



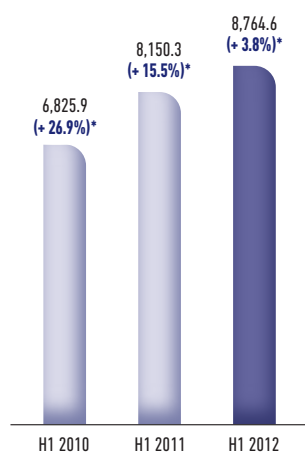
# Interim results 2012



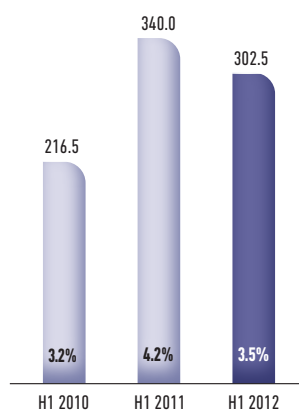
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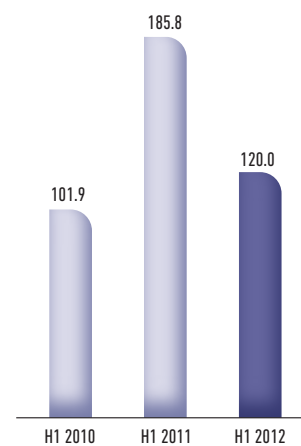
# Key figures



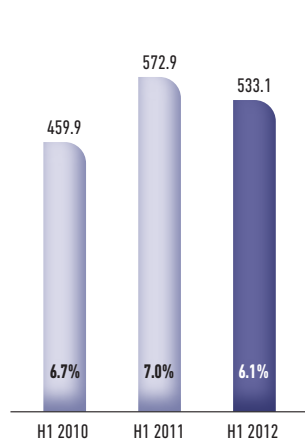
Sales (in €m)  
\* Change in sales, at constant exchange rates and on a like-for-like basis.



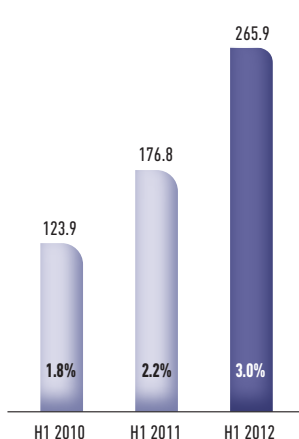
Operating income <sup>(1)</sup>  
(in €m and as a % of sales)



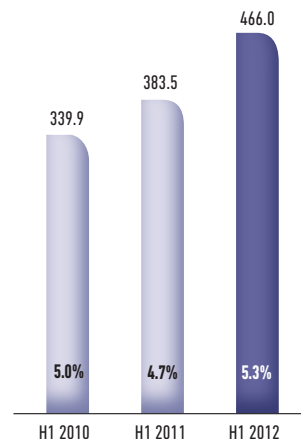
Net income/(loss) attributable to equity holders  
(in €m)



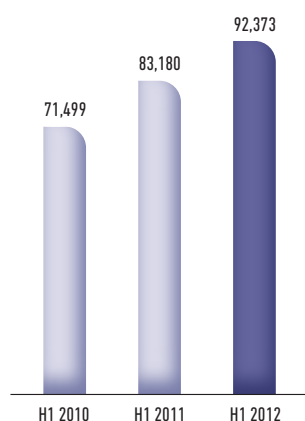
EBITDA <sup>(2)</sup>  
(in €m and as a % of sales)



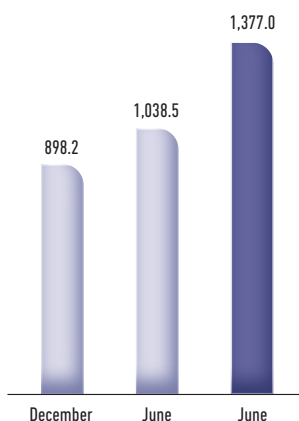
Capital expenditure  
(in €m and as a % of sales)



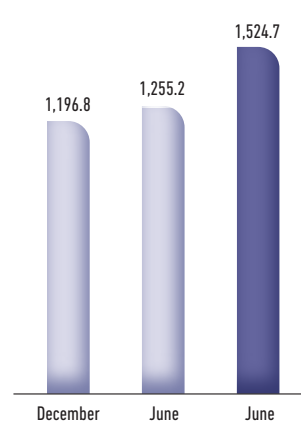
Gross R&D expenditure <sup>(3)</sup>  
(in €m and as a % of sales)



Number of employees



Total equity  
(in €m)



Net debt <sup>(4)</sup>  
(in €m)

(1) Defined in Note 1-15 to 2011 consolidated financial statements of the 2011 Registration document.

(2) Operating income + depreciation, amortization and provisions for impairment in value of property, plant and equipment and intangible assets (see Note 5-4).

(3) Before capitalized development costs and amounts billed to customers (See Note 5-3).

(4) Defined in Note 26-1 to the interim consolidated financial statements of the 2011 Registration document.





# 1

# Interim management report

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# 1.1. Business review

## 1.1.1. THE GROUP'S SALES

In the first half of 2012, Faurecia **consolidated sales** totaled €8,764.6 million, a 7.5% increase from the first half of 2011. This includes the impact of the following new perimeters:

- sales from the Saline plant (Michigan, United States), acquired from Ford and consolidated on June 1, 2012, for €43.2 million;
- the impact, in the first quarter of 2012, of sales from the Nissan seat assembly plant in Madison County, MS, acquired from Johnson Controls (JCI) and consolidated since April 4, 2011, for a total of €43.8 million;
- sales generated by the new Interior Systems businesses acquired in the first half of 2012: the Saint-Quentin plant, acquired from Borgers, and the Mornac plant in France & Pardubice plant in the Czech Republic, both acquired from Mecaplast, for a total of €20.7 million.

At constant exchange rates and on a like-for-like basis (2011 data restated for Q1 2012 incorporation of the Madison plant, 2012 data excluding the Saline plant and new Interior Systems businesses), there was a 3.8% increase in Group sales compared to the first half of 2011.

**Catalytic converter monolith sales** totaled €1,410.3 million (+6.4%), a 3.8% increase (at constant exchange rates) compared to the same period in 2011.

Invoicing of costs relating to **development, tooling, prototypes and other services** amounted to €601.4 million (+21.9%), up 20.2% on the first half of 2011 at constant exchange rates and on a like-for-like basis. This increase is due to the sustained development activity from new contracts acquired last year and in the first half of 2012.

**Product sales**, including deliveries of parts & components to automakers, were €6,752.9 million (+6.6%), a 2.6% increase at constant exchange rates and on a like-for-like basis, compared to the first half of 2011.

**Product sales** by major geographic region for the first half of 2012 break down as follows:

- in **Europe**<sup>(1)</sup>, product sales stood at €3,995.3 million, down 4.6% (5.2% at constant exchange rates and on a like-for-like basis). This data should be viewed within the context of the downturn in European production (excluding Japanese automakers), in the first half which was estimated at 5.9% (source IHS Automotive, July 2012). Over the period, 59.2% of Faurecia product sales were made in Europe;
- in **North America**, they totaled €1,694.3 million (25.1% of total product sales), a 38.5% gain, or 21.8% at constant exchange rates and on a like-for-like basis, to be compared with an increase in production (excluding Japanese automakers) of 11.6%;
- in **South America**, they totaled €316.8 million (4.7% of total product sales), stable compared to the first half of 2011 (+0.1%) or up 4.4% at constant exchange rates, whilst light vehicle production declined by 9.9% (excluding Japanese automakers);
- in **Asia**, product sales increased 28.2% (16.9% at constant exchange rates and on a like-for-like basis, of which 14.3% in China and 21.0% in Korea) to €650.7 million (9.6% of total product sales), whilst light vehicle production grew by 5.2% (excluding Japanese automakers);
- in other countries, product sales totaled €95.9 million, a slight downturn of 0.2% on a reported basis, or up 5.2% on a like-for-like basis.

Compared to the first half of 2011, changes in product sales by client (on a like-for-like basis) were as follows:

- sales to the Volkswagen group increased 11.9%, 17.1% of which was for the Volkswagen brand and 10.6% for the Audi brand. Sales increased over almost all geographic regions and remained buoyant in Europe (+9.1%);
- there was 2.4% growth in sales to the Ford group, the drop in sales in Europe (-5.9%) being offset by sustained growth in North America (+13.3%);
- sales to the General Motors group increased 3.0%, despite the drop in sales to its European subsidiary Opel Vauxhall (-12.0%);
- sales to Chrysler were up 14.4%, profiting from a strong foothold in North America (+21.4%);
- sales to Daimler were up 20.6%, due mainly to the start of production of the new M-Class in North America;

(1) Following Russia's incorporation into the geographical region of Europe in 2012 (previously reported in "Rest Of The World"), published Europe H1 2011 data are restated to ensure comparability.

- hit by the sharp fall in the automaker's production in Europe in the first half, sales to PSA were down 13.5% overall, despite being up 22.3% in Asia;
- sales to Renault-Nissan, down 5.2%, show a more contrasted picture. The downturn in sales to Renault (14.2%), also closely linked to the drop in the automaker's production in Europe, was partially offset by the growth in sales to Nissan, which increased by 12.9% on a like-for-like basis and 56.4% as a whole;
- sales to BMW fell by 4.2%, linked to the end of the contract for front-end modules assembly, which was reintegrated within BMW;
- sales to the Hyundai group were up 39.4%, including 42.9% in Asia;
- sales to the Geely-Volvo group were down 2.8%.

Faurecia's 5 major clients accounted for 71.9% of product sales: VW 25.9%, PSA 15.0%, Ford 11.4%, Renault-Nissan 11.0% and General Motors 8.6%.

## 1.1.2. INTERIOR MODULES

In the first half of 2012, sales for the Interior Modules reached €4,733.3 million, up 7.9% compared to the same period in 2011, or 3.0% at constant exchange rates and on a like-for-like basis.

