REGISTRATION
DOCUMENT
2013

Technical perfection, automotive passion

faurecia

CONTENTS

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faurecia

Registration document 2013

The French version of this Registration Document, including the annual financial report, was filed with the *Autorité des Marchés Financiers* (AMF) on 24 April 2014 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.

1

Introduction to Faurecia

CONTENTS

Board of Directors, Executive Committee and Auditors

Board of Directors (as at December 31, 2013)

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 *

* *Resigned at the end of the Board of Directors held on April 16, 2014*

Statutory Auditors
Members of the Versailles Regional Association of Statutory Auditors

ERNST & YOUNG Audit
Represented by Denis Thibon
Tour First
TSA 14444
92037 Paris - La Défense Cedex
FRANCE

PricewaterhouseCoopers Audit
Represented by Éric Bertier
63 rue de Villiers
92208 Neuilly-sur-Seine
FRANCE

Executive Committee

Yann Delabrière
Chairman and Chief Executive Officer

Niklas Braun
Executive Vice-President, Faurecia Automotive Exteriors (from June 2, 2014)

Michel Favre
Executive Vice-President, Group Chief Financial Officer

Hervé Guyot
Executive Vice-President, Strategy and Faurecia Automotive Exteriors (until June 2, 2014)
Executive Vice-President, Strategy (from June 2, 2014)

Frank Imbert
Executive Vice-President, Company Secretary

Patrick Koller
Executive Vice-President, Faurecia Automotive Seating

Jacques Mauge
Executive Vice-President, Faurecia North America

Kate Philipps
Executive Vice-President, Communication

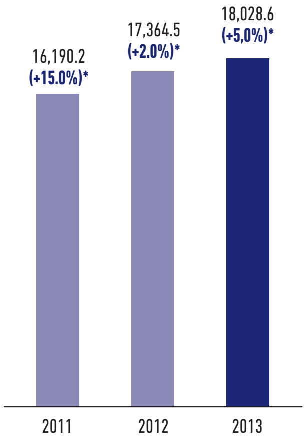
Jean-Michel Renaudie
Executive Vice-President, Faurecia Interior Systems

Christophe Schmitt
Executive Vice-President, Faurecia Emissions Control Technologies

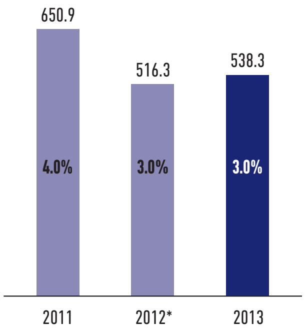
Jean-Pierre Sounillac
Executive Vice-President, Human Resources

Corporate governance is dealt with in Section 8 of this Registration Document

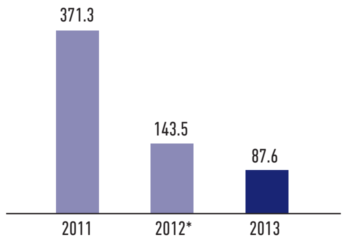
Key figures



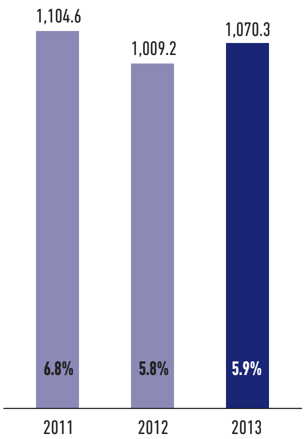
Sales *(in €m)*
** Variation on a like-for-like basis*



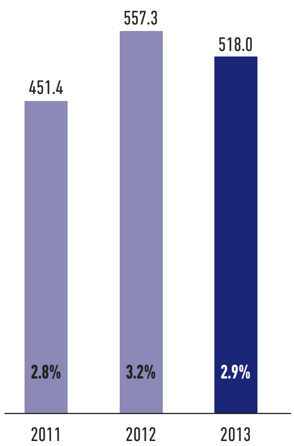
Operating income [(1)] *(in €m and as a % of sales)*
** See note 1B*



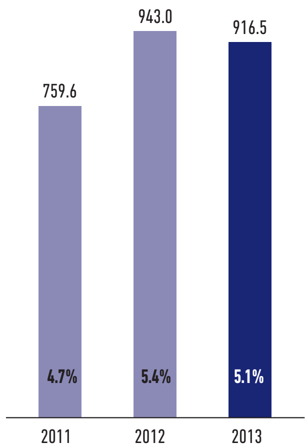
Net income/(loss) attributable to equity holders *(in €m)*
** See note 1B*



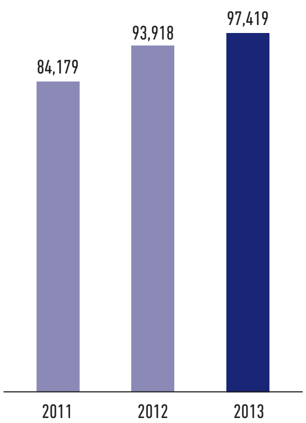
EBITDA [(2)]
(in €m and as a % of sales)



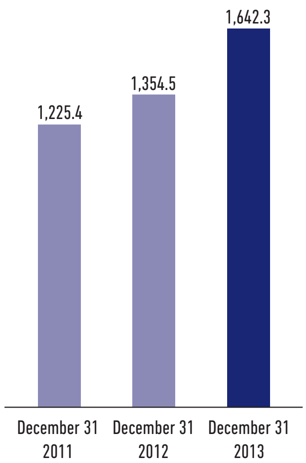
Capital expenditure
(in €m and as a % of sales)



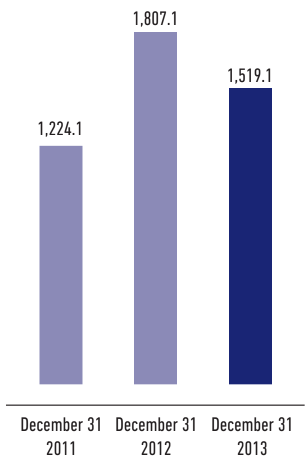
Gross R&D expenditure [(3)]
(in €m and as a % of sales)



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.

2

Business review 2013

CONTENTS

In accordance with Article 28 of European Commission Regulation No. 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 119 to 187, 194 to 217, 188 to 189, 218 to 219 and 8 to 17 of the 2012 Registration Document filed with the AMF on April 24, 2013 under number D. 13-0418;**
- **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 171, 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.**

This section provides a description of Faurecia's activities and results in 2013. 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 has very close relationships with virtually all major global automakers. It also works closely with its customers to develop the design and functionality of the product range on offer.

Faurecia is involved in all stages of the equipment development process, from defining product specifications to initial marketing. Faurecia designs and manufactures equipment that is generally specific to each new car model or platform, and generally concludes contracts to provide these products throughout the anticipated life of the model or platform (usually between five and ten 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 5,800 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 programs. The Group estimates that at least one quarter of vehicles in service in the world were originally equipped with at least one product manufactured by one of Faurecia's Business Groups.

As of December 31, 2013, Faurecia employed approximately 97,500 people in 34 countries, spread over 320 plants including 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 2012 and 2013, estimated at 3.5% worldwide, masked a more mixed picture regionally. Thus, while business remained buoyant in North America, South America and Asia (automobile production in those regions being up 4.9%, 5,8% and 5.0% respectively), it just held relatively steady in Europe, where production was up slightly at 0.2% over 2012 (source: IHS Automotive, January 2014).

Against this backdrop, Faurecia's 2013 consolidated sales totaled €18,028.6 million, compared to €17,364.5 million in 2012.

Faurecia's consolidated sales thus grew 3.8% on a reported basis between 2012 and 2013. On a like-for-like basis, there was an increase of 5.0% over 2012, breaking down as increases of 3.9% in the first half of the year and 6.1% in the second.

Sales of products (parts and components delivered to manufacturers) were €13,693.2 million as compared to €13,296.3 million in 2012. This represents 3.0% growth on a reported basis. On a like-for-like basis, sales increased by 3.9% (3.2% in the first half, 4.6% in the second).

Sales of tooling, R&D, prototypes and other services totaled €1,567.7 million, versus €1,414.1 million in 2012. This represents 10.9% growth on a reported basis. On a like-for-like basis, sales increased by 12.4% (22.8% in the first half, 4.7% in the second).

Catalytic Converter Monolith sales reached €2,767.7 million versus €2,654.1 million in 2012. They were up 4.3% on a reported basis and 6.4% on a like-for-like basis, resulting from a 0.8% decline in the first half and 14.6% growth in the second.

Total sales excluding monoliths were €15,260.9 million in 2013, as compared to €14,710.4 million in 2012, or an increase of 3.7% on a reported basis. On a like-for-like basis, there was an increase of 4.7% compared to 2012, breaking down as increases of 4.8% in the first half of the year and 4.6% in the second.

SALES BY OPERATING SEGMENT

(in € millions)	Product sales	Catalytic Converter Monolith sales	Development, Tooling, Prototypes and Other Services	Total sales
Faurecia Automotive Seating	4,890.9		327.9	5,218.9
Faurecia Emissions Control Technologies	3,351.7	2,767.7	231.0	6,350.5
Faurecia Interior Systems	3,793.2		766.8	4,560.0
Faurecia Automotive Exteriors	1,657.4		241.9	1,899.2
TOTAL	**13,693.2**	**2,767.7**	**1,567.7**	**18,028.6**

(in € millions)	H2 2013	H2 2012	Chg. (%)*	2013	2012	Chg. (%)*
Sales	**8,763.6**	**8,599.9**	**6.1%**	**18,028.6**	**17,364.5**	**5.0%**
Faurecia Automotive Seating	2,500.3	2,487.4	3.9%	5,218.9	5,155.9	3.4%
Faurecia Emissions Control Technologies	3,150.4	2,924.4	12.1%	6,350.5	6,079.5	7.2%
Faurecia Interior Systems	2,198.7	2,287.9	2.4%	4,560.0	4,352.7	4.1%
Faurecia Automotive Exteriors	914.2	900.1	1.6%	1,899.3	1,776.4	3.8%
Product sales	**6,555.5**	**6,543.4**	**4.6%**	**13,693.2**	**13,296.3**	**3.9%**
Faurecia Automotive Seating	2,299.3	2,346.5	1.3%	4,890.9	4,904.5	1.8%
Faurecia Emissions Control Technologies	1,651.0	1,573.4	9.9%	3,351.7	3,233.2	7.0%
Faurecia Interior Systems	1,808.1	1,863.4	4.1%	3,793.2	3,597.1	4.4%
Faurecia Automotive Exteriors	797.0	760.2	5.0%	1,657.4	1,561.5	2.9%

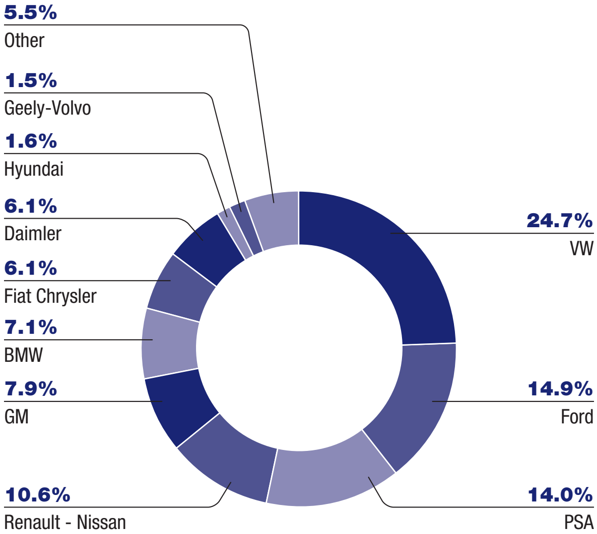
* *On a like-for-like-basis (perimeter and exchange rates).*

(in € millions)	2012 Published	Scope	Currency	Organic	2013 Published
Product sales	13,296.3	205.4	(326.4)	517.9	13,693.2
% change		1.5%	-2.5%	3.9%	3.0%
Total Sales	17,364.5	217.2	(417.2)	864.1	18,028.6
% change		1.3%	-2.4%	5.0%	3.8%

Product sales by geographic region in 2013 break down as follows:

- in Europe, product sales totaled €7,411.5 million (54.1% of total product sales) as compared to €7,411.7 million in 2012. They were level with 2012 on a reported basis and off slightly (-0.4%) on a like-for-like-basis, unlike automotive production which was unchanged. After a half year decline of 4.1% (automotive production down 4%), second half sales rose 3.8% on a like-for-like-basis in line with the rise in automotive production (+4%);
- in North America, product sales rose somewhat, by 1.7% on a reported basis, to €3,707.5 million (representing 27.1% of total product sales) as compared to €3,645.5 million in 2012. On a like-for-like basis, there was an increase of 1.3% although automotive production was up 5% (7.7% in the first half with automotive production up 3%) partially offset by a 4.3% drop in the second half (automotive production up 6%) mainly due to the fall in sales at Chrysler (as a result of the automaker shutting down its Sterling Heights plant to prepare for the production of a new vehicle), BMW's launch of the new X5 and poor sales of some models supplied by Faurecia;
- in South America, product sales were €717.0 million (5.2% of the total) as compared to €661.6 million in 2012. On a reported basis, they rose 8.4%. On a like-for-like basis, they were up 26.3% in comparison with automotive production which was up 6%, 31.2% in the first half (automotive production up 15%) and 21.7% in the second half while automotive production was down 2%. The rise was primarily attributable to the sales growth achieved by PSA (+32%, Citroën C3/C4), VW (+17%) and Ford (+46%, Focus, Ecosport);
- in Asia, product sales rose 22.9% on a reported basis to €1,705.8 million (12.5% of the total) as compared to €1,388.4 million in 2012. On a like-for-like basis, the increase was 24.3%, 27.7% of which in China, seriously outperforming automotive production (up 14%) and bringing annual product sales to €1,392.9 million, and in Korea where annual product sales were up 3.3% and totaled €189.8 million. In the second half, product sales in Asia were up 26.3% on a like-for-like basis, 28.8% of which was in China, again seriously outperforming automotive production which was up 16%;
- in other countries, product sales amounted to €151.4 million. This was down 19.9% on a reported basis and 4.2% on a like-for-like basis.

PRODUCT SALES IN 2013 BY CUSTOMER (%)



Product sales to the Volkswagen group totaled €3,380.3 million in 2013, in line with 2012 sales on a reported basis (+0.4%) and up 1.4% on a like-for-like basis. They accounted for 24.7% of the Faurecia group's total product sales.

Product sales to the Ford group accounted for 14.9% of the Faurecia group's product sales, totaling €2,034.7 million in 2013. These rose 16.0% on a reported basis, primarily because the Saline plant came online starting June 1, 2012, and 13.0% on a like-for-like basis.

Product sales to the PSA Peugeot Citroën group totaled €1,912.2 million in 2013, a slight rise of 1.0% on a reported basis and 1.9% on a like-for-like basis. They accounted for 14.0% of the Faurecia group's total product sales.

Product sales to the Renault-Nissan group represented 10.6% of Faurecia's total product sales. They were up 3.8% compared to 2012 on a reported basis and 6.6% on a like-for-like basis, at €1,456.3 million. Product sales to Renault were off 6.7% on a like-for-like basis, while like-for-like sales to Nissan were up 30.7%, with strong growth in North America (+50.0%, launch of the X-Trail) and in Asia (+31.3%).

Product Sales to General Motors in 2013 showed a decline of 2.7% on a reported basis, but a slight increase of 0.8% on a like-for-like basis, at €1,088.5 million (7.9% of total product sales).

Product sales to the BMW group were €969.1 million (7.1% of total product sales). This was down 9.1% on a reported basis and 7.7% on a like-for-like basis.

Product sales to the Daimler group totaled €835.9 million (6.1% of the Faurecia group's total product sales). They were up 17.7% on a reported basis and 15.0% on a like-for-like basis, particularly with the increased sales of the Mercedes M Class and A Class.

In 2013, product sales were up 3.6% to Hyundai/Kia (5.5% on a like-for-like basis), 8.6% to Geely-Volvo (8.6% on a like-for-like basis) and 0.7% to Toyota (9.1% on a like-for-like basis). They were down 6.8% to Fiat-Chrysler (3.9% on like-for-like basis).

The implementation of a selective sales policy, combining growth and cash generation, in a favorable competitive climate for Faurecia, was reflected by a year of strong growth with the acquisition of new contracts worth €13.8 billion. The implementation of this policy also made it possible to control capital expenditure and capitalized R&D expenditure which fell 4.5% to €788 million, down from €827 million in 2012, in line with the Group's objectives.

2.2. Evolution of the Group's activities and sales

2.2.1. FAURECIA AUTOMOTIVE SEATING

Sales	Headcounts	Sites	Country	R & D and design and development centers
€5,218.9 million	33,500	75	24	24

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. The Group develops solutions with an emphasis on safety, comfort, perceived quality, versatility and use of natural/recycled materials.

The Automotive Seating business generated €5,218.9 million in sales in 2013, up 1.2% over 2012 on a reported basis and 3.4% on a like-for-like basis.

Product sales totaled €4,890.9 million, versus €4,904.5 million in 2012, which was a decline of 0.3% on a reported basis but an increase of 1.8% on a like-for-like basis. The second half of the year saw a decrease of 2.0% on a reported basis but a 1.3% increase on a like-for-like basis.

In Europe, product sales were down 5.4% year-on-year on a reported basis to €2,656.5 million and 5.1% on a like-for-like basis.

With product sales totaling €1,263.7 million, North America saw a 2.8% year-on-year increase on a reported basis, despite an 8.7% drop in the second half compared to the second half of 2012. On a like-for-like basis, growth totaled 6.5% for the full-year, with a 2.9% decline for the second half.

In South America, product sales totaled €248,0 million in 2013, down 0.5% compared to 2012 on a reported basis, but up 16.2% on a like-for-like basis. In the second half of the year, sales were down 4.6% on a reported basis (up 15.5% on a like-for-like basis).

In Asia, product sales totaled €708,9 million, up 20.3% year-on-year on a reported basis (21.5% on a like-for-like basis) and 18.1% in the second half (21% on a like-for-like basis).

2013 was marked by the start of mass production of seat systems for the new Peugeot 208 and 308 in Slovakia and France respectively, the Peugeot 2008 in France, the Citroën C4 in China and Spain, the Renault Logan in Brazil and Russia, the Renault Master commercial vehicle range in Brazil, the Nissan X-Trail in Russia, the Nissan Rogue in North America and the Mini in the United Kingdom.

2013 saw the ramping up of production of front seating frame platforms with the launch of the UKL front seating platform for BMW in Poland and Slovakia, as well as the global expansion of production of the CMF1 front seating frame platform for Renault and Nissan, in Portugal, China and Mexico. During the year, Faurecia managed a total of more than 110 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.

In China, Faurecia Automotive Seating started up two new sites: a complete seat assembly unit operating on a just-in-time basis in Xiangyang, as well as an industrial estate in Wuhan which brings together the seating frame production, seat cover cutting and sewing and just-in-time assembly. In the Czech Republic, the division has launched production at an assembly plant in Pilsen, which supplies complete seats to Germany. In South Korea, Faurecia Automotive Seating started construction work on its new seating unit manufacturing site in Yeongcheon.

Since July 2013, Faurecia Automotive Seating has been involved in the new R&D center set up by Faurecia in China. At the center, Faurecia Automotive Seating brings together over two hundred engineers, designers and technicians, all focused on developing and testing seating for local customers.

In Munich in Germany, Faurecia Automotive Seating opened D-Works, a new advanced innovation think tank and the third largest after the US and China. Located right at the heart of the European ecosystem of universities, institutes, technology companies and start-ups, it will work on developing seating concepts for the future.

Faurecia Automotive Seating launched three new business activities in order to grow sales of seating modules with high added value: electronic engineering, mechatronics and pneumatic and thermal comfort systems. The electronic engineering business won its first contracts with Renault, Ford and General Motors in 2013. The mechatronics business launched the production of a new electric seat height adjustor in Wuxi in China, the first of its range of products.

In Brazil, Faurecia Automotive Seating launched the production of the Sculpted Cover; an innovative foam and upholstery assembly which makes it possible to form shapes that cannot be achieved with traditional sewing and embossing techniques. The Renault Logan is the first model to use this revolutionary technique.

In 2013, Faurecia Automotive Seating achieved sales volumes in line with expectations. Growth was driven by three factors: the expansion of international seating unit manufacturing platforms to new countries and new models for BMW, Renault, Nissan and PSA; the renewal of complete seat assembly contracts for Audi, Renault and PSA and lastly, winning new customers such as Hyundai and Porsche.

2.2.2. FAURECIA EMISSIONS CONTROL TECHNOLOGIES

Sales	Headcounts	Sites	Country	R & D and design and development centers
€6,350.5 million	21,100	79	25	7

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

The Emissions Control Technologies business generated total sales of €6,350.5 million in 2013, up 4.5% on a reported basis and 9.5% on a like-for-like basis and excluding sales of catalytic converter monoliths.

Product sales excluding catalytic converter monoliths totaled €3,351.7 million in 2013, up 3.7% on a reported basis and 7.0% on a like-for-like basis. In the second half of 2013, product sales increased by 4.9% on a reported basis and 9.9% at constant exchange rates.

Geographically, product sales excluding monoliths were down 2.2% in North America (but up 1.0% on a like-for-like basis), up 21.0% in Asia (22.4% on a like-for-like basis) and 8.7% in South America (26.3% on a like-for-like basis). The Europe region showed growth of 0.4% (0.9% on a like-for-like basis).

In the second half of 2013 product sales grew by 18.8% in Asia (22.2% on a like-for-like basis). In South America sales were off 1.1% but up by 19.9% on a like-for-like basis. In North America they were up slightly, 0.3% on a reported basis (up 5.7% on a like-for-like basis). In Europe product sales showed a gain of 4.1% (4.8% on a like-for-like basis).

Faurecia Emissions Control Technologies held on to its position as world market leader in 2013 with over a hundred launches, while increasing its presence in Asia with nearly 40 mass production start-ups in China (+22%) and continued to grow in Europe. Expansion continued in North America with 15 launches during the year, including GM's K2 platform for SUVs and Pick-ups.

In China, Faurecia Emissions Control Technologies launched pollution control systems for the GM Cadillac XTS and STS and the DS5 as well as complete systems for the VW Lavida, the Peugeot 301 and the Citroën C- Elysée. South Korea saw the launch of the Hyundai Equus, fitted with a manifold and a pollution control system.

In North America, Faurecia Emissions Control Technologies launched complete systems for the GMC Sierra and the Chevrolet Silverado on the GM K2 platform, and for the new Ford Fiesta.

In Europe, all seven engine types of the new Mercedes S-Class were fitted with complete Faurecia systems and the new Valencia plant launched the production of complete systems for the Ford Kuga and the Ford Transit Connect. In 2013, the Roermond plant, which now also produces exhaust systems for commercial vehicles, began production of hot end parts for the DAF Euro VI and Scania Euro VI.

Brazil also witnessed the production launch of pollution control systems for the VW Up, and in India the production of complete systems for the Hyundai Grand I10.

In 2013, Faurecia Emissions Control Technologies held on to its position as world market leader, with over 90 new programs won. The number of programs won in 2013 confirmed Faurecia Emissions Control Technologies' capacity to support its international customers such as Hyundai, together with their regional partners.

Business continued to flourish on the Chinese market with a number of programs being won not only with Geely, but also with Chery and Great Wall. VW programs on MQB B and MQB A2 platforms were also won on this highly competitive market. In Europe, Faurecia's success in winning the 35Up program allowed it to retain its position as a supplier of pollution control systems for BMW's diesel engines.

In North America, Faurecia won the Audi Q5 program in Mexico, the first vehicle produced by Audi for this market.

Faurecia Emissions Control Technologies is present in all automotive markets worldwide, with an overall manufacturing presence covering 79 sites and seven research and development centers. 2013 was marked by the establishment of new just-in-time plants and sites in Europe and Asia. Europe saw the opening of the Herrenberg just-in-time site for the assembly and delivery of the complete system for the new S-Class from Daimler, and the Fradley just-in-time site for the assembly of complete systems for the Toyota Auris and the Land Rover Evoque, Defender and Freelander. In Asia, three sites were opened this year as a result of new program launches. The Shenzhen just-in-time site assembles complete exhaust systems from sub-assemblies produced in the new Foshan plant, to be fitted onto Citroën DS5 engines. Finally, the Cixi plant, near Ningbo, is providing back-up for program launches with Geely, VW and Ford.

This year, Faurecia Emissions Control Technologies consolidated its presence on the commercial vehicle market by signing a joint-venture agreement with Suzhou PowerGreen Emission System Solution Co. Ltd. Faurecia PowerGreen Emissions Control Technologies Co. Ltd, created in January 2014 and in which Faurecia Emissions Control Technologies is a majority shareholder, will produce exhaust systems in Shanghai and will mainly supply the Guangxi Yuchai Machinery Company, one of the three leading manufacturers of engines for commercial vehicles on the Chinese market.

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.

Faurecia Emissions Control Technologies continues to play an active role in emissions control and in the new challenges posed by the need to cut nitrous oxide (NOx) emissions on diesel engines. At the end of 2013, the new Bragança plant launched the production of after-treatment systems known as Selective Catalytic Reduction (SCR) systems for the Citroën DS5, responding right away to Euro 6 regulations. This system positioned upstream of a particle additive filter, cuts up to 90% of the nitrous oxide emitted by the engine. In 2014, other Peugeot-Citroën vehicles will be fitted with SCR.

Faurecia is still a market leader in the production of manifolds, offering products tailored to the needs of automakers worldwide. Faurecia developed the manifold for Nissan's turbo 2.5l gasoline engine intended for the US market, and the manifold for Ford's 1.6l engine for the Chinese market.

Energy recovery is one of the main focuses of Faurecia's product development. It enables some of the energy lost via the exhaust to be recovered. This function is now incorporated on hybrids such as the Ford C-Max and the Ford Fusion, equipped with an EHRM - Exhaust Heat Recovery Manifold. The EHRS - Exhaust Heat Recovery System - solution, which uses a water/gas exchanger, makes it possible to accelerate both the rise in temperature of the vehicle and of the passenger cabin. Fuel consumption is thus reduced as a result of the engine reaching its optimum operating conditions more rapidly. Faurecia is also looking towards future technologies by working in partnership with automakers on systems to transform heat into electricity.

Acknowledged for its expertise in the acoustic treatment of exhaust systems, Faurecia Emissions Control Technologies held onto its position as market leader in valves for the cold end of exhaust systems.

Use of the self-piloted Adaptive Valve™ continued to grow on all Pick-ups and SUVs based on the new General Motors K2XX platform, which succeeds the GMT900 platform. It is now fitted on the Chevrolet Silverado and GMC Sierra, and will soon be fitted on the Chevrolet Tahoe, Suburban, GMC Yukon, Yukon XL and Cadillac Escalade. The Adaptive Valve™ can reduce muffler volume by half and thus significantly lightens the exhaust system.

This year saw the launch of the new Mercedes S-Class. In particular, Faurecia produces complete systems fitted with stamped mufflers as well as pneumatically piloted acoustic valves for versions with V8 gasoline engines.

For its new generation of SUV (X5, X6), fitted with 6 and 8 cylinder gasoline engines, Faurecia supplies BMW with its new generation high-performance electrically piloted acoustic valve which has a molded cast iron valve body. This specification significantly increases the sealing tightness of the valve when it is in the closed position. Due to its molded body, the valve can withstand higher temperatures. It extends the range of acoustic valves already on offer from Faurecia.

Finally, Faurecia Emissions Control Technologies can provide EDST - Exhaust Dynamic Sound Technologies. After-treatment technologies developed for diesel engines in response to new legislation, as well as the trend for *downsizing* engines, are having an impact on vehicles' signature sounds. EDST makes it possible to customize a vehicle's sound, irrespective of engine type or size.

2.2.3. FAURECIA INTERIOR SYSTEMS

Sales	Headcounts	Sites	Country	R & D and design and development centers
€4,560.0 million	32,800	82	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 parts (Faurecia Angell Demmel).

The Interior Systems business generated sales of €4,560.0 million in 2013, up 4.8% on a reported basis versus 2012, and 4.1% on a like-for-like basis.

Product sales totaled €3,793.2 million, versus €3,597.1 million in 2012, up 5.5% on a reported basis and 4.4% on a like-for-like basis. In the second half, product sales declined 3.0% on a reported basis, but rose 4.1% on a like-for-like basis.

In Europe, product sales totaled €2,130.5 million in 2013, up 3.3% versus 2012 on a reported basis (3.9% on a like-for-like basis).

In North America, product sales were €1,196.9 million, up 4.8% on a reported basis versus 2012 but down 4.1% on a like-for-like basis.

In South America, product sales totaled €233.4 million in 2013, up 9.2% compared to 2012 on a reported basis (27.1% on a like-for-like basis).

In Asia, Interior Systems generated product sales of €189.8 million, up 43.5% on a reported basis and 45.8% on a like-for-like basis.

Like 2012, 2013 was a particularly eventful year in terms of production launches. In particular, Europe witnessed the production launch of interiors for the Mercedes S-Class, Peugeot 308 and Dacia Sandero (instrument panels and door panels), instrument panels for the Mercedes-Benz CLA/GLA, the Volvo V40 and the Citroën C4 Picasso as well as door panels for the Range Rover Sport. In North America, there was the production launch of instrument and door panels for the Ford Fiesta, the BMW X5, and the BMW X6 M, instrument panels for the Buick Regal and the VW Jetta, and door panels for the Cadillac CTS. In Asia, the most significant launches involved the instrument panel for the Volvo S60 and the Skoda Yeti as well as door panels for the Citroën DS5.

In 2013, Faurecia Interior Systems started up five new plants, focusing on its expansion in Asia. In Europe, the Legnica II plant (Poland) started to manufacture decorative aluminum parts for Mercedes and BMW, and will soon be manufacturing for Audi. In Asia, the Chennai plant (India), which supplies Ford with parts for the EcoSport, and the Rayong II plant (Thailand, in partnership with Summit Auto Seat) which also supplies Ford with parts for the Fiesta and the EcoSport. In China, two plants commenced production: the Foshan plant, which is to supply the first instrument panels for the Audi A3 and door panels for the VW Golf and the Shenzhen plant which supplies parts for CAPSA (joint-venture between Chang'An and PSA).

Faurecia Interior Systems has over 160 engineers and technicians at its new R&D center, opened by Faurecia in Shanghai in 2013. With skills ranging from product design to product testing and process, they are entirely independent when it comes to developing interiors for local customers and support numerous international programs. In 2013, Faurecia Interior Systems also began to roll out local development platforms at the Wuhan and Chongqing plants in order to forge closer ties with its customers.

2013 saw a level of program acquisitions comparable to that of previous years. These program gains were evenly split between new business and renewal business, and were made across all geographical regions. The most significant program gains were with Renault (Scénic and renewal of the Mégane range in Europe), with General Motors (Chevrolet Equinox and GMC terrain in North America), with Opel (Meriva and Moka in Europe) and with Ford (renewal of the Focus ranges and the F150 for North America). In terms of acoustic interiors, significant program wins included the Infinity Etherea, Nissan Qashqai and Renault Mégane.

In addition, 2013 was once again a positive year in terms of growth of the decorative parts business with major program wins, particularly with the Audi A4 and the BMW X1.

Faurecia Interior Systems took part in the PSA Peugeot Citroën DS World project with its innovative Ligneos wood technology being used for door panel coverings, the base of the instrument glare shield and the instrument panel for the DS3 "DS World special edition". This innovation, used on the DS3 for the first time worldwide, enables large, complex shaped surfaces to be covered using an industrial process.

2013 was marked by the signing of four partnership agreements.

In February 2013, Faurecia signed a 50/50 joint-venture agreement with AIP (Auto Interior Product Co. Ltd), a Summit Group company (diversified Thai group with its registered office in Bangkok). Faurecia & Summit Interior Systems (Thailand) Company Limited*, based in Rayong, will manufacture 100% of Ford's vehicle interior requirements (door panels, instrument panels, consoles) in Thailand.

In April 2013, Faurecia signed a 50/50 joint-venture agreement with CCAG (China Chang'An group). CSM Faurecia Automotive Parts Company Limited**, based in Dongguan, manufactures, and supplies Ford with, automotive interiors such as door panels, instrument panels and consoles. In order to forge closer ties with Ford production sites, additional Chinese manufacturing sites will be opened in 2014. 2014 will also be the start of the launch of production for the Chang'An/PSA (CAPSA) JV in Shenzhen.

Faurecia and Magneti Marelli signed a cooperation agreement in the fourth quarter of 2013 for the design, development and manufacture of Human-Machine Interface (HMI) products for vehicle interiors. Drawing on their expertise as world leaders in their respective fields, the partners want to supply a wide range of innovative solutions, using high-quality materials, mechatronics and intuitive interfaces. Faurecia Interior Systems and Magneti Marelli are already seeking initial commercial applications with European, North American and Asian automakers.

Lastly, in November 2013, Faurecia signed a 51/49 joint-venture agreement with Howa Textile Industry Co., Ltd. Faurecia Howa Interior Mexico, based in Mexico, will be operational as of 2014 and will manufacture automotive interiors such as door panels and acoustic components for Renault-Nissan's Mexican production sites.

2.2.4. FAURECIA AUTOMOTIVE EXTERIORS

Sales	Headcounts	Sites	Country	R & D and design and development centers
€1,899.3 million	8,000	32	9	9

The Faurecia Automotive Exteriors Business Group 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 parts (external parts such as fenders, roofs and doors, as well as semi-structural and structural parts).

The Automotive Exteriors business generated sales of €1,899.3 million in 2013, up 6.9% compared to 2012 on a reported basis, and 3.8% on a like-for-like basis.

Product sales totaled €1,657.4 million in 2013. On a reported basis, they were up by 6.1%. On a like-for-like basis, product sales rose 2.9% compared with 2012.

In the second half of 2013, product sales rose 4.9% on a reported basis compared with the same period in 2012, and 5.0% on a like-for-like basis.

Faurecia Automotive Exteriors has grown substantially since 2009 as a result of the successive takeovers of Plastal Germany and Plastal Spain followed, more recently, by the takeover of Plastal Hambach (Smart) and Sora Composites. 2013 saw the integration and consolidation of this new product and geographical scope.

1) In Western Europe, Faurecia Automotive Exteriors' production base is well-positioned near to strategic customers and optimizes (around 90% on average) the employment of the industrial resources available at its bumper manufacturing plants, both in France and in Germany, with a similar outlook for Spain from 2014. The use of the Faurecia Excellence System (FES) has made it possible to establish operational performance and is being optimized in Germany.
2) Faurecia Automotive Exteriors has begun to expand beyond Europe, in South America and China. International expansion is based on production standards, in particular, via the modular and flexible design of Newtech paint lines, enabling markedly different high quality products and services, combined with optimized economic performance, to be introduced to these growth areas. In South America, Faurecia Automotive Exteriors launched two manufacturing sites and is now one of the three main players in this region. In China, Faurecia Automotive Exteriors is focusing on the Changchun region as a means of establishing its position as the leading manufacturer in the North Eastern region of China.

* *Fully consolidated company.*

** *Associate.*

3) In addition to renewing existing contracts, Faurecia Automotive Exteriors supports its strategic customers to expand on an international level, on a purely selective basis. Given the high level of investment required to set up new plants, priority was given to strategic customers willing to lend commercial and financial support, as was the case in Russia.
4) Faurecia took the strategic decision to become one of the major Composites players via the acquisition of Sora Composites, so as to offer innovative solutions resulting in significant weight reduction, as opposed to more conventional weight reduction solutions. This initiative was justified by (i) an initial mass market structural parts order, (ii) the signing of strategic innovation contracts for semi-structural parts, (iii) the construction of a product/process offering capable of responding to the demands of the North American market. In addition, a plan was launched to improve the performance of existing manufacturing facilities.

   In order to develop the potential of this technology, Faurecia Automotive Exteriors, in collaboration with fiber suppliers and technical institutes in Germany, compiled a technical and technological roadmap relating to the development of innovative processes, leading to a breakthrough in terms of vehicle weight reduction, while at the same time incorporating additional functions.

In 2013, Faurecia Automotive Exteriors' order book was swelled by the award of new contracts, not only in Europe with PSA (208, C4, DS4 and DS5 and Jumpy/Expert),Toyota (ProAce), Ford (Mondéo, Galaxy and S-Max), Renault (C-CUV Mégane and Scénic), Volkswagen (Touran), General Motors (Adam X-Air), but also in Russia (Ford) and China (Audi).

27 new programs were launched in 2013 with, in particular, the launch of the BMW 3 Series GT, Ford Transit Connect, Mercedes S-Class and restyled Sprinter, Opel Adam, Peugeot 308 & 2008, Renault Scénic Cross, VW Amarok (in Argentina), Saveiro, Gol & Up (in Brazil).

Faurecia Automotive Exteriors has a total of 32 plants in 9 different countries, 26 of which are in Europe, 2 in the United States, 3 in South America and 1 in China. In addition, its Brussels site, which supplies parts for the Audi A1, can be added to the list of Faurecia's many local sites, set up to provide its customers with the best possible service. Research and development and innovation facilities are still organized on the same industrial park basis as in 2012 (four specialist Faurecia Automotive Exteriors centers, supplemented by skills centers shared with other Faurecia group businesses such as the ones in Pune, in India, and Shanghai, in China).

2.3. Recent events

The European Commission and the US Department of Justice antitrust authorities have launched on March 25, 2014 investigations into certain suppliers of emissions control systems. Faurecia is one of the companies being investigated. Faurecia is cooperating with the investigations.

3

Results of operations and financing

CONTENTS

3.1. Results of operations

3.1.1. OPERATING INCOME

Operating income for 2013 was €538.3 million (3.0% of total sales), compared to €516.3 million for 2012 (see Note 1B to the consolidated financial statements) i.e. 3.0% of total sales (see Consolidated statement of comprehensive income, Section 9.1).

In the second half of 2013, operating income totaled €282.1 million (3.2% of sales). In the second half of 2012, it had amounted to €211.1 million (2.5% of total sales).

The €70.9 million improvement in operating income in the second half of 2013 as compared to the same period of 2012 is best understood in terms of geographic market factors:

- in Europe, sales growth and improved cost control increased operating income by €29.5 million, accounting for 3% of total sales (2.4% in the second half of 2012);
- operating income in North America was affected by a slowdown in business and by operational efficiency issues at some plants: higher costs relating to sophisticated product launches and problems controlling logistical flows (internal control issues). These additional costs were offset by a drop in the cost of raw materials resulting in an improved operating income of €6.5 million (1.6% of sales) compared with 1.2% in the second half of 2012;
- in South America, the growth in sales allowed operating income to rise by €1.6 million;
- in Asia, operating income continued to rise in tandem with higher sales and contributed an additional €31.2 million. This was reflected by a 9.1% margin of sales (8.3% in the second half of 2012);
- other countries, primarily South Africa, showed a €2.2 million increase in operating income.

The €24.6 million increase in operating income over the full-year compared to 2012 was attributable to the same factors:

- in Europe, despite more or less unchanged (+0.2%) automotive production, product sales were down 0.4%, resulting in a €20.6 million decrease in operating income. Operating income stood at €261 million and accounts for 2.7% of total sales;
- in North America, lower materials costs and higher revenues brought a €7.2 million improvement to operating income of 2.1% of total sales, despite the additional costs mentioned above in the second half;
- South America posted a decline in operating income of €10.7 million, associated with higher costs for labor and materials which could not all be immediately passed on to customers. This resulted in an operating loss of €28 million;
- in Asia, operating income continued to rise in tandem with higher sales and contributed an additional €40.3 million. Operating income stood at €210 million (8.3% of total sales);
- other countries, primarily South Africa, showed an €8.4 million increase in operating income.

The trend for individual business segments was as follows (see Note 4.1 to the consolidated financial statements):

- operating income for Faurecia Automotive Seating in 2013 was €217.4 million, or 4.2% of sales, versus €192.7 million in 2012, which was 3.7% of sales;
- operating income for Faurecia Emissions Control Technologies in 2013 was €199.0 million or 3.1% of sales, versus €148.2 million in 2012, or 2.4% of sales;
- in 2013, Faurecia Interiors Systems (hit by launch costs in North and South America and by internal control weaknesses), achieved operating income of €84.0 million or 1.8% of sales, versus €132.1 million, or 3.0% of sales in 2012;
- operating income for Faurecia Automotive Exteriors was €37.9 million, or 2.0% of sales, versus €43.3 million, or 2.4% of sales in 2012.

Gross R&D expenditure was €916.5 million, or 5.1% of sales, versus €943.0 million, or 5.4% of sales, in 2012, making a reduction of 2.8% on a reported basis and of 1.1% on a like-for-like basis (see Note 5.4 to the consolidated financial statements). The portion of R&D expenditure capitalized under IFRS totaled €258.4 million, compared to €263.9 million in 2012. This represented 28.2% of total R&D expenditure, up from 28.0% in 2012.

Faurecia benefited in France, Spain and the USA from the regime of specific tax credits awarded on the basis of research and development activity conducted in those countries. For 2013, these tax credits, which included an additional amount connected with expenditure in prior years and are set against gross R&D expenditure, amounted to €41 million, compared to €25 million in 2012.

Taken together, these items resulted in a net R&D cost of €254.0 million, up from €239.6 million in 2012.

Selling and administrative expenses amounted to €600.2 million (3.3% of sales), as compared to €569.9 million (3.3% of sales) in 2012.

EBITDA - which represents operating income before depreciation, amortization and provisions for impairment of property, plant and equipment and capitalized R&D expenditure - stood at €1,070.3 million (5.9% of sales) in 2013, compared to €1,009.2 million (5.8% of sales) in 2012.

SALES AND OPERATING INCOME BY REGION *

	H2 2013			H2 2012			2013			2012		
(in € millions)	Sales	Operating income	%	Sales	Operating income	%	Sales	Operating income	%	Sales	Operating income	%
Europe	4,666	139	3.0%	4,539	109	2.4%	9,701	261	2.7%	9,618	281	2.9%
North America	2,230	36	1.6%	2,403	29	1.2%	4,962	98	2.1%	4,541	91	2.0%
South America	411	(14)	-3.5%	413	(16)	-3.9%	861	(28)	-3.2%	778	(17)	-2.2%
Asia	1,345	123	9.1%	1,104	92	8.3%	2,522	210	8.3%	2,124	170	8.0%
Other countries	111	(1)	-0.7%	141	(3)	-2.1%	253	(3)	-1.1%	303	(11)	-3.6%
TOTAL	**8,764**	**282**	**3.2%**	**8,600**	**211**	**2.5%**	**18,029**	**538**	**3.0%**	**17,365**	**514**	**3.0%**

SALES AND OPERATING INCOME BY BUSINESS

Sales *(in € millions)*	2011	H1 2012	H2 2012	2012	H1 2013	H2 2013	2013
Automotive Seating	4,981.2	2,668.5	2,487.4	5,155.9	2,718.6	2,500.3	5,218.9
Interior Systems	3,645.5	2,064.8	2,287.9	4,352.7	2,361.3	2,198.7	4,560.0
Emissions Control Technologies	5,779.3	3,155.0	2,924.4	6,079.5	3,200.0	3,150.4	6,350.5
Automotive Exteriors	1,784.2	876.3	900.1	1,776.4	985.1	914.2	1,899.3
TOTAL	**16,190.2**	**8,764.6**	**8,599.9**	**17,364.5**	**9,265.0**	**8,763.6**	**18,028.6**

* *2012 operating income before restatement, see Note 1B to the consolidated financial statements.*

Operating income (in € millions)	2011	H1 2012	H2 2012	2012 *	H1 2013	H2 2013	2013
Automotive Seating	**216.1**	**115.8**	**77.1**	**193.2**	**105.4**	**111.9**	**217.4**
Operating income (as a % of total sales)	*4.3%*	*4.3%*	*3.1%*	*3.7%*	*3.9%*	*4.5%*	*4.2%*
Interior Systems	**191.4**	**61.1**	**70.7**	**131.5**	**59.0**	**25.0**	**84.0**
Operating income (as a % of total sales)	*5.3%*	*3.0%*	*3.1%*	*3.0%*	*2.5%*	*1.1%*	*1.8%*
Emissions Control Technologies	**152.8**	**93.8**	**52.0**	**145.8**	**76.4**	**122.6**	**199.0**
Operating income (as a % of total sales)	*2.6%*	*3.0%*	*1.8%*	*2.4%*	*2.4%*	*3.9%*	*3.1%*
Operating income (as a % of product sales)	*5.2%*	*5.7%*	*3.3%*	*4.5%*	*4.5%*	*7.4%*	*5.9%*
Automotive Exteriors	**90.6**	**31.9**	**11.3**	**43.1**	**15.4**	**22.5**	**37.9**
Operating income (as a % of total sales)	*5.1%*	*3.6%*	*1.3%*	*2.4%*	*1.6%*	*2.5%*	*2.0%*
TOTAL	**650.9**	**302.5**	**211.1**	**513.7**	**256.2**	**282.1**	**538.3**
Operating income (as a % of total sales)	*4.0%*	*3.5%*	*2.5%*	*3.0%*	*2.8%*	*3.2%*	*3.0%*

* *Published (not restated for IAS 19R).*

3.1.2. NET INCOME (LOSS)

The “other income and expenses” item totaled €106.8 million, up from €87.2 million in 2012 (see Note 6 to the consolidated financial statements). It included €91.3 million in restructuring charges. These mainly pertained to the restructuring of operations in France (€38.8 million), Germany (€18.1 million), Spain (€15.5 million), North America (€13.4 million) and the Other Countries (€5.6 million). These charges stemmed from restructuring plans implemented with a view to bringing costs in Europe into line with new market realities, as well as to the announced closing of a plant in North America. They also include expenses relating to the downsizing of 2,267 employees.

Cash financial income totaled €9.0 million, versus €10.2 million in 2012. Finance costs totaled €196.9 million, versus €175.4 million in 2012.

The increase in finance costs (€196.9 million in 2013, up from €175.4 million in 2012) was largely due to the increase in average debt over the full year. The weighted average interest rate on financial liabilities changed little, going from 6.06% in 2012 to 6.11% in 2013.

The “other financial income and expenses” item totaled €46.4 million, up from €31.9 million in 2012 (see Note 7 to the consolidated financial statements). This item included the €8.6 million impact of discounting pension liabilities, €9.3 million for the amortization of fees for syndicated debt, €9.2 million for the amortization of debt issue costs, including the residual amortization of costs relating to the convertible bond issued in November 2009 and redeemed early on December 30, 2013, and €15.7 million in foreign exchange gains and losses on financial liabilities.

The tax expense for the year was €64.7 million, versus €67.4 million in 2012, representing an average tax rate of 32.8% in 2013 (see Note 8 to the consolidated financial statements). A €50.5 million tax asset was recognized in the USA, made possible by the positive change in the Group’s taxable income in that country. At the end of 2013, Faurecia had deferred tax assets on unrecognized losses in the amount of €789.2 million, primarily in France.

The share of net income of associates totaled €14.0 million, versus €23.6 million in 2012 (see Note 13 to the consolidated financial statements). The difference stemmed largely 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 €55.8 million in 2013 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 €87.6 million, compared with €143.5 million in 2012.

Basic earnings per share on continuing operations (see Note 9 to the consolidated financial statements) totaled €0.82 (diluted net earnings per share of €0.82) compared with €1.32 in 2012 (diluted net earnings per share of €1.28).

3.2. Financial structure and net debt

Net cash flow (before net cash flows related to discontinued operations), representing the net financing surplus adjusted for acquisitions of investments and business net of cash and cash equivalents (€12 million) and changes in other investments and non-current assets (€27 million), was €144 million, breaking down into €137 million in the first half and €7 million in the second half.

The €144 million of net cash inflow over the year was attributable to the following:

- EBITDA totaled €1,070.3 million compared with €1,009.2 million in 2012;
- the change in net working capital, including the sale of unconsolidated trade accounts receivable, represented a positive €364 million. This change consisted in part of an increase in manufacturing inventory of €57 million, largely due to increased sales volume, an increase in unbilled engineering and tooling of €22 million, a net increase in trade receivables of €44 million (including an increase from the sale of unconsolidated trade accounts receivable of €77 million before currency translation) due to a higher volume of annual sales than in 2012, and to an increase in trade payables of €396 million (including an exchange rate impact of €88 million). Trade accounts payable at December 31, 2013 accounted for 18.4% of the cost of sales (18.7% at December 31, 2011), having been lower at December 31, 2012 at 17.2%;
- restructuring represented cash outflows of €123 million, compared with €54 million in 2012;
- financial costs represented cash outflows of €187 million, versus €164 million in 2012. This increase derived basically from the impact on the full year of establishing new means of financing during the 2012 year;
- capital expenditures on non-current assets of all types represented cash outflows of €523 million, versus €560 million in 2012. The percentage of capital expenditures on property, plant and equipment made outside Europe was 53.5%, whereas 46% of 2013 sales were outside Europe.

Disclosures relative to major investments by business segment and geographic area are provided in Note 4 to the consolidated financial statements for 2013 (4.1 "Key figures by operating segment"; 4.3 "Key figures by geographic region"). The distribution of such investments by geographic region continued to prioritize non-European growth and, in particular, the consolidation of the Group's positions in Asia.

Disclosures relative to key ongoing investments and firm orders for property, plant and equipment and intangible assets are provided in Note 31 (31.1 "Commitments given") to the consolidated financial statements for 2013.

- capitalized R&D expenditure represented cash outflows of €265 million, compared with €267 million in 2012. The percentage of total R&D expenditure capitalized stood at 28.2%, up from 28% in 2012;
- income taxes represented cash outflows of €134 million, compared to €104 million in 2012;
- finally, other cash flow items represented €59 million in outflows, compared with €23 million in outflows in 2012.

The €7 million of net cash inflows in the second half of 2013 was attributable to the following:

- EBITDA amounted to €560 million;
- the change in net working capital was a positive €138 million and due largely to an improvement in trade receivables;
- restructuring represented €61 million in cash outflows;
- finance costs represented €101 million in cash outflows;
- capital expenditure on property, plant and equipment and intangible assets represented €277 million in cash outflows;
- capitalized R&D expenditure represented €141 million in cash outflows;
- taxes represented €77 million in cash outflows;
- finally, other items represented €34 million in cash outflows.

STATEMENT OF RECONCILIATION WITH THE CONSOLIDATED CASH FLOW STATEMENT (SEE 9.3. IN THE 2013 CONSOLIDATED FINANCIAL STATEMENTS)

(in € millions)	2013
Net cash flow	144
Acquisitions of investments and business (net of cash and cash equivalents)	(12)
Proceed from disposal of financial assets	0
Other changes	(27)
Surplus/(used) from operating and financing activities	105

Net cash flow represents all cash flows after adjustment for changes in working capital requirements, investments (property, plant and equipment and capitalized R&D), finance costs, costs related to restructuring, tax and other operating items but before Group management decisions on acquisitions (including equity investments).

For the 2013 financial year, the other items contributing to change in net debt besides the net cash flows described above, were as follows:

- acquisitions of new companies and investments in non-consolidated companies net of cash flows relating to discontinued operations accounted for net cash outflows of €77.2 million, including €40.7 million corresponding to the negative working capital requirement for the Saline cockpit assembly operations transferred to the DMS joint-venture in which Faurecia has a minority interest;
- dividends paid to minority shareholders represented €47.9 million in cash outflows;
- the conversion to stock of the convertible bond issued in November 2009, helped to increase shareholders' equity by €213.5 million;
- the other factors consist of a positive translation effect in the amount of €56 million.

Net debt thus stood at €1,519.1 million at end-2013, versus €1,807.1 million at end-2012.

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

The Group's shareholders' equity (see Note 22 to the consolidated financial statements) rose from €1,221.9 million at year-end 2012 to €1,501.8 million at year-end 2013, mainly driven by net income for the year and the conversion to stock of the 2009-2015 convertible bond, the effect of which was to add €213.5 million to shareholders' equity.

On November 30, 2013 Faurecia exercised its option to call all of the bonds at par plus accrued interest, which was €19.526 per bond.

Following this decision, the bondholders chose almost unanimously to convert their bonds to Faurecia stock rather than redeeming them for cash: out of the 11,304,290 bonds outstanding at October 31, 2013, 11,284,793 bonds or 99.83% of the total outstanding were converted on December 30, 2013 into 11,736,190 new Faurecia shares, using the 1.04 share per bond conversion rate.

In addition, Faurecia improved its liquidity by borrowing bilateral medium-term loans from financial institutions in the amount of approximately €150 million.

Finally, in November Faurecia exercised the option to extend by one year the €654 million tranche of the syndicated credit facility maturing in 2015, thereby pushing it back to December 2016.

The main due dates for Faurecia's long-term debt, besides the €1,150 million syndicated loan due in December 2016 which had not been drawn down at December 31, 2013 (€36 million due in 2014 and €1,114 million due in December 2015), are the €490 million in bonds maturing in December 2016, the €250 million in convertible bonds maturing on January 1, 2018 and the €250 million in bonds maturing in June 2019.

3.3. Outlook

All automotive markets are likely to grow in 2014, apart from South America.

In Europe, manufacturers' car inventories look healthier and production volume has stabilized with an upturn in the last quarter of 2013 (+5%). This turnaround has led to a forecast of slight growth in automotive production of between 0 and 2%. Faurecia made its budgetary assumptions of the basis of nil growth. In North America, the market is still trending upward as a result of both growth in the United States economy and the higher average age of passenger vehicles (more than 11 years old). Automotive production growth is likely to continue in 2014 at around 3%. In South America, the rise in interest rates, economic uncertainty and the drop in the number of tax incentives in Brazil, are likely to confirm the trend already noted in the fourth quarter of 2013 (-8%). Automotive production could shrink by 4% in South America in 2014. Finally, Chinese production is likely to maintain a steady rate of growth of around 7%.

In this context, Faurecia expects that its sales in Europe will be in line with changes in automotive production. In North America, due to an unfavorable commercial mix and concerns regarding the high number of model upgrades, Faurecia anticipates sales below production in the first half, and a gradual correction in the second half.

In Asia, growth will continue at a steady rate, over and above the growth in production volumes, due to gains in market share and improved functionality. In South America, sales trends are likely to be on a par with production volumes.

Within the context of the action plan announced on its "Investor Day" in November 2013, Faurecia has set itself a number of priorities and, in particular:

- controlled growth over the 2014-2016 period with target sales in excess of €21 billion, operating income in the order of 4.5 to 5% on sales and net cash flow of around €300 million;
- the continuation of its selective sales policy, with priority being given to the Faurecia Emissions Control Technologies and Faurecia Automotive Seating businesses;
- capital expenditure and capitalized R&D expenditure kept, as in 2013, below the €800 million threshold;
- acceleration of growth in operating income in North America;
- special attention given to the generation of cash flow in South America;
- ongoing cost structure optimization in Europe;
- continuation of strong and profitable growth in Asia.

Overall, Faurecia is forecasting a rise in sales of between 2 and 4% in 2014 (on a like-for-like basis).

As a result, following on from the recovery in its operating income witnessed in the second half of 2013, Faurecia is likely to continue to improve its operating income by between 20 and 50 basis points (from 3.2 to 3.5% on sales) in 2014.

Faurecia generated positive net cash flow of €144 million in 2013 and is aiming to achieve positive net cash flow again in 2014.

3.4. Risk factors

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, the nature and individual monitoring of which are described below, 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 executive team of each Business Group is responsible for identifying and managing the operational 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.

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. In the hope of improving the system, the relevance of this list is reviewed on a regular basis by the Operational Risk Committee and the inclusion of new Group-wide risk is at the Audit Committee's discretion.

Participants in internal control procedures and their organization are described in greater detail in Section 8.4.3 of the Registration Document.

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. OPERATIONAL RISKS

3.4.1.1. Risk of dependence on the automotive sector

IDENTIFICATION OF RISK

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 in Europe (54.1% of total product sales in 2013) in North America (27.1% of total product sales in 2013) and in Asia (12.5% of total product sales in 2013).

Faurecia's risk is also 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 binding supply contracts for open orders without any guarantees in terms of volume, that is to say with no guarantee of minimum volume. They are generally based on the life of the vehicle model concerned.

RISK MANAGEMENT

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

IDENTIFICATION OF RISK

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.

RISK MANAGEMENT

Faurecia is seeking to optimize the quality and diversity of its customer portfolio.

In 2013, Faurecia's five largest automaker customers accounted for 72.10% of product sales (VW 24.7%; Ford 14.9%; PSA 14.0%; Renault-Nissan 10.6%; GM 7.9%).

3.4.1.3. Customer credit risk

IDENTIFICATION OF 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.

RISK MANAGEMENT

As of December 31, 2013, past-due payments represented €127 million or 0.7% of consolidated sales for the year.

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

3.4.1.4. Supplier risk

IDENTIFICATION OF RISK

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.

RISK MANAGEMENT

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

In 2013, out of a total of approximately €8,104 million in purchases (production and non-production) from approximately 3,000 main suppliers, the ten biggest suppliers together accounted for 30% of the Business Groups' combined purchases and 18% of consolidated sales.

Purchases from the five biggest suppliers of each of the Business Groups together accounted for 20% of total purchases and 12% of total consolidated sales.

In this same year, purchases from the biggest supplier of each of the Business Groups together accounted for 7% of total purchases and 4% of total consolidated sales.

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.

3.4.1.5. Risk related to order volumes

IDENTIFICATION OF RISK

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.

RISK MANAGEMENT

To minimize this risk the Faurecia group's purchasing policy is based on a regularly reviewed panel of suppliers. Suppliers' operational and financial performance is monitored on an ongoing basis so that any restructuring and protection measures that may prove to be required in order to achieve security of supply (quantities and costs) can be successfully taken. Within this context, Faurecia's purchasing teams help suppliers to expand and to reduce their risks on both an industrial and a financial level, in particular, by providing operational support to improve their efficiency, quality, logistics, and cost control by means of specialist teams working with suppliers on their own premises. These teams also support suppliers in their international expansion. In addition, any new order placed with a supplier is the result of a Sourcing Committee decision following an investigation which includes an assessment of the risks associated with said supplier and supplier panel policy is, furthermore, monitored by a specialist product family purchasing organization.

