listed on the "over-the-counter" (OTC) market in the USA. Every Faurecia ordinary share – listed on the NYSE Euronext Paris market – includes two ADR shares.

10.4.2. LEGAL INFORMATION ABOUT FAURECIA

10.4.2.1. General information about Faurecia

COMPANY NAME AND HEADQUARTERS

Company name: Faurecia

Head office: 2, rue Hennape – 92000 Nanterre – France

Tel.: +33 (0)1 72 36 70 00

Fax: +33 (0)1 72 36 70 07

www.faurecia.com

LEGAL FORM

Faurecia is a *société anonyme* (joint-stock corporation) listed on NYSE Euronext Paris governed by the French Commercial Code and the related implementing regulations. It complies with generally accepted corporate governance principles for companies in France, notably the AFEP-MEDEF Corporate Governance Code of Listed Corporations.

Faurecia abides by the legal and regulatory provisions that apply to the governing bodies of listed companies and reports in this Registration Document on the application of the recommendations made in relation to said Code.

STATUTORY AUDITORS

The Company's financial statements are audited by two Statutory Auditors, appointed in accordance with Article L. 225-228 of the French Commercial Code.

DATE OF INCORPORATION AND TERM

Incorporated on: July 1, 1929.

Term expires on: December 31, 2027.

INCORPORATION DETAILS

The Company is registered with the Nanterre Trade and Companies Registry under number: 542 005 376.

APE (Business Identifier Code) is: 7010Z.

CONSULTATION OF CORPORATE DOCUMENTS

During the period of validity of this Registration Document, the following documents (or copies thereof) can be consulted at the Company's headquarters:

a. the Company's articles of incorporation and bylaws;

b. historical financial information on Faurecia S.A. and its subsidiaries for each of the two fiscal years prior to publication of the Registration Document.

CONTACT DETAILS

Faurecia

Philippe McAllister

Director of Legal Affairs

2, rue Hennape

92000 Nanterre

The above documents can also be viewed on the Company's website at www.faurecia.com.

CORPORATE PURPOSE

The Company's purpose, as set out in Article 3 of the bylaws, is summarized below:

- to establish, acquire, operate directly or indirectly or invest in any and all industrial, trading or service companies in France or abroad;

- to provide administrative, financial and technical assistance to subsidiaries and affiliates;
- to manufacture and sell any and all products, accessories or equipment for the automotive and other industries, and generally to conduct any and all related commercial, industrial, real estate and other transactions.

THE COMPANY'S ROLE IN RELATION TO ITS SUBSIDIARIES

Faurecia is a holding company, whose assets are primarily made up of investments in subsidiaries and affiliates. The Group's industrial assets are held by the operating subsidiaries.

Faurecia provides direct and indirect financial, accounting, management, administrative and other services to Group companies.

A list of consolidated companies as of December 31, 2012 can be found in Chapter 9 and a simplified organization chart of the Group's operating companies is set out in Section 10.4.2.3 of this Registration Document.

Group subsidiaries are financed on a centralized basis, primarily through Faurecia and Financière Faurecia, which performs a cash pooling role. This way of functioning enables the subsidiaries to benefit from the favourable market conditions obtained from lenders by Faurecia and compensates for the borrowing and lending positions of the different entities.

As of December 31, 2012, Faurecia's net debt, corresponding to borrowings less cash and cash equivalents, marketable securities and net inter-company cash advances, amounted to €519.4 million, compared with €1,807.1 million in consolidated net debt for the Group as a whole.

FISCAL YEAR

The Company's fiscal year covers the 12-month period from January 1 to December 31.

INCOME APPROPRIATION

Income available for distribution corresponds to net income for the year, less any losses carried forward from prior years and any amounts appropriated to reserves in compliance with the law or the bylaws, plus any retained earnings.

Out of this income, the Shareholders' Meeting determines the portion attributed to shareholders in the form of dividends and deducts the amounts it considers appropriate to allocate to any reserve funds or to carry forward.

However, except in the case of a capital reduction, no distributions may be made to shareholders if the Company's shareholders' equity represents – or would represent after the planned distribution – less than its capital stock plus any reserves which, according to the law or the bylaws, are not available for distribution.

The Shareholders' Meeting may also decide to distribute amounts deducted from optional reserves in order to pay or increase a dividend or pay a special dividend.

The Company's bylaws provide that the Ordinary Shareholders' Meeting approving the financial statements for the year may also decide to offer each shareholder the option between the payment of the dividend or the interim dividend in cash or in shares.

DIVIDENDS – STATUTE OF LIMITATIONS

Dividends not collected within five years of the payment date will be time-barred and paid over to the French Treasury.

REGISTRAR AND PAYING AGENT

The registrar and paying agent for Faurecia shares is Caceis Corporate Trust, 14 rue, Rouget-de-Lisle, 92862 Issy-les-Moulineaux Cedex 9, France.

STOCK MARKET DATA

Faurecia shares are listed on Euronext Paris (compartment A) of NYSE Euronext under ISIN code FR 0000121147.

They are included in the SBF 80, MID & SMALL 190 and NEXT 150 indexes.

They are eligible for inclusion in personal equity plans (PEA) and the deferred settlement service (SRD).

ANNUAL SHAREHOLDERS' MEETINGS

The particular rules governing the participation of shareholders in General Meetings are described in Articles 22 and 23 of the Company's bylaws, and may be consulted at www.faurecia.com.

Shareholders' Meetings are held at the Company's headquarters or at any other venue specified in the notice of meeting.

Holders of registered shares are notified by mail; the other shareholders are notified via the relevant banks and brokers through the financial notices provided for by the applicable regulations.

A continually updated schedule of all of the Group's financial events, including the date of the Shareholders' Meeting, is available on Faurecia's website at www.faurecia.com.

All shareholders of record at zero (0) hours Paris time on the third business day preceding the date of the Meeting, as evidenced by their registration either on the shareholders' register kept by the Company in the case of registered shares or in a securities account held by an authorized intermediary in the case of bearer shares, are entitled to take part in Shareholders' Meetings.

The rights of shareholders, which may only be amended in accordance with the conditions laid down by French law, are not affected by any other provision of the bylaws.

VOTING RIGHTS

The Company's bylaws do not provide for any restrictions on voting rights. Voting rights at Ordinary, Extraordinary and Special Shareholders' Meetings are exercisable by the beneficial owner of the shares.

DOUBLE VOTING RIGHTS

All fully paid-up shares that have been registered in the name of the same holder for at least two [2] years carry double voting rights. In the case of a bonus share issue paid up by capitalizing retained earnings, income or additional paid-in capital, the bonus shares allotted in respect of registered shares carrying double voting rights will also carry double voting rights as from the date of issue. This double voting right may be canceled following a decision of the Extraordinary Shareholders' Meeting and after having informed a special meeting of the beneficiary shareholders.

Shares that are transferred or converted to bearer form are stripped of double voting rights. However, double voting rights are not lost and the above-mentioned two-year period continues to run when shares are transferred following the liquidation of a marital estate, or by way of an inheritance or in the form of an inter vivos gift to a spouse or a relative in the direct line of succession.

DISCLOSURE THRESHOLDS IN THE BYLAWS

Under Article 29 of the bylaws, in addition to the requirement to report the crossing of thresholds provided for by law, any person or legal entity acting alone or in concert within the meaning of Article L. 233-10 of the French Commercial Code who comes to own a number of shares representing 2% or more of the share capital or voting rights or any multiple thereof, including over and above the statutory thresholds, is required to notify the Company by recorded delivery mail of the total number of shares and voting rights held no later than four business days after occurrence.

In the case of failure to comply, at the request of one or several shareholders present or represented at the Meeting with combined holdings representing at least 2% of the capital or voting rights, the undisclosed shares will be stripped of voting rights. Said request must be recorded in the minutes of the Shareholders' Meeting.

This procedure is in addition to the statutory requirements concerning disclosure thresholds set out in Article L. 233-7 of the French Commercial Code.

The rights of shareholders, which may only be amended in accordance with the conditions laid down by French law, are not affected by any other provision of the bylaws.

ARRANGEMENTS THAT COULD RESULT IN A CHANGE IN CONTROL OF THE COMPANY IF IMPLEMENTED OR THAT COULD POSTPONE OR PREVENT A CHANGE IN CONTROL

To the best of the Company's knowledge there are no arrangements in place whose operation could result in a change in control of the Company at a future date.

There are currently no deeds, bylaws, charters, regulations or contractual provisions in place that could postpone or prevent a change in control of the Company.

ARRANGEMENTS ENTERED INTO BY THE COMPANY THAT WOULD BE AMENDED OR TERMINATED IN THE EVENT OF A CHANGE IN CONTROL OF THE COMPANY

The syndicated loan agreement entered into by the Company on December 20, 2011 includes an acceleration clause under which – subject to certain conditions – each bank may require immediate payment of outstanding sums in the event of a change in control of the Company.

The convertible bonds issued on November 26, 2009 contain early redemption provisions including a minimum shareholding by PSA; the convertible bonds issued on September 18, 2012 contain early redemption provisions including a change of control clause but do not include a clause relating to a minimum shareholding by PSA.

The bonds issued on November 9, 2011 and May 3, 2012 also contain early redemption provisions including a change of control clause but do not include a clause relating to a minimum shareholding by PSA.

MEASURES TAKEN BY THE COMPANY TO ENSURE THAT CONTROL IS NOT EXERCISED IN AN ABUSIVE MANNER

The Company is controlled as described in the table on ownership structure in Section 10.3.2.

Nevertheless, the Company doesn't feel there is any risk that control will be exercised in an abusive manner and has taken steps to this end as described in this Registration Document:

- Section 8.4 of the Registration Document: Internal Control;
- Section 8.1.1 of the Registration Document: relating to the presence of independent directors on the Board of Directors and Board committees;
- Section 8.1.2.1: section on "conflicts of interest".

MAJOR CONTRACTS

To date, Faurecia has not entered into any major contracts that would entail a significant obligation or commitment for the Group, other than those that fall within the ordinary course of business.

DEPENDENCE

Faurecia is not currently dependent on any patents or manufacturing processes owned by third parties or on any specific supply contracts to conduct its business.

In the automotive industry sector in which Faurecia operates subcontractors do not generally define the technical specifications for subcontracted parts. When on rare occasions subcontractors are in a position to do this, the Group's policy is to contractually arrange for the subcontractor concerned to transfer the relevant design work in order for it to be used in conjunction with other services.

SIGNIFICANT PROPERTY, PLANT AND EQUIPMENT

The Group's 320 manufacturing sites and 30 research and development centers spanning 34 countries worldwide enable it to maximize its local presence and implement its just-in-time delivery strategy. None of its manufacturing equipment taken on an individual basis represents a material value in relation to the property, plant and equipment of the Group as a whole. They are mostly dedicated to client programs. As a result, utilization rates are largely dependent on business levels. With very few exceptions, utilization rates for equipment and facilities are not monitored centrally or systematically.

Note 12 to the consolidated financial statements provides further information on the Group's property, plant and equipment.

FACTORS LIABLE TO IMPACT A PUBLIC TENDER OFFER

The information required under Article L. 225-100-3 of the French Commercial Code is set out in Sections 8.1.1, 10.3.2, and in Subsections 10.4.2.1 and 10.4.2.2 of the Registration Document.

10.4.2.2. Additional information on the Company's capital

As of December 31, 2012 the Company's capital amounted to €775,836,215, divided into 110,833,745 fully paid-up shares with a par value of €7 each, all of the same class. This represents 174,569,042 voting rights (exercisable voting rights, not including shares stripped of voting rights). No shares have been issued that do not represent the Company's capital.

AUTHORIZED CAPITAL

The table below outlines the financial authorizations in force and the amounts used throughout 2012

Date of the Shareholders' Meeting and Authorization	Amount in €/nominal value	Term	Liquidation in 2012
Extraordinary Shareholders' Meeting of May 23, 2012 **Eleventh resolution** Authorization for the Board of Directors to issue ordinary shares and/or securities carrying rights to shares in the Company, with pre-emptive subscription rights for existing shareholders, including capital increases by capitalization of earnings, premiums or reserves	€300 million (common ceiling for this resolution and resolutions 12 to 15 of this Shareholders' Meeting) (1) €1,000 million in debt securities (common ceiling for resolutions 12 and 13 of this Shareholders' Meeting) (2)	26 months	No
Extraordinary Shareholders' Meeting of May 23, 2012 **Twelfth resolution** Authorization for the Board of Directors to issue ordinary shares and/or securities carrying rights to shares in the Company, without pre-emptive subscription rights for existing shareholders, through a <u>public offering</u>	€110 million €1,000 million in debt securities	26 months	Yes Authorization partially used as part of the issue of 12,833,675 Oceanes (3) in September 2012 for €249,999,989, representing a maximum share capital increase of €89,835,725
Extraordinary Shareholders' Meeting of May 23, 2012 **Thirteenth resolution** Authorization for the Board of Directors to issue ordinary shares and/or securities carrying rights to shares in the Company or to debt securities, as part of a <u>private placement</u>, without pre-emptive subscription rights for existing shareholders	€110 million €1,000 million in debt securities	26 months	Yes Authorization partially used as part of the issue of 12,833,675 Oceanes (4) in September 2012 for €249,999,989, representing a maximum share capital increase of €89,835,725

(1) As this ceiling is common to resolutions 12, 13 and 15, the use of these resolutions in 2012 affected it.
(2) As this ceiling is common to resolutions 12 and 13, the use of these resolutions in 2012 affected it.
(3) 4 Number of OCEANE following the exercise of the over-allocation option.

Date of the Shareholders' Meeting and Authorization	Amount in €/nominal value	Term	Liquidation in 2012
Extraordinary Shareholders' Meeting of May 23, 2012 **Fourteenth resolution** Authorization for the Board of Directors to set the issue price on the issuance of ordinary shares and/or securities carrying rights to shares without pre-emptive subscription rights for existing shareholders, subject to the conditions set by the Shareholders' Meeting and a ceiling of 10% of the Company's capital	Up to the statutory ceiling of 10% of the share capital per 12-month period	26 months	No
Extraordinary Shareholders' Meeting of May 23, 2012 **Fifteenth resolution** Authorization for the Board of Directors to increase the number of securities to be issued as part of a capital increase – either with or without pre-emptive subscription rights for existing shareholders – in order to grant a greenshoe option	Up to a limit of 15% of the initial issue and at the same price as that for the initial issue	26 months	Yes Authorization partially used as part of the issue of Oceane in September 2012, amounting to 13.64%: issue of 1,540,041 additional bonds
Extraordinary Shareholders' Meeting of May 23, 2012 **Sixteenth resolution** Authorization for the Board of Directors to increase the share capital by means of the issue of shares and/or securities carrying rights to shares in the Company to employees of the Company in accordance with the provisions of Article L. 3332-19 of the French Labour Code	3% of the Company's capital as of the date on which it is used by the Board of Directors	26 months	No
Extraordinary Shareholders' Meeting of May 26, 2011 **Second resolution** Authorization to be given to the Board of Directors to grant free shares	Up to a maximum limit of 2 million shares on the day the Board takes its decision	29 months	Yes, on July 23, 2012 the Board awarded a maximum of 1,049,100 performance shares In addition, on July 25, 2011 the Board had also used this authorization, awarding a maximum of 933,400 shares

POTENTIAL CAPITAL

The potential share capital comprises stock options, performance shares and convertible or exchangeable bonds (OCEANEs):

Stock options

As of December 31, 2012, a total of 1,126,725 employee stock options were outstanding. Please see the table below and also Note 22.2 of the consolidated financial statements for details of the stock option plans approved as of December 31, 2012.

Following the capital increase for cash with pre-emptive subscription rights carried out in April/May 2009, the exercise price and number of shares under option were adjusted for stock option plans in order to preserve the rights of beneficiaries under existing plans. These adjustments were calculated in accordance with Articles L. 228-99 and R. 228-91 of the French Commercial Code.