Product sales increased 6.4% (1.3% at constant exchange rates and on a like-for-like basis) to €4,291.8 million.

### Automotive Seating

Over the first half of the year, sales for Automotive Seating business totaled €2,668.5 million, a 4.7% increase over the same period in 2011 and 0.3% at constant exchange rates and on a like-for-like basis.

Product sales reached €2,558.1 million, up 4.4% and stable (-0.1%) at constant exchange rates and on a like-for-like basis:

- in Europe, product sales totaled €1,544.5 million, down 9.7% at constant exchange rates;
- in North America, product sales totaled €602.3 million, up 28.1% at constant exchange rates and on a like-for-like basis;
- in Asia, the Automotive Seating business achieved €277.9 million in sales, up 20.0% at constant exchange rates;
- in South America, sales were down 4.4% to €119.1 million at constant exchange rates.

### Interior Systems

Over the first half of the year, sales for the Interior Systems business totaled €2,064.8 million, a 12.3% increase over the same period in 2011 and 6.9% at constant exchange rates and on a like-for-like basis. This included €43.2 million in sales from the Saline plant (Michigan, United States) and €20.7 million from new Interior Systems businesses at the Mornac, Saint-Quentin and Pardubice sites.

Product sales totaled €1,733.7 million, a 9.5% increase and 3.5% at constant exchange rates and on a like-for-like basis:

- in Europe, product sales totaled €1,109.2 million, down 1.8% at constant exchange rates and on a like-for-like basis;
- in North America, product sales totaled €437.6 million, up 21.0% at constant exchange rates and on a like-for-like basis;
- in South America, sales rose 11.2% at constant exchange rates to €100.7 million;
- in Asia, product sales fell 8.6% to €64.3 million at constant exchange rates.



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### 1.1.3. OTHER MODULES

Over the first half of 2012, sales for the Other Modules reached €4,031.3 million, up 7.1% compared to the same period in 2011, or 4.8% at constant exchange rates.

Product sales increased 7.0% (4.8% at constant exchange rates) to €2,461.1 million.

#### Emissions Control Technologies

Over the first half of the year, sales from Emissions Control Technologies activities totaled €3,155.0 million, a 10.8% increase over the same period in 2011 and 7.8% at constant exchange rates.

Product sales amounted to €1,659.8 million, a 14.0% increase and 10.7% at constant exchange rates:

- in Europe, product sales totaled €583.8 million, up 3.8% at constant exchange rates;
- in North America, product sales totaled €610.9 million, up 16.3% at constant exchange rates;
- in Asia, product sales were up 21.0% to €308.5 million at constant exchange rates;
- in South America, sales were up 10.0% to €97.0 million at constant exchange rates.

#### Automotive Exteriors

Over the first half of the year, sales from the Automotive Exteriors business totaled €876.3 million, 4.3% down on the same period in 2011 and 4.6% at constant exchange rates.

Product sales totaled €801.3 million, down 5.3% at constant exchange rates:

- in Europe, product sales totaled €757.8 million, down 6.7% at constant exchange rates;
- in North America, product sales totaled €43.5 million.



## 1.2. Results of operations

### 1.2.1. OPERATING INCOME

Operating income for the first half of 2012 stood at €302.5 million. In the first half of 2011, this totaled €340.0 million. This figure represented 3.5% of total sales, versus 4.2% during the first half of 2011.

The change in operating income was the result of very varied trends in the major geographical markets:

- in Europe, overall automotive production was down 6% and Faurecia product sales fell by 5%, buoyed, in part, by the fact that a large proportion of business was made with German automakers. Operating income fell by €48.4 million;
- in North America, sharp growth in business linked to the start of several new contracts generated an increase in operating income of €14.1 million;
- Asia continued its sharp growth in China and Korea. Operating income was up €13.8 million;
- finally, automotive production in other regions, mainly in South America, varied widely and was hit hard by changes in the cost of imports. Operating income fell by €17.0 million.

Operating income can be broken down by business segment as follows:

The "Interior Modules" segment generated €176.8 million in operating income, down €35.5 million compared to the first half of 2011. Operating income reached 3.7% of sales versus 4.8% last year at the same date.

The "Other Modules" segment generated €125.7 million in income, representing 3.1% of sales, versus €127.7 million (3.4% of sales) during the first half of 2011.

Gross Research & Development expenses amounted to €466.0 million and represented 5.3% of sales, versus a total of €383.5 million (4.7% of total sales) during the first half of 2011. These figures reflect the growth in development business generated by the new programs acquired over the last few years. Excluding the amounts billed to customers and capitalized expenses, R&D expenditure came to €142.7 million, corresponding to 1.6% of sales, versus €111.4 million during the first half of 2011 (1.4% of sales).

Selling and administrative expenses amounted to €293.1 million and represented 3.3% of sales, versus €247.4 million during the first half of 2011 (3.0% of sales).

EBITDA – which corresponds to operating income before depreciation, amortization and provisions for impairment in value of plant, property and equipment and capitalized development costs – amounted to €533.1 million, representing 6.1% of sales, compared to €572.9 million (7.0% of sales) during the first half of 2011.

### 1.2.2. NET INCOME

The "other operating income" item stood at €14.6 million and corresponds mainly to goodwill on the acquisition of the Ford Saline plant business in the United States. The "other operating expenses" item, which totaled €50.9 million, included €42.8 million in restructuring costs and €8.1 million in other charges, including the cost of acquiring new businesses. Restructuring costs for Germany stood at €34.2 million and for France at €3.7 million.

Net financial expense stood at €88.2 million, up from €54.7 million in the first half of 2011. The rise in net finance costs, which were up from €41.9 million to €73.7 million, was mainly due to the increase in costs for new sources of financing introduced to support the Company's expansion.

The average rate of finance costs for the period came to 5.65%, compared to 3.78% during the first half of 2011. Other finance costs include the expenses related to the discounting of provisions for pensions and the amortization of costs related to arrangement fees for finance loans.

The tax charge amounted to €48.1 million, for an average tax rate of 27.1%.



The Group ended the first half of 2012 with a consolidated net income of €141.5 million, compared to €206.9 million in income during the first half of 2011.

After allocating their share of net income to minority interests for €21.5 million, the net income attributable to equity holders came to €120.0 million, equal to 1.4% of sales, compared with a net attributable income of €185.8 million, or 2.3% of sales, during the first half of 2011.

Diluted earnings per share totaled €1.04 versus €1.57 in the first half of 2011.

## 1.3. Financial structure and net debt

Net cash flows corresponding to changes in debt restated for the impact of sales of trade receivables, debt from acquired companies and excluding the impact of changes in exchange rates for debt in foreign currencies and other non-operating items represented a net cash outflow of €118.9 million.

They correspond to an EBITDA amounting to €533.1 million, less:

- an increase in the working capital requirements which rose by €98.8 million and was mainly due to the rise in billable studies and tooling to be invoiced to clients, linked to the surge in new contracts in development;
- restructuring costs representing cash outflows of €33.8 million;
- financial costs totaling €75.7 million;
- capital expenditure representing cash outflows of €265.9 million, up by 50% versus the same period in 2011 in order to support our development strategy. Half of these investments was performed outside Europe;
- capitalized development costs totaling €90.9 million;
- taxes representing cash outflows of €68.2 million and other cash flow items accounting for outflows of €18.7 million.

Net debt amounted to €1,524.7 million at the end of June 2012 versus €1,224.1 million at the end of 2011. The rise can be explained as follows:

- net cash outflows for €118.9 million as described above;
- a decrease of €85.1 million in trade receivables sold and derecognized;
- the payment, on June 5, 2012, of the dividend voted for by the General Assembly of Shareholders, for €38.6 million;
- an overall impact of acquisitions of new companies representing €59.0 million (Saline plant, new vehicle interiors activities, Chinese joint-ventures).

Cash and cash equivalents amounted to €800.0 million at June 30, 2012, versus €630.1 million at the end of December 2011 and Faurecia had undrawn confirmed credit lines totaling €730 million at the end of June 2012.

Taking into account dividends paid to shareholders and net income recorded as of June 30, 2012, equity attributable to owners of the parent increased from €1,153.9 million as of December 31, 2011 to €1,263.5 million as of June 30, 2012.

Faurecia's Board of Directors also agreed to grant shares to 261 beneficiaries within the Group for a total maximum of 1,049,100 shares. Shares are vested proportionally based on performance objectives achieved during 2014.

## 1.4. Related party transactions

Details of transactions carried out with related parties are provided in Note 32 to the consolidated financial statements for the year ended December 31, 2011 – which details the financial impacts of such transactions over the last three years – as well as in Note 19 to the interim consolidated financial statements. The main related party transactions carried out by the Faurecia Group concern the PSA Peugeot Citroën group as well as companies owned by PSA Peugeot Citroën or over which it exercises significant influence.

## 1.5. Strategic development

The main strategic operation concluded in the first half year was the acquisition of the Saline plant Interior Systems business for Ford in the United States.

On June 1, 2012, Faurecia acquired Ford's instrument panel, door panel and central console manufacture and cockpit assembly business at the Saline plant in Michigan.

Together, these activities currently account for sales of around \$1.1 billion and employ 2,400 people. This plant delivers these products for a dozen Ford vehicles, including major series such as the Ford F150, the biggest selling vehicle in the United States, as well as the Ford Escape, Focus and Mustang.

The takeover plan includes an industrial transformation plan which aims to separate technological activities (production of instrument panels, door panels and center consoles), to be retained by Faurecia at the reconfigured Saline plant. This business should generate \$400 million in annual sales and will be consolidated by Faurecia.

The cockpit assembly business, which should account for sales of \$800 million, will be transferred to the Detroit Manufacturing Systems (DMS) joint-venture, formed with the American group Rush Ltd, specializing in logistics activities. Detroit Manufacturing Systems is 55%-owned by the Rush Ltd group and 45%-owned by Faurecia.