Quality is also subject to specific management and related risks are assessed using specific indicators covered in monthly reports and improvement plans as described in subsection 8.4.5.3 of this Registration Document.

The Group also uses a forward management method (five-year plan, yearly and half-yearly budget, monthly reviews) which enables it to fine-tune its means of production.

The variety of its customer and product mix and the diversification of its geographic locations is also a significant means of moderating this risk.

3.4.1.6. Risk related to the Company's external growth strategy

IDENTIFICATION OF RISK

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.

RISK MANAGEMENT

The Board of Directors determines the Group's overall strategy. The Executive Committee oversees this strategy and allocates the resources required for its implementation.

The team responsible for Business Development, which reports to the Group's Executive Vice-Chairman responsible for strategy is very closely involved in the life of the entities resulting from growth operations (JVs, acquisitions) and so takes part in decision-making bodies.

Faurecia also sets aside any provisions that may prove to be required under applicable accounting standards, in particular, for the depreciation of assets.

3.4.1.7. International nature of business activities

IDENTIFICATION OF RISK

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, North America and Asia. The geographic breakdown of sales is provided in Note 4.3 to the consolidated financial statements.

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.

RISK MANAGEMENT

The Group relies on the expertise of its Legal, Tax and Finance departments which permanently monitor legislation and regulations in France and abroad via local intermediaries (employees, networks of lawyers, tax specialists, etc.).

3.4.1.8. Competitiveness

IDENTIFICATION OF RISK

The global automotive supply sector is highly competitive. Competition is based mainly on price, technology, quality, delivery and customer service as a 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 which take the form of *Requests for Quotation* (RFQ), 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:**
  - Johnson Controls International (United States), a listed company in the US,
  - Lear Corp. (United States), a listed company in the US,
  - Magna International Inc. (Canada), a listed company in the United States and in Canada;
- **Faurecia Interior Systems:**
  - Johnson Controls International (United States), a listed company in the US,
  - IAC (International Automotive Components) (United States),
  - Magna International Inc. (Canada), a listed company in the United States and in Canada;

- **Faurecia Automotive Exteriors:**
  - Plastic Omnium (France), a listed company in France,
  - Magna International Inc. (Canada), a listed company in the US and Canada,
  - Peguform (Germany/India);
- **Faurecia Emissions Control Technologies:**
  - Tenneco (United States), a listed company in the US,
  - Eberspächer (Germany),
  - Boysen (Germany).

RISK MANAGEMENT

Innovation and product development represent major challenges for Faurecia and enable it to remain competitive. As a result, R&D accounted for gross expenditure of €916.5 million in 2013 (5.1% on sales). Of this, €100 million was devoted to innovation. Some 5,800 engineers and technicians based in 30 centers represent the Group's global R&D community. 500 patents were filed in 2013.

In addition, each Business Group monitors the competition on an ongoing basis so that it can respond in the best possible way to calls to tender from automakers and, in particular, to their specific demands for the supply of complex equipment.

3.4.2. FINANCIAL AND MARKET 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 Group Finance department.

3.4.2.1. Interest rate risks

IDENTIFICATION OF RISK

Rate risk results from interest rate changes, particularly the impact of a rate hike on the variable portion of the debt which would be reflected by a rise in finance costs.

RISK MANAGEMENT

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 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 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.

Before taking into account the impact of interest rate hedges, 49.8% of the Group's borrowings were at variable rates as of the end of December 2013, compared with 51.9% as of year-end 2012. 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 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; and
- 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.

3.4.2.2. Foreign exchange risks

IDENTIFICATION OF RISK

Faurecia is 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.

RISK MANAGEMENT

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

IDENTIFICATION OF RISK

To finance its investments and its other cash requirements, Faurecia is obliged to access finance sourced from both financial institutions and on the financial markets.

RISK MANAGEMENT

Faurecia pursued the implementation of its long-term financing plan during 2013 through:

- the exercise in November 2013 of the one-year extension option of the €690 million tranche due initially in December 2015 of the syndicated credit loan, thus extended to December 2016 for €654 million;
- exercising, on November 30, 2013, its option to call its convertible bonds, maturing on January 1, 2015, early for redemption at par plus accrued interest. Given the share price, bond holders opted almost unanimously to convert their bonds into Faurecia stock: 11,284,793 bonds (99.83% of the total outstanding) had been converted as of December 30, 2013 into 11,736,190 new Faurecia shares. This conversion enabled the Group to reduce its net debt and to increase its capital by around €205 million;
- by setting up bilateral medium-term loans with financial institutions in the amount of approximately €150 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 26-3 of the consolidated financial statements, as of December 31, 2013, Faurecia was compliant with the financial ratios required by the syndicated credit facility:

Ratio	Limit	Carrying amount as of 12/31/2013
Net debt*/EBITDA**	< 2.50	1.42
EBITDA**/Net interest	> 4.50	5.70

* *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.*

In addition to the above-described bank and bond debt, part of Faurecia's liquidity requirements is met through receivables sale programs. Cash from receivables sold came to €549.5 million as of December 31, 2013 (see Note 18 to the consolidated financial statements), including €385.4 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, 2013, the long-term credit rating assigned by Moody's to Faurecia since February 20, 2013, was B1 with a stable outlook.

As of December 31, 2013, Faurecia had diversified funds with staggered maturities until 2019. On that date, the average maturity of the Groups' key resources in terms of long-term debt (convertible bonds issued in 2012, as well as other bonds, the syndicated loan and other main long-term borrowings), was approximately 3.2 years.

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.

3.4.2.4. Raw material risks

IDENTIFICATION OF RISK

The Group is exposed to commodity risk via its direct raw materials purchases or indirectly through components purchased from its suppliers.

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.

In 2013, plastics and steel accounted for approximately 6.8% of the Group's total purchases.

To the extent that the Group's sales contracts with customers do not include systematic price indexation clauses linked to the price of its raw materials, Faurecia is exposed to risks related to unfavorable fluctuations in commodity prices.

RISK MANAGEMENT

Efforts are 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.

Faurecia still has a low level of exposure to this risk however, since a large proportion of the commodity price fluctuation is passed on to customers on a "pass through basis". Faurecia's remaining exposure is, therefore, around 30% of the total commodities exposure.

A 10% fluctuation in the price of raw materials, not including component purchases, would have a 0.3% impact on operating income (expressed as a percentage of total sales).

3.4.3. LEGAL RISKS

3.4.3.1. Litigation

IDENTIFICATION OF RISK

Except for the procedure referred to in subchapter 2.3, as of the date of 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.

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.

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

RISK MANAGEMENT

Litigation is monitored through quarterly reports prepared by the Legal department.

Adequate provisions have been set aside to cover litigation facing the Group, in accordance with the facts and information available at the balance sheet date. Note 24–2 to the 2013 consolidated financial statements gives a description of claims and litigation currently in process and indicates the total amount of provisions for litigation.

Moreover, Faurecia 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.

3.4.3.2. Industrial Property Risks

IDENTIFICATION OF RISK

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 ensures that it holds or obtains intellectual and industrial property rights offering the same level of protection as those in France.

RISK MANAGEMENT

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.

3.4.4. INDUSTRIAL AND ENVIRONMENTAL RISKS

IDENTIFICATION OF RISK

As with any industrial activity, the Group's sites are exposed to various risks: fire, explosion, natural disaster, systems failure, non-compliance with regulations or stricter regulations applicable or other factors. These types of events may result in the Group incurring additional costs and/or capital expenditure to remedy the situation, to comply with regulations and/or as a result of any fines.

Environmental risk management

The Group is focused on managing the environmental impact of all its sites, from the planning phase right through to day-to-day on-site operations.

Human resources

Environmental policies are defined and deployed by the HSE departments (Health, Safety and Environment) for each Business Group. In order to meet their responsibilities, these departments have set up a network of Divisional HSE Managers (mainly on a geographic basis), who have HSE coordinators at every Faurecia site. Plant management draws on the expertise of these coordinators who are responsible for applying procedures and ensuring that Faurecia regulations and standards are applied. This organization also enables good practice to be applied across all sites within a single Business Group and/or across the four Business Groups. In some cases, this type of feedback may result in Group standards.

Financial resources

The amount of investment in environmental protection, noise reduction and equipment upgrades reported by establishments is available in Subsection 7.1.2.1.

Methodology

Environmental risk analysis and control are based on ISO 14001. Figures for ISO 14001 certified sites are available in Subsection 7.1.2.3 of this Registration Document. Regular audits by the Internal Auditors and accredited testing laboratories, such as SGS, provide assurance that the environmental management system is properly applied.

On account of their industrial nature, the Group's sites and operations are subject to environmental and safety laws and regulations, as well as to the possible interpretation of such laws and regulations by various authorities and jurisdictions, in the various countries where it operates. Such authorities and jurisdictions are imposing increasingly stringent obligations, restrictions and protective measures in relation, amongst other things, to atmospheric emissions, waste water, the use and handling of hazardous products, waste disposal and pollution control. Each site has to obtain permits, licenses and/or authorizations or provide prior notifications (for example, in France, in application of legislation on classified installations for environmental protection).

Faurecia's installations must comply with such permits, licenses or authorizations and are subject to regular inspections by the relevant authorities. Fines and litigation are described in Subsection 7.1.2.3 of this document (Other environmental indicators).

In terms of its greenhouse gas emissions (GHGE), pursuant to Article 75 of Law No. 2010-788 of July 12, 2010, the Groups' French sites prepared a greenhouse gas emissions inventory. This inventory can be accessed by the general public on the Faurecia website. In addition, pursuant to European Directive 2000/53/EC of September 18, 2000 on end-of life vehicles, the Group is also taking action to reduce the mass and volume of its products, thereby contributing to reducing vehicle weight and fuel consumption (and, as a result, greenhouse gas emissions). This directive stipulates, inter alia, that such vehicles will have to be 95% recoverable by weight, of which 85% will have to be actually recyclable or reusable by January 1, 2015 (see Subsection 7.1.1.1 of this Registration Document).

With regard to the environmental risks associated with chemicals, the Group more than complies with regulatory requirements, in particular, with regard to the handling, storage, use and removal of the products in question. Under the new EU regulatory framework for the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), which came into effect on June 1, 2007, the Group is principally a "downstream user". It works in conjunction with automotive industry subcontractors in the form of the European Association of Automotive Suppliers (CLEPA) to set up initiatives with Group suppliers to ensure, on the one hand, that this regulation is properly recognized, thus ensuring continuity of delivery of chemicals required for production and, on the other, to provide the information required by its own customers for use in accordance with regulations.

Industrial risk management

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

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, as described in Section 3.4.5, its strategy of transferring its principal risks to the insurance market.

FIRE RISK

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; 75 sites were audited in 2013, 26 of which were 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.

NATURAL RISK (FLOODS, EARTHQUAKES, HURRICANES, TORNADOES, ETC.)

2013 was marked by greater acknowledgment of sites' exposure to natural risk by:

- systematic checking of the exposure of industrial projects, this being one of the criteria used to select future sites;
- exposure diagnosis conducted across existing industrial facilities with technical support from the Group's insurers and reinsurers.

In 2014, these initiatives will be supplemented by specific technical audits on seismic risk sites, the promotion of natural risk emergency plans for exposed sites and raising technical requirements for new industrial projects exposed to natural risk.

3.4.5. INSURANCE AND COVERAGE OF RISKS

Fire, property damage and business interruption insurance

Faurecia has taken out a fire, property damage and business interruption insurance policy with a number of leading insurers. Despite the high level of claims for 2011, a tender for the renewal of the policy in July 2011 resulted in a significant reduction in the premium. On July 1, 2013, these terms were extended until July 1, 2015. In 2013, 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 and 2013, unlike 2011, which was marked by a major fire on the foam production line in the acoustic products plant in Washington, UK (total cost: approximately €4 million) and two client default claims following the earthquake in Japan (accident compensation) and floods in Thailand (accident compensation).

Damage insurance is supplemented by builder's risk insurance and insurance covering the transportation of goods or equipment.

Liability insurance

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, including the risk of product recall. Liability insurance takes the form of a "Master" policy combined with local policies taken out in countries where Faurecia has subsidiaries.

In 2013, the Group paid approximately €4.5 million in premiums for its liability coverage policies, including product liability insurance applicable after delivery to customers.

The Groups' liability insurance schedule also includes specific policies such as environmental liability insurance and coverage of liability for damages resulting from accidents caused by employees' occupational illnesses.

4

The Group’s social 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 policy on health and safety in the workplace is based on two main objectives: safeguarding the health of its employees and improving their safety while at their place of work.

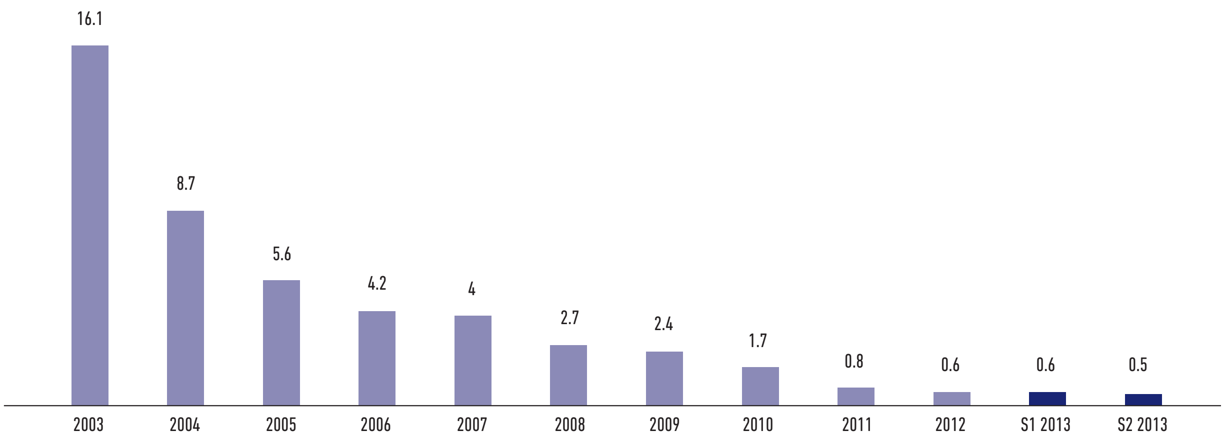
Thanks to our constant commitment to enhancing occupational safety and working conditions, we have consistently reduced the number of work-related accidents since 2003. To speed up this change, in 2010, Faurecia launched a breakthrough safety plan which, in two years, enabled it to achieve its highly 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

Analyses 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. Between December 2012 and December 2013, Faurecia improved its outcome, calculated over a rolling, six-month period, from 28.7 to 24.8. Plants also monitor the severity of accidents that result in accident-related lost time. In 2013, a rate of 0.03 was observed, corresponding to 5,774 calendar days and 172 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.

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

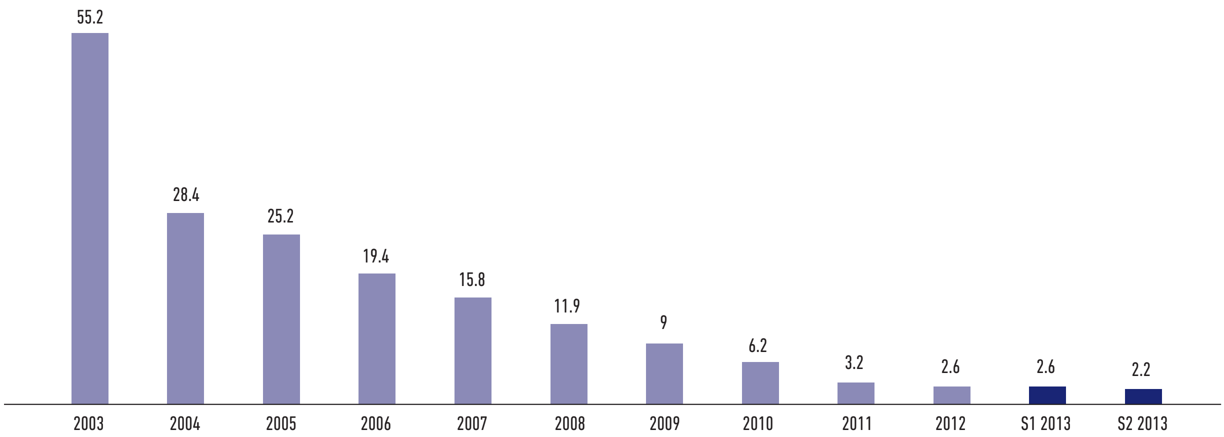


The rates shown above are for the second half of the years 2003 to 2012 and the first and second half of 2013.

In 2013, the Faurecia group achieved its objectives in terms of accidents with lost time (FR0t of 0.5), 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 255 internal sites, 88% 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 32-point improvement over 2009).

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



An FR1t of 2.2 was obtained in 2013, representing an improvement of more than 70% since 2009.

The rates shown above are for the second half of the years 2003 to 2013 and the first and second half of 2013.

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 has been on level D since 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 2013. 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 label 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.

Each Faurecia plant defines, on an individual basis, the personal protection equipment to be used by its employees or visitors. Faurecia safety footwear and clothing is mandatory in nearly all the plants. Ear protectors are mandatory in plants with high noise levels, as well as, in most cases, safety glasses.

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 analyses, a variety of solutions have been implemented for manufacturing workstations. The analyses 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.

Since 2012, Faurecia Automotive Exteriors has developed and implemented a new production standard known as NewTech, a bumper manufacturing process which incorporates all the different manufacturing stages from injection molding to assembly of the finished product.

Particular attention was paid to occupational ergonomics within the context of the implementation of this process, from three specific perspectives:

- optimization of parts loading/unloading stations with conveyer height adjusted in accordance with ergonomic ranges;
- optimization of paint drum handling processes, introduction of roller benches, compliance with working heights, compliance with storage heights;
- optimization of design of inspection and touch up workstations.

4.2. Skills development

Faurecia's employees progress within a meritocratic environment where their advancement is dependent on their potential and performance. The Group's growth and development is directly dependent on the commitment levels and skills of its teams and its capacity to set up the best teams of managers and experts, on a global level. Effective management of human resources is, therefore, right at the heart of Faurecia group strategy and is based on three principles: involvement, performance and development. Internal promotion is a key priority. It is based on individual development and makes it possible to capitalize on automotive know-how, expertise and a high level of customer insight.

4.2.1. TRAINING POLICY

4.2.1.1. Principles

Within the Group, training is considered a strategic investment.

It is a key tool in the implementation of genuine continuous improvement, backed by the Faurecia Excellence System (FES). 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 also 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:

- improving plant performance (safety, quality, costs and deadlines) and ensuring optimal production start-up;
- enhancing the attractiveness of customer offerings;
- increasing technological expertise in products and processes;
- increasing the professional qualifications of staff, fostering their career development and enhancing their employability;
- developing managerial skills;
- anticipating and managing identified skills requirements over the medium term;
- strengthening a shared culture focusing on value creation and entrepreneurial spirit;
- ensuring the use of common working methods to increase efficiency;
- developing people's ability to work in an international context.

4.2.1.3. 2013 Key figures

In 2013, the Group's training effort numbered more than 1.7 million hours, an increase of nearly 4.5% compared with the previous year. A total of 90.3% of employees received an average of 22 hours of training each.

4.2.1.4. Focus on Faurecia University

In 2013, the roles and responsibilities of Faurecia University, its governance model and its organization were redefined. At the same time, Faurecia University continued in its attempt to adapt its training provision to meet the Group's requirements.

1. Role and responsibilities of Faurecia University:
    - to offer all Group engineers and managers a comprehensive training package, based on the key stages of their career,
    - to enable decentralized and rapid roll out of localized training while still maintaining the unique nature of the Group's message,
    - to consolidate the role of management, especially that of Senior Management in preparing training content and in leading in-house modules,
    - to systematically incorporate the opportunities offered by new technologies in order to maximize the efficacy of training facilities,
    - improving the development of leadership skills by offering specific training for the Group's future leaders.
2. Mode of governance:

    Faurecia University has been equipped with a governing body with the aim of increasing the involvement of top management in defining priorities and initiatives in terms of corporate training. The "Faurecia University Advisory Board" is made up of members of the Executive Committee. It met twice in 2013. Its work focused on organization, priorities for 2013 and resources allocated.

3. Creation of two regional universities:

   "Faurecia University North America" and "Faurecia University Asia" were created in the fourth quarter of 2013. These two universities have their own resources and their primary responsibility is to roll out corporate training tailored, as closely as possible, to the requirements expressed by management in these two regions. The two regional universities can also construct specific training modules. The creation of regional governing bodies has enabled the Group to put down local roots.

4. Continuation of its work to meet the Group's needs in four different areas: leadership, key posts, functional offering and Group-wide skills development:

   - the "Group leadership 1" program has been revised to focus more on its "mentoring" aspect, thereby enabling emerging talents to benefit from an internal support and advice system as part of their career development plan. The "Group Leadership 2" program has also been revised to anchor learning outcomes in daily practice by operating a three-month personal action plan for employees returning from training which focuses on implementing what has been learned and leads to formalized follow-up,
   - the "Supervisor/UAP", "Plant manager", "Program manager", "Global Program manager" and "R&D manager" programs have been adapted to take into consideration the new challenges faced by managers and the change in the duties assigned to them,
   - the content and target audience of the "Sales Fundamentals", "Purchasing Fundamentals" and "Finance Fundamentals" programs have been revised to adapt them to changes occurring in these areas and to increase managers' contribution in terms of leading modules,
   - six Faurecia Excellence System training modules have been incorporated into Faurecia University's course catalog so as to increase its ability to roll out these training courses ("Speed up flows and leveling", "Management control", "Equipment care induction", "Equipment design", "FES overview" and "FES Advanced"). A new intercultural training program was launched in 2013: "US intercultural awareness" supplementing the Chinese and Russian modules. Lastly, an "Annual Performance Development Review" training module was launched in late 2013 to support the roll out of the new performance management approach within Senior Management.

In 2013, Faurecia University held 163 training sessions, compared with 106 in 2012. In total, 2,487 people from 20 countries benefited from these Group programs.

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

4.2.2. EMPLOYEE EMPOWERMENT

The Group's success is closely bound up with its capacity to actively involve all its employees in their work on a day-to-day basis and to create effective and autonomous teams. Employee accountability is one of Faurecia's key performance levers and is also one of the mainstays of the Faurecia Excellence System.

Group employees follow continuing development programs so as to be able to fully meet their responsibilities. Staff benefit from development opportunities enabling them to increase their level of responsibility, the aim being to constantly improve team skills.

Group employees are also encouraged to make an active contribution to continuous improvement. Managers are trained in team leadership (listening, communication skills, etc.) so as to be able to provide effective support for their teams.

Plant Management Committees are key participants in industrial progress. On this basis, they help to make employee empowerment an operational reality and to assist in the deployment of Faurecia Excellence System tools in plants.

In 2013, Faurecia continued to support the deployment of employee empowerment by continuing to offer the training programs launched in 2012 and via new internships. 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 165 human resources managers and 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:

- employee empowerment for human resources managers: this module aims to support human resources managers to develop their operational role and to implement the Faurecia Excellence System. In 2013, 70 human resources managers benefited from the training;
- the seven basic principles of employee empowerment: this module is designed for plant management committees. It aims to develop their role in the day-to-day management of

teams using the Faurecia Excellence System and the seven basic principles. Seven hundred people benefited from this training this year.

In connection with the aforementioned training programs, Faurecia focused on a new performance indicator: the development of the role of supervisor. It should improve monitoring of the way in which management supports and develops its supervisors so as to improve safety, employee satisfaction and training.

32% 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.

There were 14.2 improvement ideas per employee at December 31, 2013.

4.2.3. DEVELOPING THE POTENTIAL OF ENGINEERS AND MANAGERS

Faurecia integrates and develops the potential of its engineers and managers so as to improve their performance and skills and offer them attractive career paths. At the same time, the Group constantly adapts its allocation of human resources to meet short-term business demands and prepares for the medium-term to ensure that the Group always has best-in-class in terms of managers and technical experts, driven by the pursuit of excellent customer service.

4.2.3.1. Developing the individual potential of engineers and managers

ENSURING THE EFFECTIVE INTEGRATION OF EMPLOYEES

The Group's policy consists of recruiting new graduates whose profile and aspirations are in line with the Group's culture and who have the potential to build a career within the Group. In order to ensure the success of newly recruited employees, Faurecia offers all new hires a personal induction and training plan enabling them to find out more about the Company, its values, strategy, organization and operating systems.

CONSOLIDATING THE GROUP'S PERFORMANCE CULTURE AND DEVELOPING SKILLS

The objective is to constantly improve employee performance. To do so, an objective assessment of overall performance in consideration of three key components is combined with the implementation of robust personal development plans:

- the management by objectives practice means that personal performance can be aligned with business objectives and the individual contribution made by each employee to the results of each managerial entity can be optimized;
- behavioral assessment is designed to align individual behaviors and management practices with Group values;
- finally, the managerial skills' benchmark makes it possible to identify each individual's strengths as well as areas where there is room for improvement so as to construct practical and effective personal development plans.

The managerial skills' benchmark rolled out in 2013 describes the skills to be mastered in order to achieve success at each level of the organization. It is a key component of performance management, identification of potential and development of future managerial staff. Generally speaking, its aim is to form the nucleus of all human resources processes (hires, training, performance and career management, etc.).

OPTIMIZING CAREER MANAGEMENT

Our internal promotion policy revolves around offering career opportunities to employees who succeed and demonstrate their potential.

In 2013, Faurecia rolled out a new approach to identifying high potential individuals in order to improve its talent development policy. The objective is to identify employees' long-term potential as early as possible. Talented individuals thus benefit from diverse career paths which may include working on specific projects and inter-departmental transfers enabling them to develop their managerial skills and to demonstrate their full potential.

In order to improve the relevance of its assessment of individuals with high potential and the career paths that such individuals are offered, in 2013, the Group introduced an external assessment initiative.

In 2013, 15% of engineers and managers benefited from internal mobility, 40% as a result of a promotion.

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 2013, 69 experts, 10 senior experts and 1 master expert were appointed in the product and process engineering businesses. At the end of 2013, Faurecia employed 311 experts.

4.2.3.2. Ensuring that the Group always has best-in-class teams of managers and technical experts

ADAPTING TO SHORT-TERM REQUIREMENTS

Over the last five years, Faurecia has experienced considerable growth and its workforce now numbers over 97,000 people, 15,000 of whom are engineers and managers.

In 2013, the Group recruited 2,063 engineers and managers compared with 2,566 in 2012. Reinforcements were mainly recruited in growth areas such as China (390), the United States (459) and Mexico (263), as well as India (94) and Russia (64). Hires continued at a slower rate in France (158) and Germany (129).

50% of hires were in the field of production, 25% in sales, research and development, and program functions, and 25% in support roles.

Young graduates accounted for 17.2% of hires, of which 40% from the panels of target schools in the nine major countries.

In 2013, the number of international corporate volunteer (*Volontariat International en Entreprise*, VIE) contracts continued to grow, with 167 signed, compared with 133 in 2012. It is noteworthy that 57% of the young engineers and managers who completed their VIE period in 2013 were subsequently hired by Faurecia at the end of this period. 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.

So as to raise the profile of its employer brand image, Faurecia has revised its careers website and has developed an active presence on various social networking sites.

Despite a high stream of recruitments, the rate of vacancies filled internally amounted to 53.2% overall in 2013, compared with 47% in 2012. This percentage is considerably higher for senior management positions (72%). 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).

PREPARING FOR THE MEDIUM TERM

The Group's priority is to make sure that it always has the available resources to cover the needs of its operating units 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.

An initiative to implement and monitor short- and medium-term plans to strengthen the population of plant managers, program managers and experts, was added to this medium-term process at Group level in 2011.

This initiative aims, on the one hand, to identify and prepare the talent coming up through the ranks internally and, on the other, to recruit staff from outside the Company with the experience and potential required to fill these key positions either immediately, or in the medium-term. In 2013, this was extended to cover senior executive posts.

In this same year, cross-function mobility represented 34% of the Group's total mobility assignments for over 520 engineers and managers.

Developing and promoting diversity is crucial for a Group which employs 59% of its engineers and managers outside Western Europe and which hires 84% of its staff outside that region. Within this framework, Faurecia can offer its people many international assignments as well as the opportunity to take part in international projects.

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 40% of the engineers and managers 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 2013, the resignation rate for engineers and managers was 6.9%, down 0.6 points on 2012 (7.5%). This rate was particularly high in emerging countries and in North America as a result of the strength of the labor market.

4.3. Strengthening economic and social dialog

4.3.1. AN ENVIRONMENT OF CONTRASTING BUSINESS ACTIVITY BY GEOGRAPHIC REGION

In 2013, Faurecia saw its overall level of business grow over all geographical areas, with the exception of Europe which remained steady.

This trend was reflected by continued growth in the workforce which rose from 80,825 at the end of 2012 to 81,995 at the end of 2013 (up 1.4%).

Industrial redeployment plans affected 22 sites in 2013 and impacted 1,823 jobs in twelve countries, mainly in Europe, but also in Canada, Brazil and the United States.

Against this backdrop, Europe saw its workforce fall by 0.9%, mainly due to restructuring in Western European countries.

In North America, after strong growth in 2012 associated with the acquisition of the Saline plant (Michigan) and the Group's increasing penetration in this market, overall employee numbers remained unchanged.

In South America, the workforce continued to grow quite considerably with an overall rise of 5.8% confirming Faurecia's growth in this geographic region.

Lastly, Faurecia continued to grow in Asia, where the number of employees rose by 21.3%, consolidating 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 361 agreements in 21 countries in 2013, of which 170 in France, 81 in Germany, 37 in Brazil, 16 in Spain, 10 in Mexico, 8 in Tunisia and 7 in Uruguay.

24% of these agreements related to wages and benefits, 16% to statutory profit-sharing and incentive plans, 24% to working conditions and 4% to the quest for increased competitiveness and/or performance.

On this last topic in particular, in 2013, successful negotiations were held at a number of sites where remaining competitive was crucial to keeping the business going or to winning new programs, thereby avoiding any new plans for industrial redeployment.

In all the countries in which it operates, the Group is keen to implement existing plans so as to reduce the impact on jobs arising from a slowdown in business. By way of illustration, these plans amounted to the equivalent of 1,455,766 hours in 2013, 783,074 hours of which involved reduced working hours programs in France, the European country hardest hit by the recession in Europe. At the same time, in the event of any industrial redeployments, the Group prefers to make use of internal mobility, both on a geographical and cross-divisional level, as well as voluntary redundancy schemes. In cases where compulsory redundancies cannot be avoided, providing support for those employees seeking redeployment is a priority.

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.

The operating procedures of this body, created in 2003, are governed for four years by an agreement signed unanimously on January 10, 2012. The way in which the twenty-five seats are shared out has made it possible for each of the fifteen countries in which Faurecia operates to be represented.

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. 3.5 days training were organized in Spain in April 2013 so as to equip members with the resources required to perform their duties under the best possible circumstances.

In line with the expectations of this body's members, the training focused on a detailed analysis of the content and opportunities offered by the new agreement, on basic economic concepts and on the Group's sectoral environment. This training also provided the elected members with an opportunity to visit the PSA plant in Vigo.

The European Works Council met in plenary session on May 5 and 6, 2013; 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.

Pursuant to the terms of the agreement signed in January 2012, the last meeting of the year was held in Poland on November 20, 2013. On this occasion, the Council members were able to visit the plant and R&D center at the Grojec site (Automotive Seating business). These visits were an opportunity to exchange ideas about the Faurecia Excellence System and especially employee empowerment.

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 employ children under the age of 16, under any circumstances, and complies with the provisions of the ILO regarding the health, safety and morality 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 recognises the existence of trade unions worldwide and the right of workers to form the union organisation of their choice and/or to organise workers' representation in accordance with the laws and regulations in force. It undertakes to protect union members and leaders and not to make any discrimination based on the offices held.

The Group is also committed to promoting a policy of dialog and negotiation. Given its decentralized legal and managerial structure, this policy is implemented through collective bargaining agreements signed with the sites, on the one hand, and companies, on the other.

4.3.3.4. The elimination of discrimination in terms of hiring 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.

In particular, Faurecia forbids any unlawful conduct construed as sexual or moral harassment, including in the absence of any hierarchical or subordination relationship.

4.3.4. CHANGES IN COMPENSATION AND BENEFITS

The total amount of compensation paid, including social contributions, increased (+1.9%) across the Group as a whole: €2,986.1 million in 2013, compared with €2,929.9 million in 2012. At the same time, the number of employees increased by 1.4%.

The Group adheres to current minimum wage legislation in each country. Wage negotiations are held in the majority of countries. In 2013, 85 agreements were signed on wages/bonuses/elements of compensation and 59 on discretionary and non-discretionary profit sharing.

A system of variable compensation, based essentially on operating unit performance, applies in a uniform manner in all countries in which Faurecia operates. At the end of 2013, approximately 3,600 out of a total of 15,380 managers benefited from this system.

Compensation practices were analyzed for engineers and managers in key countries to support the practice of annual compensation reviews.

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.

Thirteen funds are available, including Faurecia Actionnariat, a mutual fund investing exclusively in Faurecia stock. Funds invested in the PEG at the end of 2013 totaled €34.8 million, 24% of which invested in Faurecia Actionnariat (2,427 employees).

Employees also have access to the Group Pension Savings Plan, set up in late 2012. Like the employee savings plan, payments into the Group pension savings plan can be made from discretionary and non-discretionary profit-sharing plans as well as voluntary employee contributions.

A defined-contribution pension plan was also introduced in 2006 for Group executives and was opened up to voluntary contributions from employees in 2013. The various retirement savings schemes have more than €64.2 million under management.

4.4.2. INCENTIVE PLANS IN FRANCE

The incentive agreements entered into by the Group's various French companies mostly establish how voluntary incentive payouts are calculated based on two sets of indicators:

- financial indicators at Company level. This part accounts for about 40% of the overall payout and is calculated annually;
- operational performance indicators calculated at site level and selected from among Faurecia Excellence System indicators. This part accounts for about 60% of the overall payout and is calculated half-yearly.

Under these agreements, the incentive payment on fulfillment of objectives is capped at a maximum of 6% of the payroll, although in exceptional cases it may be raised to a maximum of 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).

In 2013, €16.5 million was paid out to employees under the discretionary profit-sharing scheme, of which €2.7 million were invested in Group Employee Savings Plans in France (PEG or PERCO).

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 no-access 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 2013, €9.5 million was paid out to employees under the profit-sharing scheme, of which €3.0 million was invested in Group Employee Savings Plans in France (PEG or PERCO).

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 30, 2013 authorized the Board of Directors to grant a maximum of 2,500,000 bonus shares. Based on this authorization, on July 24, 2013, the Board granted 1,215,500 bonus shares to 266 beneficiaries, subject to performance requirements. There were two types of performance requirements, one internal requirement relating to the Group's pre-tax income in 2015, the other an external requirement comparing net earnings per Faurecia share between 2015 and 2012 with a reference group share. In addition, the Board of Directors has approved an equivalent cash plan for six recipients in Russia and China.

As of December 31, 2013, stock options granted but not yet exercised totaled 1,113,600, with a further 2,501,300 performance shares liable to be granted by July 2017, subject to the associated performance and attendance conditions.

4.5. Administrative efficiency of Human Resources

The rationalization of the human resources IT system begun in 2007 reached a new milestone in 2013. The GlobalView payroll and human resources platform (SAP) was rolled out in Canada, China (initial stage of the project covering 3,700 employees) and in Spain (six sites following the Group's recent acquisition of Emcon and Plastal). At the end of 2013, 44,942 employees (in 11 countries) were being paid by GlobalView, 54.8% of the Group's workforce. New projects were launched to cover new countries (Mexico), to complete the roll out in countries already covered (United Kingdom, Germany), to continue the roll out in China (new phase to add another 3,000 people) and to incorporate newly acquired companies in France.

At the same time as rolling out the payroll system, automatic interfaces continued to be set up with the Group's reporting system, executive database and accounting system to improve administrative efficacy and make data more reliable.

Payroll procedures have, therefore, been optimized in two ways: full outsourcing in new countries covered by GlobalView (China, Mexico) and continued roll out of Shared Service Centers (Canada, Poland, India and Slovakia). At the end of 2013, 50% of the Group's payroll was delivered by these organizations.

The optimization of administrative procedures also took another step forward as a result of the implementation of a talent management tool, and a tool for managerial assessment of individual performance (Taleo). Human Resources is thus equipped with a modern tool for managing its employees' individual development. Transparency with regard to employees and their managers is a key factor when it comes to improving managerial processes and information system quality.

4.6. Other employee-related data

TOTAL WORKFORCE AS AT 12/31/2013 VS. 12/31/2012

	2013				2012				2013 vs. 2012			
	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) (as points)
Europe	44,974	6,706	51,680	80.2%	45,406	4,873	50,279	82.8%	-1.0%	37.6%	2.8%	(2.6)
North America	18,172	2,812	20,984	78.3%	18,189	3,237	21,426	73.0%	-0.1%	-13.1%	-2.1%	5.3
South America	6,049	105	6,154	91.6%	5,719	82	5,801	91.5%	5.8%	28.0%	6.1%	0.1
Asia	8,243	5,314	13,557	57.2%	6,794	4,507	11,301	52.9%	21.3%	17.9%	20.0%	4.2
Other	4,557	487	5,044	77.2%	4,717	394	5,111	72.1%	-3.4%	23.6%	-1.3%	5.1
FAURECIA	**81,995**	**15,424**	**97,419**	**77.1%**	**80,825**	**13,093**	**93,918**	**76.9%**	**1.4%**	**17.8%**	**3.7%**	**0.3**

Total employees

The Group's total workforce grew by 3,501 people in 2013, (up 3.7%).

The proportion of staff employed on open-ended contracts increased from 76.9% to 77.1%.

The proportion of staff on fixed-term contracts decreased from 9.2% to 7.0%, and the proportion of temporary staff rose from 13.9% to 15.9%.

In 2013, the jobs total rose mainly in Asia but also, to a lesser extent, in Europe and South America.

Registered employees

The Group's registered employees increased by 1,170 people in 2013 (+1.4%). This increase was particularly significant in Asia (+1,449) and South America (+330) due to business growth in both regions. Employee numbers remained unchanged in North America and fell by 1.0% in Europe (-432).

Temporary employees

The number of temporary staff rose by 2,331 people in 2013 (up 17.8%).

As of end-December 2013, the percentage of temporary staff was 15.9%, two points higher than in 2012.

In Europe, the rate rose from 9.7% to 13.0%. Growth in the use of temporary labor was most marked in Poland and in the Czech Republic due to the launch of new projects. The number of temporary staff also rose in France, although only accounting for 8.7% of the total number of employees.

In North America, this percentage fell from 15.1% to 13.4% as a result of shedding 575 temporary workers in the United States over the period.

Finally, this rate was unchanged in Asia (39.2%), the percentage of temporary labor being structurally high in China.

REGISTERED EMPLOYEES AS AT 12/31/2013 VS. 12/31/2012

	2013				2012				
	Operators & workers	Technicians, foremen & administrative staff	Managers & professionals	Total	Operators & workers	Technicians, foremen & administrative staff	Managers & professionals	Total	2013 vs. 2012
Europe	29,329	7,702	7,943	44,974	29,101	8,347	7,958	45,406	-1.0%
North America	13,269	1,403	3,500	18,172	13,695	1,280	3,214	18,189	-0.1%
South America	4,125	1,291	633	6,049	3,841	1,348	530	5,719	5.8%
Asia	3,999	1,061	3,183	8,243	3,054	1,272	2,468	6,794	21.3%
Other	3,474	590	493	4,557	3,698	576	443	4,717	-3.4%
FAURECIA	**54,196**	**12,047**	**15,752**	**81,995**	**53,389**	**12,823**	**14,613**	**80,825**	**1.4%**

Registered employees increased by 1.4% in 2013.

In Europe, the number of registered employees fell by 1% overall, with a 0.8% increase in operators and workers, a 7.7% decrease in technicians, foremen and administrative staff and a 0.2% drop in managers.

In Western Europe, the number of employees fell by 4.1%, in particular in France (-3.8%), Germany (-8.3%) and Portugal (-5.2%).

In Central Europe, the number of registered employees increased by 8.2%, mainly in Poland, Slovakia, Romania and the Czech Republic.

This increase mainly related to operators and workers.

In North America, the number of registered employees fell by 0.1%. The number of operators and workers fell by 3.1% and the number of structural and managerial staff rose respectively by 9.6% for technicians, foremen and administrative staff and by 8.9% for managers.

In Mexico, there was a 4.1% decline across all categories and a drop of nearly 9% for operators and workers.

In contrast, the consolidation of the business in the United States resulted in 3.5% growth in registered employees.

In South America, the number of employees increased by 5.8%, mainly in Brazil.

Numbers were up by 7.4% for operators and workers, down 4.2% for technicians, foremen and administrative staff, and up 19.4% for managers.

In Asia, registered employee numbers were up 21.3%, mainly in China (+24.5%) and in Thailand where the workforce more than doubled to 851 people by the end of 2013.

Other countries recorded a drop in their registered employees of 3.4%.

REGISTERED EMPLOYEES BY TYPE OF CONTRACT AS AT 12/31/2013 VS. 12/31/2012

	2013			2012			2013 vs. 2012		
	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	41,448	3,526	44,974	41,608	3,798	45,406	-0.4%	-7.2%	-1.0%
North America	16,421	1,751	18,172	15,631	2,558	18,189	5.1%	-31.5%	-0.1%
South America	5,639	410	6,049	5,307	412	5,719	6.3%	-0.5%	5.8%
Asia	7,752	491	8,243	5,983	811	6,794	29.6%	-39.5%	21.3%
Other	3,895	662	4,557	3,686	1,031	4,717	5.7%	-35.8%	-3.4%
FAURECIA	**75,155**	**6,840**	**81,995**	**72,215**	**8,610**	**80,825**	**4.1%**	**-20.6%**	**1.4%**

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

Open-ended contracts rose by 4.1% (2,940 people). Over the same period, staff employed under fixed-term contracts fell by 1,770 people (-20.6%).

Breakdown by contract type swung by over two percentage points in favor of open-ended contracts. In 2013, they accounted for 91.6% of the registered workforce, as opposed to 89.3% in 2012.

The number of open-ended contracts fell by 160 in Europe (-0.4%), mainly in France (-532) and in Germany (-694), due to the slowdown in automotive business in Western Europe. In contrast, this type of contract increased in Central Europe with 901 more open-ended contracts (CDI) over the period across all countries.

The trend in other regions was also positive, up 790 in North America (United States and Mexico), up 332 in South America, up 1,769 in Asia (China, India and Thailand) and up 209 in other countries (Russia and Morocco) supporting business development across these different regions.

The number of fixed-term contracts was down by 20.6% on 2012, which impacted all regions.

They accounted for 8.3% of employees at the end of 2013, compared with 10.6% at the end of 2012.

2013 AGE PYRAMID, BY GENDER

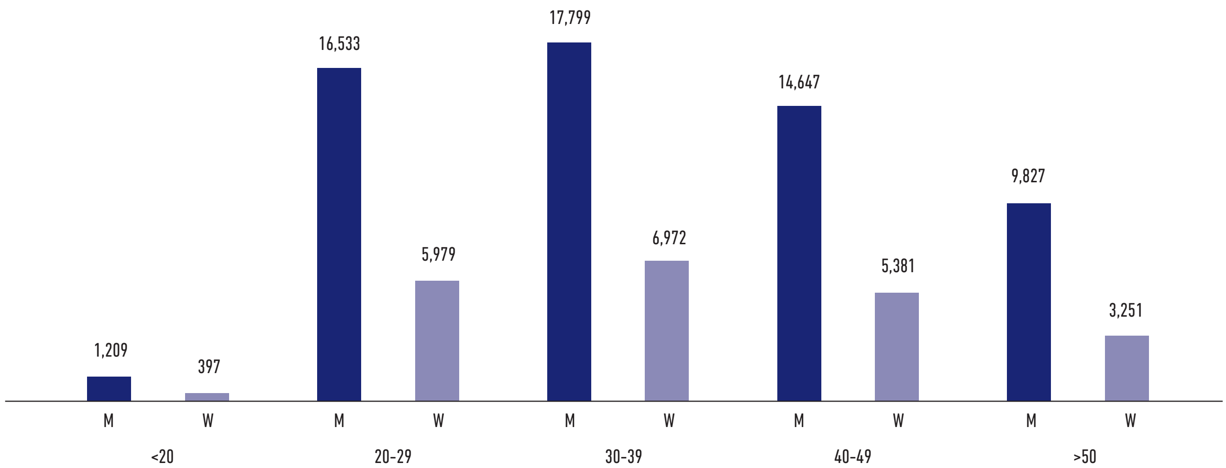
	< 20		20-29		30-39		40-49		> 50		Total	
Registered employees	**M**	**F**	**M**	**F**	**M**	**F**	**M**	**F**	**M**	**F**	**M**	**F**
Operators & workers	1,069	298	11,868	4,024	10,946	4,610	8,721	3,931	6,234	2,495	38,838	15,358
Technicians, foremen & administrative staff	140	99	2,263	1,086	2,604	956	2,212	692	1,529	466	8,748	3,299
Managers & professionals	0	0	2,402	869	4,249	1,406	3,714	758	2,064	290	12,429	3,323
FAURECIA	**1,209**	**397**	**16,533**	**5,979**	**17,799**	**6,972**	**14,647**	**5,381**	**9,827**	**3,251**	**60,015**	**21,980**

Women accounted for 26.8% of the Group's registered employees, an increase of 0.2% compared with 2012.

Faurecia is a relatively young group with 59.6% of employees under the age of 40 and 29.4% under 30.

13,078 registered employees are aged over 50 (15.9%).

For all age brackets, the breakdown by staff category was stable year-on-year, with 66% of registered employees among operators and workers and 15% among technicians, foremen and administrative staff, and 19% among managers and professionals.



EXTERNAL HIRES AS AT 12/31/2013 VS. 12/31/2012

	2013			2012			2013 vs. 2012		
Registered employees	**Hires on open-ended contracts (CDI)**	**Hires on fixed-term contracts (CDD)**	**Total**	**Hires on open-ended contracts (CDI)**	**Hires on fixed-term contracts (CDD)**	**Total**	**Hires on open-ended contracts (CDI)**	**Hires on fixed-term contracts (CDD)**	**Total**
Europe	2,501	3,454	5,955	2,428	3,423	5,851	3.0%	0.9%	1.8%
North America	2,758	3,382	6,140	2,924	6,394	9,318	-5.7%	-47.1%	-34.1%
South America	1,642	394	2,036	1,660	362	2,022	-1.1%	8.8%	0.7%
Asia	2,630	479	3,109	1,995	1,044	3,039	31.8%	-54.1%	2.3%
Other	1,117	492	1,609	1,080	858	1,938	3.4%	-42.7%	-17.0%
FAURECIA	**10,648**	**8,201**	**18,849**	**10,087**	**12,081**	**22,168**	**5.6%**	**-32.1%**	**-15.0%**

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

The number of hires as a whole fell by 15.0% compared with 2012. A decline of 32.1% was recorded for fixed-term contracts. On the other hand, hires on open-ended contracts increased by 5.6%.

In Europe, hires on open-ended contracts were made primarily in the Czech Republic (31.3%), Poland (28.7%) and the United Kingdom (14.4%), with other countries in the region recording lower hiring volumes than in 2012 in line with the downturn in activity. Hires on fixed-term contracts were mainly in Spain (21.9%) and Romania (20.0%) to respond to fluctuations in business activity.

In North America, 2,758 hires were made on open-ended contracts, compared with 2,924 in 2012 (-5.7%).

Hires on fixed-term contracts fell sharply, from 6,394 in 2012 to 3,382 in 2013, notably in Mexico, so as to ensure a quick response to the slowdown in business.

In South America, the volume of new hires was unchanged from 2012, confirming the strength of this region, particularly in Brazil.

In Asia, hires on open-ended contracts were up by over 31% on 2013, mainly in China (66% of hires in the region) and in Thailand (19% of hires in the region) as a result of regional business growth.

In other countries, hires on open-ended contracts remained unchanged from 2012. These were mainly in Russia.

Hires on fixed-term contracts fell sharply (-42.7%) as a result of the slowdown in other countries, particularly in South Africa.

EXTERNAL HIRES IN AS AT 12/31/2013 VS. 12/31/2012

	2013				2012			
Registered employees	**Operators & workers**	**Technicians, foremen & administrative staff**	**Managers & professionals**	**Total**	**Operators & workers**	**Technicians, foremen & administrative staff**	**Managers & professionals**	**Total**
Europe	4,485	987	483	5,955	3,903	1,128	820	5,851
North America	5,024	391	725	6,140	7,834	557	927	9,318
South America	1,439	525	72	2,036	1,399	557	66	2,022
Asia	2,080	419	610	3,109	1,785	534	720	3,039
Other	1,307	154	148	1,609	1,593	206	139	1,938
FAURECIA	**14,335**	**2,476**	**2,038**	**18,849**	**16,514**	**2,982**	**2,672**	**22,168**

Operators and workers represented 76.0% of external hires in 2013, compared with 13.1% for technicians, foremen and administrative staff, and 10.8% for managers and professionals, compared with 74.5%, 13.5% and 12% respectively in 2012. The 15% drop in external hires in 2013 can be broken down into a drop of 13.2% for operators and workers, 17.0% for technicians, foremen and administrative staff, and 23.7% for managers across all types of contracts.

In Europe, hires of operators and workers rose by nearly 15%, mainly in Spain, the United Kingdom, the Czech Republic and Romania as a result of the upturn in business in these countries.

Hires of technicians, foremen and administrative staff fell sharply (mainly in France and Germany) in response to cost-cutting targets set for Western Europe.

In North America, hires of operators and workers fell by nearly 36%, mainly in Mexico. The number of hires of structural and managerial staff fell sharply in the United States.

In Asia, hires of operators and workers continued to rise in 2013 (+16.5%) as a result of regional growth.

TRANSFERS FROM FIXED-TERM TO OPEN-ENDED CONTRACTS AS AT 12/31/2013 VS. 12/31/2012

Registered employees	2013 Operators & workers	2013 Technicians, foremen & administrative staff	2013 Managers & professionals	2013 Total	2012 Operators & workers	2012 Technicians, foremen & administrative staff	2012 Managers & professionals	2012 Total
Europe	1,106	213	106	1,425	1,171	207	103	1,481
North America	1,710	106	115	1,931	2,443	121	115	2,679
South America	9	22	0	31	0	29	1	30
Asia	274	35	5	314	249	19	7	275
Other	241	6	1	248	383	8	3	394
FAURECIA	**3,340**	**382**	**227**	**3,949**	**4,246**	**384**	**229**	**4,859**

The number of transfers from fixed-term contracts to open-ended contracts fell by 19% in 2013. This drop mainly impacted on North America (Mexico) following significant numbers of transfers in 2012. These transfers almost exclusively involved operators and workers.

DEPARTURES (BROKEN DOWN BY REASON) AS AT 12/31/2013 VS. 12/31/2012

Registered employees	2013 Resignations (open-ended contracts)	2013 Individual layoffs	2013 Group layoffs	2013 Others*	2013 Total	2012 Resignations (open-ended contracts)	2012 Individual layoffs	2012 Group layoffs	2012 Other	2012 Total
Europe	1,383	1,583	1,007	2,348	6,321	1,159	1,221	442	1,996	4,818
North America	1,505	3,183	74	1,437	6,199	1,430	3,736	86	1,387	6,639
South America	265	871	220	360	1,716	248	824	26	263	1,361
Asia	855	373	3	415	1,646	630	365	0	559	1,554
Other	672	484	32	539	1,727	320	364	11	469	1,164
FAURECIA	**4,680**	**6,494**	**1,336**	**5,099**	**17,609**	**3,787**	**6,510**	**565**	**4,674**	**15,536**

* *Of which: end of fixed-term contracts (3,432), resignations on end of fixed-term contracts (1,281) retirement or death (386).*

The number of employees who left the Group totaled 17,609 in 2013, compared with 15,536 in 2012, an increase of 13.3%.

Of these departures, 20% corresponded to the expiration of fixed-term contracts.

Resignations accounted for 26.6% of departures in 2013, compared with 24.4% in 2012. 65% of these were operators and workers (mainly in the United States, Mexico and Russia), 12.5% were technicians, foremen and administrative staff and 22.5% managers.

The highest rises were recorded in Asia and in other countries, which had stronger labor markets in 2013 than in 2012.

In Europe, the number of resignations rose 19.3% over the period, mainly in the United Kingdom, Poland and the Czech Republic.

The percentage of individual and collective layoffs remained almost unchanged, falling from 45.5% to 44.4% of total departures.

TRAINING HOURS AS AT 12/31/2013 VS. 12/31/2012

	2013		2012	
	Training hours	Training hours per employee	Training hours	Training hours per employee
Europe	852,512	20	847,847	20
North America	347,756	19	312,680	19
South America	79,438	14	78,592	16
Asia	321,317	42	296,552	50
Other	92,599	20	85,748	20
FAURECIA	**1,693,622**	**22**	**1,621,419**	**22**

The average number of training hours was unchanged at 22 hours per employee Group-wide in 2013.

The total number of training hours in 2013 increased by nearly 4.5% over the period, positively impacted by sustained training programs in Asia (China), North America (USA and Mexico) and in Europe (Poland and Romania).

EXPATRIATES BY DESTINATION AS AT 12/31/2013 VS. 12/31/2012

	2013	2012
Europe	77	67
North America	98	66
South America	31	26
Asia	74	76
Other	41	35
FAURECIA	**321**	**270**

The number of expatriates increased by 18.9% Group-wide in 2013, notably in North America and South America.

Growth in the number of expatriates and the wide diversity of their nationalities supported the Group's international growth.

DISABLED EMPLOYEES AS AT 12/31/2013 VS. 12/31/2012

	2013	2012
Europe	1,186	1,144
North America	13	17
South America	32	18
Asia	8	6
Other	28	21
FAURECIA	**1,267**	**1,206**

Faurecia employs nearly 1,300 disabled people, mainly in Europe. This figure was up 5% on 2012.

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.

In France and Germany, the proportion of disabled employees rose by one percentage point to nearly 5% of registered employees.

WORK SCHEDULES AS AT 12/31/2013

Registered employees	Two 8-hr shifts (1)	Three 8-hr shifts (2)	Weekend (3)	Day shift	Total
Europe	11,633	15,022	619	17,700	44,974
North America	2,315	7,962	13	7,882	18,172
South America	680	3,109	124	2,136	6,049
Asia	2,805	1,114	39	4,285	8,243
Other	1,341	2,031	0	1,185	4,557
FAURECIA	**18,774**	**29,238**	**795**	**33,188**	**81,995**

(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 59.5% of the Group's registered employees.

PART-TIME STAFF AS AT 12/31/2013 VS. 12/31/2012

	Part-time staff 2013	Part-time staff 2012
Europe	776	701
North America	0	0
South America	0	0
Asia	0	0
Other	0	0
FAURECIA	**776**	**701**

Practically all of the Group's part-time employment contracts are in Europe, particularly France and Germany.

Part-time staff accounted for 2.4% of the Group's registered employees in France in 2013, compared with 2.3% in 2012, and 2.1% in Germany.

OVERTIME AS AT 12/31/2013 VS. 12/31/2012 (NOT INCLUDING TEMPORARY STAFF)

	2013		2012	
	Overtime *(in hours)*	% hours worked	Overtime *(in hours)*	% hours worked
Europe	2,107,100	2.8%	1,877,024	2.5%
North America	4,173,715	11.0%	4,752,628	13.2%
South America	689,365	6.1%	591,118	6.3%
Asia	2,430,403	16.2%	1,703,187	13.0%
Other	704,145	7.4%	648,624	7.7%
FAURECIA	**10,104,728**	**6.8%**	**9,572,580**	**6.8%**

Overtime hours are determined in accordance with the legislation of each country.

The volume of overtime hours remained unchanged at 6.8% of hours worked Group-wide in 2013.

Use of overtime rose in Europe (mainly in France, Spain, Poland and Romania) as well as in Asia (China) to respond to temporary increases in volumes.

ABSENTEEISM AS AT 12/31/2013 VS. 12/31/2012 (NOT INCLUDING TEMPORARY STAFF)

	2013					2012
	Sick leave *(in hours)*	Absence as a result of workplace accidents *(in hours)*	Other absences *(in hours)*	Total *(in hours)*	Absenteeism rate	Absenteeism rate
Europe	2,366,424	64,898	139,495	2,570,817	3.5%	3.2%
North America	304,391	15,277	267,229	586,897	1.6%	1.6%
South America	188,711	9,463	61,940	260,114	2.3%	2.3%
Asia	35,158	0	10,124	45,282	0.3%	0.5%
Other	247,584	504	76,434	324,522	3.4%	2.8%
FAURECIA	**3,142,268**	**90,142**	**555,222**	**3,787,632**	**2.6%**	**2.4%**

Absenteeism reported was due to illness, workplace accidents and various unauthorized absences.

The number of hours of employee absence was up 9.8% in 2013 compared with 2012, rising from 3.5 million to 3.8 million hours in total.

Over the period, the number of hours worked increased by 4.4% from 141.7 million to 148.0 million hours.

This had the mechanical effect of raising the rate for the Group as a whole by 0.2 percentage points in 2013.

Sick leave accounted for nearly 83% of absences recorded Group-wide. This percentage was over 92% in Europe.

