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(incorporated under the laws of France as a *société anonyme à conseil d'administration, i.e.,* a limited liability company)

€250,000,000
8.75% Senior Notes due 2019

Faurecia (the "**Issuer**" or "**Faurecia**") is offering €250,000,000 of its 8.75% Senior Notes due 2019 (the "**Notes**"). Faurecia will pay interest on the Notes semi-annually in arrears on 15 June and 15 December of each year, commencing on 15 December 2012. The Notes will mature on 15 June 2019.

The Notes will be senior unsecured obligations of Faurecia. The Notes will rank equally with all of Faurecia's existing and future senior debt and senior to all of its existing and future subordinated debt. The Notes will be effectively subordinated to all secured indebtedness, if any, of Faurecia to the extent of the value of the assets securing such indebtedness. The Notes will also be effectively junior to all obligations of Faurecia's subsidiaries, including guarantees by certain subsidiaries of other debt of Faurecia.

At any time prior to 15 June 2015, the Issuer may redeem the Notes, in whole or in part, at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date, plus the relevant "make-whole" premium. The Issuer may also redeem the Notes, in whole or in part, at any time on or after 15 June 2015, at redemption prices that vary depending on the year of redemption, as set forth in this Offering Circular. In addition, prior to 15 June 2015, the Issuer may, at its option and on one or more occasions, redeem up to 35% of the outstanding principal amount of Notes with the net proceeds from one or more specified equity offerings at a redemption price equal to 108.75% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date. In the event of certain developments affecting taxation, the Issuer may redeem all, but not less than all, of the Notes at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date. In addition, holders of the Notes may cause the Issuer to repurchase the Notes at a price equal to 101% of the outstanding principal amount thereof, plus accrued and unpaid interest, if any, if the Issuer undergoes specific kinds of changes of control.

Application has been made to have the Notes admitted to listing on the official list of the Luxembourg Stock Exchange (the "**Official List**") and admitted to trading on the Euro MTF market. References in this Offering Circular to the Notes being "listed" (and all related references) shall mean that the Notes have been admitted to the Official List and admitted to trading on the Euro MTF market.

Investing in the Notes involves risks. You should carefully consider the risk factors beginning on page 12 of this Offering Circular before investing in the Notes.

The Notes will be in registered form in denominations of €100,000 and integral multiples of €1,000 in excess thereof. The Notes will be represented on the issue by one or more global Notes, which will be delivered through Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme*, on or about 3 May 2012 or such later date as agreed between the Issuer and Managers (as such term is defined under "Subscription and Sale of the Notes"). See "Book-Entry, Delivery and Form".

Issue Price: 99.974%, plus accrued interest, if any, from the issue date.

The Notes will be offered and sold in offshore transactions outside the United States in reliance on Regulation S under the US Securities Act of 1933, as amended (the "Securities Act"). The Notes have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Global Coordinator and Joint Bookrunning Manager

Crédit Agricole CIB

Joint Bookrunning Managers

BNP PARIBAS | **HSBC** | **Mitsubishi UFJ Securities International** | **NATIXIS**

The date of this Offering Circular is 3 May 2012.

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Annex A Chapter 1 ("An Introduction to Faurecia"), Chapter 2 ("Business Review 2011"), portions of Chapter 3 ("Results of Operations and Financing"), Chapter 6 ("Research and Development"), Chapter 8 ("Corporate Governance") and Chapter 9 ("Consolidated Financial Statements"). Chapter 9 contains the Issuer's consolidated financial statements for the fiscal year ended 31 December 2011 ... A-1

Annex B Faurecia's Audited Consolidated Financial Statements for the Financial Year Ended 31 December 2010 ... B-1

IMPORTANT INFORMATION ABOUT THIS OFFERING CIRCULAR

This Offering Circular has been prepared solely for use in connection with, and prospective investors are authorised to use this Offering Circular only in connection with, a private placement of the Notes by Faurecia to institutional investors outside of the United States. Faurecia and the Managers reserve the right to reject any offer to subscribe for the Notes for any reason.

No person has been authorised to give any information or to make any representations in connection with the offering or sale of the Notes other than as contained in this Offering Circular, and, if given or made, such information or representations must not be relied upon as having been authorised by Faurecia, the Managers, any of their affiliates, or by any other person. None of Faurecia, the Managers or any of their affiliates or representatives is making any representation to any recipient of the Notes regarding the legality of an investment by such purchaser of the Notes under appropriate legal investment or similar laws. Neither the delivery of this Offering Circular nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of Faurecia or its subsidiaries since the date hereof or that the information contained herein is correct and complete as of any time subsequent to the date hereof.

Faurecia has prepared this Offering Circular and is solely responsible for its contents. You are responsible for making your own examination of Faurecia and your own assessment of the merits and risks of investing in the Notes. Faurecia has summarised certain documents and other information in a manner it believes to be accurate. However, Faurecia refers you to the actual documents for a more complete understanding of the matters discussed in this Offering Circular. Where information has been sourced from a third party, we confirm that this information has been accurately reproduced and that as far as we are aware and are able to ascertain from information published by third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where third party information has been included, its source has been stated.

This Offering Circular has been prepared by Faurecia on the basis that any purchaser of the Notes is a person or entity having such knowledge and experience of financial matters as to be capable of evaluating the merits and risks of such purchase. Before making any investment decision with respect to the Notes, potential investors should conduct such independent investigation and analysis regarding Faurecia and the Notes as they deem appropriate to evaluate the merits and risks of such investment. In making any investment decision with respect to the Notes, investors must rely (and will be deemed to have relied) solely on their own independent examination of Faurecia and the terms of the Notes, including the merits and risks involved. Before making any investment decision with respect to the Notes, prospective investors should consult their own counsel, accountants, or other advisers, and carefully review and consider such investment decision in light of the foregoing.

To the best of its knowledge and belief, having taken all reasonable care to ensure that such is the case, Faurecia pledges the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information. Faurecia accepts responsibility for the information contained in this Offering Circular accordingly.

Neither Faurecia nor the Managers nor any of their respective affiliates or representatives is making any representation to you regarding the legality of an investment in the Notes, and you should not construe anything in this Offering Circular as legal, business, tax or other advice. You should consult with your own advisors as needed to assist you in making your investment decision and to advise you whether you are legally permitted to purchase the Notes.

No representation or warranty, express or implied, is made by the Managers or any of their respective affiliates or advisors or selling agents, nor any of their respective representatives, as to the accuracy or completeness of the information set forth herein, and nothing contained in this Offering Circular is, or shall be relied upon as, a promise or representation by any of them, whether as to the past or the future.

Investors are urged to pay careful attention to the risk factors described under the section "Risk Factors" of this Offering Circular, as well as the other information contained herein, before making their investment decision. The occurrence of one or more of the risks described herein, could have an adverse effect on Faurecia's activities, financial condition, or results of operations. Furthermore, other risks not yet identified or not considered significant by Faurecia could have adverse effects, and investors may lose all or part of their investment.

This Offering Circular is a prospectus for the purpose of the Luxembourg law dated 10 July 2005 on prospectuses for securities.

STABILISATION

In connection with the issue of the Notes, Crédit Agricole Corporate and Investment Bank (the "**Stabilising Manager**") (or any person acting on behalf of the Stabilising Manager) may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over allotment must be conducted by the relevant Stabilising Manager (or person(s) acting on behalf of any Stabilising Manager) in accordance with all applicable laws and rules.

IMPORTANT INFORMATION ABOUT JURISDICTIONAL AND SELLING RESTRICTIONS

General

This Offering Circular does not constitute an offer to sell or an invitation to subscribe for or purchase any of the Notes in any jurisdiction in which such offer or invitation is not authorised or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this Offering Circular and the offer or sale of the Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Offering Circular comes are required to inform themselves about and to observe any such restrictions. This Offering Circular may only be used for the purposes for which it has been published.

No action has been taken in any jurisdiction that would permit a public offering of the Notes. No offer or sale of the Notes may be made in any jurisdiction except in compliance with the applicable laws thereof. You must comply with all laws that apply to you in any place in which you buy, offer or sell any Notes or possess this Offering Circular.

For a description of certain restrictions relating to the offer and sale of the Notes, see "Subscription and Sale of the Notes". Faurecia accepts no liability for any violation by any person, whether or not a prospective purchaser of the Notes, of any such restrictions.

United States

The Notes offered pursuant to this Offering Circular have not been and will not be registered under the US Securities Act of 1933, as amended (the "**Securities Act**"), and may be offered and sold only outside the United States in "offshore transactions" as defined in, and in accordance with, Regulation S under the Securities Act ("**Regulation S**").

Accordingly, the offer is not being made in the United States and this document does not constitute an offer, or an invitation to apply for, or an offer or invitation to purchase or subscribe for, any Notes in the United States.

Any person who subscribes or acquires Notes will be deemed to have represented, warranted and agreed, by accepting delivery of this Offering Circular or delivery of the Notes, that it is subscribing or acquiring the Notes in compliance with Rule 903 of Regulation S in an "offshore transaction" as defined in Regulation S.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of the Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Notice to Prospective Investors in the United Kingdom

This Offering Circular is for distribution to and is directed solely at (i) persons located outside the United Kingdom, (ii) persons with professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 as amended (the "**Order**"), (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order and (iv) persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities of the Issuer or any member of its group may otherwise lawfully be communicated or caused to be communicated (all such persons in (i) to (iv) above being "**relevant persons**"). Any investment activity to which this Offering Circular relates will only be available to and will only be engaged with relevant persons. Any person who is not a relevant person should not act or rely on this communication.

Notice to Prospective Investors in the European Economic Area

With respect to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**"), no offer has been made and no offer will be made of the Notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Notes that has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that, with effect from and including the Relevant Implementation Date, an offer of the Notes may be made to the public in that Relevant Member State:

a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Managers; or

c) in any other circumstances not requiring us to publish a prospectus pursuant to Article 3(2) of the Prospectus Directive.

As used in this paragraph, the expression "offer of Notes to the public" in relation to any Notes in a given Relevant Member State means any communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and the Notes to be offered, so as to enable an investor to decide to purchase or subscribe for these Notes, as this definition may have been amended in the Relevant Member State by any measure implementing the Prospectus Directive in that relevant Member State. The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

These restrictions on sale concerning Relevant Member States are in addition to any other restrictions on sale applicable in the Relevant Member States having implemented the Prospectus Directive.

This Offering Circular has been prepared on the basis that all offers of the Notes in any Relevant Member State will be made pursuant to an exemption under the Prospectus Directive, as amended, as implemented in the Relevant Member States, from the requirement to produce a prospectus for offers of the Notes. Accordingly, any person making or intending to make any offer within the European Economic Area of the Notes that are the subject of the placement contemplated in this Offering Circular should only do so in circumstances in which no obligation will arise for us or the Managers to produce a prospectus pursuant to Article 3(2) of the Prospectus Directive for such offer. Neither we nor the Managers have authorised, nor do we or they authorise, the making of any offer of the Notes through any financial intermediary, other than offers made by the Managers, which constitutes the final placement of the Notes contemplated in this Offering Circular.

Notice to Prospective Investors in France

This Offering Circular has not been prepared and is not being distributed in the context of a public offering of securities in France within the meaning of Article L. 411-1 of the French *Code monétaire et financier* and, therefore, this Offering Circular or any other offering material relating to the Notes have not been and will not be filed with the French *Autorité des marchés financiers* for prior approval or submitted for clearance to the French *Autorité des marchés financiers* and, more generally, no prospectus has been prepared in connection with the offering of the Notes that has been approved by the French *Autorité des marchés financiers* or by the competent authority of another state that is a contracting party to the Agreement on the European Economic Area and notified to the French *Autorité des marchés financiers*; no Notes have been offered or sold nor will be offered or sold, directly or indirectly, to the public in France; this Offering Circular and any other offering material relating to the Notes have not been distributed or caused to be distributed and will not be distributed or caused to be distributed to the public in France; offers, sales and distributions of the Notes have been and shall only be made in France to (i) persons licensed to provide the investment service of portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), (ii) qualified investors (*investisseurs qualifiés*) investing for their own account and/or (iii) a restricted circle of investors (*cercle restreint d'investisseurs*) investing for their own account, all as defined in and in accordance with Articles L. 411-2, D. 411-1 to D. 411-4 of the French C*ode monétaire et financier*. The direct or indirect distribution to the public in France of any Notes so acquired may be made only as provided by Articles L. 411-1 to L. 411-4, L. 412-1 and L. 621-8 to L. 621-8-3 of the French *Code monétaire et financier* and applicable regulations thereunder.

Notice to Prospective Investors in Canada, Australia and Japan

The Notes may not be offered, sold or purchased in Canada, Australia or Japan.

CERTAIN DEFINITIONS

In this Offering Circular (except as otherwise defined in "Terms and Conditions of the Notes", for purposes of that section only, or in the financial statements of Faurecia, included elsewhere in this Offering Circular):

- References to "**our group**", the "**Group**" or "**Faurecia Group**" are to Faurecia and its consolidated subsidiaries, whereas references to "**Faurecia**" and the "**Issuer**" or "**our Company**" are to Faurecia S.A. References to "**us**", "**we**", or "**our**" are to the Faurecia Group or to Faurecia, as the context requires;

- "**Managers**" refers to Crédit Agricole Corporate and Investment Bank, BNP Paribas, HSBC Bank plc, Mitsubishi UFJ Securities International plc and Natixis;

- "**Senior Credit Agreement**" refers to a Senior Credit Agreement that we signed on 20 December 2011 with BNP Paribas, Crédit Agricole Corporate and Investment Bank, Natixis and Société Générale, among others, to establish a new €1,150 million syndicated multi-currency revolving credit facility with those and other participating banks. The Senior Credit Facilities are divided into a €690 million tranche expiring on 20 December 2014, with the possibility of an extension to 2016 (subject to certain conditions), and a €460 million tranche expiring on 20 December 2016. The facilities under this Senior Credit Agreement are referred to herein as the "**Senior Credit Facilities**"; and

- "**2016 Notes**" refers to €350 million principal amount of 9.375% Senior Notes due 2016, which we issued on 3 November 2011 and an additional €140 million principal amount of 9.375% Senior Notes due 2016, which we issued on 14 February 2012 and which were consolidated with, and form a single series with, the notes issued on 3 November 2011.

INFORMATION IN ANNEXES TO THIS OFFERING CIRCULAR

The information in Annex A to this Offering Circular has been extracted from the English translation of Faurecia's 2011 Registration Document (the "**2011 Registration Document**") that was filed with the French *Autorité des marchés financiers* ("**AMF**") on 25 April 2012 under number D.12-0402.

Other than the information in Annex A, no information from the 2011 Registration Document is included or incorporated by reference in this Offering Circular. In the event of any inconsistency between the information contained in Annex A and the information contained elsewhere in this Offering Circular, the information contained elsewhere in this Offering Circular shall be deemed to supersede and replace any inconsistent information in Annex A.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Faurecia is the parent company of the Faurecia Group. This Offering Circular includes audited consolidated financial statements of Faurecia at and for the years ended 31 December 2010 and 2011. Faurecia's audited consolidated financial statements for the year ended 31 December 2010, contained herein, also present comparable financial data for the fiscal years ended 31 December 2009 and 2008. The consolidated financial statements of Faurecia have been prepared in accordance with IFRS as adopted by the European Union.

In this Offering Circular, references to "**euro**" and "**€**" refer to the lawful currency of the member states participating in the third stage of the Economic and Monetary Union under the Treaty Establishing the European Community, as amended from time to time.

Faurecia publishes its consolidated financial statements in euros. Various calculations of figures and percentages included in this Offering Circular may not add up or match due to rounding.

Constant Basis Presentation and Other Non-GAAP Measures

Figures presented in this Offering Circular (in particular, Annex A, in excerpts from Chapter 3 of the 2011 Registration Document) are calculated on an actual historical basis and, where noted, on a constant or "like-for-like" basis, which means that comparable items are presented using a constant consolidation scope but not using constant exchange rates, unless otherwise indicated. The percent change from one period to another has generally been given on a "like-for-like" basis in order to eliminate the impact of changes in consolidation scope (that is, changes in the entities that we consolidate in our financial statements due to acquisitions, divestures or mergers), particularly the 2010 acquisitions of Emcon Technologies, Plastal Germany, and Spain, among others, and the 2011 acquisitions of Angell-Demell in Germany and a seating plant in Madison, Wisconsin, USA, as well as several new partnerships in China entered into in 2011.

In addition, this Offering Circular includes certain supplemental indicators of performance and liquidity that we use to monitor our operating performance and debt servicing ability. These indicators include product sales, EBITDA, net debt and net cash flow. These measures are unaudited and we are not required to present them under IFRS. Such indicators have limitations as analytical tools, and investors should not consider them in isolation from, or as a substitute for analysis of, related indicators derived in accordance with IFRS. We use these non-GAAP financial measures in this Offering Circular because we believe that they can assist investors in comparing our performance to that of other companies on a consistent basis. However, our computation of product sales, EBITDA, net cash flow and other non-GAAP financial measures may not be comparable to similarly titled measures of other companies. For example, depreciation and amortisation can vary significantly among companies depending on accounting methods, particularly where acquisitions or non-operating factors including historical cost bases are involved. We believe that product sales, EBITDA and the other non-GAAP financial measures, as we define them, are also useful because they enable investors to understand our performance over time, without the impact of various items that we believe do not durably affect our operating performance. However, investors should not consider these measures as alternatives to measures of financial performance, operating results or cash flows that are determined in accordance with generally accepted accounting principles.

Presentation of Product Sales

We report total sales in our consolidated financial statements, both for the Group and by operating segment. In addition, we report an indicator that we refer to as "product sales", meaning sales of automotive parts and components to customers. In addition to these product sales, our total sales include sales of catalytic converter monoliths (a pre-packaged raw material component for catalytic converters, which are chosen by customers and sold on a "pass-through" basis with no markup), as well as sales of tooling, research and development services and prototypes.

MARKET AND INDUSTRY DATA

Unless otherwise stated, the information provided in this Offering Circular relating to market position and the size of relevant markets and market segments for the Automotive Seating, Interior Systems, Emissions Control Technologies or Automotive Exteriors markets is based on sales, determined on the basis of our own estimates, and is provided solely for illustrative purposes. We compile information on these markets through our local operating subsidiaries, which in turn compile information on local markets on an annual basis. They derive that information from formal and informal contacts with industry professionals, industry publications, annual reports from competitors, and market research from the independent third-parties. Our estimates of relative market position in each of our markets are based on this information.

The above-referenced studies, estimates, research and public information, which we consider reliable, have not been verified by independent experts. Neither we nor the Managers guarantee that others using different methods to assemble, analyse or compute market data would obtain or generate the same results. In addition, our competitors may define their markets differently. To the extent the data relating to market share and market size included in this Offering Circular are based solely on our own estimates, they do not constitute official data. Moreover, any information regarding market share, customer ranking, supplier percentages or similar data are based on the total value of consolidated sales, rather than on number of units sold or product sales, unless otherwise noted. Neither we nor the Managers make any representation as to the accuracy of such information.

FORWARD-LOOKING STATEMENTS

This Offering Circular contains forward-looking statements that reflect our current expectations with respect to future events and the financial performance of the Group. The words "*believe*", "*expect*", "*intend*", "*aim*", "*seek*", "*plan*", "*project*", "*anticipate*", "*estimate*", "*will*", "*may*", "*could*", "*should*" and similar expressions are intended to identify forward-looking statements. These forward-looking statements reflect our present expectations with regard to future events and are subject to a number of important factors and uncertainties that could cause actual results to differ significantly from those described in the forward-looking statements.

Although we believe that the expectations reflected in these forward-looking statements are based on reasonable assumptions given our knowledge of the industry, business and operations as of the date of this Offering Circular, we cannot give any assurance that these assumptions will prove to be correct, and we caution you not to place undue reliance on such statements. These statements involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance or achievements, or the industry's results, to be significantly different from any future results, performance or achievements expressed or implied in this Offering Circular. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we expect to operate in the future. Some of these factors are discussed under "Risk Factors" beginning on page 12 of this Offering Circular, and include, among other things:

- Risks related to our dependence on the automotive sector and risks related to the commercial success of the models for which we supply components;
- Economic, political, tax, legal and other risks related to the international nature of our business;
- Risks related to the highly competitive nature of the automotive supply industry;
- Credit risks that our customers could default on their financial obligations or enter bankruptcy;
- Risks related to our dependence on many suppliers to maintain production levels;
- Risks related to fluctuations in the prices of raw materials, particularly steel and plastics;
- Risks related to amortising production-related research and development costs through a sufficient volume of sales;
- Risks related to environmental, health or safety laws and regulations in the countries in which we operate;
- Risks related to acquiring businesses and achieving anticipated synergies;
- Risks related to our outstanding indebtedness and leverage, including the cost of servicing our debt;
- Exchange rate risk, primarily between the euro and other operating currencies;
- Intellectual and industrial property risk;
- Litigation risks; and
- Risks related to the interests of our principal shareholder.

Our forward-looking statements speak only as of the date of this Offering Circular. We expressly disclaim any obligation or undertaking, and do not intend, to release publicly any updates or revisions to any forward-looking statements contained in this Offering Circular to reflect any change in our expectations or any change in events, conditions or circumstances, on which any forward-looking statement contained in this Offering Circular is based.

SUMMARY

The following summary highlights selected information contained elsewhere in this Offering Circular. Accordingly, this summary may not contain all of the information that may be important to you. We urge you to carefully read and review this document in order to fully understand our company. You should also read the "Risk Factors" section to determine whether an investment in the Notes is appropriate for you.

OUR COMPANY

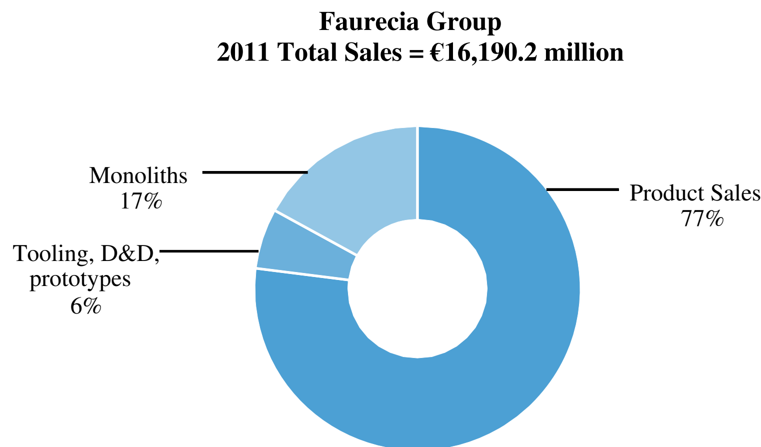
We are one of the world's largest automotive equipment suppliers. We develop, manufacture and sell original equipment for vehicles, through our four main business lines: Automotive Seating, Interior Systems, Emissions Control Technologies and Automotive Exteriors. Our portfolio includes high quality, award winning, technologically advanced products based on proprietary expertise. We have close relationships with substantially all of the world's major automobile manufacturers, and we work closely with our customers to develop product designs and features that enhance our presence and leading market positions.