The Saline acquisition had a negligible impact on Faurecia's debt.

As a result of this operation, Faurecia strengthened its Interior Systems business on an international level, especially in the United States where it is now the leader in this field.

Faurecia also significantly strengthened its commercial presence in respect of Ford which is now its third largest client in terms of sales.



## 1.6. Risk factors

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### 1.6.1. RISK OF DEPENDENCE ON THE AUTOMOTIVE INDUSTRY AND CUSTOMERS

As the Faurecia Group manufactures automotive solutions for its customers, which are automakers, the Group's performance is directly linked to the performance of the automotive industry in the major geographic regions where Faurecia and its customers operate.

Its sales are directly correlated to the level of production and automotive sales achieved by its customers worldwide, as well as the consumption of goods and services on these markets and the confidence of the economic stakeholders in these markets.

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

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### 1.6.2. SUPPLIER RISKS

To ensure supplies of raw materials and basic parts, Faurecia collaborates with a vast number of suppliers located in many countries.

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

A breakdown in a supplier's production chain, parts that are unexpectedly out of stock, quality defects, strikes, and other disruptions in the supply chain can have an impact on the Group's production operations and lead to additional costs that can affect Faurecia's business activity, earnings and financial situation.

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### 1.6.3. VOLUME RISKS

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.

In the first half of 2012, overall light vehicle production grew worldwide by 9.4% (IHS Automotive estimate, July 2012). Excluding Japanese automakers who were severely hit by the earthquake of March 11, 2011, growth in worldwide production is estimated at 0.8%, with the following breakdown by region: in Europe, light vehicle production fell by 5.9% ; it was up 11.6% in North America ; it fell 9.9% in South America and grew by 5.2% in Asia.

With the exception of the risks set out in section 1.6 of the current report and Note 17 to the interim consolidated financial statements, the assessment of risks to which the Group is exposed has not changed since the presentation thereof on pages 21-26 of the 2011 Registration document.

## 1.7. Outlook

In the second half of the year, the situation is likely to continue to vary widely across the different automotive production regions. In Europe, automotive construction is likely to continue to be down compared with 2011, as in the first half, and growth is likely to be sustained in other regions of the world.

Faurecia built its sales & operating margin forecast from production forecasts of specialized institutes and automakers, and from internal production plans which are derived from them. Thus, production forecasts from IHS Automotive (July 2012) predict for the second semester a backdrop of 7% compared with the same period last year in Europe, a growth of 6% in North America, 13% in South America and 6% in China.

In terms of operating income, Faurecia expects to continue to feel the impact of the drop in production in Europe, partially offset by its favorable exposure to German carmakers. On the other hand, growth in other regions is likely to continue to contribute to a rise in operating income.

Against this backdrop, Faurecia has revised its 2012 targets as follows:

- consolidated sales between €17,000 and €17,400 million (compared with between €16,300 and €16,700 million targeted in February 2012);
- operating income between €560 and €610 million (compared with €610-670 million in February 2012);
- a balanced net cash flow in the second half.





# 2

## Consolidated financial statements

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## 2.1. Statement of comprehensive income

<i>(in € millions)</i>	<i>Notes</i>	<b>First-half 2012</b>	<b>First-half 2011</b>	<b>Full-year 2011</b>
<b>SALES</b>	4	<b>8,764.6</b>	<b>8,150.3</b>	<b>16,190.2</b>
Cost of sales	5	(8,026.3)	(7,451.5)	(14,806.4)
Research and development costs		(142.7)	(111.4)	(222.3)
Selling and administrative expenses		(293.1)	(247.4)	(510.6)
<b>OPERATING INCOME (LOSS)</b>		<b>302.5</b>	<b>340.0</b>	<b>650.9</b>
Other non operating income	6	14.6	0.0	0.3
Other non operating expense	6	(50.9)	(32.9)	(58.2)
Income from loans, cash investments and marketable securities		4.5	4.6	10.6
Finance costs		(78.2)	(46.5)	(109.1)
Others financial income and expense	7	(14.5)	(12.8)	(19.0)
<b>INCOME (LOSS) BEFORE TAX OF FULLY CONSOLIDATED COMPANIES</b>		<b>178.0</b>	<b>252.4</b>	<b>475.5</b>
Current taxes	8	(53.3)	(64.0)	(97.7)
Deferred taxes		5.2	2.5	1.8
<b>NET INCOME (LOSS) OF FULLY CONSOLIDATED COMPANIES</b>		<b>129.9</b>	<b>190.9</b>	<b>379.6</b>
Share of net income of associates:	11			
<i>Before tax</i>		19.8	21.8	46.0
<i>After tax</i>		14.0	15.9	33.7
Net income of continued operations		143.9	206.8	413.3
Net income of discontinued operations	10	(2.4)	0.0	0.0
<b>CONSOLIDATED NET INCOME (LOSS)</b>		<b>141.5</b>	<b>206.8</b>	<b>413.3</b>
<b>Attributable to owners of the parent</b>		<b>120.0</b>	<b>185.8</b>	<b>371.3</b>
Attributable to minority interests		21.5	21.0	42.0
Basic earnings (loss) per share <i>(in €)</i>	9	1.09	1.68	3.37
Diluted earnings (loss) per share <i>(in €)</i>	9	1.04	1.57	3.11

### OTHER COMPREHENSIVE INCOME

<i>(in € millions)</i>	<b>First-half 2012</b>	<b>First-half 2011</b>	<b>Full-year 2011</b>
<b>CONSOLIDATED NET INCOME (LOSS)</b>	<b>141.5</b>	<b>206.8</b>	<b>413.3</b>
Gains (losses) arising on fair value adjustments to cash flow hedges	8.0	6.3	(6.3)
<i>of which recognized in equity</i>	(4.9)	5.0	(7.6)
<i>of which transferred to net income (loss) for the period</i>	12.9	1.3	1.3
Exchange differences on translation of foreign operations	14.9	(33.9)	(1.2)
<b>TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD</b>	<b>164.4</b>	<b>179.2</b>	<b>405.8</b>
Attributable to owners of the parent	142.8	161.1	357.4
Attributable to minority interests	21.6	18.1	48.4



## 2.2. Consolidated balance sheet

### ASSETS

<i>(in € millions)</i>	<i>Notes</i>	<b>June 30, 2012</b>	<b>Dec. 31.2011</b>
Goodwill	10	1,272.4	1,260.6
Intangible assets		488.0	464.2
Property, plant and equipment		1,894.2	1,733.4
Investments in associates	11	62.8	71.0
Other equity interests		34.6	38.8
Other non-current financial assets	13	46.8	35.4
Other non-current assets		18.8	16.9
Deferred tax assets		75.5	78.3
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,893.1</b>	<b>3,698.6</b>
Inventories, net		1,159.0	885.4
Trade accounts receivables	12	2,016.4	1,620.2
Other operating receivables		317.2	297.6
Other receivables		149.0	131.2
Other current financial assets		1.6	1.5
Cash and cash equivalents	16	800.0	630.1
<b>TOTAL CURRENT ASSETS</b>		<b>4,443.2</b>	<b>3,566.0</b>
Assets held for sale	10	39.0	0.0
<b>TOTAL ASSETS</b>		<b>8,375.3</b>	<b>7,264.6</b>

**LIABILITIES**

<i>(in € millions)</i>	<i>Notes</i>	<b>June 30, 2012</b>	<b>Dec. 31, 2011</b>
<b>EQUITY</b>			
Capital	14	775.9	772.6
Additional paid-in capital		279.1	282.4
Treasury stock		(1.7)	(1.7)
Retained earnings		(11.0)	(357.1)
Translation adjustments		101.2	86.4
Net income (loss) for the period attributable to owners of the parent		120.0	371.3
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENTS</b>	14	<b>1,263.5</b>	<b>1153.9</b>
Minority interests		113.5	113.5
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>1,377.0</b>	<b>1,267.4</b>
Long-term provisions	15	213.9	218.8
Non-current financial liabilities	16	1,601.5	1,240.1
Other non-current liabilities		1.3	1.5
Deferred tax liabilities		19.9	15.5
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,836.6</b>	<b>1,475.9</b>
Short-term provisions	15	314.3	322.3
Current financial liabilities	16	724.8	615.6
Prepayments from customers		172.3	138.5
Trade payables		3,121.0	2,762.0
Accrued taxes and payroll costs		604.8	507.6
Sundry payables		160.1	175.3
<b>TOTAL CURRENT LIABILITIES</b>		<b>5,097.3</b>	<b>4,521.3</b>
Liabilities linked to assets held for sale	10	64.4	0.0
<b>TOTAL LIABILITIES</b>		<b>8,375.3</b>	<b>7,264.6</b>