MATERNITY/PATERNITY/PARENTAL LEAVE AS AT 12/31/2013

Registered employees	Maternity leave: Operators & workers	Maternity leave: Technicians, foremen & administrative staff	Maternity leave: Managers & professionals	Maternity leave: Total	Paternity leave: Operators & workers	Paternity leave: Technicians, foremen & administrative staff	Paternity leave: Managers & professionals	Paternity leave: Total
Europe	307	140	139	586	489	130	224	843
North America	212	6	23	241	65	0	8	73
South America	44	10	7	61	147	15	7	169
Asia	27	8	32	67	76	8	63	147
Other	100	17	10	127	61	27	9	97
FAURECIA	**690**	**181**	**211**	**1,082**	**838**	**180**	**311**	**1,329**

Registered employees	Parental leave: Operators & workers	Parental leave: Technicians, foremen & administrative staff	Parental leave: Managers & professionals	Parental leave: Total	Total maternity, paternity and parental leave: Operators & workers	Total maternity, paternity and parental leave: Technicians, foremen & administrative staff	Total maternity, paternity and parental leave: Managers & professionals	Total maternity, paternity and parental leave: Total
Europe	283	108	91	482	1,079	378	454	1,911
North America	16	0	2	18	293	6	33	332
South America	6	1	2	9	197	26	16	239
Asia	0	1	3	4	103	17	98	218
Other	1	4	2	7	162	48	21	231
FAURECIA	**306**	**114**	**100**	**520**	**1,834**	**475**	**622**	**2,931**

Employees taking maternity leave rose by 21% in 2013. Those taking paternity and parental leave rose 7% on each count over the period.

Terms and durations of maternity/paternity and parental leave are governed by legislation in each individual country.

OCCUPATIONAL ILLNESSES BY TYPE AS AT 12/31/2013

Registered employees	2013: Musculoskeletal disorders of the arms	2013: Musculoskeletal back disorders	2013: Exposure to asbestos	2013: Deafness or hearing impairments	2013: Other	2013: Total
Europe	148	9	1	0	21	179
North America	48	16	0	0	19	83
South America	18	14	0	0	0	32
Asia	0	0	0	0	0	0
Other	3	0	0	0	0	3
FAURECIA	**217**	**39**	**1**	**0**	**40**	**297**

0.4% of the Group's registered employees contracted an occupational illness in 2013.

Musculoskeletal disorders of the arms accounted for over 73% of the occupational illnesses recorded within the Group.

The requirements for recognition of these different pathologies are governed by legislation in each individual country.

50% of these disorders were recorded in France and recognized by the appropriate authorities.

SUBCONTRACTING AS AT 12/31/2013 VS. 12/31/2012

	2013			2012		
	One-off subcontracting projects	Ongoing subcontracting	Total	One-off subcontracting projects	Ongoing subcontracting	Total
Europe	619	1,495	2,114	719	1,673	2,392
North America	89	402	491	115	371	486
South America	267	472	739	162	359	521
Asia	49	669	718	178	589	767
Other	45	198	243	79	178	257
FAURECIA	**1,069**	**3,236**	**4,305**	**1,253**	**3,170**	**4,423**

The use of subcontractors fell by 2.7% in 2013.

This change was mainly due to the drop in use of subcontractors for economic reasons.

SOCIAL AND CULTURAL ACTIVITIES IN 2013 (FOR REGISTERED EMPLOYEES)

(in € thousands)	Accommodation	Transportation	Catering	Medical care	Supplementary health and personal risk insurance	Subsidies	Total
Europe	2,756	11,487	8,680	5,025	20,339	5,124	53,411
North America	3,790	6,817	1,290	15,464	5,478	237	33,075
South America	977	3,595	4,551	4,376	461	328	14,288
Asia	6,990	6,911	5,933	9,777	7,106	338	37,055
Other	488	2,775	1,193	266	1,084	12	5,818
FAURECIA	**15,000**	**31,584**	**21,648**	**34,908**	**34,467**	**6,040**	**143,647**

The total was up by more than 6% in 2013 compared to 2012.

The implementation of supplementary protective measures (medical/mutual and personal risk insurance) continued in 2013, notably in Asia and North America, in line with growth and in order to support our workforce in these regions.

5

Quality

CONTENTS

5.1. Quality achievements

Faurecia's quality performance, measured as the average half-yearly rate of customer rejects per million parts delivered (ppm) is now stable and above the target of 15 ppm, 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-MONTH 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. This 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.

At the end of 2012, twelve plants had a result above 50 ppm. The Group's objective to reduce that number by half has been met: at the end of 2013, only six of these plants had a result above 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 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.

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.

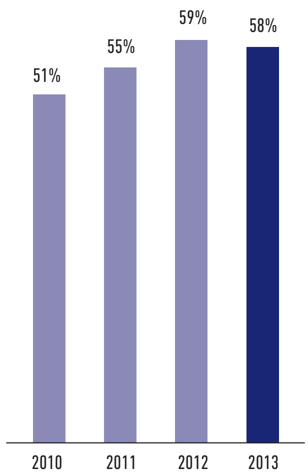
Faurecia organizes an annual three-and-a-half-day training program for all plant and program managers to reinforce their knowledge of the FES. In 2013, Faurecia organized such events in China, North America, South America, Northern Europe and Southern Europe. Training includes theoretical work, but is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

The Faurecia Excellence System Production audit plan was continued in plants in 2012, to ensure the effective deployment of the 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 of production plants.

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. The number of audited plants is steadily increasing and, in 2013, 166 plants were audited by the Faurecia group's auditors, including plants purchased in 2011 and 2012 which were audited for the first time. The number of plants obtaining an A (Excellent) was 51 in 2013. The percentage of plants considered to be A or B stood at 58% in 2013. The fact that the FES audit system is based on an annual increase in requirements and the integration of 30 plants that were audited for the first time explain the stabilization of the percentage of plants rated A or B in 2013.

PERCENTAGE OF PLANTS RATED A OR B FOLLOWING THE FES AUDIT



5.3. Customer awards

In 2013, Faurecia received several customer awards for its production sites.

Faurecia Automotive Seating:

- the Pisek site (Czech Republic) received a Supplier Quality Excellence Award from General Motors;
- the Anting site (China) received a Supplier Quality Excellence Award and a Business Progress Award from General Motors;
- the Wuhan site (China) was recognized as Best Quality more than five years by Dong Feng Peugeot Citroën Automotive (DPCA);
- the Chengdu site (China) received a Supplier Quality Excellence Award from First Automobile Works Volkswagen (FAW/VW);
- the Yangchen site (China) received a Best Supplier Award from KM&I.

Faurecia Emissions Control Technologies:

- the Bakov and Pisek sites (Czech Republic) received a Supplier Quality Excellence Award from General Motors;
- the Wuhan site (China) received the 60 Months 0 Ppm Award from Ford Motor Company and the Best Supplier Award from Zhengzhou Nissan;
- the Anting site (China) received a Quick Response Award from SAIC;
- the Chongqing site (China) received the award for the launch of the C520 from Ford Motor Company;
- the Nanjing site (China) received two awards from SAIC, the Best Quality Supplier 2013 and the Best Delivery Supplier 2013;
- the Changchun site (China) received from VW FAV the Excellent Supplier and Excellent Quality awards;
- the Yantai site (China) won the Quality Guard Award from Shanghai GM.

Faurecia Interior Systems:

- the Orhangazi site (Turkey) received the Gold Star Award as Supplier of the Year from Ford Otosan.

5.4. Outlook 2014

The objectives for 2014 are:

- ongoing quality performance optimization;
- more widespread improvement in quality performance with the target of bringing individual plant performance below 50 ppm;
- 20% reduction in waste between 2013 and 2014.

A coaching program will be implemented in key plants rated C or D by the FES audit system in 2014. These plants will not only be audited several times a year but they will also benefit from specific coaching by Faurecia's support functions in order to achieve the level B.

6

Research and development

CONTENTS

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 technologies, as well as researching 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 accounted for €916.5 million of total expenses in 2013, representing 5.1% of revenue (see Note 5.4 to the consolidated financial statements). €100 million of this was spent on innovation over the same period.

Some 5,800 engineers and technicians based in 30 centers represent the Group's global R&D community. 500 patents were filed in 2013.

Technological development and innovation are key priorities for Faurecia. In support of these priorities, Faurecia confirmed its policy of joint efforts with the academic world in 2013. After the effective launch of advanced projects with the Fraunhofer ICT (*Institut für Chemische Technologie*) in Germany and in the context of industrial chairs with Supéléc (*École Supérieure d'Électricité*) and ESIGELEC (*École Supérieure d'Ingénieurs en Génie Électrique*) for mechatronics, with the *École Centrale* de Paris and the *Technische Universität Munchen* (TUM) in Munich for assembly lines and logistics, and with the *Technische Universität Dortmund* (TUD) on metals processing, a new chair was signed with the *Freiburger Materialforschungszentrum* at the University of Freiburg (FMF) and SKZ Würzburg, both located in Germany, for the chemistry of plastics and biomaterials. Industrial chairs are medium-term bilateral agreements between industrial firms and laboratories of academic institutions that focus on technological subjects or 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. More than 300 experts are now skilled in the Group's 67 different areas of expertise. Skills sharing, wherever relevant, ensures optimal use of such expertise.

Executive Management's involvement in monitoring innovation plans via Technology Leadership Seminars, 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 2013, the European Commission adopted average CO_2 targets of 95 g per kilometer (equivalent to approximately 4 liters of fuel per 100 km) for the automotive industry in Europe, effective from the end of 2020, with a planned level of 130 g for 2015. This 95 g target will lead automakers to work to dramatically improve parameters such as vehicle weight, efficiency of powertrains (engines and transmissions), rolling resistance and aerodynamics. Significant progress has already been made in all these areas, but it must continue, in particular concerning the reduction in weight (which went from 1,250 kg to 1,100 kg for recently produced B segment vehicles, but the current goal is to drop below 900 kg, or even 800 kg) in order to achieve more ambitious CO_2 emissions targets. This objective 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, optimized design, 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 with conventional materials.

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

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 particulates that may require treatment in the exhaust system. As from 2014, Faurecia will supply the world's first particulate filters for gasoline engines as standard equipment.

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 emissions 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 particulate treatment technologies in an optimized volume.

Sustainable development and use of raw materials

In addition to their contribution to 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.

At the forefront of the end-of-life vehicle processing, as from 2015, Europe will impose a reuse and recovery level by weight of over 95%, with a reuse and recycling rate by weight of over 85%: the recyclability of synthetic materials such as plastics (an area where Faurecia is already very active) and, in the longer term, composite materials is for the automotive industry and thus for Faurecia one of the key features of the vehicle of the future.

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. In 2013, the Company signed a strategic partnership with Mitsubishi Chemicals for the development of biosourced resins.

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, connectivity, perceived quality and durability.

Competitiveness

Development cost overruns and increased diversity are the downsides of the increase in embedded equipment and the rising number of versions of bodywork, trims and equipment. The standardization of components not specific to the various versions and their spread 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 generic 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 2013, the Group increased its innovation drive around the following five objectives: consumption reduction, environmental performance, use of renewable materials, attractiveness and competitiveness. The overall performance of research and innovation is based on two key drivers: a) a systems approach and b) optimized product and process design.

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 ECP (France) and the Technische Universität Munchen (TUM, Germany).

Product design and process

Product and process design is central to the activity of the Group's 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.

Faurecia's systematic search of the best production technologies appropriate to its product portfolio and their adaptation to its requirements represent a second aspect of the product/process performance.

These approaches have allowed the Group 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), that of processing methods for metal materials with the Technische Universität Dortmund (TUD, Germany), as well as a new chair in polymer chemistry and renewable materials with the University of Freiburg (FMF) and SKZ Würzburg are part of this process.

6.2.2. ENVIRONMENTAL PERFORMANCE

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 new 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, others have been rolled out since 2013 and will become standard across the Group in 2014.

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 projects. 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 Sora's automotive composites business will enable Faurecia to become a key player in the development of composites for the automotive industry. Faurecia in this way has mastered all the technologies currently used in mass production, is working on their optimization 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 partnership with Fraunhofer ICT 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 mechanisms mass-produced as from 2013, the use of composites for the back of the front seat and the compliant shell back provide significant space gains in spaciousness of up to 50 mm.

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 represents a breakthrough in design and 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 or transmission to warm more quickly, or indirectly by transforming the heat into electricity for powering accessories and, potentially, hybrid drivetrains.

Their direct application (known as thermal recycling) resulted in the launch of two new products in 2012: 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 by the turbine 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 an oxidation catalyst, a gas mixer with a liquid or gas catalyst (BlueBox), and particulate filters. It moves all of these components closer to the engine leading to more efficient treatment of exhaust gases and superior size and weight ratios.

EGR and SCR technologies are increasingly being used for passenger and utility vehicles (less than five 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.

Furthermore, as from 2014, Faurecia will supply the world's first particulate filters for gasoline direct injection engines. This technology will become standard in the upcoming years.

Renewable materials

Faurecia develops and incorporates bio-based materials and this is also an effective way of taking up positions that span the entire product life cycle.

In addition to the Lignolight technology mentioned above, natural fibers are a focus for Faurecia. NAFILean technology (NAtural Fiber Injection), which combines natural hemp fibers with polypropylene resin, reduces weight by 25% compared with polypropylene charged with fiberglass. This technology is now in production on the new Peugeot 308 instrument panel. 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. 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. USABILITY

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 that provide comfort, decoration, and integrate electronics.

Comfort

Faurecia has always positioned itself as a key partner of automotive manufacturers in the area of seating comfort. The development of postural comfort software, optimization of the pressure at the occupant-seat interface, and filtration of vibrations from the vehicle floor are all areas upon which Faurecia has built its reputation. The latest innovations relate to the development of multi-hardness foams, which filter the various types of vibrations and optimize seat thickness in order to reduce its height, but they also propose a set of pneumatic systems that adjust the shape of the seat to the occupant and use inflation/deflation cycles to generate a massage whose characteristics can be adapted as needed.

In addition, Faurecia has developed a "compliant shell" seat (based on a deformable plastic shell and a foam whose thickness has been significantly reduced) which offers a different kind of comfort, especially at the level of the back, while achieving a size reduction in the order of 40 to 50 mm. This innovation is a major change in the seat system approach and could rapidly be used in middle or lower segment vehicles.

Decoration

From the instrument panel to the seats, consoles 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.

In addition, Faurecia develops decoration technologies for exterior parts. Particular emphasis is placed on the modular design of the front bumpers, based on optimized architectures that must accommodate many finishes for a given vehicle while reducing tooling costs. Similarly, bright decoration technologies are being developed to meet the growing market demand.

Industrial design

Faurecia is relying on advanced design teams to materialize most of its breakthrough innovations focused on the occupant. Thus, the "performance" cockpit prototype was followed by "performance 2.0" in 2013. The latter incorporates the latest innovations in human-machine interface with a retractable screen, connectivity, air distribution with reduced vent sizes, kinematics and decoration.

On the seat side, the approach has remained unchanged. OASIS, the latest demonstrator that is designed for rear passengers, offers ergonomic kinematics that allow the switching from a standard position to a first-class relaxation position and includes advanced massage functions and audio systems, all of which are activated via an innovative control interface.

In addition, in 2011, Faurecia launched the "Collections By Faurecia" concept which 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. In 2013, a strategic partnership was signed with Magneti Marelli for the joint development of human-machine interfaces for center consoles with retractable or fixed screens, command buttons and decoration;
- 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, in a predictive manner. 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, is used as a base for the development of electronic functions. Products that incorporate electronics and are developed by Faurecia are already mass-produced, but the signing of significant contracts in the last months of 2013 will position Faurecia as a renowned provider of this type of product.

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 by 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 control of global 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 and continued in 2013. 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. Product 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. Strategic partnerships for the simulation of composites are in progress and will be finalized in 2014.

Production processes/assembly lines

To show its willingness to adopt a long-term approach, in 2012 Faurecia signed a contract for the creation of an industrial chair on the optimization of assembly lines and logistics with 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 2013, 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 and process development 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 ECP (France) and the *Technische Universität Munchen* (TUM, Germany); metallic materials and innovative processing with *Technische Universität Dortmund* (TUD, Germany) and the most recent chair in 2013 with University of Freiburg (FMF) and SKZ Würzburg, both located in Germany, for the chemistry of plastics and biomaterials.

In addition, a master agreement was signed in 2012 with Fraunhofer ICT (Germany) on composite processing technologies, which 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 lines. Thus, in 2013, Faurecia signed a strategic partnership with Magneti Marelli to develop human-machine interface modules incorporating electronics, command systems and decoration.

Investments

In 2013, the Group's continuous innovation work resulted in filing some 500 new patents. This result, significantly higher than in previous years, when an average of approximately 460 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 2013, this commitment to research and development resulted in the opening of a new development center for Automotive Seating, Interior Systems and Automotive Exteriors businesses in Shanghai, China.

6.3. Engineering and program management

Carrying out innovation and vehicle 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

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 experts, particularly for innovation or vehicle application projects (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 production 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 disciplined implementation;
- 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.

485 programs run by 420 program managers were in progress at the end of 2013.

7

Faurecia and sustainable development

CONTENTS

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 mass by 100kg reduces CO_2 emissions by approximately 8-10g 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. Faurecia has gradually put in place a substance management system that allows it to be particularly responsive to new restrictions (investigation phase using an information system that collects substance reports from its suppliers, notably in the context of the REACH regulation, and setting up an alternative project if necessary).

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 achieving 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 AND ENGINEERING

Subsection 6.2.2 of this Registration Document specifically contains a description of the 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 stipulates inter alia that vehicles will have to be 95% recoverable by weight, of which 85% will have to be actually reusable or recyclable, by January 1, 2015.

Given such onerous regulatory requirements, automakers are placing ever-greater demands on their suppliers in terms of end-of-life product recycling.

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.

As regards current solutions, an innovative product must be measurable both in terms of improved technical and economic performance and its carbon footprint. Faurecia is committed to a process of forecasting and recovering future end-of-life products. Selective trials overseen by Faurecia comprise the first phase of a comprehensive approach by the automotive sector in partnership with industrial firms, academia and auto "clusters", to forecasting volumes of materials available for recycling in the future.

Thus, Faurecia Automotive Seating, as part of its research on weight reduction solutions and some other R&D projects, such as DEMOS, is conducting an ever-growing number of studies to assess the impact of the recyclability potential of new materials, new products or multi-material concepts.

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 NAFCORECY (NAtural Fiber COmposites RECYcling) project was able to demonstrate, with the help of European companies specialized in recycling, that parts made of NAFILean (polypropylene with natural fibers) can be processed with post-shredding technologies for end-of-life vehicles or recycling technologies used for industrial waste.

All possibilities for recycling end-of-life products are studied with a view to integrating the best solutions, ensuring reduced environmental impact and taking into account all utilisation cycles at the design stage. Faurecia also uses life-cycle analyses to “eco-design” its 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, 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 15-20% of the materials comprising the seats manufactured by Faurecia.

In Faurecia Interior Systems business, 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 maximises the incorporation of recycled natural fibres (mainly cotton) in its vehicle soundproofing systems.

The technical performances and aesthetic appeal achieved as a result of the BOREVE project launched in 2008 now make it possible to incorporate a proportion of recycled material, while meeting the requirements of bumper surfaces, which play a large part in aesthetic appeal.

Life-cycle analyses 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

Subsection 6.2.2 of this Registration Document contains information on the use of renewable 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. Life-cycle analysis

Faurecia is increasingly using life-cycle analyses (LCA) at various levels to steer its strategic decisions and those of automakers. These analyses are carried out on its products, on the entire vehicle (from the extraction of materials to delivery to automakers), and on 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 CO_2), the consumption of non-renewable resources (oil and coal) and eutrophication.

These life cycle analyses 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 emission control systems;
- assess and avoid impact transfer by focusing on alternative solutions (e.g. by developing a lighter but non-recyclable product).

This is an especially useful innovation tool for evaluating benefits as well as any impact transfers as far upstream as possible through a comprehensive overview of the environmental impacts that paves the way for future innovations.

It also provides a more in-depth understanding of the environmental choices of an entire industry. Faurecia is therefore heavily committed to developing and using life cycle analyses in liaison with automakers and auto sector partners as the means of gaining a shared understanding of environmental challenges.

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 CO_2 emissions have a direct impact on the structure of automakers' offers, product line-ups 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 2013, 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 of the parts that Faurecia produces and for most vehicles currently on the market, reducing mass is a clear priority and life cycle analyses help to quantify and validate such objectives. However, in certain cases, making vehicles lighter may not be the best solution.

7.1.2. FAURECIA'S MANUFACTURING SITES AND THE ENVIRONMENT

The monitoring of environmental issues within the group (environmental assessments when necessary, management of waste and pollution when regulatory constraints apply, management of waste from the process activities, etc…) is decentralized and organized by Business Group.

Environmental policies are defined and deployed by the HSE (Health, Safety and Environment) Directorates for each Business Group. To accomplish their mission, these departments have established a network of HSE Managers for each Division (mainly on a geographical basis), along with HSE coordinators within each Faurecia site. These coordinators bring their expertise to the factory management team, are responsible for implementing procedures, and ensure compliance with regulations and Faurecia standards. This organization also enables best practices to be relayed between sites within the same Business Group and/or between the four Business Groups. In some cases, this feedback can lead to Group regulations.

7.1.2.1. Environmental protection improvement initiatives

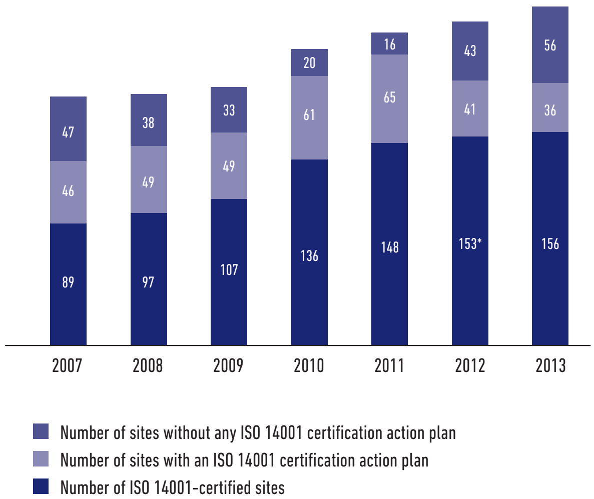
Faurecia is constantly seeking to limit the impact of its industrial activities on the natural habitat surrounding its sites, particularly in terms of emissions of hazardous substances into the air and water, energy consumption, generation of greenhouse gas emissions and waste production. With this aim in mind, in 2013, the Group continued its strategy of putting in place pollution abatement equipment at the end of its manufacturing processes or modifying these processes to reduce the quantity and harmful effects of their emissions and waste. The Group's sites invested €13.854 million in environmental and compliance measures in 2013, an increase of approximately 9.9% compared to 2012. This increase is mainly explained by a rise in the investments (58.2%: corresponding to some €4.613 million in 2013) dedicated exclusively to environmental protection. In this respect, two of the Group's sites have demonstrated their environmental commitment: the Essen site based in Germany has invested €1,175,000 in the implementation of a gas turbine cogeneration system. The French site Audincourt, for its part, invested €611,000 in the installation of a new painting production line equipped with a thermal oxidizer and ensuring greater energy efficiency. These investments are grouped into an overall investment plan which is reviewed every six months.

7.1.2.2. Certification and training

Most Faurecia sites, based on a voluntary approach, set up environmental management systems based on ISO 14001 standard. This certification also enables Faurecia to respond to customer demand.

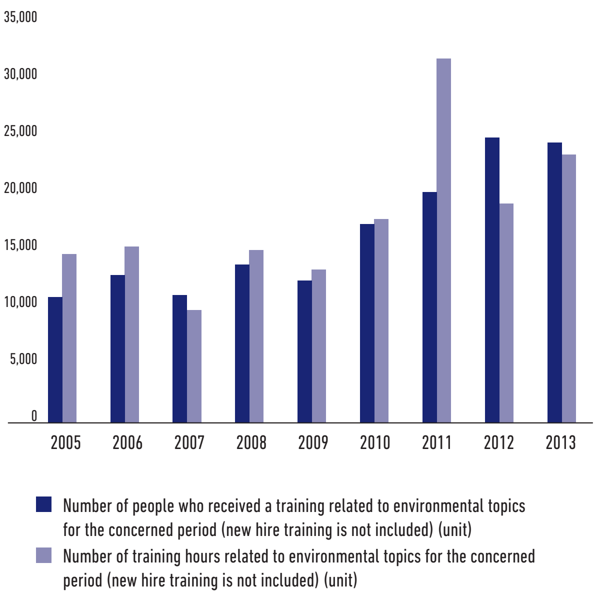
At constant scope, the number of ISO 14001 certified sites remained stable in 2013: nearly 65% of the 228 industrial sites included in last year's scope. The current economic climate has led some sites to postpone implementing an Environmental Management System (EMS). At constant scope, the number of sites with an action plan for implementing a certified management system has seen a very slight decrease: 27 sites committed themselves in 2013 compared to 30 last year. As well as implementing ISO 14001 management systems Faurecia organizes environmental training and awareness-raising sessions for its employees. In 2013, the number of training hours rose by 22.5% to reach 22,907 hours delivered. 23,948 people benefited from these training courses, some 30% of the Group's workforce. This investment in the Group's employees' skills represents about €134,076.

NUMBER OF ISO 14001-CERTIFIED SITES AND SITES WITH AN ISO 14001 CERTIFICATION ACTION PLAN (2013 PERIMETER)



* Total number of certified sites indicated by mistake in the 2012 report being 154.

NUMBER OF PEOPLE TRAINED IN ENVIRONMENTAL ISSUES – NUMBER OF HOURS (PERIMETER 2013)



7.1.2.3. Environmental indicators

WATER CONSUMPTION AND WASTEWATER DISCHARGES

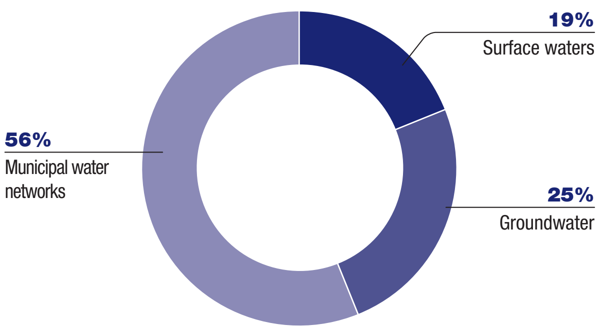
In 2013, overall water consumption was estimated at 3,627,000 cubic meters for the 224 facilities reporting their entire consumption. The overall water consumption covers 96.4% of the total workforce.

On the scope of the 209 sites already up and running in 2012 and having reported their entire water consumption, the overall water consumption decreased slightly by 3.8% (-135,853 cubic meters) between 2012 and 2013. Of these 209 sites, water consumption balanced with the number of hours worked decreased by 4%: some 0.97 liters less per hour worked (23.08 in 2013 compared to 24.05 in 2012). This positive trend is particularly due to a more rational consumption by the ISO 14001 certified sites (-5.9% reduction in water consumption).

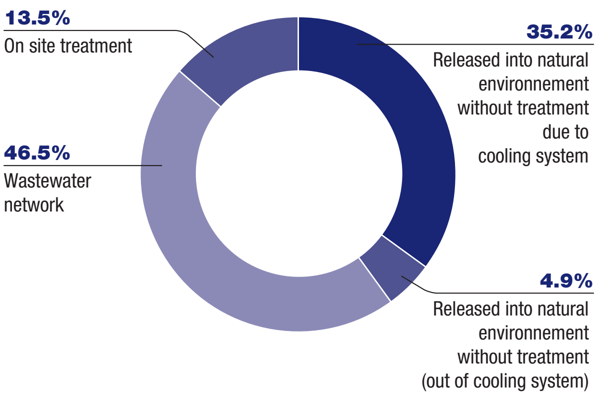
In 2013, the water sources used by the group's plants break down as follows: 55.7% comes from municipal water networks, 18.9% from surface waters, and 25.5% is drawn from groundwater. In 2013, the destination of wastewater was approximately the same as in 2012: 53.5% of the water consumed was released into the natural environment (of which 13.5% required onsite treatment), the remaining 46.5% was discharged to wastewater networks. 87.8% of the untreated water discharged into the natural environment is linked to the Cooling Systems of two sites based in France and in Germany. This water is released after the regulatory compliance analysis required for industrial wastewater discharge.

Of the 248 sites surveyed, 129 are required to report self-monitoring data on the quality of their wastewater discharges to the local authorities. Of these 129 sites, 86.2% comply with the requirements for aqueous releases.

WATER CONSUMPTION BY SOURCE IN 2013



DESTINATION OF WASTEWATER DISCHARGED IN 2013



GREENHOUSE GAS EMISSIONS

1. Energy consumption

In 2013, the energy consumption of the 228 sites included in the scope of 2012 reached 2.10 million MWh (+0.1%). At the same time, for the entire scope, the hours worked have not changed significantly since 2012 (+1.4%). Balanced with the number of hours worked, at constant scope, the energy consumption rose marginally (by 0.8%) compared to 2012 (i.e. in total, 13.8 KWh per hour worked).

It is to be noted that for the entire 2013 scope, the total energy consumption increased significantly, reaching 2.36 million MWh, representing a rise of 11.3% compared to 2012. This increase in consumption is directly linked to the Group's 22 additional sites. One of them, located in the United States is, today, the largest Faurecia site with an area of 283,280 m^2. This site's energy consumption is about 65.5% (168,363 MWh) of the total consumption of the twenty-two additional sites (+256,689.7 MWh).

The 2013, energy consumption breaks down as follows: 64.6% electricity, 32% natural gas, 2% liquefied petroleum gas (LPG), 0.03% fuel oils and 0.97% steam.

Analyzing the overall consumption by energy type, at constant scope, the major trend is that of a stable consumption of electricity and natural gas (a minor increase of 0.3% and 1.2% was recorded respectively). At the same time, consumption of liquefied petroleum gas (LPG) and industrial fuels decreased respectively by 19.6% (47,141 MWh consumed) and 28.8% (8,538 MWh consumed).

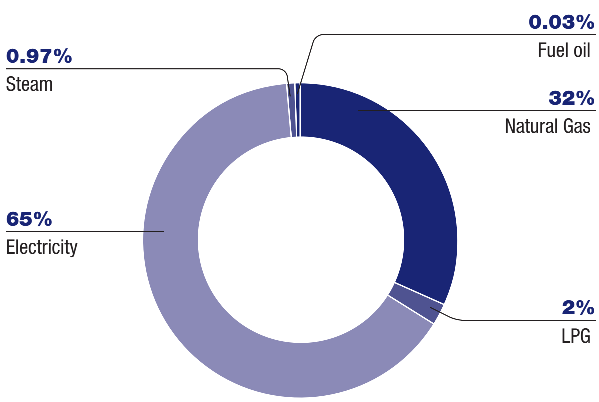
Direct emissions of Greenhouse Gases (GHG) from the Faurecia sites come from fossil fuel consumption and refrigerant leaks. Emissions from fossil fuels, that is to say, the consumption of natural gas, liquefied petroleum gas and fuel oil, corresponded to the equivalent of 170,083 metric tons of CO_2 in 2013. Compared to 2012, this represents an increase of 12.7% which is directly related to the consumptions of the 22 additional sites. At constant scope, these emissions represent the equivalent of 148,471metric tons of CO_2, a decrease of 0.5%.

The 2013 Faurecia sites' electricity consumption corresponded, moreover, to the indirect emission of the equivalent of 602,461.3 metric tons of CO_2, an increase of about 11.6% compared to 2012. 8.9% of this increase is linked to the additional twenty-two Group sites. At constant scope, these emissions represent the equivalent of 545,629 metric tons of CO_2 which corresponds to an increase of 2.2%. This increase is explained by a change in emission factors following the updating of the IEA (International Energy Agency) standards. Some countries (Spain and Portugal) recorded a sharp rise in their factor between 2012 and 2013.

Over the whole 2013 scope, 170 sites are required by local authorities to self-monitor the quality of atmospheric emissions. Of these 170 sites, 89% meet the requirements set out in this control.

In accordance with Article 75 of Law No. 2010-788 of July 12, 2010, Faurecia's French sites carried out their GHG balance and have submitted their Greenhouse Gas Emissions reduction action plans to their regional administrative centre. More than 50% of the sites surveyed have already introduced measures to reduce energy consumption in order to reduce their energy bills and, therefore, direct emissions from the group. Of these, the most recurrent are regular consumption monitoring to enable the early detection of any energy loss or leakage, raising employee awareness regarding energy savings, the installation of new energy efficient equipment (lighting, heating, production…), the introduction of smart energy systems (timers, motion detectors…) or the energy balance of buildings in order to identify possible reduction actions. In 2013, some Faurecia Business Groups began a reflection on the possible use of renewable energy at their sites.

ENERGY CONSUMPTION IN 2013



SOURCES OF ATMOSPHERIC EMISSIONS IN 2013

	CO_2 (t)	N_2O (t)	CH_4 (t)	SO_2 (t)	NO_2 (t)
Natural gas	155,125.36	6.79	10.87	1.51	163.01
Liquefied petroleum gas	12,063.20	0.47	0.19	0.41	11.31
Heavy industrial fuel oil (sulfur content ~ 4%)	0.00	0.00	0.00	0.00	0.00
Low sulfur industrial fuel oil (sulfur content ≈ 2%)	743.21	0.02	0.03	9.53	1.62
Very low sulfur industrial fuel oil (sulfur content ≈ 1%)	55.48	0.00	0.00	0.36	0.12
Domestic heating oil (sulfur content ≈ 0,3%)	2,095.81	0.04	0.04	2.66	2.80
Electricity	602,461.32				
TOTAL DIRECT EMISSIONS (te$C0_2$)	**170,083.06**	**7.32**	**11.13**	**14.47**	**178.85**
TOTAL INDIRECT EMISSIONS (te$C0_2$)	**602,461.32**				

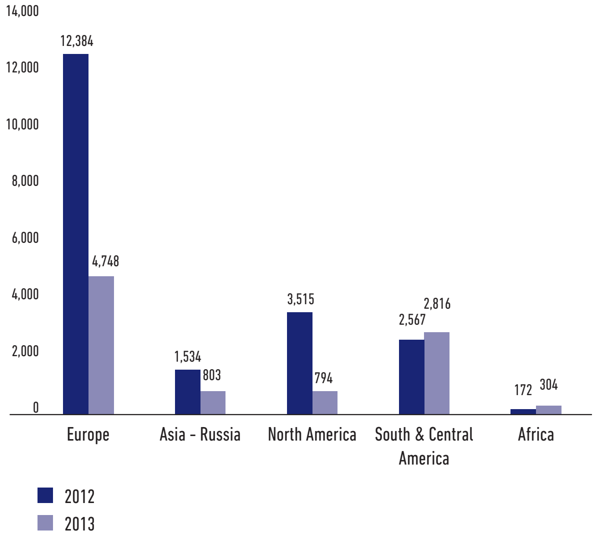
2. Consumption of refrigerants

In 2013, the total amount of refrigerant gases added to air conditioning systems and refrigeration systems decreased by 31.8% (namely 5,735.3 kg of refrigerants consumed) compared to the previous year. Among the eight gases used by Faurecia sites, it is mainly R- 407c and R-22 gases that contribute to this significant decline in consumption. To ensure compliance with international regulations relating to the Montreal Protocol, Faurecia is making efforts to reduce the use of the gas R22 which will be permanently banned in developed countries by 2020. In fact, at constant scope, emissions from the refrigerant gas decreased overall by 50.9% and totaled 3,948 te CO_2.

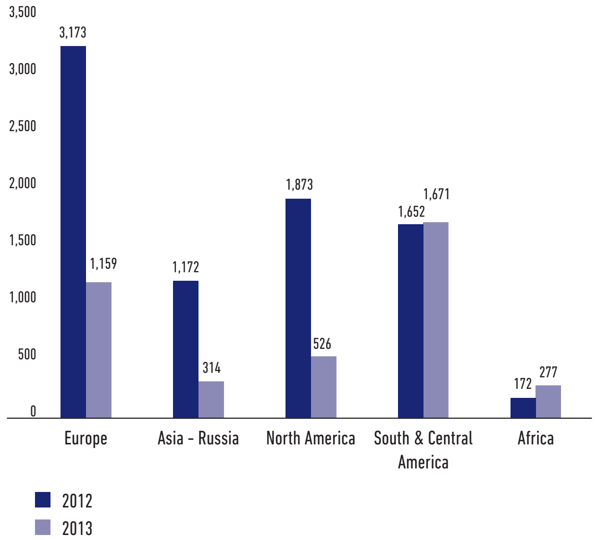
At constant scope, the use of all refrigerants and leaks occurring during topping up work and maintenance corresponded to atmospheric emissions equivalent to 9465 metric tons of CO_2 (down by 53.1%) some 1.34% of the total emissions generated by Faurecia (excluding Scope 3 - on the GHG Protocol - not regulated by Article 75 of Law No. 2010-788 of July 12, 2010).

Type of gas (in kg)	2012	2013
HFC-134	1,088.6	1,378.1
HFC-227	42.0	32.0
R-404a	176.8	123.5
R-407c	3,788.5	1,162.5
R-410a	1,424.0	727.0
R-413a	9.6	0.0
R-422a	44.6	15.3
R-22	4,528.0	2,297.0
TOTAL	**11,102.1**	**5,735.3**

EMISSION (teC0$_2$) FROM HFC/PFC/HCFC FLUIDS AT CONSTANT SCOPE



EMISSION (teC0$_2$) FROM THE REFRIGERANT GAS R22 AT CONSTANT SCOPE



USE OF GROUND SURFACES (WATERTIGHT SURFACES AND TOTAL SURFACES)

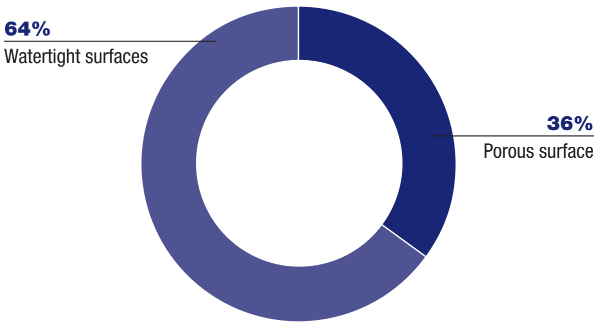
Faurecia sites occupy a total surface area of 1,055.92 hectares worldwide. This figure is higher than in 2012 (+9.7%) due to the addition of 22 sites within the group. 64% of the surface area is sealed against rainwater (compared to 65% in 2012). This surface includes surfaces occupied by buildings, parking lots, roads and other impervious surfaces.

112 sites, 45% of the sites surveyed, have set up a soil and underground water studies in order to help minimize the historical legacy of the site and its environmental impacts.

Soil and groundwater pollution checks are also carried out in accordance with regulatory requirements, as well as through environmental due diligence audits requiring more in-depth surveys.

26 sites today state that they are positioned close to local government protected zones (less than 3 kilometers). In order to improve our practices concerning the protection of biodiversity, some sites are working on enlarging their green spaces and the recycling of their organic waste into natural fertilizer.

BREAKDOWN OF SURFACE AREA USED BY THE GROUP IN 2013



CONSUMPTION OF RAW MATERIALS

The amount of raw materials used is newly collected at site level, following the publication of the decree implementing Article 225 of Law No. 2010-788 of July 12, 2010 (Grenelle 2 Law). Plastics and metals consumption, representing the largest part of raw material consumption, was identified as data to be collected, as a test run, for 2013.

In 2013, the production process required 929,527 metric tons of metals and 342,503 metric tons of plastics (excluding stock and materials recycled internally).

Metals are mainly used for the manufacture of seats and exhausts: using respectively 64.5% and 35% of this raw material.

Plastics are mainly used for the manufacture of dashboard. Faurecia Interior Systems use 58.9% of this raw material.

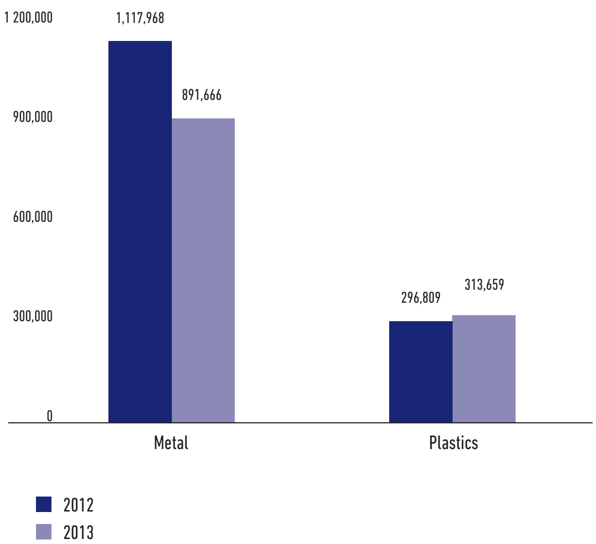
Faurecia sites also recycle scrap from the production line for reuse as raw material. To date, only the reused plastic material is subject to data collection. In 2013, 9.2% of the plastic raw material come from recycling. Internal plastic scrap was valued as by-products. In 2013, at constant scope, 12,659 metric tons were revalued: a drop of 6% compared to 2012. Faurecia Interior Systems use 82.7% of the plastic recycled internally within the group.

Faurecia sites distinguish between the plastic reintroduced without treatment on the production line and plastic scrap requiring reprocessing by an external company before being reused in the manufacturing process. In this case, Faurecia considers it as coming from an external source. In 2013, the Business Group increased the use of these reprocessed plastics by 6.2%, some 21,767 metric tons. The material used by Faurecia Interior Systems amounted to 77.51%.

QUANTITY OF PLASTICS AND TEXTILES RECYCLED BY BG, ACCORDING TO SOURCE, AT CONSTANT SCOPE

Business Group	Plastics and textiles originating from the site (t)	Plastics and textiles originating from outside the site (t)
FAS	Not applicable	Not applicable
FIS	10,674.57	16,873,313
FECT	0	565
FAE	1,984.02	4,329.10
TOTAL	**12,658.6**	**21,767.4**

CONSUMPTION OF USED RAW MATERIALS USED IN METRIC TONNES (EXCLUDING STOCK AND RECYCLED MATERIAL), AT CONSTANT SCOPE, IN 2013



WASTE GENERATION

In 2013, Faurecia's activities generated 228,047 metric tons of waste (non-hazardous waste, hazardous waste and metallic waste). 158 sites were able to report all waste treated by treatment process, covering 71.4% of the total workforce. On the other hand, 2,464 metric tons of waste was recycled internally.

Regarding treatment process, Faurecia sites have, overall, a waste recycling rate of 51% (internal and external recycling). Waste-to-energy conversion represents 19%.

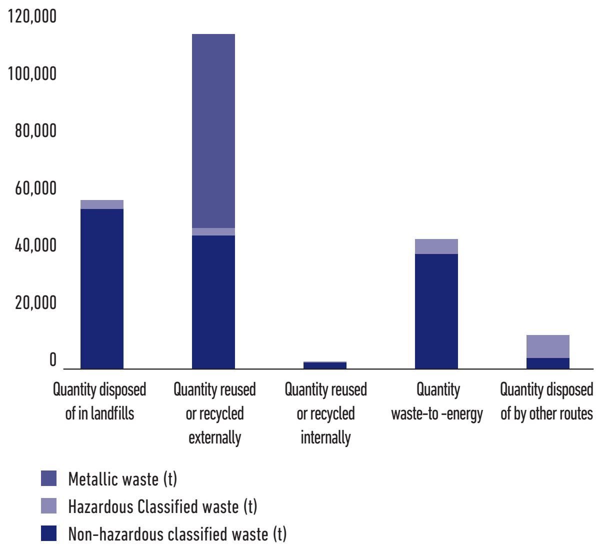
Regarding metallic waste, at constant scope, the quantity produced decreased by 8.4% to a total of 65,815 metric tons.

In 2013, 63% of the waste was non-hazardous classified waste, 29% was metallic waste recycled externally, and only 8% was hazardous classified waste.

DISTRIBUTION OF WASTE BY TYPE, ACCORDING TO DISPOSAL ROUTE, FOR THE WHOLE 2013 SCOPE

Disposal route	Non-hazardous waste(t)		Hazardous waste (DD) (t)		Metallic waste (t)	
Quantity disposed of in landfills	54,513	38%	3,220	17%	NA	_
Quantity reused or recycled externally	45,493	31%	2,679	14%	66,160	100%
Quantity reused or recycled internally	2,136	1%	328	2%	Not available	_
Quantity waste-to -energy	39,258	27%	5,134	27%	NA	_
Quantity disposed of by other routes	3,675	3%	7,916	41%	NA	_

BREAKDOWN OF WASTE BY TYPE AND BY DISPOSAL ROUTE IN 2013 (METRIC TONS)



OTHER ENVIRONMENTAL INDICATORS

Provisions

Provisions for environmental risks for the sum of €6,107 K have been established.

Fines and litigation

In 2013, 13 sites received a total of 18 notices of violation or other notices, 27% concerned the environment and 72% related to health and safety issues and working conditions. The environment-related notices primarily referred to errors related to waste produced, exceeding of limits and impact assessment renewal. Health and safety notices related to, for example, the installation of some equipment (sprinklers), the provision of personal protective equipment or the lack of supervision of some discharges. The few sites concerned were ordered to pay penalties which totaled €1,367 (-95.3% compared to 2012).

During the year 2013 four complaints concerning odor nuisances (solvent odor) and noise at night were sent to three of the group's sites. Eight disputed cases are still underway worldwide for issues relating to the environment. There are none concerning health and safety and working conditions.

7.2. Societal action

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

7.2.1.1. Employment and regional development

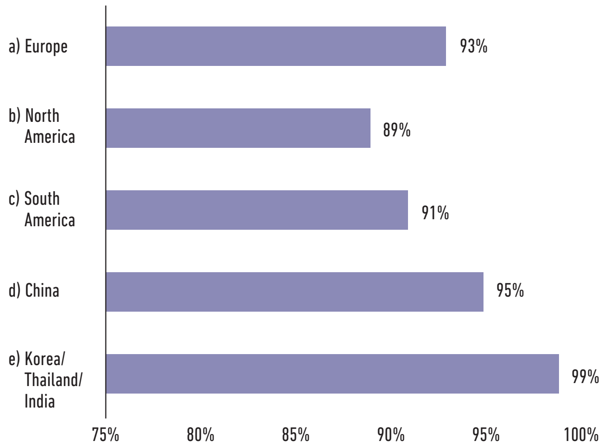
Developing and promoting diversity is essential for a Group that employs 59% of its engineers and managers outside Western Europe and carries out 84% of its recruitments outside this region. In this context, Faurecia can offer its people many international assignments and the opportunity to participate in international projects.

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 now non-French, and 40% of the managers and technical experts identified as high-potential are from non-Western European countries.

7.2.1.2. On neighboring or local populations

Faurecia's ambition is to purchase as close as possible to industrial operations to help develop local industry, and minimise the associated logistical costs and impacts.

For purchases of mass-produced parts, the percentage of purchases made locally ranges from 89% to 99% depending on the location of Faurecia's production sites (2013 data).



Virtually all non-production purchases are made locally.

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.

Lastly, Faurecia participates in a number of local initiatives.

The Diversity Management initiative was launched by the Group, notably in North America, with a specific organization. Diversity management is carried out by Diversity Champions from all functions and concerns various areas beyond marketing, such as mentoring, training, communication and events. All partner companies are managed in accordance with the requirements of the National Minority Supplier Development Council. In 2013, Michigan, a state where the Group has a strong presence, awarded Faurecia for its active policy of partnerships and trade relations with companies that are certified as Minority Owned Businesses.

Other local initiatives are described in Subsection 7.2.2.2.

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

Technological development and innovation are key priorities for Faurecia.

In support of these priorities, Faurecia continued its policy of joint efforts with the academic world in 2013. After the effective launch of advanced projects with the Fraunhofer ICT (*Institut für Chemische Technologie*) in Germany and in the context of industrial chairs:

- with Supéléc (*École Supérieure d'Électricité*) and ESIGELEC (*École Supérieure d'Ingénieurs en Génie Électrique*) for mechatronics;
- with the *École Centrale de Paris* (ECP) and the *Technische Universität Munchen* (TUM) for assembly lines and logistics and;
- with the *Technische Universität Dortmund* (TUD) on metals processing;
- a new chair was signed with the *Freiburger Materialforschungszentrum* at the University of Freiburg (FMF) and SKZ Würzburg, both located in Germany, for the chemistry of plastics and biomaterials.

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.

In 2013, Faurecia also signed a strategic partnership with Mitsubishi Chemicals for the development of biosourced resins.

FAURECIA AND ITS SUPPLIERS

Faurecia is committed to basing its growth on socially responsible actions and behavior across all of its businesses and all of the countries in which the Group operates.

In view of this, Faurecia is committed to building close, long-term relationships with its suppliers, based on our mutual growth and benefit. Faurecia believes that the principles of social, environmental and economic responsibility are critical criteria for the award of contracts to its suppliers.

Great importance is placed on communication and transparency to ensure strategic alignment with partners. Conventions are held, with the official presentation of performance awards in different areas (Logistics, Quality, Innovation, etc.). Faurecia has close relationships with its suppliers and 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.

As described in Section 7.2.3, Faurecia ensures supplier reliability, not only in terms of product quality, but also in terms of meeting CSR (Corporate Social Responsibility) criteria.

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 5,800 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 disciplined implementation;
- 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 2013, Faurecia received several customer awards for its production sites.

Faurecia Automotive Seating:

- the Pisek site (Czech Republic) received a Supplier Quality Excellence Award from General Motors;
- the Anting site (China) received a Supplier Quality Excellence Award and a Business Progress Award from General Motors;
- the Wuhan site (China) was recognized as Best Quality more than five years by Dong Feng Peugeot Citroën Automotive (DPCA);
- the Chengdu site (China) received a Supplier Quality Excellence Award from First Automobile Works Volkswagen (FAW/VW);
- the Yangchen site (China) received a Best Supplier Award from KM&I.

Faurecia Emissions Control Technologies:

- the Bakov and Pisek sites (Czech Republic) received a Supplier Quality Excellence Award from General Motors;
- the Wuhan site (China) received the 60 Months 0 Ppm Award from Ford Motor Company and the Best Supplier Award from Zhengzhou Nissan;
- the Anting site (China) received a Quick Response Award from SAIC;
- the Chongqing site (China) received the award for the launch of the C520 from Ford Motor Company;
- the Nanjing site (China) received two awards from SAIC, the Best Quality Supplier 2013 and the Best Delivery Supplier 2013;
- the Changchun site (China) received from VW FAV the Excellent Supplier and Excellent Quality awards;
- the Yantai site (China) won the Quality Guard Award from Shanghai GM.

Faurecia Interior Systems:

- the Orhangazi site (Turkey) received the Gold Star Award as Supplier of the Year from Ford Otosan.

FAURECIA AND ITS INDUSTRIAL OR COMMERCIAL PARTNERS

In 2013, Faurecia forged new partnerships and strengthened existing ones.

Faurecia Emissions Control Technologies consolidated its presence in the commercial vehicle market by entering into a joint venture with the Suzhou Industrial PowerGreen Emission System Solution Co. Ltd. The new company, Faurecia PowerGreen Emissions Control Technologies Co. Ltd, in which Faurecia Emissions Control Technologies is a majority shareholder, will produce exhaust systems in Shanghai and its main customer will be Guangxi Yuchai Machinery Company, one of the three leading engine manufacturers in the Chinese market for commercial vehicles.

In February 2013, Faurecia Interior Systems signed a 50/50 joint-venture agreement with AIP (Auto Interior Product Co., Ltd), a Summit Group company (diversified group with the headquarters in Bangkok). Faurecia & Summit Interior Systems (Thailand) Company Limited, based in Rayong, will supply 100% of Ford Thailand's needs for vehicle interiors (door panels, instrument panels and consoles).

In April 2013, a 50/50 joint-venture agreement was signed with CCAG (China Chang'An Group). CSM Faurecia Automotive Parts Company Limited, located in Dongguan, produces and delivers to Ford automotive interior equipment such as door panels, instrument panels and consoles.

Lastly, in November 2013, a 51/49 joint venture agreement was signed with Howa Textile Industry Co., Ltd. Faurecia Howa Interior Mexico, based in Mexico, produces and supplies automotive interior systems, such as door panels and acoustic components, to Renault-Nissan's Mexican production sites.

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 wide variety of public documents, including regulated information, covers the Company's business activity, strategy and financial information, such as: Registration Documents, interim financial reports, shareholder newsletters, bylaws and internal regulations of the Board of Directors. All these documents are readily accessible on the Group's website www.faurecia.fr, 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 annual and period disclosures required by regulations for 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.

Faurecia organized over 400 large-scale and individual meetings in 14 countries, which allowed for direct dialogue to take place with 900 institutional investors and financial analysts in 2013. Themed presentations were also organized for analysts, investors and asset managers.

Shareholders also have a dedicated area on the Faurecia intranet where they can find out about the Group's 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

Most of Faurecia sites are implementing ISO 14001 environmental management systems on a voluntary basis. ISO 14001 certification is often demanded by the Group's customers.

At constant scope, the number of ISO 14001 certified sites remained stable in 2013 i.e. nearly 65% of the 228 industrial sites included in the Group's scope in the prior year. The current economic environment has led some sites to delay their implementation of an Environmental Management System (EMS). At constant scope, the number of sites where an action program was in progress for the implementation of a certified management system dropped slightly: 27 sites in 2013, compared with 30 in 2012. The implementation of ISO 14001 management systems by Faurecia sites is accompanied by training and raising awareness programmes with regard to the environmental domain. In 2013, the number of training hours increased by 22.5% to 22,907 hours provided. 23,948 employees (or 30% of the Group's workforce) received training. The amount invested in enhancing the skills of Group employees totaled nearly €134,076.

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

FAURECIA AND THE EDUCATION SECTOR

Many education initiatives were undertaken by Faurecia entities worldwide.

In 2013, in Germany, Faurecia sites participated for the fifth consecutive year in Girls and Boys Days by inviting students and especially girls an opportunity to discover technical and technological careers in the industry. Fifteen sites were included this year, which welcomed some 150 students. In India, among other activities, Faurecia teams assist several NGOs with links to the education sector, in order to provide help that closely matches the needs: the Lila Poonawalla Foundation which provides an annual scholarship to female students, the Savali Seva Trust which offers supplies and pays the tuition of a school for orphans, and the Blind School for Girls in Pune (a city where Faurecia has a site), for which employees are volunteering their time with the students.

7.2.2.2. Partnerships or sponsorship

Faurecia employees, in France and abroad, regularly rally around many societal projects, based on the culture and needs of the local communities.

Three examples of mobilization on three continents:

Collecting food for the poor has been on the rise for Faurecia North America. The FUELS (Faurecia Unites with Employees for Local Service) program included for the fifth consecutive year all of the employees of 47 Faurecia sites in the United States, Canada and Mexico. In September 2013, some 20,000 people gathered with a common goal of help and support. There has been no shortage of creative ideas: collecting non-perishable food, organization of competitions, car washing, housing rehabilitation, educational activities and fundraising. These moments of sharing the pleasure of giving time to the community are highly valued by employees who, each year, make it a point of honor to exceed their targets. Since 2010, more than 2.4 million meals have been distributed through the FUELS program.

In 2013 and for the second consecutive year, a week devoted to the employment of people with disabilities was held in France, at the headquarters in Nanterre. Under the theme "beyond disability", Group employees were able to challenge preconceptions and prejudices. Among the activities organized were: the distribution of a brochure with key figures and the different types of disabilities, a disability awareness conference, sensory workshops ("what would you be able to recognize if you were blind?"), an exhibition and a "Celebrities and disability" contest.

For Faurecia staff in China, it is critical that the Company's approach is part of a broader sustainable development strategy in relation to local residents. This year, the activities were carried out in partnership with NetSpring, a social sector company that works to reduce waste and pollution caused by electronic devices through the "Green IT Classrooms Against Poverty" project. Faurecia was therefore able to open its first "Faurecia Green IT Classroom" by providing refurbished computers to disadvantaged students in rural areas, one of the goals being to reduce the rural/urban divide in the country, where many children are suffering by not having access to basic education requirements.

7.2.3. SUBCONTRACTORS AND SUPPLIERS

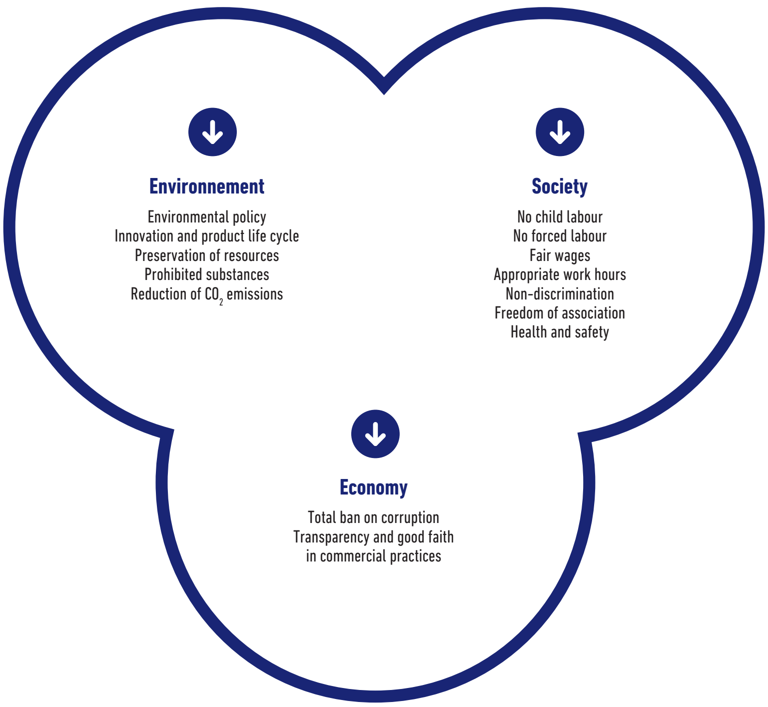
7.2.3.1. Consideration of environmental and social issues in procurement policy

Faurecia's Code of Ethics, the operational principles of which are outlined in Subsection 7.2.4.1, defines the behavioral principles that apply daily to all Faurecia staff in their internal and external relations and to its partners, and sets out the way the Group intends to put into practice its values of respect for customers, shareholders, employees and the environment.