As of December 31, 2012:

Date of Shareholders' Meeting	Date of Board meeting/ adjusted exercise price *(in €)*	Adjusted number of options granted	Of which granted to senior executive management	Start of exercise period Last exercise date	Options exercised	Options forfeited	Adjusted number of options outstanding at 12/31/2012
05/14/2002	04/14/2004 49.73	313,560	127,530	04/14/2008 04/13/2014	0	152,100	161,460
05/25/2004	04/19/2005 54.45	321,750	142,740	04/18/2009 04/18/2015	0	129,285	192,465
05/23/2005	04/13/2006 45.20	340,800	168,000	04/14/2010 04/14/2016	0	141,000	199,800
05/23/2005	04/16/2007 44.69	346,200	172,800	04/17/2011 04/17/2017	0	89,400	256,800
05/29/2007	04/10/2008 28.38	357,000	174,000	04/10/2012 04/10/2016	0	40,800	316,200
TOTAL							**1,126,725**

TABLE 9 (NUMBERING AS PER AMF RECOMMENDATION OF DECEMBER 22, 2008)

Stock options granted to/exercised by the ten employees who received the highest number of options	Total number of options granted/ exercised	Weighted average price *(in €)*
Options granted to the top ten employee grantees during the year, by the Company and other Group companies entitled to grant options. *(Total)*	0	0
Options exercised during the year by the top ten employee grantees of the Company and other Group companies entitled to grant options. *(Total)*	0	0

No stock options were granted in 2012.

Performance shares

Further to the authorization granted at the Shareholders' Meeting of May 26, 2011 to the Board of Directors to award performance shares, on July 23, 2012 the Board of Directors of Faurecia adopted the rules for performance share plan No. 4 and decided on the list of 255 beneficiaries eligible to receive, subject to achieving the plan's performance targets, a maximum of 1,049,100 Faurecia shares.

PERFORMANCE SHARE PLAN SUMMARY TABLE

Plan number and date	Meeting date/Date of Board meeting	Max. number of shares granted during the relevant period	Acquisition date	Vesting date	Performance requirements
Plan No. 1 from June 23, 2010	• Shareholders' Mtg of February 8, 2010 • Board meeting of June 23, 2010	860,600	June 23, 2012 for beneficiaries working and tax resident in France/June 23, 2014 for the others	06/23/14	Pretax net income of the Group as of December 31, 2011 before gains on asset disposals and change in the scope of consolidation
Plan No. 2 from July 21, 2010	• Shareholders' Mtg of February 8, 2010 • Board meeting of July 21, 2010	887,250	July 21, 2013 for beneficiaries working and tax resident in France/July 21, 2014 for the others	July 21, 2015 for beneficiaries working and tax resident in France/ July 21, 2014 for the others	Pretax net income of the Group as of December 31, 2012 before gains on asset disposals and change in the scope of consolidation
Plan No. 3 July 25, 2011	• Shareholders' Mtg of May 26, 2011 • Board meeting of July 25, 2011	933,400	July 25, 2014 for beneficiaries working and tax resident in France/July 25, 2015 for the others	July 25, 2016 for beneficiaries working and tax resident in France/ July 25, 2015 for the others	Pretax net income of the Group at December 31, 2013 before gains on asset disposals and change in the scope of consolidation
Plan No. 4 July 23, 2012	• Shareholders' Mtg of May 26, 2011 • Board meeting of July 23, 2012	1,049,100	July 23, 2015 for beneficiaries working and tax resident in France/July 23, 2016 for the others	July 23, 2017 for beneficiaries working and tax resident in France/ July 23, 2016 for the others	Pretax net income of the Group at December 31, 2014 before gains on asset disposals and change in the scope of consolidation; and Comparison between the Company's earnings per share growth between 2011 and 2014 and the average growth of a reference group comprising global automotive suppliers.

Convertible or exchangeable bonds (OCEANE)

- On November 26, 2009, on the basis of the authorization granted by the Shareholders' Meeting of April 23, 2009, and pursuant to the decisions of the Board of Directors of October 15 and November 24, 2009, and subsequent decisions by the Chairman and Chief Executive Officer on November 18 and 24, Faurecia issued 11,306,058 bonds, totaling €211.3 million gross, maturing on January 1, 2015.

  Each bond has a nominal value of €18.69. The bonds bear annual interest of 4.50% (i.e. €0.841 per bond) payable on January 1 each year, as from January 1, 2011.

  The bonds will be reimbursed at par on January 1, 2015.

  Following the payment of a dividend in respect of 2011, the conversion ratio has, since June 5, 2012, been set at 1.04 share with a par value of €7 for each Oceane

  Faurecia may redeem the bonds early, provided certain conditions are met.

  At December 31, 2012, 1,615 bonds had been converted into shares.

- On September 18, 2012, on the basis of the authorization granted by the Shareholders' Meeting of May 23, 2012, and pursuant to the decision of the Board of Directors on August 31, 2012, and subsequent decisions by the Chairman and Chief Executive Officer on September 10 and 12, 2012, Faurecia issued 12,833,675 bonds, totaling €249,999,989 gross, maturing on January 1, 2018.

  Each bond has a nominal value of €19.48. The bonds bear annual interest of 3.25% (i.e. €0.63 per bond) payable on January 1, each year, as from January 1, 2013.

  The bonds will be reimbursed at par on January 1, 2018.

  They are convertible into and/or exchangeable for new or existing Faurecia shares on a one-for-one basis, subject to future adjustments. Faurecia may redeem the bonds early, provided certain conditions are met.

  As of December 31, 2012, no bond had been converted into shares.

TRADING BY THE COMPANY IN ITS OWN SHARES IN 2012 (ARTICLE L. 225-211 OF THE FRENCH COMMERCIAL CODE)

The Shareholders' Meeting of May 23, 2012 announced the launch of a share buyback program, superseding the one authorized in the twelfth resolution of the Shareholders' Meeting of May 23, 2011.

TREASURY STOCK (EXCLUDING THE LIQUIDITY AGREEMENT)

As of December 31, 2012 the Company held 25,750 shares in treasury (see Note 11 to the parent company financial statements).

Outside the scope of the liquidity agreement, the Company did not trade in its own shares.

LIQUIDITY AGREEMENT

Since April 27, 2009, Faurecia has set up a liquidity agreement that complies with the AMAFI Code of Ethics. This agreement is valid for one year and is automatically renewable.

Share buybacks are used for a number of reasons, including to maintain a liquid market for the Company's shares and to purchase shares for allocation to employees or corporate officers, notably under stock option or share grant plans.

The maximum amount that may be invested by the Company in a share buyback program may not exceed 10% of the Company's capital. The maximum authorized may not exceed 10% of the Company's share capital and the per-share purchase price may not exceed €40.

In accordance with the law, when treasury shares are purchased in order to maintain a liquid market, the calculation of the above-mentioned 10% ceiling is based on the number of shares purchased less the number of shares sold during the term of the buyback program.

Pursuant to the provisions of Article L. 225-210 of the French Commercial Code, the value of all the treasury shares owned by the Company does not exceed the amount of available reserves, other than the legal reserve, as recorded in the parent company financial statements for the year ended December 31, 2012.

During 2012, in connection with the liquidity agreement the Company purchased a total of 528,755 shares, representing 0.5% of the share capital for €7,234,319.61 and sold an aggregate 535,353 shares for €7,364,027.08.

As of December 31, 2012, the following amounts figured in the liquidity account: 16,229 shares with a value of €190,203.88, and €1,698.369.68 in cash.

In 2012, gains made under the liquidity agreement totalled €69,998.77, and interest on cash totalled €1,130.38. Management fees under the liquidity agreement came to €45,222.85 (excluding VAT) in 2012.

DESCRIPTION OF THE BUYBACK PROGRAM (PREPARED PURSUANT TO ARTICLE 241-2 OF THE AMF'S GENERAL REGULATIONS)

A new share buyback authorization will be submitted to the Shareholders' Meeting of May 30, 2013, with the following terms and conditions:

Seventh resolution – Authorization to be granted to the Board of Directors to purchase shares of the Company within the framework of the mechanism provided for by Article L. 225-209 of the Commercial Code

The shareholders, after having considered the Board of Directors' report, authorize the Board, for a period of eighteen months in accordance with Articles L. 225-209 et seq. of the Commercial Code, to purchase shares in the Company, on one or more occasions and at times to be fixed by it, up to a maximum limit of 10% of the total number of shares comprising the share capital, as adjusted if applicable to take into account any increases or reductions in the capital which may occur during the term of the program.

This authorization terminates that granted to the Board of Directors by the shareholders in the tenth resolution ruling on ordinary business at the Ordinary and Extraordinary Shareholders' Meeting held on May 23, 2012.

The purchases may be made with a view to:

- maintaining a liquid market for Faurecia's shares through an investment services provider acting under a liquidity contract which complies with the AMAFI Code of Ethics approved by the AMF;
- keeping the shares thus purchased for tendering at a later date in exchange or as consideration for external growth operations, it being stipulated that the shares acquired for such purpose may not exceed 5% of the Company's capital;
- covering stock option plans and/or plans for the granting of free shares (or similar plans) for the benefit of employees and/or corporate officers of the Group, as well as all allotments of shares within the framework of a Company or Group savings plan (or similar plan) in respect of the profit-sharing entitlement and/or all other forms of allotments of shares to employees and/or corporate officers of the Group;
- covering securities giving an entitlement to the allotment of shares in the Company within the framework of current regulations; and
- possibly canceling the shares purchased, subject to the authorization to be granted by this Shareholders' Meeting in its eighth resolution ruling on extraordinary business.

These shares may be purchased by any means, including through block purchases of shares, and at times deemed appropriate by the Board of Directors.

The transactions may in particular be carried out during a public tender in compliance with the regulations in force.

The Company reserves the right to use options or derivatives within the framework of applicable regulations.

The purchase price may not exceed €40 per share. In the event of a transaction involving the share capital, and in particular a stock-split or a reverse stock-split or a free allocation of shares, the above amount will be adjusted in the same proportions (the multiplier being equal to the ratio between the number of shares making up the share capital before the transaction and the number of shares thereafter).

In this manner, and to serve as a guideline, the maximum amount which the Company would be likely to pay in the hypothesis of a maximum purchase price of €40 would be €441,655,800 on the basis of the registered capital as at December 31, 2012 (made of 110,833,745 shares) and taking into account the 41,979 treasury shares held on that date.

The shareholders grant full powers to the Board of Directors, which may be sub-delegated as provided for by law, to carry out these transactions, to set the practical terms and conditions thereof, and to enter into all agreements and carry out all formalities.

CHANGES IN FAURECIA'S CAPITAL OVER THE LAST FIVE YEARS

	Amount of capital increase/reduction *(in €)*		New capital stock *(in €)*	New additional paid-in capital *(in €)*	New number of shares
Year and type of transaction	**Nominal amount**	**Premium**			
02/2005 Capital increase following the exercise of stock options leading to the issue of 6,500 new shares	45,500	187,600	169,519,357	736,129,579.57	24,217,051
04/2005 Capital increase following the exercise of stock options leading to the issue of 5,950 new shares	41,650	151,144	169,561,007	736,280,723.57	24,233,001
07/2005 Capital increase following the exercise of stock options leading to the issue of 7,600 new shares	53,200	328,210	169,614,207	736,608,933.57	24,230,601
10/2005 Capital increase following the exercise of stock options leading to the issue of 3,000 new shares	21,000	51,620	169,635,207	736,660,553.57	24,233,601
01/2006 Capital increase following the exercise of stock options leading to the issue of 1,000 new shares	7,000	35,380	169,642,207	736,712,173.57	24,234,601

	Amount of capital increase/ reduction *(in €)*		New capital stock *(in €)*	New additional paid-in capital *(in €)*	New number of shares
Year and type of transaction	**Nominal amount**	**Premium**			
12/2006 Capital increase following the exercise of stock options leading to the issue of 24,635 new shares	172,445	852,981.30	169,814,652	737,565,154.87	24,259,236
04/2007 Capital increase following the exercise of stock options leading to the issue of 1,000 new shares	240,800	1,191,084.50	170,055,452	738,756,239.37	24,293,636
10/2007 Capital increase following the exercise of stock options leading to the issue of 24,635 new shares	693,224	3,231,303.27	170,748,676	741,987,542.64	24,392,668
02/2008 Capital increase following the exercise of stock options leading to the issue of 2,380 new shares	16,660	82,609.80	170,765,336	742,070,152.44	24,395,048
05/2009 Capital increase representing a gross amount of €455,374,192, through the issue of 65,053,456 new shares	455,374,192	-	626,139,528	742,080,152.44	89,448,504
02/2010 Capital increase representing a gross amount of €146,427,568, through the issue of 20,918,224 new shares	146,427,568		772,567,096	742,080,152.44	110,366,728
02/2011 Capital increase following the conversion of bonds leading to the creation of 69 new shares	483	806.61	772,567,579	742,080,959.10	110,366,797
04/2011 Capital increase following the conversion of bonds leading to the creation of 1,006 new shares	7,042	11,760.14	772,574,621	742,092,719.20	110,367,803
07/2011 Capital increase following the conversion of bonds leading to the creation of 300 new shares	2,100	3,507	772,576,721	742,096,226.20	110,368,103
02/2012 Capital increase following the conversion of bonds leading to the creation of 242 new shares	1,694	2,828.98	772,578,415	742,099,055.18	110,368,345
06/2012 Capital increase following the creation of 465,400 shares under performance share plan No. 1	3,257,800	-	775,836,215	-	110,833,745

CHANGES IN OWNERSHIP STRUCTURE OVER THE LAST THREE YEARS

	December 31, 2012			December 31, 2011			December 31, 2010		
Shareholders	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights
Peugeot SA	63,380,509	57.18	72.61	63,380,509	57.43	72.89	63,380,509	57.43	63.26
Faurecia Actionnariat Corporate Mutual fund	270,315	0.24	0.25	208,246	0.19	0.19	167,920	0.15	0.19
Treasury stock	41,979	0.04	0	46,872	0.04	0	270,814	0.24	0
Other	47,140,942	42.53	27.13	46,732,718	42.34	26.92	46,547,485	42.18	36.55
TOTAL	**110,833,745**	**100**	**100**	**110,368,345**	**100**	**100**	**110,366,728**	**100**	**100**

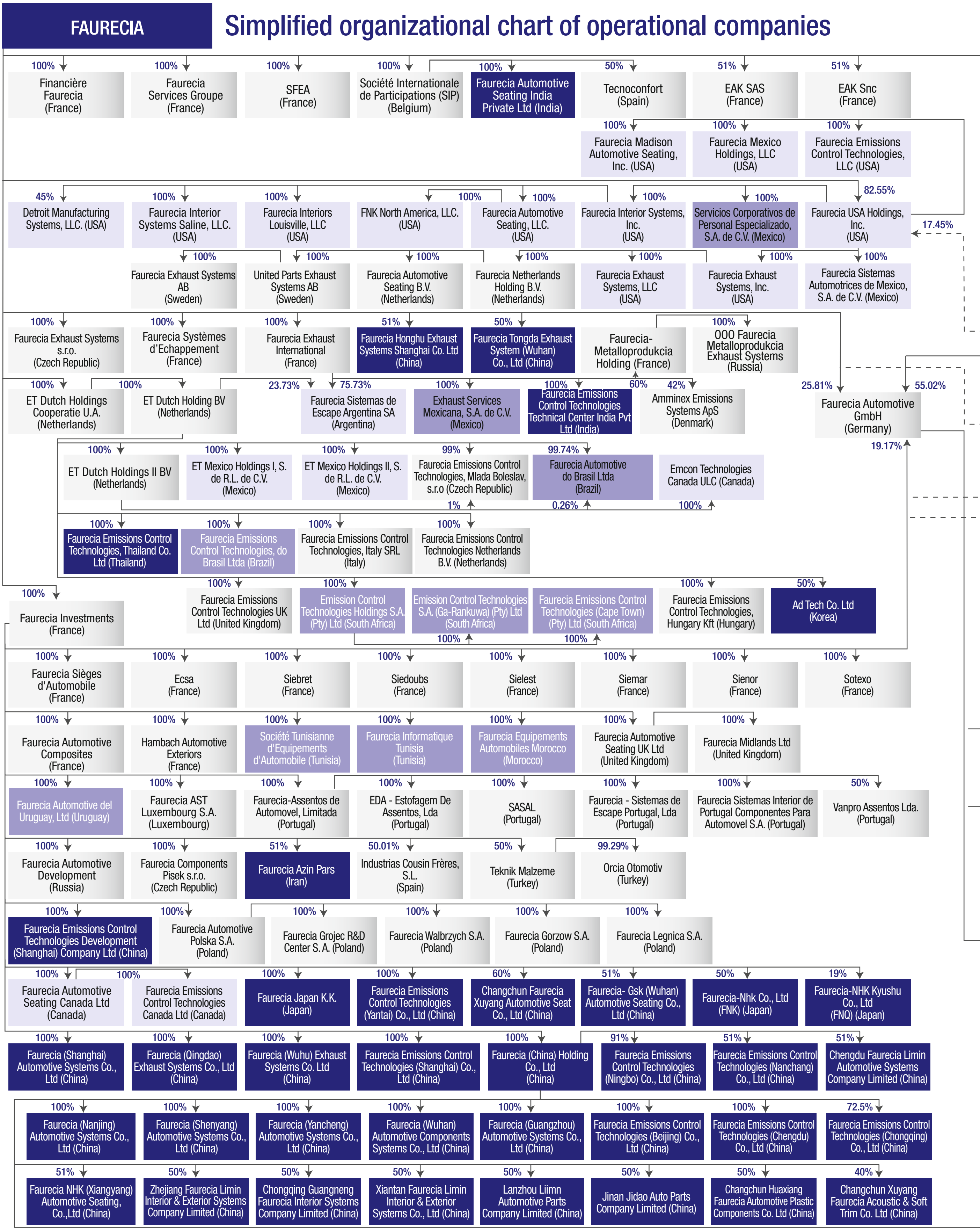
MAJORITY SHAREHOLDER

At December 31, 2012, Peugeot SA holds 57.18% of Faurecia's share capital.