## 2.3. Consolidated statement of cash flows

<i>(in € millions)</i>	<b>First-half 2012</b>	<b>First-half 2011</b>	<b>Full-year 2011</b>
<b>I- OPERATING ACTIVITIES</b>			
Consolidated net income (loss) of continued operations	143.9	206.8	413.3
Depreciation and amortization	231.1	234.2	460.7
Deferred tax (benefits) charges	(5.1)	(2.5)	(1.8)
Increase (decrease) in long-term provisions	5.9	3.5	2.7
Share of net income of associates, net of dividends received	11.0	4.1	(12.7)
Capital (gains) losses on disposals of non-current assets	(1.1)	0.2	2.4
Others *	(9.9)	19.8	45.2
<b>CASH FLOW FROM OPERATIONS</b>	<b>375.8</b>	<b>466.1</b>	<b>909.8</b>
Increase (usage & decrease) in short-term provisions	(9.3)	(46.2)	(114.5)
Change in inventories	(240.5)	(123.7)	(137.6)
Change in trade accounts receivables	(388.2)	(546.6)	(221.9)
Change in trade payables	347.6	425.4	312.8
Change in other operating receivables and payables	100.1	119.1	20.7
Change in other receivables and payables	(25.5)	18.6	(43.8)
<b>(Increase) decrease in working capital requirement</b>	<b>(215.8)</b>	<b>(153.4)</b>	<b>(184.3)</b>
<b>CASH FLOWS PROVIDED BY OPERATING ACTIVITIES</b>	<b>160.0</b>	<b>312.7</b>	<b>725.5</b>
<b>II- INVESTING ACTIVITIES</b>			
Additional to property, plant and equipment	(265.9)	(176.8)	(451.4)
Capitalized development costs	(90.9)	(94.6)	(180.2)
Acquisitions of investments and business (net of cash and cash equivalents)	(70.7)	(49.9)	(66.3)
Proceeds from disposal of property, plant and equipment	5.6	6.5	10.2
Proceed from disposal of financial assets	0.0	0.0	0.2
Change in investment-related receivables and payables	(0.2)	(10.8)	11.0
Other changes	(15.1)	(4.0)	(21.0)
<b>CASH FLOWS PROVIDED BY INVESTING ACTIVITIES</b>	<b>(437.2)</b>	<b>(329.6)</b>	<b>(697.5)</b>
<b>CASH PROVIDED (USED) BY OPERATING AND INVESTING ACTIVITIES (I)+(II)</b>	<b>(277.2)</b>	<b>(16.9)</b>	<b>28.0</b>
<b>III- FINANCING ACTIVITIES</b>			
Issuance of shares by Faurecia and fully-consolidated companies (net of costs)	0.5	0.0	1.2
Dividends paid to owners of the parent company	(38.6)	(27.6)	(27.6)
Dividends paid to minority interests in consolidated subsidiaries	(16.1)	(12.3)	(26.7)
Issuance of debt securities and increase in other financial liabilities	572.6	224.4	925.1
Repayment of debt and other financial liabilities	(100.0)	(18.9)	(881.9)
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>418.4</b>	<b>165.6</b>	<b>(9.9)</b>
<b>IV- OTHER CHANGES IN CASH AND CASH EQUIVALENTS</b>			
Impact of exchange rate changes on cash and cash equivalents	6.4	(19.0)	6.2
Net flows linked to discontinued operations	22.3	0.0	0.0
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>169.9</b>	<b>129.7</b>	<b>24.3</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR</b>	<b>630.1</b>	<b>605.8</b>	<b>605.8</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (NOTE 16)</b>	<b>800.0</b>	<b>735.5</b>	<b>630.1</b>

\* O/w badwill from Saline acquisition: €13.8 million for the 1<sup>st</sup> semester 2012.

## 2.4. Consolidated statement of changes in equity

<i>(in € millions)</i>	Number of shares	Capital stock	Additional paid-in capital	Treasury Stock	Retained earnings and net income (loss) for the period	Fair value and translation adjustments		Equity attributable to owners of the parent	Minority interests	Total
						Translation adjustments	Cash flow hedges			
<b>SHAREHOLDERS' EQUITY AS OF DEC. 31, 2010 BEFORE APPROPRIATION OF NET INCOME (LOSS)</b>	<b>110,366,728</b>	<b>772.5</b>	<b>282.4</b>	<b>(10.4)</b>	<b>(317.2)</b>	<b>94.0</b>	<b>(10.8)</b>	<b>810.5</b>	<b>87.7</b>	<b>898.2</b>
Net income (loss)					185.8			185.8	21.0	206.8
Translation adjustments						(31.0)		(31.0)	(2.9)	(33.9)
Changes in fair value of hedging instruments							6.3	6.3		6.3
<b>TOTAL INCOME (EXPENSE) RECOGNIZED IN EQUITY</b>					<b>185.8</b>	<b>(31.0)</b>	<b>6.3</b>	<b>161.1</b>	<b>18.1</b>	<b>179.2</b>
Capital increase	1,375	0.1						0.1		0.1
2010 dividends					(27.6)			(27.6)	(25.1)	(52.7)
Measurement of stock options					4.7			4.7		4.7
Purchases and sales of treasury stock				9.0	(2.2)			6.8		6.8
Changes in scope of consolidation								0.0		0.0
Recognition of 2010 losses of the parent company								0.0	2.3	2.3
<b>SHAREHOLDERS' EQUITY AS OF JUNE 30, 2011 BEFORE APPROPRIATION OF NET INCOME (LOSS)</b>	<b>110,368,103</b>	<b>772.6</b>	<b>282.4</b>	<b>(1.4)</b>	<b>(156.6)</b>	<b>63.0</b>	<b>(4.5)</b>	<b>955.5</b>	<b>83.0</b>	<b>1,038.5</b>
Net income (loss)					185.5			185.5	21.0	206.5
Translation adjustments						23.4		23.4	9.3	32.7
Changes in fair value of currency and interest rate hedging instruments							(12.6)	(12.6)		(12.6)
<b>TOTAL INCOME (EXPENSE) RECOGNIZED IN EQUITY</b>					<b>185.5</b>	<b>23.4</b>	<b>(12.6)</b>	<b>196.3</b>	<b>30.3</b>	<b>226.6</b>
Capital increase	242	0.0						0.0	1.2	1.2
2010 dividends					0.0			0.0	(1.6)	(1.6)
Measurement of stock options and shares grant					6.4			6.4		6.4
Purchases and sales of treasury stock				(0.3)	(0.1)			(0.4)		(0.4)
Option component of convertible bonds								0.0		0.0
Changes in scope of consolidation					(4.0)			(4.0)	0.6	(3.4)
<b>SHAREHOLDERS' EQUITY AS OF DEC. 31, 2011 BEFORE APPROPRIATION OF NET INCOME (LOSS)</b>	<b>110,368,345</b>	<b>772.6</b>	<b>282.4</b>	<b>(1.7)</b>	<b>31.3</b>	<b>86.4</b>	<b>(17.1)</b>	<b>1,153.9</b>	<b>113.5</b>	<b>1,267.4</b>
Net income (loss)					120.0			120.0	21.5	141.5
Translation adjustments						14.8		14.8	0.1	14.9
Changes in fair value of currency and interest rate hedging instruments							8.0	8.0		8.0
<b>TOTAL INCOME (EXPENSE) RECOGNIZED IN EQUITY</b>					<b>120.0</b>	<b>14.8</b>	<b>8.0</b>	<b>142.8</b>	<b>21.6</b>	<b>164.4</b>
Capital increase	465,400	3.3	(3.3)					0.0	0.5	0.5
2011 dividends					(38.6)			(38.6)	(20.9)	(59.5)
Measurement of stock options and shares grant					5.7			5.7		5.7
Purchases and sales of treasury stock								0.0		0.0
Changes in scope of consolidation and other					(0.3)			(0.3)	(1.2)	(1.5)
<b>SHAREHOLDERS' EQUITY AS OF JUNE 30, 2012 BEFORE APPROPRIATION OF NET INCOME (LOSS)</b>	<b>110,833,745</b>	<b>775.9</b>	<b>279.1</b>	<b>(1.7)</b>	<b>118.1</b>	<b>101.2</b>	<b>(9.1)</b>	<b>1,263.5</b>	<b>113.5</b>	<b>1,377.0</b>



## 2.5. Notes to the interim consolidated financial statements

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Faurecia S.A. and its subsidiaries form one of the world's leading automotive equipment suppliers in four major vehicle businesses: Automotive Seating, Emissions Control Technologies, Interior Systems and 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 interim consolidated financial statements were approved by Faurecia's Board of Directors on July 23, 2012.

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The interim consolidated financial statements of the Faurecia Group have been prepared in accordance with International Financial Reporting Standards (IFRS s) as adopted by the European Union, and available on the European Commission website: [http://ec.europa.eu/internal\\_market/accounting/ias/index\\_fr.htm](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 interim consolidated financial statements comply with IAS 34, Interim Financial Reporting, which permits entities to present condensed information. They should therefore be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2011.

The accounting policies used for the preparation of these interim financial statements are similar to the ones used for the consolidated financial statements as of December 31, 2011.

The standards used to prepare the interim consolidated financial statements for the six months ended June 30, 2012 and comparative data for 2011 are those published in the Official Journal of the European Union (OJEU) as of June 30, 2012, and whose application was mandatory as of that date.

Since January 1, 2012 Faurecia has applied the amendments to the existing standard IFRS 7; these amendments did not have any material impact on the consolidated financial statements as of June 30, 2012. Moreover, Faurecia has not applied by anticipation the standards, amendments or interpretations:

- adopted by the European Union but which application is due for yearly statements opened later than January 1, 2012 (standards and amendments to IAS 1 and IAS 19). The amendments to IAS 19 Employee benefits suppress notably the possibility retained by Faurecia to apply the corridor method. All actuarial gains and losses as well as service costs will be directly accounted for as liabilities in the balance sheet. 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. The potential impacts of these amendments are under analysis;
- not yet adopted by the European Union as of June 30, 2012 (standards and amendments to IFRS 9, IFRS 10, IFRS 11, IFRS 12, IFRS 13, IAS 28).

**NOTE 2 CHANGES IN SCOPE OF CONSOLIDATION**

**2.1 First-half 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 will be sold to the Detroit Manufacturing Systems company, 45% held by Faurecia, are presented as discontinued operations in compliance with IFRS 5.

**2.2 Reminder of change in scope of consolidation introduced in 2011**

The Angell Demmel operations, in Germany, have been consolidated in the Interior Systems business following the acquisition in January 2011. The company Faurecia Technical Center India, fully owned by Faurecia, was consolidated from January 1, 2011. The company Yutaka- India, in the Emission Control Technologies business, was acquired and integrated from February 1, 2011. In China, the five companies created after the strategic alliance signed with the Geely and Limin groups (Zhejiang Faurecia Limin interior & exterior systems, Xiangtan Faurecia Limin interior & exterior systems, Lanzhou Faurecia Limin interior & exterior systems, Jinan Faurecia Limin interior & exterior systems and Chengdu Faurecia Limin interior & exterior systems), in the Interior Systems business, have been consolidated from the second semester 2011, following the equity method for the first four, as well as Changchun Huaxiang Faurecia automotive plastic components, in the Automotive Exteriors business, following the equity method.