In 2011, our total sales (or consolidated sales) were €16,190.2 million, including €12,391.1 million of product sales (deliveries of parts and components to automakers). We generated EBITDA of €1,104.5 million in 2011, representing an EBITDA margin of 6.8%. For the three-month period ended 31 March 2012, our consolidated sales were €4,296.6 million, or an increase of 8.4% compared to the same period in 2011.

We analyse our sales primarily on the basis of product sales. In addition, we generate revenues from two other sources. First, we sell catalytic converter monoliths, which are pre-packaged exhaust system components that we sell on a "pass-through" basis (with no markup) to insulate our margins from fluctuations in prices of raw materials incorporated in the monoliths. Second, we earn revenues from sales of tooling, design and development services and prototypes.

The following chart shows the breakdown of our total sales among product sales, catalytic converter monoliths and tooling, design, and development services and prototypes, for the year ended 31 December 2011.

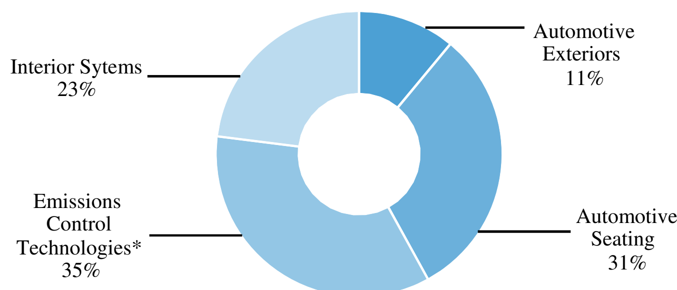
Faurecia Group
2011 Total Sales = €16,190.2 million



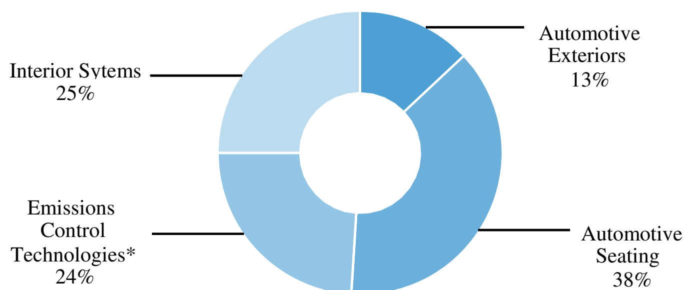
We have an extensive geographic presence and are one of a small number of automotive equipment suppliers that are able to service the global vehicle model programmes of our customers. In 2011, we realised 63.1% of our product sales in Europe, 20.8% in North America, 9.0% in Asia, 5.2% in South America and 1.9% in other regions, primarily fast growing emerging markets such as China, Korea and Brazil. Germany is our largest single country market. Our customers include nearly every large automaker worldwide, including Volkswagen/Audi, PSA Peugeot Citroën, Renault-Nissan, Ford, General Motors and BMW, each of which accounted for more than €1 billion of total sales in 2011. As at 31 December 2011, we had approximately 84,200 employees in 33 countries at 270 production sites and 40 research and development centres.

We operate through four main business lines: Automotive Seating, Interior Systems, Emissions Control Technologies and Automotive Exteriors. One in four vehicles in service worldwide includes as original equipment a product manufactured by one of our business groups. The following charts show breakdowns of our 2011 total sales and product sales by business line:

Faurecia Group by Business Group
2011 Total Sales = €16,190.2 million



Faurecia Group by Business Group
2011 Product Sales = €12,391.1 million



* All monolith sales are in the Emissions Control Technologies business unit.

Faurecia Automotive Seating: We are currently the world's number three supplier of complete seat units and number one for frames and mechanisms. We design and manufacture complete seats, as well as every seat component: frames, adjustment mechanisms, runners, foam and covers. During the seat manufacturing process, we assemble different components to create a complete seat and provide just-in-time delivery to our customers' plants. We have extensive experience developing seat blueprints and designs, and we generate solutions emphasising safety, comfort, perceived quality, modularity and natural/recycled materials.

Faurecia Interior Systems: We are currently the world's number one supplier of automobile interior systems. We produce cockpit modules (dashboards and center consoles), doors (panels, modules and complete doors), and acoustic modules. With approximately seven million vehicles fitted per year, we are a leading global supplier of door panels and are ranked among the top five suppliers of acoustic modules in Europe.

Faurecia Emissions Control Technologies: We are the worldwide leader in the emissions control market, developing and producing entire exhaust systems, from the manifold to the tail pipe. We are also jointly involved, with PSA Peugeot Citroën, in the development of the Diesel Particulate Filter, which is used in environmentally "clean" cars to treat pollutants and recover energy.

Faurecia Automotive Exteriors: We design three different exterior modules: front ends (including engine cooling systems), exterior systems (bumpers, tailgates) and shock absorption systems. We are the number one bumper supplier in Europe with a broad client base and deep product range.

We support our automaker customers through an active joint development policy that entails our involvement at each stage of the equipment development process, from defining product requirements through initial marketing. We develop products specifically for new car models, and typically enter into contracts to supply those products for the initially anticipated life of the car model (generally 5 to 10 years). The quality of our products is renowned among automakers and is supported by our Programme Management System (PMS), a rigorous series of project management procedures and methodologies, as well as by the expertise of our 5,000 engineers and technicians who design products and technological solutions.

Since early 2010, our markets have experienced substantial growth, fueled by a rebound of sales in Europe (although European sales have slowed recently) and North America following the global economic crisis, as well as robust growth in China and other emerging markets. We believe that our leading positions in our four business lines, our close customer relationships, our strong presence in high growth regions, our recognised technological leadership and our proprietary expertise have positioned us to take advantage of these growth trends.

Faurecia is a French corporation (*société anonyme*) with its registered address near Paris at 2, rue Hennape, 92000 Nanterre. Its common shares are listed on Compartment A of NYSE Euronext Paris. As of 31 December 2011, Peugeot S.A. held approximately 57.3% of Faurecia's common shares (representing approximately 72.87% of our voting rights), and the remainder was held by the public (including employees).

OUR COMPETITIVE STRENGTHS

We consider our core strengths to include the following:

- ***Leading market position in our four core business lines.*** We occupy leading market positions in each of our four core business lines: number one worldwide in emissions control systems, seat components and interior systems, and number three in complete seats. Our market leadership is a significant strategic advantage, as customers typically look to well-established suppliers when they award new business. Our success is enhanced by our global presence, our network of production and assembly facilities that are close to our customers, and our long-standing reputation for innovation and quality service.

- ***Close customer relationships.*** For many years, we have been a key supplier to leading automobile manufacturers, and have received numerous customer awards for design and quality. Our principal customers include Volkswagen/Audi, PSA Peugeot Citroën, Ford, Renault-Nissan, BMW, General Motors and Daimler. We are also expanding our relationships globally, particularly with leading automobile manufacturers in China and Korea. We have been able to establish and maintain customer trust, which has been a key reason for our excellent track record in winning new and repeat business, given the importance of cost-effective, high-quality design, development and production for the success of a vehicle model. Our strong relationships have also allowed us to follow our customers as they have expanded around the world, enabling us to grow our global footprint profitably.

- ***Diversified geographic presence and customer portfolio.*** Our extensive geographic presence and diverse customer base limit our exposure to regional business cycles and customer risk, as compared to suppliers with more limited geographic reach and more concentrated customer portfolios. We have steadily increased the proportion of our product sales originated outside Europe, from 24% in 2009 to 34% in 2010 to 37% in 2011, and we expect further diversification of both our geographic presence and customer base as we expand in Asia, North America and South America in the coming years. In 2011, our largest customer (the Volkswagen/Audi group) accounted for 25.3% of product sales. In 2011, we recorded total sales of more than €1 billion each to six separate customers, limiting our exposure to any single customer or group.

- ***Technological leadership and proprietary expertise.*** Products for new vehicle models are designed and developed in a close collaborative process involving the component supplier and the customer, which can last up to two years. Design and development are financed largely by the customer, either directly or through a per-vehicle charge that is part of the product purchase price. For this reason, customers are selective in choosing a supplier to engage in this process, and we believe they will become more demanding as they face new regulatory constraints and market pressure to produce lighter vehicles with reduced fuel consumption and better emissions ratings. Our proprietary expertise and reputation for technological leadership put us in a strong position to take advantage of these trends.

- ***Flexible, competitive cost structure.*** We believe that our cost structure is one of the most competitive and flexible in the automotive equipment industry, and we constantly seek new ways to reduce costs and improve our profitability. Over the past several years, we have taken advantage of opportunities to reduce our cost structure, including by expanding our production capacity in Eastern Europe and developing new capacity in emerging markets to accompany the growth of our sales in these markets. Our exposure to raw material prices is low, as most raw material costs are passed through to our customers (our own-account purchases of steel and plastics, the two most significant raw materials, amounted to only 7% of total sales in 2011). We constantly manage the profitability of our contracts over their lifetimes to improve our margins.

- ***Steadily improving capital structure and better liquidity.*** We have substantially improved our balance sheet and financial profile over the past several years by actively managing our debt maturity profile, improving our cash flow generating capabilities and reducing our net debt. As a result, our EBITDA has improved substantially, amounting to €1,104.5 million for the year ended 31 December 2011, allowing us to fund significant capital expenditures that should fuel further profitable growth. We have reduced our net debt from €1,401.2 million as of 31 December 2009 to €1,224.1 million as of 31 December 2011. In addition, we substantially increased the average maturity of our debt in 2011 and 2012 through two bond issues and the execution of a new Senior Credit Agreement.

- ***Experienced management.*** Our management team and Board of Directors have significant experience in the industry and successfully piloted the Group through the 2008 economic slowdown to emerge in a position of strength. Our Chairman and Chief Executive Officer has over 20 years of experience in the automotive sector, including 15 years in financial management and executive direction. Most of the members of our Executive Committee have spent their entire careers in the automotive industry, and our nine current Executive Committee members have an average of approximately 13 years each of automotive industry experience. In addition, eight members of our Board of Directors have spent their entire careers in the automotive industry.

STRATEGY

We intend to pursue the strategy that has enabled us to emerge from the global economic crisis as one of the strongest companies in the automotive equipment industry, with leading positions in each of our business lines. Our strategy is based on six priorities:

- ***Focus on four core business lines and capitalise on our leading market share.*** Our strategy has consistently been to take full advantage of our leading position in our four core business lines and as a global leading supplier to the automotive industry. We believe that each of our four business lines has significant growth potential. We intend to exploit this growth potential by concentrating on these four businesses and leveraging our market leading positions.

- ***Capitalise on our scale and global reach to service global automobile manufacturers and international programmes.*** With our global reach and customer proximity, we have positioned ourselves to take advantage of the accelerated trend toward globalisation of vehicle programmes. We continuously seek new opportunities to supply our customers' global programmes and to reinforce our key relationships. For example, we supply products for the Ford Focus programme through 13 factories in 11 countries covering four regions, and we were able to synchronise our development programme so that only 18 months were needed from the first start-of-production to the last. We have other on-going global programmes, including an 11-plant seat programme for Nissan. In addition, we have a 50/50 joint venture with NHK Spring that serves Nissan globally and is recognized by the Renault-Nissan Alliance as a strategic partner for automotive seating. We believe that few other "Tier 1" suppliers have the worldwide reach and experience necessary to manage these global programmes.

- ***Take advantage of our technology leadership and technical expertise.*** We will continue to accelerate technological development in all our business lines. We will focus on new functionality and richer product content in the seating and car interiors markets; the improvement of fuel efficiency through weight reduction and modular production in the exteriors market; and energy recovery, fuel economy and emissions reduction in the emissions control technology market. We will pursue innovation through the use of internal research and development teams and by leveraging recent acquisitions and partnerships, which have recently provided us new technologies and expertise.

- ***Accelerate our Asian and North American development.*** The Asian market represents a significant source of growth potential, particularly China, Korea and India. We have leveraged our relationships with international customers to achieve leading positions in the Chinese emissions control, exteriors and seat structure markets. In 2010 and 2011, we established new partnerships with Chinese automakers Ningbo Huazhong Plastic Products, Guangneng and Geely-Volvo, with whom we are building six new interior systems plants. We are building on our partnership with the Hyundai group in emissions control in Korea, where we now have three plants, and continue to develop our relationship with Hyundai in the interior systems market while leveraging this relationship to grow internationally (particularly in Europe, Russia, the United States and Brazil). In the Indian market, our customers include Tata, Hyundai, Ford, Nissan and Toyota.

  In North America, we expect to continue to grow by accompanying the North American expansion of our German customers, capitalising on our global platforms with manufacturers such as Ford and General Motors, expanding our global programmes with Nissan and Hyundai and using our premium capacities and know-how for models such as the Cadillac. We intend to take advantage of our low-cost production base, including production platforms in Mexico, to service this North American expansion. Our 2011 acquisitions of a complete seating facility serving Nissan models, and an interior systems plant contributed to our growth in North America and enhanced our commercial relationship with Nissan.

- ***Target better operational performance and higher operating margins.*** As part of our initiative to minimise costs and improve operational efficiency, we continue to work closely with automobile manufacturers to develop improved modular products, streamlined manufacturing methods and assembly-friendly products. Our strategy is to maintain a simple, lean and accountable organisation, continuing to roll out quality initiatives, such as the "Faurecia Excellence System" audit and the "Quick Response on Quality Control".

- ***Focus on selective acquisition opportunities.*** We have demonstrated our ability to integrate large acquisitions, such as our 2010 acquisition of Emcon Technologies in the exhaust market and Plastal in Germany and Spain in the exteriors market. We have also proven our ability to make targeted acquisitions of more modest size to gain access to key technologies that are complementary with our business lines, such as our recent acquisitions of Angell-Demmel and Hoerbiger in the luxury interior decoration and seating markets. We expect our future acquisitions to be more focused, seeking modest-sized targets that are consistent with the panel strategies of our principal customers, that can produce clear synergies and that can be implemented quickly. We also intend to ensure that all transactions are consistent with our objective of maintaining a sound financial structure.

OUTSTANDING INDEBTEDNESS

Our outstanding debt currently includes primarily our Senior Credit Agreement, €490 million principal amount of Senior Notes due 2016, of which €350 million was issued in November 2011 and €140 million was issued in February 2012 (the "**2016 Notes**"), €58 million of Schuldschein loans maturing between 2014 and 2018, an outstanding convertible bond (known by its French acronym as "OCEANE") and various short-term borrowings (including commercial paper, factoring and other short-term indebtedness).

Our net debt as of 31 December 2011 was €1,224.1 million, reflecting total gross debt of €1,855.7 million and cash and cash equivalents (including other current financial assets included in net debt) of €631.6 million. Our gross debt included €1,374.6 million at the Issuer level and €481.1 million at the level of our subsidiaries (excluding subsidiary guarantees of the Senior Credit Facilities and the 2016 Notes).

Our obligations under our Senior Credit Agreement and the 2016 Notes are guaranteed by certain of our subsidiaries. The Senior Credit Agreement includes a margin that varies as a function of our leverage ratio, as well as a requirement that we maintain the leverage ratio below certain levels that vary by date, and certain other covenants that are customary for a credit facility of this type. The terms of the 2016 Notes require us to comply with covenants that are substantially similar to those included in the terms of the Notes offered hereby.

See "Description of Other Indebtedness" for further details regarding our outstanding indebtedness and the principal terms and conditions of our other debt instruments.

RECENT DEVELOPMENTS

On 24 April 2012, we announced our consolidated sales figures for the first quarter of 2012. In the three months ended 31 March 2012, our consolidated sales totaled €4,296.6 million, an 8.4% increase on a reported basis compared to the first quarter of 2011, or 6.0% on a like-for-like basis (at constant exchange rates and scope). Our product sales were €3,353.1 million in the first quarter of 2012, an increase of 8.0% compared to the first quarter of 2011, or 5.3% on a like-for-like basis, while monolith sales were €723.3 million, an increase of 12.1%, or 10.7% on a like-for-like basis. Our tooling, design and development, and prototype sales were €220.2 million in the first quarter of 2012, an increase of 2.7% compared to the first quarter of 2011, or 2.3% on a like-for-like basis.

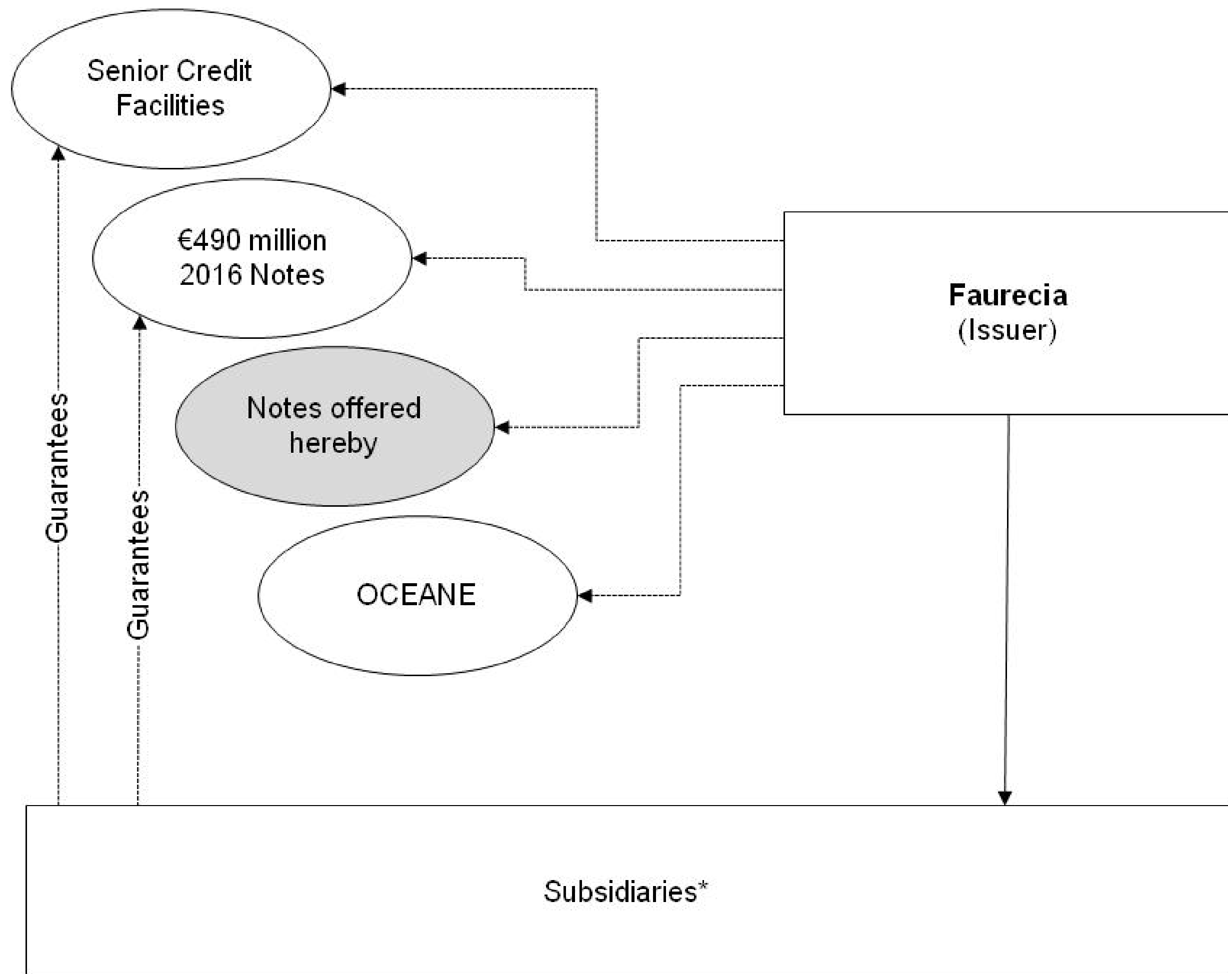
During the first quarter, our product sales rose fastest in North America and Asia, where growth was 39.5% and 23.6%, respectively, on a reported basis. Nearly half of our Asian product sales growth came from our sales in China. Overall, 38.8% of our first quarter 2012 product sales came from outside Europe, with North America accounting for 23.7% and Asia accounting for 9.2%. China alone accounted for 77.3% of our Asian sales in the first quarter of 2012. Product sales in Europe declined by 2.0% in the first quarter of 2012 compared to the same period in 2011.

Our Emissions Control Technologies business experienced the greatest growth during the first quarter with a 15.0% increase on a reported basis compared to the same period in 2011, or 13.3% growth on a like-for-like basis. Our Interiors business also benefited from strong growth, with 9.0% growth in Interior Systems, or 8.0% on a like-for-like basis, and 7.2% growth in our Seats business, or 1.8% on a like-for-like basis. Our Automotive Exteriors business (which realised 96% of its sales in Europe) suffered a 3.0% decline, or 3.2% on a like-for-like basis, compared to the first quarter of 2011.

On 19 April 2012, we announced a 50/50 joint-venture agreement with Howa Textile Industry Co. Ltd., to form Faurecia Howa Interiors (FHI), based in Atsugi, Japan, which will supply vehicle interior systems, such as door panels, in-vehicle insulation, soft trim and roof trim, to Nissan. Our objective is to become Nissan's preferred supplier in Japan.

SUMMARY CORPORATE AND FINANCING STRUCTURE

The following is a simplified summary of our corporate and financing structure. This chart excludes certain other financing arrangements and debt applicable to our Group, some of which are at the subsidiary level, including bank loans, overdrafts, factoring arrangements and finance lease obligations. For more information on our capitalisation and other indebtedness, see "Capitalisation and Indebtedness" and "Description of Other Indebtedness".