The Group has a real desire to implement a sustainable purchasing policy. In view of this, as indicated in Subsection 7.2.2.1, Faurecia is committed to building close, long-term relationships with its suppliers, based on our mutual growth and benefit. Faurecia believes that the principles of social, environmental and economic responsibility are major criteria for the award of contracts to its suppliers. It is essential for Faurecia that its suppliers meet standards of behavior that are consistent with and reflect its own commitments.

As such, in 2013 Faurecia enforced its expectations with regard to the respect of CSR through a Code of Conduct specific to its suppliers, and ensures the reliability of the criteria included in this code, such as:

OBSERVANCE OF LAWS AND RESPONSIBLE SUPPLY CHAIN MANAGEMENT



The Code of Conduct for Suppliers and Subcontractors is included in the basic principles of supplier relationships, in the contract documentation (notably in the purchasing terms) and in the Group procurement process, including the consultation document and the supplier quality auditing process.

Also, at the specifically environmental level, Faurecia is rolling out a policy to avoid or minimize local and/or global problems which could be posed by car use. Via its industrial and human resources management policies, research and development, Faurecia is making an active contribution to reducing greenhouse gases and polluting emissions and improving road safety. Throughout a vehicle's life, Faurecia asks and encourages its suppliers to support it in this progressive approach.

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

Faurecia obviously has the desire to involve its partners in its growth over the long term, but also to manage the risks to which they might expose it. Consequently, the Company requires its suppliers to commit to the respect and compliance of the responsible purchasing policy, through the implementation of the Code of Conduct for Suppliers and Subcontractors in their own organization and global supply chain. Supplier quality audits, which are a prerequisite to joining Faurecia's panel of suppliers also include CSR issues. This Code of Conduct is integrated in the mandatory consultation documents sent to suppliers.

By way of illustration, in Faurecia Interior Systems, the responsible purchasing policy named "Buy Beyond" was reinforced in 2013 to ensure the deployment of and supplier compliance with the Code of Conduct through audits performed by a an independent firm, EcoVadis. This process was initiated by training the entire FIS Purchasing department (450 buyers). FIS suppliers received a personal letter from management explaining the process and related expectations. This communication was reinforced through supplier training. As of end-2013, 108 suppliers (or 20% of total FIS purchases) had already been assessed on CSR issues by a third party. These assessments are incorporated into the purchasing process, are routinely taken into account in the award of contracts and are also included in the criteria for performance evaluation of suppliers.

Change in subcontracting is quantified by indicators provided in Section 4.6 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, then was discussed with the trade unions in the Group's different countries. It was then sent individually to each employee of the Group.

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

It is part of the Faurecia Core Procedures (FCP), 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.

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

It also includes an alert procedure if the Code of Ethics is breached.

The ethical principles and behavioral rules are:

USE OF FUNDS, SERVICES OR GROUP ASSETS

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. As such, it is prohibited to accept any gift or gratuity from customers or contractors worth over 50 euros per year and per business partner.

The selection of suppliers must be based on quality, need, performance and cost. As stated in the current Purchasing procedures, agreements between the Group and its authorized representatives, agents and consultants or any other contractor must clearly state the actual products/services to be supplied, the basis for remuneration or price and all other terms and conditions. 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 GROUP 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.

Any employee who becomes aware of a breach of the rules set out in the Code may use an internal alert procedure; they may refer to their line manager or HR Director verbally or in writing.

Depending on the nature and importance of the events reported, additional investigations may be launched, an inquiry may be set up or an Internal Audit decided upon.

A strengthened alert procedure can also be started if the events relate to serious risks for the Group in terms of accounting, financial auditing and anti-corruption strategy. Events which jeopardize the physical or moral integrity of an employee may also be included in the scope of this procedure, which involves an outside body being brought in which the Group has tasked with gathering data and beginning procedures.

If the alleged conduct falls within the areas defined for this alert 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

Consumer expectations and societal changes are the two main drivers of change within the market. In this context, regulatory change, which mirrors societal change, aims to reduce the impact of automobiles on the environment across all major automotive markets.

Faurecia's research and development is based on some priority issues which seek to make a positive impact on consumer (driver) health and safety: weight reduction, size reduction, energy recovery, emissions control and renewable materials. Research and development projects undertaken and the consideration of environmental issues in product design 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 at work by implementing policies and methods of active prevention of risks liable to affect the health and safety of employees, to regular monitoring of their proper implementation and to 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 Chief Executive Officer) and Section 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 2013, 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 law 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).

Lastly, this report was approved by the Board of Directors at its April 16, 2014 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 laws, regulations, and Articles of Association, the Board of Directors must be composed of at least three members and no more than fifteen. The term of office has been five years since the General Meeting of May 26, 2011 and Faurecia's Board of Directors has been composed of thirteen members since the General Meeting of May 23, 2012.

As at December 31, 2013, the Board members are:

	Age	Nationality	Date of 1st appointment	Date of last renewal	Expiry of term of office
Yann DELABRIÈRE	63	French	BM of November 18, 1996	GM of May 23, 2012	AGM of 2017 to approve the accounts for 2016
Éric BOURDAIS DE CHARBONNIÈRE	74	French	AGM of February 8, 2010	-	AGM of 2015 to approve the accounts for 2014
Jean-Baptiste CHASSELOUP DE CHATILLON	49	French	AGM of May 23, 2012	-	AGM of 2017 to approve the accounts for 2016
Jean-Pierre CLAMADIEU	55	French	AGM of May 29, 2007	GM of May 23, 2012	AGM of 2017 to approve the accounts for 2016
Lee GARDNER	67	American	AGM of February 8, 2010	-	AGM of 2015 to approve the accounts for 2014
Jean-Claude HANUS	67	French	BM of February 21, 2000	GM of May 26, 2011	AGM of 2016 to approve the accounts for 2015
Hans-Georg HÄRTER	68	German	AGM of May 26, 2010	-	AGM of 2015 to approve the accounts for 2014
Linda HASENFRATZ	47	Canadian	AGM of May 26, 2011	-	AGM of 2016 to approve the accounts for 2015
Ross McINNES	60	French and Australian	AGM of May 29, 2007	GM of May 23, 2012	AGM of 2017 to approve the accounts for 2016
Amparo MORALEDA	49	Spanish	AGM of May 23, 2012	-	AGM of 2017 to approve the accounts for 2016
Robert PEUGEOT	63	French	AGM of May 29, 2007	GM of May 23, 2012	AGM of 2017 to approve the accounts for 2016
Thierry PEUGEOT	56	French	BM of April 17, 2003	GM of May 26, 2011	AGM of 2016 to approve the accounts for 2015
Philippe VARIN	61	French	BM of April 9, 2009	GM of May 26, 2011	AGM of 2016 to approve the accounts for 2015

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

The Board of Directors brings together major managerial, industrial, and financial expertise. Board members contribute to the work and deliberations of the Board of Directors and specialised committees through their diverse experience in the automobile industry and other economic sectors in which the Group does not operate. They also bring their international experience to the Group. They act in the best interests of all shareholders and are fully involved in defining Faurecia's corporate strategy to actively and effectively contribute to and support the decisions of the Board.

With the exception of the Chairman and CEO, no member of the Board of Directors holds a senior management or salaried position within a Group company.

The business address of Board members is that of Faurecia.

Neither the Articles of Association nor the Rules of Procedure contain rules for staggered terms of office.

Information regarding the expertise and experience of the members of Faurecia's Board of Directors and details of their terms of office and other positions held by them are provided in Subsection 8.1.2.1

8.1.1.1.1. INDEPENDENCE OF MEMBERS

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

The independence criteria provided for in the Code are as follows:

- not be or have been in the past five years an employee or corporate officer of the Company, employee or Board members of its parent company or a consolidated subsidiary;
- not be a corporate officer of a company in which the Company directly or indirectly holds the office of Board member or in which an employee appointed as such or a corporate officer of the Company (currently or who has held such an office for less five years) holds the office of Board member;
- not be a customer, supplier, investment banker, or financing banker:
  - major for the Company or group, or
  - for which the Company or group represents a significant share of business.

The assessment of the significant nature or not of the relationship with the Company or its group must be discussed by the Board and the criteria that led to this assessment explained.

- not have close family ties with a corporate officer;
- not have been company auditor in the past five years;
- has not been a company director for more than twelve years.

Regarding Board members representing major company shareholders, the Code specifies that they may be considered independent as long as they do not participate in controlling the Company. Above 10% of the share capital or voting rights, the Board should systematically review the independent status taking the Company's share capital and the existence of a possible conflict of interest into consideration.

The situation of Board members with regard to each of these criteria was reviewed by the Board of Directors on February 11, 2014 on the recommendation of the Appointments and Compensation Committee meeting of February 10, 2014.

The conclusions of the Board of Directors are provided in the summary table below:

REVIEW OF THE INDEPENDENCE OF BOARD MEMBERS BASED ON CODE INDEPENDENCE CRITERIA

	Is not or has not been in the past five years an employee or corporate officer of the Company, an employee or director of its parent company or a consolidated subsidiary	**Is not a corporate officer of a company in which the Company directly or indirectly holds the office of board member or in which an employee appointed as such or a corporate officer of the Company (currently or who has held such an office for less 5 years) holds the office of board member**
Éric BOURDAIS DE CHARBONNIÈRE	X	X
Jean-Baptiste CHASSELOUP DE CHATILLON		X
Jean-Pierre CLAMADIEU	X	X

Is not a customer, supplier, investment banker, or financing banker: • major for the Company or group • or for which the Company or group represents a significant share of business	Does not have close family ties with a corporate officer	Has not been the Company's statutory auditor in the past five years	Has not been a company director for more than twelve years	Does not represent a shareholder who is involved in the control of the Company or its parent company	Situation
X	X	X	X	X	Independent
X	X	X	X		Not independent
Faurecia and Solvay (and Rhodia in the past) do not maintain significant relationships given the limited business dealings between the two companies.	X	X	X	X	Independent

	Is not or has not been in the past five years an employee or corporate officer of the Company, an employee or director of its parent company or a consolidated subsidiary	Is not a corporate officer of a company in which the Company directly or indirectly holds the office of board member or in which an employee appointed as such or a corporate officer of the Company (currently or who has held such an office for less 5 years) holds the office of board member
Yann DELABRIÈRE		X
Lee GARDNER	Lee Gardner acted as Chairman and CEO of Emcon Technologies up to the date of the merger of this company with Faurecia in February 2010. Lee Gardner has not been entitled to make meaningful decisions of a managerial nature concerning Emcon Technologies from that date. Any such decisions taken before this date are not likely to have a material impact on the activity of the Faurecia Emissions Control Technologies Business Group in 2014. In 2014, programmes acquired by Emcon Technologies prior to the merger with Faurecia, if they are still active, relate to industrial production. The majority of current FECT programmes were acquired after the merger. There remains or are no conflicts, disputes, or events that occurred before February 2010 that might significantly impact the conduct of FECT business in 2014. As indicated in the 2010 Registration Document, the Board concluded that Lee Gardner was independent as of October 2010, following the sale by One Equity Partners of its 13% stake in the capital of Faurecia as the Board found that he no longer had any relationships that might compromise his independence with either Faurecia or a shareholder.	X
Jean-Claude HANUS		X
Hans-Georg HÄRTER	X	X
Linda HASENFRATZ	X	X
Ross McINNES	X	X
Amparo MORALEDA	X	X
Robert PEUGEOT		X
Thierry PEUGEOT		X
Philippe VARIN		X

Is not a customer, supplier, investment banker, or financing banker: • major for the Company or group • or for which the Company or group represents a significant share of business	Does not have close family ties with a corporate officer	Has not been the Company's statutory auditor in the past five years	Has not been a company director for more than twelve years	Does not represent a shareholder who is involved in the control of the Company or its parent company	Situation
X	X	X		X	Not independent
X	X	X	X	X	Independent
X	X	X		X	Not independent
X	X	X	X	X	Independent
X	X	X	X	X	Independent
X	X	X	X	X	Independent
X	X	X	X	X	Independent
X	X	X	X		Not independent
X	X	X	X		Not independent
X	X	X	X		Not independent

Therefore, the Board of Directors of Faurecia has more than one third of independent members according to the criteria of the AFEP/MEDEF Code.

8.1.1.1.2. GENDER BALANCE ON THE BOARD OF DIRECTORS

On December 31, 2013, the Board of Directors had two female members.

The composition of the Board of Directors was therefore not consistent with provisions of equal representation of women and men on boards of directors under the AFEP/MEDEF Code on that date.

The appointment of a third female director will be submitted to the vote of the shareholders at the May 27, 2014 AGM.

8.1.1.2. Missions of the Board of Directors

The Board of Directors is responsible for determining the strategic, economic, and financial aspects of Faurecia's 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 will take up any matter concerning the proper operation of Faurecia and, through its deliberations, deal with matters within its purview, at the Chairman's initiative. In particular, this includes all strategic issues concerning Faurecia and the Group.

The Board's rules of procedure, which can be consulted by shareholders at the Company's head office or on Faurecia's website, www.faurecia.fr, detail the missions of the Board of Directors and its committees. They describe the Board's modus operandi and its role in the management of Faurecia and the Group in compliance with the law and the Articles of Association. They specify the rights and responsibilities of Board members, particularly regarding the prevention of conflicts of interest, the holding of multiple offices, and the need for strict confidentiality in deliberations as well as diligence in taking part in the Board's work. They also set out the rules governing transactions made on Faurecia's shares, as recommended by the French Financial Markets Authority (AMF).

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

(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 authorised to make use of video or teleconference equipment 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 to facilitate deliberations between members and, in certain cases, decision-making.

Lastly, the Board is free to decide how to exercise Faurecia's management. This can be assumed, under its responsibility, either by the Chairman of the Board himself or by another natural person appointed by the Board of Directors and bearing the title of Chief Executive Officer.

Since the Board meeting on September 8, 2006 and confirmed by the Board meeting on February 16, 2007, the positions of Chairman and Chief Executive Officer of Faurecia have been combined.

8.1.1.3. Organisation and report on the work of the board and its committees in 2013

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:

- Audit Committee;
- Strategy Committee;
- Appointments and Compensation Committee.

8.1.1.3.1. THE BOARD'S WORK IN 2013

The Board of Directors met six times in 2013 with an attendance rate of 100%.

At each of its meetings, the Board took note of the Group's operating results and business perspectives and results. The Board of Directors examined and approved the annual consolidated company account for 2012 on February 11, 2013 and the consolidated accounts for the first half of 2013 on July 24, 2013.

The Group's 2013-2017 medium-term plan was discussed at the meeting on July 24, 2013. The half-year review of the 2013 budget and the 2014 budget were respectively presented on July 24, 2013 and December 18, 2013.

The Board paid particular attention to the turnaround of the Group's financial position and cash generation. As such, it had approved the plans submitted by the Management in early 2013 and closed monitored their implementation during the year. The plan for the recovery of the Group's operational performance in North America was closely monitored and the Board validated the organisational changes made in September 2013 with the appointment of an executive committee member in charge of North America.

The strategy of the four Business Groups was discussed at the meeting on October 16, 2013.

The Board meeting approved the Registration Document on April 18, 2013 and called a Combined General Meeting for May 30, 2013. In this regard, the Board decided to submit to the Meeting the reappointment of the primary and alternate auditors and the renewal of financial delegations authorised by the General Meeting on May 30, 2012 and used during 2013. These delegations were renewed for the same amounts and limits as those currently existing. Authorisation to grant free performance shares was also requested.

On the basis of this authorisation, the Board decided to implement a fifth free performance share allocation plan on July 24, 2013.

Finally, the Board reviewed plans to renew the Executive Committee on several occasions during the year to approve the changes made in 2013 and prepare the next steps.

8.1.1.3.2. THE AUDIT COMMITTEE

Composition

The Audit Committee is governed by its rules of procedure which provide that Committee members must be selected from among the Board members and that they may not use proxies. The term of office of Committee members is the same as that of their term of office as Board members.

Under these rules of procedure, Committee members must all be members of Faurecia's Board of Directors who do not also hold an executive management position and at least one member must show evidence of specific skills in finance or accounting and be independent as defined in the AFEP/MEDEF Code.

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

It is chaired by Ross McInnes.

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

Mission

The Audit Committee's general mission 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 programme of the auditors and issues relating to their independence.

As part of its review of the Company's consolidated financial statements, the Audit Committee ensures that the Management and the 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 the main accounting options selected are explained and substantiated to the Board by the Management and reviewed by the auditors. Finally, the Committee ensures that the auditors have access to all the information they require for performing their duties and are given the means to relay any significant observations.

The Audit Committee also monitors the effectiveness of internal control and risk management systems. The Committee is given a presentation on these issues by the Head of Internal Audit once a year.

Lastly, the Committee also ensures the independence of Statutory Auditors.

Organisation and activity report

The Audit Committee should meet at least twice a year, prior to the closing of the annual and interim financial statements.

In 2013, it met four times with an attendance rate of 100%.

The main aim of the Committee meeting held on February 11, 2013 was to examine the 2012 consolidated financial statements, review the cash position, and assess compliance with the bank covenants of the Group's main financing arrangements.

The Committee meeting of April 16, 2013 was dedicated to discussing the Internal Audit department's report for 2013 and reviewing the Audit Plan for 2013. The Committee also reviewed cross group risks and the management by the Functional Risk Committee.

The Committee examined the Group's interim financial statements and cash position on July 24, 2013.

Lastly, the meeting of December 13, 2013 was mainly focused on reviewing the 2014 budget, discussing the options for the 2013 financial statements, and the auditors' presentation of the 2013 "hard close" audit.

At each of its meetings, the Committee 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 11, April 18, July 24, and December 18, 2013.

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.

Composition

Strategy Committee members are selected from among the Board members. The term of office of Committee members is the same as that of their term of office as Board members.

The rules of procedure of the Strategy Committee provide for a minimum of three members. The Chairman of the Board of Directors and the Chief Executive Officer, provided that they are a board member, are members of the Strategy Committee as of right.

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

The rules of procedure of the Strategy Committee provide 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: Yann Delabrière, Lee Gardner, Hans-Georg Härter, and Philippe Varin. It is chaired by Philippe Varin. The Strategy Committee therefore includes two independent directors.

Mission

As part of its general mission to analyse the Group's overall strategic vision, the Strategy Committee prepares the matters to be discussed by the Board of Directors. 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 fulfil its mission, the Strategy Committee may call on external auditors or any other experts that may be 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.

Organisation and activity report

The Committee must meet at least twice a year.

In 2013, the Strategy Committee met four times with an attendance rate of 100%.

During these three meetings, the Committee reviewed the strategy of the Group and the four Business Groups, the Group's 2013-2017 medium-term plan, and the Group's strategic development opportunities. In particular, the cooperation agreement with Magneti Marelli for the design, development, and manufacture of human-machine interface (HMI) products for vehicle interiors announced on November 19, 2013 and a cooperation agreement with a specific vehicle manufacturer were reviewed.

8.1.1.3.4. THE APPOINTMENTS AND COMPENSATION COMMITTEE

Composition

The members of the Appointments and Compensation Committee are all members of the Board of Directors. They are appointed in their personal capacity and may not use proxies. The term of office of Committee members is the same as that of their term of office as Board members.

The Nominations and Compensation Committee has four members: Jean-Pierre Clamadieu (Chairman), Jean Claude Hanus, Linda Hasenfratz, and Amparo Moraleda. This means that a majority of members are independent. Moreover, the Committee is chaired by an independent member and there are no corporate officers, in accordance with the AFEP/MEDEF Code.

Mission

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 Board members, (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 board member compensation. It coordinates and monitors the assessment duties of the Board of Directors. It takes part in major decisions regarding membership and reappointment of the Group's Executive Committee and determines its compensation.

Organisation and activity report

The Appointments and Compensation Committee must meet at least twice a year.

In 2013, it met four times with an attendance rate of 94%.

At its meeting on February 5, 2013, the Committee made proposals regarding the Chairman and Chief Executive Officer's fixed remuneration for 2013 together with setting the amount of his variable remuneration for 2012 and the criteria to determine the variable portion of his compensation for 2013.

The Committee meetings on April 10 and May 29, 2013 specifically discussed the conditions for awarding performance shares to ensure that executives and key managers have a stake in the Group's medium-term performance.

The Committee meeting on October 14, 2013 examined the composition of the Board and the reappointment of members, senior management renewal plans, and the implementation of the new AFEP/MEDEF Governance Code including the "Say on Pay" for corporate officers and the representation of employees as provided by law on employment protection of June 14, 2013. It also reviewed the independence of the Board of Directors and their remuneration for 2013 and 2014 to validate the changes made in 2013 and to prepare for subsequent steps. Finally, Executive Committee renewal plans were reviewed by the committee throughout the year.

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.

The results of an audit carried out in 2013, based on a questionnaire, were presented to the Appointments and Compensation Committee on April 14, 2014 and the Board of Directors on April 16, 2014.

The questionnaire covered the following points: the expectations of Board members and, in this regard, their assessment of the implementation of the recommendations of the 2012 assessment that was carried out with the assistance of an outside consultant; the organisation and operation of the board covering in particular the subject of information and interaction between the board and committees; the scope of topics covered by the board and working methods; and relations between the board and senior management.

Members were also asked to share their appreciation of governance and assess their personal contribution to the work of the Board and, where appropriate, committees.

Overall the directors were satisfied with the implementation of the recommendations arising from the 2012 review. The directors are of the view that they have a good understanding of the business and operations.

The Directors will reinforce their focus on matters of strategy, both as regards operational matters and the market's perception of Faurecia as a listed company. The Directors will also continue to focus on executive management reviews, including through the continued holding of Board meetings internationally. Finally the Directors will devote additional time on risk assessment and risk management and matters of internal control.

8.1.1.5. Restrictions on the powers of the Chairman and Chief Executive Officer placed by the Board

This information can be found in Subsection 8.1.2.2 of this Registration Document.

8.1.1.6. Principles of remuneration of Corporate Officers

The determination of fixed and variable remuneration, 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.

8.1.1.7. Factors that could impact a public offering

The information required under Article L. 225-100-3 of the French Code of commerce is provided 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 Articles of Association, which may be consulted on www.faurecia.com, and in Chapter 10 of the Registration Document.

In light of the foregoing, Faurecia deviates from the recommendations in the AFEP/MEDEF Code on two aspects regarding the length of terms of office of Board members and the composition of the Board in terms of gender balance.

AFEP/MEDEF Code Recommendation	Reasons for non-compliance
Recommendation 14, paragraph 1: The term of office for Board members set by the Article of Association should not exceed four years	The term of office of Board members is currently set at five years in Article 11 of the Articles of Association. 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 Board members and the requirements regarding permanence and long-term involvement required in the automotive industry. This term effectively better reflects the average production and marketing cycles for vehicle manufacturer ranges. Therefore, 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).
Recommendation 6.4: Each Board shall achieve and maintain a percentage of at least 20% of female members within 3 years from April 2010.	As at December 31, 2013 the Board of Directors only had two female members; therefore Faurecia is not compliant with the Code's recommendation opposite. The appointment of a third female director will be submitted to the vote of the shareholders at the May 27, 2014 AGM.

8.1.2. MEMBERS OF FAURECIA'S BOARD OF DIRECTORS

8.1.2.1. Information on Board members

The Company has no directors representing employee shareholders, regular employees and no censor.

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 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, 2013, Mr. Yann Delabrière also held the following directorship: • Director of Capgemini • Director of Société Générale Over the past five years, Mr. Yann Delabrière has not held any directorships and positions that he no longer holds.

Directors	Directorships/Positions
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 was Chairman of the Supervisory Board from September 2000 until May 17, 2013	**Within Faurecia** • Director of Faurecia • Member of the Audit Committee **Outside Faurecia** As of December 31, 2013, Mr. Éric Bourdais de Charbonnière also held the following directorships and positions: • Member of the Supervisory Board of ODDO (France) and member of the Audit Committee Over the past five years, Mr. Éric Bourdais de Charbonnière has also held the following positions, which he no longer holds: • Chairman of the Supervisory Board of Michelin (France) and member of the Audit Committee • Vice-Chairman of the Supervisory Board of ING Group • Member of the Board of Directors of Thomson S.A. (France)
Jean-Baptiste CHASSELOUP DE CHATILLON Mr. Jean-Baptiste Chasseloup de Chatillon has held financial and sales functions within the PSA Peugeot Citroën group since 1989. He is currently Chief Financial Officer of the PSA Peugeot Citroën group and a member of the Management Board of Peugeot S.A.	**Within Faurecia** • Director of Faurecia • Member of the Audit Committee **Outside Faurecia** As of December 31, 2013, 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 Executive Board of Peugeot S.A. (France)* • Chairman of the Board of Directors of Banque PSA Finance • Director of Automobiles Citroën (France) • Member of the Supervisory Board of Gefco (France) • Permanent representative of Peugeot S.A., director of Automobiles Peugeot (France) • Vice-Chairman and Chief Executive Officer of PSA International S.A. (France) • Director of Dongfeng Peugeot Citroën Automobiles Company Ltd (China) • Director of Changan PSA Automobiles Co., Ltd (China) Over the past 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 Citroën Belux, director of PSA Finance Belux • Director of Peugeot Citroën Automobiles (France) • Permanent representative of CCFA with the Board of Directors of Auto Moto Cycle promotion • Director of PCMA Holding B.V. (Netherlands)

* *Listed company.*

Directors	Directorships/Positions
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, 2013, Mr. Jean-Pierre Clamadieu also held the following directorships and positions: • Chief Executive Officer of Solvay (Belgium) • Director of AXA* (France) • Director of Solvay S.A. (Belgium) • Director of Solvay Finance S.A. (Luxembourg) • Director of Solvay Iberica S.L. (Spain) • Director of Solvay Quimica S.L. (Spain) • Director of Solvay America, Inc. (United States) Over the past 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 • Chairman of the Board of Directors of Rhodia (France) until February 12, 2013 • Chairman and Chief Executive Officer of Rhodia (France) until October 27, 2011 • Director of SNCF (France) until December 31, 2012 • Member of the Supervisory Board of Solvay GmbH (Germany) until December 31, 2013
Lee GARDNER Mr. Lee Gardner joined One Equity Partners in 2001 after a career in the industry, that is fifteen years at Borg Warner Corporation and fifteen years at MascoTech, Inc. 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 now Partner and Managing Director of One Equity Partners.	**Within Faurecia** • Director of Faurecia • Member of the Strategy Committee **Outside Faurecia** As of December 31, 2013, Mr. Lee Gardner also held the following directorship: • Partner and Managing Director of One Equity Partners • Director and Chairman of the Board of Directors of Strike LLC • Director of OEP East Balt I LP • Member of the Supervisory Board of Smartrac N.V. Over the past five years, Mr. Lee Gardner has also held the following directorships and positions, which he no longer holds: • Director and Chairman and Chief Executive Officer of Emcon Technologies • Director of OEP Precision Holdings LLC • Director of Polaroid Inc. • Director of Mauser - Werke GmbH • Director and Chairman of Progress Rail

* *Listed company.*

Directors	Directorships/Positions
Jean-Claude HANUS Mr. Jean-Claude Hanus has spent his entire career with the Peugeot S.A. 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, 2013, Mr. Jean-Claude Hanus also held the following position: • Non-Executive Chairman of Pole Mov'eo since June 7, 2011 Over the past 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 S.A. • Director of Association Auxiliaire de l'Automobile • Director of Automobiles Peugeot • Director of Compagnie Générale de Crédit aux Particuliers - Crédipar • Permanent representative of Peugeot S.A. on the Board of Directors of Banque PSA Finance • Permanent representative of Peugeot S.A. on the Board of Directors of Gefco S.A. • Chairman of DJ6 • Chairman of Grande Armée Participations • Director of Peugeot Citroën Automobiles España S.A. • Director of PCMA Holding B.V. • Director and Chairman of the Board of Directors of Automobiles Citroën • Permanent representative of Peugeot S.A. on the Board of Directors of Automobiles Citroën • Director of Comité des Constructeurs Français Automobiles
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, 2013, Mr. Hans-Georg Härter also held the following directorships and positions: • Founder of HGH Consulting • 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.G. • Member of Institut Deutsche Wissenschaft • Member of the Advisory Committee of Unterfränkische Überlandzentrale e.G. • Director of Axega GmbH • Director of Altran S.A. (France) • Member of the Supervisory Board of Kiekert AG • Member of the Supervisory Board of Knorr-Bremse AG Over the past 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 Ms. 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, 2013, Ms. 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 past five years, Ms. Hasenfratz has not held any directorships and positions that she no longer holds.

Directors	Directorships/Positions
Ross McINNES	**Within Faurecia**

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 (Thalès) 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 Executive 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
- Member and Chairman of the Audit Committee

Outside Faurecia

As of December 31, 2013, Mr. Ross McInnes also held the following directorships and positions:
- Deputy Managing Director responsible for Economic and Financial Affairs at 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 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 S.A.* (Company represented: Europe Investissements Sàrl)
- Permanent representative of the Board of Directors of Santé S.A. (Luxembourg) (company represented: Santé Europe Investissements Sarl)
- Member of the Audit Committee of Générale de Santé S.A.*
- Director of Eutelsat Communications*
- Chairman of Eutelsat Communications' Audit Committee*

Over the past 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 Vallaroche Conseil
- Permanent representative on the Board of Directors of Établissements Vallaroche (company represented: Safran)
- Director of Limoni SpA (Italy)
- Director of Sagem Défense Sécurité
- Director of Globe Motors, Inc. (United States)
- Director of SME
- Director of Messier-Dowty S.A.
- Permanent representative on the Board of Directors of Messier-Dowty S.A. (company represented: Safran)
- Director of Santé S.A. (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 Société des 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 S.A.

* *Listed company.*

Directors	Directorships/Positions
Amparo MORALEDA Ms. Amparo Moraleda is an engineering graduate from ICAI *(Escuela Tecnica 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 S.A. 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, 2013, Ms. Amparo Moraleda also held the following directorships and positions: • Member of the Board of Directors of Meliá Hotels International S.A. (Spain) • Member of the Supervisory Board of CSIC (Consejo Superior de Investigaciones Cientificas) (Spain) • Member of the Board of Directors of Solvay S.A.* • Member of the Board of Directors of Alstom S.A.* • Member of the Board of Directors of Corporación Financiera Alba S.A.* Over the past 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 S.A. • Member of the Board of Directors of Acerinox, S.A.
Thierry PEUGEOT Mr. Thierry Peugeot has been Chairman of the Supervisory Board of Peugeot S.A. since the end of 2002. A graduate of ESSEC Business School, Mr. Thierry Peugeot began his career at Groupe Marrel as Export Manager for the Middle East and English-speaking Africa, then as director of Air Marrel America. In 1988, he joined PSA Peugeot Citroën as head of the Southeast Asia region for Automobiles Peugeot. He was initially 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 S.A.	**Within Faurecia** • Director of Faurecia **Outside Faurecia** As of December 31, 2013, Mr. Thierry Peugeot also held the following directorships and positions: • Chairman of the Supervisory Board of Peugeot S.A.* (France) • Member of the Appointments, Compensation and Governance Committee of Peugeot S.A.* (France) • Vice-Chairman and Chief Operating Officer of Établissements Peugeot Frères (France) • Vice Chairman and Member of the Supervisory Board of Gefco (France) • Director of Société Anonyme de Participations (SAPAR) (France) • Director and member of the Finance and Audit Committee of L'Air Liquide S.A.* (France) • Director of Compagnie Industrielle de Delle (CID) (France) • Permanent representative of CID on the Board of Directors of LISI (France) • Member of the Compensation Committee of LISI* (France) • Director and member of the Finance and Audit Committee of FFP* (France) • General Manager of SCI du Doubs (France) Over the past five years, Mr. Thierry Peugeot has also held the following directorships, which he no longer holds: • Director of Française de Participation Financière

* *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 S.A. since February 2007 and a member of the Finance and Audit Committee and chair of the Strategy Committee since December 2009. He has been Chairman and CEO of FFP since 2003.	**Within Faurecia** • Director of Faurecia **Outside Faurecia** As of December 31, 2013, Mr. Robert Peugeot also held the following directorships and positions: • Chairman and Chief Executive Officer of FFP* (France) • Member of the Supervisory Board of Peugeot S.A.* (France) • Member of the Supervisory Board of Hermès International* (France) • Member of the Supervisory Board of IDI Emerging Markets S.A. (Luxembourg) • Permanent representative of FPP Invest on the Supervisory Board of Zodiac Aerospace* (France) • Director of Sanef (France) • Director of Imerys* (France) • Director of Holding Reinier SAS • Director of Établissements Peugeot Frères (France) • Director of Sofina* (Belgium) • Director of DKSH AG* (Switzerland) • Permanent representative of FFP Invest, Chairman of Financière Guiraud SAS (France) • Manager of SC Rodom • Manager of Sarl CHP Gestion • Permanent representative of FFP, Chairman of FFP Invest Over the past 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 S.A. (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 Construccion S.A.
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. In 2003, he was named Chief Executive Officer of the Anglo-Dutch steel group Corus, which he left in April 2009 to join Peugeot S.A.	**Within Faurecia** • Director of Faurecia • Member and Chairman of the Strategy Committee **Outside Faurecia** As of December 31, 2013, Mr. Philippe Varin also held the following directorships and positions: • Chairman of the Executive Board of Peugeot S.A.* (France) • Director of Banque PSA Finance (France) • Chairman of the Board of Directors of Peugeot Citroën Automobiles S.A. (France) • Director of PCMA Holding B.V (Netherlands) • Director of Compagnie de Saint Gobain* (France) Over the past five years, Mr. Philippe Varin has also held the following directorships, which he no longer holds: • Non-executive Director of BG group PLC • 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

* *Listed company.*

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, 2013, directors held the following interests on the basis of a capital stock of €858,116,945 divided into 122,588,135 shares representing 186,396,103 theoretical voting rights and 186,351,941 exercisable voting rights.

	Number of shares	Percentage of share capital	Number of voting rights	Percentage of theoretical voting rights	Percentage of exercisable voting rights
Éric BOURDAIS DE CHARBONNIÈRE	100	0.00%	200	0.00%	0.00%
Jean-Baptiste CHASSELOUP DE CHATILLON	20	0.00%	20	0.00%	0.00%
Jean-Pierre CLAMADIEU	364	0.00%	728	0.00%	0.00%
Yann DELABRIÈRE	43,344	0.03%	49,638	0.03%	0.03%
Lee GARDNER	100	0.00%	100	0.00%	0.00%
Jean-Claude HANUS	100	0.00%	200	0.00%	0.00%
Hans-Georg HÄRTER	720	0.00%	1,440	0.00%	0.00%
Linda HASENFRATZ	100	0.00%	200	0.00%	0.00%
Ross McINNES	100	0.00%	200	0.00%	0.00%
Amparo MORALEDA	1,500	0.00%	1,500	0.00%	0.00%
Robert PEUGEOT	100	0.00%	200	0.00%	0.00%
Thierry PEUGEOT	628	0.00%	921	0.00%	0.00%
Philippe VARIN	20	0.00%	40	0.00%	0.00%
TOTAL	**47,196**	**0.04%**	**55,387**	**0.03%**	**0.03%**

CONFLICTS OF INTEREST

As provided for in the Board of Directors' internal regulations, 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 2013.

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 agreements concluded 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 capital stock.

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 regulated agreements and commitments can be found in Subsection 11.5.1 of this Registration Document.

The Board of Directors strengthened its rules relating to conflicts of interest by adopting a procedure regarding the use of inside 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 regulations 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 regulations 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 the transaction
Lee GARDNER	Decision No. 2013DD271696 of November 7, 2013	Equities	Sale	November 7, 2013	November 7, 2013	Euronext Paris	€22.9585	€622,201.99

DIRECTORS' COMPENSATION

Directors' compensation is paid in the form of attendance fees allocated by the Board of Directors. Total annual attendance fees were set at €400,000 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:

- 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 that meeting, Mr. Thierry Peugeot indicated that he would waive attendance fees for Faurecia.

In addition, at its meeting of December 18, 2013, the Board of Directors changed the rules for the apportionment of the fees that it had set on April 14, 2010. These new rules, which were applied to fees due in respect of the financial year 2013, are as follows:

- directors would receive a fixed portion of attendance fees amounting to €12,000 in recognition of their directorship position, and a variable portion of €2,400 for each Board meeting they attend;
- committee members receive a fixed portion of attendance fees amounting to €10,000 and a variable portion of €2,000 per relevant Committee meeting.

Directors received gross attendance fees in respect of 2012 and 2013 in the amounts detailed in the table below:

Attendance fees

TABLE 3 (NUMBERED AS PER AMF RECOMMENDATION NO. 2009-16 AS AMENDED ON DECEMBER 17, 2013)

Directors *Gross amounts in €*	**Amount of attendance fees paid in 2012**	**Of which variable portion paid in 2012**	**Amount of attendance fees paid in 2013**	**Of which variable portion paid in 2013**
Éric BOURDAIS DE CHARBONNIÈRE	37,500	18,500	44,400	22,400
Jean-Baptiste CHASSELOUP DE CHATILLON	0	0	0	0
Jean-Pierre CLAMADIEU	37,500	18,500	44,400	22,400
Yann DELABRIÈRE	0	0	0	0
Linda HASENFRATZ	35,500	16,500	42,400	20,400
Hans-Georg HÄRTER	35,500	16,500	44,400	22,400
Jean-Claude HANUS	37,500	18,500	44,400	22,400
Lee GARDNER	35,500	16,500	44,400	22,400
Ross McINNES	39,000	20,000	44,400	22,400
Amparo MORALEDA	22,000	10,000	58,400	26,400
Thierry PEUGEOT	0	0	0	0
Robert PEUGEOT	26,000	14,000	26,400	14,400
Philippe VARIN	0	0	0	0
TOTAL	**306,000**	**149,000**	**393,600**	**195,600**

Directors are not entitled to any termination benefits or deferred compensation for the loss of their corporate office.

The controlling company, Peugeot S.A., 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 Executive Board of Peugeot S.A. since June 1, 2009, Mr. Philippe Varin received €1,302,904 in respect of 2013.

In his capacity as member of the Executive Board of Peugeot S.A., Mr. Jean-Baptiste Chasseloup de Chatillon received €620,904 in respect of 2013.

In his capacity as member of the Supervisory Board of Peugeot S.A., Mr. Thierry Peugeot received €425,000 in respect of 2013.

In his capacity as member of the Supervisory Board of Peugeot S.A., Mr. Robert Peugeot received €82,500 euros (€40,000 euros in attendance fees and €42,500 euros for his participation in committees) in respect of 2013.

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 regulations 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 regulations 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 24, 2013, the Board of Directors authorized the Chairman and Chief Executive Officer to give sureties, 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 2013 was set at €700,000 by the Board of Directors on February 11, 2013, based on a recommendation by the Appointments and Compensation Committee on February 05, 2013. This compensation has remained unchanged since 2011.

At its meeting of February 11, 2013, the Board further decided that the variable portion of the Chairman and Chief Executive Officer's compensation for 2013 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 said targets were exceeded.

The targets set by the Board are based on operating income, free cash flow and qualitative targets, and the contribution of each of them was determined at the same Board meeting as follows:

- operating income: 20%;
- free cash flow: 50%;
- qualitative objectives: 30%.

The target levels for the quantitative criteria were set by the Board based on the approved budgeted amount for operating income and above the budgeted amount for free cash flow. The qualitative targets related to the organization and management of operations of Faurecia North America, the establishment and implementation of succession plans for the Executive Committee and the implementation of policies and transactions approved by the Board in respect to the Group's ability to generate cash.

On the recommendation of the Appointments and Compensation Committee meeting of February 10, 2014, the Board, at its meeting of February 11, 2014, set Mr. Yann Delabrière's variable compensation in respect of 2013 at €700,000, as some targets had been achieved, others had been exceeded while others had not been met.

On the recommendation of the Appointments and Compensation Committee meeting of February 10, 2014, the Board also set Mr. Yann Delabrière's fixed compensation in respect of 2014 at €700,000, determined by reference to a panel of listed industry companies comparable with Faurecia in terms of size. Although Mr. Yann Delabrière's fixed compensation is less than the average compensation emerging from this comparison, the Board of Directors, on the proposal of the Appointments and Compensation Committee, decided not to increase it.

At its meeting of February 11, 2014 the Board also laid down the rules for determining Mr. Yann Delabrière's variable compensation in respect of 2014.

The quantitative targets set by the Board are based on operating income and free cash flow, and the contribution of each of these targets was determined at the same Board meeting as follows:

- operating income: 40%;
- free cash flow: 60%.

In addition to these quantitative targets, qualitative targets were also defined.

If quantitative targets are fully or partially met, the level of achievement of qualitative targets will have a multiplier effect on the achievement of the quantitative targets ranging from 70 to 120%.

Thus, in the event that quantitative targets are equal to 0, the multiplier effect of qualitative targets will not come into play.

The target levels for quantitative criteria have been set based on budgeted amounts approved by the Board. The qualitative targets relate to the pursuing of changes in the organization and management of Faurecia North America, implementation of the new "Being Faurecia" culture, and dealing with internal control issues and information systems, notably regarding the full deployment of the SAP system.

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 2013.

Mr. Yann Delabrière did not receive or exercise any company stock options in 2013.

At its meeting of July 24, 2013, the Board approved performance share plan No. 5 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 the shares granted to other members of Faurecia's Senior Management (these members are defined in Section 8.3 of this Registration Document).

To this end, the aforementioned decision of the Board of Directors made performance share plan No. 5 60% subject to an internal performance target based on pretax net income (before gains on disposals of assets and changes in the Group's structure) and 40% subject to an external target based on a comparison between the Company's earnings per share growth, measured between 2012 and 2015, 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 grant until the expiry of his term of office, regardless of the number of times it is renewed.

If the maximum performance targets set out in plan No. 5 are achieved by the end of 2015, Mr. Yann Delabrière will be granted a maximum of 71,500 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 plan set up for all of Faurecia's managers 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 contribution;
- 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 plan 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 (NUMBERED AS PER AMF RECOMMENDATION NO. 2009-16 AS AMENDED ON DECEMBER 17, 2013)

	2012	2013
Compensation for the year (see Table 2)	€847,371.60	€1,407,371.60
Value of multi-year variable compensation earned during the year	-	-
Value of stock options granted during the year (see Table 4)	-	-
Value of performance shares granted during the year (see Table 6)	€435,080	€1,386,456
TOTAL	**€1,282,451.60**	**€2,793,827.60**

BREAKDOWN OF COMPENSATION RECEIVED BY MR. YANN DELABRIÈRE

TABLE 2 (NUMBERED AS PER AMF RECOMMENDATION NO. 2009-16 AS AMENDED ON DECEMBER 17, 2013)

	2012		2013	
(gross in €)	**Amount due**	**Amount paid**	**Amount due**	**Amount paid**
Fixed compensation	700,000	700,000.08	700,000	700,000.08
Annual variable compensation	140,000 (1)	393,400 (2)	700,000 (3)	140,000 (4)
Multi-annual variable compensation	-	-	-	-
Exceptional bonus	-	-	-	-
Attendance fees	-	-	-	-
Benefits in kind	7,371.60	7,371.60	€7,371.60	€7,371.60
TOTAL	**€847,371.60**	**€1,100,771.68**	**€1,407,371.60**	**€847,371.68**

(1) Amount due in respect of financial year 2012 and paid in 2013.
(2) Amount due in respect of financial year 2011 and paid in 2012.
(3) Amount due in respect of financial year 2013, to be paid in 2014.
(4) Amount paid in respect of financial year 2012.

STOCK OPTIONS GRANTED TO MR. YANN DELABRIÈRE BY FAURECIA AND OTHER GROUP COMPANIES

TABLE 4 (NUMBERED AS PER AMF RECOMMENDATION NO. 2009-16 AS AMENDED ON DECEMBER 17, 2013)

Mr. Yann DELABRIÈRE	Number and date of plan	Type of options (purchase or subscription)	Valuation of options based on the method used in the consolidated financial statements	Number of options granted (adjusted)	Adjusted exercise price	Exercise period	Performance criteria
	No. 17 – April 16, 2007	Subscription	911,090	48,000	44.69	04/17/2011 - 04/16/2017	-
	No. 18 – April 10, 2008	Subscription	603,624	60,000	28.38	04/10/2012 - 04/09/2016	-
TOTAL	**-**	**-**	**1,514,714**	**108,000**	**-**	**-**	

Mr. Yann Delabrière made a formal commitment not to hedge the risks associated with these options and the shares that would result from the exercise of these options.

No stock options were granted to Mr. Yann Delabrière by Faurecia or other group companies in 2013.

The total number of stock options granted to Mr. Yann Delabrière and outstanding as of December 31, 2013 represents 0.09% of Faurecia's capital stock at that date.

PERFORMANCE SHARES GRANTED TO MR. YANN DELABRIÈRE

TABLE 6 (NUMBERED AS PER AMF RECOMMENDATION NO. 2009-16 AS AMENDED ON DECEMBER 17, 2013)

Mr. Yann DELABRIÈRE	Number and date of plan	Max. number of shares granted during the period [1]	Value of shares by the method used for the consolidated financial statements	Grant date	Vesting date	Performance condition
Plan No. 1	Plan No. 1 of June 23, 2010	37,050	383,468	06/23/2012	06/23/2014	Net income before tax attributable to owners of the Company for the year ended December 31, 2011 before gains on disposals of assets and changes in the Group's structure [2].
Plan No. 2	Plan No. 2 of July 21, 2010	37,050	399,514	07/21/2013	07/21/2015	Net income before tax attributable to owners of the Company for the year ended December 31, 2012 before gains on disposals of assets and changes in the Group's structure [3].
Plan No. 3	Plan No. 3 of July 25, 2011	52,000	1,085,040	07/25/2014	07/25/2016	Net income before tax attributable to owners of the Company for the year ended December 31, 2013 before gains on disposals of assets and changes in the Group's structure.
Plan No. 4	Plan No. 4 of July 23, 2012	52,000	435,080	07/23/2015	07/23/2017	- Net income before tax attributable to owners of the Company for the year ended December 31, 2014 before gains on disposals of assets and changes in the Group's structure; 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.
Plan No. 5	Plan No. 5 of July 24, 2013	71,500	1,386,456	07/24/2017	07/24/2017	- Net income before tax attributable to owners of the Company for the year ended December 31, 2015 before gains on disposals of assets and changes in the Group's structure; and - Comparison between the Company's earnings per share growth between 2012 and 2015 and the average growth of a reference group comprising global automotive suppliers.
GRAND TOTAL	-	**249,600**	**3,689,558**	-	-	-
TOTAL EXCLUDING PLAN 2 [3]	-	**212,550**	**3,290,044**			

(1) 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.
(2) The maximum performance target for this plan was achieved.
(3) The performance target for Plan No. 2 was not achieved. Consequently, no actions were granted to Yann Delabrière under this plan.

Mr. Yann Delabrière made a formal commitment not to hedge the risks associated with the performance shares granted to him.

The total number of performance shares outstanding as of December 31, 2013 that might be granted to Mr. Delabrière represents 0.17% of Faurecia's capital stock at that date.

TABLE 11 (NUMBERED AS PER AMF RECOMMENDATION NO. 2009-16 AS AMENDED ON DECEMBER 17, 2013)

	Employment Contract		Supplementary pension plan		Compensation or benefits due or that may be due on termination or change in position		Compensation due under a non-competition clause	
Mr. Yann DELABRIÈRE	**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 managers (see Subsection 8.1.2.2).*

Table 5 (stock options or purchase options exercised during the year by each executive corporate officer) and Table 7 (performance shares that vested for each corporate officer) of the AMF Recommendation No. 2009-16 as amended on December 17, 2013 do not apply.

Table 3 (attendance fees) appears in Subsection 8.1.2.1. Table 8 (overview of grants of stock options), Table 9 (stock options granted during the year to the top ten non-corporate officer employees and options exercised by them during the year) and Table 10 (overview of bonus performance share grants) are included in Subsection 10.4.2.2.

The components of Mr. Yann Delabrière's compensation due or received for the year ended December 31, 2013, which are subject to the advisory opinion of the shareholders pursuant to the recommendation of Article 24.3 of the AFEP/MEDEF Corporate Governance Code of June 2013 are detailed in the explanatory notes to the resolutions included in Section 11 of this Registration Document.

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

Niklas Braun
Executive Vice-President, Faurecia Automotive Exteriors (from June 2, 2014)

Michel Favre
Executive Vice-President, Group Chief Financial Officer

Hervé Guyot
Executive Vice-President, Strategy and Faurecia Automotive Exteriors (until June 2, 2014)
Executive Vice-President, Strategy (from June 2, 2014)

Frank Imbert
Executive Vice-President, Company Secretary

Patrick Koller
Executive Vice-President, Faurecia Automotive Seating

Jacques Mauge
Executive Vice-President, Faurecia North America

Kate Philipps
Executive Vice-President, Communication

Jean-Michel Renaudie
Executive Vice-President, Faurecia Interior Systems

Christophe Schmitt
Executive Vice-President, Faurecia Emissions Control Technologies

Jean-Pierre Sounillac
Executive Vice-President, 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 seats 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, as well as for the Group's composite plastics business.

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 services 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 in 2013 to members of the Executive Committee in office as of December 31, 2013 amounted to €4,940,590.

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 targets be exceeded, this percentage can rise to 100% of the base salary. 80% of the bonus is based on targets related to operating income and cash generation within the scope of responsibility, and 20% on the same targets measured across the Group. Within the Corporate departments, 100% is based on targets 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 negligence or willful misconduct.

Details on the number of stock options granted 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 granted at its June 23, 2010, July 21, 2010 and July 25, 2011 meetings. The second tranche of three plans was approved and the first two plans granted at its July 23, 2012 and July 24, 2013 meetings (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 operational 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, as well as the Human Relations and Finance departments.

Faurecia Senior Management included 275 members as of December 31, 2013. 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 bonuses. 80% of the bonus is based on targets related to operating income and cash generation within the scope of responsibility, and 20% on the same targets measured across the Group.

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 granted at its June 23, 2010, July 21, 2010 and July 25, 2011 meetings. The second tranche of three plans was approved and the first two plans granted at its July 23, 2012 and July 24, 2013 meetings (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 includes a set of resources, behaviours, procedures, and actions adapted to the individual characteristics of each company and the Group which:

- contributes to controlling its activities, the efficiency of its operations, and the efficient use of its resources; and
- enables it to take all major operational, financial or compliance risks into consideration in an appropriate manner.

The aim of internal control is to ensure:

- compliance with laws and regulations;
- that the instructions and guidelines fixed by the Management and/or the Board of Directors are applied;
- that the Company's internal processes are functioning correctly, particularly those concerning asset protection;
- financial information reliability.

However, internal control cannot give an absolute guarantee that Faurecia's objectives will be achieved. All internal control systems have inherent limitations such as uncertainties in the outside world, the exercise of people's judgement or the cost/benefit relationship of implementing new controls.

Faurecia verifies that internal control procedures have been implemented within its subsidiaries. These procedures are adapted to the specific characteristics of the subsidiaries and to relations between the parent company and consolidated companies.

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 22 July 2010. This system applies to processes relating to the preparation of accounting and financial information intended for publication and the general organisation of the Group's operating divisions. This system is also applied to the risk management procedures implemented by Faurecia, including basic internal control rules, and its application by operational departments is verified.

The Group's internal control system is implemented with regard to both its operations and its legal structure.

It applies to all Group subsidiaries consolidated by the global integration method.

The summarised 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 PROCEDURE ACTORS AND ORGANISATION

Internal control is implemented by both Senior Management and all of the Group's other employees in their daily work in strict compliance with the Group's procedures, including in particular the eleven 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 their implementation;
- the Audit Committee, described earlier in this report, whose responsibilities are set by the Board of Directors, which plays a vital role, particularly in the monitoring of (i) the process by which financial data is developed, (ii) the effectiveness of internal control and risk management systems, and (iii) the audit of annual and consolidated accounts by the Statutory Auditors;
- the Group Executive Committee which oversees 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;

- Operations Committee meetings are held between Group Senior Management and the executive team of each Business Group every month during which all management indicators are reviewed. This Committee particularly focuses on the various key aspects of quality, financial performance, and deadline compliance in programmes under development;
- the Financing and Treasury department, the Financial Control department, the Quality department, the Legal Affairs department, and the Country and Regional 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 tasked 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 made to it, ensures that the Group's procedures comply with applicable legislation and market recommendations, verifies that the system is generally complete, consistent, and relevant, and that the procedures and the eleven basic internal control rules are complied with via regular tests and checks. In the event of shortfalls, it ensures that corrective measures are taken and reports on the effectiveness of internal control.

The Internal Audit department is under the direct responsibility of the Secretary General. Although centralised 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 internal financial control systems by implementing a systematic and methodical approach. It can intervene on all group processes, anywhere in the world, if need be. It conducts its assignments wholly independently and systematically substantiates its findings with specific facts that have been duly verified and rigorously calculated. It provides the Management with all of its work and regularly reports to it on the progress of its assignments and the measures taken to reach its objectives. Recommendations sent by Internal Audit to the audited sites are monitored by (i) an analysis by questionnaire three, six and twelve months after the final report, (ii) monitoring by the Operations Committee, and (iii) a post-audit on site if 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 at least once a year. In 2004, the department drew up an Internal Audit Charter which defines its roles and mission, its field of competence, and the audit methodology used.

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, prioritising, and checking the relevance of these risks with regard to 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 actions required to strengthen their control or management. Finally, the Committee assists the Head of the Internal Audit department in preparing and checking risk information for the Audit Committee.

This is complemented by the intervention of external actors, including:

- the Statutory Auditors. Their mission does not directly involve them in internal control or risk management. They take note of them, make use of Internal Audit reports to improve their understanding of them, and give a wholly independent opinion on their relevance. Every year, they conduct a Group audit as part of their statutory audit of consolidated financial statements and individual Group entity financial statements. In accordance with French company law, Faurecia and Group financial statements are certified by two audit firms which undertake a joint review of the full accounts, the procedures used for preparing them, and also certain Group internal control processes for preparing 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 Auditors present their comments on the Chairman's report regarding internal control procedures for preparing and processing financial and accounting data and certify that other disclosures required by law have been made;
- third-party organisations which carry out the following certification processes for the entire Group over a three-year cycle:
  - environment (ISO 14001),
  - quality (ISO/TS);
- engineers from fire and property insurance companies who conduct a two-yearly audit on each of Faurecia's sites to:
  - assess fire risks and any potential impact on production and customers,
  - assess whether the prevention and protection measures in place are adequate,
  - issue recommendations to reduce risks.

8.4.4. RISK ANALYSIS AND RISK MANAGEMENT PROCEDURE

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.

In this context, 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 an update on Group-wide risks at least once a year.

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 operational risks inherent to its business which are reviewed every month by its Operations Committee. Financial risks for all Group companies are centrally managed by the Group Finance department and are reviewed by a special committee.

It should be noted that certain operational risks, identified as Group-wide, are also reviewed by the Operational Risk Committee, as described above.

These risks are associated with personal safety, quality, programme management, liquidity risk, the availability of Just In Time information systems, the reliability of supplies, asset protection, fire risks, reliability of financial information, fraud, and the environment. For the purposes of procedure progress and improvement, the relevance of this list is regularly reviewed by the Operational Risk Committee and the inclusion of new group-wide risks is submitted to the Audit Committee.

Faurecia has undertaken a risk review and considers that it is not currently exposed to any significant risks other than those described in Section 3.4 of the 2013 Registration Document.

8.4.5. DESCRIPTION OF INTERNAL CONTROL PROCEDURES

The Group's internal control system is underpinned by a set of procedures including basic internal control rules that can be accessed by all employees on the intranet. These procedures are part of the Faurecia Excellence System (FES) which defines the way in which Group's employees work worldwide and structures the Group's identity.

The related Faurecia Core Procedures (FCP) are organised 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, communication, and health and safety policies;
- development, which includes the procedures for defining the Group's product offering, innovation strategy, and programme control measures;
- production, corresponding to the various production process stages in the factories: preparing for the start-up of new programmes or units, planning and controlling the production process, and managing flows;
- customer relations, which details the process for developing 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 involvement, encompassing human resource policies.

These procedures are developed by each Group division 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 on production sites to ensure that the FES is correctly implemented. Each production site is rated either "Unsatisfactory/Satisfactory/Excellent/Benchmark". If a site is rated "Unsatisfactory", it is required to prepare a corrective action plan which is presented directly to Faurecia's Chairman with a view to reaching a "Satisfactory" level within a maximum of three months.

8.4.5.1. Programme control

Programme control measures are subject to specific procedures. Each contract signed with a customer represents a programme and corresponds to a project which:

- responds to Request for Quotation (RFQ) issued by a vehicle manufacturer for the supply of complex automotive equipment;

- meets set quality, cost, and lead time objectives;
- meets financial performance targets set by the Group.

The life of a programme can stretch to ten years, from the beginning of the development phase (acquisition and industrialisation phases) to the end of series life (production).

Every programme is subject to control procedures and tools throughout its life. The Programme Management System (PMS) lays out a strict succession of steps for the entire duration of a programme. Each programme has various milestones from bid processing to the end of product life. As part of this control system, programme reviews are carried out once a month by the concerned activities. Formal reports of these reviews are required and a certain number of documents must be submitted. This process is designed to identify programme risks on an ongoing basis and to draw up and implement the necessary action plans.

Prospective financial analysis in the form of a Business Plan (BP) is performed for each programme in its initial period, during bidding. BPs are prepared in accordance with a standard method developed and monitored by Group management. BPs are regularly updated as assumptions are changed. Therefore, it contains all the information required to assess a programme when preparing a quotation, during contract negotiations, and during the development phase.