## 2.3 Impact on consolidated data of changes in scope of consolidation

The changes in scope of consolidation during the period did not have a material impact on the presentation of the Group's interim consolidated financial statements.

### NOTE 3

### SEASONAL FLUCTUATIONS IN BUSINESS LEVELS

Business levels in the automotive industry are traditionally higher in the first half of the year than in the second half.

### NOTE 4

### INFORMATION BY OPERATING SEGMENT

## 4.1 Key figures by operating segment

In accordance with the option available under IFRS 8, the Automotive Seating and Interior Systems business units have been aggregated into the Interior Modules segment and the Emissions Control Technologies and Automotive Exteriors units have been aggregated into the Other Modules segment.

These business units have similar economic characteristics, notably in terms of medium-term earnings outlook, type of customer and manufacturing processes.



**FIRST-HALF 2012**

<i>(in € millions)</i>	<b>Interior Modules</b>	<b>Other Modules</b>	<b>Other</b>	<b>Total</b>
<b>Sales</b>	<b>4,756.7</b>	<b>4,036.9</b>	<b>172.2</b>	<b>8,965.8</b>
Inter-segment eliminations	(23.4)	(5.6)	(172.2)	(201.2)
<b>Consolidated sales</b>	<b>4,733.3</b>	<b>4,031.3</b>	<b>0.0</b>	<b>8,764.6</b>
Operating income (loss) before allocation of costs	185.6	130.9	(14.0)	302.5
Allocation of costs	(8.8)	(5.2)	14.0	0.0
<b>Operating income</b>	<b>176.8</b>	<b>125.7</b>	<b>0.0</b>	<b>302.5</b>
Other non-operating income				14.6
Other non-operating expense				(50.9)
Finance costs, net				(73.7)
Other financial income and expense				(14.5)
Corporate income tax				(48.1)
Share of net income of associates				14.0
<b>Net Income (Loss) of continued operations</b>				<b>143.9</b>
<b>Net Income (Loss) of discontinued operations</b>				<b>(2.4)</b>
<b>NET INCOME (LOSS)</b>				<b>141.5</b>
<b>Segment assets</b>				
Net Property, plant and equipment, net	1,118.4	759.6	16.2	1,894.2
Other segment assets	3,305.6	2,027.5	5.3	5,338.4
<b>TOTAL SEGMENT ASSETS</b>	<b>4,424.0</b>	<b>2,787.1</b>	<b>21.5</b>	<b>7,232.6</b>
Investments in associates				62.8
Equity interests				34.6
Short and long-term financial assets				868.4
Tax assets (current and deferred)				137.9
Assets held for sale				39.0
<b>TOTAL ASSETS</b>				<b>8,375.3</b>
<b>Segment liabilities</b>	<b>2,658.9</b>	<b>1,769.4</b>	<b>130.6</b>	<b>4,558.9</b>
Borrowings				2,326.3
Tax liabilities (current and deferred)				48.7
Liabilities linked to assets held for sale				64.4
Equity and minority interests				1,377.0
<b>TOTAL LIABILITIES</b>				<b>8,375.3</b>
Capital expenditure	139.0	111.4	15.5	265.9
Depreciation of items of property, plant and equipment	(96.7)	(54.1)	(2.0)	(152.8)
Impairment of property, plant and equipment	(0.6)			(0.6)
Headcounts	63,688	26,961	1,724	92,373


**FIRST-HALF 2011**

<i>(in € millions)</i>	<b>Interior Modules</b>	<b>Other Modules</b>	<b>Other</b>	<b>Total</b>
<b>Sales</b>	<b>4,413.0</b>	<b>3,774.6</b>	<b>147.8</b>	<b>8,335.4</b>
Inter-segment eliminations	(26.8)	(10.5)	(147.8)	(185.1)
<b>Consolidated sales</b>	<b>4,386.2</b>	<b>3,764.1</b>	<b>0.0</b>	<b>8,150.3</b>
Operating income (loss) before allocation of costs	220.7	132.6	(13.3)	340.0
Allocation of costs	(8.4)	(4.9)	13.3	0.0
<b>Operating income</b>	<b>212.3</b>	<b>127.7</b>	<b>0.0</b>	<b>340.0</b>
Other operating income				0.0
Other operating expense				(32.9)
Finance costs, net				(41.9)
Other financial income and expense				(12.8)
Corporate income tax				(61.5)
Share of net income in associates				15.9
<b>NET INCOME FOR THE PERIOD</b>				<b>206.8</b>
<b>Segment assets</b>				
Property, plant and equipment, net	959.7	623.0	9.2	1,591.9
Other	2,859.0	1,867.8	34.2	4,761.0
<b>TOTAL SEGMENT ASSETS</b>	<b>3,818.7</b>	<b>2,490.8</b>	<b>43.4</b>	<b>6,352.9</b>
Investments in associates				38.1
Other equity interests				38.0
Short and long-term financial assets				780.8
Tax assets (current and deferred)				123.7
<b>TOTAL ASSETS</b>				<b>7,333.5</b>
<b>Segment liabilities</b>	<b>2,464.0</b>	<b>1,720.6</b>	<b>54.8</b>	<b>4,239.4</b>
Borrowings				1,990.7
Tax liabilities (current and deferred)				64.8
Equity and minority interests				1,038.6
<b>TOTAL LIABILITIES</b>				<b>7,333.5</b>
Capital expenditure	100.9	70.1	5.8	176.8
Depreciation of property, plant and equipment	(99.1)	(50.3)	(1.6)	(151.0)
Impairment in value of property, plant and equipment	2.2	(0.4)		1.8
Headcounts	56,293	25,409	1,478	83,180

**FULL-YEAR 2011**

<i>(in € millions)</i>	<b>Interior Modules</b>	<b>Other Modules</b>	<b>Other</b>	<b>Total</b>
<b>Sales</b>	<b>8,677.0</b>	<b>7,583.6</b>	<b>319.6</b>	<b>16,580.3</b>
Inter-segment eliminations	(50.3)	(20.1)	(319.6)	(390.1)
<b>Consolidated sales</b>	<b>8,626.7</b>	<b>7,563.5</b>	<b>0.0</b>	<b>16,190.2</b>
Operating income (loss) before allocation of costs	421.6	251.6	(22.4)	650.9
Allocation of costs	(14.1)	(8.3)	22.4	0.0
<b>Operating income</b>	<b>407.5</b>	<b>243.3</b>	<b>0.0</b>	<b>650.9</b>
Other non-operating income				0.3
Other non-operating expense				(58.2)
Finance costs, net				(98.5)
Other financial income and expense				(19.0)
Corporate income tax				(95.9)
Share of net income of associates				33.7
<b>NET INCOME (LOSS)</b>				<b>413.3</b>
<b>Segment assets</b>				
Property, plant and equipment, net	1,016.7	698.1	18.6	1,733.4
Other segment assets	2,772.5	1,781.1	52.0	4,605.6
<b>TOTAL SEGMENT ASSETS</b>	<b>3,789.2</b>	<b>2,479.2</b>	<b>70.6</b>	<b>6,339.0</b>
Investments in associates				71.0
Equity interests				38.8
Short and long-term financial assets				683.9
Tax assets (current and deferred)				131.9
<b>TOTAL ASSETS</b>				<b>7,264.6</b>
<b>Segment liabilities</b>	<b>2,352.1</b>	<b>1,638.2</b>	<b>100.8</b>	<b>4,091.1</b>
Borrowings				1,855.7
Tax liabilities (current and deferred)				50.4
Equity and minority interests				1,267.4
<b>TOTAL LIABILITIES</b>				<b>7,264.6</b>
Capital expenditure	247.7	190.4	13.3	451.4
Depreciation of items of property, plant and equipment	(195.7)	(103.6)	0.5	(298.8)
Impairment of property, plant and equipment	(3.4)	(3.8)		(7.2)
Headcounts	57,156	25,437	1,586	84,179



## 4.2 Sales by operating segment

<i>(in € millions)</i>	<b>First-half 2012</b>	<b>%</b>	<b>First-half 2011</b>	<b>%</b>	<b>Full-year 2011</b>	<b>%</b>
<b>Interior Modules</b>						
• Automotive Seating	2,668.5	30	2,547.6	31	4,981.2	31
• Interior Systems	2,064.8	24	1,838.6	23	3,645.5	23
	<b>4,733.3</b>	<b>54</b>	<b>4,386.2</b>	<b>54</b>	<b>8,626.7</b>	<b>53</b>
<b>Other Modules</b>						
• Emissions Control Technologies	3,155.0	36	2,848.7	35	5,779.3	36
• Automotive Exteriors	876.3	10	915.4	11	1,784.2	11
	<b>4,031.3</b>	<b>46</b>	<b>3,764.1</b>	<b>46</b>	<b>7,563.5</b>	<b>47</b>
<b>TOTAL</b>	<b>8,764.6</b>	<b>100</b>	<b>8,150.3</b>	<b>100</b>	<b>16,190.2</b>	<b>100</b>

## 4.3 Sales by major customer

Sales\* by major customer break down as follows:

<i>(in € millions)</i>	<b>First-half 2012</b>	<b>%</b>	<b>First-half 2011</b>	<b>%</b>	<b>Full-year 2011</b>	<b>%</b>
VW group	1,856.3	21	1,650.1	20	3,418.0	21
PSA Peugeot Citroën	1,219.5	14	1,345.0	17	2,433.9	15
Ford group	927.1	11	846.3	10	1,652.2	10
Renault-Nissan	780.5	9	787.1	10	1,555.2	10
GM	721.1	8	621.4	8	1,277.5	8
BMW	551.4	6	552.6	7	1,092.6	7
Others	2,708.7	31	2,347.8	29	4,760.8	29
<b>TOTAL</b>	<b>8,764.6</b>	<b>100</b>	<b>8,150.3</b>	<b>100</b>	<b>16,190.2</b>	<b>100</b>

\* Invoiced sales.