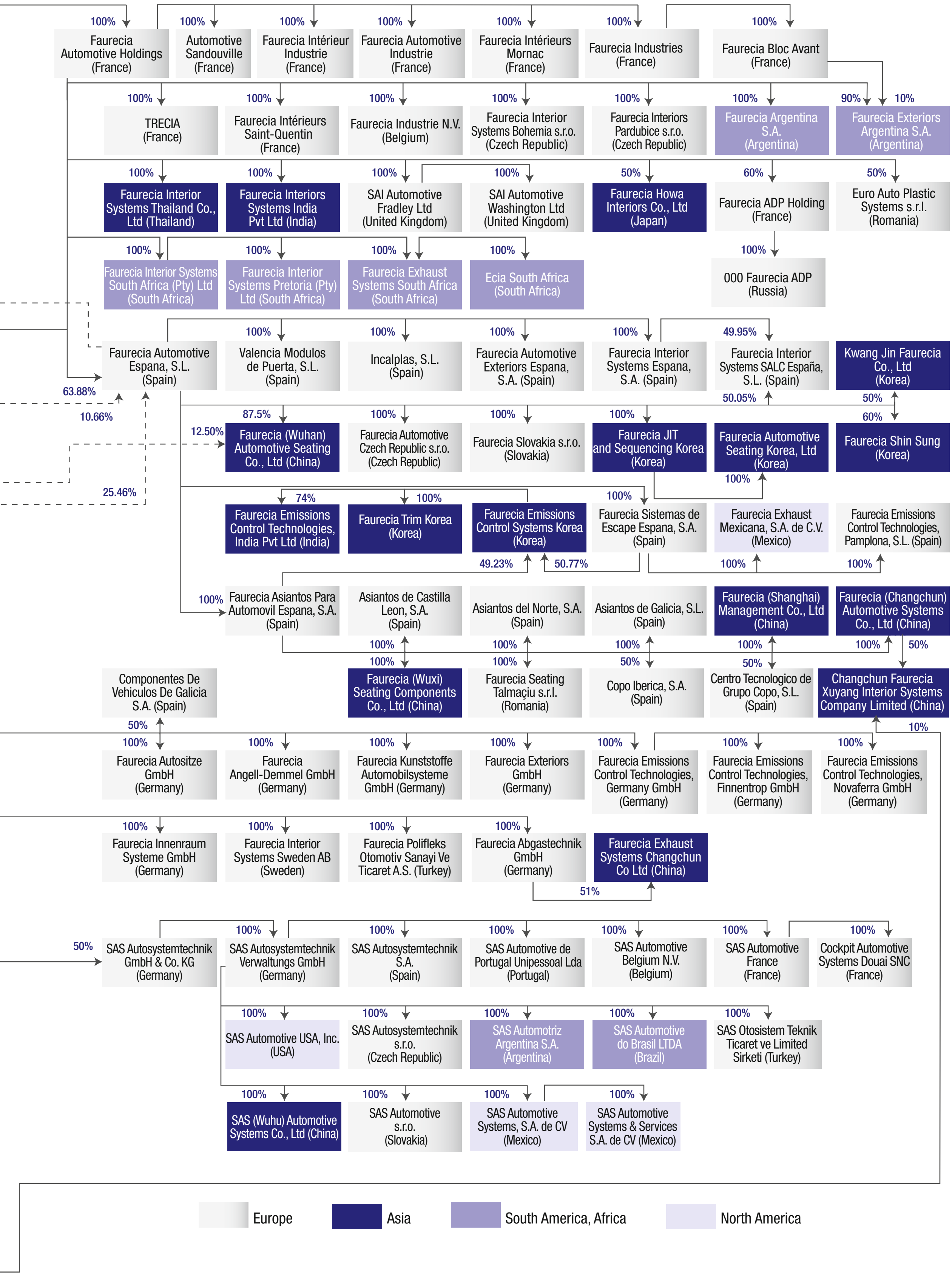
IDENTIFICATION OF SHAREHOLDERS

The Company is entitled to ask the central depository at any time for the names of holders of securities carrying immediate or future voting rights at Shareholders' Meetings, the number of securities held by each, plus details of any restrictions applicable to the securities.

10.4.2.3. Organizational chart of Faurecia group companies



as at december 31, 2012 (directly ou indirectly controlled)



10.4.2.4. Additional information on the audit of the financial statements

A. AUDIT OF THE FINANCIAL STATEMENTS

In accordance with French company law, Faurecia's Statutory Auditors certify the parent company and Group financial statements and review the situation of its fully consolidated subsidiaries through members of their networks.

The Statutory Auditors are appointed by shareholders in a General Meeting. At the Ordinary and Extraordinary Shareholders' Meeting of May 29, 2007 the terms of office of Ernst & Young Audit and PricewaterhouseCoopers Audit were renewed for a six-year period.

Ernst & Young Audit were first appointed by the Shareholders' Meeting of June 17, 1983. Their term of office ends at the 2013 Ordinary Shareholders' Meeting. PricewaterhouseCoopers Audit were first appointed by the Shareholders' Meeting of May 27, 2003. Their term of office ends at the 2013 Ordinary Shareholders' Meeting.

In 2012, Ernst & Young Audit and PricewaterhouseCoopers Audit received €4.8 million and €3.2 million respectively for their audit assignments.

A breakdown of the total fees paid in 2012 by Faurecia and its fully consolidated subsidiaries to its Statutory Auditors is provided in Note 33 to the consolidated financial statements.

B. STATUTORY AUDITORS

	Date of first appointment	Expiry of current term
STATUTORY		
Ernst & Young Audit represented by Denis THIBON member of the Compagnie Régionale de Versailles Tour First TSA 14444 92037 Paris La Défense Cedex, France France	June 17, 1983	2013 AGM
PricewaterhouseCoopers Audit represented by Dominique MÉNARD member of the Compagnie Régionale de Versailles 63, rue de Villiers 92208 Neuilly sur Seine France	May 27, 2003	2013 AGM
ALTERNATES		
Auditex	May 27, 2003	2013 AGM
Étienne Boris	May 25, 2005	2013 AGM

The terms of office of the Statutory and Alternate Auditors will come up for renewal at the Ordinary and Extraordinary Shareholders' Meeting of May 30, 2013.

11

Annual Shareholders' Meeting May 30, 2013

CONTENTS

11.1. Reports

11.1.1. SUPPLEMENTARY REPORT OF THE BOARD OF DIRECTORS PURSUANT TO ARTICLES L. 225-129.5, R. 225-116 AND R. 225-117 OF THE FRENCH COMMERCIAL CODE

To the Shareholders,

The Board of Directors resolved to implement the authorizations granted in the twelfth, thirteenth and fifteenth resolutions of the Ordinary and Extraordinary Shareholders' Meeting of May 23, 2012, in order to issue bonds convertible into and/or exchangeable for new or existing Company shares, without pre-emptive subscription rights for existing shareholders or a priority subscription period.

In accordance with the provisions of Articles L. 225-129-5, R. 225-116 and R. 225-117 of the French Commercial Code, the Board of Directors prepared a supplementary report in order to report to you on the carrying out of this transaction.

1. Terms and conditions of the transaction

1.1 ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF MAY 23, 2012

The twelfth resolution of the Ordinary and Extraordinary Shareholders' Meeting of May 23, 2012 empowered the Board of Directors to approve and carry out one or more capital increases by means of the issue in France and/or abroad, solely by means of a public offering, of ordinary shares and any other securities carrying immediate or future rights, by any means, to ordinary Company shares.

The thirteenth resolution of the Ordinary and Extraordinary Shareholders' Meeting of May 23, 2012 empowered the Board of Directors to approve and carry out one or more capital increases by means of the issue in France and/or abroad, solely by means of a private placement, of ordinary shares and any other securities carrying immediate or future rights, by any means, to ordinary Company shares.

The maximum par value of capital increases that may be carried out now or in the future by virtue of the powers granted in the twelfth and thirteenth resolutions of said Shareholders' Meeting may not exceed the ceiling of €110 million, plus, where necessary, the par value of any additional shares issued to preserve the rights of holders of securities carrying rights to Company shares, in accordance with the law or any contractual provisions stipulating other adjustment events.

The maximum nominal amount of debt securities carrying rights to Company shares issued pursuant to the twelfth and thirteenth resolutions may not exceed the ceiling of €1 billion or equivalent where issued in a foreign currency or a currency unit established with reference to a basket of foreign currencies, this sum being deducted from the overall €1 billion ceiling for debt securities set in the eleventh resolution of said Shareholders' Meeting.

The fifteenth resolution of the Ordinary and Extraordinary Shareholders' Meeting of May 23, 2012 also resolved that for each issue approved under the aforementioned twelfth and thirteenth resolutions, the Board of Directors could, should it see fit, subject to the ceiling applicable to the initial issue and the overall ceiling of €300 million set in the eleventh resolution (plus the par value of any additional shares issued to preserve, in accordance with legal, regulatory and, indeed, contractual provisions, the rights of holders of securities carrying rights to Company shares), resolve to increase the number of securities in each issue within 30 days of the close of subscription, by up to 15% of the initial issue at the same price as for the initial issue.

1.2 MEETING OF THE BOARD OF DIRECTORS OF AUGUST 31, 2012

On August 31, 2012, the Board of Directors, exercising the powers granted it under the twelfth, thirteenth and fifteenth resolutions of the Ordinary and Extraordinary Shareholders' Meeting of May 23, 2012, resolved in principle to (i) issue by means of public offering and private placement to investors falling within the scope of Article L. 411-2 II of the French Monetary and Financial Code, with waiving of pre-emptive subscription rights for existing shareholders and without any priority subscription period, bonds convertible into and/or exchangeable for new or existing Company shares (the "Bonds"), for a maximum nominal amount of €250 million (including the possible exercise of an over-allotment option, as appropriate) and (ii) increase the share capital following the possible conversion of Bonds into new ordinary Company shares, up to a maximum par value of €110 million, plus the par value of any additional shares issued to preserve the rights of holders of securities carrying rights to shares, in accordance with the law and any contractual provisions stipulating other adjustment events.

The Board of Directors also resolved, in accordance with the provisions of Article L. 225-129-4 of the French Commercial Code, to delegate to the Chairman and Chief Executive Officer the necessary powers to decide to carry out the Bond issue or, as appropriate, postpone it, and to carry out said issue, in accordance with the terms and conditions and ceilings set by the Board in the twelfth, thirteenth and fifteenth resolutions of the Ordinary and Extraordinary Shareholders' Meeting of May 23, 2012.

1.3 DECISION OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER OF SEPTEMBER 10, 2012, 07:45

In a decision on September 10, 2012, the Chairman and Chief Executive Officer, exercising the powers delegated to him by the Board of Directors at its meeting of August 31, 2012, resolved to carry out a Bond issue for a provisional base nominal amount of circa €220 million, with the option of raising it to €250 million should the full 13.64% over-allotment option provided by the Joint Lead-Managers and Joint Bookrunners be exercised, and set the preliminary terms and conditions for this issue, and in particular an annual interest rate of between 3.25% and 4% and a conversion premium of between 32% and 37%. The Chairman and Chief Executive Officer noted that the final terms and conditions of issue would be set following the book building process and would primarily depend on Faurecia's reference share price, namely the volume weighted average of the Company's share price on the NYSE Euronext Paris regulated market ("Euronext Paris") from the commencement of trading on September 10, 2012 up to the setting of the final terms and conditions of the Bonds.

1.4 DECISION OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER OF SEPTEMBER 10, 2012, 12:15

In a decision on September 10, 2012, the Chairman and Chief Executive Officer, having regard to the results of the book building process involving investors falling within the scope of Article L. 411-2 II of the French Monetary and Financial Code, and exercising the powers delegated by the Board of Directors at its August 31, 2012 meeting and following up on its decision the same day to launch the offering, resolved to carry out the issue setting the following final terms and conditions and characteristics of the Bonds and the issue schedule (it being noted that in a decision of September 12, 2012, the Chairman and Chief Executive Officer noted the exercise in full of the over-allotment option by the Joint Lead-Managers and Joint Bookrunners):

OFFERING CHARACTERISTICS

Purpose and utilization of issue proceeds	This issue will allow Faurecia to lengthen the average maturity of its debt, diversify its sources of financing, increase its financial flexibility and strengthen its long-term liquidity resources at a satisfactory cost. The Company will use the funds raised from the Bond issue to meet its general financing needs and in particular the financing of its capital expenditure and its research and development costs.
Amount of issue and Gross proceeds	€219,999,990.32, possibly rising to €249,999,989 should the full 13.64% over-allotment option be exercised.
Number of Bonds	11,293,634 Bonds, possibly rising to a maximum of 12,833,675 Bonds, should the full over-allotment option be exercised.
Nominal value of each Bond	€19.48, representing an issue premium of circa 37% over the volume weighted average of the Company's share price on Euronext Paris since the commencement of trading on September 10, 2012 up to the setting of the final terms and conditions of the Bonds.
Pre-emptive subscription rights for existing shareholders – Priority subscription period	Not applicable.
Private placement	In France and outside France, except in particular in the USA, Canada, Japan and Australia, on September 10, 2012, in accordance with the so-called book building procedure (the "Private Placement").
Public offering	In France from September 11 to 13, 2012 inclusive (the "Public Subscription Period").
Intentions of largest shareholders	Peugeot SA informed the Company of its intention not to subscribe to this issue.
Bond issue price	Par, i.e. €19.48 per Bond.

Issue date, dividend entitlement date and settlement date for the Bonds	September 18, 2012 (the **"Issue Date"**)
Rating of issue	The Bonds were rated B2 by Moody's on September 10, 2012
Listing of bonds	On September 18, 2012 under ISIN code FR0011321363 on Euronext Paris.
Clearing	Euroclear France, Euroclear Bank S.A./N.V. and Clearstream Banking, S.A. (Luxembourg).
Underwriting	Underwritten by a bank syndicate as per the terms of an underwriting agreement signed with the Company on September 10, 2012.
Lock-up commitment	From the date of signature of the underwriting agreement and up to the 90th calendar day following the settlement date for the Company and for Peugeot SA, subject to certain exceptions.