* 32 of Faurecia's subsidiaries are guarantors of the Senior Credit Facilities and the 2016 Notes. For the year ended 31 December 2011, these subsidiaries represented 75.1% of our consolidated EBITDA.

THE OFFERING

The summary below describes the principal terms of the offering of the Notes. Some of the terms and conditions described below are subject to important limitations and exceptions. You should carefully read the "Terms and Conditions of the Notes" section of this Offering Circular for a more detailed description of the terms and conditions of the Notes.

Issuer.. Faurecia, a company with limited liability (*société anonyme*) incorporated under the laws of the Republic of France (the "**Issuer**").

Notes Offered.................................. €250,000,000 aggregate principal amount of 8.75% senior notes (the "**Notes**").

Maturity Date................................. 15 June 2019.

Issue Price....................................... 99.974% (plus accrued interest from the issue date).

Interest Payment Dates.................. Semi-annually in arrears on 15 June and 15 December of each year, commencing on 15 December 2012.

Interest Commencement Date........ Interest will accrue from the issue date of the Notes, and will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Denomination .... €100,000 and integral multiples of €1,000 in excess thereof.

Ranking.. The Notes will be senior unsecured obligations of the Issuer and will:

- rank *pari passu* in right of payment with all existing and future senior indebtedness of the Issuer, including indebtedness under the Senior Credit Facilities and the 2016 Notes;
- rank senior in right of payment to any existing and future subordinated obligations of the Issuer;
- rank effectively junior to all existing and future secured indebtedness of the Issuer to the extent of the value of the assets securing such indebtedness; and
- rank structurally junior to all existing and future indebtedness and other liabilities of the Issuer's subsidiaries (including the guarantees by certain subsidiaries in respect of the Senior Credit Facilities and the 2016 Notes).

As of 31 December 2011, the gross debt of our subsidiaries amounted to €481.1 million, not including guarantees granted by subsidiaries in relation to the 2016 Notes and the Senior Credit Facilities.

Optional Redemption..................... At any time prior to 15 June 2015, the Issuer may, at its option, redeem the Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, to the redemption date, plus the applicable "make whole" premium set forth in "Terms and Conditions of the Notes – Condition 3: Optional Redemption".

At any time on or after 15 June 2015, the Issuer may, at its option, redeem the Notes, in whole or in part, at redemption prices that vary by year, as set forth in "Terms and Conditions of the Notes – Condition 3: Optional Redemption", plus accrued and unpaid interest, if any, to the redemption date.

At any time prior to 15 June 2015, the Issuer may, at its option, redeem up to 35% of the aggregate principal amount of the Notes using the net proceeds from one or more specified equity offerings, at a redemption price equal to 108.75% of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, to the redemption date.

See "Terms and Conditions of the Notes – Condition 3: Optional Redemption".

Additional Amounts........................ Any payments made by the Issuer with respect to the Notes will be made without withholding or deducting for taxes in any relevant taxing jurisdiction, unless required by law. If the Issuer is required by law to withhold or deduct for such taxes with respect to a payment to the holders of the Notes, the Issuer will pay the additional amounts necessary

(subject to certain exceptions) so that the net amount received by the holders of the Notes after the withholding is not less than the amount they would have received in the absence of the withholding. See “Terms and Conditions of the Notes – Condition 4: Taxation”.

Tax Redemption............................. The Issuer may, but is not required to, redeem the Notes at any time in whole, but not in part, at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date, in the event the Issuer has become or would become obligated to pay “additional amounts” as a result of certain changes in tax laws or their interpretation. See “Terms and Conditions of the Notes – Condition 4: Taxation”.

Change of Control.......................... Upon the occurrence of certain specified changes of control, the holders of the Notes will have the right to require the Issuer to repurchase all or part of the Notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the repurchase date. See “Terms and Conditions of the Notes – Condition 5: Change of Control”.

Covenants .... The trust deed (the “**Trust Deed**”) governing the Notes will, among other things, limit the ability of the Issuer and its Restricted Subsidiaries (as that term is defined below under “Terms and Conditions of the Notes – Condition 19: Definitions”) to:

- incur or guarantee additional indebtedness;
- make restricted payments and investments;
- transfer or sell assets or subsidiary stock;
- create liens;
- merge or consolidate with other entities;
- enter into transactions with affiliates; and
- enter into arrangements that limit the ability of restricted subsidiaries to pay dividends, make loans or make other payments to the Issuer.

Each of the covenants is subject to a number of important exceptions and qualifications. See “Terms and Conditions of the Notes – Condition 6: Covenants”.

Certain of the above covenants will be suspended upon achievement and during maintenance of investment grade status for the Notes, in the event that the Notes have been assigned at least two of the following ratings: (x) BBB- or higher by S&P, (y) Baa3 or higher by Moody’s or (z) BBB- or higher by Fitch. See “Terms and Conditions of the Notes – Condition 7: Suspension of Covenants During Achievement of Investment Grade Status”.

Form of Notes................................. The Notes will be represented on issue by one or more Global Notes which will be delivered through Euroclear Bank S.A./N.V., and Clearstream Banking, *société anonyme*. Interests in a Global Note will be exchangeable for the relevant definitive Notes only in certain limited circumstances. See “Book-Entry, Delivery and Form”.

Transfer Restrictions..................... The Notes have not been and will not be registered under the Securities Act or the securities laws of any other jurisdiction. The Notes offered hereby are being offered and sold to investors outside the United States in reliance on Regulation S under the Securities Act. See “Subscription and Sale of the Notes”.

No Prior Market............................. The Notes will be new securities. Although the Managers have informed the Issuer that they intend to make a market in the Notes, they are not obligated to do so and may discontinue market making at any time without notice. Accordingly, the Issuer cannot assure you that a liquid market for the Notes will develop or be maintained. See “Risk Factors – Risks Related to the Notes – There currently exists no market for the Notes, and we cannot provide assurance that an active trading market will develop for the Notes”.

Use of Proceeds............................... In connection with the offering of the Notes, Faurecia expects to receive net proceeds of approximately €246.6 million, net of deduction of estimated costs and underwriting commissions. These net proceeds will be used primarily to reduce its outstanding debt, including the repayment of part of the revolving indebtedness under the Senior Credit

Facilities. Faurecia does not intend to reduce the commitments under the Senior Credit Facilities, and repaid amounts may be redrawn in the future. See "Use of Proceeds".

Listing	Application has been made to admit the Notes to the Official List of the Luxembourg Stock Exchange and admit the Notes for trading on the Euro MTF market. Currently there is no public market for the Notes.
Trustee	Citibank, N.A., London Branch.
Principal Paying Agent..................	Citibank, N.A., London Branch.
Governing Law of the Notes and the Trust Deed............................	England and Wales.
Risk Factors....................................	You should refer to "Risk Factors" beginning on page 12 of this Offering Circular for a description of certain risks involved in investing in the Notes.

SUMMARY HISTORICAL FINANCIAL AND OPERATING DATA

The summary financial data set forth below has been prepared on the basis of the audited consolidated financial statements of Group for the years ended 31 December 2009, 2010 and 2011. The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

Summary Group consolidated income statement data

	For the year ended 31 December		
(in € millions)	**2009**	**2010**	**2011**
Sales	**9,292.2**	**13,795.9**	**16,190.2**
Product sales	7,590.3	10,695.8	12,391.1
Cost of sales	(8,840.1)	(12,593.3)	(14,806.4)
Research and development costs	(207.9)	(303.2)	(222.3)
Selling and administrative expenses	(335.9)	(443.8)	(510.6)
Operating income / (loss)	**(91.7)**	**455.6**	**650.9**
Other operating income and expense	(134.1)	(36.0)	(57.9)
Income from loans, cash investments and marketable securities	12.3	8.1	10.6
Finance costs	(135.3)	(98.7)	(109.1)
Other financial income and expense	(43.9)	(25.6)	(19.0)
Consolidated net income / (loss) attributable to equity owners of the parent	**(433.6)**	**201.7**	**371.3**

Summary Group consolidated cash flow statement data

	For the year ended 31 December		
(in € millions)	**2009**	**2010**	**2011**
Net cash provided (used) by:			
Operating activities	87.4	724.1	725.5
Investing activities	(309.2)	(394.0)	(697.5)
Financing activities	171.8	(112.2)	(9.9)

Summary Group consolidated balance sheet data

	As of 31 December		
(in € millions)	**2009**	**2010**	**2011**
Cash and cash equivalents	357.8	605.8	630.1
Intangible assets	396.9	435.2	464.2
Property, plant and equipment	1,224.6	1,575.5	1,733.4
Inventories, net	438.6	734.0	885.4
Trade accounts receivable	1,025.9	1,387.7	1,620.2
Total assets	**4,892.9**	**6,480.4**	**7,264.6**
Total equity attributable to equity owners of the parent	**256.9**	**810.5**	**1,153.9**

Other Group consolidated financial and operating data

(in € millions)	As of / for the year ended 31 December		
	2009	**2010**	**2011**
EBITDA[(1)]	395.3	941.2	1,104.5
Finance costs	(135.3)	(98.7)	(109.1)
Capital expenditure	(169.1)	(304.3)	(451.4)
Capitalised development costs	(104.4)	(154.3)	(178.9)
Net debt[(2)]	1,401.2	1,196.8	1,224.1
Net debt to EBITDA	3.5x	1.3x	1.1x
Ratio of EBITDA to cash interest expense[(3)]			10.6x
Adjusted ratio of EBITDA to cash interest expense[(4)]			7.2x

(1) EBITDA is a non-IFRS measure, defined as operating income before charges for depreciation, amortisation and provisions for impairment in the value of non-current assets. It should not be considered as an alternative to operating income, net income, cash flow from operating activities or as a measure of liquidity. Companies with similar or different activities may calculate EBITDA differently than Faurecia. See "Presentation of Financial Information – Constant Basis Presentation and Other Non-GAAP Measures".

(2) Net debt is total non-current and current financial liabilities, less derivatives classified under non-current and current assets, less cash and cash equivalents.

(3) Cash interest expense is finance costs less the amortisation of the equity component of the OCEANE (convertible bonds) issued in 2009 and due in 2015. This amortisation expense was €4.9 million for the year ended 31 December 2011.

(4) The adjusted ratio of EBITDA to cash interest expense is based on EBITDA for the year ended 31 December 2011, and an amount of cash interest expense calculated as if the 2016 Notes (including the tranche issued in February 2012) and the Notes being offered hereby were issued and the Senior Credit Agreement was entered into as of 1 January 2011.

EBITDA reconciliation

(in € millions)	For the year ended 31 December		
	2009	**2010**	**2011**
Operating income / (loss)	**(91.7)**	**455.6**	**650.9**
Amortisation of capitalised development costs	(161.1)	(175.5)	(141.7)
Depreciation and impairment of PP&E items	(306.3)	(323.7)	(314.0)
Provisions for impairment of capitalised development costs	(19.6)	13.6	2.1
EBITDA	**395.3**	**941.2**	**1,104.5**

RISK FACTORS

Potential investors should carefully read and consider the risk factors described below and the other information contained in this Offering Circular before they make a decision about acquiring the Notes. The realisation of one or more of these risks could individually or together with other circumstances adversely affect the business activities and have material adverse effects on the financial condition and results of our operations. The market price of the Notes could decline as the result of any of these risks, and investors could lose all or part of their investment. The risks described below may not be the only risks we face. Additional risks that are presently not known to us or that are currently considered immaterial could also adversely affect our business operations and have material adverse effects on our financial condition and our results of operations. The sequence in which the risks factors are presented below is not indicative of their importance, their likelihood of occurrence or the scope of their financial consequences.

Risks Related to Our Operations

Our business is dependent on the automotive sector and the commercial success of the models for which we supply components.

Given that we specialise in the manufacture of original equipment for our automaker customers, our business is directly related to vehicle production levels of these customers in their markets. The cyclical nature that characterises our customers' business can have a significant impact on our sales and results. The level of sales and automobile output for each of our 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' ability to access credit for vehicle purchases; and in some cases governmental aid programmes (such as the recent financial support provided to the automotive sector and incentives introduced for the purchase of vehicles).

Therefore, our sales are directly linked to the performance of the automotive industry in the major geographic regions where we and our customers operate (see Note 4.3. to our 2011 consolidated financial statements), especially in Europe (63.1% of consolidated sales in 2011) and in North America (20.8% of consolidated sales in 2011).

Moreover, our risk is related to the commercial success of the models for which we produce components and modules. At the end of a model's life cycle, the risk is also linked to the uncertainty of whether our products will be taken up again for the replacement model. In addition, orders placed with us are open orders without any guarantees of minimum volumes and are generally based on the life of the vehicle model concerned.

As our customers include the majority of the world's major automakers, we are generally dependent on developments in the global automotive industry.

The international nature of our business exposes us to a variety of economic, political, tax, legal and other related risks.

Due to the international nature of our business activities, we are exposed to economic, political, fiscal, legal and other types of risks.

Our sales are mostly generated in Europe and North America, but are reaching significant volumes in Asia, South America and in other regions of the world. Furthermore, we expect that sales generated in these regions (notably in China) will constitute a larger percentage of overall sales in the future. In 2011, 17.3% of sales were made outside Europe and North America. Our international business activities, notably in emerging countries, are exposed to certain risks inherent in any activity carried out abroad, including:

- any potential legislative or regulatory changes or commercial, monetary or fiscal policies applied in some foreign countries and, in particular, risks of expropriation and nationalization;
- customs regulations, monetary control policies, investment restrictions or requirements or any other constraint such as levies or other forms of taxation on settlements and other payment terms adopted by subsidiaries; and
- difficulties in enforcing agreements, collecting payments due and protecting property through foreign legal systems, in particular, where intellectual property protection is less stringent.

We operate in the highly competitive automotive supply industry where customers can exert significant price pressure.

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 our products will be able to compete successfully with those of our competitors. Supply contracts are mostly awarded through competitive bids, and are often subject to renewed bidding when their terms expire.

We are exposed to the risk that our customers could default on their financial obligations or enter bankruptcy.

We are exposed to credit risk, notably the risk that our automaker customers will default or go bankrupt in the event of financial difficulties (see note 4.2 to our 2011 consolidated financial statements).

Given the economic context in the automotive sector, we cannot rule out the possibility that one or more of our customers may not be able to honour certain contracts or suffer financial difficulties. Furthermore, changes in the automotive sector could accelerate the concentration of automakers, ultimately resulting in the disappearance of certain brands or vehicle models for which we produce equipment. The occurrence of one or more of these events could have a significant impact on our sales, results and future prospects. Detailed accounting information regarding trade accounts receivable is provided in Note 18 to our 2011 consolidated financial statements.

In 2011, our five largest automaker customers accounted for 72.9% of product sales as follows: Volkswagen 25.3%, PSA 16.6%, Renault-Nissan 11.5%, Ford 11.0%, and GM 8.5%. As of 31 December 2011, past-due payments represented 0.5% of consolidated sales for the year. Net reversals of provisions for doubtful customer accounts totalled €1.9 million in 2011.

We are dependent on many suppliers to maintain production levels.

We use a large number of suppliers based in different countries for our raw materials and basic parts supplies. In 2011, out of a total of approximately €7,342 million worth of production goods purchased from around 3,000 main suppliers, our ten largest suppliers combined accounted for 32% of purchased goods, representing 14.3% of consolidated sales.

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

We are subject to fluctuations in the prices of raw materials.

Our operating and net income can be adversely affected by changes in the prices of the raw materials we use, notably steel and plastics.

To the extent that our sales contracts with customers do not include price indexation clauses linked to the price of raw materials, we are exposed to risks related to unfavourable fluctuations in commodity prices. We do not use derivatives to hedge our purchases of raw materials or energy.

The proportion of our purchases of steel and plastics which we manage directly represented 7% of consolidated sales in 2011. If commodity prices were to rise steeply, we could not guarantee that we would be able to pass on all such price increases to our customers, which could have an unfavourable impact on our sales, results and overall financial position.

We may not be able to amortise our production-related research and development costs through a sufficient volume of sales.

As a components producer and components and systems assembler for the automotive industry, and given the high volumes that our customers order, we constantly have to adapt our business activity to our customers' demands in terms of their supply chain, production operations, services and research and development. Should we, or one of our suppliers or service providers, default at any stage of the manufacturing process, we could be held liable for failure to fulfil our contractual obligations or for any technical problems that may arise. We could also be required to make certain investments which may not be offset by customer order volumes.

We are subject to increasingly strict environmental laws and regulations in the countries in which we operate, and we are subject to potential liability for environmental, health or safety issues.

On account of the industrial nature of our operations, we are subject to increasingly strict environmental laws and regulations in the various countries in which we are present. We may be required to incur additional costs and/or investments in order to remedy a situation, comply with the applicable regulations, or pay any penalties in the event of any malfunction or other incidents affecting our equipment; human error; regulatory non-compliance; or any reinforcement of the applicable regulations.

We may experience difficulties integrating acquired businesses or achieving anticipated synergies.

As part of our external growth policy, we have made, and may make in the future, acquisitions of varying sizes, some of which have been and may yet be significant to the Group.

These acquisitions entail risks, such as:

- the assumptions of the business plans on which valuations are made may prove incorrect, especially concerning synergies and assessments of commercial demand;
- we may not succeed in integrating the acquired companies, their technologies, product ranges and employees;

- we may not be in a position to retain some key employees, customers or suppliers of the acquired companies;
- we may be forced or wish to terminate pre-existing contractual relationships with costly and/or unfavourable financial conditions; and
- we may increase our 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 or to the extent anticipated and, consequently, may affect our financial position.

A rise in interest rates would increase the cost of servicing our debt.

Before taking into account the impact of interest rate hedges, 67.7% of our borrowings were at variable rates as of 31 December 2011, compared to 80.1% as of 31 December 2010. Our variable rate financial debt mainly relates to the Senior Credit Agreement, as well as short-term debt. Our main fixed rate debt is the OCEANE (convertible bond) and the 2016 Notes.

We manage hedging of interest rate risks centrally. This management is handled by our Finance and Treasury Department, which reports to our General Management. Management decisions are made by a Market Risk Management Committee that meets on a monthly basis.

The aim of our interest rate hedging policy is to reduce the impact of short-term rate changes on earnings, as the majority of our borrowings are at variable rates. Our hedges primarily comprise euro- and dollar-denominated caps and other option-based structures as well as, to a lesser extent, swaps. They hedge a part of the interest payable in 2012 and in 2013 against a rise in rates. Our interest rate position with respect to the different types of instruments used is detailed in Note 30.2 to our 2011 consolidated financial statements.

Given short-term rates in 2011 and despite a continuous increase until the fourth quarter of that year, a number of our option-based interest rate hedges are out of money. A rise in short-term rates would therefore have an impact on debt interest. In addition, a fluctuation in interest rates would affect "Other financial income and expenses" due to the resulting change in the fair value of derivatives set up to hedge interest payable in 2012 and 2013.

The sensitivity tests performed, assuming a 100 basis point increase or decrease in average interest rates compared to the yield curve as of 31 December 2011, show that the positive or negative effect on finance costs can be estimated at €8.7 million, taking into account the profile of our debt and derivatives in place as of 31 December 2011.

We are subject to fluctuations in exchange rates, primarily between the euro and other operating currencies.

We are also exposed to risks arising from fluctuations in the exchange rates of certain currencies, primarily due to the location of some of our 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.

The sensitivity of our income and equity as of 31 December 2011 to changes in exchange rates of transaction currencies used by our subsidiaries other than their functional currency (with all other variables remaining constant) is as follows:

Currency	**USD**	**CZK**	**CAD**	**MXN**	**GBP**	**PLN**	**ZAR**
as of 31 December 2011	**1.29**	**25.79**	**1.32**	**18.05**	**0.84**	**4.46**	**10.48**
Currency fluctuation assumptions (depreciation of currency/EUR)	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Exchange rate after currency depreciation	**1.36**	**27.08**	**1.39**	**18.95**	**0.88**	**4.68**	**11.01**
Impact on pre-tax income	0.85	(3.29)	(2.99)	(0.15)	0.01	0.34	0.28
Impact on equity	4.11	(1.02)	0.00	0.12	(0.32)	(4.79)	0.00

These impacts reflect (i) the effect on income of changes in exchange rates used for the year-end valuation of assets and liabilities denominated in a foreign currency, net of the impact of the change in fair value of existing hedging instruments; and (ii) the effect on equity of changes in the fair value of hedges of forecast transactions (cash flow hedges).

We centrally manage currency risks relating to the commercial transactions of our subsidiaries, mainly using forward purchase and sale contracts and options as well as foreign currency financing. We manage hedging of interest rate risks centrally, through our Finance and Treasury Department, which reports to our General Management.

Management decisions are made by a Market Risk Management Committee that meets on a monthly basis. Currency risks on forecast transactions are hedged based on estimated cash flows determined in forecasts validated by Group General Management. The related derivatives are classified as cash flow hedges when there is a hedging relationship that satisfies the IAS 39 criteria.

Subsidiaries whose functional currency is not 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 our currency risk exposure and are therefore hedged through swaps.

Details of net balance sheet positions and a breakdown of hedges by currency are provided in Note 30.1 to our consolidated financial statements.

We face risks related to the intellectual and industrial property we use.

We consider that we either own or may validly use all the intellectual and industrial property rights required for our business operations and that we have taken all reasonable measures to protect our rights or obtain guarantees from the owners of third-party rights. However, we cannot rule out the risk that our 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, we cannot be sure of holding or obtaining intellectual and industrial property rights offering the same level of protection as those in France.

We face litigation risks, including product liability, warranty and recall risk.

We cannot guarantee that in the future our subsidiaries will not be involved in legal or administrative proceedings, particularly given the complex regulatory requirements applicable to us, our production facilities and our products. In addition, technical failures, as well as breaches of contract by customers, suppliers or partners may give rise to contract disputes, warranty claims, product recalls or product liability claims. Such a situation could have a significantly unfavourable impact on our operations and/or financial position.

The interests of our principal shareholder may be inconsistent with those of holders of the Notes.

A majority of our outstanding shares is held by Peugeot S.A. As a result, Peugeot S.A. has the power to adopt all resolutions that require approval at an ordinary general meeting and, as a practical matter, at an extraordinary general meeting. These matters include the appointment of board members, the approval of annual accounts, distribution of dividends, authorisation of capital increases, statutory mergers and asset contributions. Several of Faurecia's directors are officers of Peugeot S.A. It is possible that Peugeot S.A.'s interests will diverge from our interests and those of the holders of the Notes.