To improve programme 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 individual career development of programme managers. It ensures that development procedures are strictly applied and complied with and that deadlines are met from the business acquisition phase through to series production. The Faurecia group monitors progress indicators on a monthly basis. The programme audit framework was updated to reflect audit best practices used by the industrial function, with very specific and progressive clarification of expectations, allowing the project team to self-audit and assess divergence with best practice. Group audits are carried out by R&D centre to assess, by means of a sample of audited programmes, the centre's level and its improvement initiatives. Furthermore, Faurecia's Alert Management System (AMS) 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 values of accountability, integrity, and ethical conduct. The Group's Code of Ethics forms an integral part of the FCPs. This Code defines the general rules on ethical behaviour applicable on a day-to-day basis to all of Faurecia's employees in their relations both inside and outside the Group and the Group's partners. The Code also describes how the Group seeks to implement its 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 confidential whistle-blowing procedure enabling employees to notify Faurecia 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 organisation which gathers and initially processes the whistle-blowing procedures. If circumstances warrant, the organisation contacts the Faurecia group's Chairman and CEO who can ask the Group's Internal Audit department to carry out the necessary investigations. The Code of Ethics has been widely relayed throughout the Group, notably via the intranet, to ensure that all employees can access it and comply with it at all times and in all circumstances. It is intended to develop a sense of responsibility and involvement in Group employees. During Internal Audits, auditors systematically check that everyone at plant level is familiar with the Code.

8.4.5.3. Quality risk management

The Faurecia group systematically manages quality risks throughout the business process, from the new order acquisition phases to manufacturing in factories. The quality function guarantees this management at all stages of the process. It is present at all levels of organisation from the multidisciplinary team developing new programmes or the production site to the Group's management structure.

Specific indicators with monthly reports assess the risks and generate improvement plans and mainstream actions to prevent major risks at all levels of organisation. Every year annual targets to meet customer needs as expressed in the measurement of the performance of their suppliers and operational efficiency are set.

Faurecia's alert management system (AMS) immediately informs Business Group management teams and, depending on the importance, the Group Executive Committee of any problems encountered. This system also ensures a prompt and structured response including problem solving which the organisation capitalises.

A structured problem solving culture (immediate response within 24 hours and identification of root technical and management causes) is constantly being developed by Faurecia's management: QRCI "Quick Response Continuous Improvement". Initially deployed to professionally handle quality problems, it has been extended to all opportunities to improve business operations, programmes, HSE, scrap, inventory, deliveries, etc.

Group quality management has a structure of auditors that is independent to Business Group operations organisations to conduct audits on both production sites and R&D centres. They use a precise and rigorous questionnaire to assess the application and maturity of the Faurecia Excellence System's implementation. Audit guidelines and Group procedures are regularly updated to reflect the changing needs of customers and weaknesses identified in organisation.

In addition, the Group quality department conducts audits and/or coaching in case of significant deviations in quality performance on the affected sites and a report and corrective action plan are submitted to the Management.

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 some of the Board's deliberations. It issues proposals, opinions, and recommendations within its field of competence. The Committee has a consultative role only and acts under the authority of the Board to which it reports whenever necessary.

The Audit Committee's mission is to review the Faurecia group's consolidated annual and interim financial statements.

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 they choose.

The Management specifically relies on input from the Accounting, Consolidation, Financial Control, and Financial Communications departments.

The Accounting department prepares monthly consolidated financial statements and interim and annual financial information to be published. It ensures that local financial managers properly prepare subsidiary financial statements 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 Faurecia's financial statements.

Internal control procedures required to produce reliable accounting data are implemented locally. These include, among others, physical inventorying, separation of tasks, and reconciliation with independent sources of information.

The following principles are implemented across the Group regarding the preparation of financial statements:

- completeness of transaction treatment;
- transaction compliance with applicable accounting principles;
- periodic review 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 efficiently control operations require the use of effective information systems. Faurecia implemented a Group ERP system built on SAP in 2008 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 HFM reporting and consolidation system. The accounting data submitted by each subsidiary is prepared in accordance with Group standards which themselves comply with IFRS as adopted by the European Union. An IFRS accounting manual is included in the FCP system, which can be accessed via the intranet.

Each subsidiary's accounting information comprises income statements prepared by nature and destination, 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 in the HFM reporting tool.

The Finance department also uses short and medium term forecasts to verify the value of cash-generating units, actuarial reports to assess commitments to employees and retirees, and fair-value measurements of derivative financial instruments confirmed by the Group's banking counter-parties.

In each subsidiary, the head of accounting and the financial controller have access to all the information they require to prepare accurate financial statements in compliance with local standards for statutory financial statements and with Group standards for reporting.

At every interim and annual close the heads of all subsidiaries are required to prepare an IFRS/local standard compliant reconciliation for equity and profit and loss.

Instructions are sent to the accountants and financial controllers specifying the closing procedures to be followed every month. Training on reporting tools is 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. Similarly, 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

Preparing 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.

The preparation and review of monthly financial statements and reconciling them with the budget allows each entity to 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 every year on interim accounts to anticipate, assess, and validate the main accounting options for the yearly close. Similarly, a hard close is carried out in May to anticipate the close for interim financial statements on 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 Group's intranet. The following figure among the most important Group procedures:

- a capital expenditure authorisation procedure to determine capital spending criteria and name authorised signatories who can commit the Company for amounts up to pre-defined thresholds;
- an authorisation procedure for capital increases, capital injections, acquisitions of shareholdings, and inter-company loans;
- a procedure to draft Programme Business Plans;
- a procedure for the acquisition of new programmes;
- a procedure for consolidating financial statements.

The Group financial services are structured primarily to separate "accounting" functions from "financial control" functions and to create shared accounting services centres for each country or region which report to a Finance Director. The Group Finance department is responsible for drawing up rules and procedures as well as for the consolidation, audits, and management of the Group's cash position and financing.

This organisation makes it possible to handle the variety of the Group's activities and enhance the applicability and consistency of Group procedures and therefore the effectiveness of internal control procedures. It strengthens the roles and responsibilities of the accounting function, improves reporting processes, increases the effectiveness of information systems, and reinforces programme management controls. Job enhancement resulting from this organisation also contributes to developing the skills and commitment of employees.

FINANCE AND ACCOUNTING REPORTING PROCESS

Reporting processes are intended to provide 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 HFM consolidation system 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 results consolidation process is secured by applying blocking controls upstream in reporting documents and intermediate controls related to the structure of the reporting system at Group level.

Monthly reporting data includes 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 Group standards. Every month, the Operations Committee reviews the operating performance and action plans of each Group business.

MEDIUM-TERM PLAN AND 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 and sets specific objectives for each operating unit to be used in the budget. The budget developed by production site, R&D centre, and administrative centre. It is then broken down into monthly periods using standard schedules and consolidated.

In order to effectively anticipate short-term changes and improve responsiveness, monthly reporting includes a rolling forecast for the income statement and cash flow statement for the current and subsequent quarters.

As Faurecia's contracts span several years, it 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 programmes play an essential role. This plan makes it possible to clarify the Group's outlook in terms of profitability and required resources. It is consolidated using the same tool and applying the same stringent procedures as for monthly reporting and it is also used to define budgetary targets.

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 and the Registration Document;
- financial press releases.

Preparation of the annual report which also serves and the Registration Document is coordinated by the Legal department. A large number of people who are experts in their field contribute to the process ensuring that the document contains broad-ranging and high-quality 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 announcements on the annual and interim accounts are also approved by the Board of Directors.

8.4.6. KEY DEVELOPMENTS

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 assess whether it complies with these standards;
- it defined and disseminated basic internal control rules on all Group 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 levels, ranging from unsatisfactory to satisfactory In 2013, defects in internal control caused high additional costs associated with sophisticated product startups and logistics flow control difficulties in the United States. Dedicated teams have been set up to bring up to standard the concerned processes;
- the Faurecia group has implemented a programme to reform its management information systems for several years. 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 consistent tools and processes for approving and monitoring management actions, from purchase requisitions through to the vendor payment, from a sales order received through to final payment.

Particular importance is given to the consistency and integrity of financial information through this project. Special attention is paid to all financial data control processes and quality checks, from creation to publication in monthly or yearly consolidated statements.

The FCS project has been used to clarify the roles and responsibilities of those involved in the management process: accounting management centres, profit centre controllers, buyers, and Sales Administration departments.

Another outcome has been the development of shared services for accounting, sales, and purchasing as a way of optimising support structures and improving the quality of teams by combining skill sets.

By upgrading its information systems based on the SAP architecture the Group has created standardised, reliable, and modern tools that correspond to Faurecia's standards and procedures and which have been gradually rolled out across the Group since the implementation of pilot sites in 2008.

The first operational sites in France and Korea were integrated into FCS in mid-2008.

At the end of 2013, the FCS system was rolled out in 86% of R&D centres, 75% of accounting centres, and 60% of production sites. Roll-out of the FCS project should be completed by the end of 2015, on a like-for-like basis.

To check the quality of what has been accomplished, the Group has performed audits with the help of ad hoc companies and the Internal Audit department on targeted management processes.

It was also decided to speed up the decommissioning of the now obsolete ERP systems.

Lastly, the Magnitude application has been replaced as part of the Metis project launched in 2012.

The main goal of Metis is to improve production time-frames for financial information, strengthen integrity through improved interfacing with FCS, and provide more powerful analytical tools.

- Finally, with regard to managing data processing tool access clearance, Faurecia has developed and will implement a policy of user account profile management and approval by employee line managers using an IAM (identity access management) application. These profiles are based on a strict definition of roles and responsibilities and strict separation of tasks to comply with the Company's internal control rules.

These procedures are also audited by independent outside bodies.

8.5. Statutory Auditors' report prepared in accordance with Article L. 225-235 of the French Commercial Code on the report of the Chairman of the Board of Directors of Faurecia

This is a free translation into English of the Statutory Auditors' report issued in the French language 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 in accordance with Article L. 225-235 of the French Commercial Code *(Code de commerce)*, we hereby report to you on the report prepared by the Chairman of your company in accordance with Article L. 225-37 of the French Commercial Code for the year ended December 31, 2013.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report describing the internal control and risk management procedures implemented by the company and providing the other information required by Article L. 225-37 of the French Commercial Code in particular relating to corporate governance.

It is our responsibility:

- to report to you on the information set out in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information; and
- to attest that the report sets out the other information required by Article L. 225-37 of the French Commercial Code, it being specified that it is not our responsibility to assess the fairness of this information.

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

Information concerning the internal control and risk management procedures relating to the preparation and processing of financial and accounting information

The professional standards require that we perform procedures to assess the fairness of the information on internal control and risk management procedures relating to the preparation and processing of financial and accounting information set out in the Chairman's report. These procedures mainly consisted of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report is based, and of the existing documentation;
- obtaining an understanding of the work performed to support the information given in the report and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of financial and accounting information that we may have identified in the course of our work are properly described in the Chairman's report.

On the basis of our work, we have no matters to report on the information given on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, set out in the Chairman of the Board's report, prepared in accordance with Article L. 225-37 of the French Commercial Code.

Other information

We attest that the Chairman's report sets out the other information required by Article L. 225-37 of the French Commercial Code.

Neuilly-sur-Seine and Paris-La Défense, April 22, 2014

The Statutory Auditors

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Éric Bertier	Denis Thibon

9

Consolidated financial statements

CONTENTS

9.1. Consolidated statement of comprehensive income

(in € millions)	*Notes*	2013	2012*	2011*
SALES	*4*	**18,028.6**	**17,364.5**	**16,190.2**
Cost of sales	*5*	(16,636.1)	(16,038.7)	(14,806.4)
Research and development costs	*5*	(254.0)	(239.6)	(222.3)
Selling and administrative expenses	*5*	(600.2)	(569.9)	(510.6)
OPERATING INCOME (LOSS)		**538.3**	**516.3**	**650.9**
Other non operating income	*6*	4.8	15.5	0.3
Other non operating expense	*6*	(111.6)	(102.7)	(58.2)
Income from loans, cash investments and marketable securities		9.0	10.2	10.6
Finance costs		(196.9)	(175.4)	(109.1)
Others financial income and expense	*7*	(46.4)	(31.9)	(19.0)
INCOME (LOSS) BEFORE TAX OF FULLY CONSOLIDATED COMPANIES		**197.2**	**232.0**	**475.5**
Current taxes	*8*	(132.0)	(96.9)	(97.7)
Deferred taxes	*8*	67.3	29.5	1.8
NET INCOME (LOSS) OF FULLY CONSOLIDATED COMPANIES		**132.5**	**164.6**	**379.6**
Share of net income of associates	*13*	14.0	23.6	33.7
NET INCOME OF CONTINUED OPERATIONS		**146.5**	**188.2**	**413.3**
NET INCOME OF DISCONTINUED OPERATIONS		**(3.1)**	**(2.6)**	**0.0**
CONSOLIDATED NET INCOME (LOSS)		**143.4**	**185.6**	**413.3**
Attributable to owners of the parent		**87.6**	**143.5**	**371.3**
Attributable to minority interests		55.8	42.1	42
Basic earnings (loss) per share *(in €)*	*9*	0.79	1.30	3.37
Diluted earnings (loss) per share *(in €)*	*9*	0.79	1.26	3.11
Basic earnings (loss) of continued operations per share *(in €)*	*9*	0.82	1.32	3.37
Diluted earnings (loss) of continued operations per share *(in €)*	*9*	0.82	1.28	3.11

OTHER COMPREHENSIVE INCOME

(in € millions)	2013	2012*	2011*
CONSOLIDATED NET INCOME (LOSS)	**143.4**	**185.6**	**413.3**
AMOUNTS TO BE POTENTIALLY RECLASSIFIED TO PROFIT OR LOSS	**(40.5)**	**(4.3)**	**(10.1)**
Gains (losses) arising on fair value adjustments to cash flow hedges	5.2	10.8	(6.3)
of which recognized in equity	*(5.1)*	*(4.0)*	*(7.6)*
of which transferred to net income (loss) for the period	*10.3*	*14,8*	*1.3*
Exchange differences on translation of foreign operations	(45.7)	(15.1)	(3.8)
AMOUNTS NOT TO BE RECLASSIFIED TO PROFIT OR LOSS	**18.9**	**(43.1)**	**(14.0)**
Actuarial gain/(loss) on post employment benefit obligations	18.9	(43.1)	(14.0)
TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD	**121.8**	**138.2**	**389.2**
Attributable to owners of the parent	68.3	99.5	340.7
Attributable to minority interests	53.5	38.7	48.5

* *See Note 1B.*

9.2. Balance sheet consolidated

ASSETS

(in € millions)	Notes	12/31/2013	12/31/2012*	12/31/2011*
Goodwill	*10*	1,297.1	1,300.0	1,260.6
Intangible assets	*11*	686.2	588.1	464.2
Property, plant and equipment	*12*	2,027.9	1,972.2	1,733.4
Investments in associates	*13*	88.7	85.2	71.0
Other equity interests	*14*	13.9	13.4	38.8
Other non-current financial assets	*15*	49.4	54.2	35.4
Other non-current assets	*16*	18.9	18.1	16.9
Deferred tax assets	*8*	161.8	95.1	78.3
TOTAL NON-CURRENT ASSETS		**4,343.9**	**4,126.3**	**3,698.6**
Inventories, net	*17*	1,123.4	1096.2	885.4
Trade accounts receivables	*18*	1,680.7	1,702.8	1,620.2
Other operating receivables	*19*	288.1	357.8	297.6
Other receivables	*20*	184.2	150.0	131.2
Other current financial assets	*30*	8.7	0.6	1.5
Cash and cash equivalents	*21*	701.8	628.0	630.1
TOTAL CURRENT ASSETS		**3,986.9**	**3,935.4**	**3,566.0**
Assets held for sale		0.0	8.7	0.0
TOTAL ASSETS		**8,330.8**	**8,070.4**	**7,264.6**

* *See Note 1B.*

LIABILITIES

(in € millions)	*Notes*	12/31/2013	12/31/2012*	12/31/2011*
EQUITY				
Capital	*22*	858.1	775.8	772.6
Additional paid-in capital		410.4	279.1	282.4
Treasury stock		(1.4)	(1.6)	(1.7)
Retained earnings		118.3	(47.2)	(396.6)
Translation adjustments		28.8	72.3	83.8
Net income (loss) for the period attributable to owners of the parent		87.6	143.5	371.3
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENTS	*22*	**1,501.8**	**1221.9**	**1111.8**
Minority interests	*23*	140.5	132.6	113.6
TOTAL SHAREHOLDERS' EQUITY		**1,642.3**	**1,354.5**	**1225.4**
Long-term provisions	*24*	283.5	300.8	260.7
Non-current financial liabilities	*26*	1,308.8	1,671.1	1,240.1
Other non-current liabilities		0.6	0.2	1.5
Deferred tax liabilities	*8*	19.6	14.0	15.6
TOTAL NON-CURRENT LIABILITIES		**1,612.5**	**1,986.1**	**1,517.9**
Short-term provisions	*24*	223.2	321.2	322.3
Current financial liabilities	*26*	920.8	764.6	615.6
Prepayments from customers		169.4	170.3	138.5
Trade payables		3,053.1	2,754.0	2,762.0
Accrued taxes and payroll costs	*27*	517.2	519.1	507.6
Sundry payables	*28*	192.3	154.4	175.3
TOTAL CURRENT LIABILITIES		**5,076.0**	**4,683.6**	**4,521.3**
Liabilities linked to assets held for sale		0.0	46.2	0.0
TOTAL LIABILITIES		**8,330.8**	**8,070.4**	**7,264.6**

* *See Note 1B.*

9.3. Consolidated cash flow statement

(in € millions)	*Notes*	Full Year 2013	Full Year 2012	Full Year 2011
I- OPERATING ACTIVITIES				
Operating Margin		538.3	513.7	650.9
Depreciations and amortizations of assets		532.0	495.5	453.7
EBITDA		**1,070.3**	**1,009.2**	**1,104.6**
Operating short -term and long term provisions		(47.2)	(65.5)	(70.4)
Capital (gains) losses on disposals of operating assets		2.7	(0.5)	2.3
Paid restructuring		(122.6)	(53.9)	(94.1)
Paid finance costs net of income		(187.5)	(163.6)	(92.2)
Other income and expenses paid		(38.6)	(3.5)	5.5
Paid taxes		(134.3)	(104.5)	(116.2)
Dividends from associates		20.2	25.0	21.0
Change in working capital requirement		**364.4**	**(372.1)**	**(35.0)**
Change in inventories		(79.4)	(208.9)	(137.6)
Change in trade accounts receivables		(44.0)	(91.2)	(221.9)
Change in trade payables		395.8	(22.6)	312.8
Change in other operating receivables and payables		74.4	(18.1)	20.7
Change in other receivables and payables (excl. Tax)		17.6	(31.2)	(9.0)
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		**927.4**	**270.5**	**725.5**
II- INVESTING ACTIVITIES				
Additionals to property, plant and equipment	*12*	(518.0)	(557.3)	(451.4)
Additionals intangible assets	*11*	(4.6)	(2.9)	(5.9)
Capitalized development costs	*11*	(265.0)	(266.7)	(180.2)
Acquisitions of investments and business (net of cash and cash equivalents)		(12.3)	(71.2)	(66.3)
Proceeds from disposal of property, plant and equipment		5.9	13.0	10.2
Proceeds from disposal of financial assets		0.0	0.7	0.2
Change in investment-related receivables and payables		(2.1)	7.6	11.0
Other changes		(26.8)	(26.0)	(15.1)
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES		**(822.9)**	**(902.8)**	**(697.5)**
CASH PROVIDED (USED) BY OPERATING AND INVESTING ACTIVITIES (I)+(II)		**104.5**	**(632.3)**	**28.0**
III- FINANCING ACTIVITIES				
Issuance of shares by Faurecia and fully-consolidated companies (net of costs)		11.0	9.0	1.2
Option component of convertible bonds		0.0	52.5	0.0
Dividends paid to owners of the parent company		0.0	(38.6)	(27.6)
Dividends paid to minority interests in consolidated subsidiaries		(47.9)	(27.0)	(26.7)
Other financial assets and liabilities		0.0	0.0	0.0
Issuance of debt securities and increase in other financial liabilities		473.0	850.5	925.1
Repayment of debt and other financial liabilities		(398.4)	(244.3)	(881.9)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		**37.7**	**602.1**	**(9.9)**
IV- OTHER CHANGES IN CASH AND CASH EQUIVALENTS				
Impact of exchange rate changes on cash and cash equivalents		(27.7)	(6.9)	6.2
Net flows from discontinued operations		(40.7)	35.0	0.0
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**73.8**	**(2.1)**	**24.3**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR		**628.0**	**630.1**	**605.8**
CASH AND CASH EQUIVALENTS AT END OF YEAR		**701.8**	**628.0**	**630.1**

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	Valuation adjustments: Translation adjustments	Valuation adjustments: Cash flow hedges	Valuation adjustments: Actuarial gain/(loss) on post employment benefit obligations	Equity attributable to owners of the parent	Minority interests	Total
SHAREHOLDERS' EQUITY AS OF DEC 31, 2011 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**
Impact of IAS19R adoption*					(12.0)			(13.4)	(25.4)		(25.4)
Shareholders' equity as of Dec. 31, 2011 before appropriation of net income) & after IAS19R	110,366,728	772.5	282.4	(10.4)	(329.2)	94.0	(10.8)	(13.4)	785.1	87.7	872.8
Net income (loss)					371.3				371.3	42.0	413.3
Other comprehensive income						(10.2)	(6.3)	(14.1)	(30.6)	6.5	(24.1)
TOTAL INCOME (EXPENSE) RECOGNIZED IN EQUITY					371.3	(10.2)	(6.3)	(14.1)	340.7	48.5	389.2
Capital increase [1]	1,617	0.1							0.1	1.2	1.3
2010 dividends					(27.6)				(27.6)	(26.7)	(54.3)
Measurement of stock options					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					(4.0)				(4.0)	2.9	(1.1)
SHAREHOLDERS' EQUITY AS OF DEC. 31, 2011 BEFORE APPROPRIATION OF NET INCOME (LOSS)*	**110,368,345**	**772.6**	**282.4**	**(1.7)**	**19.3**	**83.8**	**(17.1)**	**(27.5)**	**1,111.8**	**113.6**	**1,225.4**
Net income (loss)					143.5				143.5	42.1	185.6
Other comprehensive income						(11.7)	10.8	(43.1)	(44.0)	(3.4)	(47.4)
TOTAL INCOME (EXPENSE) RECOGNIZED IN EQUITY					143.5	(11.7)	10.8	(43.1)	99.5	38.7	138.2

* *See Note 1B.*

(1) Capital increase arising from the conversion of bonds for the group part.

(2) o/w 270,814 of treasury stock as of 12/31/2010, 46,872 as of 12/31/2011, 41,979 as of 12/31/2012 and 44,162 as of 12/31/2013 (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	Valuation adjustments: Translation adjustments	Valuation adjustments: Cash flow hedges	Valuation adjustments: Actuarial gain/(loss) on post employment benefit obligations	Equity attributable to owners of the parent	Minority interests	Total
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					(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					(1.1)				(1.1)	(1.4)	(2.5)
SHAREHOLDERS' EQUITY AS OF DEC. 31, 2012 BEFORE APPROPRIATION OF NET INCOME (LOSS)*	**110,833,745**	**775.9**	**279.1**	**(1.6)**	**173.3**	**72.1**	**(6.3)**	**(70.6)**	**1,221.9**	**132.6**	**1,038.5**
Net income (loss)					87.6				87.6	55.8	143.4
Other comprehensive income						(43.4)	5.2	18.9	(19.3)	(2.3)	(21.6)
TOTAL INCOME (EXPENSE) RECOGNIZED IN EQUITY					**87.6**	**(43.4)**	**5.2**	**18.9**	**68.3**	**53.5**	**121.8**
Capital increase (1) & (3)	11,754,390	82.2	131.3						213.5	10.3	223.8
2012 dividends					0.0				0.0	(48.9)	(48.9)
Measurement of stock options and shares grant					2.1				2.1		2.1
Purchases and sales of treasury stock				0.2	0.0				0.2		0.2
Option component of convertible bonds					0.0				0.0		0.0
Changes in scope of consolidation and other					(4.2)				(4.2)	(7.0)	(11.2)
SHAREHOLDERS' EQUITY AS OF DEC. 31, 2013 BEFORE APPROPRIATION OF NET INCOME (LOSS)	**122,588,135**	**858.1**	**410.4**	**(1.4)**	**258.8**	**28.7**	**(1.1)**	**(51.7)**	**1,501.8**	**140.5**	**1,642.3**

* *See Note 1B.*
(1) *Capital increase arising from the conversion of bonds for the group part.*
(2) *o/w 270,814 of treasury stock as of 12/31/2010, 46,872 as of 12/31/2011, 41,979 as of 12/31/2012 and 44,162 as of 12/31/2013 (cf. Note 22.3).*
(3) *Capital increase arising from free shares allocation.*

9.5. Notes to the consolidated financial statements

CONTENTS

Along with its subsidiaries, Faurecia S.A. ("Faurecia") is a global leader in automotive equipment 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, 2014.

The accounts were prepared on a going concern basis.

NOTE 1 A 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/index_fr.htm

These standards include International Financial Reporting Standards and International Accounting Standards (IAS), as well as the related International Financial Reporting Interpretations Committee (IFRIC) interpretations.

The standards used to prepare the 2013 consolidated financial statements and comparative data for 2012 and 2013 are those published in the Official Journal of the European Union (OJEU) as of December 31, 2013, 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, 2013, Faurecia has applied IFRS 13, the amendments and revisions to the standards IAS 1, IAS 12, IAS 19 and IFRS 7, the annual improvements to IFRS (2009-2011 cycle) and IFRIC 20, which, other than IAS 19 whose impacts on the consolidated financial statements are described in Note 1B, did not have any material impact on the consolidated financial statements. Moreover, Faurecia has not applied by anticipation the standards, amendments or interpretations:

- adopted by the European Union but the mandatory application whereof would be after December 31, 2013 (standards and amendments to IFRS 10, IFRS 11, IFRS 12, IAS 27, IAS 28, IAS 32, IAS 36, IAS 39). Their implementation is not expected to have any material impact;
- not yet adopted by the European Union as of December 31, 2013 (standards and amendments to IAS 39, IAS 19 and IFRS 9 and IFRIC 21).

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 euro or US dollar zone which carry out the majority of their transactions in euros or US dollars may, however, use either of the two currencies 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 acquired business 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 Interior Systems;
- 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, especially 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 five 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 in the balance sheet under the following items: Other equity interests (Note 14), Other non-current financial assets (Note 15), Trade accounts 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 in the balance sheet under the following items: Current and Non-current financial liabilities (Note 26), Accrued taxes and payroll costs (Note 27) and Other payables (Note 28).

Financial assets and liabilities with maturities of more than one year at the balance sheet date are classified as non-current. All other assets and liabilities are reported as current.

B – RECOGNITION AND MEASUREMENT OF FINANCIAL ASSETS

(a) 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 equivalents

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 Derivative instruments

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

In addition to pension benefits paid in accordance with the laws and regulations of the countries in which they operate, group companies can be liable for the payment of supplementary pensions and retirement benefits (see Note 25). These benefits are paid under defined contribution and defined benefit plans.

The valuation and accounting methodologies followed by the group with regard to retirement benefits are as follows:

- the cost of defined contribution benefits are recorded as expenses based on contributions;
- defined benefit retirement plans are determined on an actuarial basis. The actuarial method used by the group to assess these obligations is the projected unit credit method based on agreements in force in each company.

The valuation takes into account the probability of employees staying with the Group up to retirement age and expected future salary levels as well as macroeconomic assumptions (such as inflation rate or discount rate) for each concerned country or zone. These assumptions are described in Note 25-2.

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. Asset surplus is recognized in the balance sheet only if it represents future economic benefits that are effectively available for the group.

Periodic pension and other employee benefit costs are recognized as operating expenses over the benefit vesting period.

Actuarial gains and losses on defined benefit plan are recognized in other comprehensive income.

In case of change in regime, past service costs are fully recognized as operating expenses, the benefits being fully acquired or not.

The expected rate of return on defined benefit retirement plan assets is equal to the discount rate used to assess these obligations. The return is recorded in "Other financial income and expense".

The other post employment benefits mainly cover seniority bonuses as well as health care benefits. The obligation is valued using similar methodology, assumptions and frequency as the ones used for post employment benefits.

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 1 B CHANGES TO PREVIOUSLY PUBLISHED FINANCIAL STATEMENTS

Since January 1, 2013, Faurecia has applied the amendments to the existing standard IAS 19; the application of these amendments being retrospective, the previously published financial statements have been modified accordingly. The impacts are presented in the following schedules.

The amendments to IAS 19 employee benefits eliminate the option of applying the corridor approach that is currently used by Faurecia. This leads to the immediate recognition of all the actuarial variances and past service costs in the balance sheet liabilities. Actuarial variances will be fully recognized through other comprehensive income (expense) directly in equity and past service costs in period net income. These amendments define also the return on assets as the discount rate used to measure the benefits liability.

A - Consolidated statement of comprehensive income

(in € millions)	Full-year 2012 published in February 2013	IAS 19R restatements	Full-year 2012 restated
Cost of sales	(16,041.3)	2.6	(16,038.7)
Operating income (loss)	**513.7**	**2.6**	**516.3**
Other financial income and expense	(30.5)	(1.4)	(31.9)
Income (loss) before tax of fully consolidated companies	**230.8**	**1.2**	**232.0**
NET INCOME (LOSS) OF FULLY CONSOLIDATED COMPANIES	**163.4**	**1.2**	**164.6**
Net income of continued operations	**187.0**	**1.2**	**188.2**
Net income of discontinued operations	**(2.6)**		**(2.6)**
CONSOLIDATED NET INCOME (LOSS)	**184.4**	**1.2**	**185.6**
Attributable to owners of the parent	**142.3**	**1.2**	**143.5**
Attributable to minority interests	42.1		42.1
Basic earnings (loss) per share *(in €)*	1.29		1.30
Diluted earnings (loss) per share *(in €)*	1.25		1.26
Basic earnings (loss) of continued operations per share *(in €)*	1.31		1.32
Diluted earnings (loss) of continued operations per share *(in €)*	1.27		1.28

OTHER COMPREHENSIVE INCOME

(in € millions)	Full-year 2011 published in February 2012	IAS 19R restatements	Full-year 2011 restated	Full-year 2012 published in February 2013	IAS 19R restatements	Full-year 2012 restated
CONSOLIDATED NET INCOME (LOSS)	413.3	0.0	413.3	184.4	1.2	185.6
Amounts to be potentially reclassified to profit or loss	**(7.5)**	**(2.6)**	**(10.1)**	**(4.6)**	**0.3**	**(4.3)**
Gains (losses) arising on fair value adjustments to cash flow hedges	(6.3)		(6.3)	10.8		10.8
of which recognized in equity	*(7.6)*		*(7.6)*	*(4.0)*		*(4.0)*
of which transferred to net income (loss) for the period	*1.3*		*1.3*	*14.8*		*14.8*
Exchange differences on translation of foreign operations	(1.2)	(2.6)	(3.8)	(15.4)	0.3	(15.1)
Amounts not to be reclassified to profit or loss	**0.0**	**(14.0)**	**(14.0)**	**0.0**	**(43.1)**	**(43.1)**
Actuarial gain/(loss) on post employment benefit obligations		(14.0)	(14.0)		(43.1)	(43.1)
TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD	**405.8**	**(16.6)**	**389.2**	**179.8**	**(41.6)**	**138.2**
Attributable to owners of the parent	357.4	(16.7)	340.7	141.0	(41.5)	99.5
Attributable to minority interests	48.4	0.1	48.5	38.8	(0.1)	38.7

B - Balance sheet consolidated

ASSETS

(in € millions)	12/31/2011 published in February 2012	IAS 19R restatements	12/31/2011 restated	12/31/2012 published in February 2013	IAS 19R restatements	12/31/2012 restated
Other non-current assets	16.9	0.0	16.9	18.3	(0.2)	18.1
Deferred tax assets	78.3	0.0	78.3	94.7	0.4	95.1

LIABILITIES

(in € millions)	12/31/2011 published in February 2012	IAS 19R restatements	12/31/2011 restated	12/31/2012 published in February 2013	IAS 19R restatements	12/31/2012 restated
Equity						
Capital	772.6		772.6	775.8		775.8
Additional paid-in capital	282.4		282.4	279.1		279.1
Treasury stock	(1.7)		(1.7)	(1.6)		(1.6)
Retained earnings	(357.1)	(39.5)	(396.6)	35.5	(82.7)	(47.2)
Translation adjustments	86.4	(2.6)	83.8	74.4	(2.1)	72.3
Net income (loss) for the period attributable to owners of the parent	371.3		371.3	142.3	1.2	143.5
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENTS	**1,153.9**	**(42.1)**	**1,111.8**	**1305.5**	**(83.6)**	**1221.9**
Minority interests	113.5	0.1	113.6	132.6		132.6
TOTAL SHAREHOLDERS' EQUITY	**1,267.4**	**(42.0)**	**1,225.4**	**1,438.1**	**(83.6)**	**1,354.5**
Long-term provisions	218.8	41.9	260.7	217.0	83.8	300.8
Deferred tax liabilities	15.5	0.1	15.6	14.0		14.0

NOTE 2 CHANGE IN SCOPE OF CONSOLIDATION

2.1 Change in scope of consolidation in 2013

In the Interior Systems business, Faurecia Summit Interior Systems, 50% owned, was established in Thailand and has been consolidated from March 2013. Foshan Faurecia Xuyang Interior Systems Company Limited, 60% owned, was established in China and has been consolidated from June 2013. CSM Faurecia Automotive Parts Company Limited, 50% owned, was established in China and has been consolidated by equity method from July 2013.

In the Automotive Seating business, Changchun Faurecia Xuyang Automotive Components Technologies R&D Company Limited, 45% owned, was established in China and has been consolidated by equity method from June 2013. Faurecia Azin Pars, 51% owned, produced automobile seating in Iran for the Renault group. Considering the restrictions imposed by the American authorities on exports to Iran, production was stopped and no operating margin was recognized in the second half of 2013. Due to uncertainties regarding resumption of business in Iran, all the assets of this subsidiary were written down as of December 31, 2013 for an amount of €8.1 million (see Note 6).

In the Emissions Control Technologies business, Faurecia Emissions Control Technologies (Foshan) Company Limited, 51% owned, was established in China and has been consolidated from August 2013. Faurecia Emissions Control Technologies Ningbo Hangzhou Bay, 66% owned, was established in China and has been consolidated from December 2013.

2.2 Reminder of change in scope of consolidation introduced 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 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.

NOTE 3 POST-BALANCE SHEET EVENTS

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 (FAS): design of vehicle seats, manufacture of seating frames and adjustment mechanisms, and assembly of complete seating units;
- Faurecia Emissions Control Technologies (FECT): design and manufacture of exhaust systems;
- Faurecia Interior Systems (FIS): design and manufacture of instrument panels, door panels and modules, and acoustic components;
- Faurecia Automotive Exteriors (FAE): 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.

With a view to presenting information, which improves comparability with other companies in the segment, and to providing more relevant information, Faurecia no longer uses the option of aggregating operational units offered by IFRS 8. Segment information is therefore communicated by operating unit; the same information is given for 2012 and 2011 for the purpose of comparison.

4.1 Key figures by operating segment

2013

(in € millions)	Automotive Seating	Emissions Control Technologies	Interior Systems	Automotive Exteriors	Other	Total
Sales	**5,231.0**	**6,351.4**	**4,593.2**	**1,904.8**	**314.2**	**18,394.6**
Inter-segment eliminations	(12.1)	(0.9)	(33.2)	(5.6)	(314.2)	(366.0)
Consolidated sales	**5,218.9**	**6,350.5**	**4,560.0**	**1,899.2**	**0.0**	**18,028.6**
Operating income (loss) before allocation of costs	218.5	200.0	85.2	38.4	(3.8)	538.3
Allocation of costs	(1.1)	(1.0)	(1.2)	(0.5)	3.8	0.0
Operating income	**217.4**	**199.0**	**84.0**	**37.9**	**0.0**	**538.3**
Other non-operating income						4.8
Other non-operating expense						(111.6)
Finance costs, net						(187.9)
Other financial income and expenses						(46.4)
Corporate income tax						(64.7)
Share of net income of associates						14.0
Net income of continued operations						**146.5**
Net income of discontinued operations						**(3.1)**
NET INCOME (LOSS)						**143.4**
Segment assets						
Property, plant and equipment, net	482.4	568.4	702.6	258.6	15.9	2,027.9
Other segment assets	2,059.2	1,523.4	1,148.3	489.7	(31.0)	5,189.6
Total segment assets	**2,541.6**	**2,091.8**	**1,850.9**	**748.3**	**(15.1)**	**7,217.5**
Investments in associates						88.7
Other equity interests						13.9
Short and long-term financial assets						780.4
Tax assets (current and deferred)						230.3
Assets held for sale						0.0
TOTAL ASSETS						**8,330.8**
Segment liabilities	**1,393.2**	**1,353.3**	**1,097.4**	**424.0**	**126.9**	**4,394.8**
Borrowings						2,229.6
Tax liabilities (current and deferred)						64.1
Liabilities linked to assets held for sale						0.0
Equity and minority interests						1,642.3
TOTAL LIABILITIES						**8,330.8**
Capital expenditure	117.9	126.4	187.1	60.9	25.7	518.0
Depreciation of items of property, plant and equipment	(95.3)	(80.1)	(121.5)	(41.8)	(3.1)	(341.8)
Impairment of property, plant and equipment	(6.2)	0.0	(1.6)	(0.7)	0.0	(8.5)
Headcounts	33,565	21,124	32,831	7,927	1,972	97,419

2012

(in € millions)	Automotive Seating	Emissions Control Technologies	Interior Systems	Automotive Exteriors	Other	Total
Sales	**5,166.2**	**6,086.2**	**4,385.3**	**1,787.4**	**324.5**	**17,749.6**
Inter-segment eliminations	(10.3)	(6.7)	(32.6)	(11.0)	(324.5)	(385.1)
Consolidated sales	**5,155.9**	**6,079.5**	**4,352.7**	**1,776.4**	**0.0**	**17,364.5**
Operating income (loss) before allocation of costs	193.1	148.5	132.4	43.4	(1.2)	516.2
Allocation of costs	(0.4)	(0.3)	(0.3)	(0.1)	1.2	0.1
Operating income	**192.7**	**148.2**	**132.1**	**43.3**	**0.0**	**516.3**
Other non-operating income						15.5
Other non-operating expense						(102.7)
Finance costs, net						(165.2)
Other financial income and expenses						(31.9)
Corporate income tax						(67.4)
Share of net income of associates						23.6
Net income of continued operations						**188.2**
Net income of discontinued operations						**(2.6)**
NET INCOME (LOSS)						**185.6**
Segment assets						
Property, plant and equipment, net	478.6	553.3	657.4	260.5	22.4	1,972.2
Other segment assets	1,853.2	1,483.4	1,285.5	465.4	50.4	5,137.9
Total segment assets	**2,331.8**	**2,036.7**	**1,942.9**	**725.9**	**72.8**	**7,110.1**
Investments in associates						85.2
Other equity interests						13.4
Short and long-term financial assets						703.3
Tax assets (current and deferred)						149.7
Assets held for sale						8.7
TOTAL ASSETS						**8,070.4**
Segment liabilities	**1,275.3**	**1,237.6**	**1,125.7**	**413.9**	**133.8**	**4,186.3**
Borrowings						2,435.7
Tax liabilities (current and deferred)						47.7
Liabilities linked to assets held for sale						46.2
Equity and minority interests						1,354.5
TOTAL LIABILITIES						**8,070.4**
Capital expenditure	113.1	152.7	179.6	88.8	23.1	557.3
Depreciation of property, plant and equipment	(95.0)	(76.2)	(111.8)	(38.4)	(1.4)	(322.8)
Impairment of property, plant and equipment	(4.1)	0.0	0.0	0.0		(4.1)
Headcounts	33,586	20,374	30,892	7,267	1,799	93,918

2011

(in € millions)	Automotive Seating	Emissions Control Technologies	Interior Systems	Automotive Exteriors	Other	Total
Sales	**4,992.4**	**5,781.1**	**3,684.6**	**1,802.5**	**319.6**	**16,580.3**
Inter-segment eliminations	(11.2)	(1.8)	(39.1)	(18.3)	(319.6)	(390.1)
Consolidated sales	**4,981.2**	**5,779.3**	**3,645.5**	**1,784.2**	**0.0**	**16,190.2**
Operating income (loss) before allocation of costs	223.4	158.4	198.2	93.2	(22.4)	650.9
Allocation of costs	(7.3)	(5.6)	(6.8)	(2.7)	22.4	0.0
Operating income	**216.1**	**152.8**	**191.4**	**90.6**	**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 of continued operations						**413.3**
Net income of discontinued operations						**0.0**
NET INCOME (LOSS)						**413.3**
Segment assets						
Property, plant and equipment, net	471.3	486.8	545.4	211.3	18.6	1,733.4
Other segment assets	1,771.3	1,441.2	1,001.2	339.9	52.0	4,605.6
Total segment assets	**2,242.6**	**1,928.0**	**1,546.6**	**551.2**	**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
Assets held for sale						0.0
TOTAL ASSETS						**7,264.6**
Segment liabilities	**1,298.5**	**1,334.5**	**1,050.1**	**344.6**	**105.3**	**4,133.0**
Borrowings						1,855.7
Tax liabilities (current and deferred)						50.5
Liabilities linked to assets held for sale						0.0
Equity and minority interests						1,225.4
TOTAL LIABILITIES						**7,264.6**
Capital expenditure	99.1	143.3	148.6	47.1	13.3	451.4
Depreciation of items of property, plant and equipment	(96.7)	(66.7)	(99.0)	(36.9)	0.5	(298.8)
Impairment of property, plant and equipment	(0.2)	(3.6)	(3.2)	(0.2)		(7.2)
Headcounts	32,151	19,179	25,005	6,258	1,586	84,179

Sales by operating segment break down as follows:

(in € millions)	2013	%	2012	%	2011	%
Automotive Seating	5,218.9	29	5,155.9	30	4,981.2	31
Emissions Control Technologies	6,350.5	35	6,079.5	35	5,779.3	36
Interior Systems	4,560.0	25	4,352.7	25	3,645.5	23
Automotive Exteriors	1,899.2	11	1,776.4	10	1,784.2	11
TOTAL	**18,028.6**	**100**	**17,364.5**	**100**	**16,190.2**	**100**

4.2 Sales by major customer

Sales by major customer* break down as follows:

(in € millions)	2013	%	2012	%	2011	%
VW group	3,556.7	20	3,523.1	20	3,418.0	21
Ford group	2,352.4	13	2,079.9	12	1,652.2	10
PSA Peugeot Citroën	2,263.4	13	2,263.2	13	2,433.9	15
Renault-Nissan	1,470.4	8	1,509.5	9	1,555.2	10
GM	1,309.4	7	1,356.7	8	1,277.5	8
BMW	1,070.8	6	1,106.6	6	1,092.6	7
Others	6,005.5	33	5,525.5	32	4,760.8	29
TOTAL	**18,028.6**	**100**	**17,364.5**	**100**	**16,190.2**	**100**

* *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.

2013

(in € millions)	France	Germany	Other European countries	North America	South America	Asia	Other countries	Total
Sales	1,812.4	3,709.3	4,181.6	4,705.6	871.7	2,596.8	151.2	18,028.6
Net property, plant and equipment	290.4	256.6	612.6	437.2	158.2	252.5	20.4	2,027.9
Capital expenditure	79.2	51.2	113.9	132.2	57.0	81.1	3.4	518.0
Number of employees as of December 31	13,847	12,029	29,177	20,984	6,154	13,557	1,671	97,419

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

NOTE 5 ANALYSIS OF OPERATING EXPENSES

5.1 Analysis of operating expenses by function

(in € millions)	2013	2012	2011
Cost of sales	(16,636.1)	(16,038.7)	(14,806.4)
Research and development costs	(254.0)	(239.6)	(222.3)
Selling and administrative expenses	(600.2)	(569.9)	(510.6)
TOTAL	**(17,490.3)**	**(16,848.2)**	**(15,539.3)**

5.2 Breakdown of operating expenses by nature

(in € millions)	2013	2012	2011
Purchases consumed	(12,383.6)	(11,983.4)	(11,048.9)
External costs	(1,682.9)	(1,629.0)	(1,420.7)
Personnel costs	(3,239.8)	(3,182.9)	(2,883.2)
Taxes other than on income	(48.7)	(59.7)	(56.5)
Other income and expenses*	353.7	442.5	257.1
Depreciation, amortization and provisions for impairment in value of non-current assets	(532.0)	(495.7)	(453.6)
Charges to and reversals of provisions	43.0	60.0	66.5
TOTAL	**(17,490.3)**	**(16,848.2)**	**(15,539.3)**
* *Including production taken into inventory or capitalized*	*319.2*	*427.6*	*298.4*

The CICE (Tax Credit for Competitiveness and Employment) was charged to personnel costs and amounted to €10.5 million for 2013.

5.3 Personnel costs

(in € millions)	2013	2012	2011
Wages and salaries*	(2,574.7)	(2,512.2)	(2,260.8)
Payroll taxes	(665.1)	(670.7)	(622.4)
TOTAL	**(3,239.8)**	**(3,182.9)**	**(2,883.2)**
* *Of which temporary employee costs*	*(253.6)*	*(256.2)*	*(250.5)*

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)	2013	2012	2011
Research and development costs, gross	(916.5)	(943.0)	(759.6)
• Amounts billed to customers and changes in inventories	575.3	595.9	498.0
• Capitalized development costs	258.4	263.9	178.9
• Amortization of capitalized development costs	(171.5)	(158.9)	(141.7)
• Charges to and reversals of provisions for impairment of capitalized development costs	0.3	2.5	2.1
NET EXPENSE	**(254.0)**	**(239.6)**	**(222.3)**

5.5 Depreciation, amortization and provisions for impairment in value of non-current assets

(in € millions)	2013	2012	2011
Amortization of capitalized development costs	(171.5)	(158.9)	(141.7)
Amortization of items of property, plant and equipment	(24.2)	(21.4)	(20.9)
Depreciation of specific tooling	0.5	4.1	3.2
Depreciation and impairment of other items of property, plant and equipment	(337.1)	(322.0)	(296.3)
Provisions for impairment of capitalized development costs	0.3	2.5	2.1
TOTAL	**(532.0)**	**(495.7)**	**(453.6)**

NOTE 6 OTHER NON-OPERATING INCOME AND EXPENSE

Other non-operating income and expense are analyzed as follows:

OTHER NON-OPERATING INCOME

(in € millions)	2013	2012	2011
Provision for contingencies	0.0	0.0	0.3
Badwill from acquisitions*	0.0	15.5	0.0
Losses on disposal of assets	0.0	0.0	0.0
Other	4.8	0.0	0.0
TOTAL	**4.8**	**15.5**	**0.3**

* *This item includes the badwill from the acquisition of Saline in 2012.**

OTHER NON-OPERATING EXPENSE

(in € millions)	2013	2012	2011
Reorganization expenses*	(91.3)	(83.7)	(55.8)
Losses on disposal of assets	(0.1)	(0.3)	0.0
Other**	(20.2)	(18.7)	(2.4)
TOTAL	**(111.6)**	**(102.7)**	**(58.2)**

* *As of December 31, 2013, this item includes restructuring costs in the amount of €84.3 million and provisions for impairment in value of non-current assets in the amount of €7 million, versus respectively €79.4 million and €4.3 million in 2012 and €48.7 million and €7.1 million in 2011.*

** *In 2013, this item included non-recurring impairment related to the shutdown of operations in Iran for €8.1 million.*

RESTRUCTURING

Reorganization costs (€91.3 million) include redundancy and site relocation payments for 2,267 people and breakdown by country as follows:

	(in € millions)	Employees
France	38.8	642
Germany	18.1	115
Spain	15.5	135
Other	18.9	1,375
TOTAL	**91.3**	**2,267**

NOTE 7 OTHER FINANCIAL INCOME AND EXPENSE

(in € millions)	Full-year 2013	Full-year 2012	Full-year 2011
Impact of discounting pension benefit obligations	(8.6)	(10.1)	(8.2)
Changes in the ineffective portion of currency hedges	(0.2)	0.6	(2.3)
Changes in fair value of currency hedged relating to debt	10.1	0.6	0.0
Changes in fair value of interest rate hedges	0.2	1.4	(0.3)
Translation differences on borrowings	(25.3)	(10.0)	3.3
Gains on sales of securities	-	-	(0.2)
Other	(22.6)	(14.4)	(11.3)
TOTAL	**(46.4)**	**(31.9)**	**(19.0)**

NOTE 8 CORPORATE INCOME TAX

Corporate income tax can be analyzed as follows:

(in € millions)	2013	2012	2011
Current taxes			
• Current corporate income tax	(132.0)	(96.9)	(97.7)
Deferred taxes			
• Deferred taxes for the period	67.3	29.5	1.8
• Impairment of deferred tax assets previously recorded			
Deferred taxes	67.3	29.5	1.8
TOTAL	**(64.7)**	**(67.4)**	**(95.9)**

The 2013 tax expense includes the recognition of a €50.5 million deferred tax asset in the USA, made possible by the positive change in the group's taxable income in that country.

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)	2013	2012	2011
Pre-tax income of consolidated companies	197.2	232.0	475.4
Tax at 38% (2013) and 36.1% (2012 and 2011)	*(74.9)*	*(83.8)*	*(171.6)*
Effect of rate changes on deferred taxes recognized on the balance sheet	(10.4)	(13.4)	(2.3)
Effect of local rate differences*	37.3	26.5	45.1
Tax credits	8.5	11.6	17.5
Change in unrecognized deferred tax	(33.4)	16.9	18.0
Permanent differences & others	8.2	(25.2)	(2.6)
Corporate tax recognized	**(64.7)**	**(67.4)**	**(95.9)**

* *The effect of local rate differences is mainly coming from Chinese entities.*

8.2 Analysis of tax assets and liabilities

(in € millions)	12/31/2013	12/31/2012	12/31/2011
Current taxes			
• Assets	68.5	54.6	53.6
• Liabilities	(44.5)	(33.7)	(34.9)
	24.0	**20.9**	**18.7**
Deferred taxes			
• Assets*	161.8	95.1	78.3
• Liabilities	(19.6)	(14.0)	(15.6)
	142.2	**81.1**	**62.7**
* *Of which tax assets on tax losses*	*131.1*	*89.8*	*35.7*

Changes in deferred taxes recorded on the balance sheet break down as follows:

(in € millions)	2013	2012	2011
Net amount at the beginning of the year	**81.1**	**62.8**	**57.0**
• Deferred taxes carried to income for the period	67.3	29.5	1.8
• Deferred taxes recognized directly in equity	0.1		
• Effect of currency fluctuations and other movements	(6.3)	(11.2)	3.9
• Impairment of tax asset carryforwards	0.0		
Net amount at the end of the year	**142.2**	**81.1**	**62.7**

8.3 Impairment of tax asset carryforwards

(in € millions)	12/31/2013	12/31/2012	12/31/2011
N+1	8.7	7.5	9.8
N+2	13.0	12.1	8.9
N+3	17.4	15.2	13.2
N+4	9.9	8.0	24.7
N+5 and above	121.1	137.4	187.9
Unlimited	619.1	550.7	549.5
TOTAL	**789.2**	**730.9**	**794.0**

These impaired deferred income tax assets on loss carry forwards are originated mainly from France.

NOTE 9 EARNINGS PER SHARE

(in € millions)	Full-year 2013	Full-year 2012	Full-year 2011
Number of shares outstanding at year end [1]	**122,588,135**	**110,833,745**	**110,368,345**
Adjustments:			
• treasury stock	(44,162)	(41,979)	(46,872)
• weighted impact of share issue prorated	(11,713,275)	(222,527)	(583)
Weighted average number of shares before dilution	**110,830,698**	**110,569,239**	**110,320,890**
Weighted impact of dilutive instruments:			
• stock options [2]	0	0	0
• free shares attributed	241,800	291,200	2,465,850
• bonds with conversion option [3]		2,599,982	6,774,402
Weighted average number of shares after dilution	**111,072,498**	**113,460,421**	**119,561,142**

(1) Changes in the number of shares outstanding as of December 31 are analysed as follows:

As of December 31, 2011: Number of Faurecia shares outstanding	*110,368,345*
Capital increase (bonds converted and attribution of performance shares)	*465,400*
As of December 31, 2012: Number of Faurecia shares outstanding	*110,833,745*
Capital increase (bonds converted and attribution of performance shares)	*11,754,390*
As of December 31, 2013: Number of Faurecia shares outstanding	*122,588,135*

(2) As of December 31, 2013, 1,113,600 stock options were outstanding and exercisable, compared with 1,126,725 as of December 31, 2012 and 1,475,348 as of December 31, 2011. Taking into account the average Faurecia share price for 2013, none of the stock options have a dilutive impact.

(3) Bonds with conversion option have a dilutive effect when the net interest per share deriving from the conversion is less than the basic earnings per share. As of December 31, 2013 these bonds have no dilutive impact.

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 €18.16 in 2013).

Earnings per share

Earnings per share break down as follows:

	Year 2013	Year 2012	Year 2011
Net Income (Loss) *(in € millions)*	**87.6**	**143.5**	**371.3**
Basic earnings (loss) per share	0.79	1.30	3.37
After dilution	0.79	1.26	3.11
Net Income (Loss) of continued operations *(in € millions)*	**90.7**	**146.1**	**371.3**
Basic earnings (loss) per share	0.82	1.32	3.37
After dilution	0.82	1.28	3.11

NOTE 10 GOODWILL

(in € millions)	Gross	Impairment	Net
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		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**
Acquisitions	4.1		4.1
Translation adjustments and other movements	(7.7)	0.7	(7.0)
Net carrying amount as of December 31, 2013	**1,806.9**	**(509.8)**	**1,297.1**

Breakdown of the net amount of goodwill by operating segment:

(in € millions)	12/31/2013	12/31/2012	12/31/2011
Automotive Seating	793.5	792.4	792.4
Emissions Control Technologies	332.6	339.3	340.2
Interior Systems	45.6	45.6	31.9
Automotive Exteriors	125.4	122.7	96.1
TOTAL	**1,297.1**	**1,300.0**	**1,260.6**

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 2014-2017 medium-term Business Plan which was drafted in mid-2013 and adjusted at the end of the year based on the latest assumptions in the 2014 budget. The volume assumptions used in the 2014-2017 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 2017 is 4.9% for the Group as a whole.

Projected cash flows for the last year of the medium-term Business Plan (2017) 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 2013, 2012 and 2011 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 26 companies operating in the automotive supplier sector (eight in Europe, nine in the United States and nine 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 2013 (9.5% in 2012). 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 2013 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 at end 2013 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 3 factors**
Automotive Seating	1,564	(197)	(161)	(247)	(552)
Emissions Control Technologies	1,341	(154)	(126)	(248)	(479)
Interior Systems	771	(108)	(89)	(148)	(315)
Automotive Exteriors	394	(46)	(37)	(62)	(133)

NOTE 11 INTANGIBLE ASSETS

Intangible assets break down as follows:

(in € millions)	**Development costs**	**Software and other**	**Total**
NET AS OF JANUARY 1ST, 2011	**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**
Additions	265.0	4.6	269.6
Funding of amortization provisions	(171.5)	(24.2)	(195.7)
Funding of provisions	0.3	0.0	0.3
Translation adjustments and other	(0.5)	24.4	23.9
NET AS OF DECEMBER 31, 2013	**628.1**	**58.1**	**686.2**

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 1ST, 2011	**87.1**	**413.0**	**847.8**	**22.6**	**205.0**	**1,575.5**
Additions (including own work capital)*	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	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)*	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**
Additions (including own work capital)*	0.7	10.3	90.7	41.1	375.2	518.0
Disposals	(0.1)	(16.1)	(178.8)	(1.5)	(23.9)	(220.4)
Funding of depreciation, amortization and impairment provisions	(0.4)	(50.6)	(247.1)	(16.9)	(26.8)	(341.8)
Non-recurring impairment losses	(0.8)	(0.6)	(6.4)	0.0	(0.7)	(8.5)
Depreciation written off on disposals	0.0	18.2	177.7	1.2	22.5	219.6
Currency translation adjustments	(1.8)	(17.8)	(41.6)	(1.0)	(17.1)	(79.3)
Entry into scope of consolidation & other movements	(0.3)	55.7	296.1	(2.5)	(380.9)	(31.9)
NET AS OF DECEMBER 31, 2013	**83.2**	**458.2**	**1,082.9**	**59.6**	**344.0**	**2,027.9**

* *Including assets held under finance leases:*
- *in 2011* *5.4*
- *in 2012* *13.0*
- *in 2013* *11.8*

(in € millions)	12/31/2013 Gross	12/31/2013 Depreciation	12/31/2013 Net	12/31/2012 Gross	12/31/2012 Net	12/31/2011 Net
Land	93.7	(10.5)	83.2	95.3	85.9	85.0
Buildings	1,141.6	(683.4)	458.2	1,120.1	459.1	425.0
Plant, tooling and technical equipment	3,465.0	(2,382.1)	1,082.9	3,365.8	992.3	866.3
Specific tooling	192.5	(132.9)	59.6	157.6	39.2	30.8
Other property, plant and equipment and property, plant and equipment in progress	600.8	(256.8)	344.0	664.7	395.7	326.3
TOTAL	**5,493.6**	**(3,465.7)**	**2,027.9**	**5,403.5**	**1,972.2**	**1,733.4**
Including assets subject to lease financing	104.6	(12.9)	91.7	143.1	73.4	62.1

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, 2013

(in € millions)	% interest*	Group share of equity	Dividends received by the Group	Group share of sales	Group share of total assets
Teknik Malzeme	50	4.1	0.0	41.5	27.9
Amminex Emission Technology APS	42	9.0	0.0	0.1	12.2
Changchun Huaxiang Faurecia Automotive Plastic Components Co. Ltd	50	4.7	0.0	47.7	24.8
Changchun Xuyang Faurecia Acoustics & Soft Trim Co., Ltd	40	5.1	0.0	7.9	10.5
Detroit Manufacturing Systems LLC	45	1.4	0.0	201.1	22.6
Zhejiang Faurecia Limin Interior & Exterior Systems Company Ltd	50	0.9	0.0	0.9	8.1
Jinan Faurecia Limin Interior & Exterior Systems Company Ltd	50	2.3	0.0	0.0	3.0
CSM Faurecia Automotive Parts Company Ltd	50	6.7	0.0	0.3	7.7
Others**	-	8.4	(0.3)	223.2	69.0
TOTAL	**-**	**42.6**	**(0.3)**	**522.7**	**185.8**
SAS Group	50	46.1	(20.0)	1,500.0	270.4
TOTAL		**88.7**	**(20.3)**	**2,022.7**	**456.2**

* *Percentage of 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.