PROVISIONAL TIMETABLE OF THE OFFERING

September 10, 2012	Publication of a press release by the Company announcing the launch and the provisional terms and conditions of the issue. Opening of the Private Placement book. Closing of the Private Placement book. Setting of the final terms and conditions of the Bonds. Publication of a press release by the Company announcing the closure of the Private Placement and the final terms and conditions of the Bonds. Acceptance of the Prospectus by the AMF. Signature of the underwriting agreement between the Company and the bank syndicate. Publication of a press release by the Company announcing that the Prospectus has been accepted by the AMF and details on how the prospectus can be obtained.
September 11, 2012	Publication by NYSE Euronext of the Bond circular. Commencement of the Public Subscription Period.
September 13, 2012	End of the Public Subscription Period.
September 14, 2012	Expiry date of the over-allotment option. Where necessary, publication of a press release by the Company announcing the final amount of the issue following the exercise of the over-allotment option. Publication by NYSE Euronext of the notice of admission to trading of the Bonds.
September 18, 2012	Settlement of the Bonds. Admission of the Bonds to trading on Euronext Paris.

CHARACTERISTICS OF THE BONDS

Rank of Bonds	The Bonds constitute unsecured, direct, general, unconditional, unsubordinated and uncollateralized obligations.
Negative pledge applicable to the Bonds	Solely in the event of security interests being granted by the Company or any of its main subsidiaries to holders of other Bonds or other equivalent securities that are, or could be, listed or habitually traded on any regulated market or any organized stock market.
Nominal interest rate	Annual nominal interest rate of 3.25%, payable annually in arrears on January 1, each year (each one being an "Interest Payment Date") (or the next business day if this is not a business day), namely circa €0.63 per Bond per annum. Interest calculated on a pro-rata basis for the period from September 18, 2012 to December 31, 2012 inclusive.
Life of the bond	Five years and 105 days.
Ordinary redemption of the Bonds	In full on January 1, 2018 (or the next business day if this is not a business day) by means of redemption at par.
Early redemption of the Bonds at the Company's option	At any time, for some or all of the Bonds, with no limitation in terms of price or number, by repurchasing them on or off-market or by means of public tender or exchange offers. At any time, from January 15, 2016 up to the maturity date of the Bonds, for all outstanding Bonds subject to at least 30 calendar days' notice, by means of redemption at par plus accrued interest, provided the arithmetic mean, calculated over 20 consecutive trading days selected by the Company from the 40 trading days preceding the date of notice of early redemption, of the product of the opening price of the Company's share on the NYSE Euronext Paris regulated market ("Euronext Paris") and the Share Allotment Ratio prevailing at any given date, exceeds 130% of the nominal value of the Bonds. At any time, for all outstanding Bonds, subject to at least 30 calendar days' notice, by means of redemption at par plus accrued interest, provided they account for less than 10% of the number of Bonds issued.
Early redemption of the Bonds	Possible, at par plus accrued interest, in particular in the event of the Company's default.
Early redemption at the option of holders in the event of a change of control	Possible, at par plus accrued interest.
Share Allotment Right (Conversion/Exchange of Bonds into shares)	At any time from the Date of Issue up to the seventh business day inclusive preceding the ordinary or early redemption date, Bond holders may request the allotment of Company shares at a ratio of one share per Bond, subject to adjustment. The Company may, as it sees fit, deliver new or existing shares or a mixture thereof.
Dividend entitlement and listing of shares issued or delivered upon conversion and/or exchange of the Bonds	New shares issued upon conversion of the Bonds enjoy dividend entitlement from the first day of the fiscal year in which the date of exercise of the share allotment right falls. Existing shares carry current dividend rights.
Governing law	French law.

It should be recalled that the issue price of €19.48 per Bond was set following a book building procedure involving investors falling within the scope of Article L. 411-2 II of the French Monetary and Financial Code, and that this price represents a 37% issue premium over the volume weighted average of the Company's share price on Euronext Paris since the commencement of trading on September 10, 2012 up to the setting of the final terms and conditions of the Bonds. Details of the characteristics of the Bonds issued can be found in the prospectus authorized by the *Autorité des marchés financiers* on September 10, 2012 under No. 12-439.

2. Description of the impact of the issue and conversion into new shares or exchange for existing shares of all Bonds on the position of holders of equities and securities carrying rights to shares

For reference, the impact of the issue and of the conversion into new shares or exchange for existing shares of all Bonds on Faurecia S.A. equity attributable to owners of the parent per share *(calculated on the basis of Faurecia S.A. equity attributable to owners of the parent as of June 30, 2011 – as per the financial statements as of June 30, 2012 – and the number of shares in the Company's share capital as of July 31, 2012 (110,833,745 shares)* would be as follows:

	Group share of equity attributable to owners of the parent per share *(in €)*	
	Undiluted basis	**Diluted basis** (1) (2)
Prior to Bond issue	19.99	22.23
Following issue and conversion or exchange of 12,833,675 Bonds (3)	19.90	19.51

(1) In the event of the exercise of all stock options, the vesting of all performance shares awarded and the conversion and/or exchange of all OCEANE maturing on January 1, 2015.
(2) It should be noted that the Board of Directors authorized the awarding of a maximum of 1,049,100 free shares at its July 23, 2012 meeting.
(3) Assuming the exercise of the full over-allotment option.

For reference, the impact of the issue and of the conversion into new shares or exchange for existing shares of all Bonds on equity attributable to owners of the parent per share *(calculated on the basis of equity attributable to owners of the parent as of June 30, 2012 – as per the consolidated financial statements as of June 30, 2012 – and the number of shares in the Company's share capital as of that date net of treasury stock)* would be as follows:

	Shareholders' equity per share *(in €)*	
	Undiluted basis	**Diluted basis** (1) (2)
Prior to Bond issue	11.40	12.00
Following issue and conversion or exchange of 12,833,675 Bonds (3)	12.20	12.66

(1) In the event of the exercise of all stock options, the vesting of all performance shares awarded and the conversion and/or exchange of all OCEANE maturing on January 1, 2015.
(2) It should be noted that the Board of Directors authorized the awarding of a maximum of 1,049,100 free shares at its July 23, 2012 meeting.
(3) Assuming the exercise of the full over-allotment option.

IMPACT OF THE ISSUE ON SHAREHOLDERS

For reference, the impact of the issue and conversion into new shares of all Bonds on the equity interest of a shareholder who owns 1% of the Company's share capital prior to the issue and who doesn't subscribe for it *(calculations done on the basis of the number of shares in the Company's share capital as of June 30, 2012, i.e. 110,833,745)* would be as follows:

	Shareholder interest *(%)*	
	Undiluted basis	**Diluted basis** (1) (2)
Prior to Bond issue	1	0.88
Following issue and conversion of 12,833,675 Bonds (3)	0.90	0.80

(1) In the event of the exercise of all stock options, the vesting of all performance shares awarded and the conversion into new shares of all OCEANE maturing on January 1, 2015.
(2) It should be noted that the Board of Directors authorized the awarding of a maximum of 1,049,100 free shares at its July 23, 2012 meeting.
(3) Assuming the exercise of the full over-allotment option.

3. Impact of the issue and conversion into new shares of all Bonds on the stock market value of the Company's stock

The theoretical impact on the stock market value of the Company's stock, i.e. around €0.15 (average closing price over the 20 trading days prior to September 10, 2012), of the issue and conversion into new shares of all Bonds would be as follows:

	Stock market value of the Faurecia stock *(in €)*	
	Undiluted basis	**Diluted basis** (1) (2)
Prior to Bond issue	14.71	12.94
Following issue and conversion of 12,833,675 Bonds (3)	13.18	11.74

(1) In the event of the exercise of all stock options, the vesting of all performance shares awarded and the conversion and/or exchange of all OCEANE maturing on January 1, 2015.
(2) It should be noted that the Board of Directors authorized the awarding of a maximum of 1,049,100 free shares at its July 23, 2012 meeting.
(3) Assuming the exercise of the full over-allotment option.

The Statutory Auditors verified that this capital increase was compliant with the authorization granted by the Shareholders' Meeting of May 23, 2012, which they certify in their supplementary report drawn up pursuant to Articles R. 225-116 and R. 225-117 of the French Commercial Code.

In accordance with applicable laws and regulations, this supplementary report and the Statutory Auditors' report may be consulted by shareholders at the Company's headquarters and will be presented directly to shareholders at the upcoming Shareholders' Meeting.

The Board of Directors

11.1.2. STATUTORY AUDITORS' REPORTS

11.1.2.1. Statutory Auditors' report on the issue of shares and/or various securities with or without pre-emptive rights for existing shareholders

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

(ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF MAY 30, 2013 - 9TH, 10TH, 11TH, 12TH AND 13TH RESOLUTIONS)

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in compliance with Articles L. 228-92 and L. 225-135 et seq. of the French Commercial Code (*Code de commerce*), we hereby report on the proposals to authorize the Board of Directors to issue ordinary shares and/or securities, transactions for which your approval is required.

On the basis of its report, your Board of Directors proposes:

- that it should be authorized, with the option of sub-delegation, for a period of 26 months, to decide on the following transactions and set the definitive terms and conditions of such issues, and proposes, where appropriate, to remove existing shareholders' pre-emptive rights for:
  - the issue of ordinary shares and/or securities carrying rights to ordinary shares of the Company or, in accordance with Article L. 228-93 of the French Commercial Code (*Code de commerce*), to the shares of any company in which it directly or indirectly owns more than half the capital stock and/or carrying rights to the allocation of debt securities, with pre-emptive rights for existing shareholders (ninth resolution),
  - the issue of ordinary shares and/or securities carrying rights to ordinary shares of the Company or, in accordance with Article L. 228-93 of the French Commercial Code (*Code de commerce*), to the shares of any company in which it directly or indirectly owns more than half the capital stock and/or carrying rights to the allocation of debt securities, with cancellation of pre-emptive rights for existing shareholders, by way of public offers (tenth resolution),
  - the issue of ordinary shares and/or securities carrying rights to ordinary shares of the Company or, in accordance with Article L. 228-93 of the French Commercial Code (*Code de commerce*), to the shares of any company in which it directly or indirectly owns more than half the capital stock and/or carrying rights to the allocation of debt securities, with cancellation of pre-emptive rights for existing shareholders, by way of offers referred to in II of Article L. 411-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and within the annual ceiling of 20% of capital stock (eleventh resolution);
- that it be authorized, by the twelfth resolution and as part of the authorization referred to in the tenth and eleventh resolutions, to set the issue price within the legal annual ceiling of 10% of capital stock.

The overall nominal value of capital increases liable to be implemented immediately, or in the future, may not exceed:

- €300 million under the ninth resolution, it being stipulated that the overall nominal value of the capital increases liable to be implemented under the ninth resolution and resolutions ten to eleven shall count towards this ceiling;
- €110 million under the tenth resolution, it being stipulated that the overall nominal value of the capital increases liable to be implemented under the eleventh resolution shall count towards this ceiling;
- €110 million under the eleventh resolution, it being stipulated that this amount falls under the common ceiling set under the tenth resolution and shall count towards this ceiling.

The total nominal amount of debt securities that may be issued may not exceed €1 billion for the ninth, tenth and eleventh resolutions.

These ceilings take account of the additional number of securities to be created as part of the implementation of the authorizations referred to in the ninth, tenth and eleventh resolutions, in accordance with Article L. 225-135-1 of the French Commercial Code (*Code de commerce*), should you choose to adopt the thirteenth resolution.

Your Board of Directors is responsible for drafting a report pursuant to Articles R. 225-113 et seq. of the French Commercial Code (*Code de commerce*). Our responsibility is to give our opinion on the accuracy of the figures taken from the accounts, on the proposal to withdraw pre-emptive subscription rights from existing shareholders and on certain other items of information relating to these transactions and appearing in this report.

We performed the procedures we deemed necessary to comply with the professional standards of the national auditing body (*Compagnie nationale des Commissaires aux Comptes*) for this type of assignment. These procedures consist mainly in verifying the content of the Board of Director's report on these transactions and procedures for calculating the issue price of the equity securities to be issued.

Subject to further examination of the terms and conditions of any issues that may be decided upon, we have no observations to make on the method used to calculate the issue price of the equity securities to be issued, as set out in the Board of Director's report in relation to the tenth, eleventh and twelfth resolutions.

Furthermore, since this report does not specify the method used to calculate the issue price of the equity securities to be issued by virtue of implementation of the ninth resolution, we cannot give our opinion on the choice of criteria used to calculate the issue price.

Since the final terms and conditions of such issues have not been set, we are unable to express an opinion on them and, consequently, on the proposal to remove pre-emptive subscription rights from existing shareholders made in the tenth and eleventh resolutions.

Pursuant to Article R. 225-116 of the French Commercial Code (*Code de commerce*), we will prepare an additional report, where appropriate, when these authorizations are exercised by your Board of Directors in the event of issues of securities carrying rights to capital stock and/or carrying rights to the allocation of debt securities with the cancellation of pre-emptive subscription rights for existing shareholders.

Neuilly-sur-Seine and Paris-La Défense, April 19, 2013

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Dominique Ménard	Denis Thibon

11.1.2.2. Statutory Auditors' report on the authorization of grants of free shares, existing or new

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

(ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF MAY 30, 2013 – 15TH RESOLUTION)

To the Shareholders,

In our capacity as Statutory Auditors of your Company and pursuant to Article L. 225-197-1 of the French Commercial Code (*Code de commerce*), we hereby report on the proposed authorization of the attribution of free shares, existing or new, in favor of the employees of your Company or companies that are directly or indirectly related to it within the meaning of Article L. 225-197-2 of the French Commercial Code (*Code de commerce*) and/or officers who meet the conditions laid down by Article L. 225-197-1 of the French Commercial Code (*Code de commerce*), for which your approval is required.

The total number of shares granted may not exceed 2,500,000 shares at the date of the decision by the Board of Directors to grant shares.

Your Board of Directors asks, on the basis of its report, that you invest it, for a period of 26 months, with the power to grant free shares, existing or new.

The Board of Directors is responsible for preparing a report on the transaction that it wishes to be authorized to make. Our responsibility is to give you our observations, if any, on the information and data provided to you in respect of the proposed transaction.

We performed the procedures we deemed necessary to comply with the professional standards of the national auditing body (*Compagnie nationale des Commissaires aux Comptes*) for this type of assignment. These procedures consist mainly in verifying that the proposed terms and conditions contained in the report of the Board of Directors were within the framework of applicable legal provisions.

We have no comments to make on the information given in the report of the Board of Directors on the proposed authorization to grant free shares.

Neuilly-sur-Seine and Paris-La Défense, April 19, 2013

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Dominique Ménard	Denis Thibon

11.1.2.3. Statutory Auditors' report on the issue of ordinary shares and/or securities carrying rights to capital stock and reserved for members of one or more company savings schemes

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

(ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF MAY 30, 2013 – 14^{TH} RESOLUTION)

To the Shareholders,

In our capacity as Statutory Auditors of your Company and pursuant to Articles L. 228-92 and L. 225-135 et seq. of the French Commercial Code (*Code de commerce*), we hereby report on the proposal to authorize the Board of Directors to carry out a capital increase by means of the issue of ordinary shares and/or securities carrying rights to capital stock, with no pre-emptive subscription rights for existing shareholders, reserved for members of one or more Company savings schemes or Group savings schemes set up jointly by your Company and the French or foreign companies bound by the terms of Articles L. 225-180 of the French Commercial Code (*Code de commerce*) and L. 3344-1 of the French Labor Code (*Code du travail*), up to a maximum of 3% of the Company's capital stock on the date on which the Board of Directors decides on the issue, for which your approval is required.

This capital increase is subject to your approval pursuant to the provisions of Articles L. 225-129-6 of the French Commercial Code (*Code de commerce*) and L. 3332-18 et seq. of the French Labor Code (*Code du travail*).