We also have important commercial relationships with affiliates of Peugeot S.A. The PSA Peugeot Citroën group was our second largest customer in 2011, and we work closely with PSA Peugeot Citroën on a number of important development projects. We enter into all sales contracts with the PSA Peugeot Citroën group in the ordinary course of business and based on the industry standard bid process. We believe that our commercial relationships with the PSA Peugeot Citroën group are on arm's length terms, although we have not obtained independent evaluations of those terms. For more information on our transactions with PSA Peugeot Citroën, see Note 32.1 to our 2011 consolidated financial statements.

Risks Related to the Notes

We may not have the ability to repay the Notes.

We may not be able to repay the Notes at maturity. Moreover, we may be required to repay all or part of the Notes prior to their scheduled maturity upon an event of default. If Noteholders were to require us to repay the Notes following an event of default, we cannot guarantee that we would be able to pay the required amount in full. Our ability to repay the Notes will depend, in particular, on our financial condition at the time of the required repayment, and may be limited by applicable law, or by the terms of our indebtedness and the terms of new facilities outstanding on such date, which may replace, increase or amend the terms of our existing or future indebtedness.

Our other creditors, in particular the lenders under the loans, factoring arrangements and other debt described in "Description of Other Indebtedness", would be able to accelerate their loans if certain events occur, such as cash flow problems or the breach of certain financial covenants that would not permit the acceleration of the Notes. Such an event would have a significant impact on our ability to repay the Notes. Furthermore, our failure to repay the Notes could result in a cross default under other indebtedness.

The Notes are not necessarily suitable for all investors.

Investors must have sufficient knowledge and experience in financial markets and familiarity with our Group to evaluate the benefits and risks of investing in the Notes, as well as knowledge and access to analytical tools in order to assess these benefits and risks in the context of their financial situation. The Notes are not suitable for investors who are not familiar with concepts

such as amortisation prior to or at maturity at our option, events of default or other financial terms governing these types of securities.

Investors must also be sure that they have sufficient financial resources to bear the risks inherent in the subscription or purchase of Notes and that an investment in this type of security is appropriate in the context of their financial situation.

We will rely on payments from our subsidiaries to pay our obligations under the Notes.

Faurecia is primarily a holding company, with business operations principally located at the level of our subsidiaries. Accordingly, we will have to rely largely on dividends and other distributions from our subsidiaries to make payments under the Notes. We cannot be certain that the earnings from, or other available assets of, these operating subsidiaries will be sufficient to enable us to pay principal or interest on the Notes when due.

The payment of dividends and the making of loans and advances to us by our subsidiaries are subject to various restrictions, including:

- restrictions under applicable company or corporation law that restrict or prohibit companies from paying dividends unless such payments are made out of profits available for distribution;
- restrictions under the laws of certain jurisdictions that can make it unlawful for a company to provide financial assistance in connection with the acquisition of its own shares or the shares of any of its holding companies;
- statutory or other legal obligations that affect the ability of our subsidiaries to make payments to us on account of inter-company loans; and
- existing or future agreements governing our or our subsidiaries' debt may prohibit or restrict the payment of dividends or the making of loans or advances to us.

If we are not able to obtain sufficient funds from our subsidiaries, we will not be able to make payments on the Notes.

A substantial amount of our indebtedness will mature before the Notes, and we may not be able to repay this indebtedness or refinance this indebtedness at maturity on favourable terms, or at all.

Substantially all of our indebtedness will mature prior to the maturity of the Notes.

Our ability to service our current debt obligations and to repay or refinance our existing debt will depend in part on a combination of generation of cash flow from our operations and cash produced by the disposal of selected assets, as well as on our ability to obtain financing. There can be no assurance that we will continue to generate sufficient cash flow in the future to service our current debt obligations and our other operating costs and capital expenditures, particularly if global or regional economies were to experience another significant economic downturn. Further, there can be no assurance that we will be able to consummate such disposals or, if consummated, that the terms of such transactions will be advantageous to us.

In addition, our ability to refinance our indebtedness, on favourable terms, or at all, will depend in part on our financial condition at the time of any contemplated refinancing. Any refinancing of our indebtedness could be at higher interest rates than our current debt and we may be required to comply with more onerous financial and other covenants, which could further restrict our business operations and may have a material adverse effect on our business, financial condition, results of operations and prospects and the value of the Notes. We cannot assure you that we will be able to refinance our indebtedness as it comes due on commercially acceptable terms or at all and, in connection with the refinancing of our debt or otherwise, we may seek additional financing, dispose of certain assets, reduce or delay capital investments or seek to raise additional capital.

If there were an event of default under any of our debt instruments that was not cured or waived, the holders of the defaulted debt could terminate their commitments thereunder and cause all amounts outstanding with respect to such indebtedness to be due and payable immediately, which in turn could result in cross defaults under our other debt instruments, including the Notes. Any such actions could force us into bankruptcy or liquidation, and we may not be able to repay our obligations under the Notes in such an event.

We may incur substantially more debt in the future, which may make it difficult for us to service our debt, including the Notes, and impair our ability to operate our businesses.

We may incur substantial additional debt in the future. Any debt that our subsidiaries incur will be structurally senior to the Notes and could be secured or could mature prior to the Notes. The terms of the Trust Deed will permit us to incur future debt that may have substantially the same covenants as, or covenants that are more restrictive than, those of the Trust Deed. Borrowings under debt instruments that contain cross-acceleration or cross-default provisions, including the Notes, may as a result also be accelerated and become due and payable. We may be unable to pay these debts in such circumstances. The incurrence of additional debt would increase the leverage related risks described in this Offering Circular.

Because the Issuer is the sole obligor on the Notes, and its subsidiaries will not guarantee the Issuer's obligations under the Notes or have any obligation with respect to the Notes, the Notes will be structurally subordinated to all of the claims of creditors of the Issuer's subsidiaries.

The Notes will be structurally subordinated to all debt and liabilities of the subsidiaries of the Issuer, including guarantees by certain such subsidiaries of the indebtedness of the Issuer. Such subsidiaries represented 75.1% of consolidated EBITDA of the Group for the year ended 31 December 2011.

None of the Issuer's subsidiaries will guarantee the Issuer's obligations under the Notes. You will therefore not have any direct claim on the cash flows or assets of the Issuer's subsidiaries, and the Issuer's subsidiaries will have no obligation, contingent or otherwise, to pay amounts due under the Notes, or to make funds available to the Issuer for those payments. Generally, claims of creditors of a subsidiary, including lenders and trade creditors, will effectively have priority with respect to the assets and earnings of the subsidiary over the rights of its ordinary shareholders. Accordingly, claims of creditors of a subsidiary will effectively have priority over the claims of creditors of the Issuer, including claims of holders of Notes. In the event of a bankruptcy, liquidation or reorganisation of any of our subsidiaries, holders of their indebtedness and their trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to the Issuer. The Notes, therefore, will be effectively junior and structurally subordinated to all debt and other liabilities of our subsidiaries, including liabilities owed to trade creditors. Pursuant to the Trust Deed governing the Notes, our subsidiaries will be permitted to incur additional indebtedness, which will rank structurally ahead of the Notes. See "Terms and Conditions of the Notes – Condition 6.1: Limitation on Indebtedness". As of 31 December 2011, the gross debt of our subsidiaries amounted to €481.1 million, not including guarantees granted by subsidiaries in relation to the 2016 Notes and the Senior Credit Facilities.

We may be unable to raise funds necessary to finance any change of control repurchase offers required by the Notes.

If we experience specified changes of control, we will be required to make an offer to purchase all of the outstanding Notes at a price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the date of purchase. Additionally, a change of control under the Senior Credit Facilities, unless waived by the lenders, would result in cancellation of the commitments under the Senior Credit Facilities and all amounts outstanding under such facilities would become immediately due and payable. In addition, a change of control under the 2016 Notes or the convertible bonds (OCEANE) would give bondholders the option to redeem their bonds early at par plus accrued and unpaid interest.

We may not have the resources to finance the redemption of the Notes and an early repayment of certain amounts of our outstanding debt required by a change of control. Therefore, we expect that we would require third-party financing to make an offer to repurchase the Notes upon a change of control. We cannot give any assurances that we would be able to obtain such financing. Our failure to effect a change of control offer when required would constitute an event of default under the Trust Deed.

In addition, the change of control provision in the Notes may not necessarily afford investors protection in the event of certain important corporate events, including a reorganisation, restructuring, merger or other similar transactions involving our Group that may adversely affect holders of Notes, because such corporate events may not involve a shift in voting power or beneficial ownership or, even if they do, may not constitute a "Change of Control" as defined in the terms and conditions of the Notes.

Possible changes to the terms and conditions of the Notes.

The terms and conditions of the Notes are based on laws and regulations in force on the date hereof. Any changes in such laws or regulations could have the effect of modifying the terms and conditions of the Notes, which could have an adverse effect on their value. No assurances can be given as to the impact of any possible change of such laws after the date hereof.

Exchange rate risks exist for certain Noteholders.

We will make all payments under the Notes in euros. Any Noteholder who conducts its financial activities mainly in a currency other than the euro should take into consideration the risk that the rates of exchange could fluctuate and the risk that the authorities of the countries of the relevant currencies could modify any exchange controls. An appreciation of the value of the currency of the Noteholder compared to the euro would decrease, in the currency of the Noteholder, the value of payments (interest, principal) received under the terms of the Notes, the market value of the Notes, and thus the return of the Notes for such a Noteholder.

Moreover, governments and monetary authorities could impose (as some have done in the past) exchange controls that could affect the applicable exchange rate. In such a case, Noteholders could receive principal or interest in amounts lower than expected, or even no principal or interest.

The amendments and modification provisions of the terms and conditions of the Notes differ from standard English law amendments and modification provisions.

The terms and conditions of the Notes and the Trust Deed may be amended with the consent of the holders of a majority in principal amount of the Notes then outstanding (including consents obtained in connection with a tender offer or exchange for the Notes) and any past default or compliance with any provisions may also be waived with the consent of the holders of a majority in principal amount of the Notes then outstanding. Certain rights under the terms and conditions of the Notes relating to the key commercial terms of the Notes ("**Entrenched Rights**") including (but not limited to) reducing the principal amount of Notes whose holders must consent to an amendment or a waiver or that qualifies as a quorum for purposes of making such amendment or waiver, changing the time and/or rate of payments of interest and principal, as applicable, reducing the amount of any premiums, changing the ranking or priority of payments of the Notes and making certain other changes as set out in the terms and conditions of the Notes, cannot be amended or waived by the holders of a majority in principal amount of the Notes then outstanding but require the consent of the holders of at least 90% of the aggregate principal amount of the Notes then outstanding.

Holders of the Notes should be aware that in order to effect any amendment or waiver in respect of Entrenched Rights, the consent of holders of at least 90% of the aggregate principal amount of the Notes then outstanding is required to agree to such amendment or waiver. Although this threshold is standard in New York law governed bonds, it is considerably higher than the usual threshold in English law bond transactions, where typically at a meeting of the Holders of Notes, the threshold for changes to the economic provisions of the Notes is set at 75%. As a result, the Issuer may have greater difficulty in passing amendments relating to Entrenched Rights.

In addition, there is a higher risk that a minority of Noteholders (holders of at least 10% of the aggregate principal amount of the Notes then outstanding) may either disregard the convening of a Noteholder meeting or a consent solicitation request or actively refuse to give such consent to the amendment or waiver, or could block a resolution or a consent solicitation.

For both majority-led resolutions or consents and resolutions or consents requiring the holders of 90% of the aggregate principal amount of the Notes then outstanding to agree, holders of the Notes should be aware that in the event that such resolutions or consents are approved by the requisite number of holders such decision will bind all holders, including any dissenting holders of Notes.

There currently exists no market for the Notes, and we cannot provide assurance that an active trading market will develop for the Notes.

The Notes will be new securities for which there currently is no market. Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and to admit the Notes for trading on the Euro MTF market. However, there is a risk that no liquid secondary market for the Notes will develop or, if it does develop, that it will not continue. The fact that the Notes may be listed does not necessarily lead to greater liquidity as compared to unlisted Notes. In an illiquid market, an investor is subject to the risk of not being able to sell Notes at any time at fair market prices or at all.

The liquidity of any market for the Notes will depend on the number of holders of the Notes, prevailing interest rates, the market for similar securities and other factors, including general economic conditions and our financial condition, results of operations and prospects, as well as recommendations of securities analysts. Historically, the market for non-investment grade securities has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Notes. The liquidity of a trading market for the Notes may be adversely affected by a general decline in the market for similar securities and is subject to disruptions that may cause volatility in prices. It is possible that the market for the Notes will be subject to disruptions. Any such disruption may have a negative effect on investors in the Notes, regardless of our financial condition, results of operations and prospects.

The development of market prices of the Notes depends on various factors, such as changes of market interest rate levels, the policies of central banks, overall economic developments, inflation rates and the level of demand for the Notes and for high yield securities generally, as well as our financial condition, results of operations and prospects. The Notes may thus trade at prices that are lower than their initial purchase price. The holders are therefore exposed to the risk of an unfavourable development of market prices of their Notes which materialise if the holders sell the Notes prior to the final maturity.

The market value of the Notes could decrease if our creditworthiness worsens.

The market value of the Notes will suffer, if the market perceives us to be less likely to fully perform all obligations under the Notes when they fall due, which could occur, for example, because of the materialisation of any of the risks listed above regarding our Group. Even if the likelihood that we will be in position to fully perform all obligations under the Notes when they fall due has not actually decreased, market participants could nevertheless have a different perception. In addition, the market participants' estimation of the creditworthiness of corporate debtors in general or debtors operating in the same business as us could adversely change, causing the market value of the Notes to fall. If any of these risks occurs, third parties would only be willing to purchase Notes for a lower price than before the materialisation of these risks. Under these circumstances, the market value of the Notes will decrease.

The rights of holders of the Notes will be limited so long as the Notes are issued in book-entry interests.

Owners of the book-entry interests will not be considered owners or holders of Notes unless and until definitive notes are issued in exchange for book-entry interests. Instead, Euroclear or Clearstream, or their nominees, will be the sole holders of the Notes.

Payments of principal, interest and other amounts owing on or in respect of the Notes in global form will be made to the Trustee, which will make payments to the clearing system. Thereafter, such payments will be credited to the clearing system participants' accounts that hold book-entry interests in the Notes in global form and credited by such participants to indirect participants. After payment to the clearing system, neither we, nor the Trustee nor any paying agent will have any responsibility or liability for any aspect of the records relating to, or payments or, interest, principal or other amounts to the clearing system, or to owners of book-entry interests.

Owners of book-entry interests will not have the direct right to act upon our solicitations for consents or requests for waivers or other actions for holders of the Notes. Instead, holders of the Notes may be entitled to act only to the extent that they have received appropriate proxies to do so from the clearing system or, if applicable, from a participant. We cannot assure you that procedures implemented for the granting of such proxies will be sufficient to enable you to vote on any requested actions on a timely basis.

Early redemption of the Notes may reduce an investor's expected yield.

The Notes may be redeemed at our option at the principal amount of the Notes plus accrued interest to the date fixed for redemption as more fully described in the "Terms and Conditions of the Notes". In the event that we exercise the option to redeem the Notes, you may suffer a lower than expected yield and may not be able to reinvest the funds on the same terms.

French insolvency laws may not be as favourable to holders of Notes as laws of another jurisdiction with which holders are familiar.

The Issuer is incorporated under the laws of France. In general, French insolvency legislation favors the continuation of a business and protection of employment over the payment of creditors and could limit your ability to enforce your rights under the Notes. This legislation may be less favourable to Noteholders than similar laws in another jurisdiction with which Noteholders may be familiar, and if so, in the event of insolvency, Noteholders may face worse treatment than they might expect. See "Certain Insolvency and Enforceability Considerations".

USE OF PROCEEDS

In connection with the offering of the Notes, Faurecia will receive net proceeds of approximately €246.6 million, after deduction of estimated costs and underwriting commissions.

Faurecia will use the net proceeds of the offering primarily to reduce its outstanding debt, including the repayment of part of the revolving indebtedness under the Senior Credit Facilities. Faurecia does not intend to reduce the commitments under the Senior Credit Facilities, and repaid amounts may be redrawn in the future.

CAPITALISATION AND INDEBTEDNESS

The following table sets forth Faurecia's cash and cash equivalents, total financial debt and total capitalisation as at 31 December 2011 on a historical basis and as adjusted to reflect (i) the issuance of €140 million principal amount of 2016 Notes in February 2012, (ii) the completion of offering of the Notes made hereby and (iii) the use of such proceeds to repay amounts outstanding under the Senior Credit Facilities (which may be redrawn, as the commitments will not be reduced). See "Use of Proceeds".

You should read this table in conjunction with Chapters 2, 3 and 9 of Faurecia's 2011 Registration Document included in Annex A of this Offering Circular.

	As at 31 December 2011	
(in € millions)	**Historical**	**As adjusted** *(unaudited)*
Cash and cash equivalents	630.1	630.1
Other current financial assets included in net debt	1.5	1.5
Total cash and cash equivalents	631.6	631.6
Short-term borrowings[1]	573.7	573.7
Current portion of long-term debt	36.0	36.0
Other current financial liabilities	5.9	5.9
Total current financial liabilities	**615.6**	**615.6**
Senior Credit Facilities (excluding current portion)[2]	490.0	91.0
OCEANE (convertible bonds)	195.4	195.4
2016 Notes (first tranche November 2011)	348.2	348.2
Other long-term debt	200.6	200.6
2016 Notes (second tranche February 2012)	-	152.4
Notes offered hereby[3]	-	246.6
Other non-current financial liabilities	5.9	5.9
Total long-term debt	**1,240.1**	**1,240.1**
Minority Interests	113.5	113.5
Total equity[4]	**1,153.9**	**1,153.9**
Total capitalisation	**3,123.1**	**3,123.1**

(1) Short-term borrowings include commercial paper.

(2) For illustrative purposes, in the table above we have assumed that the net proceeds of the offering of the Notes and the February 2012 tranche of the 2016 Notes were or will be used for the repayment of outstanding revolving indebtedness under the Senior Credit Facilities. We do not intend to reduce the commitments under the Senior Credit Facilities, and repaid amounts may be redrawn in the future.

(3) Based on amortised cost method, assuming gross proceeds of €249,935,000, at an issue price of 99.974%, less estimated transaction expenses of €3.3 million.

(4) Includes €772.6 million of share capital, €282.4 million of share premium, €(357.1) million of reserves and €371.3 million of current period net income. As of 31 December 2011, Faurecia had 110,368,345 shares outstanding (including 46,872 treasury shares), and was authorised to issue approximately 60 million additional shares (directly or by issuing securities giving access to capital such as convertible bonds).

Since 31 December 2011, our financial borrowings have increased primarily due to drawdowns under the Senior Credit Agreement in response to expected seasonal variations in our operations/working capital needs and planned capital expenditures resulting from our growth.

RECENT DEVELOPMENTS

Consolidated sales in the first quarter of 2012

On 24 April 2012, we announced our quarterly results for the period ended 31 March 2012. Our consolidated sales for the first quarter of 2012 rose 8.4% to €4,297 million, or 6% on a like-for-like basis (at constant exchange rates and on a comparable scope basis). The change was driven primarily by a 2% decline in product sales in Europe, more than offset by rapid product sales growth of 26% on a like-for-like basis in North America, and 16% expansion of product sales in Asia on a like-for-like basis.

Consolidated Sales

(in € millions)	For the three months ended 31 March			
	2012	**2011**	**Change**	**Change***
Total Consolidated Sales	**4,296.6**	**3,963.0**	**8.4%**	**6.0%**
Automotive Seating	1,321.3	1,233.6	7.1%	1.9%
Interior Systems	964.7	875.9	10.1%	9.3%
Total Interior Modules	**2,286.0**	**2,109.5**	**8.4%**	**4.9%**
Emissions Control Technologies	1,579.0	1,387.5	13.8%	12.2%
Automotive Exteriors	431.6	466.0	(7.4)%	(7.6)%
Total Other Modules	**2,010.6**	**1,853.5**	**8.5%**	**7.3%**

(*) Like-for-like (at constant exchange rates and on a comparable scope basis).

Product Sales

(in € millions)	For the three months ended 31 March			
	2012	**2011**	**Change**	**Change***
Total Product Sales	**3,353.1**	**3,103.6**	**8.0%**	**5.3%**
Automotive Seating	1,273.2	1,188.0	7.2%	1.8%
Interior Systems	845.0	775.4	9.0%	8.0%
Total Interior Modules	**2,118.2**	**1,963.4**	**7.9%**	**4.2%**
Emissions Control Technologies	823.1	715.7	15.0%	13.3%
Automotive Exteriors	411.8	424.5	(3.0)%	(3.2)%
Total Other Modules	**1,234.9**	**1,140.2**	**8.3%**	**7.2%**

(*) Like-for-like (at constant exchange rates and on a comparable scope basis).

Sales by Type:

(in € millions)	For the three months ended 31 March			
	2012	**2011**	**Change**	**Change***
Total Consolidated Sales	**4,296.6**	**3,963.0**	**8.4%**	**6.0%**
of which Product Sales	*3,353.1*	*3,103.6*	*8.0%*	*5.3%*
of which Monolith Sales	*723.3*	*644.9*	*12.1%*	*10.7%*
of which Development, Tooling & Prototype Sales	*220.2*	*214.5*	*2.7%*	*2.3%*

(*) Like-for-like (at constant exchange rates and on a comparable scope basis).

Product sales (deliveries of parts and components to automakers) were €3,353.1 million in the first quarter of 2012, an increase of 8.0% compared to the first quarter of 2011, or 5.3% at constant exchange rates and on a comparable scope basis (which we refer to as a "like-for-like" basis). The first quarter 2012 figure includes €43.8 million in product sales from the Madison, Mississippi, seating plant, which has been consolidated since 4 April 2011. Monolith sales, included in exhaust catalytic converters, were up 12.1% compared to the first quarter of 2011 to €723.3 million, or 10.7% on a like-for-like basis. Research and development, tooling, and prototype sales grew by 2.7% in the first quarter of 2012 to €220.2 million, an increase of 2.3% on a like-for-like basis.