13.1 Change in investments in associates

(in € millions)	2013	2012	2011
Group share of equity at beginning of period	85.2	71.0	43.6
Dividends	(20.3)	(25.0)	(21.0)
Share of net income of associates	14.0	23.6	33.7
Change in scope of consolidation	(1.0)	17.1	13.8
Capital increase	11.6	0.0	0.0
Currency translation adjustments	(0.8)	(1.5)	0.8
Group share of equity at end of period	**88.7**	**85.2**	**71.0**

13.2 Group share of financial items of associates

(in € millions)	12/31/2013	12/31/2012	12/31/2011
Fixed assets	95.8	89.7	64.6
Current assets	283.5	306.1	397.9
Cash and cash equivalents	76.9	68.6	60.9
TOTAL ASSETS	**456.2**	**464.4**	**523.4**
Equity	83.7	78.3	63.5
Borrowings	41.2	41.8	32.4
Other non-current liabilities	14.5	14.8	18.3
Non-current financial liabilities	316.8	329.5	409.2
TOTAL EQUITY AND LIABILITIES	**456.2**	**464.4**	**523.4**

NOTE 14 OTHER EQUITY INTERESTS

	% of share capital	12/31/2013		12/31/2012	12/31/2011
(in € millions)		Gross	Net	Net	Net
Changchun Xuyang Industrial group	19	11.6	11.6	11.8	11.9
Amminex*					19.7
Changchun Xuyang Faurecia Acoustics & Soft Trim Co., Ltd*					5.4
Other	-	5.7	2.3	1.6	1.8
TOTAL		**17.3**	**13.9**	**13.4**	**38.8**

* Companies consolidated as from 2012.

NOTE 15 OTHER NON-CURRENT FINANCIAL ASSETS

	12/31/2013			12/31/2012	12/31/2011
(in € millions)	Gross value	Provisions	Net	Net	Net
Loans with maturity longer than one year	39.8	(10.8)	29.0	29.0	22.6
Other	28.8	(8.4)	20.4	25.2	12.8
TOTAL	**68.6**	**(19.2)**	**49.4**	**54.2**	**35.4**

NOTE 16 OTHER NON-CURRENT ASSETS

This line includes:

(in € millions)	12/31/2013	12/31/2012	12/31/2011
Pension plan surpluses	1.6	0.5	0.1
Guarantee deposits and other	17.3	17.6	16.8
TOTAL	**18.9**	**18.1**	**16.9**

NOTE 17 INVENTORIES AND WORK-IN-PROGRESS

	12/31/2013			12/31/2012	12/31/2011
(in € millions)	Gross	Provisions	Net	Net	Net
Raw materials and supplies	448.1	(40.7)	407.4	377.0	319.3
Engineering, tooling and prototypes	472.2	(12.7)	459.5	457.4	345.5
Work-in-progress for production	26.1	(0.9)	25.2	32.4	39.8
Semi-finished and finished products	272.0	(40.7)	231.3	229.4	180.8
TOTAL	**1,218.4**	**(95.0)**	**1,123.4**	**1,096.2**	**885.4**

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, 2013, 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)	12/31/2013	12/31/2012	12/31/2011
Financing	565.5	435.8	571.5
Guarantee reserve deducted from borrowings	(16.0)	(15.9)	(36.3)
Cash received as consideration for receivables sold	549.5	419.9	535.2
Receivables sold and derecognized	(385.4)	(313.0)	(461.7)

Individually impaired trade receivables are as follows:

(in € millions)	12/31/2013	12/31/2012	12/31/2011
Gross total trade receivables	1,702.5	1,720.3	1,640.2
Provision for impairment of receivables	(21.8)	(17.5)	(20.0)
TOTAL TRADE ACCOUNTS RECEIVABLE, NET	**1,680.7**	**1,702.8**	**1,620.2**

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, 2013 were €127 million, breaking down as follows:

- €72.2 million less than one month past due;
- €19.6 million one to two months past due;
- €7.6 million two to three months past due;
- €14.1 million three to six months past due;
- €13.5 million more than six months past due.

NOTE 19 OTHER OPERATING RECEIVABLES

(in € millions)	12/31/2013	12/31/2012	12/31/2011
Down payments	135.6	173.3	116.3
Currency derivatives for operations	3.2	3.0	0.0
Other receivables [1]	149.3	181.5	181.3
TOTAL	**288.1**	**357.8**	**297.6**
(1) Including the following amounts for VAT and other tax receivables	*161.3*	*176.5*	*174.8*

NOTE 20 OTHER RECEIVABLES

(in € millions)	12/31/2013	12/31/2012	12/31/2011
Short-term portion of loans	6.1	6.2	3.7
Prepaid expenses	57.8	30.0	9.0
Current taxes	68.5	54.6	53.6
Other sundry payables	51.8	59.2	64.9
TOTAL	**184.2**	**150.0**	**131.2**

The receivable on *"Crédit d'Impôt pour la Compétitivité et l'Emploi"* (CICE) has been sold for an amount of €10.5 million in December 2013.

NOTE 21 CASH AND CASH EQUIVALENTS

As of December 31, 2013, cash and cash equivalents amounted to €701.8 million including current account balances in the amount of €608,4 million (versus €613 million as of December 31, 2012 and €564.3 million as of December 31, 2011) and short-term investments in the amount of €93.4 million (versus €15 million as of December 31, 2012 and €65.8 million as of December 31, 2011).

The carrying amount of marketable securities is almost identical to market value as they are held on a very short term basis.

NOTE 22 SHAREHOLDERS' EQUITY

22.1 Capital

As of December 31, 2013, Faurecia's capital stock totaled €858,116,945 divided into 122,588,135 fully paid-in shares with a par value of €7 each. It includes 11,736,190 shares created on December 30, 2013 against the conversion of OCEANE 2015 bonds (also see Note 26.3).

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, 2013, Peugeot S.A. owned 51.7% of the capital and 68.0% of the voting rights.

22.2 Employee stock options and share grants

A – STOCK SUBSCRIPTION OPTIONS

Faurecia has a policy of issuing stock options to the executives of Group companies.

As of December 31, 2013, a total of 1,113,600 stock options were outstanding.

The exercise of these options would result in increasing:

- the capital stock by €7.8 million;
- additional paid-in capital by €39.7 million.

Details of the stock subscription option plans as of December 31, 2013 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 12/31/2013
	04/14/2004			04/14/2008			
05/14/2002	49.73	313,560	127,530	04/13/2014	-	153,855	159,705
	04/19/2005			04/18/2008			
05/25/2004	54.45	321,750	142,740	04/18/2015	-	130,455	191,295
	04/13/2006			04/12/2010			
05/23/2005	45.20	340,800	168,000	04/12/2016	-	142,800	198,000
	04/16/2007			04/17/2011			
05/23/2005	44.69	346,200	172,800	04/17/2017	-	91,800	254,400
	04/10/2008			04/10/2012			
05/29/2007	28.38	357,000	174,000	04/10/2016	-	46,800	310,200
TOTAL							**1,113,600**

Movements in the aggregate number of options under all of the plans in force were as follows:

	2013	2012	2011
Total at beginning of the period	**1,126,725**	**1,475,348**	**1,523,998**
Options granted	0	0	0
Options exercised	0	0	0
Options cancelled and expired	(13,125)	(348,623)	(48,650)
TOTAL	**1,113,600**	**1,126,725**	**1,475,348**

In accordance with IFRS 2, the five 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:

	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 euros)*	49.73	54.45	45.20	44.69	28.38
Share price as of the grant date (in euros)	58.45	62.05	53.15	56.15	33.10
Option vesting period	4 years	4 years	4 years	4 years	4 years
Expected share dividend	2%	2%	1.5%	0.00%	0.00%
Zero coupon rate	3.33%	2.93%	3.50%	4.41%	3.86%
Expected share price volatility	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 plans have not generated any expense in 2013. The related expense in 2012 has totaled €0.4 million.

B – FREE SHARES ATTRIBUTED

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 an expense of €2.1 million, compared to a profit of €2.7 million in 2012.

Details of the share grant plans as of December 31, 2013 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	exceeding the objective	Performance condition
05/26/2011	07/23/2012	736,500	957,450	2014 pretax income target as stated in midterm plan when granted and earning per share of Faurecia compared to a reference group of companies
05/30/2013	07/24/2013	911,000	1,184,300	2015 pretax income target as stated in midterm 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), 478,400 shares have been attributed and 241,800 remain to be attributed. The performance condition for the third plan granted by the Board of July 25, 2011 has not been met.

22.3 Treasury stock

As of December 31, 2013, Faurecia held 44,162 shares of its treasury stock.

The cost of the shares held in treasury stock as of December 31, 2013 totaled €1.8 million, representing an average cost of €41.07 per share.

NOTE 23 MINORITY INTERESTS

Changes in minority interests were as follows:

(in € millions)	2013	2012	2011
Balance as of January 1st	132.6	113.6	87.7
Increase in minority shareholder interests	10.3	8.7	1.2
Other changes in scope of consolidation	(7.0)	(1.4)	2.9
Minority interests in net income for the year	55.8	42.1	42.0
Dividends allocated to minority shareholders	(48.9)	(27.0)	(26.7)
Translation adjustments	(2.3)	(3.4)	6.5
BALANCE AS OF DECEMBER 31	**140.5**	**132.6**	**113.6**

NOTE 24 LONG AND SHORT TERM PROVISIONS

24.1 Long-term provisions

(in € millions)	12/31/2013	12/31/2012	12/31/2011
Provisions for pensions and other employee obligations			
Pension plan benefit obligations	149.6	160.0	118.3
Retirement indemnities obligations	90.2	91.3	68
Long-service awards	22.9	22.8	20.6
Healthcare costs	20.6	25.6	50.8
	283.3	**299.7**	**257.7**
Provisions for early retirement costs	0.2	1.1	3.0
TOTAL LONG-TERM PROVISIONS	**283.5**	**300.8**	**260.7**

CHANGES IN LONG-TERM PROVISIONS

(in € millions)	12/31/2013	12/31/2012	12/31/2011
Balance of provisions at beginning of year	**300.8**	**260.7**	**241.4**
Changes in scope of consolidation	0.0	3.4	0.0
Other movements	(2.2)	(7.9)	1.9
Funding (or reversal) of provision	22.8	25.0	22.3
Expenses charged to the provision	(10.8)	(15.5)	(7.3)
Payments to external funds	(8.2)	(8.0)	(12.6)
Restatement differences	(18.9)	43.1	15.0
BALANCE OF PROVISIONS AT END OF YEAR	**283.5**	**300.8**	**260.7**

24.2 Short-term provisions

(in € millions)	12/31/2013	12/31/2012	12/31/2011
Restructuring	113.1	153.0	123.8
Risks on contracts and customer warranties	55.5	86.7	96.9
Litigation	21.2	27.6	38.6
Other provisions	33.4	53.9	63.0
TOTAL SHORT-TERM PROVISIONS	**223.2**	**321.2**	**322.3**

Changes in these provisions in 2013 were as follows:

(in € millions)	Balance as of Dec. 31, 2012	Additions	Expenses charged	Reversal*	Sub-total changes	Change in scope of consolidation and other changes	Balance as of Dec. 31, 2013
Restructuring	153.0	76.5	(106.4)	(8.8)	(38.7)	(1.2)	113.1
Risks on contracts and customer warranties	86.7	18.2	(34.8)	(17.0)	(33.6)	2.4	55.5
Litigation	27.6	9.6	(13.1)	(2.4)	(5.9)	(0.5)	21.2
Other provisions	53.9	9.1	(7.8)	(8.1)	(6.8)	(13.7)	33.4
TOTAL	**321.2**	**113.4**	**(162.1)**	**(36.3)**	**(85.0)**	**(13.0)**	**223.2**

* *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 Emissions Control Technologies 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 favorable to Faurecia. The opposing party had served notice of its decision to appeal the judgement. On April 19, 2013, the Paris Court of Appeal confirmed the judgement dated June 24, 2011, based on specific grounds. The deadline for appealing against the decision of the Court of Appeal has not expired. Furthermore, on December 19, 2013, the opposing party instituted another proceeding against Faurecia before the Criminal Court of Paris.

In December 2010, the manufacturer Suzuki initiated international arbitration proceedings against Faurecia Innenraum Systeme alleging delivery of defective products. By order of April 24, 2012, the arbitration court supported the arguments of Faurecia Innenraum Systeme. In December 2013, both parties signed a transaction protocol, which put an end to the disputes, which did not have a significant impact on the group's results.

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)	12/31/2013	12/31/2012	12/31/2011
Present value of projected obligations			
• Pension plan benefit obligations	261,1	266,1	213,8
• Retirement indemnities obligations	98,6	99,7	76,9
• Long-service awards	22,9	22,8	20,6
• Healthcare costs	20,6	25,6	50,8
TOTAL	**403,2**	**414,2**	**362,1**
Value of plan assets			
• Provisions booked in the accounts	283,3	299,7	257,7
• External funds (market value) (1)	121,5	115,0	104,5
• Plan surplus (2)	(1,6)	(0,5)	(0,1)
TOTAL	**403,2**	**414,2**	**362,1**

(1) External funds mainly cover pension plan benefit obligations for €112.7 millions in 2013.
(2) 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.

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 for engineers and senior executives, which guarantees an annuity based on salary tranche C;
- a supplementary pension plan, which guarantees an annuity based on the salary, plan closed in 2005, which covers 450 potential beneficiaries.

In the USA, all three defined pension benefit plans are closed to new beneficiaries, since 1996, 2002 and 2011 respectively. The first plan covers 899 potential beneficiaries, the second covers 450 and the third covers 1,326.

In Germany, the principal defined benefit plan is still open and covers 5,347 potential beneficiaries. The benefits are based on the number of years of service.

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	United States
DISCOUNT RATE			
2013	**3.25%**	**4.45%**	**4.61%**
2012	3.00%	4.22%	3.79%
2011	4.50%	5.00%	4.99%
INFLATION RATE			
2013	**1.80%**	**3.15%**	**2.00%**
2012	1.80%	2.65%	2.00%
2011	2.00%	2.69%	2.00%

Note: the iboxx AA rate has been used as reference to determine the discount rate of the euro zone.

The average duration of the various plans for the principal regions is as follows:

(in number of years)	Euro Zone	United Kingdom	United States
Average duration	15.9	23.8	9.0

C – INFORMATION ON EXTERNAL FUNDS

External funds are invested as follows:

	2013			2012		2011	
(in %)	Equities	Bonds	Other	Equities	Bonds	Equities	Bonds
France	15%	75%	10%	13%	87%	14%	86%
United Kingdom	63%	36%	1%	59%	41%	61%	39%
United States	55%	23%	22%	59%	41%	59%	41%

The fair value of shares and bonds was at level 1 in 2013.

D – IMPACTS OF THE APPLICATION OF IAS 19 AMENDMENT ON PREVIOUSLY PUBLISHED INFORMATION

	12/31/2012 IAS19R			12/31/2012 IAS19		
(in € millions)	**France**	**Abroad**	**Total**	**France**	**Abroad**	**Total**
Projected benefit obligations	**(130.2)**	**(261.2)**	**(391.4)**	**(130.2)**	**(261.2)**	**(391.4)**
Value of plan assets	16.8	98.2	115.0	16.8	98.2	115.0
Surplus or (deficit)	**(113.4)**	**(163.0)**	**(276.4)**	**(113.4)**	**(163.0)**	**(276.4)**
Actuarial gains and losses	-	-	-	14.4	58.5	72.9
Past service costs	-	-	-	11.2	-	11.2
(Provisions) or Net assets	**(113.4)**	**(163.0)**	**(276.4)**	**(87.8)**	**(104.5)**	**(192.4)**
of which provision for pension	*(113.9)*	*(163.0)*	*(276.9)*	*(88.3)*	*(104.7)*	*(193.1)*
of which assets (plan surplus)	*0.5*	*-*	*0.5*	*0.5*	*0.2*	*0.7*
Impact directly booked in equity (after deferred taxes)	25.5	58.1	83.6	-	-	-

	12/31/2011 IAS19R			12/31/2011 IAS19		
(in € millions)	**France**	**Abroad**	**Total**	**France**	**Abroad**	**Total**
Projected benefit obligations	**(102.6)**	**(238.9)**	**(341.5)**	**(102.6)**	**(238.9)**	**(341.5)**
Value of plan assets	16.3	88.2	104.5	16.3	88.2	104.5
Surplus or (deficit)	**(86.3)**	**(150.7)**	**(237.0)**	**(86.3)**	**(150.7)**	**(237.0)**
Actuarial gains and losses	-	-	-	(6.6)	36.5	29.9
Past service costs	-	-	-	12.1	-	12.1
(Provisions) or Net assets	**(86.3)**	**(150.7)**	**(237.0)**	**(87.8)**	**(104.5)**	**(192.4)**
of which provision for pension	*(86.3)*	*(150.8)*	*(237.1)*	*(87.8)*	*(104.6)*	*(192.5)*
of which assets (plan surplus)	*-*	*0.1*	*0.1*	*-*	*0.1*	*0.1*
Impact directly booked in equity (after deferred taxes)	5.5	36.5	42.0	-	-	-

E – PROVISIONS FOR PENSION LIABILITIES RECOGNIZED IN THE BALANCE SHEET

	2013			2012			2011		
(in € millions)	**France**	**Abroad***	**Total**	**France**	**Abroad**	**Total**	**France**	**Abroad**	**Total**
Balance of provisions at beginning of year	**113.3**	**137.5**	**250.8**	**86.3**	**99.9**	**186.2**	**72.8**	**96.0**	**168.8**
Effect of changes in scope of consolidation (provision net of plan surpluses)	0.0	0.0	0.0	3.2	0.0	3.2	0.0	0.0	0.0
Additions	8.5	10.6	19.1	9.2	10.2	19.4	7.5	8.7	16.2
Expenses charged to the provision	(1.7)	(4.2)	(5.9)	(2.3)	(7.4)	(9.7)	(0.2)	(2.1)	(2.3)
Payments to external funds	(4.3)	(3.9)	(8.2)	(3.0)	(5.0)	(8.0)	(4.1)	(5.8)	(9.9)
Restatement differences	(0.6)	(15.2)	(15.8)	19.9	35.4	55.3	9.4	2.8	12.2
Other movements	0.0	(1.8)	(1.8)	0.0	4.4	4.4	0.9	0.3	1.2
BALANCE OF PROVISIONS AT END OF YEAR	**115.2**	**123.0**	**238.2**	**113.3**	**137.5**	**250.8**	**86.3**	**99.9**	**186.2**

* *The provision for €123 million on December 31, 2013 relates mainly to Germany (€91.2 million).*

F – CHANGES IN PENSION LIABILITIES

(in € millions)	12/31/2013 France	12/31/2013 Abroad	12/31/2013 Total	12/31/2012 France	12/31/2012 Abroad	12/31/2012 Total	12/31/2011 France	12/31/2011 Abroad	12/31/2011 Total
PROJECTED BENEFIT OBLIGATION									
At beginning of the period	**130.1**	**235.7**	**365.8**	**102.6**	**188.1**	**290.7**	**88.7**	**181.6**	**270.3**
Service costs	7.3	8.3	15.6	5.8	5.8	11.6	4.4	5.8	10.2
Annual restatement	4.1	8.1	12.2	4.9	8.9	13.8	3.9	8.0	11.9
Benefits paid	(9.6)	(8.8)	(18.4)	(5.0)	(12.8)	(17.8)	(4.0)	(8.0)	(12.0)
Restatement differences	(0.4)	(7.1)	(7.5)	19.3	40.4	59.7	9.0	(2.5)	6.5
Other movements (including translation adjustment)	0.0	(4.1)	(4.1)	3.2	5.4	8.6	0.9	3.2	4.1
Curtailments and settlements	(2.2)	(1.7)	(3.9)	(0.7)	(0.1)	(0.8)	(0.3)	0.0	(0.3)
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 THE END OF THE PERIOD	**129.3**	**230.4**	**359.7**	**130.1**	**235.7**	**365.8**	**102.6**	**188.1**	**290.7**
VALUE OF PLANT ASSETS									
At beginning of the period	**16.8**	**98.2**	**115.0**	**16.3**	**88.2**	**104.5**	**15.9**	**85.6**	**101.5**
Projected return on plan assets	0.6	4.0	4.6	0.8	4.4	5.2	0.4	5.5	5.9
Restatement differences	0.1	8.1	8.2	(0.6)	5.0	4.4	(0.3)	(5.5)	(5.8)
Other movements (including translation adjustment)	0.0	(2.3)	(2.3)	0.0	1.0	1.0	0.0	2.6	2.6
Employer contributions	4.3	3.9	8.2	3.0	5.0	8.0	4.1	5.8	9.9
Benefits paid	(7.7)	(4.5)	(12.2)	(2.7)	(5.4)	(8.1)	(3.8)	(5.8)	(9.6)
Curtailments 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 THE END OF THE PERIOD	**14.1**	**107.4**	**121.5**	**16.8**	**98.2**	**115.0**	**16.3**	**88.2**	**104.5**
BALANCE OF PROVISIONS AT THE END OF THE YEAR	**115.2**	**123.0**	**238.2**	**113.3**	**137.5**	**250.8**	**86.3**	**99.9**	**186.2**

Restimation differences can be analysed as follows:

(in € millions)	12/31/2013 France	12/31/2013 Abroad	12/31/2013 Total
Detail of estimation differences of the period			
• differences linked to financial assumptions	1.8	3.8	5.6
• difference linked to demographic assumptions	(1.4)	3.3	1.9
• other differences	0.1	8.1	8.2
TOTAL	**0.5**	**15.2**	**15.7**

G – PERIODIC PENSION COST

Period pension cost is recognized:

- in operating income for the portion relating to service cost;
- 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:

	12/31/2013			12/31/2012			12/31/2011		
(in € millions)	France	Abroad	Total	France	Abroad	Total	France	Abroad	Total
Service costs	(7.3)	(8.2)	(15.5)	(5.7)	(5.8)	(11.5)	(4.9)	(6.0)	(10.9)
Restatement of projected benefits	(4.0)	(8.1)	(12.1)	(4.9)	(8.9)	(13.8)	(3.9)	(8.0)	(11.9)
Change in top-up scheme	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Projected return on plan assets	0.6	4.0	4.6	0.7	4.4	5.1	0.4	5.5	5.9
Curtailment and settlements	2.2	1.7	3.9	0.7	0.1	0.8	0.9	(0.2)	0.7
TOTAL	**(8.5)**	**(10.6)**	**(19.1)**	**(9.2)**	**(10.2)**	**(19.4)**	**(7.5)**	**(8.7)**	**(16.2)**

In France, pension liability declined by €0.8 million at year-end compared to 2012. This decline breaks down as follows:

- +€11,4 million relating to service cost and interest cost for 2013;
- -€9.6 million relating to lump-sum retirement bonuses and rights to capital for supplementary pension schemes;
- -€2.2 million relating to headcount reduction plans;
- -€0.4 million resulting from actuarial gains and losses, including -€3.4 million relating to the discount rate, €1.4 million relating to experience and €1.6 million for other assumptions.

H – RETIREMENT PENSION LIABILITIES: SENSITIVITY TO CHANGES IN THE DISCOUNT RATE IN MAIN PERIMETERS

The impact of a 0.25 percentage point increase in the discount and inflation rates on the obligation amount would be as follows:

(in %)	Discount rate +0.25pt	Inflation rate +0.25pt
France	-2.7%	+3.0%
Germany	-4.3%	+1.7%

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)	12/31/2013	12/31/2012	12/31/2011
French companies	7.2	7.5	6.6
Foreign companies	15.7	15.3	14.0
TOTAL	**22.9**	**22.8**	**20.6**

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)	12/31/2013	12/31/2012	12/31/2011
Foreign companies	20.6	25.6	50.8
TOTAL	**20.6**	**25.6**	**50.8**

The increase of 0.25 percentage point in the discount rate and 1 percentage point in the healthcare cost trend rates would lead to the following variations on the group's commitments:

(in %)	Discount rate +0.25pt	Healthcare cost trend rates +1%
Projected benefit obligation	-2.4%	+10.4%

Expenses recognized in connection with this liability break down as follows:

(in € millions)	12/31/2013	12/31/2012	12/31/2011
Service cost	(0.1)	(0.1)	(4.1)
Interest cost*	(1.1)	(1.2)	(2.2)
Curtailment	0.0	0.0	0.0
TOTAL	**(1.2)**	**(1.3)**	**(6.3)**

* *Interest cost is recorded under "Other financial income and expenses".*

NOTE 26 NET DEBT

26.1 Detailed breakdown

(in € millions)	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Bonds	949.8	1,140.0	543.6
Bank borrowings	321.2	490.5	655.8
Other borrowings	3.0	4.2	5.0
Obligations under finance lease	31.1	29.3	29.8
Non-current derivatives	3.7	7.1	5.9
SUB-TOTAL OF NON-CURRENT FINANCIAL LIABILITIES	**1,308.8**	**1,671.1**	**1,204.1**
Current portion of long term debt	148.2	74.2	36.0
Short-term borrowings (1)	772.6	684.1	573.7
Current derivatives	0.0	6.3	5.9
SUB-TOTAL OF CURRENT FINANCIAL LIABILITIES	**920.8**	**764.6**	**615.6**
TOTAL	**2,229.6**	**2,435.7**	**1,855.7**
Derivatives classified under non-current and current assets	(8.7)	(0.6)	(1.5)
Cash and cash equivalents	(701.8)	(628.0)	(630.1)
NET DEBT	**1,519.1**	**1,807.1**	**1,224.1**
Net cash and cash equivalents	**701.8**	**628.0**	**630.1**
(1) Including bank overdrafts	*115.2*	*163.6*	*137.2*

26.2 Maturities of long-term debt

(in € millions)	2015	2016	2017	2018	2019 and beyond	Total
Bonds	0.0	492.2	0.0	210.0	247.6	949.8
Bank borrowings	89.9	116.7	56.4	30.0	28.2	321.2
Other borrowings	1.7	0.8	0.3	0.2	0.0	3.0
Obligation under finance leases	9.7	4.6	2.7	1.7	12.4	31.1
TOTAL AS OF DEC. 31, 2013	**101.3**	**614.3**	**59.4**	**241.9**	**288.2**	**1,305.1**

26.3 Financing

The principal Group financing items are described below:

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 indebtedness 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 €36 million tranche expiring in December 2014, a €654 million tranche which is now expiring in December 2016, after the exercise of the two options to extend its duration and a €460 million tranche expiring in December 2016. As of December 31, 2013, there was no withdrawal on this syndicated line of credit; the non-withdrawn amount was thus €1,150 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, 2013, 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, 2013 the liability component was €210 million.

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.

On November 30, 2013 Faurecia exercised its option to call all of the bonds at par plus accrued interest, which was €19.526 per bond.

Following this decision, the bondholders chose almost unanimously to convert their bonds to Faurecia stock rather than redeeming them for cash: Out of the 11,304,290 bonds outstanding at October 31, 2013, 11,284,793 bonds or 99.83% of the total outstanding were converted on December 30, 2013 into 11,736,190 new Faurecia shares, using the 1.04 share per bond conversion rate.

This conversion reinforced the equity by €213.5 million, and reduced the net debt by the same amount. Since this conversion took place on December 30, it had a negligible impact on the financial expenses for 2013.

In addition, Faurecia improved its liquidity by borrowing bilateral medium-term loans from financial institutions in the total amount of approximately €150 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.*

The Group's global contractual maturity schedule as of December 31, 2013 breaks down as follows:

(In € Millions)	Carrying Amount Assets	Carrying Amount Liabilities	Total	Remaining contractual maturities 0-3 months	3-6 months	6-12 months	1-5 years	> 5 years
Other non-current financial assets	49.4		49.4				49.4	
Loans and receivables	18.9		18.9				18.9	
Trade accounts receivables	1,680.7		1,680.7	1,651.9	21.8	7.0		
Cash and cash equivalent	701.8		701.8	701.8				
Interests on other long term borrowings								
Syndicated credit facility		*0.0*	*0.0*					
Bonds		*(3.0)*	*(260.0)*		*(34.2)*	*(34.2)*	*(191.6)*	
2018 OCEANE		*(8.1)*	*(40.6)*	*(8.1)*			*(32.5)*	
Other		*(4.3)*	*(25.3)*	*(4.6)*	*(3.8)*	*(3.6)*	*(13.0)*	*(0.3)*
Obligations under finance leases (ST portion)		(8.5)	(8.5)	(3.1)	(1.9)	(3.5)		
Other current financial liabilities		(896.8)	(896.8)	(745.0)	(45.1)	(106.7)		
Trade accounts payable		(3,053.1)	(3,053.1)	(3,000.9)	(1.7)	(50.5)		
Bonds (excluding interest)								
2018 OCEANE		*(210.0)*	*(250.0)*				*(250.0)*	
Bonds		*(739.8)*	*(740.0)*				*(490.0)*	*(250.0)*
Bank borrowings								
Syndicated credit facility		*0.0*	*0.0*					
Other		*(321.2)*	*(321.2)*				*(293.0)*	*(28.2)*
Other borrowings		(3.0)	(3.0)				(3.0)	
Obligations under finance leases (LT portion)		(31.1)	(31.1)				(18.7)	(12.4)
Interest rate derivatives		**(3.7)**	**(3.3)**	**(0.8)**	**(0.7)**	**(1.5)**	**(0.3)**	
• o/w cash flow hedges		(3.7)	(3.3)	(0.8)	(0.7)	(1.5)	(0.3)	
• o/w derivatives not qualifying for hedge accounting under IFRS								
Currency hedges	**11.9**	**(1.3)**	**10.6**	**10.1**	**0.6**	**(0.1)**	**0.0**	
• o/w fair value hedges	8.7	0.0	8.7	8.7				
• o/w cash flow hedges	3.1	(1.3)	1.8	1.4	0.6	(0.2)		
• o/w derivatives not qualifying for hedge accounting under IFRS	0.1		0.1	0.0	0.0	0.1		
TOTAL	**2,462.7**	**(5,283.9)**	**(3,171.5)**	**(1,398.7)**	**(65.0)**	**(193.1)**	**(1,223.8)**	**(290.9)**

26.4 Analysis of borrowings

As of December 31, 2013, the floating rate portion was 50.2% 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)	12/31/2013	
Variable rate borrowings	1,109.8	49.8%
Fixed rate borrowings	1,119.8	50.2%
TOTAL	**2,229.6**	**100.0%**

Borrowings, taking into account exchange rate swaps, break down by repayment currency as follows:

(in € millions)	12/31/2013		12/31/2012		12/31/2011	
Euros	1,686.3	75.6%	1,866.9	76.6%	1,431.3	77.2%
US dollars	377.9	17.0%	380.0	15.6%	290.0	15.6%
Other currencies	165.4	7.4%	188.8	7.8%	134.4	7.2%
TOTAL	**2,229.6**	**100.0%**	**2,435.7**	**100.0%**	**1,855.7**	**100.0%**

In 2013, the weighted average interest rate on gross outstanding borrowings was 6.11%.

NOTE 27 ACCRUED TAXES AND PAYROLL COSTS

(in € millions)	12/31/2013	12/31/2012	12/31/2011
Accrued payroll costs	269.4	263.6	242.9
Payroll taxes	143.4	143.6	135.8
Employee profit-sharing	12.2	19.1	15.2
Other accrued taxes and payroll costs	92.2	92.8	113.7
TOTAL	**517.2**	**519.1**	**507.6**

NOTE 28 SUNDRY PAYABLES

(in € millions)	12/31/2013	12/31/2012	12/31/2011
Due to suppliers of non-current assets	65.3	71.2	64.4
Prepaid income	20.2	12.3	24
Current taxes	44.5	33.7	34.9
Other	61.0	36.4	38.6
Currency derivatives for operations	1.3	0.8	13.4
TOTAL	**192.3**	**154.4**	**175.3**

NOTE 29 FINANCIAL INSTRUMENTS

29.1 Financial instruments recorded in the balance sheet

(in € millions)	12/31/2013 Carrying amount	12/31/2013 Fair value	Breakdown by category of instrument [(1)]: Financial assets/ liabilities at fair value through profit or loss [(2)]	Financial assets/ liabilities at fair value through equity [(2)]	Available-for-sale assets	Loans and receivables	Financial liabilities measured at amortized cost
Other equity interests	13.9	13.9			13.9		
Other non-current financial assets	49.4	49.4				49.4	
Trade accounts receivables	1,680.7	1,680.7				1,680.7	
Other operating receivables	288.1	288.1				288.1	
Other receivables and prepaid expenses	184.2	184.2				184.2	
Currency derivatives	11.9	11.9	8.7	3.2			
Interest rate derivatives	0.0	0.0					
Cash and cash equivalents	701.8	701.8	701.8				
FINANCIAL ASSETS	**2,930.0**	**2,930.0**	**710.5**	**3.2**	**13.9**	**2,202.4**	**0.0**
Long-term debt*	1,305.1	1,628.2					1,305.1
Short-term debt	920.8	920.8					920.8
Prepayments from customers	169.4	169.4				169.4	
Trade payables	3,053.1	3,053.1				3,053.1	
Accrued taxes and payroll costs	517.2	517.2				517.2	
Sundry payables	192.3	192.3				192.3	
Currency derivatives	1.3	1.3		1.3			
Interest rate derivatives	3.7	3.7		3.7			
FINANCIAL LIABILITIES	**6,162.9**	**6,486.0**	**0.0**	**5.0**	**0.0**	**3,932.0**	**2,225.9**

(1) No financial instruments were transferred between categories in 2013.

(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 fair value of the OCEANE 2018 was established on the base of the end of year valuation (Dec. 31, 2013) of €31.05 at €398.5 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 fair value of the bonds was established on the base of the end of year valuation (Dec. 31, 2013) respectively of €119,375 for the bond 2016, at €584.9 million and of €114,825 for the bond 2019, at €287.1 million.*

FINANCIAL INSTRUMENTS RECORDED IN THE BALANCE SHEET

	Dec. 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)	Available-for-sale assets	Loans and receivables	Financial liabities measured at amortized cost
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 equivalents	628.0	628.0	628.0				
FINANCIAL 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			
FINANCIAL 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 2012.

(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 (Dec. 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 base of the end of year valuation (Dec. 31, 2012) respectively of €116.5 for the bond 2016, at €570.9 million and of €105.25 for the bond 2019, at €263.1 million.*

FINANCIAL INSTRUMENTS RECORDED IN THE BALANCE SHEET

	Dec. 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)	Available-for-sale assets	Loans and receivables	Financial liabities measured at amortized cost
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 equivalents	630.1	630.1	630.1				
FINANCIAL 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	13.4			
Interest rate derivatives	6.9	6.9	2.9	4.0			
FINANCIAL 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 2011.
(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 (Dec. 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.*

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

	2013	Breakdown by category of instrument				
(in € millions)	Impact Income	Fair trought income	Financial assets available for sale	Loans and receivables	Payables at cost amortized	Instruments derivatives
Translation differences on commercial transactions	2.2					2.2
Income on loans, cash investments and marketable securities	9.0	9.0				
Finance costs	(196.9)				(196.9)	
Other financial incomes and expenses	(46.4)			(56.5)		10.1
Net income (expense)	**(232.1)**	**9.0**	**0.0**	**(56.5)**	**(196.9)**	**12.3**

	2012	Breakdown by category of instrument				
(in € millions)	Impact Income	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 incomes and expenses	(30.5)			(33.2)		2.7
Net income (expense)	**(197.8)**	**10.2**	**0.0**	**(33.2)**	**(175.4)**	**0.6**

	2011	Breakdown by category of instrument				
(in € millions)	Impact Income	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 incomes and expenses	(19.0)			(16.4)		(2.6)
Net income (expense)	**(117.7)**	**10.6**	**0.0**	**(16.4)**	**(109.1)**	**(2.8)**

As of December 31, 2013, movements in provisions for impairment break down as follows by category of financial asset:

(in € millions)	Balance as of Dec. 31, 2012	Additions	Utilizations	Reversals (surplus provisions)	Change in scope of consolidation and other changes	Balance as of Dec 31,2013
Doubtful accounts	(17.5)	(12.4)	8.2	0.0	(0.1)	(21.8)
Shares in non-consolidated companies	(2.1)	(1.6)	0.3	0.0	0.0	(3.4)
Non-current financial assets	(10.2)	(8.1)	0.9	0.0	(1.8)	(19.2)
Other receivables	(12.3)	(1.0)	1.0	0.0	1.7	(10.6)
TOTAL	**(42.1)**	**(23.1)**	**10.4**	**0.0**	**(0.2)**	**(55.0)**

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 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, 2013

Currency exposure *(in € millions)*	USD	CZK	CAD	RUB	GBP	PLN	ZAR
Trade receivables (net of payables)	(1.2)	(9.1)	0.0	0.0	(0.4)	(11.8)	(0.6)
Financial assets (net of liabilities)*	304.7	0.0	98.6	9.1	(41.3)	0.0	55.7
Forecast transactions**	91.8	(51.3)	(15.4)	42.4	(8.4)	(103.5)	13.3
Net position before hedging	**395.3**	**(60.4)**	**83.2**	**51.5**	**(50.1)**	**(115.3)**	**(68.4)**
Currency hedges	(315.9)	28.1	(85.2)	(15.8)	41.3	109.1	(56.4)
Net position after hedging	79.3	(32.3)	(2.0)	35.7	(8.9)	(6.2)	12.0

* *Including inter-company financing.*
** *Commercial exposure anticipated over the next six months.*

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.*

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**		
(in € millions) **As of 12/31/2013**	**Assets**	**Liabilities**	**Notional amount***	**< 1 year**	**From 1 to 5 years**	**> 5 years**
Fair value hedges						
• forward currency contracts	0.0	0.0	0.7	0.7		
• inter-company loans in foreign currencies swapped for euros	5.8	0.0	664.9	664.9		
• cross-currency swaps	2.9	0.0	36.3	36.3		
Cash flow hedges						
• forward currency contracts	3.1	(1.3)	229.6	229.6		
Not eligible for hedge accounting	0.1	0.0	0.0	0.0		
	11.9	**(1.3)**				

* *Notional amounts based on absolute values.*

(in € millions) As of 12/31/2012	Carrying amount Assets	Liabilities	Notional amount*	Maturities < 1 year	From 1 to 5 years	> 5 years
Fair value hedges						
• forward currency contracts	0.0	(0.3)	6.0	6.0		
• inter-company loans in foreign currencies swapped for euros	0.6	(3.2)	755.9	755.9		
• 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		
Not eligible for hedge accounting	0.1	(0.1)	30.5	30.5		
	3.5	**(4.3)**				

* *Notional amounts based on absolute values.*

(in € millions) As of 12/31/2011	Carrying amount Assets	Liabilities	Notional amount*	Maturities < 1 year	From 1 to 5 years	> 5 years
Fair value hedges						
• forward currency contracts	0.0	0.0	4.5	4.5		
• inter-company loans in foreign currencies swapped for euros	1.5	(5.0)	678.1	678.1		
Cash flow hedges						
• forward currency contracts		(13.5)	333.7	333.7		
Not eligible for hedge accounting		0.1	25.8	25.8		
	1.5	**(18.4)**				

* *Notional amounts based on absolute values.*

The sensitivity of Group income and equity as of December 31, 2013 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, 2013	1.38	27.43	1.47	45.32	0.83	4.15	14.57
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	**1.45**	**28.80**	**1.54**	**47.59**	**0.88**	**4.36**	**15.29**
Impact on pre-tax income *(in € millions)*	(0.69)	0.46	(4.95)	0.30	0.12	0.67	(0.08)
Impact on equity *(in € millions)*	0.57	(1.34)	0.01	0.00	0.00	(5.14)	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 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) **12/31/2013**	**Fixed rate**	**Variable rate**	**Fixed rate**	**Variable rate**	**Fixed rate**	**Variable rate**	**Fixed rate**	**Variable rate**	**Fixed rate**	**Variable rate**
Financial assets	0.0	701.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	701.8
Financial liabilities	(9.1)	(921.9)	(69.6)	(28.3)	(754.7)	(147.7)	(286.4)	(11.8)	(1,119.8)	(1,109.7)
Net position before hedging	**(9.1)**	**(220.1)**	**(69.6)**	**(28.3)**	**(754.7)**	**(147.7)**	**(286.4)**	**(11.8)**	**(1,119.8)**	**(407.9)**
Interest rate hedges	0.0	0.0	(470.0)	470.0	0.0	0.0	0.0	0.0	(470.0)	470.0
Net position after hedging	**(9.1)**	**(220.1)**	**(539.6)**	**(441.7)**	**(754.7)**	**(147.7)**	**(286.4)**	**(11.8)**	**(1,589.8)**	**62.1**

	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	0.0	628.0	0.0	0.0	0.0	0.0	0.0	0.0	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	0.0	630.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	630.1
Financial liabilities	0.0	(623.3)	0.0	0.0	(549.4)	(632.5)	(50.5)	0.0	(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	0.0	0.0	0.0	0.0	(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)**

The main components of fixed-rate debt are:

- 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.

Approximately half of the gross borrowings (syndicated credit loan, short term loans, commercial paper) are at variable or renewable rates. The aim of the Group's interest rate hedging policy is to reduce the impact of changes in short-term rates on earnings. The hedges arranged comprise mainly euro denominated interest rate swaps. These hedges cover a significant part of the interest on borrowings, due in 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, 2013	**Assets**	**Liabilities**	**< 1 year**	**1 to 5 years**	**> 5 years**
Interest rate options					
Variable-rate rate/fixed rate swaps		(3.7)		470	
Accrued premiums payable					
	0.0	**(3.7)**	**-**	**470**	**-**

(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 payables					
	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 payables					
	0.0	**(6.9)**	**308**	**224**	**-**

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, 2013 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, 2013.

30.3 Counterparty risk on derivative instruments

The coming into force of IFRS 13 "Fair Value Measurement" including the credit risk in the fair value of derivatives had no material impact on the group's financial statements as of December 31, 2013.

Faurecia's counterparty risk in relation to its derivatives is not significant as the majority of its derivatives are set up with banks with strong ratings that form part of its banking pool. The consideration of agreements for offsetting existing derivative products with counterparties is summed up in the tables below:

	(a)	(b)	(c) = (a) - (b)	(d) Related amounts not set off in the balance sheet (not fullfiling IAS32 compensation criteria)		(e) = (c) - (d)
Financial assets as of December 31, 2013 *(in € millions)*	**Gross amount value (before compensation)**	**Gross amounts compensated (according to IAS 32)**	**Net amounts presented in the balance sheet**	**Financial instruments**	**Collaterals received**	**Net amount**
Derivatives	13.46	0.00	13.46	5.33		8.12
Other financial instruments						
TOTAL	**13.46**	**0.00**	**13.46**	**5.33**	**0.00**	**8.12**

	(a)	(b)	(c) = (a) - (b)	(d) Related amounts not set off in the balance sheet (not fullfiling IAS32 compensation criteria)		(e) = (c) - (d)
Financial liabilities as of December 31, 2013 *(in € millions)*	**Gross amount value (before compensation)**	**Gross amounts compensated (according to IAS 32)**	**Net amounts presented in the balance sheet**	**Financial instruments**	**Collaterals received**	**Net amount**
Derivatives	6.58	0.00	6.58	5.33		1.25
Other financial instruments						
TOTAL	**6.58**	**0.00**	**6.58**	**5.33**	**0.00**	**1.25**

NOTE 31 COMMITMENTS GIVEN AND CONTINGENT LIABILITIES

31.1 Commitments given

(in € millions)	**12/31/2013**	**12/31/2012**	**12/31/2011**
Future minimum lease payments under operating leases	351.5	335.1	235.1
Debt collateral:			
• mortgages	8.7	14.8	12.7
Other debt guarantees	47.6	46.2	39.7
Firm orders for property, plant and equipment and intangible assets	88.5	122.7	101.9
Other	1.8	3.0	5.0
TOTAL	**498.1**	**521.8**	**394.4**

Future minimum lease payments under operating leases break down as follows:

(in € millions)	12/31/2013	12/31/2012	12/31/2011
N+1	84.2	79.0	56.2
N+2	61.1	59.8	41.5
N+3	46.4	43.3	32.9
N+4	39.5	34.4	26.2
N+5 and above	120.3	118.6	78.3
TOTAL	**351.5**	**335.1**	**235.1**

Expiry dates of mortgages and guarantees:

(in € millions)	12/31/2013
• Less than a year	35.9
• 1 to 5 years	5.2
• More than 5 years	15.2
TOTAL	**56.3**

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 2013, the average utilization rate of this entitlement was 3.2%.

The number of unused training hours accumulated at year-end totaled 1,328,162. 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)	12/31/2013	12/31/2012	12/31/2011
Sales	2,263.4	2,263.2	2,433.9
Purchases of products, services and materials	16.3	14.2	12.5
Receivables*	426.3	399.9	474.5
Payables**	17.9	44.0	46.9
* *Before no-recourse sales of receivables amounting to:*	*160.4*	*136.2*	*201.1*
** *o/w borrowings amounting to:*	*0.0*	*0.0*	*0.0*

32.2 Management compensation

Total compensation for 2013 awarded to the members of the Board of Directors and the Group Executive Committee serving in this capacity at December 31, 2013 amounted to €5,334,190 including directors' fees of €393,600 compared with the year-earlier figures of €5,849,678 and €306,000 respectively.

No Faurecia stock subscription options were awarded to management in 2013.

NOTE 33 FEES PAID TO THE STATUTORY AUDITORS

	Pricewaterhouse Coopers				Ernst & Young			
	Amount (excluding taxes)		%		Amount (excluding taxes)		%	
(in € millions)	2013	2012	2013	2012	2013	2012	2013	2012
AUDIT								
Statutory and contractual audits	2.7	3.2	100.0%	100.0%	4.8	4.8	100.0%	100.0%
Issuer	0.4	0.7	14.8%	21.9%	0.5	0.6	10.4%	12.5%
Fully consolidated companies	2.3	2.5	85.2%	78.1%	4.3	4.2	89.6%	87.5%
Other services relating directly to the auditor's duties	0.0	0.0	0.0%	0.0%	0.0	0.0	0.0%	0.0%
Issuer	0.0	0.0	0.0%	0.0%	0.0	0.0	0.0%	0.0%
Fully consolidated companies	0.0	0.0	0.0%	0.0%	0.0	0.0	0.0%	0.0%
SUB-TOTAL	**2.7**	**3.2**	**100.0%**	**100.0%**	**4.8**	**4.8**	**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	**2.7**	**3.2**	**100.0%**	**100.0%**	**4.8**	**4.8**	**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, 2013, Peugeot S.A. held 51.7% of the capital and 68.0% of the voting rights of Faurecia S.A.

NOTE 35 DIVIDENDS

The Board of Directors decided to propose a dividend of €0.30 per share to the Annual Shareholders' Meeting.

9.6. List of consolidated companies as of December 31, 2013

	Country	Interest of the parent company (%)	Stake (%)*
I - FULLY CONSOLIDATED COMPANIES			
Faurecia	France	Holding company	Holding company
South Africa			
Faurecia Exhaust Systems South Africa Ltd	South Africa	100	100
Faurecia Interior Systems South Africa (Pty) Ltd	South Africa	100	100
Faurecia Interior Systems Pretoria (Pty) Ltd	South Africa	100	100
Emission Control Technologies Holdings S.A. (Pty) Ltd	South Africa	100	100
Emission Control Technologies S.A. (Ga-Rankuwa) (Pty) Ltd	South Africa	100	100
Faurecia Emission Control Technologies S.A. (Cape Town) (Pty) Ltd	South Africa	100	100
Germany			
Faurecia Autositze GmbH	Germany	100	100
Faurecia Kunststoffe Automobilsysteme GmbH	Germany	100	100
Faurecia Abgastechnik GmbH	Germany	100	100
Faurecia Angell-Demmel GmbH	Germany	100	100
Faurecia Automotive GmbH	Germany	100	100
Faurecia Innenraum Systeme 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
Argentina			
Faurecia Sistemas De Escape Argentina S.A.	Argentina	100	100
Faurecia Argentina S.A.	Argentina	100	100
Faurecia Exterior Argentina	Argentina	100	100
Belgium			
Faurecia Automotive Belgium	Belgium	100	100
Faurecia Industrie NV	Belgium	100	100
Brazil			
Faurecia Automotive do Brasil Ltda	Brazil	100	100
Faurecia Emissions Control Technologies do Brasil Ltda	Brazil	100	100
Canada			
Faurecia Automotive Seating Canada, Ltd	Canada	100	100
Faurecia Emissions Control Technologies Canada, Ltd	Canada	100	100
China			
Faurecia Exhaust Systems Changchun Co., Ltd (ex-CLEC)	China	51	100
Changchun Faurecia XUYANG Automotive Seat Co., Ltd (CFXAS)	China	60	100

** Total interest of fully-consolidated companies.*

	Country	Interest of the parent company (%)	Stake (%)*
Faurecia-GSK (Wuhan) Automotive Seating Co., Ltd	China	51	100
Faurecia (Wuxi) Seating Components Co., Ltd	China	100	100
Faurecia Tongda Exhaust Systems Wuhan Co., Ltd (ex-TEEC)	China	50	100
Faurecia Honghu Exhaust Systems Shanghai, Co., Ltd (ex-SHEESC)	China	51	100
Faurecia (Changchun) Automotive Systems Co., Ltd	China	100	100
Faurecia Emissions Control Technologies Development (Shanghai) Co., Ltd	China	100	100
Faurecia (Wuhan) Automotive Seating Co., Ltd	China	100	100
Faurecia (Shanghai) Automotive Systems Co., Ltd	China	100	100
Faurecia (Qingdao) Exhaust Systems Co., Ltd	China	100	100
Faurecia (Wuhu) Exhaust Systems Co., Ltd	China	100	100
Faurecia (China) Holding Co., Ltd	China	100	100
Faurecia (Guangzhou) Automotive Systems Co., Ltd	China	100	100
Faurecia Emissions Control Technologies (Shanghai) Co., Ltd	China	100	100
Faurecia Emissions Control Technologies (Chongqing) Co., Ltd	China	72.5	100
Faurecia Emissions Control Technologies (Yantai) Co., Ltd	China	100	100
Faurecia (Chengdu) Emission Control Technologies Co., Ltd	China	51	100
Faurecia (Nanjing) 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	100
Chongqing Guangneng Faurecia Interior Systems Co., Ltd	China	50	100
Chengdu Faurecia Limin Automotive Systems Co., Ltd	China	51	100
Faurecia (Yancheng) Automotive Systems Co., Ltd	China	100	100
Faurecia NHK (Xiangyang) Automotive Seating Co., Ltd	China	51	100
Faurecia Emissions Control Technologies (Beijing) Co., Ltd	China	100	100
Faurecia Emissions Control Technologies (Nanchang) Co., Ltd	China	51	100
Faurecia Emissions Control Technologies (Ningbo) Co., Ltd	China	91	100
Faurecia Emissions Control Technologies (Foshan) Co., Ltd	China	51	100
Foshan Faurecia Xuyang Interior Systems Co., Ltd	China	60	100
Faurecia Emissions Control Technologies (Ningbo Hangzhou) Co., Ltd	China	66	100
South Korea			
Faurecia Emissions Control Systems Korea	South Korea	100	100
Faurecia Trim Korea, Ltd	South Korea	100	100
Faurecia Shin Sung Co., Ltd	South Korea	60	100
Faurecia Jit and Sequencing Korea	South Korea	100	100
Faurecia Automotive Seating Korea Ltd	South Korea	100	100
Spain			
Asientos de Castilla Leon, S.A.	Spain	100	100
Asientos del Norte, S.A.	Spain	100	100
Faurecia Asientos Para Automovil España, S.A.	Spain	100	100

** Total interest of fully-consolidated companies.*

	Country	Interest of the parent company (%)	Stake (%)*
Industrias Cousin Frères, S.L.	Spain	50	100
Faurecia Sistemas De Escape España, S.A.	Spain	100	100
Tecnoconfort	Spain	50	100
Asientos de Galicia, S.L.	Spain	100	100
Faurecia Automotive España, S.L.	Spain	100	100
Faurecia Interior Systems España, S.A.	Spain	100	100
Faurecia Interior System S.A.LC España, S.L.	Spain	100	100
Valencia Modulos de Puertas, S.L.	Spain	100	100
Faurecia Emissions Control Technologies, Pamplona, S.L.	Spain	100	100
Faurecia Automotive Exteriors España, S.A. (ex-Plastal Spain S.A.)	Spain	100	100
Incalpas, S.L.	Spain	100	100
USA			
Faurecia Exhaust Systems, Inc.	USA	100	100
Faurecia Automotive Seating, LLC	USA	100	100
Faurecia USA Holdings, Inc.	USA	100	100
Faurecia Emissions Control Technologies, USA, 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 Interior Systems Holdings, LLC	USA	100	100
Faurecia North America Co., Ltd	USA	100	100
Faurecia North America Holdings, LLC	USA	100	100
France			
Faurecia Sièges d'automobile	France	100	100
EAK Composants pour l'Automobile (EAK SAS)	France	51	100
EAK Composants pour l'Automobile (EAK SNC)	France	51	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
Financière Faurecia	France	100	100
Faurecia Investments	France	100	100
Trecia	France	100	100
Faurecia Automotive Holdings	France	100	100
Faurecia Automotive Industrie	France	100	100

** Total interest of fully-consolidated companies.*

	Country	Interest of the parent company (%)	Stake (%)*
Faurecia Intérieur Industrie	France	100	100
Automotive Sandouville	France	100	100
Faurecia Systèmes d'Échappement	France	100	100
Faurecia Services Groupe	France	100	100
Faurecia Exhaust International	France	100	100
Faurecia Bloc Avant	France	100	100
Faurecia-Metalloprodukcia Holding	France	60	100
Faurecia ADP Holding	France	60	100
Faurecia Interieurs Saint-Quentin	France	100	100
Faurecia Intérieurs Mornac	France	100	100
Faurecia Automotive Composites	France	100	100
Hambach Automotive Exteriors	France	100	100
Great Britain			
Faurecia Automotive Seating UK Limited	Great Britain	100	100
Faurecia Midlands Limited	Great Britain	100	100
SAI Automotive Fradley Limited	Great Britain	100	100
SAI Automotive Washington Limited	Great Britain	100	100
Faurecia Emissions Control Technologies UK Limited	Great Britain	100	100
Hungary			
Faurecia Magyarorszag Kipufogo-rendszer Kft	Hungary	100	100
Faurecia Emissions Control Technologies, Hungary Kft	Hungary	100	100
India			
Faurecia Automotive Seating India Private Limited	India	100	100
Faurecia Emissions Control Technologies India Private Limited	India	74	100
Faurecia Interior Systems India Private Limited	India	100	100
Faurecia Emissions Control Technologies Technical Center India Private Ltd	India	100	100
Italy			
Faurecia Emissions Control Technologies, Italy SRL	Italy	100	100
Japan			
Faurecia Japan KK	Japan	100	100
Faurecia Howa Interiors Co., Ltd	Japan	50	100
Luxembourg			
Faurecia AST Luxembourg S.A	Luxembourg	100	100
Malaysia			
Faurecia Hicom Emissions Control Technologies (M)	Malaysia	65	100
Morocco			
Faurecia Equipements Automobiles Morocco	Morocco	100	100

** Total interest of fully-consolidated companies.*

	Country	Interest of the parent company (%)	Stake (%)*
Mexico			
Faurecia Sistemas Automotrices de Mexico, S.A. de CV	Mexico	100	100
Servicios Corporativos de Personal Especializado, S.A. de CV	Mexico	100	100
Faurecia Exhaust Mexicana, S.A. de CV	Mexico	100	100
Exhaust Services Mexicana, S.A. 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
Netherlands			
Faurecia Automotive Seating BV	Netherlands	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 Netherlands Holding BV	Netherlands	100	100
Poland			
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
Portugal			
Faurecia - Assentos de Automovel, Lda	Portugal	100	100
SASAL	Portugal	100	100
Faurecia Sistemas de Escape Portugal Lda	Portugal	100	100
EDA - Estofagem de Assentos, Lda,	Portugal	100	100
Faurecia Sistemas de Interior de Portugal. Componentes Para Automoveis S.A.	Portugal	100	100
Czech Republic			
Faurecia Exhaust Systems, sro	Czech Republic	100	100
Faurecia Automotive Czech Republic, sro	Czech Republic	100	100
Faurecia Interior Systems Bohemia, sro	Czech Republic	100	100
Faurecia Components Pisek, sro	Czech Republic	100	100
Faurecia Interiors Pardubice, sro	Czech Republic	100	100
Faurecia Emissions Control Technologies, Mlada Boleslav, sro	Czech Republic	100	100
Faurecia Plzen, sro	Czech Republic	100	100
Romania			
Faurecia Seating Talmaciu SRL	Romania	100	100
Euro Auto Plastic Systems SRL	Romania	50	100
Russia			
OOO Faurecia ADP	Russia	60	100
OOO Faurecia Metalloprodukcia Exhaust Systems	Russia	60	100
OOO Faurecia Automotive Development	Russia	100	100

** Total interest of fully-consolidated companies.*

	Country	Interest of the parent company (%)	Stake (%)*
Slovakia			
Faurecia Slovakia sro	Slovakia	100	100
Sweden			
Faurecia Exhaust Systems AB	Sweden	100	100
Faurecia Interior Systems Sweden AB	Sweden	100	100
Thailand			
Faurecia Interior Systems Thailand Co., Ltd	Thailand	100	100
Faurecia Emissions Control Technologies, Thailand Co., Ltd	Thailand	100	100
Faurecia & Summit Interior Systems	Thailand	50	100
Tunisia			
Société Tunisienne D'Équipements d'Automobile	Tunisia	100	100
Faurecia Informatique Tunisia	Tunisia	100	100
Turkey			
Faurecia Polifleks Otomotiv Sanayi Ve Ticaret Anonim Sirketi	Turkey	100	100
Uruguay			
Faurecia Automotive del Uruguay S.A.	Uruguay	100	100
II - COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD			
Germany			
SAS Autosystemtechnik GmbH und Co. KG	Germany	50	50
China			
Changchun Xuyang Faurecia Acoustics & Soft Trim Co., Ltd	China	40	40
Zhejiang Faurecia Limin Interior & Exterior Systems Co., Ltd	China	50	50
Changchun Huaxiang Faurecia Automotive Plastic Components Co., Ltd	China	50	50
Xiangtan Faurecia Limin Interior & Exterior Systems Co., Ltd	China	50	50
Lanzhou Faurecia Limin Interior & Exterior Systems Co., Ltd	China	50	50
Jinan Faurecia Limin Interior & Exterior Systems Co., Ltd	China	50	50
Dongguan CSM Faurecia Automotive Systems Co., Ltd	China	50	50
Changchun Faurecia Xuyang Automotive Components Technologies R&D Co., Ltd	China	45	45
South Korea			
Kwang Jin Faurecia Co., Ltd	South Korea	50	50
AD Tech Co., Ltd	South Korea	50	50
Denmark			
Amminex Emissions Technology APS	Denmark	42	42
Spain			
Componentes de Vehiculos de Galicia, S.A.	Spain	50	50
Copo Iberica, S.A.	Spain	50	50
USA			
Detroit Manufacturing Systems, LLC	USA	45	45

** Total interest of fully-consolidated companies.*

	Country	Interest of the parent company (%)	Stake (%)*
Japan			
Faurecia-NHK Co., Ltd	Japan	50	50
Portugal			
Vanpro Assentos Lda	Portugal	50	50
Turkey			
Teknik Malzeme Ticaret Ve Sanayi AS	Turkey	50	50
Orcia Otomotiv Yan Sanayi Ve Ticaret Anonim Sirketi	Turkey	50	50

** Total interest of fully-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, 2013, 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, 2013 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.