Your Board of Directors asks, on the basis of its report, that you invest it, for a period of 26 months, with the power to issue securities and to waive your pre-emptive subscription rights to securities issued. Where necessary, it shall be responsible for setting the terms and conditions of said issues.

The Board of Directors is responsible for preparing a report pursuant to Articles R. 225-113 et seq. of the French Commercial Code (*Code de commerce*). Our responsibility is to give our opinion on the accuracy of the figures taken from the accounts, on the proposal to withdraw pre-emptive subscription rights from existing shareholders and on certain other items of information relating to the issue and appearing in this report.

We performed the procedures we deemed necessary to comply with the professional standards of the national auditing body (*Compagnie nationale des Commissaires aux Comptes*) for this type of assignment. These procedures consist mainly in verifying the content of the Board of Director's report on this transaction and procedures for calculating the issue price of the equity securities to be issued.

Subject to further examination of the terms and conditions of the prospective issue, we have no observations to make on the means of calculating the issue price of the equity securities to be issued, as shown in the Board of Director's report.

Since the final terms and conditions of the issue have not been set, we are unable to express an opinion on them and, consequently, on the proposal to remove pre-emptive subscription rights from existing shareholders.

Pursuant to Article R. 225-116 of the French Commercial Code (*Code de commerce*), we will prepare an additional report, where applicable, when this authorization is exercised by your Board of Directors.

Neuilly-sur-Seine and Paris-La Défense, April 19, 2013

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Dominique Ménard	Denis Thibon

11.1.2.4. Statutory Auditors' report on the capital reduction

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

(ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF MAY 30, 2013 – 8TH RESOLUTION)

To the Shareholders,

In our capacity at Statutory Auditors of your Company and in compliance with Article L. 225-209 of the French Commercial Code (*Code de Commerce*) on capital reductions by means of cancellation of own shares purchased, we have prepared this report with the aim of informing you of our assessment of the reasons for, and terms and conditions of, the proposed capital reduction.

Your Board of Directors is proposing that it should be invested, for a period of 18 months from the date of this Shareholders' Meeting, with full authority, with the option of sub-delegation, to cancel shares purchased by virtue of your Company's authorization to purchase its own shares within the context of the provisions of the aforementioned article, up to a maximum of 10% of its capital stock per 24 month period.

We performed the procedures we deemed necessary to comply with the professional standards of the national auditing body (*Compagnie nationale des Commissaires aux Comptes*) for this type of assignment. These procedures led us to examine whether the reasons for, and terms and conditions of, the proposed capital reduction, which is not likely to affect shareholder equality, are in order.

We have no matters to report as to the reasons for, and terms and conditions of, the proposed capital reduction.

Neuilly-sur-Seine and Paris-La Défense, April 19, 2013

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Dominique Ménard	Denis Thibon

11.1.2.5. Statutory Auditors' report on related party agreements and commitments

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users.

This report should be read in conjunction with and is construed in accordance with French law and professional auditing standards applicable in France

To the Shareholders,

In our capacity as Statutory Auditors of your company, we hereby report on certain related party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code (*Code de commerce*), to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code (*Code de commerce*) concerning the implementation, during the year, of the agreements and commitments already approved by the General Meeting of shareholders.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body (*Compagnie nationale des Commissaires aux Comptes*) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

AGREEMENTS AND COMMITMENTS SUBMITTED FOR APPROVAL BY THE GENERAL MEETING OF SHAREHOLDERS

Agreements and commitments authorized during the year

In accordance with L. 225-40 of the French Commercial Code (*Code de commerce*), we have been advised of certain related agreements or commitments which received prior authorization from your Board of Directors.

With Mr. Yann Delabrière, Chief Executive Officer of your company and administrator of Société Générale, one of the guarantors of the security agreement signed by your company in connection with the issuance of convertible bonds

Nature and purpose

Following the authorization given by the Board of Directors on August 31, 2012 your company signed on September 10, 2012 a guarantee and investment agreement with BNP Paribas, Crédit Agricole Corporate and Investment Bank, Lazard Frères Bank, Natixis and Société Générale as guarantors.

Mr. Yann Delabrière, Chief Executive Officer of your company, being an administrator of Société Générale, the contract was subject to the prior authorization of the Board of Directors pursuant to Article L. 225-38 of the French Commercial Code (*Code de commerce*).

Conditions

This agreement was settled with the issuance of the 12,833,675 convertible bonds on September 18, 2012.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL MEETING OF SHAREHOLDERS

We hereby inform you that we have not been advised of any agreements or commitments already approved by the General Meeting of shareholders, whose implementation continued during the year.

Neuilly-sur-Seine and Paris-La Défense, April 19, 2013

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Dominique Ménard	Denis Thibon

11.1.2.6. Supplementary report of the Statutory Auditors on the issuance of bonds convertible into and/or exchangeable for new or existing shares of the Company with cancellation of pre-emptive subscription rights

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

MEETING OF THE BOARD OF DIRECTORS OF APRIL 18, 2013

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in accordance with the provisions of Article R. 225-116 of the French Commercial Code (*Code de commerce*), we have prepared a supplementary report to our report of April 19, 2012 on the issuance of shares and/or various other securities with cancellation of pre-emptive subscription rights authorized by your Ordinary and Extraordinary Shareholders’ Meeting of May 23, 2012.

This Meeting delegated to your Board of Directors the power to undertake a transaction of this nature, with a maximum amount of debt securities of €1 billion and a maximum capital increase of one hundred and €10 million (including an over-allotment option of 15%).

At its meeting of August 31, 2012, your Board of Directors decided to sub-delegate to the Chairman and Chief Executive Officer the powers necessary to issue, by way of public offering or private placement with investors referred to in II of Article L. 411-2 of the French Monetary and Financial Code (*Code monétaire et financier*), bonds in accordance with limits set by the Board of Directors within the framework of resolutions approved by your Ordinary and Extraordinary Shareholders’ Meeting of May 23, 2012. Making use of this delegation, your Chairman has decided in, a decision dated September 10, 2012, to issue bonds convertible into and/or exchangeable for new or existing shares of the Company, with cancellation of pre-emptive subscription rights. These Bonds, issued at a price of

€19.48 each, will entitle their holders to receive shares of the Company at the rate of one share per bond. The maximum amount of the prospective capital increase resulting from this transaction is €219,999,990.32, which may be increased to a maximum of €249,999,989 if the over-allotment option of 13.64% is fully exercised. It is the responsibility of the Board of Directors to prepare a supplementary report pursuant to Articles R. 225-115 et seq. of the French Commercial Code (*Code de commerce*). Our responsibility is to give our opinion on the accuracy of the figures contained in the interim financial report and certain other items of information relating to this transaction, appearing in this report.

We performed the procedures we deemed necessary to comply with the professional standards of the national auditing body (*Compagnie nationale des Commissaires aux Comptes*) for this type of assignment. These procedures consisted notably in verifying:

- the accuracy of information contained in the interim financial report of the Company and the consolidated interim financial report prepared under the responsibility of the Board of Directors for the period ended June 30, 2012, using the same methods and the same presentation as the latest annual and consolidated financial statements. This interim financial report was the object on our part of work consisting in meeting with members of management responsible for financial and accounting matters, ensuring that they were prepared using the same accounting principles and the same methods of evaluation and presentation as those used for the preparation of the latest annual and consolidated financial statements, and undertaking analytical procedures;
- the compliance of the terms of the transaction with the authorization given by the Shareholders' Meeting;
- the information contained in the supplementary report of the Board of Directors on the selection of the items used in calculating of the issue price of equity securities and the final amount.

We have no observations in respect of:

- the accuracy of the data contained in the interim financial report or those contained in the supplementary report of the Board of Directors;
- compliance of the terms of the transaction with the authorization granted by the Ordinary and Extraordinary Shareholders' Meeting of May 23, 2012 and the information provided to shareholders;
- the choice of the items used in calculating the issue price of equity securities and the final amount;
- the presentation of the impact of the issue on the situation of holders of equity securities and securities carrying rights to equity stock assessed in relation to shareholders' equity and the market value of the share;
- the cancellation of pre-emptive subscription rights, which you had previously approved.

Pursuant to the law, we inform you that your Company has not complied with the provisions of Article R. 225-116 of the French Commercial Code (*Code de commerce*), which provides that the Board of Directors must make available to shareholders a supplementary report describing the final terms of the transaction no later than 15 days following its meeting. As a consequence, it was not possible to make this report available to shareholders within the same period.

Neuilly-sur-Seine and Paris-La Défense, April 19, 2013

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Dominique Ménard	Denis Thibon

11.1.3. INDEPENDENT VERIFIER'S ATTESTATION AND LIMITED ASSURANCE REPORT ON SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Chief Executive Officer,

Pursuant to your request and in our capacity as independent verifier of Faurecia, we hereby report to you on the consolidated social, environmental and societal information presented in the management report issued for the year ended December 31, 2012 in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code (*Code de commerce*).

Management's Responsibility

The Board of Directors is responsible for the preparation of the management report including the consolidated social, environmental and societal information (the "Information") in accordance with the requirements of Article R. 225-105-1 of the French Commercial Code (*Code de commerce*), presented as required by the entity's internal reporting standards (the "Guidelines") and available at the entity's premises.

Our Independence and Quality Control

Our independence is defined by regulatory requirements, the Code of Ethics of our profession (*Code de déontologie*) and Article L. 822-11 of the French Commercial Code (*Code de commerce*). In addition, we maintain a comprehensive system of quality control including documented policies and procedures to ensure compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independent verifier's responsibility

It is our role, on the basis of our work:

- to attest whether the required Information is presented in the management report or, if not presented, whether an appropriate explanation is given in accordance with the third paragraph of Article R. 225-105 of the French Commercial Code (*Code de commerce*) and Decree no. 2012-557 dated April 24, 2012 (Attestation of presentation);
- to provide limited assurance on whether the Information is fairly presented, in all material respects, in accordance with the Guidelines (limited assurance).

1. ATTESTATION OF PRESENTATION

Our engagement was performed in accordance with professional standards applicable in France:

- we compared the Information presented in the management report with the list as provided for in Article R. 225-105-1 of the French Commercial Code (*Code de commerce*);
- we verified that the Information covers the consolidated perimeter, namely the entity and its subsidiaries within the meaning of Article L. 233-1 and the controlled entities within the meaning of Article L. 233-3 of the French Commercial Code (*Code de commerce*);
- in the event of the omission of certain consolidated Information, we verified that an appropriate explanation was given in accordance with Decree no. 2012-557 dated April 24, 2012.

On the basis of our work, we attest that the required Information is presented in the management report.

2. LIMITED ASSURANCE REPORT

Nature and scope of the work

We conducted our engagement in accordance with ISAE 3000 (International Standard on Assurance Engagements) and French professional guidance. We performed the following procedures to obtain limited assurance that nothing has come to our attention that causes us to believe that the Information is not fairly presented, in all material respects, in accordance with the Guidelines. A higher level of assurance would have required more extensive work.

Our work consisted in the following:

- We assessed the appropriateness of the Guidelines as regards their relevance, completeness, neutrality, clarity and reliability.
- We verified that the Group had set up a process for the collection, compilation, processing and control of the Information to ensure its completeness and consistency. We examined the internal control and risk management procedures relating to the preparation of the Information. We conducted interviews with those responsible for social and environmental reporting.
- We selected the consolidated Information to be tested [1] and determined the nature and scope of the tests, taking into consideration their importance with respect to the social and environmental consequences related to the Group's business and characteristics, as well as its societal commitments.
  - Concerning the quantitative consolidated information that we deemed to be the most important:
  - at the level of the consolidating entity and the controlled entities, we implemented analytical procedures and, based on sampling, verified the calculations and the consolidation of this information;
  - at the level of the three sites that we selected [2] based on their Business Group activity:

    - we conducted interviews to verify that the procedures were correctly applied,

    - we performed tests of detail based on sampling, consisting in verifying the calculations made and reconciling the data with the supporting documents.

    The sample thus selected represents on average 3% of the workforce and up to 5% of the quantitative environmental information tested.
  - Concerning the qualitative consolidated information that we deemed to be the most important, we conducted interviews and reviewed the related documentary sources in order to corroborate this information and assess its fairness.
- As regards the other consolidated information published, we assessed its fairness and consistency in relation to our knowledge of the Company and, where applicable, through interviews or the consultation of documentary sources.
- Finally, we assessed the relevance of the explanations given in the event of the absence of certain information.

Comment on the Information

The calculation for severity rate of accidents uses the number of lost days calculated on a calendar basis whereas for accidents in France, local monitoring records lost days on a working day basis. The coexistence of the two definitions increases the importance of internal control of the reported information.

Conclusion

Based on our work described in this report, nothing has come to our attention that causes us to believe that the Information is not fairly presented, in all material respects, in accordance with the Guidelines.

Paris-La Défense, April 22, 2013

French original signed by:

The Independent Verifier

Ernst & Young et Associés

Éric Mugnier

(1) Social and societal Information: total headcounts and their distribution, absenteeism, training, work accidents. Environmental Information: water, energy, and raw materials consumption, waste production, greenhouse gases emissions.

(2) Gorzow Wielkopolski (Poland), Walbrzych Frames (Poland), Beaulieu (France).

11.2. Agenda

ORDINARY BUSINESS

First resolution – Approval of the statutory financial statements for the financial year ended on December 31, 2012.

Second resolution – Approval of the consolidated financial statements for the financial year ended on December 31, 2012.

Third resolution – Appropriation of net income for the financial year ended on December 31, 2012.

Fourth resolution – Statutory Auditors' special report on regulated agreements and undertakings, and approval of the agreement concerned thereby.

Fifth resolution – Renewal of the mandates of Ernst & Young Audit as principal Statutory Auditor and of Auditex as deputy Statutory Auditor.

Sixth resolution – Renewal of the mandates of PricewaterhouseCoopers Audit as principal Statutory Auditor and of Mr. Étienne Boris as deputy Statutory Auditor.

Seventh resolution – Authorization to be granted to the Board of Directors to purchase shares of the Company within the framework of the mechanism provided for by Article L. 225-209 of the Commercial Code.

EXTRAORDINARY BUSINESS

Eighth resolution – Authorization to be granted to the Board of Directors to cancel shares of the Company purchased within the framework of the mechanism provided for by Article L. 225-209 of the Commercial Code.

Ninth resolution – Delegation of authority to be granted to the Board of Directors to issue ordinary shares and/or securities conferring an entitlement to shares of the Company (or of a company of the Group) and/or a right to the allotment of debt securities, with pre-emptive subscription rights, or to increase the capital through capitalization of reserves, profits and/or premiums.

Tenth resolution – Delegation of authority to be granted to the Board of Directors to issue ordinary shares and/or securities conferring an entitlement to shares of the Company (or of a company of the Group) and/or a right to the allotment of debt securities, without pre-emptive subscription rights, through public offerings.

Eleventh resolution – Delegation of authority to be granted to the Board of Directors to issue ordinary shares and/or securities conferring an entitlement to shares of the Company (or of a company of the Group) and/or a right to the allotment of debt securities, without pre-emptive subscription rights, through a private placement referred to in Article L. 411-2 II of the Monetary and Financial Code.

Twelfth resolution – Authorization, in the case of an issue without pre-emptive subscription rights, to set the issue price under the conditions fixed by the Shareholders' Meeting, up to a maximum limit of 10% of the share capital in any one year.

Thirteenth resolution – Authorization to increase the number of shares to be issued in the event of oversubscription.

Fourteenth resolution – Delegation of authority to be granted to the Board of Directors to increase the capital without pre-emptive subscription rights for the benefit of members of a Company savings scheme in application of Articles L. 3332-18 et seq. of the Labour Code.

Fifteenth resolution – Authorization to be granted to the Board of Directors to award existing and/or new shares for free to employees and/or certain corporate officers of the Company or of affiliated companies, and waiver by the shareholders of their pre-emptive subscription rights.

Sixteenth resolution – Amendments to the Articles of Association.

Seventeenth resolution – Powers to carry out formalities.