Breakdown of First Quarter Product Sales by Region:

On a like-for-like basis, our sales by region changed as follows in the first quarter of 2012 compared to the same period in 2011: in Europe our sales declined 2.0% to €2,053.0 million, while European market light vehicle production declined by 4.6%; in North America, our sales increased by 25.5% to €793.5 million, whereas North American market light vehicle production rose 16.3% over the quarter; in South America, our sales rose by 3.5% to €148.8 million, despite South American market light vehicle production declining 6.1% ; and in Asia, our sales increased by 15.7% (including an increase of 11.1% in China) to €308.6 million, whereas Asian market light vehicle production rose 10.8% in the first quarter of 2012 (including a 2.4% decrease in China).

Product Sales by Region

	For the three months ended 31 March			
(in € millions)	**2012**	**2011**	**Change**	**Change***
Total Product sales	**3,353.1**	**3,103.6**	**8.0%**	**5.3%**
of which Europe	*2,053.0*	*2,094.5*	*(2.0)%*	*(2.0)%*
of which North America	*793.5*	*568.7*	*39.5%*	*25.5%*
of which South America	*148.8*	*146.8*	*1.4%*	*3.5%*
of which Asia	*308.6*	*249.7*	*23.6%*	*15.7%*
of which China	*238.6*	*197.5*	*20.8%*	*11.1%*

(*) Like-for-like (at constant exchange rates and on a comparable scope basis).

Product Sales by Business Group

On a like-for-like basis, our product sales in the first quarter of 2012 broke down by business segment as follows:

- Automotive Seating: Product sales were €1,273.2 million in the first quarter of 2012 (including €43.8 million from the Madison plant), an increase of 1.8% on a like-for-like basis.
- Interior Systems: Product sales were €845.0 million in the first quarter of 2012, up 8.0% on a like-for-like basis.
- Emissions Control Technologies: Product sales were €823.1 million in the first quarter of 2012, an increase of 13.3% on a like-for-like basis.
- Automotive Exteriors: Product sales in the first quarter of 2012 were €411.8 million, a decrease of 3.2% on a like-for-like basis. Europe represented 96% of product sales in this segment.

Faurecia and Howa Textile Sign Joint-Venture Agreement for Vehicle Interiors

On 19 April, 2012, we announced a new 50/50 joint-venture agreement with Howa Textile Industry Co. Ltd., a privately-held Japanese company specializing in vehicle interior systems such as soft-trim, hard-trim, and acoustics. The new joint-venture, known as Faurecia Howa Interiors (FHI), will be based in Atsugi (Japan) and will be dedicated to the development of vehicle interior systems such as door panels, in-vehicle insulation, soft trim and roof trim.

Our objective in the partnership is to become a preferred Nissan supplier in Japan for door panels and soft trims and boost efforts to provide Nissan joint support, from both Faurecia and Howa, on a global basis. The partners have agreed to split manufacturing among their respective plants globally, with the exception of Mexico and China, where FHI intends to set-up joint manufacturing units.

Specifically, FHI will support manufacturing activity in the following regions and countries: North America (Mexico, United States), Europe (United Kingdom, Russia and Spain), Asia (Japan, China, India, Indonesia, Malaysia, Taiwan and Thailand), South America (Argentina and Brazil) as well as in South Africa. Based on current assumptions, FHI targets €100 million in sales to Nissan by the parent companies by 2016. Initial contracts have already been booked for a new vehicle to be assembled at five different locations in Mexico, Thailand, South Africa, Spain and South America. Total targeted production of this new vehicle is expected to exceed 400,000 units per year.

BUSINESS

Overview

We are one of the world's largest automotive equipment suppliers. We develop, manufacture and sell original equipment for vehicles, through our four main business lines: Automotive Seating, Interior Systems, Emissions Control Technologies and Automotive Exteriors. Our portfolio includes high quality, award winning, technologically advanced products based on proprietary expertise. We have close relationships with substantially all of the world's major automobile manufacturers, and we work closely with our customers to develop product designs and features that enhance our presence and leading market position.

In 2011, our total sales amounted to €16,190.2 million, including €12,391.1 million of product sales (deliveries of parts and components to automakers). We generated EBITDA of €1,104.5 million in 2011.

We operate through four main business lines: Automotive Seating, Interior Systems, Emissions Control Technologies and Automotive Exteriors. As of the end of 2011, we estimate that approximately one in every four vehicles in service worldwide included as original equipment a product manufactured by one of our business groups.

Faurecia Automotive Seating: We are currently the world's number three automobile seat supplier, and number one in seat components (primarily frames and mechanisms). We design and manufacture complete seats, as well as every seat component: frames, adjustment mechanisms, runners, foam and covers. During the seat manufacturing process, we assemble different components to create a complete seat and provide just-in-time delivery to our customers' plants. We have extensive experience developing seat blueprints and designs, and we generate solutions emphasising safety, comfort, perceived quality, modularity and natural/recycled materials.

Faurecia Interior Systems: We are currently the world's number one supplier of automobile interior systems. We produce cockpit modules (dashboards and center consoles), doors (panels, modules and complete doors), and acoustic modules. We are a leading global supplier of door panels and are ranked among the top suppliers of acoustic modules in Europe.

Faurecia Emissions Control Technologies: We are the global leader in the emission control market, developing and producing entire exhaust systems, from the manifold to the tail pipe. We are also jointly involved, with PSA Peugeot Citroën, in the development of the Diesel Particulate Filter, which is used in environmentally "clean" cars to treat pollutants and recover energy.

Faurecia Automotive Exteriors: We design three different exterior modules: front ends (including engine cooling systems), exterior systems (bumpers, tailgates) and shock absorption systems. We are the number one bumper supplier in Europe with a broad client base and deep product range.

We support our automaker customers through an active joint development policy that entails our involvement at each stage of the equipment development process, from defining product requirements through initial marketing. We develop products specifically for new car models, and typically enter into contracts to supply those products for the initially anticipated life of the car model (generally 5 to 10 years). The quality of our products is renowned among automakers and draws strength from our Programme Management System (PMS), a rigorous series of project management procedures and methodologies, as well as from the expertise of our 5,000 engineers and technicians who design products and technological solutions.

Geographical Presence

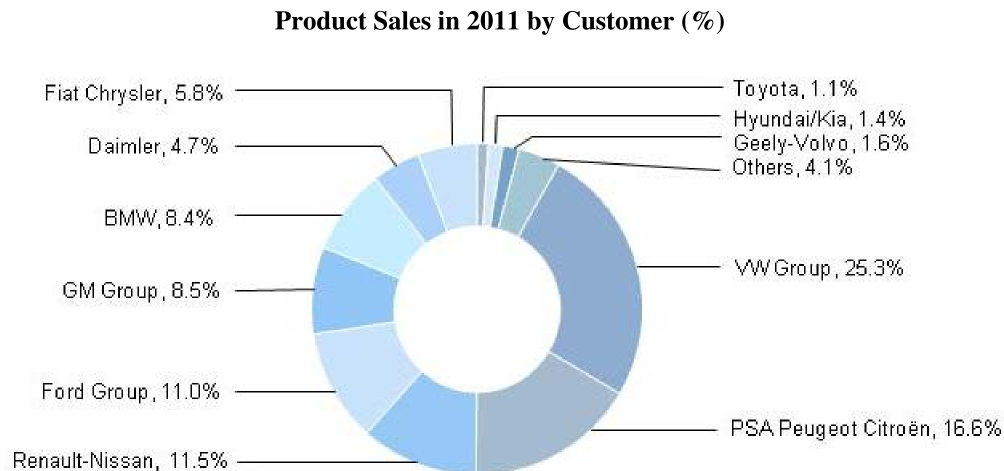
Our four principal markets include Europe, North America, Asia and South America. Outside of these regions, our sales were mainly recorded in South Africa. The following table breaks down our product sales in 2011 by geographic region.

	2011 Product Sales by Region					
(in € millions)	**Europe**	**North America**	**South America**	**Asia**	**Other countries**	**Total**
Product Sales	7,815.3	2,579.2	639.0	1,116.8	240.7	12,391.1

Customers

Our customer portfolio includes nearly every large automaker in the world, including manufacturers in emerging economies, such as Brazil, China and South Korea. Volkswagen/Audi, PSA Peugeot Citroën, Renault-Nissan, Ford, General Motors and BMW each accounted for more than €1 billion in total sales in 2011. The table below shows 2011 product sales for each of the following customers:

Product Sales in 2011 by Customer (%)



Our Industry

We operate within the global automotive equipment sector and our business growth is entirely driven by the trends in the global automobile market. The global automobile market has undergone a period of significant change in recent years, with a correspondingly significant impact on the automotive equipment sector.

Since early 2010, our markets have experienced substantial growth, fueled by a rebound of sales in Europe (although European sales have slowed recently) and North America following the global economic crisis, as well as robust growth in China and other emerging markets. We believe that our leading positions in our four business lines, our close customer relationships, our strong presence in high growth regions, our recognised technological leadership and our proprietary expertise have positioned us to take advantage of these growth trends.

Demand for increased safety: Automobile manufacturers continue to focus on improving occupant and pedestrian safety in order to meet increasingly stringent regulatory requirements in various markets. As a result, suppliers are focused on developing technologies aimed at protecting vehicle occupants when a crash occurs. To capitalise on this need, our research and development centres develop safety systems for each of our product lines. Our seat frames and complete seat products can satisfy diverse safety regulations while adapting to automobile manufacturer's cost concerns, while our front-end and bumper products improve pedestrian safety. In addition, automobile manufacturer's demands for improved seating and interior systems solutions continue to increase as consumers demand greater safety, personalisation, comfort, acoustic performance and convenience while driving. Our seats and interior systems can be adapted to optimise comfort and design, without sacrificing safety.

Demand for increased environmental performance: Automobile manufacturers are constantly working to produce cars that offer improved performance, with better fuel economy and fewer harmful emissions. In addition, increasingly strict environmental standards and customer demands are driving the development of clean cars. Government authorities in the European Union, the United States, China, India, Japan, Brazil, and South Korea have already instituted regulations requiring further reductions in emissions and/or increased fuel economy through 2014. As a result, automobile manufacturers demand that their suppliers work with them to design lighter products to allow their vehicle to meet fuel efficiency standards and our design teams consistently strive to provide lightweight seats, interiors, and front-ends. Increasingly stringent environmental regulation is an especially strong driver of growth for Faurecia Emissions Control Technologies, which is a leader in the development of innovative emissions control products designed to address new regulatory requirements.

Standardisation of sourcing by automobile manufacturers: Many automobile manufacturers are adopting global vehicle platforms to harmonise quality, reduce per unit cost, increase capital efficiency and improve profitability. As a result, automobile manufacturers are selecting suppliers that have the capability to manufacture products on a worldwide basis as well as the flexibility to adapt to regional variations. Suppliers with global scale and strong design, engineering and manufacturing capabilities, are best positioned to benefit from this trend. Automobile manufacturers are also increasingly looking to their suppliers to simplify vehicle design and assembly processes to reduce costs. As a result, Tier I suppliers have assumed many of the design, engineering, research and development and assembly functions traditionally performed by vehicle manufacturers. Suppliers that can provide pre-packaged, modular solutions and pre-assembled combinations of components, through "just-in-time" assembly facilities located near customer facilities, are well-positioned to leverage the trend toward system sourcing.

History and Development

We have been a major automotive equipment manufacturer for many years. Our legacy companies trace their origins to the earliest periods of automobile production. We have grown in tandem with technological and industrial advancements to reach our current position as a market leader in our four product segments. The following are key recent milestones in our development.

1997. Ecia launches a friendly bid for Bertrand Faure, bringing its direct and indirect stake in this group to 99%. The acquisition leads to the formation of Faurecia in 1998 with the underlying aim of focusing on the automotive equipment business. At the same time, Bertrand Faure sells its luggage business (Delsey) and aeronautics business (Ratier-Figeac) and Ecia sells its motorcycles business (Peugeot Motocycles) to the PSA Peugeot Citroën Group.

1999. Ecia and Bertrand Faure merge, resulting in the PSA Peugeot Citroën Group holding a 52.6% stake in our company by the end of 1999. We report sales of over €4 billion, with a workforce of 32,000. As well as boosting its size and helping it gain a worldwide position in automotive seating, Bertrand Faure gives Ecia a broader geographical and commercial reach, especially in Germany, where the company has strong links with manufacturers such as Volkswagen and BMW. We extend our exhaust systems coverage in North America with the acquisition of the US company AP Automotive Systems.

2000. We purchase Sommer Allibert. By financing this transaction, the PSA Peugeot Citroën Group raises its stake in our company to 71.5%. With good coverage of Germany and Spain, we enjoy high market share for vehicle interior fittings in Europe, especially for door and instrument panels and acoustic modules.

2001. The Sommer Allibert acquisition is finalised through a public offer to buy out Sommer Allibert's minority shareholders. The resulting group posts sales of €9.6 billion. We then buy out the remaining minority shares held by external shareholders in Sommer Allibert's German subsidiary SAI Automotive AG.

2002. We acquire a 49% stake in the South Korean catalytic converter maker Daeki Industrial, number two in its market. The same year, we form a joint venture with the Taiwanese automotive equipment company GSK, with a view to making seats at Wuhan, in China.

2003. We follow up these acquisitions by buying the South Korean exhaust systems company Chang Heung Precision, which holds a market share of over 20%. This gives our Exhaust Systems business a manufacturing presence in all continents. In Europe, we finalise an agreement with Siemens-VDO to strengthen and extend the joint venture (SAS) that assembles cockpits for BMW, Daimler Chrysler, the Ford group, Renault-Nissan and the Volkswagen group.

2005. To strengthen our Korean operations, we raise our stake in Daeki (specializing in exhaust systems for Hyundai) to 100%, and set up a joint venture with the South Korean company Kwang Jin Sang Gong, to produce door modules for Hyundai Motors and Kia Motors.

2007. We take over the bumper operations of Cadence Innovation France, enabling us to strengthen our market position in this sector in France.

2009. We agree to acquire Emcon Technologies, becoming the world leader in the exhaust systems market. This business combination strengthens our position with automakers in Germany (as Arvin Industries acquired Zeuna Stärker in 1998), the USA (particularly Ford), South America, India and Thailand. It also enables us to enter the commercial vehicles market (trucks and off-road vehicles). Following completion of the all-equity deal, One Equity Partners (JP Morgan Chase & Co's private equity arm) takes a 17.3% stake in our company (fully divested in October 2010) and PSA Peugeot Citroën's interest is reduced to 57.4%. In India, we buy out joint venture partner Tata to become the sole owner of Taco Faurecia Design Center, which is renamed Faurecia Automotive Engineering India and becomes our development centre in India.

2010. We become the European leader in automotive exterior parts by acquiring the German activities of Plastal, and subsequently Plastal Spain. Through these acquisitions, our Automotive Exteriors division widens its client base, especially with Ford and the four "premium" German brands, enhances its product range and reinforces its industrial implantations as well as its research and development capabilities. This acquisition, combined with the formation of a joint company in China with Huaxiang, supplier of exterior parts to FAW-Volkswagen, has increased our capacity to develop internationally. In addition, we acquired an 18.75% stake in Xuyang Group in China, which enables us to widen the range of products and services we provide in the following strategic segments: complete seat units, vehicle interior systems, acoustic modules and interior upholstery. A strategic alliance with the Geely and Limin groups in China marks a significant new development stage for our Interior Systems and Automotive Exteriors segments.

To diversify its technological offer in seating systems, our Automotive Seating division acquires the "seat comfort technology" of the German company Hoerbiger Automotive Komfortsysteme GmbH in the fourth quarter of 2010. Finally, to strengthen our technological prowess in Interior Systems, we acquire Angell-Demmel Europe GmbH, the world leader in decorative metal parts for automobile interiors.

2011. In January, we acquire a 21.2% stake in the Danish company, Amminex A/S, thus strengthening our technology in diesel-emission control. In January, we also reinforce our presence in China by signing a new joint venture agreement with

Ningbo Huazhong Plastic Products Co., Ltd. to make exterior automobile parts and, in June, enlarge the scope of our cooperation with Changchun Xuyang Group, which allows us to develop our relationship with the FAW Group. In July, we sign an agreement with the Economic and Technological Development Zone of Yancheng for an investment project to allow us to develop our seat mechanism activity.

Products

Interior Modules

In 2011, we reported total sales of Interior Modules of €8,626.7 million (or 47% of our total sales) and €7,845.1 million in product sales.

Automotive Seating

As an automotive seating architect, we design and produce the complete seat and its main components: seat frames, tracks, adjustment systems, foam and trim covers, and safety and comfort features. In 2011, our Automotive Seating segment reported €4,981.2 million in total sales (or 31% of our total sales) and €4,769.9 million in product sales.

The principal characteristics distinguishing our seating products are the following:

Safety. The seat is what connects the occupant to the vehicle. In case of a crash, it plays a key role in driver and passenger safety by being firmly anchored to the floor and holding the body in place. Over 90% of the seats that we produce are fitted in vehicles that have obtained a five-star rating in the Euro NCAP crash tests.

Comfort. We draw on our expertise in foam and covers, adjustment mechanisms, runners, headrests and armrests to provide motorists with superior comfort. We develop a vast array of built-in functions, such as shoulder adjustments, neck heating systems and various electric controls.

Perceived quality. We design seats to deliver maximum perceived quality and ensure that the level of finish is targeted towards each type of vehicle, creating optimised industrial products. This perceived quality process enables us to manufacture high-end seats.

Modularity. We develop modular rear seating solutions that adapt the vehicle's interior to suit the number of passengers and the purpose of the journey. For example, we can offer our customers a third row of seats, which can be tucked fully away into the floor to maximise the size of the trunk. This feature is an ideal solution for family vehicles. We also offer other modular solutions.

Weight reduction. Seats account for 6% to 10% of the vehicle's weight. As part of the "Light Attitude" weight reduction programme, we use very high tensile steel offering superior resistance, while reducing volume and weight. We also use a laser beam welding process that does not require additional materials that would otherwise increase the vehicle's weight. We also have the requisite skills for incorporating biomaterials into seat foam and controlling the recycling process for certain materials used.

Automotive Seating Products

We supply complete seats, seat frames and seat components, such as head rests, covers, foam pads, backrest frames, cushion frames, recliners, tracks and height adjusters. In addition to the basic frame and seat supply, our Automotive Seating segment also supplies additional comfort options such as:

- Seat back width adjuster,
- Lumbar support,
- Seat belt reminders,
- Seat depth adjusters,
- Electrical headrest adjusters,
- Upper backrest adjusters,
- Massage functionality,
- Seat length adjusters, and
- Seat tilt adjusters.

In the seating frames market, we offer both worldwide platforms and generic solutions. In 2011, we manufactured over 5 million vehicles per platform in at least three regions. The generic front frames products include three models: Hera, Drago and

Appollo. The Hera is a basic quality seat frame, targeted at emerging market auto production; it satisfies basic requirements and can be produced at low cost, but provides minimum safety. The Drago is targeted at low-end markets and can be adapted for base or premium solutions; it provides medium to high safety. The Appollo is a higher-end generic seat frame, marketed in Europe, North America and Japan, as a "value" or premium seat frame solution; this frame satisfies high safety requirements. Aside from these front frame generic seating solutions, we also offer a generic rear frame solution in the form of our modular rear seat structure, which is marketed in Europe, North America and Japan to premium car models; these frames satisfy high safety standards.

Seat Production in 2011

The year 2011 was marked by the launch of mass production of the Daimler M-Class in the USA and the VW "Up!" in Europe, for which we supply complete seating units. The year also saw the continuation of the worldwide roll out of front seating frame platforms developed and produced by Faurecia Automotive Seating for Nissan, General Motors, Volkswagen and PSA with new applications in Europe, North America, South America and Asia. These new generation standard frames (which are now fitted in more than 50 different models) have helped us bolster our leading position in the international seating platform market. During 2011, we managed over 65 complete seat and seating frame programs in total 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 2011, Faurecia added the Madison County, Mississippi just-in-time complete seat production unit to its businesses, purchased from Johnson Controls. This plant produces over 200,000 complete seats a year, which are delivered to the Nissan plant in Canton, Mississippi. As a result of this acquisition, Faurecia is now one of Nissan's largest complete seat suppliers in North America. The launch of the production of seat frames for Nissan in the USA in 2012 and 2013 will further expand this business.

We were awarded a high number of new programmes in 2011 for complete seat units, mechanisms and other components. The main growth drivers are concentrated in North America, China and Russia with GM, BMW and Renault-Nissan, so we spread our sales growth more evenly across geographic regions. New market share was won from the competition in international frame platforms and seating mechanisms with a number of customers, strengthening Faurecia's position in these segments. The main contract renewals during the year concerned BMW and VW in Europe and Renault in Brazil, for both complete seat units and seating frames.

Interior Systems

We estimate that we are the world's number one supplier of vehicle interiors. We design and supply cockpits, doors and acoustic modules. In 2011, our Interior Systems segment reported €3,645.5 million in total sales (or 23% of our total sales) and €3,075.3 million in product sales.

Cockpit. The three parts of the cockpit are the instrument panel, the cross-car beam, and center console. We are a global leader in designing and producing dashboards and center consoles. We can draw on our extensive experience to deliver high-quality products featuring an excellent cost/performance ratio for all market segments. We implement an extensive range of materials and finishes in compliance with high demands from manufacturers and drivers in terms of perceived quality, comfort and safety.

Doors. Present in over 20 countries, we produce panels, door modules and complete doors for the main automakers. We are a leading global supplier of door panels. Our ability to deliver highly integrated door modules and expertise in materials gives us a clear competitive advantage.

Acoustic Modules. We are rated among the top suppliers of acoustic modules in Europe. In this market, we offer our customers acoustic solutions that optimise quality, cost and weight. We strive to optimise the trade-off between noise absorption, insulation and material diversity, which represents one of our key strengths in this particular field.

Cockpit

As a world leader in cockpits through SAS, our joint venture with Siemens-VDO, we have developed a unique expertise in providing automakers with high quality, cost-effective instrument panels in all market segments. We use virtual simulation and electronic technologies to produce a high quality finish in our interior systems.

Finish. We implement an end-to-end range of technologies to comply with ever higher demands from manufacturers and drivers for perceived quality, and offer upgrades for each segment. On entry-level and mid-range vehicles, the injection-molded dashboard can be given a grained effect, painted or covered with various types of skin for an eye-catching finish that is also perfect to the touch. Using such leading-edge technologies as laser cutting, passenger airbags blend seamlessly into all types of dashboard. Whether added post-production or fitted to the door during manufacturing the decoration personalises the vehicle's interior. Two-tone skins and skins showing the seams provide a unique and exclusive feel for high-end vehicles.