Without qualifying our opinion, we draw your attention to the Note 1B to the consolidated financial statements which sets out the effects of the application of the amendment to IAS 19 "Employee Benefits".

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, 10 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, 2014

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Éric Bertier	Denis Thibon

10

Legal and financial information

CONTENTS

10.1. Faurecia parent company financial statements and management report

10.1.1. FAURECIA MANAGEMENT REPORT

Report of the Managing Board of the holding company

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 for 2013 rose slightly to €203.5 million from €191.9 million in 2012, due to the Group's continued increase in business volume; 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 were stable at €24.6 million in 2013 like in 2012.

Results of operations

The Company ended 2013 with an operating profit of €1.9 million, compared with an operating profit of €2.5 million in 2012.

Net financial income totaled €20.1 million versus net financial income of €89.2 million in 2012. This change is primarily attributable to movements in provisions for impairment of investments. It includes:

- a €36.8 million net reversal of provisions for impairment of and liabilities from investments in subsidiaries in 2013 compared with a net €0.7 million reversal in 2012. A provision for impairment of investments was recognized in 2013 for Faurecia Automotive GmbH of €33.6 million, in addition to the provision for Faurecia Systèmes d'Echappement of €3.2 million;
- dividends received from subsidiaries amounting to €108.8 million in 2013, down by €38.6 million from 2012. The largest dividends received came from Faurecia Automotive Holdings for €46.8 million (versus €93.7 million in 2012) and Financière Faurecia for €31.9 million;
- net borrowing costs of €48.9 million compared with €56.1 million in 2012.

Net non-recurring income for the year totaled €58.9 million versus net expense of €29.7 million in 2012. This largely reflects the impact of the internal Group reclassification of the Faurecia Exhaust Systems SRO subsidiary.

Tax income amounted to €18.2 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 €45.3 million in 2012.

Net income for the financial year showed a profit of €99.1 million. This compares with a profit of €107.3 million in 2012.

Financial structure and net debt

The principal operations which affected the Company's financial structure are as follows:

- on November 30, 2013 Faurecia exercised its option call on the OCEANEs bonds issued in November 2009; at 99.83%, the bond holders opted for the conversion of their bonds into Faurecia shares; the conversion led to the creation of 11,736,190 new Faurecia shares, which in turn led to a €211 million increase in capital, thereby reducing the debt by the same amount;
- Faurecia borrowed bilateral medium-term loans from financial institutions in the amount of approximately €150 million;
- the exercise of the second option to extend a syndicated loan tranche by one year now made it possible to have a tranche of €654 million maturing in 2016, a tranche of €36 million maturing in December 2014 and a tranche of €460 million with an initial maturity in December 2016.

The breakdown of the debt is provided in Note 16 to the parent company financial statements.

At December 31, 2013, the shareholders' equity in the Company before distribution of the period's earnings amounted to €2,478.4 million versus €2,168.4 million at the close of 2012. It thus increased by €310 million.

Net debt as of December 31, 2013 was down from the close of 2012. Net debt - borrowings net of cash, marketable securities, net inter-company cash advances and loans to subsidiaries - amounted to €139.8 million as of December 31, 2013, versus €519.4 million at year-end 2012. As of December 31, 2013, 34.9% 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 €7.1 million do not include invoices past due.

These break down as follows:

(in € millions)	12/31/2013	12/31/2012
Provision for invoices not yet received	5.2	4.5
Invoices not yet due	1.9	1.7
Invoices between 1 and 30 days past due		
Invoices between 31 and 60 days past due		
Invoices between 61 and 90 days past due		
Invoices more than 90 days past due		
TOTAL	**7.1**	**6.2**

Cash flows for the year generate a financing surplus of €202.6 million, primarily from cash flow from operations. Cash flows from investing activities was significantly positive at €77.2 million, due to the sale of securities (operations for the reclassification of securities within the group) if there are no investments in non-consolidated companies.

The carrying amount of investments in subsidiaries and affiliates recognized in the balance sheet at December 31, 2013 came to €2,603 million (€2,669.4 million at end 2012).

Business review relating to the Company's subsidiaries

The operations and results of the Company's subsidiaries in 2013 are analyzed in detail in the review of the consolidated financial statements. 2013 was marked by the internal sale of Faurecia Exhaust System SRO shares to Faurecia Exhaust International. Furthermore, Faurecia wound up its subsidiary *Société Foncière pour l'Equipement Automobile* in April 2013, before the end of its term.

The Group's continued corporate development led to the creation of new subsidiaries, notably in China, as well as in Malaysia, Thailand and the Czech Republic.

There were no major legal reorganizations of the group companies in 2013.

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 Subsection 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 2013, 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 2013 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 Subsection 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*	2013	2012	2011
Services sold		203,478	191,916	171,389
Sales		**203,478**	**191,916**	**171,389**
Capitalized production (long-term inventory)			0	0
Outside services		(198,692)	(201,263)	(186,553)
Taxes other than on income		(4,494)	(2,281)	(3,914)
Salaries and wages		(9,375)	(8,940)	(9,243)
Payroll taxes		(8,045)	(4,455)	(4,799)
Depreciation and provisions (net of reversals) and expense transfers	*3*	(5,301)	3,217	15,521
Other income and expenses, net		24,294	24,338	22,523
Total operating expenses		**(201,613)**	**(189,384)**	**(166,465)**
NET OPERATING INCOME		**1,865**	**2,532**	**4,924**
Financial income	*4*	184,322	247,917	373,196
Financing costs	*4*	(164,223)	(158,746)	(71,388)
NET FINANCIAL INCOME (EXPENSE)	*4*	**20,099**	**89,171**	**301,808**
OPERATING INCOME (LOSS) AFTER NET FINANCIAL INCOME (EXPENSE)		**21,964**	**91,703**	**306,732**
Non-recurring income	*5*	79,090	129,524	113,750
Extraordinary expenses	*5*	(20,176)	(159,175)	(202,510)
NET NON-RECURRING INCOME (EXPENSE)	*5*	**58,914**	**(29,651)**	**(88,760)**
Employee profit-sharing				
Corporate income tax	*6*	18,188	45,280	32,199
NET INCOME		**99,066**	**107,332**	**250,171**

10.1.2.2. Balance sheet as of December 31, 2013

ASSETS (in € thousands)	Notes	12/31/2013 Gross Amounts	12/31/2013 Depreciation & amortization and provisions	12/31/2013 Net Amounts	12/31/2012 Net Amounts	12/31/2011 Net Amounts
Intangible assets	7	9,465	9,370	95	127	189
Property, plant and equipment	8	11,138	10,175	963	409	491
Investments	9	2,738,310	135,341	2,602,969	2,669,433	2,702,219
TOTAL FIXED ASSETS		**2,758,913**	**154,886**	**2,604,027**	**2,669,969**	**2,702,899**
Operating receivables		4,498		4,498	1,691	1,736
Other receivables	10	1,522,568	869	1,521,699	1,350,322	926,987
Marketable securities and related receivables	11	3,742	597	3,145	2,188	683
Cash and cash equivalents		115	0	115	31,103	30,607
TOTAL CURRENT ASSETS		**1,530,923**	**1,466**	**1,529,457**	**1,385,304**	**960,013**
Prepaid expenses	12	1,618		1,618	1,072	1,252
Unrealized foreign exchange losses		6,420		6,420	3,220	16
Bond redemption premiums		1,104		1,104	1,413	1,762
Deferred charges	13	21,919		21,919	28,158	25,903
TOTAL ASSETS		**4,320,897**	**156,352**	**4,164,545**	**4,089,136**	**3,691,845**

EQUITY AND LIABILITIES (in € thousands)	Notes	12/31/2013	12/31/2012	12/31/2011
Capital		858,117	775,836	772,578
Additional paid-in capital		414,185	285,517	288,775
Legal reserves		74,437	69,070	56,562
Untaxed reserves		8,939	8,939	8,939
Other reserves				
Retained earnings		1,023,644	921,679	722,632
Recognized in income of the period		99,066	107,332	250,171
Untaxed provisions				
TOTAL SHAREHOLDERS' EQUITY	14	**2,478,388**	**2,168,373**	**2,099,657**
Provisions for liabilities and charges	15	**9,941**	**7,849**	**4,792**
TOTAL DEBT	16	**1,589,511**	**1,850,796**	**1,386,563**
Operating payables	17	13,741	12,447	19,913
Sundry payables	17	49,963	24,808	180,818
TOTAL OPERATING PAYABLES AND OTHER PAYABLES		**63,704**	**37,255**	**200,731**
Prepaid income		5,349	6,897	0
Unrealized foreign exchange gains		17,652	17,966	102
TOTAL LIABILITIES		**4,164,545**	**4,089,136**	**3,691,845**

10.1.2.3. Cash flow statement

(in € millions)	2013	2012	2011
I - OPERATING ACTIVITIES			
Net income	99.1	107.3	250.1
Depreciation and amortization	7.8	7.6	10.2
Increase (decrease) in provisions and other long-term liabilities	45.4	2.7	(299.8)
Capital (gains) losses on disposals of fixed assets	(58.9)	29.6	88.2
Cash flow from operations	93.4	147.2	48.7
(Increase) decrease in working capital requirement	32.0	7.3	(62.3)
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	**125.4**	**154.5**	**(13.6)**
II - INVESTING ACTIVITIES			
Acquisitions of intangible assets and property, plant and equipment	(0.7)	(0.2)	(0.2)
Acquisitions of investments in subsidiaries and affiliates		(125.4)	(7.8)
Acquisitions of other investments	(31.8)	(8.9)	(0.3)
Disposals of intangible assets and property, plant and equipment			
Disposals of investments	78.3	129.3	112.1
Disposals of other financial assets	31.4	7.3	9.0
Other reductions in property, plant and equipment			
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES	**77.2**	**2.1**	**112.8**
CASH PROVIDED (USED) BY OPERATING AND INVESTING ACTIVITIES (I)+(II)	**202.6**	**156.6**	**99.2**
III - FINANCING ACTIVITIES			
Charges posted to additional paid-in capital			
Bond issue premium		6.9	
Dividends paid during the year		(38.6)	(27.6)
Issuance of debt securities and increase in borrowings	263.4	700.4	915.6
Redemption of debt securities and repayment of borrowings	(315.5)	(236.1)	(812.2)
Changes in inter-company borrowings	(181.5)	(588.7)	(157.1)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	**(233.6)**	**(156.1)**	**(81.3)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(31.0)**	**0.5**	**17.9**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**31.1**	**30.6**	**12.7**
CASH AND CASH EQUIVALENTS AT END OF YEAR	**0.1**	**31.1**	**30.6**

10.1.2.4. Notes to the 2013 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 AND PROVISIONS FOR IMPAIRMENT (NET OF REVERSALS) AND EXPENSE TRANSFERS

(in € thousands)	2013	2012	2011
Provision reversals	2,045	370	2,250
Expense transfers [(1)]	2,934	11,483	24,077
Depreciation and amortization	(9,342)	(7,584)	(10,184)
Provisions for impairment of current assets			
Provisions for contingencies and charges	(938)	(1,052)	(622)
TOTAL	**(5,301)**	**3,217**	**15,521**

(1) Of which:

Transfer of fees included in "Outside services" relating to financings:	*2,934*	*11,483*	*24,077*

NOTE 4 NET FINANCIAL INCOME (EXPENSE)

Net non-recurring income (expense) breaks down as follows:

(in € thousands)	2013	2012	2011
Financial income			
Income from investments in subsidiaries and affiliates (1)	108,816	147,426	30,414
Other interest and related income	71,766	63,859	36,118
Net proceeds from sales of marketable securities			
Provision reversals (2)	3,740	36,632	306,664
TOTAL	**184,322**	**247,917**	**373,196**
Financing costs			
Interest expense	120,691	120,031	62,909
Charges to provisions for impairment of investments (3)	36,800	35,000	7,561
Charges to other provisions and other financial expenses	6,732	3,715	918
TOTAL	**164,223**	**158,746**	**71,388**
NET FINANCIAL INCOME (EXPENSE)	**20,099**	**89,171**	**301,808**

(1) This item corresponds to dividends received from subsidiaries and affiliates.
This largely reflects:

- *in 2013: dividends received from Financière Faurecia totaling €31,856 thousand, from Faurecia Tongda Exhaust System (Wuhan) totaling €12,442 thousand, from Faurecia Automotive Espana totaling €3,252 thousand, from Faurecia Automotive Holdings totaling €46,845 thousand, from Faurecia Services Group totaling €1,838 thousand, from Faurecia Honghu Exhaust Systems Shanghai totaling €12,578 thousand;*
- *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 Group 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.*

	2013	2012	2011
(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 Faurecia Automotive GmbH shares			
• reversals of provisions for financial contingencies and charges	*3,740*	*845*	*3,512*
(3) Of which:			
• Faurecia Systèmes d'Échappement shares	*3,200*	*35,000*	
• Faurecia Sistemas de Escape Argentina shares			*7,561*
• Faurecia Automotive GmbH shares	*33,600*		

NOTE 5 NON-RECURRING ITEMS

Net non-recurring income (expense) breaks down as follows:

(in € thousands)	2013	2012	2011
Non-recurring income			
From operating activities [(1)]			1,624
Proceeds from disposals of fixed assets [(2)]	79,090	129,524	112,126
Provision reversals			
TOTAL	**79,090**	**129,524**	**113,750**
Extraordinary expenses			
On management transactions	28		12
Carrying amount of fixed and financial assets sold [(3)]	20,148	159,175	202,498
Depreciation, amortization and charges to provisions			
TOTAL	**20,176**	**159,175**	**202,510**
NET NON-RECURRING INCOME (EXPENSE)	**58,914**	**(29,651)**	**(88,760)**

	2013	2012	2011
(1) Of which:			
• compensation for contract termination			*1,333*
(2) Of which:			
• proceeds from the sale of investments in subsidiaries and affiliates:	*78,301*	*129,332*	*112,126*
• 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*	
• Faurecia Exhaust Systems SRO shares sold to Faurecia Exhaust International	*78,301*		
• 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:			
• 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 exhaust systems sro shares sold to faurecia exhaust international	*19,759*		
• Faurecia sistemas de escape argentina shares sold to faurecia exhaust international		*33,536*	
• Toucan investissement shares sold to faurecia automotive 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)	2013	2012	2011
Tax benefit arising from group relief	18,185	45,272	32,196
Repayment of a carry back credit			
Other tax (expense) income (tax credit)	3	8	3
TOTAL	**18,188**	**45,280**	**32,199**

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 1ST, 2011	**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**
Additions (including own work capitalized)		4		4
Disposals				0
Funding of depreciation, amortization and impairment provisions		(36)		(36)
Amortization/depreciation written off on disposals				0
Other movements				
NET AS OF DECEMBER 31, 2013	**80**	**15**	**0**	**95**

NOTE 8 PROPERTY, PLANT AND EQUIPMENT

This can be broken down as follows:

	12/31/2013		12/31/2012	12/31/2011
(in € thousands)	Gross value	Net	Net	Net
Land	53	53	53	53
Buildings	271	0	0	0
Other property, plant and equipment	10,814	910	356	438
TOTAL	**11,138**	**963**	**409**	**491**

(in € thousands)	Land	Buildings	Other property, plant and equipment	Property, plant and equipment in progress	Total
NET AS OF JANUARY 1, 2011	**53**	**0**	**1,170**	**0**	**1,223**
Additions (including own work capitalized)			75		75
Disposals					0
Funding of depreciation, amortization a nd 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**
Additions (including own work capitalized)			687		687
Disposals			(330)		(330)
Funding of depreciation, amortization and impairment provisions			(133)		(133)
Amortization/depreciation written off on disposals			330		330
NET AS OF DECEMBER 31, 2013	**53**	**0**	**910**	**0**	**963**

NOTE 9 INVESTMENTS

(in € thousands)	12/31/2013 Gross value	12/31/2013 Provisions	12/31/2013 Net	12/31/2012 Net	12/31/2011 Net
Equity investments	2,738,147	135,341	2,602,806	2,669,314	2,702,103
Loans to subsidiaries and affiliates	0	0	0	0	0
Other non-current securities	163	0	163	119	116
TOTAL	**2,738,310**	**135,341**	**2,602,969**	**2,669,433**	**2,702,219**

Movements in investments in subsidiaries and affiliates break down as follows:

(in € thousands)	Gross value	Provisions	Carrying amount
NET AS OF JANUARY 1, 2011	**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**
Acquisitions			0
Capital increases			0
Charges to and reversals of provisions		36,800	(36,800)
Transfer of all assets	(9,947)		(9,947)
Sale of shares	(19,761)		(19,761)
NET AS OF DECEMBER 31, 2013	**2,738,147**	**135,341**	**2,602,806**

Loans to subsidiaries and affiliates are due in more than one year.

NOTE 10 RECEIVABLES

(in € thousands)	12/31/2013	12/31/2012	12/31/2011
Cash advances	1,493,308	1,310,009	877,319
Provisions against cash advances	(869)	(866)	(861)
Tax due by subsidiaries in the tax group	294	11,138	15,573
Prepaid and recoverable corporate income tax	27,186	25,818	31,017
Securitization-related deposit			
Recoverable VAT	1,497	919	2,300
Sundry receivables	219	3,304	1,639
Other	64		
TOTAL	**1,521,699**	**1,350,322**	**926,987**

NOTE 11 MARKETABLE SECURITIES AND EQUIVALENT RECEIVABLES

As of December 31, 2013, this item included:

- 44,162 Faurecia shares (including 13,371 shares under the liquidity agreement) with a carrying amount of €1.2 million, compared with 41,979 shares with a carrying amount of €0.5 million as of December 31, 2012.

The carrying amount of this item as of December 31, 2013 is presented net of a provision for impairment amounting to €0.6 million, versus €1.1 million as of December 31, 2012;

- 838 units in money market funds with a carrying amount of €1.9 million.

NOTE 12 PREPAID EXPENSES

Prepaid expenses mainly comprise:

(in € thousands)	12/31/2013	12/31/2012	12/31/2011
Premiums on currency and interest-rate instruments			9
Commissions and bank charges	91	4	88
Interest on commercial paper	689	365	390
Rent	615	603	679
Other	223	100	86
TOTAL	**1,618**	**1,072**	**1,252**

NOTE 13 DEFERRED CHARGES

Deferred charges as of December 31, 2013 refer to financing fees.

NOTE 14 EQUITY

14.1 Changes in equity

(in € thousands)	Balance as of 12/31/2012	Appropriation decision at the AGM of 05/30/2013	Increase in of stock	Recognized in income of the period	Balance at 12/31/2013
Capital	775,836		82,281		858,117
Additional paid-in capital	285,517		128,668		414,185
Legal reserves	69,070	5,367			74,437
Untaxed reserves	8,939	0			8,939
Other reserves	0				0
Retained earnings	921,679	101,965			1,023,644
Recognized in income of the period	107,332	(107,332)		99,066	99,066
Untaxed provisions	0				0
TOTAL	**2,168,373**	**0**	**210,949**	**99,066**	**2,478,388**

14.2 Capital and premiums from equity issues, mergers and acquisitions

At December 31, 2013, the Company's capital was €858,116,945, divided into 122,588,135 fully paid-up shares, each of €7. Shares registered in the name of the same shareholder for at least two years (110,833,745 shares at December 31, 2012) carry double voting rights.

Stock options granted to corporate officers and employees not yet exercised on December 31, 2013 (1,113,600 options at an average subscription price of €42.60) could potentially increase:

- the capital by €7.8 million (1,113,600 shares each of €7);
- additional paid-in capital by €39.7 million.

NOTE 15 PROVISION FOR LIABILITIES AND CHARGES

(in € thousands)	At 12/31/2013	12/31/2012	As of 12/31/2011
Provision for contingencies			
Foreign exchange losses	6,419	3,221	846
Other	0	0	0
SUB-TOTAL	**6,419**	**3,221**	**846**
Provisions for charges			
Provision for pensions and other post-employment benefits [1]	3,518	4,624	3,942
Other provisions for charges	4	4	4
SUB-TOTAL	**3,522**	**4,628**	**3,946**
TOTAL	**9,941**	**7,849**	**4,792**

(1) Provisions for pensions and other post-employment benefits cover the following costs payable by the Company on retirement of employees:
- *lump-sum retirement payments;*
- *supplementary pensions paid to some 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 actuarial valuation was carried out by independent actuaries. The calculations were based on a discount rate of 3.25% and an inflation rate of 1.80%.

(in € thousands)	2013	2012	2011
Projected benefit obligation	7,863	9,751	7,988
Hedging of obligations	(345)	(1,420)	(1,385)
Deferred items	(4,000)	(3,707)	(2,661)
ALLOWANCE	**3,518**	**4,624**	**3,942**

(in € thousands)	2013	2012	2011
Service cost	(665)	(517)	(347)
Restatement of projected benefits	(316)	(388)	(247)
Expected return on plan assets	43	52	52
Curtailment and settlements			
Amortization of deferred differences		(194)	(79)
Other changes		365	
TOTAL	**(938)**	**(682)**	**(621)**

(in € thousands)	Balance as of 12/31/2012	Additions	Expenses charged	Reversals (surplus provisions)	Payments to retirement funds	Balance at 12/31/2013
Provision for contingencies	3,221	6,419		(3,221)		6,419
Provisions for pensions and other employee obligations	4,624	938			(2,044)	3,518
Other provisions for charges	4					4
TOTAL	**7,849**	**7,357**	**0**	**(3,221)**	**(2,044)**	**9,941**

NOTE 16 DEBT

(in € thousands)	12/31/2013	12/31/2012	12/31/2011
Convertible bonds	250,000	461,280	211,280
Other bonds	740,000	740,000	350,000
Borrowings from credit institutions	586,284	642,992	819,343
Other	13,227	6,524	5,940
TOTAL	**1,589,511**	**1,850,796**	**1,386,563**

34.91% of the Company's debt is at variable rates. This debt is hedged using interest-rate caps as described in Note 20.1.

The breakdown of the Company's debt by maturity is as follows:

(in € thousands)	At 12/31/2013
Maturing in 2014	387,111
Maturing in 2015	35,943
Maturing in 2016	587,468
Maturing in 2017	45,755
Maturing in 2018	271,390
Maturing in 2019	257,896
Maturing in 2020	3,948
TOTAL	**1,589,511**

The main financing components of the group are described below:

2016 bonds

On November 9, 2011 Faurecia issued bonds worth €350 million maturing on December 15, 2016. The bonds bear annual interest of 9.375%, payable on June 15 and December 15 each year starting on June 15, 2012. They were issued at 99.479% of their nominal value and are listed on the Luxembourg Stock Exchange. Additional bonds worth €140 million were issued on February 21, 2012, with the same maturity date and interest rate, at 107.5% of their nominal value. The bond agreements include covenants restricting additional borrowing when the EBITDA (after adjustment) is less than 2.5 times the gross interest charge; and specifying restrictions similar to those for a syndicated bank loan. The bond-issue costs are written off to the profit-and-loss account over the life time of the bonds. The 2016 bonds are guaranteed by some Group subsidiaries.

2019 bonds

On May 3, 2012, Faurecia issued bonds worth €250 million maturing on June 15, 2019. The bonds bear annual interest of 8.75% payable on June 15 and December 15 each year starting on June 15, 2012. They were issued at 99.974% of their 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 bond-issue costs are written off to the profit-and-loss account over the life time of the bonds.

Syndicated credit facility

The syndicated bank loan implemented on December 20, 2011 is divided into a €36 million tranche expiring in December 2014, a €654 million tranche which is now expiring in December 2016, after the exercise of the two options to extend its duration and a €460 million tranche expiring in December 2016. As of December 31, 2013, there was no withdrawal on this syndicated line of credit; the non-withdrawn amount was thus €1,150 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, 2013, the Group complied with all of these ratios, of which the amounts 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.

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.

On November 30, 2013 Faurecia exercised its option to call all of the bonds at par plus accrued interest, which was €19.526 per bond.

Following this decision, the bondholders chose almost unanimously to convert their bonds to Faurecia stock rather than redeeming them for cash: out of the 11,304,290 bonds outstanding at October 31, 2013, 11,284,793 bonds or 99.83% of the total outstanding were converted on December 30, 2013 into 11,736,190 new Faurecia shares, using the 1.04 share per bond conversion rate.

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.*

This conversion reinforced the equity by €211 million, and reduced the net debt by the same amount.

In addition, Faurecia improved its liquidity by borrowing bilateral medium-term loans from financial institutions in the total amount of approximately €150 million.

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 €334.2 million had been issued at end-2013.

NOTE 17 OPERATING PAYABLES AND OTHER PAYABLES

(in € thousands)	12/31/2013	12/31/2012	12/31/ 2011
Trade payables	7,056	6,225	12,963
Other operating payables	6,685	6,222	6,950
SUB-TOTAL OPERATING PAYABLES	**13,741**	**12,447**	**19,913**
Cash advances from subsidiaries	48,861	22,995	179,049
Other	1,102	1,813	1,769
SUB-TOTAL OTHER PAYABLES	**49,963**	**24,808**	**180,818**
TOTAL	**63,704**	**37,255**	**200,731**

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. 38% for 2013 and beyond).

Deferred taxes can be analyzed as follows:

(in € thousands)	12/31/2013	12/31/2012	12/31/2011
Deferred tax liabilities on temporary differences			
Deferred taxes relating to the tax savings arising from using losses in tax-group subsidiaries	(653,860)	(561,285)	(520,912)
SUB-TOTAL DEFERRED TAX LIABILITIES	**(653,860)**	**(561,285)**	**(520,912)**
Tax paid on taxable income that is not yet recognized	4,269	5,323	1,447
Charges recognized that are deductible for tax purposes in future years	6,235	5,339	1,380
Future tax savings on tax loss carry forwards of the tax group	530,491	445,532	440,831
SUB-TOTAL DEFERRED TAX ASSETS	**540,995**	**456,194**	**443,658**
NET DEFERRED TAX (LIABILITIES) ASSETS	**(112,865)**	**(105,091)**	**(77,254)**

NOTE 19 FINANCIAL COMMITMENTS

At December 31, 2013, there were no longer any outstanding sureties, endorsements or guarantees given on behalf of subsidiaries or direct or indirect associates (compared with €12.9 million in 2012 and €18.5 million on December 31, 2011).

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:

At 12/31/2013	Notional amounts by maturity		
(in € millions)	< one year	one to five years	> five years
Variable-rate rate/fixed rate swaps		470	

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.

At December 31, 2013, the exchange-rate swaps in place involved USD 5.6 million and ZAR 128.0 million.

NOTE 21 AVERAGE HEADCOUNT

	2013	2012	2011
Management	46	42	40
Staff	1	2	2
TOTAL	**47**	**44**	**42**

NOTE 22 COMPENSATION

In 2013, total attendance fees paid to Directors amounted to €393,600 compared with €306,000 in 2012 .

NOTE 23 RELATED-PARTY TRANSACTIONS

(in € thousands)	12/31/2013	12/31/2012	12/31/2011
In the income statement			
• Services invoiced to subsidiaries	227,963	216,369	194,112
• Income from subsidiaries and affiliates	149,109	167,740	49,541
• Interest income	27,812	35,734	11,125
• Services invoiced by subsidiaries	(181,077)	(173,387)	(145,444)
• Interest expense	0	(235)	(4,450)
In the balance sheet			
• Loans to subsidiaries and affiliates	0	0	0
• Trade and other receivables	1,495,526	1,321,961	893,844
• Supplier and other payables	49,061	23,182	187,073

Related companies are companies that are fully consolidated in the Faurecia group Consolidated Financial Statements.

NOTE 24 CONSOLIDATING ENTITY

Peugeot S.A. – 75 avenue de la Grande-Armée – 75116 Paris – France

10.1.2.5. Five-year financial summary

	2013 (in €)	2012 (in €)	2011 (in €)	2010 (in €)	2009 (in €)
1 - Share capital at end of period					
a) Capital stock	858,116,945	775,836,215	772,578,415	772,567,096	626,139,528
b) Number of ordinary shares outstanding	122,588,135	110,833,745	110,368,345	110,366,728	89,448,504
c) Maximum number of shares to be issued: on exercising stock options	1,113,600	1,126,725	1,475,348	1,523,998	1,594,223
2 - Operations and results					
a) Net sales	203,477,926	191,915,579	171,388,534	140,574,549	63,259,930
b) Income before tax, employee profit-share and contributions to provisions for amortization, depreciation and impairment	128,905,888	72,402,124	(71,657,003)	19,110,764	37,896,293
c) Corporate income tax (1)	(18,187,531)	(45,279,780)	32,198,556	(7,988,370)	(20,949,860)
d) Employee profit-sharing	0	0	0	0	0
e) Income after tax, employee profit-share and contributions to provisions for amortization, depreciation and impairment	99,066,092	107,332,169	250,171,226	556,538,732	233,163,289
f) Total dividend (2) (3)	36,776,441	0	38,628,921	27,591,682	
3 - Earnings per share					
a) Income after tax and employee profit-share but before contributions to provisions for amortization, depreciation and impairment	1.20	1.06	(0.36)	0.25	0.66
b) Income after tax, employee profit-share and contributions to provisions for amortization, depreciation and impairment	0.81	0.97	2.27	5.04	2.61
c) Net dividend per share	0.30	0.00	0.35	0.25	
4 - Staff					
a) Average number of employees	47	44	42	41	43
b) Total payroll	9,374,348	8,939,563	9,242,938	10,214,816	8,500,376
c) Total payments during the period for benefits (e.g. social security, social projects, etc.)	8,045,296	4,455,472	4,799,326	4,234,177	3,285,738

(1) Amounts in parentheses represent tax benefits arising from group relief.
(2) The 2013 net dividend is pending approval by the AGM of profit distribution for the year.
(3) The part of the 2013 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:	99,066,092
Recommended appropriation:	
1 - Source	
Retained earnings carried forward from prior years	1,023,644,456
Recognized in income of the period	99,066,092
	1,122,710,548
2 - Appropriation	
Legal reserves	4,953,305
Dividend (1)	36,776,441
Additional paid-in capital	
Retained earnings	1,080,980,802
	1,122,710,548

(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 €)*
2010	110,366,728	0.250
2011	110,368,345	0.350
2012	110,833,745	-
Recommended for 2013	**122,588,135**	**0.300**

10.1.4. SECURITIES PORTFOLIO AS OF DECEMBER 31, 2013

(in € thousands)	Quantity	Type and nominal amount	Carrying amount *(in € thousands)*
1 - MAIN SECURITIES			
a) Investments in subsidiaries and affiliates			
Faurecia Systèmes d'Échappement	5,648,700	Shares - €15	72,116
Faurecia Investments	5,044,004	Shares - €15	452,488
Faurecia USA Holdings Inc	4,280	Shares - USD 0.001	600,699
Faurecia Automotive Belgium	9,999,999	Equities	0
Faurecia Automotive Espana SL	126,859	Shares - €6	76,449
Financière Faurecia	2,200,000	Shares - €15	53,841
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	Equity share - €15	0
Faurecia Honghu Exhaust Systems Shanghai Co, Ltd	1	Equities	1,211
Faurecia Automotive Holdings	23,422,557	Shares - €1	918,260
Faurecia Automotive GmbH	1	Equities	191,584
Faurecia Services Groupe	2,500	Shares - €16	0
Faurecia Exhaust International	1,932,750	Shares - €15	29,301
ET Dutch Holdings Cooperatie U.A.		Contribution of €204,600 thousand	204,600
Hennape Un S.A.	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			**2,602,806**
2 - MARKETABLE SECURITIES AND EQUIVALENT RECEIVABLES			
Faurecia	44,162	Shares - €7	1,217
BNP	838	Equities	1,928
TOTAL MARKETABLE SECURITIES			**3,145**
TOTAL			**2,605,951**

10.1.5. SUBSIDIARIES AND AFFILIATES AT DECEMBER 31, 2013

(in € thousands)	Capital	Shareholders' equity other than capital	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	75,660	47,417	100	452,488
Financière Faurecia	33,000	53,217	100	53,841
Faurecia Automotive Belgium	10,000	1,148	100	60,196
Faurecia USA Holdings Inc	564,538	(41,836)	85	600,699
Eak SAS	4,668	(3,998)	51	2,420
ET Dutch Holdings Cooperatie U.A.	18,353	63,785	100	204,600
Faurecia Systèmes d' Echappements	84,731	40,890	100	110,316
Faurecia Automotive Holdings	23,423	270,917	100	918,260
Faurecia Exhaust International	7,301	(31)	100	29,302
B - Affiliates (10% - 50% of capital owned by the Company)				
Faurecia Automotive Espana S.L.	7,138	473,580	11	76,449
Faurecia Automotive GmbH	196,420	210,695	26	225,184
Faurecia Tongda Exhaust System (Wuhan) Co, Ltd	5,462	77,168	50	2,217
II - Summarized information				
Subsidiaries and affiliates not included in Section A				**2,176**
TOTAL				**2,738,147**

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				(64,828)		
53,841	1,264,073			22,749	31,856	
			2,821	(1,246)		
600,699			52,651	(64,698)		1 EUR = 1.3791 USD
				31		
204,600				47		
72,116			531,287	(2,397)		
918,260			184,306	55,523	46,845	
29,302				(343)		
76,449			178,346	4,762	3,252	
191,584			6,398	13,710		
2,217			139,477	27,407	12,442	1 EUR = 8.3491 CNY
1,252	**796**				**14,416**	
2,602,807	**1,264,869**				**108,811**	

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, 2013, 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, 2013 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.

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 22, 2014

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Éric Bertier	Denis Thibon

10.3. Capital and share performance

10.3.1. FAURECIA AND THEIR SHAREHOLDERS

2014 FINANCIAL CALENDAR

February 12, 2014	Before market hours	2013 yearly earnings announced
April 17, 2014	After market hours	First-quarter 2014 sales announced
May 27, 2014	10:00 am	Annual Shareholders' Meeting
July 29, 2014	Before market hours	2014 interim results announced
October 16, 2014	After market hours	Third-quarter 2014 sales announced

The relationship between Faurecia and its shareholders is described in subchapter 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, 2013, the Company's capital amounted to €858,116,945, divided into 122,588,135 fully paid-up shares with a par value of €7 each, all in the same class.

The distribution of Faurecia's capital and voting rights at December 31, 2013 is shown in the following table.

For the purposes of this Registration Document and in compliance with AMF Recommendation No. 2009-16 (amended on December 17, 2013), it shows the total number of theoretical voting rights, excluding shares (such as treasury shares) with no such rights, and the total number of votes that may be cast in the General Meeting.

Shareholders	Shares	% share capital	Theoretical voting rights*	% theoretical voting rights	Voting rights exercisable in the General Meeting*	% voting rights exercisable in the General Meeting
Peugeot S.A.	63,380,509	51.70	126,761,018	68.00	126,761,018	68.02
Faurecia Actionnariat Corporate Mutual fund	302,053	0.25	510,299	0.27	510,299	0.27
Board members	47,196	0.04	55,387	0.03	55,387	0.03
Treasury stock	44,162	0.04	44,162	0.02	0	0.00
o/w liquidity contract	*13,371*	*0.01*	*13,371*	*0.00*	*0*	*0.00*
Other shareholders (registered and bearer)	58,814,215	47.98	59,025,237	31.67	59,025,237	31.67
TOTAL	**122,588,135**	**100**	**186,396,103**	**100**	**186,351,941**	**100**

* *Calculated based on information from the Caceis Corporate Trust Register on December 31, 2013.*

In addition, in 2013 the following declarations were made, reporting that thresholds in the bylaws had been crossed:

Shareholder name	Date crossed	Upwards/ downwards	Threshold	Number of shares afterwards	% capital afterwards	% voting rights afterwards
UBS Investment Bank	March 8, 2013	upwards	2% of capital	3,068,418	2.77%	1.76%
UBS Investment Bank	March 21, 2013	downwards	2% of capital	1,755,836	1.58%	1.01%
Financière de l'Échiquier	September 24, 2013	downwards	2% of voting rights	3,447,450	3.11%	1.97%
PSA	December 30, 2013	downwards	56%, 54% and 52% of capital 72% and 70% of voting rights	63,380,509	51.70%	68.00%

No legal thresholds were reported crossed during 2013.

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.

3,045,000 registered shares held by Peugeot S.A. (2.48% of the Company's capital on December 31, 2013), are pledged as security to Société Financière de Banque (SOFIB). Peugeot S.A. 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 Directors hold approximately 0.04% of the Company's capital and 0.03% of its 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 2013, Faurecia's share price rose by 136.4%. It closed 2013 at €27.71, compared with €11.72 at end-2012.

The average price of Faurecia shares during 2013 was €18.14, with a high of €27.95 on December 30, 2013 and a low of €11.57 on April 18, 2013.

The average monthly trading volume in 2013 was 10.18 million shares (€183.67 million).

10.3.3.1. Share price and trading volumes (source: Euronext)

	Price *(in €)*				Trading volume	
Share price and trading volume	**High**	**Average**	**Low**	**Close**	**Equities**	**Value** *(in € thousands)*
2013						
January	14.43	13.33	11.95	12.99	12,087,953	160,730
February	15.19	13.64	12.68	13.70	10,783,126	147,920
March	14.73	13.54	12.37	12.40	9,927,203	135,290
April	14.23	12.54	11.57	14.10	10,262,392	129,890
May	17.50	15.40	13.50	17.40	11,395,072	176,240
June	18.20	17.20	15.82	17.01	9,744,155	168,210
July	21.00	19.45	16.93	19.85	11,852,286	230,490
August	20.68	19.75	18.55	19.25	6,711,719	132,200
September	22.67	21.40	19.32	21.40	6,896,724	151,090
October	23.64	22.02	20.96	21.54	9,094,970	201,100
November	25.95	23.49	21.24	24.80	11,771,637	281,810
December	27.95	25.89	23.25	27.71	11,399,130	289,030

	Price *(in €)*				Trading volume	
Share price and trading volume	**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

10.3.3.2. Stock market data

	12/31/2013	12/31/2012
Stock market capitalization at year-end *(in € millions)*	3,072.2	1,299.0
Share price *(in €)*		
• High	27.95	22.86
• Low	11.57	10.61
Share price at year end *(in €)*	27.71	11.72
Shareholders' equity per share *(in €)*	12.25	11.02

10.3.3.3. Dividends

Financial Year	Number of shares carrying dividend rights	Dividends paid
2010	110,366,728	0.25 euro per share
2011	110,368,345	0.35 euro per share
2012	110,833,745	-
2013	122,588,135	0.30 euro per share

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 €)	12/31/2013	12/31/2012
Diluted earnings (loss) per share (Group share)	0.79	1.26
Cash flow per share from operating activities	8.37	2.45

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

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 acquired the license for the Epeda process, enabling the Company to improve its seats for the automotive industry and develop a new product, the spring mattress. Both businesses took 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, founder of the Allibert Company in Isère (eastern France) in 1910, decided to invest in a huge injection press, imported from the USA, to mold large plastic parts in a single piece. He changed his customer base from refrigerator manufacturers to the automotive industry.

1955. The Frères Peugeot company, with subsidiaries including Peugeot et Cie, started producing automotive equipment. The companies diversified over the years, making seats, exhaust systems, and steering columns. They extended operations outside France, dropping some products to concentrate on new lines.

1972. François Sommer, grandson of Alfred Sommer, merged his automotive floor coverings company with that of Bernard Deconinck's company, Allibert. They combined their know-how in textiles and plastics to found the Sommer Allibert Group.

In the early 1980s, Sommer Allibert invested heavily to meet the needs of the automotive industry and became a leading specialist in interior vehicle fittings for all of the major car makers. International expansion followed, with the acquisition of Spain-based Lignotock, and an extended presence in Germany from 1993.

1987. Cycles Peugeot merged with Aciers & Outillages Peugeot to form Ecia *(Équipements et Composants pour l'Industrie Automobile)*, the PSA Peugeot Citroën Group's specialist automotive equipment subsidiary. Over the next ten years, Ecia underwent concentrated industrial and geographical development.

1990. Epeda Bertrand Faure drew on its experience in manufacturing seating for transport vehicles - cars, trains, trams, etc. - to diversify gradually into other business segments. The first was bedding, with the Epeda and Mérinos brands, then luggage with Delsey in 1982 and finally the aeronautics sector with Ratier-Figeac in 1987. Nevertheless, its core business was still manufacturing components for car seats, particularly for the French market. From 1977, it acquired businesses in Portugal, Spain and Canada and gained a toehold in Germany, but the Company's international expansion entered a new phase in 1990 when it acquired the Rentrop Group in Germany. Epeda Bertrand Faure then became the European leader in automotive seating. Throughout the nineties until 1998, the Company concentrated its expertise in automotive equipment, selling off its other businesses in bedding (Epeda and Mérinos), aeronautics (Ratier-Figeac) and luggage (Delsey).

1992. Ecia sold its cycle business, followed by its tooling business. It acquired some sizeable exhaust-systems companies (Tubauto and Eli Échappement in France, Leistritz Abgastechnik in Germany and Silenciadores PCG in Spain), making it the European leader in exhaust systems. At the same time, its Automotive Seating Division joined forces with the Spanish automotive equipment supplier Irausa to form Ardasa. The company supplied exhaust systems, seats, interior fittings and front ends to Volkswagen, Renault, Daimler Chrysler, Opel, Honda and Mitsubishi.

December 11, 1997. Ecia made a friendly takeover bid for Bertrand Faure, bringing its direct and indirect stake in the Group to 99%. The result was the Faurecia group, formed in 1998 and focusing on automotive equipment. While Bertrand Faure sold its luggage (Delsey) and aeronautics (Ratier-Figeac) businesses, Ecia sold its motorcycle 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 reported sales of over €4 billion, with a workforce of 32,000. Apart from boosting its size and its global position in automotive seating, Bertrand Faure also provided Ecia with a broader geographical and commercial presence, especially in Germany, where the Company had strong links with manufacturers such as Volkswagen and BMW.

Late 1999. The Faurecia group developed its exhaust systems business in North America by acquiring the US company AP Automotive Systems.

October 2000. Faurecia purchased Sommer Allibert. The PSA Peugeot Citroën Group financed the transaction, thus increasing its shareholding in Faurecia to 71.5%. Well established in Germany and Spain, the Group commanded a significant European market share for vehicle interior fittings, especially door and instrument panels and acoustic modules.

2001. The acquisition of Sommer Allibert was completed with a public offer to buy out Sommer Allibert's minority shareholders. The resulting Group has a turnover of €9.6 billion. Faurecia then bought out the remaining minority shares held by external shareholders in Sommer Allibert's German subsidiary SAI Automotive AG.

2002. The Faurecia group acquired 49% of the South Korean catalytic converter maker Daeki Industrial, number two in its market. The same year, Faurecia formed a joint venture with the Taiwanese automotive equipment company GSK, with a view to making seats at Wuhan, in China.

2003. Faurecia followed up these acquisitions by buying the South Korean exhaust systems company Chang Heung Precision, which had market share of over 20%. This gave Faurecia's Exhaust Systems business a manufacturing presence in all continents. In Europe, the Group finalized an agreement with Siemens-VDO to strengthen and extend their joint venture (SAS). The SAS assembled cockpits for BMW, Daimler Chrysler, the Ford Group, Renault-Nissan and the Volkswagen Group.

2005. The Group strengthened its presence in Korea by increasing its shareholding in Daeki (specializing in exhaust systems for Hyundai) to 100%, and signed a joint-venture agreement with the South Korean company Kwang Jin Sang Gong (specializing in door modules for Hyundai Motors and Kia Motors).

2007. The Group took over the bumper activity of Cadence Innovation France, thus strengthening its market position in this sector in France.

2009. Faurecia acquired Emcon Technologies (formerly Arvin Industries), and became the world leader in exhaust systems. 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 gave Faurecia a route into the niche 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 bought out its joint-venture partner Tata to become the sole owner of Taco Faurecia Design Center. The company was renamed Faurecia Automotive Engineering India and became Faurecia's development center in India.

2010. Faurecia became the European leader in automotive exterior parts by acquiring the German activities of Plastal, and subsequently Plastal Espagne S.A.. As a result, Faurecia Automotive Exteriors enlarged its customer base (for instance with Ford and the four main German brands), upgraded its product offering and strengthened its industrial presence and its R&D capacity. It was able to expand internationally, setting up a joint venture in China with Huaxiang, supplier of exterior parts to Faw-Volkswagen.

The Faurecia group acquired an 18.75% stake in the Xuyang group in China, thus widening its range of products and services in the strategic sectors of 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.

In the fourth quarter of 2010, Faurecia Automotive Seating bought the "seat comfort technology" business of the German company Hoerbiger Automotive Komfortsysteme GmbH, and diversified its technological offer in seating systems.

Finally, to strengthen the technological prowess of Faurecia Interior Systems, the 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 the scope of its cooperation with the Changchun Xuyang group. This allowed it to develop locally, specifically with the FAW group. In July, it signed an agreement with the Economic and Technological Development Zone of Yancheng for an investment project allowing Faurecia to develop its seat-mechanism activity.

In November, Faurecia launched a €350-million bond issue maturing in December 2016. (The issue was supplemented by another €140-million issue in February 2012 with the same maturity date.) It arranged another syndicated line of credit 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 its acquisition of the Ford ACH interior components plant in Saline, Michigan (USA). This plant supplied 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 joint venture, called Detroit Manufacturing Systems (DMS), took over activities such as the assembly and sequencing of interior parts at a new plant in Detroit.

On February 14, Faurecia announced that in addition to its €350 million bond issue in November 2011, it had placed another issue with a nominal value of €140 million.

On April 27, Faurecia announced that it had placed a new bond issue with a nominal value of €250 million, maturing in June 2019.

On August 30, Faurecia announced that with effect from that date, it had acquired Plastal France (Plastal SAS), a supplier of plastic body parts for Smart branded vehicles (Daimler Group). The transaction followed the previous acquisitions of Plastal Allemagne and Plastal Espagne in 2010, and included the manufacturing and assembly plant and the operational headquarters in Hambach (France).

On September 10, Faurecia issued convertible bonds (OCEANE), maturing on January 1, 2018. After exercising an over-allotment option on September 12, 2012, it raised €249,999,989.00 (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. Each Faurecia ordinary share (listed on the NYSE Euronext Paris market) comprised two ADR shares.

2013. On April 10, Faurecia Interior Systems signed a joint venture agreement with the Thai component manufacturer Summit Auto Seats to support Ford in its development in South-East Asia, particularly in Thailand.

On April 22, Faurecia and Chang'an Automobile Group, one of the largest car manufacturers in China, signed a joint-venture agreement.

On November 19, Faurecia and Magneti Marelli announced their agreement to cooperate in designing, developing and manufacturing HMI products for vehicle interiors. The agreement will enhance the added value of interior solutions for the vehicles that Faurecia and Magneti Marelli supply to car manufacturers and end customers.

On December 30, Faurecia redeemed early the OCEANE bonds maturing on January 1, 2015 (ISIN FR0010827055). Bond-holders opted virtually unanimously to convert their bonds into Faurecia shares: 11,284,793 shares (99.83% of the total outstanding) were converted into 11,736,190 new Faurecia 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 sets of Statutory Auditors, appointed under 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 about Faurecia S.A. and its subsidiaries for each of the two financial years preceding the publication of the Registration Document.

CONTACT DETAILS

Faurecia

Philippe McAllister

Director of Legal Affairs

2, rue Hennape

92000 Nanterre, France

Or

The documents may 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.

The list of consolidated companies at December 31, 2013 is given in Section 9 and further details are given in the simplified organization chart of operating companies in the Faurecia group in Section 10.4.2.3 of the Registration Document.

Group subsidiaries are financed on a centralized basis, primarily through Faurecia and its subsidiary Financière Faurecia, which performs a cash pooling role. This way of functioning enables the subsidiaries to benefit from the favorable market conditions obtained from lenders by Faurecia and compensates for the borrowing and lending positions of the different entities.

As of December 31, 2013, Faurecia's net debt, corresponding to borrowings less cash and cash equivalents, marketable securities and net inter-company cash advances, amounted to €139.8 million, compared with €1,519.1 million in consolidated net debt for the Group as a whole.

FISCAL YEAR

The Company's fiscal year covers the twelve (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.

A shareholder is entitled to attend the Meetings if shares in his or her name or in the name of the registered intermediary are recorded at 00:00 (Paris time) on the third working day preceding the Meeting either in the registered share accounts held by the Company, or in the bearer share accounts held by the authorized intermediary.

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

The Articles of Association assign double voting rights to all fully paid-up shares that have been registered in the name of the same holder for at least two (2) years. 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 DEFINED IN THE ARTICLES OF ASSOCIATION

Under Article 29 of the bylaws, when any natural person or legal entity, acting alone or with others as defined in Article L. 233-10 of the French Commercial Code, owns or ceases to own a number of shares so that the share capital or voting rights held cross a threshold of 2% or any multiple of 2% (or when the holding crosses the thresholds defined in the law and regulation), that person must notify the Company by registered letter with acknowledgement of receipt of the total number of shares and voting rights he or she holds, within four (4) trading days of the threshold being crossed. This applies in addition to the obligations relating to crossing legally-defined thresholds.

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 provision supplements the statutory requirements concerning disclosure thresholds 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.

AGREEMENTS THAT IF IMPLEMENTED COULD CHANGE THE CONTROL OF THE COMPANY OR THAT COULD DELAY, 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, articles of incorporation, charters, regulations or provisions in place that could delay, postpone or prevent such a change in control.

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 September 18, 2012 have early-redemption criteria and a change-of-control clause, but no clause requiring PSA to have a minimum holding.

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 in the sense of Article L. 233-3 of the French Commercial Code, as shown in the table breaking down ownership in Section 10.3.2.

The measures taken by the Company to avoid abuse of control are described in this Registration Document:

- section 8.4 of the registration document: internal control;
- section 8.1.1 of the registration document: the presence of independent directors on the board of directors and board committees;
- section 8.1.2.1: 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 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.

10.4.2.2. Additional information on the Company's capital

As of December 31, 2013 the Company's capital amounted to €858,116,945, divided into 122,588,135 fully paid-up shares with a par value of €7 each, all of the same class. Excluding shares with no voting rights, they represented 186,396,103 theoretical voting rights and 186,351,941 exercisable voting rights. No shares have been issued that do not represent the Company's capital.

AUTHORIZED CAPITAL

The table below summarizes the status of the current financial authorizations, as voted by the General Meeting on May 30, 2013, and how they were used during 2013.

Type of authorization	Amount in €/ par value	Term	Use in 2013
Ninth 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 (ceiling common to this Resolution and to Resolutions 10 - 13 of this same Meeting) • €1 billion for debt securities (ceiling common to this Resolution and to Resolutions 10 and 11 of this same Meeting)	26 months	No
Tenth 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 public offering	• €110 million • €1 billion in debt securities	26 months	No
Eleventh 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 private placement, without pre-emptive subscription rights for existing shareholders	• €110 million • €1 billion in debt securities	26 months	No

Type of authorization	Amount in €/ par value	Term	Use in 2013
Twelfth 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
Thirteenth 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	No
Fourteenth resolution Authorization to be given to the Board of Directors to increase the share capital reserved for Company employees in accordance with the provisions of Article L. 3332-19 of the French Labor Code (Code du Travail), by issuing shares and/or securities giving access to the Company's capital	3% of the Company's capital at the date on which the Board of Directors decides to use the authority	26 months	No
Fifteenth resolution Authorization to be given to the Board of Directors to grant free shares	Up to a maximum limit of 2.5 million shares on the day the Board takes its decision	26 months	Yes. On July 24, 2013 the Board of Directors allotted performance shares (maximum of 1,215,500 shares)

POTENTIAL CAPITAL

The potential share capital comprises stock options, performance shares and convertible or exchangeable bonds (OCEANEs):

Stock options

As of December 31, 2013, a total of 1,113,600 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, 2013.

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 as defined in Articles L. 228-99 and R. 228-91 of the French Commercial Code.

ALLOCATION HISTORY FOR STOCK SUBSCRIPTION AND PURCHASE PLANS

TABLE 8 (NUMBERED AS PER AMF RECOMMENDATION 2009-16 AS AMENDED ON DECEMBER 17, 2013)

Information on the stock subscription options	Plan No. 14	Plan No. 15	Plan No. 16	Plan No. 17	Plan No. 18
Date of Shareholders' Meeting (SM)/Board Meeting (BM)	SM, 15/05/2002 BM, 04/14/2004	SM, 05/25/2004 BM, 04/19/2005	SM, 05/23/2005 BM, 04/13/2006	SM, 05/23/2005 BM, 04/16/2007	SM, 05/29/2007 BM, 04/10/2008
Adjusted total number of shares available for subscription	313,560	321,750	340,800	346,200	357,000
Adjusted total number of shares for which Mr. Delabrière may subscribe	-	-	-	48,000	60,000
Earliest exercise date	04/14/2008	04/19/2009	04/13/2010	04/17/2011	04/10/2012
Last exercise date	04/13/2014	04/18/2015	04/12/2016	04/16/2017	04/09/2018
Adjusted exercise price	€49.73	€54.45	€45.20	€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, 2013	0	0	0	0	0
Accumulated number of stock options cancelled or forfeited	153,855	130,455	142,800	91,800	46,800
Stock options outstanding at the end of 2013	159,705	191,295	198,000	254,400	310,200

* *None of these plans has performance conditions.*

Historical data in respect of stock subscription or purchase is provided in Note 22 to the consolidated financial statements.

TABLE 9 (NUMBERED AS PER AMF RECOMMENDATION 2009-16 AS AMENDED ON DECEMBER 17, 2013)

Stock options granted to/exercised by the ten employees who received the highest number of options	Total number of options granted/ shares subscribed or purchased	Weighted average price *(in €)*
Options granted during 2013 by the issuer or any other company entitled to grant the options to the ten employees of those companies who were allocated most options. *(Total)*	0	0
Options previously granted by the issuer and the companies defined above that were exercised during 2013 by the ten employees of those companies who bought or subscribed for most options *(Total)*	0	0

No stock purchase or subscription options were granted in 2013.

Performance shares

Further to the authorization granted at the Shareholders' Meeting of May 30, 2013 to the Board of Directors to award performance shares, on July 24, 2013 the Board of Directors of Faurecia adopted the rules for performance share plan No. 5 and decided on the List of 266 beneficiaries eligible to receive, subject to achieving the plan's performance targets, a maximum of 1,215,500 Faurecia shares.