11.3. Explanatory notes to the resolutions

1. ORDINARY BUSINESS

The first three resolutions to be submitted to the vote concern the approval of the 2012 financial statements and appropriation of net income.

The fourth resolution concerns regulated agreements and undertakings.

The following two resolutions concern the auditing of the accounts, and are for purposes of renewing the mandates of the principal and alternate Statutory Auditors for a period of six financial years.

Finally, the last resolution on ordinary business concerns the share buyback program.

1.1 Approval of the accounts and appropriation of net income (1st to 3rd resolutions)

APPROVAL OF THE 2012 STATUTORY FINANCIAL STATEMENTS (1ST RESOLUTION)

We are seeking your approval of these statutory financial statements, showing a net income of €107,332,169.

APPROVAL OF THE 2012 CONSOLIDATED FINANCIAL STATEMENTS (2ND RESOLUTION)

We are seeking your approval of these financial statements, showing a net income (Group share) of €142.3 million.

APPROPRIATION OF NET INCOME (3RD RESOLUTION)

To mobilize all resources of the Group towards its future development, the Board of Directors has decided to propose to the next Shareholders' Meeting that no dividend be paid

We are then proposing that the net income for the financial year be appropriated as follows: €5,366,609 to the legal reserve and €101,965,560 to the retained earnings account.

Following such appropriation, the balance in the retained earnings account, taking into account amounts already recorded therein, will be €1,023,644,456.

1.2 Regulated agreements and undertakings (4th resolution)

We are seeking your approval of the Statutory Auditors' report on regulated agreements and undertakings in which reference is made to an agreement entered into during the course of the 2012 financial year, and the absence of any agreements which continued to be performed during said financial year.

The agreement entered into during the 2012 financial year concerns the OCEANE issue in September 2012, and is an underwriting agreement between Faurecia on the one hand, and BNP Paribas, Crédit Agricole Corporate and Investment Bank, Lazard Frères Banque, Natixis and Société Générale as Underwriters on the other hand.

As the Company's Chairman and Chief Executive Officer, Yann Delabrière, is a director of Société Générale, this agreement required the prior approval of the Board of Directors pursuant to Article L. 225-38 of the Commercial Code.

1.3 Auditing of the accounts (5th and 6th resolutions)

We are seeking the renewal of the mandates of the current principal and alternate Statutory Auditors, i.e. Ernst & Young Audit and its deputy, Auditex, and PricewaterhouseCoopers Audit and its deputy, Mr. Étienne Boris.

Said mandates will be renewed for six financial years, i.e. until the close of the Ordinary Shareholders' Meeting to be held in 2019 for purposes of ruling on the accounts of the 2018 financial year.

1.4 Share buyback program (7th resolution)

This resolution will authorize the Board of Directors to purchase shares of the Company for the following purposes:

- to maintain a liquid market for the Company's shares through an independent investment services provider acting under a liquidity agreement;
- to keep the shares for tendering at a later date within the framework of external growth operations;
- to allot shares to employees and corporate officer managers of the Company or related companies, under stock option and free share plans, either as part of their compensation or in respect of their profit sharing entitlement;
- to allot shares upon the exercise of rights attached to securities conferring an entitlement to the allotment of shares of the Company, and
- to cancel shares.

The authorization to be granted to the Board of Directors includes a maximum purchase price (€40), a maximum limit on the overall amount which may be allocated to the buyback program (€441,655,800), and a maximum limit on the number of shares which may be purchased (10% of the Company's capital on the date of purchase).

This authorization is sought for a period of 18 months.

2. EXTRAORDINARY BUSINESS

The 8th resolution will enable the Board of Directors to reduce the share capital by cancelling treasury shares held.

The 9th to 13th resolutions to be submitted to the vote concern financial delegations of authority and authorizations to be granted to the Board of Directors.

At the Extraordinary Shareholders' Meeting held on May 23, 2012, various extraordinary resolutions were passed granting the Board of Directors delegations of authority and authorizations designed to meet the Group's financing needs, certain of which were used during the course of the 2012 financial year. As required by Article L. 225-100 para. 7 of the French Commercial Code, the Board of Directors has reported on its use of these delegated authorities and authorizations in 2012 in its management report.

Consequently, under the 9th to 13th resolutions, you are asked to renew these delegations of authority and authorizations for identical amounts and limits as in the existing authorizations.

This will enable the Board of Directors to issue ordinary shares and/or securities, conferring an immediate or deferred entitlement to shares of the Company, with or without pre-emptive subscription rights and/or a right to the allotment of debt securities. This will enable the Company to carry out financial transactions as and when market conditions permit, and quickly raise the capital needed to implement the Group's growth and consolidation strategy.

The aim of the 14th resolution is to involve Group employees in its expansion, in particular through a capital increase reserved for employees.

The 15th resolution will renew upon its expiry the authorization granted by the Shareholders' Meeting held on May 26, 2011. This will enable the Board of Directors to grant free performance shares to employees and corporate officers of the Group.

Finally, the last resolution on extraordinary business relates to amendments to be made to the Articles of Association.

2.1 Cancellation of treasury shares held (8th resolution)

This resolution will authorize the Board of Directors to cancel shares of the Company purchased pursuant to the 7th resolution or under previously authorized share buyback programs, up to a maximum limit of 10% of the share capital, and to reduce the share capital accordingly.

This authorization is sought for a period of 18 months.

2.2 Financial delegations of authority and authorizations (9th to 13th resolutions)

DELEGATION OF AUTHORITY TO INCREASE THE SHARE CAPITAL WITH PRE-EMPTIVE SUBSCRIPTION RIGHTS MAINTAINED (9TH RESOLUTION)

Transactions carried out pursuant to this resolution will be open only to existing shareholders of the Company, and will concern issues of ordinary shares and/or securities conferring an immediate or deferred entitlement to shares of the Company and/or a right to the allotment of debt securities.

This delegation will also enable the capital to be increased through capitalization of premiums, reserves, profits or other, either in the form of allotments of free shares, or by increasing the par value of existing shares.

Capital increases made pursuant to this delegation of authority may not exceed an aggregate par value of three hundred million euros (€300,000,000). Issues of debt securities may not exceed an aggregate par value of one billion euros (€1,000,000,000).

These amounts are the ceilings against which all of the capital increases and issues of debt instruments carried out with or without pre-emptive subscription rights will be charged.

The subscription price of the shares and/or securities issued pursuant to this delegation of authority will be set by the Board of Directors in accordance with applicable laws and regulations.

This delegation of authority is sought for a period of 26 months.

DELEGATION OF AUTHORITY TO INCREASE THE SHARE CAPITAL, WITHOUT PRE-EMPTIVE SUBSCRIPTION RIGHTS, THROUGH PUBLIC OFFERINGS (10TH RESOLUTION)

Transactions carried out pursuant to this resolution will be open to the public. They may comprise ordinary shares and/or securities conferring an immediate or deferred entitlement to shares of the Company and/or a right to the allotment of debt securities.

Capital increases made pursuant to this delegation of authority may not exceed an aggregate par value of one hundred and ten million euros (€110,000,000). Issues of debt securities may not exceed an aggregate par value of one billion euros (€1,000,000,000). These limits also cover issues made pursuant to the 11th resolution, and will be charged against the respective aggregate ceilings set in the 9th resolution.

The issue price of shares issued pursuant to this delegation of authority will be at least equal to the weighted average price of the Company's shares on Euronext Paris during the three trading days immediately preceding the issue pricing date, with a potential discount of up to 5%.

This delegation of authority is sought for a period of 26 months.

DELEGATION OF AUTHORITY TO INCREASE THE SHARE CAPITAL, WITHOUT PRE-EMPTIVE SUBSCRIPTION RIGHTS, THROUGH PRIVATE PLACEMENTS GOVERNED BY ARTICLE L. 411-2 II OF THE FRENCH MONETARY AND FINANCIAL CODE (11TH RESOLUTION)

This resolution is in addition to the 10th resolution to enable shareholders to vote separately on this matter as recommended by the *Autorité des marchés financiers*. It concerns private placements with persons providing a portfolio management service for third parties, qualified investors, or a restricted circle of investors, on condition that the last two categories act for their own account. The issues may comprise ordinary shares and/or securities conferring an immediate or deferred entitlement to shares of the Company and/or a right to the allotment of debt securities.

Capital increases made pursuant to this delegation of authority may not exceed an aggregate par value of one hundred and ten million euros (€110,000,000). Issues of debt securities may not exceed an aggregate par value of one billion euros (€1,000,000.000). These limits also cover issues made pursuant to the 10th resolution, and will be charged against the respective aggregate ceilings set in the 9th resolution.

In addition, these issues may not exceed the limits set out in the regulations applicable on the date of issue which, at present, is 20% of the Company's share capital in any one year.

Like the 10th resolution, the subscription price of new shares issued pursuant to this delegation of authority will be at least equal to the weighted average price of the Company's shares on Euronext Paris during the three trading days immediately preceding the issue pricing date, with a potential discount of up to 5%.

This delegation of authority is being sought for a period of 26 months.

DELEGATION OF AUTHORITY TO SET THE ISSUE PRICE OF SHARES (12TH RESOLUTION)

This resolution will authorize the Board of Directors to derogate from the conditions for setting the price provided for in the 10th and 11th resolutions for issues made without pre-emptive subscription rights.

The issue price of shares may not be less than the closing price on the trading day immediately preceding the issue pricing date, with a potential discount of up to 10%. The Board of Directors may use this facility up to a limit of 10% of the share capital in any one year.

This delegation of authority is sought for a period of 26 months.

DELEGATION OF AUTHORITY TO INCREASE THE NUMBER OF SHARES TO BE ISSUED INITIALLY DECIDED UPON, WITH OR WITHOUT PRE-EMPTIVE SUBSCRIPTION RIGHTS, IN THE EVENT OF OVERSUBSCRIPTION (13TH RESOLUTION)

This delegation of authority will enable the Company to satisfy excess demand for rights issues made to existing shareholders (9th resolution), public offerings (10th resolution), or the private placements referred to in the 11th resolution.

Transactions carried out pursuant to this delegation of authority may not exceed the legal ceiling of 15% of the initial issue, and will be charged against the maximum limit applicable to the initial issue and the aggregate ceiling set in the 9th resolution.

The subscription price of ordinary shares or securities issued must be the same as the initial issue price set pursuant to the 9th, 10th and 11th resolutions described above.

The Board of Directors may use this delegation of authority during a period of 30 days as from the close of the subscription period.

This delegation of authority is sought for a period of 26 months.

2.3 Employee and corporate officer share ownership (14th and 15th resolutions)

DELEGATION OF AUTHORITY TO INCREASE THE SHARE CAPITAL WITHOUT PRE-EMPTIVE SUBSCRIPTION RIGHTS, FOR THE BENEFIT OF MEMBERS OF A COMPANY SAVINGS PLAN (14TH RESOLUTION)

Pursuant to the 14th resolution, this resolution will authorize the Board of Directors to increase the share capital, without pre-emptive subscription rights, by issuing shares or securities conferring an immediate or deferred entitlement to shares of the Company to employees of the Group who are members of a Company or Group employee savings plan.

This authorization will be limited to 3% of the share capital, and will not be charged against the aggregate ceiling set in the 9th resolution.

The subscription price may not be higher than the average of the opening share prices quoted on the twenty trading days preceding the date of the decision setting the opening date of the subscription period. Furthermore, it may not be more than 20% lower than that average, nor may it be 30% lower if the lock-up period provided for in the savings plan is more than or equal to 10 years.

The Board of Directors may decide to award new or existing shares or other securities conferring an entitlement to new or existing shares of the Company in respect of (i) matching contributions made pursuant to the regulations of Company or Group savings plans, and/or (ii) the discount, where applicable.

This delegation of authority is sought for a period of 26 months.

AUTHORIZATION TO AWARD FREE PERFORMANCE SHARES TO EMPLOYEES AND/OR CERTAIN CORPORATE OFFICERS (15TH RESOLUTION)

The 15th resolution will authorize the Board of Directors to award existing and/or new shares of the Company for free to employees and/or corporate officers of the Company and/or of companies or groups which are directly or indirectly linked thereto under to the conditions set out in Article L. 225-197-2 of the Commercial Code.

The definitive attribution of these shares will necessarily be subject to achievement of performance conditions as defined in the resolution namely :

- the pre-tax net income of the group before taking into account exceptional items in the fiscal year preceding the acquisition date of the shares as fixed by the Board of Directors assessed against this income for the same fiscal year as forecast in the group's Mid-Term Plan reviewed by the Board of Directors on the date when the shares are attributed ;
- the evolution of net earnings per Faurecia share assessed between the last fiscal year on the date when the shares are attributed and the last fiscal year on the date when the shares are acquired assessed against the average growth of a peer group comprising worldwide automotive suppliers over the same period.

The number of shares which may be awarded for free may not exceed 2,500,000 shares on the date on which the Board uses this authorization, being agreed that this number constitute a maximum number of shares that can be attributed during the whole duration of this authorization.

The awarding of the shares will only become effective at the end of a minimum acquisition period of two years. Thereafter, the beneficiaries will have to keep the shares received for an additional minimum period of two years as from the definitive granting thereof. In addition, and as a derogation from the above, if the granting of said shares to certain beneficiaries only becomes definitive upon expiry of a minimum acquisition period of four years, those beneficiaries will not be subject to any lock-up period.

This delegation of authority is sought for a period of 26 months.

2.4 Amendments to the Articles of Association (16th resolution)

All these amendments aim at improving the drafting and the readability of the Articles of Association.

Two amendments are designed to take into account the fact that the drafting of some legal texts changed and to bring the Articles of Association into line with these changes:

- as regards cases of retention of the double voting right, a reference will henceforth be made to the law in order to avoid having to list such cases in the Articles of Association themselves. Article 22 will therefore be amended accordingly and will from now on simply refer to the legal text (currently Article L. 225-124 of the Commercial Code);
- the reference to "the Depository for Securities" in Article 28 will be replaced by the reference to "the Central Securities Depositary managing the account for the issuing of shares".

The other amendments are to clarify or simplify the drafting of, or the mechanisms provided for in, the Articles of Association:

- the provisions describing the form which the shares may take will be revised to improve the drafting which is rather vague in the current version of the Articles of Association. Article 7 will therefore be modified as a consequence;
- in order to render less cumbersome and to simplify the procedures for calls for funds corresponding to amounts outstanding on shares to be paid up in cash, the shareholders will no longer be informed thereof by an announcement in a legal gazette or by a registered letter sent to each of them, but rather by a notice published in the BALO. Article 10 of the Articles of Association will be modified as a consequence;
- Article 11, concerning the consequences when a director reaches the maximum age limit, will be revised, as it is vague as currently drafted;
- the drafting of Article 29 will be improved to clearly state that the crossing downwards of the thresholds stipulated in the Articles of Association must also be declared, in the same manner as the crossing upwards of said thresholds as stipulated in Article 29 as currently drafted.

Finally, the **17th resolution** concerns the granting of powers to carry out the formalities required after a Shareholders' Meeting, and in particular filing and publication formalities.

11.4. Resolutions

ORDINARY BUSINESS

FIRST RESOLUTION

Approval of the statutory financial statements for the financial year ended on December 31, 2012

The shareholders, having considered the Board of Directors' report and the Statutory Auditors' report on the statutory financial statements as at December 31, 2012, approve said statutory financial statements as presented, showing a net income of €107,332,169.

The shareholders in particular approve the total amount of expenses and charges referred to in Article 39-4 of the General Tax Code, i.e. €148,832, said amount corresponding to non-deductible lease payments for passenger vehicles, as well as the tax corresponding thereto.

SECOND RESOLUTION

Approval of the consolidated financial statements for the financial year ended on December 31, 2012

The shareholders, having considered the Board of Directors' report and the Statutory Auditors' report on the consolidated financial statements as at December 31, 2012, approve said consolidated financial statements as presented, showing a net income (Group share) of €142.3 million.