The advantages of virtual simulation. Powerful simulation tools and virtual reality are increasingly used when designing new instrument panels, thereby shortening the development cycles and enabling testing of the various functions, such as airbag deployment at different temperatures.

Electronic technologies: an indispensable tool. Through SAS, we supply turnkey cockpits featuring the latest electronic technologies. Cockpits are delivered on a just-in-time basis via assembly sites near manufacturers' plants around the world. We optimise the vehicle architecture and simplify manufacturers' assembly lines and supply chain management systems. In this respect, center stacks become sub-modules with a flat appearance, integrating HMI functions (Human-Machine Interface), such as a touch screen, radio and temperature controls.

Instrument Panel. The overall quality impression of the cockpit is given by the instrument panel, which represents the structure of the cockpit module. Our engineers focus on optimizing the cost/perceived quality ratio.

Cross-Car Beam. The cross-car beam is the basic backbone of the cockpit to which other components are attached, and as such it provides rigidity to both the module and the car body. Our experts design it with the aim of providing not only the best weight/rigidity solution, but also the highest possible degree of function integration.

Center Console. The center console has become an increasingly complex part. Its design in terms of ergonomy, comfort and perceived quality plays a major role in the car interior. We have developed several innovative console features, such as movable consoles or storage areas combined with adjustable armrests.

Doors

We are a leading global supplier of door panels and modules. We offer our customers highly integrated door modules (HIM) that contain all the door's main functions (window winder, electrical/electronic components, speakers, locking system) mounted on a plastic load-bearing structure. With this approach, we can deliver complete and pre-tested door modules to the manufacturer, hence the increased quality and easy assembly. Modular integration also lightens the overall structure, thereby saving weight and reducing fuel consumption. We use a full range of synthetic and natural materials, including wood fibers, natural fibers and thermoplastic composites. The aim is to reduce product weight and therefore help to reduce CO_2 emissions.

The door plays a critical role in protecting occupants in the event of a head-on or side impact. We leverage our expertise in safety and material behavior to design unique solutions implementing energy-absorbing structures.

Door panels & Door modules. The door panel helps create a comfortable, high-quality environment within the vehicle by providing ergonomic armrests, controls for the window-lifts or mirrors, convenient storage space and good acoustic performance through the speakers. We used our skills in plastic composite technology to design the market's first door modules. These modules comprise the door panel and all the mechanical components, such as locks and window-lifts, plus the electric/electronic functions and connectivity. Modular solutions reduce costs for automakers and also allow them to make lighter cars and accelerate their production processes.

Acoustic Modules

We develop and produce acoustic modules that can be mounted directly on the assembly line, such as the parcel shelf, which contains speakers, brake lights, a rear seat locking system and seat belt retractors. We use the FACT concept (Faurecia Acoustic Triangle Concept) to strike the balance that manufacturers require between cost, weight and acoustic performance. A vehicle's acoustic module can also be optimised in terms of insulation and absorption without the automaker needing to create a prototype to evaluate performance.

We produce coverings and insulators, designed to soundproof the three main parts of the vehicle: the interior (floor carpets and dash insulators), the trunk (parcel shelves, side trims and trunk floor carpets) and the engine compartment (hood insulators and absorbers).

Our team of acoustics engineers can also optimise the vehicle's overall sound qualities. Our research centres in Mouzon, France, and Sassenburg, Germany, use some of the most sophisticated acoustic analysis and simulation tools in the world. Our acoustics experts have pioneered an "acoustic synthesis method" that reproduces the sound inside the vehicle with great accuracy. We can tailor our sound engineering services to suit specific needs. An automaker might, for example, pre-select the required insulating products. After the required sound spectrum has been specified for the interior, we will then fine-tune our product accordingly, while complying with cost and weight constraints.

Passenger Compartment. The acoustic solutions used in the passenger compartment minimise engine noise while also contributing to styling and passenger comfort. They include interior carpeting and undercarpet insulators. The materials used must meet strict performance criteria, acoustically and in terms of weight, cost, solidity, cleanability and environmental factors.

Trunk trim, Package tray & Acoustic Absortion parts. We develop multi-layer materials to achieve optimal acoustic performance and weight reduction. In particular, we supply interior acoustics products such as trunk compartment insulation,

trunk trim and the "package tray", which sits below the back window. A variety of our trim parts contribute to the appearance, comfort and usability of the trunk compartment, where as the inner dash insulator blocks noise from the engine.

Interior Systems in 2011

We continued to win new contracts in 2011. Faurecia Interior Systems won 88 contracts with significant future sales potential.

The SAS joint venture with Continental, which specialises in just-in-time assembly and delivery of complete cockpit modules comprising instrument panels with built-in electronics and circuitry (and is the global leader in this sector), enabled Faurecia to deliver 4.4 million ready-assembled modules, resulting in sales of €3,576.6 million, up 10.8% compared to 2010.

Faurecia Interior Systems is pursuing its ambitious expansion plans in China. As a result of the strategic alliance entered into with the Geely Group in 2010, six new plants are being built. One became operational at the end of 2011, and the other five were still under construction or in the launch phase on that same date. Based in Chengdu, Cixi, Beilun, Lanzhou, Jinan and Xiangta, the six plants aim to develop, produce and deliver interior automobile systems to all the Geely brands in China. Additionally, the Group has formed a company in which Faurecia has a 50% interest, together with Guangneng, the Chinese plastic parts supplier, to deliver interior parts to the Chang An Ford JV in Chongching. Guangneng will also start to gradually produce injection tools, under Faurecia's supervision.

Faurecia Interior Systems has also built two new plants based in Pluak Daeng (Thailand) and Chennai (India), which will be operational in the first half of 2012. In North America, a new plant in Louisville, Kentuky (USA) was launched in the third quarter of 2011 and another, in Fraser, Michigan (USA), is currently under construction. In Europe, three new plants are being built to consolidate Faurecia Interior Systems' position in Kaluga (Russia), Gorzow (Poland) and Kosice (Slovakia).

The Interior Systems business also pursued its roll out of the Faurecia Excellence System (FES), leading to a major shift in its manufacturing performance. This improvement has been recognized by several of the group's customers. The Washington (England) plant was recognized by Nissan Europe as one of the most improved plants and the Orhangazi (Turkey) plant won the prize for the best plant in terms of quality, cost and delivery times, awarded by Oyak Renault-Nissan.

Other Modules

In 2011, we reported total sales of Other Modules of €7,563.5 million (or 47% of our total sales) and €4,545.9 million in product sales, excluding catalytic converter monoliths.

Emissions Control Technologies

In 2011, the Emissions Control Technologies business generated total sales of €5,779.3 million in total sales (or 36% of our total sales) and €2,934.6 million in product sales, excluding catalytic converter monoliths. In 2011, our Emissions Control Technologies business held onto its position as the global market leader with over 99 new programmes won. Our Emissions Control Technologies business is present in all automotive markets worldwide, with an overall manufacturing presence covering 70 sites and seven research and development centres.

We develop and produce entire exhaust systems, from the manifold to the tailpipe. One of the main opportunities for us to further increase our share in the market is the increasingly stringent environmental regulations being imposed worldwide, including in emerging markets. We are developing new technologies to reduce polluting emissions. In particular, the Euro 5 standard, which came into effect in Europe in 2010, lowers the threshold for soot particle emissions from diesel engines by 80%, which virtually requires the use of a particle reduction device, such as the Diesel Particulate Filter (DPF). We are the number one supplier in this market.

Moreover, lowering emissions of CO_2 greenhouse gases involves reducing fuel consumption and therefore lightening the exhaust system. Between 2005 and 2010, we reduced the average weight of the exhaust system by 20%, by redesigning the system's architecture and using new materials. In partnership with PSA Peugeot Citroën, our research and development centres also developed an exhaust heat recovery system that uses the heat from the engine to warm up the cabin in cars with traditional combustion engines. Energy recovery solutions are also being studied for hybrid cars. We also seek to enhance the durability of exhaust systems by improving the resistance to vibrations, thermo-mechanical shocks and internal and external corrosion. In addition, we provide solutions for vehicles' acoustic emissions by reducing noise levels and creating the "sound signature" sought by the manufacturer.

Emissions Control Technology Products

Our expertise covers the complete value chain of the exhaust system, for which we design and develop all parts, from the manifold to the noise reduction system. In particular, we produce complete lines, manifolds, monoliths, catalytic converters, mufflers and diesel particulate filters.

Emissions Control in 2011

The year 2011 was filled with mass production start-ups, with 88 vehicle launches. In Europe, in particular, there was the launch of the new 2.0l GTDI from BMW, equipped with a complete module formed by the turbo, the manifold and the catalytic converter, the launch of the Audi Q3 from the PQMix platform, shared with the VW Tiguan, equipped with self-contained systems for its gasoline and diesel engines as well the launch of the Land Rover Evoque, equipped with complete exhaust lines. In addition, we supply the cold section of the Avtovaz Priora in Russia.

In North America, the Chattanooga production plant launched the production of exhaust systems for the VW Passat. Faurecia Emissions Control Technologies also launched the complete exhaust line for the Chrysler 300C in the commercial vehicles market as well as hot section equipment for Cummins, John Deere and Hino. The GM Global Small platform was launched this year in South Korea, as well as the GM Colorado and Ford Ranger pick-ups in Thailand, both equipped with complete exhaust lines.

Our increasingly significant position in the Chinese market continued with the majority of new programmes coming from Chinese carmakers such as FAW, Geely, Changan, Dongfeng, JMC and Guangzhou. A significant number of contracts were also won in Europe with our major clients VW, Ford and PSA. Business continued to grow in the commercial vehicles market due to consolidation of our partnership with Cummins and our acquisition of new programmes at DAF, Cummins and John Deere.

We also consolidated our presence in the Indian market in 2011 with our acquisition of Yutaka Autoparts Limited, a manufacturer of complete exhaust systems based in Pune and supplier of Indian carmakers, in particular, Tata. The expansion of the Chennai site is also part of our strategy of supporting our global customers, in this case, Hyundai. In addition to our existing Indian customers such as Ford, Nissan and Toyota, we now also support Tata and Hyundai.

In South Korea, Faurecia Emissions Control Technologies strengthened its position by opening a third plant. This plant, located in Yeoncheon, will reinforce the existing system for filling Hyundai orders. It supplies cold sections for the new version of the Accent and Veloster models, as well as the hot sections for the Korean brand's Gamma 1.4L/1.6L, Nu 2.0L and Tau 4.6L/5.0L.

Automotive Exteriors

In 2011, we reported total sales in Automotive Exteriors of €1,784.2 million in total sales (or 11% of our total sales) and €1,611.3 million in product sales. Our Automotive Exteriors business now has a total of 29 plants in nine countries, 23 in Europe, two in the United States, three in South America and one in China. The research and development centres are located in Audincourt, France, Weissenburg and Gaimersheim, Germany, Barcelona, Spain and Auburn Hills, United States. Two research and development centres are shared with other Faurecia businesses: Pune in India and Shanghai in China.

We offer customers a range of solutions for front ends and exterior equipment. Our modular approach, just-in-time production process and close links to customers have allowed us to become one of the world's leading automotive exterior suppliers.

A modular approach. We design three different exterior modules: front ends (including engine cooling systems), exterior systems (including bumpers, design elements, etc.) and shock absorption systems. These products improve the vehicle's perceived quality, aerodynamic performance and safety. By adopting a modular approach, we can satisfy the increasingly sophisticated requirements of automakers for functional integration, weight reduction, quality management, reduced assembly times and costs.

Vehicle architecture expertise. The development of our front end business line is driven by our leadership in vehicle architecture. The experienced teams provide customers with effective solutions in terms of structure, passive safety and perceived quality, enhanced by the development of innovative technologies and processes, such as metal-plastic hybrid injection molding. We also research engine cooling, safety and perceived quality. For bumpers and front ends, we incorporate pedestrian safety, energy absorption and compliance with applicable standards at the earliest stages of the design cycle.

Optimizing the customer's assembly line. We assemble and deliver exterior systems on a just-in-time basis, allowing manufacturers to streamline their supply chain and obtain peak performance from their quality management system. The mEasy concept (for self-adjusting the front end to the bodywork) drastically reduces assembly times on the customer's production line while optimizing quality.

Exterior Systems Products

We produce front ends, exterior systems, and shock absorption systems.

Front end module. Our front end module approach is based on the integration of a front end carrier, an engine cooling fan system and a bumper. These modules could be assembled and delivered in just-in-time mode, allowing automakers to simplify their supply-chain, reduce assembly time and optimise quality management.

Front end carrier. The front end carrier is the underlying structure of the front end module as it offers both functional and assembly integration possibilities. The front end carrier is made of thermoplastic materials, composites or metal/plastic hybrids.

Bumper. The bumper plays a key role in the vehicle's design, appearance and safety. We produce bumpers and supply complete bumpers fitted with components such as bumper beams, fog lamps and parking assistance sensors. Our bumpers combine expertise in the design and production of plastic materials with the ability to integrate components, handle energy management and tackle safety and appearance issues.

Engine cooling system. We design and produce a wide range of engine cooling fan systems with power from 70 to 800 watts. Extensive research and development capabilities are used to improve air flow efficiency and minimise vibrations to enhance the acoustic comfort of the whole system.

Automotive Exteriors in 2011

The year 2011 was marked by the deployment of our growth strategy outside Europe. We focused on South America, winning orders for major programmes for PSA and VW with the construction of two plants in Brazil, one in Sao Bernardo do Campo (State of Sao Paulo) and the second in Porto Real (State of Rio de Janeiro), as well as the construction of the Malvinas plant in Argentina. The strategy was also put into practice in China, with the creation of a joint venture with the HuaXiang Group, which supplies the FAW-Volkswagen Groups with exterior parts in Changchun. Lastly, Faurecia Automotive Exteriors signed a contract to build a plant in Belvidere, Illinois in the United States for the launch of various programmes for Chrysler.

We launched seventeen new automotive exteriors products in 2011, in particular, the Audi A4 facelift front-end module, the VW Passat and VW "Up!" technical front-ends, the Audi A6 S-Line, VW Tiguan, BMW Series 5GT, Ford Focus, Opel Zafira, Porsche 911 and Citroën DS5 fenders, as well as the fan unit for the VW "Up!".

DESCRIPTION OF OTHER INDEBTEDNESS

Our outstanding debt currently includes primarily our Senior Credit Facilities, €490 million principal amount of Senior Notes due 2016, of which €350 million was issued in November 2011 and €140 million was issued in February 2012 (the "**2016 Notes**"), €58 million of Schuldschein loans maturing between 2014 and 2018, an outstanding convertible bond (known by its French acronym as "**OCEANE**") and various short-term borrowings (including commercial paper, factoring and other short-term indebtedness).

The first tranche of our 2016 Notes, issued in November 2011 in a principal amount of €350 million, together with drawdowns under our Senior Credit Facilities, were used to repay all amounts outstanding under a prior senior credit facility (the "**Old Senior Credit Facility**") and a loan from our principal Shareholder, Peugeot S.A. (the "**PSA Loan**"). Both the Old Senior Credit Facility and the PSA Loan have been terminated following their repayment in full.

Debt Summary

The following table sets forth a summary of our outstanding debt as of the dates indicated (debt instruments listed under non-current financial liabilities exclude the current portions):

	As of 31 December		
(in € millions)	**2009**	**2010**	**2011**
Old Senior Credit Facility	869.1	726.1	—
PSA loan	128.0	142.0	—
Senior Credit Facilities	—	—	490.0
2016 Notes (2)	—	—	348.2
OCEANEs (3)	183.7	191.8	195.4
Other bank borrowings (including Schuldschein Loans)	—	—	165.8
Other borrowings	6.3	5.7	5.0
Obligations under finance leases	29.4	37.0	29.8
Non-current derivatives	15.7	12.3	5.9
Subtotal – Non-Current Financial Liabilities	**1,232.2**	**1,114.9**	**1,240.1**
Current portion of long-term debt	36.2	78.7	36.0
Short-term borrowings (1)	486.6	608.0	573.7
Payments issued (4)	0.0	0.4	0.0
Current derivatives	5.4	0.6	5.9
Subtotal – Current Financial Liabilities	**528.2**	**687.7**	**615.6**
TOTAL	**1,760.4**	**1,802.6**	**1,855.7**

(1) Including bank overdrafts amounting to: *128.0* *162.7* *137.2*

(2) The 2016 Notes were issued in two tranches: €350 million principal amount was issued in November 2011 (and reflected in this table) and €140 million principal amount was issued in February 2012 (not reflected in this table).

(3) Component of the OCEANE recorded as debt in accordance with IFRS.

(4) 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.

Our net debt as of 31 December 2011 was €1,224.1 million, reflecting total gross debt of €1,855.7 million and cash and cash equivalents (including other current financial assets included in net debt) of €631.6 million. Our gross debt included €1,374.6 million at the Issuer level and €481.1 million at the subsidiary level (excluding subsidiary guarantees of the Senior Credit Facilities and the 2016 Notes). Our subsidiaries hold significant cash balances from their servicing of derecognised receivables (described in Chapter 9 of our Registration Document, included herein in Annex A), which is included in our short-term debt. In addition, our subsidiaries tend to hold significant amounts of cash that they intend to use to fund working capital requirements and capital expenditure, particularly in jurisdictions where it would be disadvantageous from a tax perspective to distribute the cash and subsequently to receive funding from the parent company. Because of the significant cash balances held by our subsidiaries, net cash at the subsidiary level was €129.6 million at 31 December 2011.

For 2011, the weighted average interest rate on our outstanding debt was 4.42%. After giving *pro forma* effect (as of 1 January 2011) to the issuance of the 2016 Notes (including the tranche of €140 million issued in February 2012) and the Notes being offered hereby, the Senior Credit Agreement and the repayment of the Old Senior Credit Agreement and the PSA Loan, the weighted average interest rate on our outstanding debt would have been 6.41% in 2011.

Maturities of Long-term Debt

The following table sets forth the maturity schedule of our outstanding debt, set forth by category, in each case as of 31 December 2011 (the table excludes the €140 million tranche of 2016 Notes issued in February 2012, which matures concurrently with the 2016 Notes included below).

(in €millions)	2013	2014	2015	2016	2017 and beyond	Total
OCEANE (convertible bonds)	0.0	0.0	195.4	0.0	0.0	195.4
Bank borrowings	52.0	531.3	3.3	41.3	27.9	655.8
2016 Notes	0.0	0.0	0.0	348.2	0.0	348.2
Other borrowings	2.5	1.3	0.7	0.3	0.2	5.0
Obligations under finance leases	7.9	2.3	2.4	2.1	15.1	29.8
TOTAL AS OF 31 DECEMBER 2011	62.4	534.9	201.8	391.9	43.2	1,234.2

2016 Notes

On 3 November 2011, we issued €350 million principal amount of 9.375% Senior Notes due 2016. On 14 February 2012, we issued an additional €140 million principal amount of 9.375% Senior Notes due 2016, which were consolidated with, and form a single series with, the notes issued on 3 November 2011. We refer to all such notes as the "2016 Notes".

Terms of the 2016 Notes

We are required to pay interest on the 2016 Notes semi-annually in arrears on 15 June and 15 December of each year, commencing on 15 June 2012. All of the 2016 Notes will mature at par on 15 December 2016 unless earlier redeemed or repurchased and cancelled.

The 2016 Notes are senior unsecured obligations of the Issuer, and are guaranteed by certain of our subsidiaries as described below under "—Guarantors". The terms and conditions of the 2016 Notes include covenants that are substantially similar to those in the terms and conditions of the Notes offered hereby, except that the 2016 Notes are guaranteed and therefore contain different restrictions with respect to indebtedness of guarantors and restricted subsidiaries.

The 2016 Notes are redeemable, in whole or in part, at a redemption price equal to 100% of their principal amount plus a "make-whole" premium and accrued and unpaid interest, if any, to the redemption date. The 2016 Notes are also redeemable, in whole but not in part, upon certain developments affecting taxation, at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date. In addition, we may, at our option and on one or more occasions, redeem up to 35% of the outstanding principal amount of the 2016 Notes with the net proceeds from one or more specified equity offerings at a redemption price equal to 109.375% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date. In addition, in the event we undergo specific kinds of changes of control, holders of the 2016 Notes may require us to repurchase their 2016 Notes at a price equal to 101% of the outstanding principal amount thereof, plus accrued and unpaid interest, if any.

Guarantors

The 2016 Notes are guaranteed by 33 of our subsidiaries organised in nine jurisdictions (including two Spanish subsidiaries that became guarantors pursuant to accession agreements entered into on 13 April 2012) (together with any additional subsidiary that might guarantee our obligations under the 2016 Notes in the future, the "**Guarantor Subsidiaries**"). As of the date of this Offering Circular, the Guarantor Subsidiaries are Faurecia Automotive do Brasil Ltda, Faurecia Emissions Control Technologies do Brasil Ltda (being the surviving company of the merger of Faurecia Emissions Control Technologies, Limeira with Faurecia Sistemas de Escapamento do Brasil Ltda), Financière Faurecia, Faurecia Intérieur Industrie, Faurecia Bloc Avant, Faurecia Sièges d'Automobile, Faurecia Automotive Industrie, Faurecia Systèmes d'Echappement, Trecia, Faurecia Innenraum Systeme GmbH, Faurecia Autositze GmbH, Faurecia Exteriors GmbH, Faurecia Kunststoffe Automobilsysteme GmbH, Faurecia Abgastechnik GmbH, Faurecia Sistemas Automotrices de Mexico S.A. de C.V., ET Mexico Holdings I, S. de R.L. de C.V., Faurecia Exhaust Mexicana S.A. de C.V., Faurecia Walbrzych S.A. (formerly Faurecia Walbrzych Sp.Zo.o), Faurecia Gorzow S.A. (formerly Faurecia Gorzow Sp.Zo.o), Faurecia Automotive Polska S.A. (formerly Faurecia Automotive Polska Sp.Zo.o), Faurecia Sistemas de Escape España S.A., Faurecia Interior Systems España S.A., Faurecia Automotive Exteriors España S.A., SAI Automotive Fradley Ltd, Faurecia Automotive Seating UK Limited, SAI Automotive Washington Limited, Faurecia Automotive Seating, LLC, Faurecia Interior Systems, Inc., Faurecia Exhaust Systems, Inc., Faurecia Automotive España, S.A. and Asientos de Galicia, S.A.