Invoiced sales may differ from sales by end customer when products are sold to intermediary assemblers.

**NOTE 5 OPERATING COSTS**

**5.1 Analysis by function**

<i>(in € millions)</i>	<b>First-half 2012</b>	<b>First-half 2011</b>	<b>Full-year 2011</b>
Cost of sales	(8,026.3)	(7,451.5)	(14,806.4)
Research and development costs	(142.7)	(111.4)	(222.3)
Selling and administrative expenses	(293.1)	(247.4)	(510.6)
<b>TOTAL</b>	<b>(8,462.1)</b>	<b>(7,810.3)</b>	<b>(15,539.3)</b>

**5.2 Analysis by nature**

<i>(in € millions)</i>	<b>First-half 2012</b>	<b>First-half 2011</b>	<b>Full-year 2011</b>
Purchases consumed	(6,073.1)	(5,538.1)	(11,048.9)
External costs	(824.0)	(718.1)	(1,420.7)
Personnel costs	(1,622.1)	(1,458.1)	(2,883.2)
Taxes other than on income	(31.1)	(26.9)	(56.5)
Other income and expenses *	299.4	131.6	257.1
Depreciation, amortization and provisions for impairment in value of non-current assets	(230.5)	(232.9)	(453.6)
Charges to and reversals of provisions	19.3	32.2	66.5
<b>TOTAL</b>	<b>(8,462.1)</b>	<b>(7,810.3)</b>	<b>(15,539.3)</b>

\* Including production taken into inventory or capitalized 294.9 171.8 298.4

**5.3 Research and development costs**

<i>(in € millions)</i>	<b>First-half 2012</b>	<b>First-half 2011</b>	<b>Full-year 2011</b>
Research and development costs, gross	(466.0)	(383.5)	(759.6)
• Amounts billed to customers and changes in inventories	302.6	251.8	498.0
• Capitalized development costs	89.7	93.8	178.9
• Amortization of capitalized development costs	(68.5)	(75.1)	(141.7)
• Charges to and reversals of provisions for impairment of capitalized development costs	(0.5)	1.6	2.1
<b>NET EXPENSE</b>	<b>(142.7)</b>	<b>(111.4)</b>	<b>(222.3)</b>



## 5.4 Depreciation, amortization and provisions for impairment in value of non-current assets

<i>(in € millions)</i>	First-half 2012	First-half 2011	Full-year 2011
Amortization of capitalized development costs	(68.5)	(75.1)	(141.7)
Amortization of other intangible assets	(9.9)	(10.3)	(20.9)
Depreciation of specific tooling	2.8	(6.3)	3.2
Depreciation and impairment of other items of property, plant and equipment	(154.4)	(142.8)	(296.3)
Provisions for impairment of capitalized development costs	(0.5)	1.6	2.1
<b>TOTAL</b>	<b>(230.5)</b>	<b>(232.9)</b>	<b>(453.6)</b>

### NOTE 6 OTHER NON OPERATING INCOME AND EXPENSE

Other non operating income and expense can be analyzed as follows:

#### OTHER NON-OPERATING INCOME

<i>(in € millions)</i>	First-half 2012	First-half 2011	Full-year 2011
Provision for contingencies	0.0	0.0	0.3
Badwill from the acquisition of Saline plant	13.8	0.0	0.0
Other	0.8	0.0	0.0
<b>TOTAL</b>	<b>14.6</b>	<b>0.0</b>	<b>0.3</b>

#### OTHER NON-OPERATING EXPENSE

<i>(in € millions)</i>	First-half 2012	First-half 2011	Full-year 2011
Reorganization expenses*	(42.8)	(32.3)	(55.8)
Other	(8.1)	(0.6)	(2.4)
<b>TOTAL</b>	<b>(50.9)</b>	<b>(32.9)</b>	<b>(58.2)</b>

\* As of June 30, 2012 this item includes restructuring costs in the amount of €42.2 million and provisions for impairment in value of non-current assets in the amount of €0.6 million versus respectively, €48.7 million and €7.1 million for full year 2011, and €29.2 million and €3.1 million as of June 30, 2011.

**NOTE 7 OTHER FINANCIAL INCOME AND EXPENSE**

<i>(in € millions)</i>	<b>First-half 2012</b>	<b>First-half 2011</b>	<b>Full-year 2011</b>
Impact of discounting pension benefit obligations	(4.5)	(4.0)	(8.2)
Changes in the ineffective portion of currency hedges	0.8	(1.0)	(2.3)
Changes in fair value of currency hedged relating to debt	2.6	0.0	0.0
Changes in fair value of interest rate hedges	1.6	(0.1)	(0.3)
Translation differences on borrowings	(8.3)	(3.0)	3.3
Gains on sales of securities	0.0	0.0	(0.2)
Other	(6.7)	(4.7)	(11.3)
<b>TOTAL</b>	<b>(14.5)</b>	<b>(12.8)</b>	<b>(19.0)</b>

**NOTE 8 CORPORATE INCOME TAX**

The effective corporate income tax charge can be reconciled with the theoretical tax charge as follows:

<i>(in € millions)</i>	<b>First-half 2012</b>	<b>First-half 2011</b>	<b>Full-year 2011</b>
Pre-tax income of consolidated companies	178.0	252.4	475.4
Tax rate at 36.1%	(64.3)	(86.9)	(171.6)
Effect of rate changes on deferred taxes recognized on the balance sheet	(2.8)	(0.7)	(2.3)
Effect of local rate differences	17.8	20.6	45.1
Tax credits	11.7	9.8	17.5
Change in unrecognized deferred tax	9.1	16.0	18.0
Permanent differences & others	(19.6)	(20.3)	(2.6)
<b>CORPORATE TAX RECOGNIZED</b>	<b>(48.1)</b>	<b>(61.5)</b>	<b>(95.9)</b>

Deferred tax assets are not recognized for tax loss carryforwards that are not certain of being utilized. As of June 30, 2012, these assets amounted to €737.3 million, compared with €794 million as of December 31, 2011.



## NOTE 9

## EARNINGS PER SHARE

<i>(in € millions)</i>	First-half 2012	First-half 2011	Full-year 2011
<b>Number of shares outstanding at end of period</b>	<b>110,833,745</b>	<b>110,368,103</b>	<b>110,368,345</b>
Adjustments :			
• treasury stock	(48,887)	(25,750)	(46,872)
• weighted impact of share issue prorated	(447,500)	(893)	(583)
<b>Weighted average number of shares before dilution</b>	<b>110,337,358</b>	<b>110,341,460</b>	<b>110,320,890</b>
Weighted impact of dilutive instruments:			
• Stock options	0	3,624	0
• Free shares attributed	366,600	1,344,500	2,465,850
• Bonds with conversion option	4,723,144	6,884,859	6,774,402
<b>WEIGHTED AVERAGE NUMBER OF SHARES AFTER DILUTION</b>	<b>115,427,102</b>	<b>118,574,443</b>	<b>119,561,142</b>

**BASIC AND DILUTED EARNINGS PER SHARE (IN €)**

	First-half 2012	First-half 2011	Full-year 2011
Net income (Loss) <i>(in € millions)</i>	120.0	185.8	371.3
Basic earnings (loss) per share	1.09	1.68	3.37
After dilution	1.04	1.57	3.11

Basic earnings per share are calculated by dividing net income by the weighted average number of shares outstanding during the period, excluding treasury stock.

## NOTE 10A

## BUSINESS COMBINATION – SALINE

On May 2, 2012, Faurecia signed an agreement to acquire the Interior Components business based on the site of Saline, Michigan, USA operated by ACH (Automotive Components Holdings, LLC). This acquisition was completed on June 1, 2012 and took the form of an asset deal ; it is considered a business combination under the revised IFRS 3. With this acquisition Faurecia becomes North America number one interior systems supplier and reinforces its relations with the Ford group ; Ford now becoming Faurecia's third largest customer.

In conjunction with this acquisition, Faurecia entered into a new joint venture with the Rush Group Ltd, the company Detroit Manufacturing Systems (DMS), in which Faurecia holds 45% and which will take over the assembly and sequencing interior trim business, currently operated on the Saline site, in a new facility in Detroit. This business will be progressively transferred from July 2012 by Faurecia to DMS. Therefore, the corresponding part of the business acquired from ACH by Faurecia is presented as assets held for sale in the consolidated balance sheet and as net income/loss from discontinued operations in the consolidated statement of comprehensive income.

The net acquisition price is €43 million. This price has been allocated to the net assets acquired and liabilities assumed, resulting in the recognition of a badwill of €13.8 million, carried to the line other non operating income (cf. Note 6). This business combination was accounted for provisionally as the fair values assigned to the assets acquired and liabilities assumed may be amended within the one-year period following the June 1, 2012 acquisition.

The contribution of Saline (excluding the discontinued operations) to the Group consolidated sales and operating income is not significant on the first semester 2012.



**NOTE 10B GOODWILL**

<i>(in € millions)</i>	Gross	Impairment	Net
<b>Net carrying amount as of January 1, 2011</b>	<b>1,741.9</b>	<b>(511.1)</b>	<b>1,230.8</b>
Acquisitions and minority interest buyouts	25.5	0.0	25.5
Impairment of goodwill	0.0	0.0	0.0
Translation adjustments and other movements	3.8	0.5	4.3
<b>Net carrying amount as of December 31, 2011</b>	<b>1,771.2</b>	<b>(510.6)</b>	<b>1,260.6</b>
Acquisitions and minority interest buyouts	6.9	0.0	6.9
Translation adjustments and other movements	4.9	0.0	4.9
<b>Net carrying amount as of June 30, 2012</b>	<b>1,783.0</b>	<b>(510.6)</b>	<b>1,272.4</b>

Net goodwill breaks down as follows by business:

<i>(in € millions)</i>	June 30, 2012	Dec. 31, 2011
Automotive Seating	792.4	792.4
Emissions Control Technologies	345.1	340.2
Interior Systems	38.8	31.9
Automotive Exteriors	96.1	96.1
<b>TOTAL</b>	<b>1,272.4</b>	<b>1,260.6</b>

There was no indication that any goodwill was to be impaired at June 30, 2012.