ALLOCATION HISTORY FOR PERFORMANCE SHARES

TABLE 10 (NUMBERED AS PER AMF RECOMMENDATION 2009-16 AS AMENDED ON DECEMBER 17, 2013)

Information on the allocation of performance shares	Plan No. 1 of June 23, 2010	Plan No. 2 of July 21, 2010	Plan No. 3 of July 25, 2011	Plan No. 4 of July 23, 2012	Plan No. 5 of July 24, 2013
Date of Shareholders' Meeting (SM)/Board Meeting (BM)	• SM, February 8, 2010 • BM, June 23, 2010	• SM, February 8, 2010 • BM, July 21, 2010	• SM, May 26, 2011 • BM, July 25, 2011	• SM, May 26, 2011 • BM, July 23, 2012	• SM, May 30, 2013 • BM, July 24, 2013
Max. number of shares granted during the relevant period	860,600	887,250	933,400	1,049,100	1,215,500
Total maximum number of shares that may be allotted to Mr. DELABRIÈRE	37,050	37,050	52,000	52,000	71,500
Target number of shares granted during the relevant period	662,000	682,500	718,000	807,000	935,000
Grant date	June 23, 2012 for beneficiaries working and tax resident in France/ June 23, 2014 for others	July 21, 2013 for beneficiaries working and tax resident in France/ July 21, 2014 for the others	July 25, 2014 for beneficiaries working and tax resident in France/ July 25, 2015 for others	July 23, 2015 for beneficiaries working and tax resident in France/ July 23, 2016 for others	July 24, 2017 for all plan beneficiaries, working and tax resident in France or abroad
Vesting date	June 23, 2014 for all plan beneficiaries, working and tax resident in France or abroad	July 21, 2015 for beneficiaries working and tax resident in France/ July 21, 2014 for others	July 25, 2016 for beneficiaries working and tax resident in France/ July 25, 2015 for others	July 23, 2017 for beneficiaries working and tax resident in France/ July 23, 2016 for others	July 24, 2017 for all plan beneficiaries, working and tax resident in France or abroad
Performance condition	The Group's pretax net income at December 31, 2011 before gains on asset disposals and change in the scope of consolidation	The Group's pretax net income at December 31, 2012 before gains on asset disposals and change in the scope of consolidation	The Group's pretax net income at December 31, 2013 before gains on asset disposals and change in the scope of consolidation	The Group's pretax net income at December 31, 2014 before gains on asset disposals and change in the scope of consolidation; and A comparison between the growth between 2011 and 2014 in the Company's net earnings per share, and the average growth of a reference group of international automotive suppliers.	The Group's pretax net income at December 31, 2015 before gains on asset disposals and change in the scope of consolidation; and A comparison between the growth between 2012 and 2015 in the Company's net earnings per share, and the average growth of a reference group of international automotive suppliers.
Number of shares acquired at December 31, 2013	**478,400**	**0**	**-**	**-**	**-**
Accumulated number of shares cancelled or forfeited at December 31, 2013*	**140,400**	**682,500**	**106,000**	**70,500**	**24,000**
Shares allocated free of charge remaining at the end of the period*	**241,800**	**0****	**612,000**	**736,500**	**911,000**

* *The maximum performance condition for Plan No. 1 was fulfilled, so the Plan is based on the maximum number of shares. The other Plans are based on the target number.*

** *The performance condition for Plan No. 2 was not met, so no shares were awarded to any beneficiary under this Plan.*

Convertible or exchangeable bonds (OCEANE)

- On September 18, 2012, based on the authority given to the Board of Directors by the Shareholders' Meeting on May 23, 2012, the Board's decision 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 maturing on January 1, 2018 (gross issue value €249,999,989).

  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, 2013, no bond had been converted into shares.

- On November 30, 2013, Faurecia exercised its early-redemption option, at par plus accrued interest, on convertible bonds maturing on January 1, 2015. Bond-holders opted virtually unanimously to convert their bonds into Faurecia shares: on December 30, 2013, 11,284,793 bonds (99.83% of the total outstanding) were converted into 11,736,190 new Faurecia shares.

TRADING BY THE COMPANY IN ITS OWN SHARES DURING 2013 (ARTICLE L. 225-211 OF THE FRENCH COMMERCIAL CODE)

The Shareholders' Meeting on May 30, 2013 authorized the implementation of a share-buyback program, superseding that authorized in the Tenth Resolution of the Shareholders' Meeting on May 23, 2012.

TREASURY STOCK (EXCLUDING THE LIQUIDITY AGREEMENT)

At December 31, 2013 the Company held 30,791 shares in treasury (see Note 11 in the Appendix 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.

As required under Article L. 225-210 of the French Commercial Code, the value of all the Company's treasury shares does not exceed the amount of its available reserves, excluding the legal reserve, as shown in the parent-company financial statements for the year ended December 31, 2013.

During 2013, a total of 1,410,550 shares were purchased in relation to the liquidity agreement (1.15% of the share capital, cost €24,431,027.32), and 1,411,703 shares were sold for €24,641,123.00.

On December 31, 2013, assets in the liquidity account relating to the liquidity contract comprised 13,371 shares (valued at €370,443.56), and €1,929,464.88 in cash.

In 2013, the capital gain relating to the liquidity agreement was €189,970, and the return on cash was €2,336.76. Management fees under the liquidity agreement came to €50,000 (excluding VAT) in 2013.

DESCRIPTION OF BUY-BACK PROGRAM

(defined according to Article 241-2 of the AMF's General Regulation)

A new share buyback authorization will be submitted to the Shareholders' Meeting of May 27, 2014, with the following terms and conditions:

Eighth 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 French Code of commerce

The shareholders, having considered the Board of Directors' report, authorized the Board, for a period of eighteen months in accordance with Articles L. 225-209 et seq. of the French Code of commerce, 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 seventh resolution ruling on ordinary business at the Ordinary & Extraordinary Shareholders' Meeting held on 30 May 2013.

The purchases may be made with a view to:

- supporting the secondary market or 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 cancelling the shares purchased, subject to the authorization to be granted by this Shareholders' Meeting in its ninth 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.

These 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 €50 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 guidance, the maximum amount which the Company would be likely to pay in the hypothesis of a maximum purchase price of €50 would be €610,732,550 on the basis of the registered capital as at 31 December 2013 (made up of 122 588 135 shares) and taking into account the 44 162 treasury shares held by the Company on that date.

The shareholders granted 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 SHARE CAPITAL OVER THE LAST FIVE YEARS

Year and type of transaction	Increase/reduction in share capital *(in €)* Nominal amount	Premium	New capital stock *(in €)*	Resulting share premium *(in €)*	New number of shares
05/2009 Share capital increased by issuing 65,053,456 new shares for a gross amount of €455,374,192	455,374,192	-	626,139,528	742,080,152.44	89,448,504
02/2010 Share capital increased by issuing 20,918,224 new shares for a gross amount of €146,427,568	146,427,568	-	772,567,096	742,080,152.44	110,366,728
02/2011 Share capital increased by 69 new shares following bond conversions	483	806.61	772,567,579	742,080,959.10	110,366,797
04/2011 Share capital increased by 1,006 new shares following bond conversions	7,042	11,760.14	772,574,621	742,092,719.20	110,367,803
07/2011 Share capital increased by 300 new shares following bond conversions	2,100	3,507	772,576,721	742,096,226.20	110,368,103
02/2012 Share capital increased by 242 new shares following bond conversions	1,694	2,828.98	772,578,415	742,099,055.18	110,368,345
06/2012 Share capital increased by creating 465,400 shares under performance-share Plan No. 1	3,257,800	-	775,836,215	-	110,833,745
03/2013 Share capital increased by creating 5,200 shares under performance-share Plan No. 1	36,400	-	775,872,615	-	110,838,945
08/2013 Share capital increased by creating 7,800 shares under performance-share Plan No. 1	54,600	-	775,927,215	-	110,846,745
09/2013 Share capital increased by creating 5,200 shares under performance-share Plan No. 1	36,400	-	775,963,615	-	110,851,945
12/2013 Share capital increased by 11,736,190 new shares following the early redemption of the OCEANE maturing on January 1, 2015	82,153,330	128,759,451.17	858,116,945	870,858,506.35	122,588,135

CHANGES IN SHAREHOLDER STRUCTURE OVER THE LAST THREE YEARS

Shareholders at December 31, 2013	Shares	% share capital	Theoretical voting rights*	% theoretical voting rights	Voting rights exercisable in the General Meeting*	% voting rights exercisable in the General Meeting
Peugeot S.A.	63,380,509	51.70	126,761,018	68.00	126,761,018	68.02
Faurecia Actionnariat Corporate Mutual fund	302,053	0.25	510,299	0.27	510,299	0.27
Board members	47,196	0.04	55,387	0.03	55,387	0.03
Treasury stock	44,162	0.04	44,162	0.02	0	0.00
o/w liquidity contract	*13,371*	*0.01*	*13,371*	*0.00*	*0*	*0.00*
Other (registered and bearer)	58,814,215	47.98	59,025,237	31.67	59,025,237	31.67
TOTAL	**122,588,135**	**100**	**186,396,103**	**100**	**186,351,941**	**100**

* *Calculated based on information from the Caceis Corporate Trust Register on December 31, 2013.*

Shareholders at December 31, 2012	Shares	% share capital	Theoretical voting rights*	% theoretical voting rights	Voting rights exercisable in the General Meeting*	% voting rights exercisable in the General Meeting
Peugeot S.A.	63,380,509	57.18	126,761,018	72.60	126,761,018	72.61
Faurecia Actionnariat Corporate Mutual fund	270,315	0.24	438,235	0.25	438,235	0.25
Board members	73,906	0.07	82,097	0.05	82,097	0.05
Treasury stock	41,979	0.04	41,979	0.02	0	0
o/w liquidity contract	*16,229*	*0.01*	*16,229*	*0.00*	*0*	*0*
Other (registered and bearer)	47,067,036	42.47	47,287,692	27.08	47,287,692	27.09
TOTAL	**110,833,745**	**100**	**174,611,021**	**100**	**174,569,042**	**100**

* *Calculated based on information from the Caceis Corporate Trust Register on December 31, 2012.*

Shareholders at December 31, 2011	Shares	% share capital	Theoretical voting rights*	% theoretical voting rights	Voting rights exercisable in the General Meeting*	% voting rights exercisable in the General Meeting
Peugeot S.A.	63,380,509	57.43	126,761,018	72.87	126,761,018	72.89
Faurecia Actionnariat Corporate Mutual fund	208,246	0.19	335,935	0.19	335,935	0.19
Treasury stock	46,872	0.04	46,872	0.03	0	0
o/w liquidity contract	*21,122*	*0.02*	*21,122*	*0.01*	*0*	*0*
Board members	35,601	0.03	42,972	0.02	42,972	0.02
Other (registered and bearer)	46,697,117	42.31	46,777,739	26.89	46,777,739	26.90
TOTAL	**110,368,345**	**100**	**173,964,536**	**100**	**173,917,664**	**100**

* *Calculated based on information from the Caceis Corporate Trust Register on December 31, 2011.*

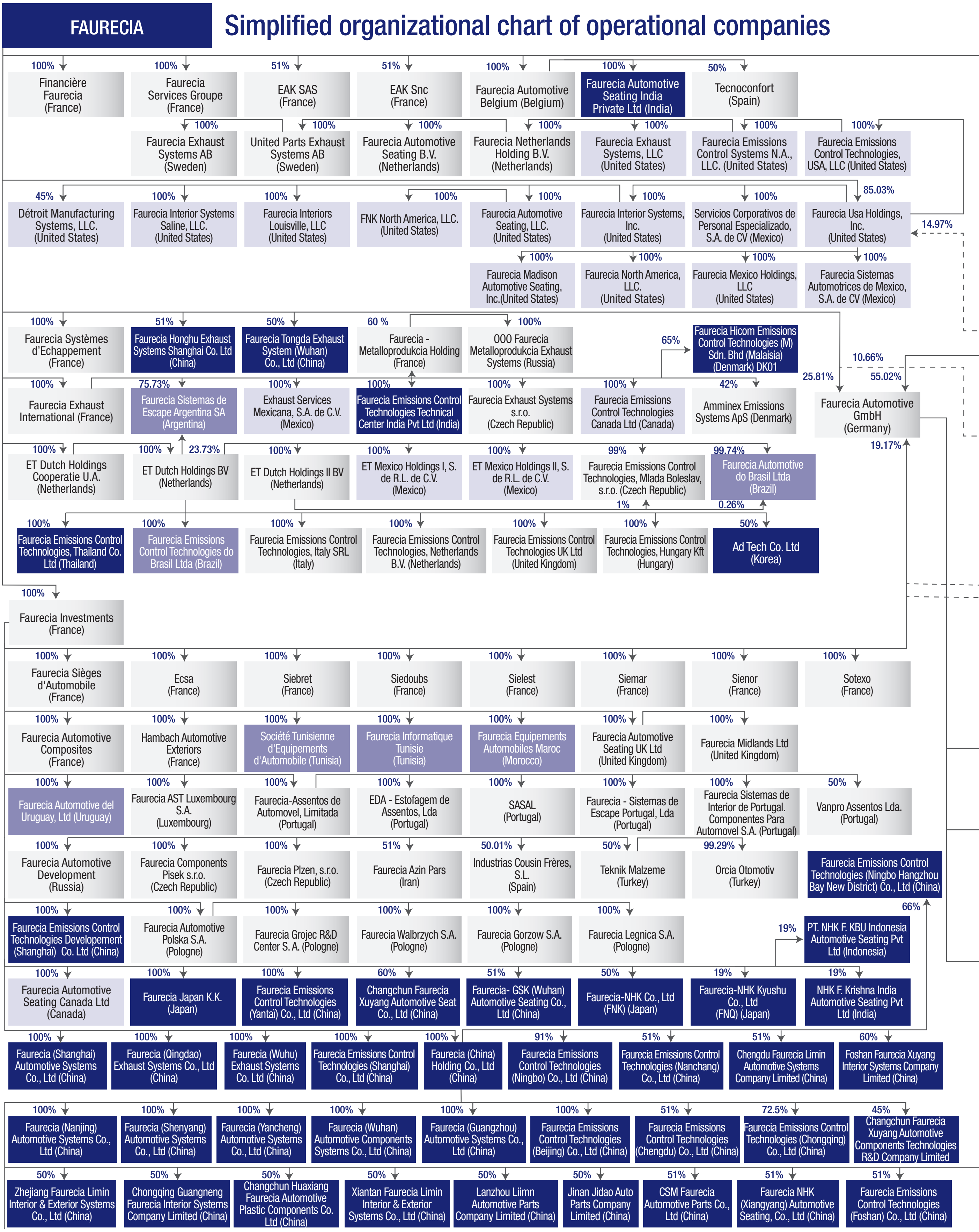
MAJORITY SHAREHOLDER

At December 31, 2013, Peugeot S.A. held 51.70% of Faurecia's share capital.

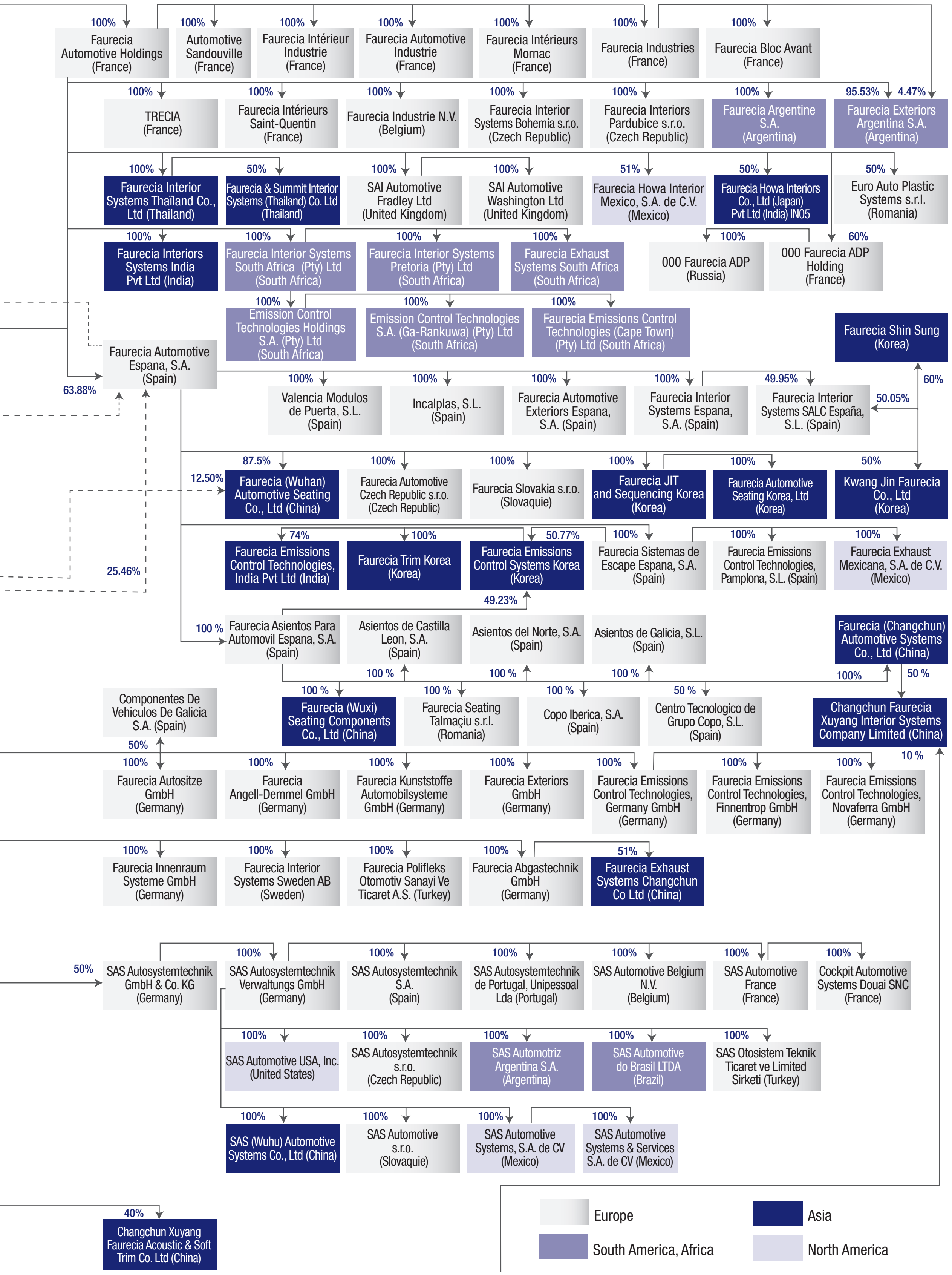
IDENTIFICATION OF SHAREHOLDERS

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, 2013 (directly ou indirectly controlled)



10.4.2.4. Additional information on the audit of the financial statements

A. THE 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 30, 2013, the terms of office of Ernst & Young Audit and PricewaterhouseCoopers Audit were renewed for a six-year period.

In 2013, Ernst & Young Audit and PricewaterhouseCoopers Audit received €4.8 million and €2.7 million respectively for their audit assignments.

The table in Note 33 of the Appendix to the Consolidated Financial Statements shows the fees that Faurecia and its fully consolidated subsidiaries recorded in their 2013 accounts for work assigned to the Statutory Auditors.

B. PERSONS RESPONSIBLE FOR AUDITING THE ACCOUNTS

	Date of first appointment	Expiry of current term
STATUTORY AUDITORS		
ERNST & YOUNG Audit represented by Denis THIBON (Member of the Versailles Regional Association of Statutory Auditors) Tour First TSA 14444 92037 Paris - La Défense Cedex France	June 17, 1983	2019 AGM
PricewaterhouseCoopers Audit represented by Éric BERTIER (Member of the Versailles Regional Association of Statutory Auditors) 63, rue de Villiers 92208 Neuilly-sur-Seine France	May 27, 2003	2019 AGM
ALTERNATE AUDITORS		
Auditex	May 27, 2003	2019 AGM
Étienne BORIS	May 23, 2005	2019 AGM

11

Ordinary and Extraordinary Shareholders' Meeting on May 27, 2014

CONTENTS

11.1. Agenda

ORDINARY BUSINESS

First resolution - Approval of the statutory financial statements for the financial year ended on 31 December 2013, and approval of non-tax deductible expenses and charges.

Second resolution - Approval of the consolidated financial statements for the financial year ended on 31 December 2013.

Third resolution - Appropriation of the net income for the financial year, fixing of the dividend, option for payment of the dividend in cash or in shares, issue price of the shares to be issued, fractional shares and option periods.

Fourth resolution - Statutory Auditors' special report on regulated agreements and undertakings, and approval of the agreement concerned thereby.

Fifth resolution - Opinion on the compensation components due or granted to the Chairman and Chief Executive Officer, Mr. Yann Delabrière, in respect of the financial year ended on 31 December 2013.

Sixth resolution - Election of Mrs Bernadette Spinoy as a Director.

Seventh resolution - Election of Mr. Carlos Tavares as a Director.

Eighth 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 French Code of commerce.

EXTRAORDINARY BUSINESS

Ninth resolution - Authorization to be granted to the Board of Directors to cancel shares of the Company purchased within the framework of Article L. 225-209 of the French Code of commerce.

Tenth resolution - Amendments to be made to the Articles of Association for purposes of increasing the maximum age limit for the Chairman of the Board of Directors, the General Manager and the Deputy General Managers.

Eleventh resolution - Powers to carry out formalities.

11.2. Explanatory notes to the resolutions

1. ORDINARY BUSINESS

The first three resolutions to be submitted to the vote concern the approval of the 2013 financial statements and appropriation of the net income.

The fourth resolution concerns regulated agreements and undertakings.

The purpose of the fifth resolution is to consult the shareholders and obtain their opinion, in accordance with the AFEP/MEDEF Code, on the compensation due or granted to Mr. Yann Delabrière in respect of the 2013 financial year based on the basis of the Say on Pay principle.

The sixth and seventh resolutions concern matters of corporate governance: election of Mrs Bernadette Spinoy as a Director pursuant to the sixth resolution and election of Mr. Carlos Tavares pursuant to the seventh resolution.

Finally, the last resolution on ordinary business concerns the share buyback program.

1.1 Approval of the financial statements and appropriation of the net income (1st to 3rd resolutions)

APPROVAL OF THE 2013 STATUTORY FINANCIAL STATEMENTS (1ST RESOLUTION)

We are seeking your approval of these financial statements, showing a net income of €99,066,091.75.

We are also seeking your approval of the total amount of expenses and charges referred to in Article 39-4 of the French General Tax Code, i.e. €152,359.12, in connection with which no tax has been borne.

APPROVAL OF THE 2013 CONSOLIDATED FINANCIAL STATEMENTS (2ND RESOLUTION)

We are seeking your approval of these financial statements, showing a net income (Group share) of €87.6 million.

APPROPRIATION OF NET INCOME (3RD RESOLUTION)

The appropriation we are proposing is in compliance with the law and our Articles of Association.

We are thus seeking your approval of the appropriation of the net income, amounting to €99,066,091,75, as presented below:

Origin

• Net income for the financial year	€99,066,091.75
• Retained earnings carried over from previous years	€1,023,644,455.73
Total to be allocated	**€1,122,710,547.48**

Appropriation

• Statutory reserve	€4,953,304.59
• Dividend	€36,776,440.50
• Retained earnings	€1,080,980,802.39
Total appropriation	**€1,122,710,547.48**

In light of the Group's performance, the Board of Directors has decided to propose that a dividend of €0.30 gross per share be distributed, and that the shareholders be given the possibility to opt for payment of said dividend either in cash or in new shares. For individuals domiciled in France for tax purposes, this distribution will be eligible for the 40% tax relief indicated in Article 158-3 2° of the French General Tax Code.

In the event of a change in the number of shares conferring entitlement to the dividend as compared to the 122,588,135 shares making up the registered capital as at 31 December 2013, the total amount of the dividends would be adjusted accordingly, and the amount appropriated to retained earnings would be calculated based on the dividends actually paid.

The price of the share remitted in payment will be equal to 90% of the average price quoted in the twenty trading sessions prior to the date of the Shareholders' Meeting, less the net amount of the dividend. That price will be announced at the Shareholders' Meeting.

The period during which the option can be exercised will run from 30 May to 16 June 2014 inclusive.

Any shareholder not having opted for payment of the dividend in the form of shares upon expiry of said period will be paid their dividend in cash.

Payment of the dividend in cash and delivery of the new shares will occur on the same day, i.e. on 24 June 2014. Trading ex-coupon will occur on 30 May 2014, i.e. the opening date of the option exercise period.

The shares issued in payment of the dividend will carry rights as from 1 January 2014.

Pursuant to the provisions of Article 243 *bis* of the French General Tax Code, we would remind you that the following dividends have been distributed 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 tax relief**
2010	€27,591,699.25* i.e. €0.25 per share	-	-
2011	€38,628,920.75* i.e. €0.35 per share	-	-
2012	-	-	-

* *Including the amount of unpaid dividends on treasury shares allocated to retained earnings.*

1.2 Regulated agreements and undertakings (4th resolution)

We are seeking your approval of the agreement authorized by the Board of Directors at its 11 February 2014 meeting and referred to in the Statutory Auditors' special report.

This agreement concerns Mr. Yann Delabrière's pension plan, the terms and conditions of which are set out in the explanatory note to the 5th resolution below.

As this undertaking constitutes a regulated agreement within the meaning of Article L. 225-42-1 of the French Code of commerce, it therefore required the prior approval of the Board of Directors pursuant to Article L. 225-38 of said same Code.

Aside from this agreement, no other new agreements were entered into during the past closed financial year or at the start of the current financial year, nor have any such agreements been renewed by tacit agreement during said same period.

1.3 Say on Pay (5th resolution)

The compensation components due or granted to Mr. Yann Delabrière for the financial year closed on 31 December 2013 in respect of which the shareholders are consulted in order to issue their opinion thereon are as set out in the table below:

Compensation components due or granted in respect of the financial year closed on 31 December 2013	Amounts or accounting valuation subject to a vote by the shareholders	Presentation
Fixed compensation	€700,000.08 (amount paid)	Mr. Yann Delabrière's fixed compensation has remained the same since the 2011 financial year.
Annual variable compensation	€700,000 (amount paid)	The targets were fixed at the Board meeting held on 11 February 2013, and are in relation with the operating margin, the free cash flow, and qualitative objectives. The contribution of each of the targets thus fixed has been drawn up by the Board of Directors as follows: • operating margin: 20% ; • free cash flow: 50% ; • qualitative objectives: 30%. The expected levels of achievement in respect of the quantitative criteria have been fixed by the Board at the level of the budget as approved by the Board for the operating margin, and above said same budget for the free cash flow. The qualitative objectives concern the organization and management of Faurecia's operations in North America, the drawing up and implementation of the succession plans for the Executive Committee, and implementation of the policies and operations approved by the Board as regards generation of the Group's cash. On the recommendation of the Appointments & Compensation Committee at its 10 February 2014 meeting, the Board of Directors, at its 11 February 2014 meeting, fixed Mr. Yann Delabrière's variable compensation for 2013 at €700,000, as certain targets had been met, others exceeded and, finally, others insufficiently achieved.

Compensation components due or granted in respect of the financial year closed on 31 December 2013	Amounts or accounting valuation subject to a vote by the shareholders	Presentation
Deferred variable compensation	NA	There is no deferred variable compensation.
Multi-annual variable compensation	NA	There is no multi-annual variable compensation.
Exceptional compensation	NA	There is no exceptional compensation.
Stock options, performance shares or any other long-term compensation components	Options = NA	There are no stock subscription or purchase options.
	Performance shares = €1 386 456 (accounting valuation)	Pursuant to the authorization granted at the Shareholders' Meeting held on 30 May 2013 (in the fifteenth resolution ruling on extraordinary business), the Board, in a decision made on 24 July 2013, allotted a maximum of 71,500 shares to Mr. Yann Delabrière within the framework of the free performance share allocation plan n° 5. Those 71,500 shares represented 0.06% of the registered capital as at 31 December 2013. The related performance conditions are as follows: • net income before tax – Group as at 31 December 2015 before taking into account capital gains on sales of assets and changes in the scope of consolidation; and • comparison between the growth in net income per share in the Company as measured between on the one hand the 2012 financial year and the 2015 financial year and, on the other hand, the average growth for a reference group made up of automotive equipment manufacturers worldwide. If the performance conditions of plan n° 5 have been reached at their maximum level at the close of the financial year 2015, then Mr. Yann Delabrière will be allotted a maximum number of 71,500 shares.
	Other components = NA	
Attendance fees	NA	Mr. Yann Delabrière is not paid attendance fees.
Valuation of benefits (all types)	€7,371,60 (accounting valuation)	Car

Compensation components due or granted in respect of the financial year closed on 31 December 2013 which require or have required a vote by the shareholders pursuant to the procedure for regulated agreements and undertakings	Amount subject to a vote by the shareholders	Presentation
Severance pay	NA	There is no severance pay.
Non-compete indemnity	NA	There is no non-compete clause.
Supplementary pension scheme	No payment during closed financial year	Description of the defined benefits scheme: • minimum seniority: 5 years of seniority at the time of retirement; • progressiveness of the increase in potential rights in relation to seniority and remuneration: the potential rights increase each year by 1% of bracket C; • reference period taken into account for computing benefits: seniority starting from 1st March 1990; • reference income and maximum percentage of said income to which the supplementary retirement scheme gives a right: the reference income taken into account is the average of the annual remunerations collected during the last three years; benefits are computed on bracket C only (between 4 and 8 times the annual Social Security ceiling); the potential rights opened individually come to an annual pension of €33,350 (value at 31 December 2013), or 3% of the reference revenue. Description of the defined contributions scheme: • a scheme with contributions defined on brackets A and B for an amount of 1% on bracket A and 6% on bracket B of remuneration without participation by the beneficiary; • contributions paid by the Company in 2013: €7,036. These two schemes are still open to all executives of the group having less than five years of seniority at the time of retirement. This scheme as described above for Mr. Yann Delabrière was authorized by the Board of Directors at its 11 February 2014 meeting, and will be put to the vote by the shareholders at the Shareholders' Meeting to be held on 27 May 2014.

1.4 Corporate governance (6th and 7th resolutions)

It is proposed that you elect Mrs Bernadette Spinoy as a Director.

Mrs Bernadette Spinoy will take the seat vacated by Mr. Jean-Claude Hanus following the Board meeting held on 16 April 2014.

Mrs Bernadette Spinoy will hold office for a term of 5 years, i.e. until the Shareholders' Meeting to be held in 2019 for purposes of ruling on the financial statements for the past financial year.

The Board of Directors ruled that Mrs Bernadette Spinoy is considered to be an independent director from the standpoint of the independence criteria set out in the AFEP/MEDEF Corporate Governance Code for listed companies used by Faurecia as its reference code for corporate governance matters.

It is also proposed that you elect Mr. Carlos Tavares as a Director.

Mr. Carlos Tavares will take the seat vacated by Mr. Philippe Varin following the Board meeting held on 16 April 2014.

Mr. Carlos Tavares will hold office for a term of 5 years, i.e. until the Shareholders' Meeting to be held in 2019 for purposes of ruling on the financial statements for the past financial year.

The Board of Directors ruled that Mr. Carlos Tavares is not considered to be an independent director from the standpoint of the independence criteria set out in the AFEP/MEDEF Corporate Governance Code for listed companies used by Faurecia as its reference code for corporate governance matters, given his functions within Faurecia's main shareholder.

1.5 Share buyback program (8th 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.

These shares may be purchased by any means, including through block purchases of shares, and at times deemed appropriate by the Board of Directors.

These 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 authorization to be granted to the Board of Directors includes a maximum purchase price of (€50), a maximum limit on the overall amount which may be allocated to the buyback program (€610,732,550), 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, and will terminate that granted to the Board of Directors by the shareholders in the 7th resolution ruling on ordinary business at the Shareholders' Meeting held on 30 May 2013.

2. EXTRAORDINARY BUSINESS

The 9th resolution will enable the Board of Directors to reduce the share capital by cancelling treasury shares held.

The 10th resolution relates to amendments to be made to the Articles of Association.

2.1 Cancellation of treasury shares held (9th resolution)

This resolution will authorize the Board of Directors to cancel shares of the Company purchased pursuant to the 8th 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 Amendments to the Articles of Association (10th resolution)

The amendments to be submitted to the vote aim at increasing the maximum age limit for holding office of the corporate officers (non-executive Chairman, General Manager, Deputy General Manager) so as to enable Mr. Yann Delabrière to remain in office as Chairman & Chief Executive Officer until the end of his term of office which will expire at the Shareholders' Meeting to be held in 2017. These amendments will also give Faurecia the requisite flexibility in which to organize the succession plan for Mr. Yann Delabrière.

Consequently, Articles 16, 18 and 20 of the Articles of Association will be amended, with the maximum age limit being increased from 65 to 70.

Finally, the 11th resolution concerns the granting of powers to carry out the formalities required after the Shareholders' Meeting, and in particular the filing and publication formalities.

11.3. Resolutions

ORDINARY BUSINESS

FIRST RESOLUTION

Approval of the statutory financial statements for the financial year ended on 31 December 2013, and approval of non-tax deductible expenses and charges

The shareholders, having considered the Board of Directors' report and the Statutory Auditors' report on the statutory financial statements as 31 December 2013, approved said statutory financial statements as presented, showing a net income of €99,066,091.75.

The shareholders in particular approved the total amount of expenses and charges referred to in Article 39-4 of the General Tax Code, i.e. €152,359.12, said amount corresponding to the non-deductible portion of lease payments for passenger vehicles, it being noted that no tax was borne in connection with said expenses and charges.

SECOND RESOLUTION

Approval of the consolidated financial statements for the financial year ended on 31 December 2013

The shareholders, having considered the Board of Directors' report and the Statutory Auditors' report on the consolidated financial statements as at 31 December 2013, approved said consolidated financial statements as presented, showing a net income (Group share) of €87.6 million.

THIRD RESOLUTION

Appropriation of the result for the financial year, fixing of the dividend, option for payment of the dividend in cash or in shares, issue price of the shares to be issued, fractional shares and option periods.

On the recommendation of the Board of Directors, the shareholders decided to allocate the net income for the financial year closed on 31 December 2013 as follows:

Origin

• Net income for the financial year	€99,066,091.75
• Retained earnings carried over from prior years	€1,023,644,455.73
Total to be allocated	**€1,122,710,547.48**

Appropriation

• Statutory reserve	€4,953,304.59
• Dividend	€36,776,440.50
• Retained earnings	€1,080,980,802.39
Total appropriation	**€1,122,710,547.48**

The shareholders formally acknowledged that the total gross dividend per share was fixed at €0.30.

Said dividend is eligible in full for the 40% tax relief indicated in Article 158-3-2° of the French General Tax Code.

In the event of a change in the number of shares conferring entitlement to the dividend as compared to the 122,588,135 shares making up the registered capital as at 31 December 2013, the total amount of the dividends would be adjusted accordingly, and the amount appropriated to retained earnings would be calculated based on the dividend actually paid.

The dividends will be paid on 24 June 2014. Trading ex-coupon will occur on 30 May 2014.

In accordance with Articles L. 232-18 et seq. of the French Code of commerce and Article 25 of the Company's Articles of Association, and after having established that the registered capital had been fully paid up, the shareholders decided to offer each shareholder, with regard to the total amount of the dividend net of all mandatory deductions in relation to the shares owned by said shareholder, an option to have said dividend paid in cash or in the form of new shares.

Pursuant to the provisions of Article L. 232-19 of the French Code of commerce, the price of the share remitted in payment of the dividend will be equal to 90% of the average price quoted in the twenty trading sessions prior to the date of this General Meeting, less the net amount of the dividend. This issue price may be rounded upward to the nearest decimal place.

Each shareholder will have the possibility of opting for either method of payment of the dividend, but the option thus chosen will apply to the total amount of the dividend in respect of which the option is offered to the shareholder in question.

Shareholders wishing to opt for payment of the dividend in the form of shares will have from 30 May to 16 June 2014 inclusive in which to make their request known to the financial intermediaries authorized to pay the dividend. Accordingly, any shareholder not having opted for payment of the dividend in the form of shares upon expiry of said period will be paid the dividend in cash.

If the amount of the net dividend in respect of which the shareholder has exercised the option does not correspond to a whole number of shares, said shareholder will be able to:

- either obtain the whole number of shares immediately below, together with a balancing payment in cash on the exercise date; or
- obtain the number of shares immediately above, by paying the difference in cash.

For shareholders opting for a cash payment, the amounts due to them will be paid on 24 June 2014. Delivery of the new shares to those shareholders having opted for payment of the dividend in the form of shares will occur on the day of payment of the dividend in cash, i.e. 24 June 2014.

The shares issued in payment of the dividend will carry rights as from 1 January 2014.

Pursuant to the provisions of Article 243 bis of the French General Tax Code, the shareholders formally acknowledged that they had been reminded of the following distributions of dividends and income 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 tax relief**
2010	€27,591,699.25* i.e. €0.25 per share	-	-
2011	€38,628,920.75* i.e. €0.35 per share	-	-
2012	-	-	-

* *Including the amount of unpaid dividends on treasury shares allocated to retained earnings.*

The shareholders granted full powers to the Board of Directors, which may be sub-delegated, for purposes of implementing this resolution, establishing completion of the capital increase resulting from the exercising of the option to receive payment of the dividend in the form of shares, amending the Articles of Association and, as a consequence thereof, carrying out all publication formalities.

FOURTH RESOLUTION

Statutory Auditors' special report on regulated agreements and undertakings, and approval of the agreement concerned thereby

The shareholders, ruling on the Statutory Auditors' special report on regulated agreements and undertakings which had been presented to them, approved the new agreement indicated in said report.

FIFTH RESOLUTION

Opinion on the compensation components due or granted to the Chairman and Chief Executive Officer, Mr. Yann Delabrière, in respect of the financial year closed on 31 December 2013

The shareholders, consulted in application of the recommendation contained in Section 24.3 of the AFEP/MEDEF Corporate Governance Code of June 2013, same constituting the Company's reference code in application of Article L. 225-37 of the French Code of commerce, and ruling under the conditions as regards quorum and majority required for Ordinary Shareholders' Meetings, issued a favourable opinion on the compensation components due or granted to Mr. Yann Delabrière in respect of the financial year closed on 31 December 2013 as set out in the reasons for the proposed resolutions.

SIXTH RESOLUTION

Election of Mrs Bernadette Spinoy as a Director

The shareholders decided to elect Mrs Bernadette Spinoy as a Director for a term of five years, same to expire at the Ordinary Shareholders' Meeting to be held in 2019 for purposes of ruling on the financial statements for the past financial year.

Mrs Bernadette Spinoy had indicated in advance that she would accept said office as a Director, and that she was not affected by any incompatibility likely to prevent her from holding same.

SEVENTH RESOLUTION

Election of Mr. Carlos Tavares as a Director

The shareholders decided to elect Mr. Carlos Tavares as a Director for a term of five years, same to expire at the Ordinary Shareholders' Meeting to be held in 2019 for purposes of ruling on the financial statements for the past financial year.

Mr. Carlos Tavares had indicated in advance that he would accept said office as a Director, and that he was not affected by any incompatibility likely to prevent him from holding same.

EIGHTH 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 French Code of commerce

The shareholders, having considered the Board of Directors' report, authorized the Board, for a period of eighteen months in accordance with Articles L. 225-209 et seq. of the French Code of commerce, 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 seventh resolution ruling on ordinary business at the Ordinary & Extraordinary Shareholders' Meeting held on 30 May 2013.

The purchases may be made with a view to:

- supporting the secondary market or 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 cancelling the shares purchased, subject to the authorization to be granted by this Shareholders' Meeting in its ninth 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.

These 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 €50 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 guidance, the maximum amount which the Company would be likely to pay in the hypothesis of a maximum purchase price of €50 would be €610,732,550 on the basis of the registered capital as at 31 December 2013 (made up of 122,588,135 shares) and taking into account the 44,162 treasury shares held by the Company on that date.

The shareholders granted 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

NINTH 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 French Code of Commerce

The shareholders, having considered the Board of Directors' report and the Statutory Auditors' report:

1. authorized 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 twenty-four 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 French Code of Commerce, as well as to reduce the registered capital by the same amount in accordance with the legal and regulatory provisions in force;
2. fixed the period of validity of this authorization at eighteen months;
3. granted 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.

TENTH RESOLUTION

Amendments to be made to the Articles of Association for purposes of increasing the maximum age limit for the Chairman of the Board of Directors, the General Manager and the Deputy General Managers

The shareholders, having considered the Board of Directors' report and ruling under the conditions as regards quorum and majority required for Extraordinary Shareholders' Meetings, resolved to amend Articles 16, 18 and 20 of the Articles of Association to increase the maximum age limit for holding office indicated therein from 65 to 70 years of age.

As a consequence:

- The third paragraph of Article 16 will henceforth be drafted as follows, the first and second paragraphs thereof remaining unchanged:

  "The duties of the Chairman of the Board of Directors automatically terminate on closure of the first Shareholders' Meeting held once he is over the age of 70."

- The third paragraph of Article 18 will henceforth be drafted as follows, the first and second paragraphs thereof remaining unchanged:

  "The duties of the CEO or the Chairman in charge of general management automatically terminate on closure of the first Shareholders' Meeting held once he is over the age of 70."

- The second paragraph of Article 20 will henceforth be drafted as follows, the first paragraph thereof remaining unchanged:

  "The duties of the Executive Vice-President(s) automatically terminate on closure of the first Shareholders' Meeting held once he/they is/are over the age of 70."

ELEVENTH RESOLUTION

Powers to carry out formalities

The shareholders granted full powers to the bearer of an original or a copy of or an excerpt from these minutes to carry out all filing and publication formalities required by law.

11.4. Details concerning candidates whose appointment is put to the vote

BERNADETTE SPINOY

Mrs Bernadette Spinoy has a Master of Science in Business Engineering from the University of Louvain-La-Neuve in Belgium.

Mrs Bernadette Spinoy began her career with the Belgian PetroFina Group and since 1985 and from 1999 with Total group, she has held various positions in the areas of supply and refining of petroleum products, logistics and marketing of natural gas, strategy and petrochemicals.

Mrs Bernadette Spinoy, of Belgian nationality, is aged 52.

The professional address of Mrs Bernadette Spinoy is the one of the Company.

Main function currently held:

- Director Refining & Petrochemicals Orient, Total
- Member of the Executive Committee, Total

Other current functions and mandates:

Mrs Bernadette Spinoy is currently a director in unlisted joint ventures formed by the Total Group:

- Director, Vice-President and Chair of the Remuneration Committee for Satorp, Saudi Arabia
- Director Qapco, Qatar
- Director Qatofin, Qatar
- Director and member of the Remuneration Committee of STC (Samsung Total Chemicals), Korea

Functions and mandates held within the five past years and which have expired:

- Director of Cepsa (Spain) from 2003 to 2010

To date, Mrs Bernadette Spinoy does not hold any Faurecia shares.

CARLOS TAVARES

Mr. Carlos Tavares graduated from the École Centrale de Paris.

He held various senior positions in the Renault group between 1981 and 2004 before joining the Nissan group. After being Operations Manager for Nissan in the Americas, he was appointed Chief Operations Officer by the Renault Group from 2011 to 2013. He became a member of the Managing Board of Peugeot S.A. on 1 January 2014 and has been in charge of Group operations since 20 February 2014. He was appointed Chairman of the Managing Board of Peugeot S.A. on 31 March 2014.

Mr. Carlos Tavares, of Portuguese nationality, is aged 55.

The professional address of Mr. Carlos Tavares is the one of the Company.

Main function currently held:

- Chairman of the Managing Board of Peugeot S.A. since 31 March 2014 (having joined the Managing Board as member on 1st January 2014)

Other current functions and mandates:

None.

Functions and mandates held within the five past years and which have expired:

- Deputy Managing Director of Renault and member of the Managing Board of the Renault-Nissan Alliance (August 2013)
- Director of CEDEP
- Director of Renault Nissan BV
- Director of Avtovaz
- Chairman of the Strategic Committee of Alpine-Caterham
- Chairman of Management Committee of Nissan Americas
- EVP Planning Nissan Motor Company

To date, Mr. Carlos Tavares does not hold any Faurecia shares.

11.5. Reports

11.5.1. STATUTORY AUDITORS' REPORTS

11.5.1.1. Statutory Auditors' report on related party agreements and commitments

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 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

We hereby inform you that we have not been advised of any agreements or commitments authorized in the course of the year to be submitted to the General Meeting of shareholders for approval in accordance with Article L. 225-38 of the French Commercial Code *(Code de commerce)*.

AGREEMENTS AND COMMITMENTS AUTHORIZED SINCE THE CLOSING DATE

We have been advised of the following agreements and commitments, authorized since the closing date, that have been authorized by your Board of Directors.

With Mr. Yann Delabrière, Chief Executive Officer of your Company

Nature and purpose

Since 2008, Mr. Yann Delabrière is a member of the supplementary pension plan set up by your company, which comprises:

- a defined contribution plan relating to salary tranches A and B with total contributions representing 1% on the tranche A and 6% on the tranche B of the compensation without the beneficiary's contribution;
- 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 the company.

Conditions

During the year ended December 31, 2013, your company paid € 7,036 in respect of the pension contributions.

No payment has been made to the beneficiary under these plans for fiscal year 2013.

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 22, 2014

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Éric Bertier	Denis Thibon

11.5.1.2. 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 27, 2014 – 9TH 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 22, 2014

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Éric Bertier	Denis Thibon

11.5.2. INDEPENDENT VERIFIER'S REPORT ON CONSOLIDATED SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION PRESENTED IN THE MANAGEMENT REPORT

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 Shareholders,

In our quality as an independent verifier of which the admissibility of the application for accreditation has been accepted by the COFRAC, under the number n° 3-1050, and as a member of the network of one of the Statutory Auditors of the company Faurecia, we present our report on the consolidated social, environmental and societal information established for the year ended on December 31st, 2013, presented in the management report, hereafter referred to as the "CSR Information," pursuant to the provisions of the Article L. 225-102-1 of the French Commercial Code *(Code de commerce)*.

Responsibility of the Company

It is the responsibility of the Board of Directors to establish a management report including CSR Information referred to in the Article R. 225-105-1 of the French Commercial Code *(Code de commerce)*, in accordance with the protocols used by the Company (hereafter referred to as the "Criteria") and available on request at the Company's headquarters.

Independence and quality control

Our independence is defined by regulatory requirements, the Code of Ethics of our profession as well as the provisions in the Article L. 822-11 of the French Commercial Code *(Code de commerce)*. In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

Responsibility of the independent verifier

It is our role, based on our work:

- to attest whether the required CSR Information is present in the management report or, in the case of its omission, that an appropriate explanation has been provided, in accordance with the third paragraph of R. 225-105 of the French Commercial Code *(Code de commerce)* (Attestation of presence of CSR Information);
- to express a limited assurance conclusion, that the CSR Information, overall, is fairly presented, in all material aspects, in according with the Criteria.

Our verification work was undertaken by a team of six people between September 1st 2013 and the date of signature of this assurance statement for an estimated duration of five weeks.

We conducted the work described below in accordance with the professional standards applicable in France and the Order of 13 May 2013 determining the conditions under which an independent third-party verifier conducts its mission, and in relation to the opinion of fairness, in accordance with the international standard ISAE 3000 *.

* *ISAE 3000 – Assurance engagements other than audits or reviews of historical information.*

1. ATTESTATION OF PRESENCE OF CSR INFORMATION

We obtained an understanding of the Company's CSR issues, based on interviews with the management of relevant departments, a presentation of the Company's strategy on sustainable development based on the social and environmental consequences linked to the activities of the Company and its societal commitments, as well as, where appropriate, resulting actions or programmes.

We have compared the information presented in the management report with the list as provided for in the Article R. 225-105-1 of the French Commercial Code *(Code de commerce)*.

In the absence of certain consolidated information, we have verified that the explanations were provided in accordance with the provisions in Article R. 225-105-1, paragraph 3, of the French Commercial Code *(Code de commerce)*.

We verified that the information covers the consolidated perimeter, namely the entity and its subsidiaries, as aligned with the meaning of the Article L. 233-1 and the entities which it controls, as aligned with the meaning of the Article L. 233-3 of the French Commercial Code *(Code de commerce)* with the limitations specified in the management report, particularly the limitation to a perimeter representing 71.4% of the total headcount for the wastes indicators.

Based on this work, and given the limitations mentioned above we confirm the presence in the management report of the required CSR information.

2. LIMITED ASSURANCE ON CSR INFORMATION

Nature and scope of the work

We undertook about ten interviews with the people responsible for the preparation of the CSR Information in the different departments (Procurement, Human Resources, Legal Affairs, Quality, Health Safety Environment) in charge of the data collection process and, if applicable, the people responsible for internal control processes and risk management, in order to:

- assess the suitability of the Criteria for reporting, in relation to their relevance, completeness, reliability, neutrality, and understandability, taking into consideration, if relevant, industry standards;
- verify the implementation of the process for the collection, compilation, processing and control for completeness and consistency of the CSR Information and identify the procedures for internal control and risk management related to the preparation of the CSR Information.

We determined the nature and extent of our tests and inspections based on the nature and importance of the CSR Information, in relation to the characteristics of the Company, its social and environmental issues, its strategy in relation to sustainable development and industry best practices.

For the CSR Information which we considered the most important**:

- at the level of the consolidated entity, we consulted documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions, etc.), we implemented analytical procedures on the quantitative information and verified, on a test basis, the calculations and the compilation of the information, and also verified their coherence and consistency with the other information presented in the management report;
- at the level of the representative selection of entities that we selected***, based on their activity, their contribution to the consolidated indicators, their location and a risk analysis, we undertook interviews to verify the correct application of the procedures and undertook detailed tests on the basis of samples, consisting in verifying the calculations made and linking them with supporting documentation. The sample selected therefore represented on average 19% of the total workforce and between 16% and 20% of the quantitative environmental information.

For the other consolidated CSR information, we assessed their consistency in relation to our knowledge of the Company.

Finally, we assessed the relevance of the explanations provided, if appropriate, in the partial or total absence of certain information.

We consider that the sample methods and sizes of the samples that we considered by exercising our professional judgment allow us to express a limited assurance conclusion; an assurance of a higher level would have required more extensive verification work. Due to the necessary use of sampling techniques and other limitations inherent in the functioning of any information and internal control system, the risk of non-detection of a significant anomaly in the CSR Information cannot be entirely eliminated.

** **Environmental and societal information**: *approaches to evaluation and certification (environmental certification rate), preventative measures, recycling and waste management (quantities of wastes generated and their split per treatment), energy consumption and measures undertaken to improve energy efficiency (total energy consumption), raw material consumption and measures undertaken to enhance resource efficiency (consumption of recycled plastics), importance of subcontracting and the consideration of environmental and social issues in purchasing policies and relations with suppliers and subcontractors.*

Social information: *employment (total headcount, hiring and terminations), absenteeism (absenteeism rate), work accidents (frequency and gravity rates), training policies, number of days of training.*

*** *FECT BG: Wuhan site; FAE BG: Audincourt site; FAS BG: North Europe division including Grojec and Neuburg sites; FIS BG: South Europe division including Méru and Abrera sites.*

Qualification expressed

Concerning the absenteeism rate, discrepancies have been identified in the application of Group definitions on audited entities and may lead to a risk on the consolidated indicator.

Conclusion

Based on our work and under this qualification, we have not identified any significant misstatement that causes us to believe that the CSR Information, taken together, has not been fairly presented, in compliance with the Criteria.

Observations

Without qualifying our conclusion above, we draw your attention to the following points:

- concerning natural gas consumption confusions have been observed on audited entities regarding the measurement units of calorific values that do not jeopardize the Group energy consumption indicator.

Paris-La Défense, 24 February, 2014

French original signed by:
Independent Verifier

ERNST & YOUNG et Associés

Éric Mugnier	Bruno Perrin
Partner, Sustainable Development	Partner

Appendices

CONTENTS

Declaration by the person responsible for the Registration Document and by the 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 277, 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 Statutory Auditors have reported on the Consolidated Financial Statements for the year ended December 31, 2013 presented in this Document, and their report contains an observation on page 205.

Mr. Yann Delabrière

Nanterre, April 24, 2014

Information Officer

Mr. Michel Favre
Executive Vice-President, Group Chief Financial Officer

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Cross-reference table with the information contained in the annual financial report

For easier reading, the cross-reference table identifies information in this Registration Document that also appears in the Annual Financial Report that listed companies are required to publish under Article L. 451-1-2 of the French Monetary and Financial Code and Article 222-3 of the AMF's General Regulation.

Declaration by the person responsible for the document	Page
MANAGEMENT REPORT	
Analysis of the results, financial position and risks of the parent company and the consolidated Group; list of delegated authorities to increase the capital (Articles L. 225-100 and L. 225-100-2 of the French Commercial Code)	7-34; 208-209; 245-246
Information required under Article L. 225-100-3 of the French Commercial Code relating to factors that could affect a public takeover bid	103; 245
Information on buyback of shares (Paragraph 2, Article L. 225-211 of the French Commercial Code)	249-250
FINANCIAL STATEMENTS	
Parent company financial statements	210-233
Statutory Auditors' report on the parent company financial statements	234
Consolidated financial statements	134-204
Statutory Auditors' report on the consolidated financial statements	205

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.

Disclosures		Page
8.	**PROPERTY, PLANT AND EQUIPMENT**	
8.1.	Existing or planned material tangible fixed assets	164-165; 245
8.2.	Environmental issues that may affect the utilization of tangible fixed assets	78-84
9.	**OPERATING AND FINANCIAL REVIEW**	
9.1.	Financial condition	20-24
9.2.	Operating results	20-22
9.2.1.	Significant factors	20-22
9.2.2.	Material changes in net sales or revenues	20-22
9.2.3.	Outside factors	26-33
10.	**CAPITAL RESOURCES**	
10.1.	Issuer's capital resources	169-171; 236; 245-250
10.2.	Cash flows	23-24; 138
10.3.	Borrowing requirements and funding structure	23-24; 180-184; 208-209; 223-225
10.4.	Restrictions on the use of capital resources	23-24; 180-184; 208-209; 223-225
10.5.	Anticipated sources of funds	23-24; 180-184; 208-209; 223-225
11.	**RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES**	65-74
12.	**TREND INFORMATION**	
12.1.	Most significant trends	25; 63; 66-67
12.2.	Items reasonably likely to have a material effect on the prospects	25
13.	**PROFIT FORECASTS OR ESTIMATES**	
13.1.	Principal assumptions	NA
13.2.	Report by Statutory Auditors	NA
14.	**ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES AND SENIOR MANAGEMENT**	
14.1.	Information on members of the administrative, management and supervisory bodies	94-119
14.2.	Administrative, management and supervisory bodies and senior management - conflicts of interest	112
15.	**REMUNERATION AND BENEFITS**	
15.1.	Remuneration paid	113-114; 116-119
15.2.	Amounts set aside to provide pension, retirement or similar benefits	174-179
16.	**BOARD PRACTICES**	
16.1.	Length of terms of office	95
16.2.	Service contracts	112
16.3.	Committees	101-103
16.4.	Compliance with corporate governance regime	94; 103-104
17.	**EMPLOYEES**	
17.1.	Breakdown of employees	49-50
17.2.	Shareholdings and stock options	46-47; 169-171; 247-248
17.3.	Arrangements for involving employees in the capital	46-47

Cross-reference table for information required under French Decree 2012-557 dated April 24, 2012 on business's transparency obligations in 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

Environmental and social indicators are reported following the guidance in the relevant Faurecia Core Procedure (FCP). The procedures form part of the Faurecia Excellence System (FES), which defines the working methods for Group employees worldwide 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. The opinion given in Subsection 11.5.2 summarizes their conclusions from their work.

		Page
1. SOCIAL INFORMATION		
1.1 Employment	Total headcount and division of employees by gender, age and geographic region	43; 49-51
	Hiring and firing	42; 51-53
	Compensation and changes thereto	45-47
1.2 Organization of work	Organization of working hours	43; 55-56
	Absenteeism	56-57
1.3 Labor relations	Organization of employer-employee communications, especially procedures for informing, consulting and negotiating with personnel	43-44
	Summary of collective bargaining agreements	43-44
1.4 Health and safety	Occupational health and safety	36-38; 57; 91
	Summary of agreements signed with labor organizations or employee representatives as regards occupational health and safety	43
	Occupational accidents and illnesses	36-38; 57

			Page
1.5	**Training**	Training policies put in place	39-40
		Total number of hours of training	54
1.6	**Non-discrimination**	Measures taken to enhance gender equality	44
		Measures taken to hire and integrate people with disabilities	54; 88
		The policy applied and steps taken to combat discrimination and promote diversity	44; 85
1.7	**Promotion and respect for the core conventions of the ILO**	Respect for freedom of association and right to collective bargaining	44
		Elimination of discrimination in employment and occupation	44
		Elimination of forced or compulsory labor	44
		Effective abolition of child labor	44
2.	**ENVIRONMENTAL INFORMATION**		
2.1	**General policy**	The organization of the Company so as to take on Board environmental issues, and where necessary environmental assessment or certification initiatives	66-67; 76; 281
		Training employees and raising their awareness of environmental protection	78-79
		Resources allocated to prevent environmental risks and pollution	78
		The amount of provisions and guarantees for environmental risks	84
2.2	**Pollution and waste management**	Measures taken to prevent, reduce or redress emissions into the air, water and soil that seriously damage the environment	79-82
		Measures taken to prevent, recycle and eliminate waste	82-84
		The factoring in of noise pollution and, where applicable, any other form of business specific pollution	37-38: 69-70
2.3	**Sustainable use of resources**	Water consumption and supply sensitive to local constraints	79-80
		Consumption of raw materials and, as applicable, the measures taken to use them more efficiently	67; 82-83
		Energy consumption and, as applicable, the measures taken to improve energy efficiency and use of renewable energy	69; 80-82
		Use of land	82
2.4	**Climate change**	Greenhouse gas emissions	80-82
		Adaptation to the consequences of climate change	68-70; 76-77
2.5	**Safeguarding biodiversity**	The measures taken to preserve or develop biodiversity	82

			Page
3.	**INFORMATION ON SOCIETAL COMMITMENTS TO PROMOTE SUSTAINABLE DEVELOPMENT**		
3.1	**Territorial, economic and social impact**	Employment and regional development	85
		On neighboring or local populations	85
3.2	**Stakeholder relations**	Status of dialog with stakeholders	86
		Partnerships or sponsorship	88
3.3	**Subcontractors and suppliers**	The inclusion of social and environmental issues in the purchasing policy	89
		The extent of subcontracting and the inclusion in dealings with suppliers and subcontractors of their social and environmental responsibility	90
3.4	**Fair practices**	Steps taken to prevent any form of corruption	90
		The measures taken as regards consumer health and safety	90
3.5	**Any steps taken to enhance human rights as part of these commitments**	_	91

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