The Guarantor Subsidiaries together accounted for 75.1% of our consolidated EBITDA for the year ended 31 December 2011.

Senior Credit Facilities

We signed a Senior Credit Agreement on 20 December 2011 with BNP Paribas, Crédit Agricole Corporate and Investment Bank, Natixis and Société Générale, among others, to establish a new €1,150 million syndicated multi-currency revolving credit facility with those and other participating banks. The Senior Credit Facilities are divided into a €690 million tranche expiring on 20 December 2014, with the possibility of extension to 2016, subject to certain conditions, and a €460 million tranche expiring on 20 December 2016. Amounts drawn bear interest at a rate determined in reference to (i) the EURIBOR rate when funds are made available in Euro, or the LIBOR rate when funds are made available in currencies other than the Euro, (ii) the applicable margin and (iii) the cost relating to the lending banks' reserve requirements and fee payments, if any.

The applicable margin is determined in accordance with the leverage ratio (defined as the ratio of total net debt to EBITDA, in each case as such terms are defined under the Senior Credit Agreement) set out in the leverage grid, with pricing levels between 2.50% and 3.00% under current conditions.

The Senior Credit Agreement includes certain covenants, notably a change of control clause and provisions concerning compliance with consolidated financial ratios. The ratios applicable under the financial covenants are as follows:

	Adjusted net debt(*)/ EBITDA(**) Ceiling	EBITDA(**)/ Net interest Floor
31 December 2011 and subsequent six-month periods	**2.5 : 1**	**4.50 : 1**

(*) Adjusted net debt = consolidated net debt + adjustments for certain obligations undertaken, based on definitions provided in the Senior Credit Agreement (*e.g.,* mortgages or collateralised liabilities).

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

Furthermore, any asset disposal representing over 15% of our total consolidated assets requires the prior approval of banks representing two-thirds of the syndicate.

Our obligations under the Senior Credit Agreement are guaranteed by the Guarantor Subsidiaries, on a *pari passu* basis with the 2016 Notes.

Commercial Paper Programme

We have a commercial paper programme on the French domestic market amounting to €850 million, of which €268.8 million had been used at 31 December 2011 and €302.2 million had been used as of 31 March 2012. The liquidity of this programme is ensured through our Senior Credit Facilities.

OCEANE and Other Bond Debt

On 26 November 2009, we issued a total of 11,306,058 OCEANE bonds convertible into or exchangeable for new or existing shares, with an aggregate principal amount of €211.3 million, payable on 1 January 2015. At 31 December 2011, €195.4 million is recorded as debt in accordance with IFRS, and the remainder reflects a deemed option premium that is recorded in equity. Each bond has a nominal value of €18.69. The bonds bear annual interest of 4.50% (€0.841 per bond) payable on 1 January of each year. The bonds mature on 1 January 2015. They are convertible into and/or exchangeable for new or existing shares in the company on a one-for-one basis, subject to antidilution adjustments. Subject to certain conditions, we may redeem the bonds early, at any time beginning on 15 January 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 bonds include a compulsory early redemption provision triggered by a change of control relating to the shareholding level of Peugeot S.A. As of 31 December 2011, 1,615 of these bonds had been converted or redeemed.

Schuldschein Loan

We signed Schuldschein loan agreements on 21 October 2011 with WestLB AG, as agent, in a total amount of €58 million. There are several tranches under the loan, each with a maturity from three to seven years. The loan was disbursed in the fourth quarter of 2011 and contains customary terms for this type of instrument, including a financial covenant (net debt to EBITDA ratio of less than or equal to 2.50:1) and change of control, *pari passu*, cross default, negative pledge and event of default provisions, among others. These loans mature between 2014 and 2018 and are not guaranteed.

Factoring Programmes

We have several factoring programmes, which enable us to obtain financing at a lower cost than issuing bonds or bank loans. Part of our financing requirements is met through receivables sale programmes (see Note 26.4 to the 2011 consolidated financial statements contained in Annex A), under which the receivables are derecognised and not included as assets in our consolidated balance sheet.

As of 31 December 2011, financing under these programmes – corresponding to the cash received as consideration for the receivables sold – totalled €535.2 million, compared to €524.5 million as of 31 December 2010.

(in € millions)	As of 31 December		
	2009	**2010**	**2011**
Financing	481.5	566.8	571.5
Guarantee reserve deducted from borrowings	(40.7)	(42.3)	(36.3)
Cash received as consideration for receivables sold	440.8	524.5	535.2
Receivables sold and derecognised	(290.7)	(377.9)	(461.7)

MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

As of 31 December 2011, our share capital amounted to €772,578,415 divided into 110,368,345 fully-paid up shares with a par value of €7 each, all in the same class. These shares represent 173,917,664 voting rights.

Based on information taken from shareholder accounts, our ownership structure and voting rights as of 31 December 2011 were as follows:

Shareholders	Securities Services	(%)	Double voting rights	Single voting rights	Total	(%)
Peugeot S.A.	63,380,509	57.43%	63,380,509	—	126,761,018	72.89%
Faurecia Actionnariat corporate mutual fund	208,246	0.19%	127,689	80,557	335,935	0.19%
Treasury stock*	46,872	0.04%	—	—	—	—
Of which liquidity contract	21,122	0.02%				
Board members	35,601	0.03%	7,371	28,230	42,972	0.02%
Other	46,697,117	42.31%	80,622	46,616,495	46,777,739	26.90%
Total	**110,368,345**	**100%**	**63,596,191**	**46,725,282**	**173,917,664**	**100%**

* Voting rights in treasury stock are theoretical and cannot be exercised by the Company.

Transactions with Majority Shareholder

We are managed independently and transactions with our majority shareholder the PSA Peugeot Citroën Group are conducted at arm's length terms. These transactions (including transactions with companies accounted for by the equity method by the PSA Peugeot Citroën Group) are recognised as follows in the Group's consolidated financial statements:

	For the year ended 31 December		
(in € millions)	**2009**	**2010**	**2011**
Sales	2,049.4	2,300.9	2,433.9
Purchases of products, services and materials	10.6	10.2	12.5
Receivables(*)	447.7	457.6	474.5
Payables(**)	154.5	170.1	46.9
(*) After no-recourse sales of receivables amounting to:	*192.4*	*197.2*	201.1
(**) Of which borrowings amounting to:	*128.0*	*142.0*	—

TERMS AND CONDITIONS OF THE NOTES

The €250.0 million 8.75% senior notes due 2019 (the "**Notes**", and each, a "**Note**", which expression includes any further notes issued pursuant to Condition 2.2 and forming a single series therewith) of Faurecia, a société anonyme incorporated under the laws of the Republic of France (the "**Issuer**"), are constituted by a trust deed dated the Issue Date (the "**Trust Deed**") made between the Issuer and Citibank, N.A., London Branch (the "**Trustee**"), which term shall include any trustee or trustees appointed pursuant to the Trust Deed.

The Issuer has entered into an agency agreement (the "**Agency Agreement**") dated the Issue Date with Citibank, N.A., London Branch, as principal paying agent and the Trustee, and Citigroup Global Markets Deutschland AG, as registrar. The registrar and the principal paying agent for the time being are referred to in these terms and conditions (the "**Conditions**"), respectively, as the "**Registrar**" and the "**Principal Paying Agent**" and, together with any other paying agents as may be appointed under the Agency Agreement from time to time, the "**Paying Agents**" and the Paying Agents together with the Registrar, the "**Agents**". Pursuant to the terms of the Agency Agreement, the Agents have agreed to act and perform services on behalf of the Issuer with respect to these Conditions.

The statements in these Conditions include summaries of, and are subject to the detailed provisions of, the Trust Deed, which includes the form of the Notes. The holders of the Notes are entitled to the benefit of the Trust Deed and are bound by and are deemed to have notice of all the provisions of the Trust Deed and those applicable to them of the Agency Agreement. Copies of the Trust Deed and the Agency Agreement are available for inspection by holders of the Notes during normal business hours at the specified office of the Trustee for the time being, being at the date hereof at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom, and at the specified office of the Principal Paying Agent. As used herein, references to the Trust Deed include the Conditions set forth herein.

1. STATUS AND FORM

The Notes constitute senior unsecured obligations of the Issuer and rank pari passu among themselves and in right of payment to all existing and future unsecured Indebtedness of the Issuer, effectively junior to secured Indebtedness of the Issuer (to the extent of the value of the assets securing such Indebtedness) and to Indebtedness of a Restricted Subsidiary and senior in right of payment to any existing or future Subordinated Indebtedness of the Issuer.

The Notes will be issued in registered form and transferable only upon the surrender of the Notes being transferred for registration of transfer. The Issuer may require payment of a sum sufficient to pay any tax, assessment or other governmental charge payable in connection with certain transfers and exchanges.

2. PRINCIPAL, MATURITY, INTEREST AND FURTHER ISSUES

The Notes are issued initially in an aggregate principal amount of €250.0 million and are issued in denominations of €100,000 and integral multiples of €1,000 in excess thereof. The Notes will mature on 15 June 2019 (the "**Maturity Date**"). If redeemed on the Maturity Date, the Notes will be redeemed at par on such date.

2.1 Subject to compliance of the Issuer with Condition 6.1, the Issuer is permitted, from time to time, without notice to or the consent of the holders of the Notes to create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the date of and amount of the first payment of interest), in accordance with the Trust Deed (the "**Additional Notes**"). The Additional Notes, if any, will be consolidated and form a single series with the Notes. The Additional Notes and the Notes shall be treated as a single class for all purposes of the Trust Deed, including waivers, amendments, redemptions and offers to purchase. Unless the context otherwise requires, for the purposes of the Trust Deed and these Conditions, references to the Notes include any Additional Notes actually issued. The Issuer may from time to time, with the consent of the Trustee, create and issue other series of notes having the benefit of the Trust Deed.

2.2 ***Interest***

(a) Interest on the Notes will accrue at the rate of 8.75% per annum and will be payable semi-annually in arrears on 15 June and 15 December, commencing on 15 December 2012. The Issuer will make each interest payment to the holders of record of these Notes on the immediately preceding 1 June and 1 December. The Issuer will pay interest on overdue principal at 1.0% per annum in excess of the above rate compounded semi-annually and will pay interest on overdue instalments of interest at such higher rate compounded semi-annually to the extent lawful.

(b) Interest on the Notes will accrue (in the case of Notes issued on the Issue Date) from the Issue Date and (in the case of any Additional Notes) from the date of issuance of such Additional Notes. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months and, in the case of an incomplete month, on the basis of number of actual days elapsed.

(c) Interest on the Notes will cease to accrue on and from their due date for redemption or repayment unless payment of the redemption monies and/or accrued interest (if any) is improperly withheld or delayed in which event interest will continue to accrue as provided in the Trust Deed.

2.3 ***Payment***

(a) Payment of principal and interest will be made by the Principal Paying Agent in euro by wire transfer in same day funds to the registered account of each Noteholder or by euro cheque drawn on a bank that processes payments in euro mailed to the registered address of the Noteholder if it does not have a registered account. Payment of principal and premium (if any) will only be made against surrender of the relevant Note at the specified office of any of the Paying Agents.

(b) Without prejudice to the rights of any holder of the Notes to (i) receive payment of principal of and interest on such holder's Notes on or after the due dates therefor as set forth in these Conditions and the Trust Deed or (ii) institute suit for the enforcement of any payment on or with respect to such holder's Notes, payments in respect of Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 4 (Taxation).

(c) Where payment is to be made by transfer to a registered account, payment instructions (for value the due date or, if that date is not a Business Day, for value the first following day which is a Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed, in each case by the Paying Agent on the due date for payment or, in the case of a payment of principal, if later, on the Business Day on which the relevant Note is surrendered at the specified office of a Paying Agent.

Noteholders will not be entitled to any additional interest or other payment for any delay after the due date in receiving the amount due if the due date is not a Business Day or if the relevant Noteholder is late in surrendering its Note (if required to do so). If the amount of principal or interest is not paid in full when due, the Registrar will annotate the relevant Register with a record of the amount actually paid.

3. OPTIONAL REDEMPTION

3.1 ***Optional Redemption prior to 15 June 2015***

At any time prior to 15 June 2015 the Issuer is entitled, at its option, to redeem the Notes, in whole or in part, upon not less than 30 nor more than 60 days prior notice to the holders of the Notes at a redemption price equal to 100% of the principal amount of such Notes plus the Applicable Premium as of, and accrued and unpaid interest to, the redemption date (subject to the right of holders of the Notes of record on the relevant record date to receive interest due on the relevant interest payment date).

For purposes of this Condition 3.1:

(a) "**Applicable Premium**" means, with respect to a Note on any redemption date, the greater of (i) 1.00% of the principal amount of such Note, and (ii) the excess of (to the extent positive) (A) the present value at such redemption date of (x) 100% of the principal amount of the Notes to be redeemed plus (y) all required remaining interest payments due on such Note to and including 15 June 2015 (excluding any accrued but unpaid interest to such redemption date), computed using a discount rate equal to the Bund Rate at such redemption date plus 50 basis points, over (B) the outstanding principal amount of such Note on such date of redemption, as calculated by the Issuer or on behalf of the Issuer by such Person as the Issuer shall designate, *provided* that the calculation shall not be a duty or obligation of the Trustee.

(b) "**Bund Rate**" means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity as of such date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such redemption date, where: (i) "**Comparable German Bund Issue**" means the German Bundesanleihe security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such redemption date to 15 June 2015 and that would be utilised at the time of selection, and in accordance with customary financial practice, in pricing new issues of euro-denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the Notes and of a maturity most nearly equal to 15 June 2015; *provided*, *however*, that if the period from such redemption date to 15 June 2015 is not equal to the fixed maturity of the German Bundesanleihe security selected by such Reference German Bund Dealer, the Bund Rate shall be determined by linear interpolation (calculated to the nearest one-twelfth of a year) from the yields of German Bundesanleihe securities for which such yields are given, except that if the period from such redemption date to 15 June 2015 is less than one year, a fixed maturity of one year shall be used; (ii) "**Comparable German Bund Price**" means, with respect to any redemption date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations, or if the Issuer obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations; (iii) "**Reference German Bund Dealer**" means any dealer of German Bundesanleihe securities appointed by the Issuer in good faith; and (iv) "**Reference German Bund Dealer Quotations**" means, with respect to each Reference German Bund Dealer and any redemption date, the average as determined by the Issuer in good faith of the bid and offered prices for the Comparable German Bund Issue

(expressed in each case as a percentage of its principal amount) quoted in writing to the Issuer by such Reference German Bund Dealer at 3:30 p.m. Frankfurt, Germany, time on the third business day in Germany preceding the redemption date.

3.2 ***Optional Redemption upon an Equity Offering***

At any time prior to 15 June 2015, upon not less than 30 nor more than 60 days' notice, the Issuer may, at its option, on any one or more occasions redeem up to 35% of the aggregate principal amount of Notes (including any Additional Notes) issued under the Trust Deed at a redemption price equal to 108.75% of the principal amount of such Notes to be redeemed, plus accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of Notes of record on the relevant record date to receive interest due on the relevant interest payment date), with an amount equal to all or part of the net proceeds received by the Issuer from one or more Equity Offerings; *provided*, *however*, that:

(a) at least 65% of the aggregate principal amount of Notes (including any Additional Notes) issued under the Trust Deed would remain outstanding immediately after the occurrence of such redemption; and

(b) the redemption occurs within 90 days of the closing of such Equity Offering.

3.3 ***Optional Redemption on or after 15 June 2015***

At any time and from time to time on or after 15 June 2015, the Issuer may, at its option, redeem all or part of the Notes upon not less than 30 nor more than 60 days' prior notice, at the redemption prices, expressed as percentages of principal amount of such Notes, or part thereof, to be redeemed, set forth below, plus accrued and unpaid interest thereon, if any, to the applicable redemption date, if redeemed during the 12 month period beginning on 15 June of the years indicated below:

Year	Percentage
2015	106.5625 %
2016	104.375 %
2017	102.1875 %
2018 and thereafter	100.000 %

3.4 ***Selection; Notice***

If less than all of the Notes are to be redeemed at any time, the Notes will be redeemed on a pro rata basis (or, in the case of Notes issued in global form, based on a method that most nearly approximates a pro rata selection as the Trustee deems fair and appropriate) unless otherwise required by law or by a relevant clearing system or by an applicable stock exchange or depositary requirements. No Note of €100,000 in aggregate principal amount or less will be redeemed in part. If the Issuer redeems any Notes in part only, the notice of redemption relating to such Notes shall state the portion of the principal amount thereof to be redeemed. In case of any certificated Notes, a new Note in principal amount equal to the unredeemed portion thereof will be issued in the name of the Noteholder thereof upon cancellation of the original Note. In case of a global Note, an appropriate notation will be made on such Note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof. Once notice of redemption is sent to the holders, Notes or portions thereof called for redemption become due and payable at the redemption price on the redemption date (subject to the satisfaction of any conditions precedent set forth in the redemption notice), and, commencing on the redemption date, interest will cease to accrue on Notes or portions thereof called for redemption unless payment of the redemption monies and/or accrued interest (if any) is improperly withheld or refused, in which case interest will continue to accrue as provided in the Trust Deed.

Any redemption notice given under this Condition 3 may, at the Issuer's discretion, be subject to the satisfaction of one or more conditions, including in the case of a redemption pursuant to Condition 3.2, the completion of the related Equity Offering.

4. TAXATION

4.1 ***Additional Amounts***

(a) All payments under or with respect to the Notes will be made free and clear of, and without withholding or deduction for or on account of, any present or future tax, duty, levy, impost, assessment or other governmental charge (including penalties, interest and other additions related thereto) (hereinafter "**Taxes**") imposed or levied by or on behalf of the Republic of France, any jurisdiction from or through which payment is made and (if different) any jurisdiction to which the payment is effectively connected and in which the payor has a permanent establishment or is resident for tax purposes, and any political subdivision or taxing authority thereof or therein (each a "**Relevant Taxing Jurisdiction**"), unless such withholding or deduction is required by law.

(b) If any amounts are required to be withheld or deducted for or on account of Taxes imposed by a Relevant Taxing Jurisdiction from any payment made under or with respect to the Notes, the Issuer , to the fullest extent then permitted

by law, will be required to pay such additional amounts ("**Additional Amounts**") as may be necessary so that the net amount received by holders or beneficial owners of the Notes (including Additional Amounts) after such withholding or deduction will not be less than the amount such holder or beneficial owner of the Notes would have received if such Taxes had not been withheld or deducted; *provided*, *however*, that the foregoing obligation to pay Additional Amounts shall not apply to:

(i) any Taxes that would not have been so imposed but for the existence of any present or former connection between the relevant holder or beneficial owner of a Note (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over, the relevant holder, if the relevant holder is an estate, trust, partnership or corporation) and the Relevant Taxing Jurisdiction but excluding any connection arising from the ownership or holding of such Note, the enforcement of rights under such Note following an Event of Default or the receipt of payment in respect of such Note;

(ii) estate, inheritance, gift, sales, excise, transfer, personal property or similar Taxes;

(iii) any Taxes that would not have been imposed but for the presentation of the Note by the holder for payment (where presentation is required in order to receive payment) more than 30 days after the date on which such payment on such Note became due and payable or the date on which payment thereof is duly provided for, whichever is later (except to the extent that the holder would have been entitled to Additional Amounts had the Note been presented on the last day of such 30-day period);

(iv) any withholding or deduction that is required to be made pursuant to Council Directive 2003/48/EC or any other Directive on the taxation of savings income implementing the conclusion of the ECOFIN Council meeting of November 26-27, 2000 or any subsequent meeting of the ECOFIN Council, or any law implementing or complying with, or introduced in order to conform to, such Directives;

(v) any Taxes imposed on or with respect to any payment by the Issuer to the holder on the sole basis that such holder is a fiduciary or partnership or any person other than the beneficial owner of such payment or to the extent that a beneficiary or settlor with respect of such fiduciary, a member of such a partnership or the beneficial owner of such payment would not have been entitled to the Additional Amounts had such beneficiary, settlor, member or beneficial owner been the actual holder of such Note;

(vi) any Taxes that would have been avoided if the payments were made by another Paying Agent in a Member State of the European Union;

(vii) any withholding or deduction imposed as a result of the failure of the holder or beneficial owner of the Notes to comply with any reasonable written request, made to that holder or beneficial owner in writing at least 30 days before any such withholding or deduction would be payable, by the Issuer or the relevant Paying Agent to provide timely and accurate information concerning the nationality, residence or identity of such holder or beneficial owner of the Notes or to make any valid and timely declaration or similar claim or satisfy any certification information or other reporting requirement, which is required or imposed by a statute, treaty, regulation or administrative practice of the Relevant Taxing Jurisdiction as a precondition to exemption from or reduction in all or part of such withholding or deduction; or

(viii) any combination of the above.

(c) The Issuer will make all required withholdings and deductions and will remit the full amount required to be deducted or withheld to the Relevant Taxing Jurisdiction in accordance with applicable law.

(d) Whenever in the Trust Deed or the Conditions there is mentioned, in any context (i) the payment of principal; (ii) purchase prices in connection with a purchase of Notes; (iii) interest; or (iv) any other amount payable on or with respect to any of the Notes, such reference shall be deemed to include payment of Additional Amounts as described under this heading to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

(e) The Issuer will pay any present or future stamp, transfer or documentary taxes or any other excise or property taxes, charges or similar levies, and any penalties, additions to tax or interest due with respect thereto, that may be imposed in a Relevant Taxing Jurisdiction in connection with the execution, delivery or registration of the Notes, the Trust Deed or any other document or instrument referred to therein, or in any relevant jurisdiction in connection with any enforcement action following an Event of Default.

(f) The obligations described under this heading will survive any termination or discharge of the Notes and the Trust Deed and will apply mutatis mutandis to any jurisdiction in which any successor person to the Issuer is organised or any political subdivision or taxing authority or agency thereof or therein.

4.2 ***Supply of Information***

Each Noteholder shall be responsible upon reasonable written request for supplying to the relevant Paying Agent, in a timely manner, any information as may be required by applicable laws in order for the Paying Agent to comply with the identification and reporting obligations imposed on it by the Council Directive 2003/48/EC or any Directive implementing the conclusions of the ECOFIN Council meeting of November 26-27, 2000 or any subsequent meeting of the ECOFIN Council on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to such Directives.