**NOTE 11 INVESTMENTS IN ASSOCIATES**

As of June 30, 2012 this item broke down as follows:

<i>(in € millions)</i>	% interest *	Group share of equity **	Dividends received by the Group	Group share of sales	Group share of total assets
Teknik Malzeme	50	5.5	0.0	24.5	30.8
Zhejiang Faurecia Limin Interior & Exterior Systems Company Ltd	50	3.7	0.0	0.0	7.6
Changchun Huaxiang Faurecia Automotive Plastic Components Co Ltd	50	5.2	0.0	16.9	24.0
Detroit Manufacturing Systems LLC	45	2.6	0.0	0.0	6.5
Jinan Faurecia Limin Interior & Exterior Systems Company Limited	50	2.4	0.0	0.0	3.3
Others	50	9.4	0.0	164.3	93.9
<b>Total</b>	<b>-</b>	<b>28.9</b>	<b>0.0</b>	<b>205.8</b>	<b>166.1</b>
SAS Group	50	33.9	(25.0)	953.4	368.0
<b>TOTAL</b>	<b>-</b>	<b>62.8</b>	<b>(25.0)</b>	<b>1,159.3</b>	<b>534.1</b>

\* Percent interest held by the company that owns the shares.

\*\* As the Group's share of some company's net equity is negative it is recorded under liabilities as a provision for contingencies and charges.



## 11.1 Movements in investments in associates

<i>(in € millions)</i>	First-half 2012	First-half 2011	Full-year 2011
Group share of equity at beginning of period	71.0	43.6	43.6
Dividends	(25.0)	(20.0)	(21.0)
Share of net income of associates	14.0	15.9	33.7
Change in scope of consolidation	2.2	(0.9)	13.8
Capital increase	0.0	0.0	0.0
Currency translation adjustments	0.6	(0.5)	0.8
<b>Group share of equity at end of period</b>	<b>62.8</b>	<b>38.1</b>	<b>71.0</b>

## 11.2 Group share of assets and liabilities of associates

<i>(in € millions)</i>	June 30, 2012	Dec. 31, 2011
Fixed assets	71.8	64.6
Current assets	415.0	397.9
Cash and cash equivalents	47.3	60.9
<b>TOTAL ASSETS</b>	<b>534.1</b>	<b>523.4</b>
Equity	56.3	63.5
Borrowings	34.9	32.4
Other non-current liabilities	16.7	18.3
Non-current financial liabilities	426.2	409.2
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>534.1</b>	<b>523.4</b>

### NOTE 12 TRADE ACCOUNTS RECEIVABLE

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. These sales are monthly performed.

The following table shows the amount of sold receivables with maturities beyond June 30, 2012 for which substantially all the risks and rewards have been transferred, and which have therefore been derecognized as well as the financing under these programs – corresponding to the cash received as consideration for the receivables sold.

<i>(in € millions)</i>	June 30, 2012	Dec. 31, 2011
Financing	523.9	571.5
Guarantee reserve deducted from borrowings	(33.7)	(36.3)
Cash received as consideration for receivables sold	490.2	535.2
Receivables sold and derecognized	(376.6)	(461.7)

Individually impaired trade receivables are as follows:

<i>(In € millions)</i>	June 30, 2012	Dec. 31, 2011	Dec. 31, 2010
Gross total trade receivables	2,036.6	1,640.2	1,409.6
Provision for impairment of receivables	(20.2)	(20.0)	(21.9)
<b>TOTAL TRADE ACCOUNTS RECEIVABLE, NET</b>	<b>2,016.4</b>	<b>1,620.2</b>	<b>1,387.7</b>

Given the high quality of Group counterparties, late payments do not represent a material risk and generally arise from administrative issues.

As of June 30, 2012, past due trade accounts receivable represented €102.1 million, broken down as follows:

- €51.3 million less than one month past due;
- €12.2 million between one and two months past due;
- €9.5 million between two and three months past due;
- €12.8 million between three and six months past due;
- €16.3 million more than six months past due.

#### NOTE 13 OTHER NON-CURRENT FINANCIAL ASSETS

<i>(In € millions)</i>	June 30, 2012			Dec. 31, 2011
	Gross	Provisions	Net	Net
Loans with maturity longer than one year	36.2	(8.3)	27.9	22.6
Interest rate derivatives	0.0	0.0	0.0	0.0
Other	19.6	(0.7)	18.9	12.8
<b>TOTAL</b>	<b>55.8</b>	<b>(9.0)</b>	<b>46.8</b>	<b>35.4</b>



## NOTE 14

## EQUITY

## 14.1 Capital stock and additional paid-in capital

As of June 30, 2011 the Company's capital stock totalled €775,836,215 divided into 110,833,745 fully paid-up common shares with a par value of €7 each. Shares which have been registered in the name of the same holder for at least two years carry double voting rights.

## 14.2 Employee stock options and share grants

### A – STOCK SUBSCRIPTION OPTIONS

The Company has a policy of issuing stock options to the managers of Group companies and their over 50%-owned subsidiaries allowing them to subscribe for newly-issued Faurecia shares.

As of June 30, 2012, a total of 1,213,217 stock subscription options were outstanding.

Exercising these options would result in:

- capital stock being increased by €8.5 million;
- additional paid-in capital being increased by €42.7 million.

Details of the stock subscription option plans as of June 30, 2012 are set out in the table below:

Date of Shareholders' Meeting	Date of Board meeting	Adjusted number of options granted	Including granted to senior executive management	Start of exercise period		Options exercised	Options cancelled	Adjusted number of options outstanding as of June 30, 2012
	Adjusted exercise price (in €)			Last exercise date				
June 1, 2001	November 28, 2002			November 29, 2006				
May 14, 2002	35.65	315,315	118,170	November 27, 2012	106,583	134,105	74,627	
	April 14, 2004			April 14, 2008				
May 14, 2002	49.73	313,560	127,530	April 13, 2014	-	149,760	163,800	
	April 19, 2005			April 18, 2009				
May 25, 2004	54.45	321,750	142,740	April 18, 2015	-	126,360	195,390	
	April 13, 2006			April 12, 2010				
May 23, 2005	45.2	340,800	168,000	April 12, 2016	-	137,400	203,400	
	April 16, 2007			April 17, 2011				
May 23, 2005	44.69	346,200	172,800	April 17, 2017	-	88,200	258,000	
	April 10, 2008			April 10, 2012				
May 29, 2007	28.38	357,000	174,000	April 10, 2016	-	39,000	318,000	
<b>TOTAL</b>								<b>1,213,217</b>

## B – SHARE GRANTS

In 2010 Faurecia implemented a share grant policy for executives of Group companies. These shares are subject to service and performance conditions.

The fair value of these plans 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.

Detail of the share grant plans open as of June 30, 2012 are set out in the table below :

Date of Shareholders' Meeting	Date of Board meeting	Maximum number of free shares that can be granted for		Performance condition	
		reaching the objective	exceeding the objective		
February 8, 2010	July 21, 2010	Plan 2	682,500	887,250	2012 pretax income target as stated in mid term plan when granted
May 26, 2011	July 25, 2011	Plan 3	718,000	933,400	2013 pretax income target as stated in mid term plan when granted

Following the achievement of the performance condition for the first plan (Board meeting 06/23/2010), 465,400 shares have been attributed and 366,600 remain to be attributed.

## NOTE 15 LONG- AND SHORT-TERM PROVISIONS

### LONG-TERM PROVISIONS

<i>(in € millions)</i>	June 30, 2012	Dec. 31, 2011
Provisions for pensions and other employee obligations		
• Pension obligations	167.5	162.4
• Long-service awards	21.1	20.6
• Healthcare costs	22.9	32.8
<b>SUB TOTAL</b>	<b>211.5</b>	<b>215.8</b>
Provisions for early retirement costs	2.4	3.0
<b>TOTAL LONG-TERM PROVISIONS</b>	<b>213.9</b>	<b>218.8</b>

### SHORT-TERM PROVISIONS

<i>(in € millions)</i>	June 30, 2012	Dec. 31, 2011
Restructuring	133.5	123.8
Risks on contracts and customer warranties	84.7	96.9
Litigation	36.9	38.6
Other	59.2	63.0
<b>TOTAL SHORT-TERM PROVISIONS</b>	<b>314.3</b>	<b>322.3</b>



## NOTE 16

## NET DEBT

<i>(in € millions)</i>	June 30, 2012	Dec. 31, 2011
Bonds	933.8	543.6
Bank borrowings	624.5	655.8
Other borrowings	4.3	5.0
Obligations under finance lease	32.0	29.8
Non-current derivatives	6.9	5.9
<b>SUB-TOTAL NON-CURRENT FINANCIAL LIABILITIES</b>	<b>1,601.5</b>	<b>1,240.1</b>
Current portion of long term debt	73.8	36.0
Short-term borrowings <sup>(1)</sup>	644.6	573.7
Payments issued <sup>(2)</sup> (a)	0.0	0.0
Current derivatives	6.4	5.9
<b>SUB-TOTAL CURRENT FINANCIAL LIABILITIES</b>	<b>724.8</b>	<b>615.6</b>
<b>TOTAL</b>	<b>2,326.3</b>	<b>1,855.7</b>
Derivatives classified under non-current and current assets	(1.6)	(1.5)
Cash and cash equivalents (b)	(800.0)	(630.1)
<b>NET DEBT</b>	<b>1,524.7</b>	<b>1,224.1</b>
Net cash and cash equivalent (b)-(a)	800.0	630.1
	242.0	137.2

(1) Including bank overdrafts

(2) Payments awaiting clearance by the bank as they fall due on a non-banking day. The contra-entry is an increase in cash and equivalents under assets.