THIRD RESOLUTION

Appropriation of the net income for the financial year

On the recommendation of the Board of Directors, the shareholders resolve to allocate the net income for the financial year closed on December 31, 2012 as follows:

Origin

● Net income for the financial year	€107,332,169
● Retained earnings carried over from prior years	€921,678,896
	€1,029,011,065

Appropriation

● Statutory reserve	€5,366,609
● Retained earnings	€1,023,644,456
Total appropriation	**€1,029,011,065**

In accordance with the provisions of Article 243 bis of the General Tax Code, the shareholders formally acknowledge that they have been reminded of the following distributions of dividends and income made in respect of the past three financial years:

	Income eligible for tax relief		
In respect of the financial year	**Dividends**	**Other income distributed**	**Income not eligible for the tax credit**
2009	-	-	-
2010	€27,591,699.25* i.e. €0.25 per share	-	-
2011	€38,628,920.75* i.e. €0.35 per share	-	-

* *Adjusted for the unpaid dividends on treasury shares.*

FOURTH RESOLUTION

Statutory Auditors' special report on regulated agreements and undertakings, and approval of the agreement concerned thereby

The shareholders, ruling on the basis of the Statutory Auditors' special report on regulated agreements and undertakings which had been presented to them, approve the new agreement indicated in said report.

FIFTH RESOLUTION

Renewal of the mandates of Ernst & Young Audit as principal Statutory Auditor and of Auditex as deputy Statutory Auditor

On the recommendation of the Board of Directors, the shareholders renew the mandate of Ernst & Young Audit as principal statutory auditor, as well as that of Auditex as deputy statutory auditor, said mandates to expire on closure of this

General Meeting, for a period of six financial years, i.e. until the close of the Ordinary Annual General Meeting to be held in 2019 for purposes of ruling on the accounts of the financial year to be closed on December 31, 2018.

They had declared their acceptance of their duties.

SIXTH RESOLUTION

Renewal of the mandates of PricewaterhouseCoopers Audit as principal Statutory Auditor and of Mr. Étienne Boris as deputy Statutory Auditor

On the recommendation of the Board of Directors, the shareholders renew the mandate of PricewaterhouseCoopers Audit as principal statutory auditor, as well as that of Mr. Étienne Boris as deputy statutory auditor, said mandates to expire on closure of this Shareholders' Meeting, for a period of six financial years, i.e. until the close of the Ordinary Annual Shareholders' Meeting to be held in 2019 for purposes of ruling on the accounts of the financial year to be closed on December 31, 2018.

They had declared their acceptance of their duties.

SEVENTH RESOLUTION

Authorization to be granted to the Board of Directors to purchase shares of the Company within the framework of the mechanism provided for by Article L. 225-209 of the Commercial Code

The shareholders, after having considered the Board of Directors' report, authorize the Board, for a period of eighteen months in accordance with Articles L. 225-209 et seq. of the Commercial Code, to purchase shares in the Company, on one or more occasions and at times to be fixed by it, up to a maximum limit of 10% of the total number of shares comprising the share capital, as adjusted if applicable to take into account any increases or reductions in the capital which may occur during the term of the program.

This authorization terminates that granted to the Board of Directors by the shareholders in the tenth resolution ruling on ordinary business at the Ordinary and Extraordinary Shareholders' Meeting held on May 23, 2012.

The purchases may be made with a view to:

- maintaining a liquid market for Faurecia's shares through an investment services provider acting under a liquidity contract which complies with the AMAFI Code of Ethics approved by the AMF;
- keeping the shares thus purchased for tendering at a later date in exchange or as consideration for external growth operations, it being stipulated that the shares acquired for such purpose may not exceed 5% of the Company's capital;
- covering stock option plans and/or plans for the granting of free shares (or similar plans) for the benefit of employees and/or corporate officers of the Group, as well as all allotments of shares within the framework of a Company or Group savings plan (or similar plan) in respect of the profit-sharing entitlement and/or all other forms of allotments of shares to employees and/or corporate officers of the Group;
- covering securities giving an entitlement to the allotment of shares in the Company within the framework of current regulations; and
- possibly canceling the shares purchased, subject to the authorization to be granted by this Shareholders' Meeting in its eighth resolution ruling on extraordinary business.

These shares may be purchased by any means, including through block purchases of shares, and at times deemed appropriate by the Board of Directors.

The transactions may in particular be carried out during a public tender in compliance with the regulations in force.

The Company reserves the right to use options or derivatives within the framework of applicable regulations.

The purchase price may not exceed €40 per share. In the event of a transaction involving the share capital, and in particular a stock-split or a reverse stock-split or a free allocation of shares, the above amount will be adjusted in the same proportions (the multiplier being equal to the ratio between the number of shares making up the share capital before the transaction and the number of shares thereafter).

In this manner, and to serve as a guideline, the maximum amount which the Company would be likely to pay in the hypothesis of a maximum purchase price of €40 would be €441,655,800 on the basis of the registered capital as at December 31, 2012 (made of 110,833,745 shares) and taking into account the 41,979 treasury shares held on that date.

The shareholders grant full powers to the Board of Directors, which may be sub-delegated as provided for by law, to carry out these transactions, to set the practical terms and conditions thereof, and to enter into all agreements and carry out all formalities.

EXTRAORDINARY BUSINESS

EIGHTH RESOLUTION

Authorization to be granted to the Board of Directors to cancel shares of the Company purchased within the framework of the mechanism set out in Article L. 225-209 of the Commercial Code

The shareholders, having considered the Board of Directors' report and the Statutory Auditors' report:

1. authorize the Board of Directors to cancel, at its sole discretion, on one or more occasions and up to a maximum limit of 10% of the share capital, calculated as of the day on which the cancellation decision is made, and after deduction of any shares which may have been cancelled during the previous 24 months, shares held by the Company or which it may hold following the purchases made within the framework of Article L. 225-209 of the Commercial Code, as well as to reduce the registered capital by the same amount in accordance with the legal and regulatory provisions in force;
2. resolve that this authorization is granted for a period of eighteen months as from the date of this Shareholders' Meeting; and
3. grant the Board of Directors full powers, which may be sub-delegated as provided for by law, to carry out the transactions required in connection with said cancellations and the related reductions in the share capital, to amend the Company's Articles of Association as a consequence thereof, and to carry out all requisite formalities.

NINTH RESOLUTION

Delegation of authority to be granted to the Board of Directors to issue ordinary shares and/or securities conferring an entitlement to shares in the capital of the Company (or of a company of the Group) and/or a right to the allotment of debt securities, with pre-emptive subscription rights, or to increase the capital through capitalization of reserves, profits and/or premiums

The shareholders, having considered the Board of Director's report and the Statutory Auditors' special report, and ruling in accordance with the provisions of the Commercial Code, and in particular Article L. 225-129-2 thereof:

1. delegate authority to the Board of Directors to:

a/ issue, on one or more occasions, in the proportions and at the times it shall deem appropriate, on the French and or international market, either in euros or in other currencies, or in any other monetary unit based on a series of currencies:

- ordinary shares,
- and/or securities conferring an immediate or deferred entitlement, at any time or on a fixed date, to ordinary shares in the Company, through subscription, conversion, exchange, redemption, presentation of warrants or by any other means,
- and/or securities giving a right to the allotment of debt instruments.

In accordance with Article L. 228-93 of the Commercial Code, the securities to be issued may confer an entitlement to ordinary shares in any company in which the Company directly or indirectly holds more than one half of the capital,

b/ increase the capital, on one or more occasions, in the proportions and at the times it shall deem appropriate, through capitalization of premiums, reserves, profits or other, in the form of an allotment of free shares or an increase in the par value of existing shares;

2. resolve that should the Board of Directors use this delegation of authority within the framework of para. 1b/above in accordance with the provisions of Article L. 225-130 of the Commercial Code in the event of a capital increase in the form of an allotment of free shares, fractional entitlements will not be negotiable or transferable, and the corresponding shares will be sold. The sales proceeds will be allocated among the rights holders within the period provided by regulations for such purpose;
3. set the period of validity of this delegation at twenty-six months as from the day of this Shareholders' Meeting;
4. resolve to set, as indicated below, the ceilings on the amounts of the issues authorized in the event of the Board of Directors using this delegation of authority:

   - the aggregate par value of the shares which may be issued pursuant to this delegation of authority may not exceed €300,000,000, it being stipulated that the aggregate par value of the capital increases which may be carried out pursuant to this resolution and the tenth, eleventh, twelfth and thirteenth resolutions will count towards this ceiling.

     If required, the par value of the new ordinary shares to be issued will be added to this ceiling in order to protect the rights of holders of securities conferring an entitlement to shares of the Company in accordance with the law or any contractual provisions stipulating other adjustment events,
   - the aggregate par value of debt securities issued pursuant to this delegation of authority may not exceed €1,000,000,000 or the equivalent in any other currency at the date of issue being noted that:
   - this amount is an aggregate ceiling which applies to all debt securities which may be issued pursuant to this resolution and the tenth and eleventh resolutions submitted to this Shareholders' Meeting,

- this ceiling will be increased, if needed, by any redemption premiums, and
- this ceiling shall not include any issuance of debt securities decided or authorized by the Board of Directors in accordance with Article L. 228-40 of the Commercial Code;

5. if the Board of Directors uses this delegation of authority within the framework of the issues referred to in para. 1 a/ above:

a/ resolve that the issue(s) of ordinary shares or securities conferring an entitlement to shares in the Company will be reserved in priority for shareholders with priority rights,

b/ resolve that if the aggregate amount of subscriptions as of right and for excess shares or securities, if applicable, does not take up the entire issue referred to in para. 1 a/, the Board of Directors, in whatever order it deems appropriate, may opt for the following alternatives or some of them:

- cap the amount of the issue at the amount of the subscriptions received, it being stipulated that in the case of an issue of ordinary shares or securities where the primary security is a share, the amount of the subscriptions will have to reach at least ¾ of the issue decided upon in order for said ceiling to be possible,
- freely allocate all or some of the unsubscribed securities, or
- offer all or some of the unsubscribed securities to the public;

6. resolve that the Board of Directors, with the ability to sub-delegate as provided for by law, will have, subject to the limitations set out above, the requisite powers, in particular to set the terms and conditions of the issue(s), as the case may be, duly place the capital increases resulting therefrom on record, make the corresponding amendments to the Articles of Association, deduct, at its sole discretion, all expenses related to the capital increases from the corresponding share premium as well as the sums required to bring the statutory reserve up to one-tenth of the new capital after each increase and, more generally, do everything necessary in this regard; and
7. formally acknowledge that this delegation of authority will cancel any previous delegation granted for the same purpose.

TENTH RESOLUTION

Delegation of authority to be granted to the Board of Directors to issue ordinary shares and/or securities conferring an entitlement to shares of the Company (or of a company of the Group) and/or a right to the allotment of debt instruments, without pre-emptive subscription rights, through public offerings

The shareholders, having considered the Board of Directors' report and the Statutory Auditors' report and in accordance with the provisions of the Commercial Code and in particular Article L. 225-136 thereof:

1. delegate authority to the Board of Directors to issue, on one or more occasions, in the proportions and at the times it shall deem appropriate, on the French and/or international market, via an offering to the public, either in euros or in other currencies, or in any other monetary unit based on a series of currencies:
   - ordinary shares,
   - and/or securities conferring immediate or deferred entitlement, at any time or on a fixed date, to ordinary shares in the Company, through subscription, conversion, exchange, redemption, presentation of warrants or by any other means,
   - and/or securities giving a right to the allotment of debt instruments.

   In accordance with Article L. 228-93 of the Commercial Code, the securities to be issued may confer an entitlement to ordinary shares in any company in which the Company directly or indirectly holds more than one half of the capital;
2. set the period of validity of this delegation of authority at twenty-six months as from the date of this Shareholders' Meeting;
3. the aggregate par value of the ordinary shares which may be issued pursuant to this delegation of authority may not exceed €110,000,000, it being stipulated that:
   - this limit will include the aggregate par value of any immediate and/or future capital increases which may be made pursuant to the eleventh resolution below, and
   - furthermore, independently of this limit, the aggregate par value of any capital increases which may be carried out pursuant to this resolution, the ninth, the eleventh, the twelfth and the thirteenth resolutions will count towards the aggregate ceiling of €300,000,000 set in para. 4 of the ninth resolution above;

   These limits do not include the par value of any ordinary shares issued to protect the rights of holders of securities conferring an entitlement to shares of the Company in accordance with the law or any contractual provisions stipulating other adjustment events.

   The par value of debt securities over the Company which may be issued pursuant to this delegation of authority may not exceed €1,000,000,000 or the equivalent in any other currency at the date of issue being noted that:
   - this amount will count towards the aggregate ceiling of €1,000,000,000 for issues of debt securities as stipulated in para. 4 of the ninth resolution above,
   - this ceiling will be increased, if needed, by any redemption premiums, and
   - this ceiling shall not include any issuance of debt securities decided or authorized by the Board of

Directors in accordance with Article L. 228-40 of the Commercial Code;

4. resolve to cancel the pre-emptive subscription rights of the shareholders in respect of ordinary shares and debt securities conferring an entitlement to the shares of the Company and/or to the debt securities which are the subject matter of this resolution, but nonetheless leave the possibility for the Board of Directors to grant a right of priority to the shareholders in accordance with the law;
5. resolve that the amount received or to be received by the Company for each ordinary share issued pursuant to this delegation of authority, after taking into account the issue price of any autonomous equity warrants issued, will be at least equal to the minimum set by the legal and regulatory provisions applicable at the time this delegation of authority is implemented by the Board of Directors;
6. resolve that if the subscriptions do not take up the entire issue referred to in para. 1/, the Board of Directors may opt for the following alternatives:
   - limit the size of the issue to the amount of subscriptions, provided that, in the case of an issue of ordinary shares or securities where the primary security is a share, the amount of subscriptions reaches at least ¾ of the issue decided upon in order for this limitation to be possible, or
   - freely allocate all or some of the unsubscribed securities;
7. resolve that the Board of Directors shall have the requisite powers, which may be sub-delegated as provided for by law, up to the limits set above, to in particular set the terms and conditions of the issue(s), duly place the capital increases resulting therefrom on record, make the corresponding amendments to the Articles of Association, deduct, at its sole discretion, all expenses related to the capital increases from the corresponding share premiums as well as the sums required to bring the statutory reserve up to one tenth of the new capital after each increase and, more generally, do everything necessary in this regard; and
8. resolve that this delegation of authority will cancel any previous delegation granted for the same purpose.

ELEVENTH RESOLUTION

Delegation of authority to be granted to the Board of Directors to issue ordinary shares and/or securities conferring an entitlement to shares of the Company (or of a company of the Group) and/or a right to the allotment of debt securities, without pre-emptive subscription rights, through a private placement governed by Article L. 411-2 II of the Monetary and Financial Code

The shareholders, having considered the Board of Directors' report and the Statutory Auditors' special report, and voting in accordance with the provisions of the Commercial Code and in particular Article L. 225-136 thereof:

1. delegate their authority to the Board of Directors to issue, on one or more occasions, in the proportions and at the times it shall deem appropriate, on the French and/or international market, through a private placement governed by Article L. 411-2 II of the Monetary and Financial Code, either in euros or in other currencies, or in any other monetary unit based on a series of currencies:
   - ordinary shares;
   - and/or securities conferring an immediate or deferred entitlement, at any time or on a fixed date, to ordinary shares of the Company, through subscription, conversion, exchange, redemption, presentation of warrants or by any other means,
   - and/or securities giving the right to the allotment of debt securities.

   In accordance with Article L. 228-93 of the Commercial Code, the securities to be issued may confer an entitlement to ordinary shares of any company in which the Company directly or indirectly holds more than one half of the capital;
2. set the period of validity of this delegation at twenty-six months as from the date of this Shareholders' Meeting;
3. the aggregate par value of the ordinary shares which may be issued pursuant to this delegation of authority may not exceed €110,000,000, it being stipulated that it will be capped at 20% of the capital per year (this ceiling being calculated on the date of the Board's decision to make use of this delegation of authority), and that:
   - this amount falls under the common ceiling set in para. 3 of the tenth resolution and will count towards that ceiling, and
   - furthermore, independently of this limit, the aggregate par value of any capital increases which may be carried out pursuant to this resolution, the ninth, the tenth, the twelfth and the thirteenth resolutions will be included in the aggregate ceiling of €300,000,000 set in para. 4 of the ninth resolution above.