## 16.1 Financing

Faurecia has pursued the implementation of its long term financing plan during the first semester 2012 through :

- an additional €140 million issue in February 2012 to the €350 million bond issue of November 2011 due December 2016;
- a €250 million bond issue in May 2012 due June 2019.

### 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 affiliates.

### 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 affiliates. The costs related to the bond issue are expensed in P&L over the life time of the bonds.

## SYNDICATED BANK LOAN

The syndicated bank loan implemented on December 20, 2011 is divided into a €690 million tranche expiring in November 2014, benefiting from two options to extend the expiration to November 2015 and November 2016, and a €460 million tranche expiring in November 2016. As of June 30, 2012 the undrawn portion of this credit facility was €730 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 June 30, 2012, the Group complied with all of these ratios, of which the amounts are presented below:

- Net debt \*/EBITDA \*\* <2.50;
- EBITDA \*\*/net interests >4.50.

\* 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.

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 benefit from guarantees from some Group affiliates.

## 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 mature on January 1, 2015 and bear annual interest of 4.50% payable on January 1 each year, as from January 1, 2011. Each bond has a nominal value of €18.69.

Subject to certain conditions, Faurecia may redeem the bonds early, at any time beginning on January 15, 2013, at a price equal to their par value plus accrued interest, provided that all of the outstanding bonds are redeemed. The bonds can be converted by their holders at any time as from their date of issue. The criteria relating to their compulsory early redemption include an ownership clause relating to PSA.

In accordance with IAS 39, the fair value of the OCEANE bonds is split into two components: (i) a liability component calculated based on prevailing market interest rates for similar bonds with no conversion option and (ii) an equity component corresponding to the conversion option, calculated based on the difference between the fair value of the OCEANE bonds and the liability component. These two components were recognized at the bond issue date in respective amounts of €184.3 million and €23.3 million. As of June 30, 2012 the liability component was €196.7 million before hedging.

## 16.2 Analysis of borrowings by interest rate and currency

As of June 30, 2012, 57.6% of the Group's borrowings were at variable rates before taking into account the impact of hedging, representing €1,340.7 million. Interest on variable rate borrowings has been partially hedged with a maturity within the next 2 years (see Note 17.2).

(in € millions)	June 30, 2012	
Variables rate borrowings	1,340.7	57.6%
Fixed rate borrowings	985.6	42.4%
<b>TOTAL</b>	<b>2,326.3</b>	<b>100.0%</b>

Borrowings (taking into account currency swaps) break down as follows by repayment currency:

(in € millions)	June 30, 2012		Dec. 31, 2011	
Euros	1,749.2	75.2%	1,431.3	77.2%
US Dollar	422.4	18.2%	290.0	15.6%
Other currencies	154.7	6.7%	134.4	7.2%
<b>TOTAL</b>	<b>2,326.3</b>	<b>100.0%</b>	<b>1,855.7</b>	<b>100.0%</b>

The weighted average interest rate on outstanding borrowings was 5.65% for the first half of 2012.



## 16.3 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 (quoted prices 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 17 HEDGING OF CURRENCY AND INTEREST RATE RISKS

## 17.1 Hedging of currency risks

Currency risks relating to the commercial transactions of the Group's subsidiaries are managed centrally by Faurecia, principally using forward purchase and sale contracts and options as well as foreign currency financing. The Group Financing and Treasury department – which reports to Group General Management – is responsible for managing this centralized system. Hedging decisions are made by a Market Risk Management Committee that meets on a monthly basis.

Faurecia hedges its commercial positions either through derivatives or by setting up loans denominated in the same currency as the subsidiary's related exposure. Currency risks on forecast transactions are hedged on the basis of estimated cash flows determined in forecasts validated by General Management, and the related derivatives are classified as cash flow hedges where a hedging relationship exists that meets the criteria in IAS 39.

Subsidiaries outside the eurozone 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.

Information on hedged notional amounts:

As of June 30, 2012 <i>(in € millions)</i>	Carrying amount			Maturities		
	Assets	Liabilities	Notional amount *	<1 year	de 1 to 5 years	>5 years
Fair value hedges						
• forward currency contracts	0.0	0.0	7.6	7.6	0.0	
• inter-company loans in foreign currencies swapped for euros	2.9	(5.8)	760.6	720.9	39.7	
Cash flow hedges						
• forward currency contracts	4.2	(3.3)	224.7	224.7		
Not eligible for hedge accounting	0.5	0.1	46.5	46.5		
	7.6	(9.0)				

\* Notional amounts based on absolute values.

As of Dec. 31, 2011 <i>(in € millions)</i>	Carrying amount			Maturities		
	Assets	Liabilities	Notional amount *	<1 year	de 1 to 5 years	>5 years
Fair value hedges						
• forward currency contracts	0.0	0.0	4.5	4.5	0.0	
• currency options						
• inter-company loans in foreign currencies swapped for euros	1.5	(5.0)	678.1	678.1	0.0	
Cash flow hedges						
• forward currency contracts	0.0	(13.5)	333.7	333.7	0.0	
Not eligible for hedge accounting	0.0	0.1	25.8	25.8	0.0	
	1.5	(18.4)				

\* Notional amounts based on absolute values.



## 17.2 Interest rate hedges

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

The aim of the Group's interest rate hedging policy is to reduce the impact on earnings of changes in short-term rates as the majority of its borrowings are at variable rates. The hedges set up primarily comprise euro – and eventually dollar-denominated swaps. They cover a part of the interest payable from 2012 to 2014 against a rise in rates.

Certain of the Group's derivatives have qualified for hedge accounting under IAS 39. The other derivatives purchased by the Group constitute economic hedges of interest rate risks on borrowings but do not qualify for hedge accounting under IAS 39. As a result, changes in the fair value of these instruments are directly recognized in income under "Other financial income and expense".

Interest rate hedging instruments are recognized in the balance sheet at fair value, based on measurements confirmed by banking counterparties.

The notional amounts of the Group's interest rate hedges break down as follows:

As of June 30, 2012	Carrying amount		Notional amounts by maturity		
	Assets	Liabilities	<1 years	1 to 5 years	>5 years
Interest rate options	0.0				
Variable rate/fixed rate swaps		(8.9)	220	445	
Accrued premiums payable					
	0.0	(8.9)	220	445	-

As of Dec. 31, 2011	Carrying amount		Notional amounts by maturity		
	Assets	Liabilities	<1 years	1 to 5 years	>5 years
Interest rate options	0.0		150		
Variable rate/fixed rate swaps		(6.9)	158	224	
Accrued premiums payable					
	0.0	(6.9)	308	224	-

### NOTE 18 COMMITMENTS GIVEN

(in € millions)	June 30, 2012	Dec. 31, 2011
Future minimum lease payments under operating leases	249.0	235.1
Debt collateral:		
• mortgages	17.2	12.7
Other debt guarantees	27.5	39.7
Firm orders for property, plant and equipment and intangible assets	127.9	101.9
Other	2.7	5.0
<b>TOTAL</b>	<b>424.3</b>	<b>394.4</b>


**NOTE 19 TRANSACTIONS WITH PSA PEUGEOT CITROËN**

The Faurecia Group is managed independently and transactions with the PSA Peugeot Citroën group are conducted on 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:

<i>(in € millions)</i>	<b>June 30, 2012</b>	<b>Dec. 31, 2011</b>
Sales	1,219.4	2,433.9
Purchases of products, services and materials	7.4	12.5
Receivables *	472.0	474.5
Payables	48.0	46.9
* After no-recourse sales of receivables amounting to:	162.3	201.1

**NOTE 20 EVENTS AFTER THE BALANCE SHEET DATE**

No significant post-balance sheet events have occurred since June 30, 2012.



# 3

## **Statement by the person responsible for the 2012 interim financial report**



## Statement by the person responsible for the 2012 interim financial report

I hereby declare that, to the best of my knowledge, the condensed interim consolidated financial statements for the six-month period ending June 30, 2012 have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of Faurecia and the consolidated companies making up the Group. I further declare that, to the best of my knowledge, the accompanying interim management report (i) provides a true and fair view of the material events that occurred in the first six months of the financial year and their impact on the interim financial statements, as well as of the main related-party transactions, and (ii) sets out a description of the principal risks and uncertainties for the remaining six months of the year.

July 24, 2012

Yann Delabrière

*Chairman and Chief Executive Officer*



# 4

## **Statutory Auditors' review report on the interim financial information**



# Statutory Auditors' review report on the interim financial information

*This is a free translation into English of the statutory auditors' review report on the half-yearly consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users. This report also includes information relating to the specific verification of information given in the Group's interim management report. 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 compliance with the assignment entrusted to us by your annual shareholders' meeting and in accordance with the requirements of article L. 451-1-2 III of the French monetary and financial code (Code monétaire et financier), we hereby report to you on:

- the review of the accompanying condensed interim consolidated financial statements of Faurecia, for the six months ended June 30, 2012;
- the verification of the information contained in the interim management report.

These condensed interim consolidated financial statements were prepared under the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

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## 1. CONCLUSION ON THE FINANCIAL STATEMENTS

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

Based on our review, nothing has come to our attention that causes us to believe that these condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – the standard of IFRSs as adopted by the European Union applicable to interim financial information.

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## 2. SPECIFIC VERIFICATION

We have also verified the information provided in the interim management report on the condensed interim consolidated financial statements subject to our review.

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

Neuilly-sur-Seine and Paris-La Défense, July 24, 2012

The statutory auditors

French original signed by:

PricewaterhouseCoopers Audit  
Dominique Ménard

Ernst & Young Audit  
Denis Thibon



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