   These limits do not include the par value of any ordinary shares issued to protect the rights of holders of securities conferring an entitlement to shares of the Company in accordance with the law or any contractual provisions stipulating other adjustment events.

   The par value of debt securities which may be issued pursuant to this delegation of authority may not exceed €1,000,000,000, it being stipulated that:
   - this amount will count towards the aggregate ceiling of €1,000,000,000 for issues of debt securities as stipulated in para. 4 of the ninth resolution above,
   - this ceiling will be increased, if needed, by any redemption premiums, and

- this ceiling shall not include any issuance of debt securities decided or authorized by the Board of Directors in accordance with Article L. 228-40 of the Commercial Code;

4. resolve to cancel the pre-emptive subscription rights of the shareholders in respect of ordinary shares and debt instruments conferring an entitlement to the shares of the Company and/or the debt securities which are the subject matter of this resolution;
5. resolve that the amount received or to be received by the Company for each ordinary share issued pursuant to this delegation of authority, after taking into account the issue price of any autonomous equity warrants issued, will be at least equal to the minimum set by the legal and regulatory provisions applicable at the time this delegation is implemented by the Board of Directors;
6. resolve that if the subscriptions do not take up the entire issue referred to in para. 1/, the Board of Directors may opt for the following alternatives:
   - limit the size of the issue to the amount of subscriptions, provided that, in the case of an issue of ordinary shares or securities where the primary security is a share, the amount of subscriptions reaches at least ¾ of the issue decided upon in order for this limitation to be possible, or
   - freely allocate all or some of the unsubscribed securities;
7. resolve that the Board of Directors shall have the requisite powers, which may be sub-delegated as provided for by law, up to the limits set above, to in particular set the terms and conditions of the issue(s), duly place the capital increases resulting therefrom on record, make the corresponding amendments to the Articles of Association, deduct, at its sole discretion, all expenses related to the capital increases from the corresponding share premiums as well as the sums required to bring the statutory reserve up to one tenth of the new capital after each increase and, more generally, do everything necessary in this regard; and
8. resolve that this delegation of authority will cancel any previous delegation granted for the same purpose.

TWELFTH RESOLUTION

Authorization, in the event of issuance without pre-emptive subscription rights, to set the issue price under the conditions set by the shareholders, up to a maximum limit of 10% of the share capital per year

The shareholders, having considered the Board of Directors' report and the Statutory Auditors' special report, and ruling in accordance with para. 2 of Article L. 225-136-1 of the Commercial Code:

- authorize the Board of Directors, deciding to proceed with an issue of ordinary shares or securities conferring an entitlement to shares in the capital pursuant to the tenth and eleventh resolutions, to derogate, up to a limit of 10% of the share capital per year, from the conditions for setting the price provided for in the above-mentioned resolutions; and
- resolved in this connection that the issue price of the securities to be issued immediately or at a later date may not be less than the closing price on the trading day immediately before the price is set, possibly with a discount of up to 10%.

The shareholders set the period of validity of this delegation at twenty-six months as from the date of this Shareholders' Meeting.

The shareholders resolve that this delegation of authority will cancel any previous delegation granted for the same purpose.

THIRTEENTH RESOLUTION

Authorization to increase the size of the issues in the event of oversubscriptions

The shareholders, having considered the Board of Directors' report and the Statutory Auditors' special report decide in respect of each of the issues of ordinary shares or securities conferring an entitlement to shares of the Company resolved upon in application of the ninth to twelfth resolutions, in the event of the Board of Directors establishing that there has been an oversubscription, that the number of shares to be issued may be increased by the Board of Directors, under the conditions set by Article L. 225-135-1 of the Commercial Code, up to the limits set by the shareholders.

The shareholders decide that the par value of any capital increases which may be carried out pursuant to this resolution will count towards the aggregate ceiling of €300,000,000 set in para. 4 of the ninth resolution above.

The shareholders set the period of validity of this delegation at twenty-six months as from the date of this Shareholders' Meeting.

The shareholders resolve that this delegation of authority will cancel any previous delegation granted for the same purpose.

FOURTEENTH RESOLUTION

Delegation of authority to be granted to the Board of Directors to increase the share capital through an issue of shares without pre-emptive subscription rights for the benefit of members of a Company savings plan in application of Articles L. 3332-18 et seq. of the Labour Code

The shareholders, having considered the Board of Directors' report and the Statutory Auditors' special report and ruling in application of the provisions of Articles L. 225-129-6 and L. 225-138-1 of the Commercial Code and Articles L. 3332-18 et seq. of the Labour Code:

1. authorize the Board of Directors, if it deems appropriate and at its sole discretion, to increase the share capital on one or more occasions by issuing ordinary shares or securities conferring an entitlement to shares of the Company for the benefit of members of one or more Company or Group savings plans established by the Company and/or French

or foreign companies related to it under the conditions stipulated in Article L. 225-180 of the Commercial Code and Article L. 3344-1 of the Labour Code;

2. cancel in favour of said persons the pre-emptive rights to subscribe to the shares which may be issued pursuant to this delegation of authority;
3. resolve that this delegation of authority is granted for a period of twenty-six months as from the date of this Shareholders' Meeting;
4. resolve that the aggregate par value of the capital increase(s) to be carried out pursuant to this authorization may not exceed 3% of the share capital as of the date of the Board's decision to carry out said increase(s), said amount being independent of any other ceiling provided for in respect of delegations concerning capital increases. This amount does not include the additional amount of any ordinary shares to be issued to protect the rights of holders of securities conferring an entitlement to shares of the Company in accordance with the law or any contractual provisions stipulating other adjustment events;
5. resolve that the issue price of the new shares to be issued pursuant to para. 1/of this delegation of authority may not be more than 20% lower, or 30% lower if the lock-up period provided for by the plan in accordance with Articles L. 3332-25 and L. 3332-26 of the Labour Code is more than or equal to ten years, than the average of the opening share prices quoted on the twenty trading days preceding the date of the Board's decision relating to the capital increase and the corresponding issue of shares, or higher than that average;
6. resolve that, in accordance with the provisions of Article L. 3332-21 of the Labour Code, the Board of Directors may decide to award, without consideration, new or existing shares or other securities conferring an entitlement to new or existing shares of the Company, to the beneficiaries defined in the first paragraph above in respect of (i) matching contributions which may be made pursuant to the regulations of the Company or Group savings plans, and/or (ii) the discount, where applicable; and
7. resolve that this delegation of authority shall cancel any other previous delegation on the same subject.

The Board of Directors, which may sub-delegate its powers as provided for by law, may implement this delegation of authority or not, take all measures, and carry out all requisite formalities.

FIFTEENTH RESOLUTION

Authorization to be granted to the Board of Directors to award free shares to employees and/or certain corporate officers

The shareholders, having considered the Board of Directors' report and the Statutory Auditors' special report, authorize the Board of Directors to award new or existing ordinary shares of the Company on one or more occasions in accordance with Article L. 225-197-1 and L. 225-197-2 of the Commercial Code:

- to employees of the Company or of companies which are directly or indirectly linked thereto within the meaning of Article L. 225-197-2 of the Commercial Code;
- and/or to corporate officers meeting the conditions set by Article L. 225-197-1 of the Commercial Code.

The aggregate number of free shares thus awarded may not exceed 2,500,000 shares on the date of the Board's decision to award same.

The awarding of the shares to the beneficiaries will become final upon expiry of an acquisition period to be set by the Board of Directors but which may not be less than two years. The beneficiaries will have to hold their shares during a period set by the Board of Directors, it being stipulated that said period may not be less than two years as from the definitive granting of said shares.

However, in the hypothesis of the acquisition period for all or part of one or more awards being of a minimum of four years, the shareholders authorize the Board of Directors to not impose any lock-up period in respect of the shares in question.

As an exception, the shares will be deemed definitively awarded before expiry of the acquisition period in the event of invalidity of the beneficiary classified in the second and third of the categories provided for in Article L. 341-4 of the Social Security Code.

The definitive attribution of these shares will be subject to achievement of the following performance conditions as decided by the Board of Directors :

- the pre-tax net income of the group before taking into account exceptional items in the fiscal year preceding the acquisition date of the shares as fixed by the Board of Directors assessed against this income for the same fiscal year as forecast in the group's Mid-Term Plan reviewed by the Board of Directors on the date when the shares are attributed ;
- the evolution of net earnings per Faurecia share assessed between the last fiscal year on the date when the shares are attributed and the last fiscal year on the date when the shares are acquired assessed against the average growth of a peer group comprising worldwide automotive suppliers over the same period.

The Board of Directors shall have full powers, which may be sub-delegated under the conditions provided for by law, to:

- acknowledge the fulfillment of the performance conditions as defined above;
- definitively decide upon the identity of the beneficiaries as well as the number of shares to be awarded to each of them ;
- determine the impact on the rights of the beneficiaries of operations modifying the share capital or likely to affect the value of the shares awarded and carried out during the acquisition and lock-up periods and, as a consequence, modify or adjust, if necessary, the number of shares awarded in order to preserve the rights of the beneficiaries;

- if applicable:
    - place on record the existence of sufficient reserves and transfer to an unavailable reserve account at the time of each award of shares the amounts required to pay up the new shares to be awarded,
    - decide, when the time comes, to carry out the capital increase(s) through capitalization of reserves, premiums or profits corresponding to the issue of the new shares awarded for free,
    - purchase the requisite number of shares within the framework of the share buy-back program and allocate same to the share award plan,
    - take all necessary steps to ensure compliance by the beneficiaries with the lock-up obligation,
    - and, in general, do all that is required to implement this authorization in accordance with current legislation.

This authorization will automatically entail the waiver by the shareholders of their pre-emptive rights to subscribe to the new shares issued through capitalization of reserves, premiums and profits.

It is granted for a period of twenty-six months as from the date of this Shareholders' Meeting.

It cancels any previous authorization on the same subject.

SIXTEENTH RESOLUTION

Amendments to the Articles of Association

The shareholders, having considered the Board of Directors' report, resolve as follows:

1. as regards the form of shares:
    - to clarify the drafting of Article 7 of the Articles of Association and to modify the first two paragraphs thereof as follows, the rest of the article remaining unchanged:

      "Shares may be issued in registered or bearer form, at the shareholder's option.

      Registered shares are recorded in an individual account as per the terms and conditions provided by the applicable legislative and regulatory provisions";
2. as regards the methods to be used to make calls for funds where shares have not been paid up:
    - to modify the conditions under which shareholders are informed of calls for funds where shares have not been paid up in full,
    - to accordingly amend para. 2. of Article 10 of the Articles of Association as follows, the rest of the article remaining unchanged:

      "The amounts called up are notified to the shareholders through the publication of a notice to this effect fifteen (15) clear days beforehand in the BALO";
3. as regards the consequences when a director reaches the maximum age limit:
    - to simplify the drafting of Article 11 of the Articles of Association and to modify para. 5 thereof as follows, the rest of the article remaining unchanged:

      "Where that proportion is exceeded, the oldest director is automatically considered to have resigned on closure of the first Ordinary Shareholders' Meeting held after the date when such proportion was exceeded";
4. as regards the loss of the double voting right:
    - to simplify the drafting of Article 22 of the Articles of Association and to modify para. 7 thereof as follows, the rest of the article remaining unchanged:

      ***"Aside from in the cases provided for by law**, any shares converted to bearer form or whose ownership is transferred shall lose the associated double voting right";*
5. as regards the identification of the holders of bearer shares:

   to harmonize Article 28 of the Articles of Association with the provisions of Article L. 228-2 I of the Commercial Code as follows, the rest of the article remaining unchanged:

   *"The Company is entitled to request at any time the **Central Securities Depositary managing the account for the issuing of shares** to identify the owners of shares granting immediate or future voting rights at Company Shareholders' Meetings, as well as information concerning the quantity of securities held by each shareholder and, if applicable, any restrictions applicable to said securities"*;
6. as regards the obligation to declare thresholds provided for in the Articles of Association:
    - to provide for an obligation to declare the crossing downwards of the thresholds provided for in the Articles of Association, and
    - to accordingly amend para. 1 of Article 29 of the Articles of Association as follows, the rest of the article remaining unchanged:

      *"In addition to the obligations for notifying thresholds provided for by law, any person or legal entity acting alone or in concert within the meaning of Article L. 233-10 of the Commercial Code who comes to own **or to cease to own** a number of shares representing 2% of the share capital or voting rights or any further multiple thereof, including over and above the legal thresholds, is required to notify the Company by registered letter with request for acknowledgement of receipt of the total number of shares and voting rights held no later than four (4) business days after occurrence."*

SEVENTEENTH RESOLUTION

Powers to carry out formalities

The shareholders grant full powers to the bearer of a copy of or an excerpt from these minutes to carry out all filing and publication formalities required by law.

Appendices

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Declaration by the person responsible for the Registration Document and information officer

PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Mr. Yann Delabrière

Chairman and Chief Executive Officer

I hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in the Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I further declare that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, the financial position and the results of the Company and the consolidated companies making up the Group, and that the management report, the contents of which are shown on page 271, provides a fair view of the business, results and financial position of the Company and its consolidated companies, as well as a description of the main risks and uncertainties they face.

I obtained a statement from the Statutory Auditors at the end of their engagement affirming that they have read the whole of the Registration Document and examined the information about the financial position and the accounts contained therein.

The consolidated financial statements for the year ended December 31, 2010, presented in the Registration Document filed with the *Autorité des marchés financiers* on April 28, 2011, was the object of a Statutory Auditors' report which contains an observation on page 172.

Mr. Yann Delabrière

Nanterre, April 24, 2013

INFORMATION OFFICER

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Cross-reference table with the information contained in the annual financial report

For ease of reference, the following table presents the requirements for the annual financial report which are included in this Registration Document in accordance with Article L. 451-1-2 of the French Monetary and Financial Code and Article 222-3 of the AMF's General Regulations.

Declaration by the person responsible for the document	Pages
MANAGEMENT REPORT	
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Cross-reference table with Annex I of Commission Regulation (EC) No. 809/2004 of April 29, 2004

In order to make this Registration Document easier to understand, the cross-reference table below makes it possible to identify the key items of information required by Annex 1 of European Regulation 809/2004 of April 29, 2004.

Cross-reference table with the information required under French Decree No. 2012-557 of April 24, 2012 on disclosure obligations for companies regarding social and environmental matters (Article R. 225-105-1 of the French Commercial Code)

NOTE ON METHODOLOGY REGARDING THE REPORTING OF ENVIRONMENTAL AND SOCIAL INDICATORS

Reporting on environmental and social indicators is done in accordance with the recommendations in the relevant FCP (FES Core Procedure). These procedures form part of the Faurecia Excellence System (FES) which defines the way in which the Group's employees work across the globe and underpins the Group's identity.

The aim of the FCP covering environmental reporting is to organize the annual collection, compilation and communication of data in this area via a Group software operated by Tennaxia. The scope of reporting covers Group sites identified by the HSE managers in each Business Group (sites with a low environmental impact are excluded).

The Group software rolled out at the relevant sites describes, among other things, the list of indicators being reported, the checks, in particular consistency, carried out throughout the reporting process as well as the instructions for use.

The data, duly collected, checked and input into the software are approved at division, Business Group and Group level before being consolidated.

The FCP covering employee-related matters notably define the reporting standards as regards headcount and other key employee data within the Group. All Faurecia group sites are covered. These procedures are based on monthly reporting via the Magnitude software, which is then used to consolidate the data. Checks are carried out throughout the data reporting process, and at the end of this process the data are analyzed by the Group Human Resources department.

The environmental and social data in this Registration Document are independently audited by Ernst & Young et Associés. Their formal findings are set out in the opinion included in Subsection 11.1.3. of that document.

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