4.3 ***Redemption for Changes in Withholding Taxes***

(a) The Issuer may redeem the Notes, at its option, at any time as a whole but not in part, upon not less than 30 nor more than 60 days' notice, at 100% of the principal amount thereof, plus accrued and unpaid interest (if any) to the date of redemption (subject to the right of holders of Notes of record on the relevant record date to receive interest due on the relevant interest payment date), in the event the Issuer has become or would become obligated to pay, on the next date on which any amount would be payable with respect to the Notes, any Additional Amounts as a result of:

(i) a change in or an amendment to the laws (including any regulations or rulings promulgated thereunder) of, or any treaties applicable to, any Relevant Taxing Jurisdiction (or any political subdivision or taxing authority thereof or therein); or

(ii) any change in or amendment to any official position regarding the application or interpretation of such laws, treaties, regulations or rulings (including a judgment by a court of competent jurisdiction)

which change or amendment is announced or becomes effective on or after the Issue Date (or, if the Relevant Taxing Jurisdiction became a Relevant Taxing Jurisdiction after the Issue Date, the date on which such Relevant Taxing Jurisdiction became a Relevant Taxing Jurisdiction) and the Issuer cannot avoid such obligation by taking reasonable measures available to it.

(b) Before the Issuer notifies the holders of the Notes of a redemption of the Notes as described above, the Issuer will deliver to the Trustee an Officers' Certificate to the effect that the Issuer cannot avoid the obligation to pay Additional Amounts by taking reasonable measures available to it. The Issuer will also deliver an opinion of independent legal counsel of recognised standing and an Officers' Certificate, each stating that the Issuer would be obligated to pay Additional Amounts as a result of a change in laws, treaties, regulations or rulings or the application or interpretation of such laws, treaties, regulations or rulings. The Trustee shall accept the Officers' Certificates and such opinion as sufficient evidence of the satisfaction of the conditions precedent described above without further liability to holders in respect thereof.

5. CHANGE OF CONTROL

5.1 Upon the occurrence after the Issue Date of a Change of Control (as defined below), each holder of the Notes will have the right to require that the Issuer purchase all or any part (equal to €100,000 or any integral multiple of €1,000 in excess thereof) of such holder's Notes at a purchase price in cash equal to 101% of the principal amount thereof on the date of purchase plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of holders of the Notes of record on the relevant record date to receive interest due on the relevant interest payment date).

5.2 For purposes of these Conditions, a "**Change of Control**" occurs:

(a) if any "person" or "group" (as such terms are used in Section 13(d)(3) of the Exchange Act), other than any person that owns more than 50% of the Voting Stock of the Issuer as of the Issue Date (a) becomes the owner, directly or indirectly, of more than 50% of the Voting Stock of the Issuer; (b) becomes the owner, directly or indirectly, of more than 40% of the Voting Stock of the Issuer, and no other person or group owns, directly or indirectly, a higher percentage of the Voting Stock of the Issuer than the specified person or group; (c) becomes able to use the voting rights attributable to its Voting Stock to determine in fact the decisions made at the Issuer's general shareholders' meetings; or (d) owns Voting Stock of the Issuer and gains the power to appoint or dismiss the majority of the members of the Issuer's Board of Directors; or

(b) upon the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of Issuer and its Subsidiaries taken as a whole to any Person (including any "person" (as that term is defined above)) other than any person that owns more than 50% of the Voting Stock of the Issuer as of the Issue Date.

5.3 Within 30 days following any Change of Control, the Issuer will notify each holder of the Notes in accordance with Condition 16 with a copy to the Trustee (the "**Change of Control Offer**") stating:

(a) that a Change of Control has occurred and that such holder has the right to require the Issuer to purchase such holder's Notes at a purchase price in cash equal to 101% of the principal amount thereof on the date of purchase, plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of holders of the Notes of record on the relevant record date to receive interest on the relevant interest payment date);

(b) the circumstances and relevant facts regarding such Change of Control;

(c) the purchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is given); and

(d) the instructions, as determined by the Issuer, consistent with this Condition 5, that a holder must follow in order to have its Notes purchased.

5.4 The Issuer will not be required to make a Change of Control Offer following a Change of Control if (i) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in these Conditions applicable to a Change of Control Offer made by the Issuer and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer or (ii) a notice of redemption for the redemption of the Notes in whole but not in part has previously been given pursuant to Condition 3, unless there has been a Default in payment of the applicable redemption price.

5.5 The Issuer will comply with the requirements of applicable securities laws or regulations in connection with the purchase of Notes as a result of a Change of Control. To the extent that the provisions of any applicable securities laws or regulations conflict with the provisions of this Condition 5, the Issuer will comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under this Condition 5 by virtue of its compliance with such securities laws or regulations.

5.6 The provisions of this Condition 5 relative to the obligations of the Issuer to make an offer to purchase the Notes as a result of a Change of Control may be waived or modified with the written consent of, or extraordinary resolution approved by, the holders of a majority in principal amount of the Notes for the time being outstanding.

6. COVENANTS

6.1 ***Limitation on Indebtedness***

(a) The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, Incur any Indebtedness (including Acquired Debt), and the Issuer will not issue any Disqualified Stock and will not permit any of its Restricted Subsidiaries to issue any shares of Preferred Stock; *provided*, *however*, that:

(i) the Issuer may Incur Indebtedness (including Acquired Debt) or issue Disqualified Stock, in each case, if the Fixed Charge Coverage Ratio for the Issuer's most recently ended two fiscal half-years for which internal financial statements are available immediately preceding the date on which such Indebtedness is Incurred or such Disqualified Stock is issued, as the case may be, would have exceeded 2.5 to 1.0, in each case determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if such Indebtedness had been Incurred or such Disqualified Stock had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such two-half-year period; and

(ii) Restricted Subsidiaries of the Issuer may Incur Indebtedness (including Acquired Debt) or issue Preferred Stock, in each case, if (x) the Fixed Charge Coverage Ratio for the Issuer's most recently ended two fiscal half-years for which internal financial statements are available immediately preceding the date on which such Indebtedness is Incurred or such Preferred Stock is issued, as the case may be, would have exceeded 2.5 to 1.0, and (y) the Consolidated Senior Net Indebtedness Ratio for the Issuer's most recently ended two fiscal half-years for which internal financial statements are available immediately preceding the date on which such Indebtedness is Incurred or such Preferred Stock is issued, as the case may be, would have been less than 0.5 to 1.0, in the case of (x) and (y) determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if such Indebtedness had been Incurred or such Preferred Stock had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such two-half-year period.

(b) Condition 6.1(a) will not prohibit the Incurrence of any of the following items of Indebtedness ("**Permitted Indebtedness**"):

(i) Indebtedness Incurred by the Issuer or any Restricted Subsidiary pursuant to Credit Facilities in an aggregate principal amount outstanding at any time not exceeding the greater of (x) €1,170.0 million and (y) 15% of

Consolidated Total Assets, in each case, less the aggregate amount of all Net Available Cash from Asset Dispositions applied by the Issuer or any Restricted Subsidiary since the Issue Date to repay any Indebtedness under a Credit Facility and effect a corresponding commitment reduction thereunder pursuant to Condition 6.3; *provided, however, that* the maximum aggregate principal amount of Indebtedness that may be Incurred by Restricted Subsidiaries under this sub-clause (i) may not exceed €200.0 million at any time outstanding;

(ii) Indebtedness owed to and held by the Issuer or a Restricted Subsidiary; *provided*, *however*, that any subsequent issuance or transfer of any Capital Stock which results in any such Restricted Subsidiary (to which such Indebtedness is owed) ceasing to be a Restricted Subsidiary or any redesignation of such Restricted Subsidiary as an Unrestricted Subsidiary or any subsequent disposition, pledge or transfer of such Indebtedness (other than to the Issuer or a Restricted Subsidiary) shall be deemed, in each case, to constitute the Incurrence of such Indebtedness by the obligor thereon not permitted by this sub-clause (ii); and *provided further* that in the case of any such Indebtedness owed by the Issuer to a Restricted Subsidiary, such Indebtedness shall (if and to the extent legally permitted) by its terms be Subordinated Indebtedness;

(iii) Indebtedness represented by the Notes (other than any Additional Notes);

(iv) Indebtedness of the Issuer or any Restricted Subsidiary outstanding on the Issue Date (other than Indebtedness specified in sub-clauses (i), (iii) and (xi) of this Condition 6.1(b));

(v) Indebtedness of any Person that is assumed by the Issuer or any Restricted Subsidiary in connection with its acquisition of assets from such Person or any Affiliate thereof or is issued and outstanding on or prior to the date on which such Person was acquired by the Issuer or any Restricted Subsidiary or merged or consolidated with or into the Issuer or any Restricted Subsidiary (other than Indebtedness Incurred to finance, or otherwise Incurred in connection with, or in contemplation of, such acquisition, merger or consolidation), *provided* that on the date of such acquisition, merger or consolidation, after giving pro forma effect thereto, the Issuer could incur at least €1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio in clause (a) of this Condition 6.1 or the Fixed Charge Coverage Ratio is equal to or greater than the Fixed Charge Coverage Ratio immediately prior to giving such pro forma effect thereto;

(vi) the Incurrence of Refinancing Indebtedness by the Issuer or any Restricted Subsidiary in exchange for or the net proceeds of which are used to refund, replace, defease or refinance Indebtedness Incurred by the Issuer or any Restricted Subsidiary pursuant to clause (a) of this Condition 6.1 or sub-clause (iii), (iv) or (v) or this sub-clause (vi) of this Condition 6.1(b);

(vii) Hedging Obligations of the Issuer or any Restricted Subsidiary Incurred in the ordinary course of business and not for speculative purposes;

(viii) Obligations in respect of worker's compensation claims, health, disability or other employee benefits or property, casualty or liability insurance, self-insurance obligations, performance, bid, stay, customs, appeal, surety bonds and similar bonds and completion guarantees provided by the Issuer or any Restricted Subsidiary in the ordinary course of business;

(ix) Indebtedness arising from agreements of the Issuer or a Restricted Subsidiary providing for indemnification, adjustment of purchase price, earn-out or similar Obligations, in each case, Incurred or assumed in connection with the acquisition or disposition of any business, assets or Capital Stock of the Issuer or any Restricted Subsidiary; *provided* that such Indebtedness is not reflected on the balance sheet of the Issuer or any Restricted Subsidiary (it being understood that contingent Obligations referred to in a footnote to financial statements and not otherwise reflected on such balance sheet shall not be deemed to be reflected on such balance sheet for purposes of this sub-clause);

(x) Indebtedness of the Issuer or any Restricted Subsidiary in respect of (A) letters of credit, bankers' acceptances, bank guarantees (cautions bancaires) or other similar instruments or obligations issued, or relating to liabilities or obligations Incurred, in the ordinary course of business and not in connection with the borrowing of money (including those issued to governmental entities in connection with self-insurance under applicable workers' compensation statutes), or (B) decrees, attachments or awards or completion guarantees, surety, judgment, appeal or performance bonds, or other similar bonds, instruments or obligations or take-or-pay obligations contained in supply agreements, *provided*, or relating to liabilities or obligations Incurred, in the ordinary course of business; *provided* that, with respect to the drawing of letters of credit, such Indebtedness is reimbursed within 30 days following such drawing;

(xi) Purchase Money Indebtedness and Capital Lease Obligations incurred by the Issuer or any Restricted Subsidiary for the purpose of financing all or any part of the purchase price or cost of design, construction, installation or improvement of property, plant or equipment used in the business of the Issuer or any of its Restricted Subsidiaries (including any reasonable fees and expenses Incurred in connection with such purchase, design, construction, installation or improvement), and any Refinancing Indebtedness with respect thereto, in an

aggregate principal amount at any time outstanding not exceeding the greater of €400.0 million and 5.0% of Consolidated Total Assets;

(xii) the Incurrence by the Issuer or any of its Restricted Subsidiaries of Indebtedness arising from the honouring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds, so long as such Indebtedness is covered within ten Business Days;

(xiii) customer deposits and advance payments (not in connection with the borrowing of money) received from customers for goods or services purchased in the ordinary course of business;

(xiv) Indebtedness of the Issuer or a Restricted Subsidiary owing to the World Bank, the European Bank for Reconstruction and Development, the European Investment Bank, Fonds Industriel de Modernisation, Fond de Développement Economique et Social or any multilateral, governmental or European Union-controlled financial institution in an aggregate principal amount at any time outstanding not to exceed €150.0 million;

(xv) any guarantee by the Issuer or a Restricted Subsidiary of the Issuer of Indebtedness of the Issuer or of a Restricted Subsidiary, which Indebtedness in each case is permitted to be Incurred by another provision of this Condition 6.1; *provided* that any such guarantee of Indebtedness of the Issuer by a Restricted Subsidiary does not violate Condition 6.11;

(xvi) Indebtedness of the Issuer or any Restricted Subsidiary arising as a result of implementing composite accounting or other cash pooling arrangements, treasury or cash management arrangements or netting or setting off arrangements involving solely the Issuer and other members of the Group or solely among the members of the Group; and

(xvii) Indebtedness of the Issuer or any Restricted Subsidiary (other than and in addition to Indebtedness permitted under sub-clauses (i) through (xvi) of this Condition 6.1(b)) in an aggregate principal amount at any time outstanding not to exceed €50.0 million.

(c) For purposes of determining the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with this Condition 6.1:

(i) any Indebtedness outstanding on the Issue Date under the Senior Credit Facility will be treated as Incurred under clause (b)(i) above and may not be reclassified;

(ii) subject to sub-clause (i) above, (x) in the event that an item of Indebtedness (or any portion thereof) meets the criteria of more than one of the types of Indebtedness described above, the Issuer, in its sole discretion, will classify such item of Indebtedness (or any portion thereof) at the time of Incurrence and may include the amount and type of such Indebtedness in one or more of the above clauses (including in part under one clause and in part under another such clause) and (y) the Issuer will be entitled to divide and re classify an item of Indebtedness in more than one of the types of Indebtedness described above;

(iii) any other obligation of the obligor on such Indebtedness (or of any other Person who could have Incurred such Indebtedness under this Condition 6.1) arising under any guarantee, Lien, letter of credit, bankers' acceptance or other similar instrument or obligation securing or supporting such Indebtedness shall be disregarded to the extent that such guarantee, Lien, letter of credit, bankers' acceptance or other similar instrument or obligation secures or supports such Indebtedness; and

(iv) the amount of Indebtedness issued at a price that is less than the principal amount thereof shall be equal to the amount of the liability in respect thereof determined in accordance with IFRS.

(d) For purposes of determining compliance with this Condition 6.1, the Euro Equivalent of the principal amount of Indebtedness denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or first drawn, in the case of Indebtedness Incurred under a revolving credit facility; *provided* that (i) if such Indebtedness is Incurred to refinance other Indebtedness denominated in a currency other than euro, and such refinancing would cause the applicable euro-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such euro-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced; (ii) the Euro Equivalent of the principal amount of any such Indebtedness outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date; and (iii) if any such Indebtedness is subject to a Currency Agreement with respect to the currency in which such Indebtedness is denominated covering principal, premium, if any, and interest on such Indebtedness, the amount of such Indebtedness and such interest and premium, if any, shall be determined after giving effect to all payments in respect thereof under such Currency Agreement. Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Issuer and the Restricted Subsidiaries may Incur pursuant to this covenant shall not be deemed

to be exceeded, with respect to any outstanding Indebtedness, solely as a result of fluctuations in the exchange rate of currencies.

6.2 ***Limitation on Restricted Payments***

(a) The Issuer will not, and will not permit any Restricted Subsidiary, directly or indirectly, to make a Restricted Payment if at the time the Issuer or such Restricted Subsidiary makes such Restricted Payment:

(i) a Default or Event of Default shall have occurred and be continuing (or would result therefrom);

(ii) the Issuer is not entitled to Incur an additional €1.00 of Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in clause (a) of Condition 6.1; or

(iii) the aggregate amount of such Restricted Payment and all other Restricted Payments (the amount so expended, if other than in cash, to be the Fair Market Value thereof) declared or made subsequent to 9 November 2011 (other than Restricted Payments made pursuant to sub-clauses (i), (ii), (iv), (v), (vi) and (viii) of Condition 6.2(b) below) would exceed the sum (the "**Restricted Payments Basket**") of (without duplication):

(A) 50% of the Consolidated Net Income of the Issuer for the period (taken as one accounting period) from 1 January 2011 to the end of the Issuer's most recently ended fiscal half-year period for which internal financial statements are available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, less 100% of such deficit); plus

(B) the aggregate Net Cash Proceeds and the Fair Market Value of marketable securities received (x) by the Issuer as capital contributions to the Issuer after the Issue Date or from the issuance or sale (other than to a Restricted Subsidiary) of its Capital Stock (other than Disqualified Stock) after the Issue Date (other than any such proceeds applied to redeem Notes in accordance with Condition 3.2) or (y) by the Issuer or any Restricted Subsidiary from the issuance and sale (other than to the Issuer or a Restricted Subsidiary) by the Issuer or any Restricted Subsidiary after the Issue Date of Indebtedness (other than Subordinated Indebtedness) that shall have been converted into or exchanged for Capital Stock of the Issuer (other than Disqualified Stock) (less (or plus) the amount of any cash and the Fair Market Value of any marketable securities distributed (or received) by the Issuer or any Restricted Subsidiary, as the case may be, upon such conversion or exchange); plus

(C) to the extent that any Unrestricted Subsidiary of the Issuer designated as such after the Issue Date is re-designated as a Restricted Subsidiary after the Issue Date, the lesser of (A) the Fair Market Value of the Issuer's Restricted Investment in such Subsidiary as of the date of such re-designation or (B) such Fair Market Value of the Issuer's investment in such Subsidiary as of the date on which such Subsidiary was originally designated as an Unrestricted Subsidiary after the Issue Date to the extent such investment reduced the Restricted Payments capacity under this Condition 6.2(a)(iii) and was not previously repaid or otherwise reduced; plus

(D) in the case of any return of capital, disposition or repayment of any Investment constituting a Restricted Payment (including, without limitation, Investments in Unrestricted Subsidiaries and dividends and other distributions from Unrestricted Subsidiaries), without duplication of any amount deducted in calculating the amount of Investments at any time outstanding included in the amount of Restricted Payments, an amount in the aggregate equal to the return of capital, repayment or other proceeds (in each case, in the form of cash or Cash Equivalents) with respect to all such Investments received by the Issuer or a Restricted Subsidiary; plus

(E) in the case of an Investment (other than a Permitted Investment) that is a guarantee made by the Issuer or a Restricted Subsidiary in favour of any Person (other than the Issuer or a Restricted Subsidiary) after the Issue Date pursuant to Condition 6.2(a)(iii), an amount equal to the amount of such guarantee upon the full and unconditional release of such guarantee; plus

(F) to the extent that any Investment constituting a Restricted Payment that was made after the Issue Date pursuant to Condition 6.2(a)(iii) is made in a Person that subsequently becomes a Restricted Subsidiary, the Fair Market Value of such Investment of the Issuer and its Restricted Subsidiaries as of the date such Person becomes a Restricted Subsidiary; plus

(G) 100% of any dividends received in cash by the Issuer or any Restricted Subsidiary after the Issue Date from an Unrestricted Subsidiary, to the extent that such dividends were not otherwise included in the Consolidated Net Income of the Issuer for such period.

(b) The preceding provisions will not prohibit:

(i) any purchase, redemption, repurchase, defeasance or other acquisition or retirement of Capital Stock of the Issuer or Subordinated Indebtedness made by exchange (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares) for, or out of the proceeds of the substantially concurrent issuance or sale of, Capital Stock of the Issuer (other than Disqualified Stock and other than Capital Stock issued or sold to a Subsidiary) or a substantially concurrent capital contribution to the Issuer; *provided* that the Net Cash Proceeds from such issuance, sale or capital contribution shall be excluded in subsequent calculations under clause (a)(iii)(B) of this Condition;

(ii) any purchase, redemption, repurchase, defeasance or other acquisition or retirement (collectively, "**repurchase**") of Subordinated Indebtedness (x) made by exchange for, or out of the net cash proceeds of the substantially concurrent issuance or sale of Refinancing Indebtedness Incurred in compliance with Condition 6.1, or (y) following the occurrence of a Change of Control or an Asset Disposition to the extent required by the agreements governing such Indebtedness at a purchase price not greater than 101% of the principal amount of such Indebtedness, but only if the Issuer shall have complied with the provisions described under Condition 5 or Condition 6.3, as the case may be, and, if required, caused the repurchase of all Notes tendered pursuant to the offer to repurchase required thereby prior to purchasing or repaying such Subordinated Indebtedness;

(iii) dividends and distributions paid within 60 days after the date of declaration thereof or the giving of notice thereof (as applicable) if at such date of declaration or notice such dividend or distribution would have complied with clause (a) of this Condition;

(iv) so long as no Default or Event of Default has occurred and is continuing, the repurchase, redemption or other acquisition or retirement for value of any Capital Stock of the Issuer or any Restricted Subsidiary of the Issuer held by any current or former Officer, director or employee of the Issuer or any of its Restricted Subsidiaries pursuant to any equity subscription agreement, stock option agreement, performance share plan, shareholders' agreement or similar agreement; *provided* that the aggregate price paid for all such repurchased, redeemed, acquired or retired Capital Stock may not exceed €5.0 million in any twelve-month period;

(v) payments of cash, dividends, distributions, advances or other Restricted Payments by the Issuer or any of its Restricted Subsidiaries to allow the payment of cash in lieu of the issuance of fractional shares upon (i) the exercise of options or warrants or (ii) the conversion or exchange of Capital Stock of any such Person;

(vi) the declaration and payments of dividends on Disqualified Stock issued in accordance with Condition 6.1 or of any Preferred Stock of a Restricted Subsidiary issued in accordance with Condition 6.1;

(vii) the distribution, as a dividend or otherwise, of shares of Capital Stock, Indebtedness or other securities of Unrestricted Subsidiaries;

(viii) repurchases of Capital Stock deemed to occur upon exercise of stock options or warrants if such Capital Stock represents a portion of the exercise price of such options or warrants;

(ix) purchases of Capital Stock of the Issuer for contribution to an employee stock ownership plan of the Issuer not in excess of €2.0 million in aggregate;

(x) payments pursuant to any tax sharing agreement or arrangement among the Issuer and its Subsidiaries and other Persons with which the Issuer or any of its Subsidiaries is required or permitted to file a consolidated tax return or with which the Issuer or any of its Restricted Subsidiaries is a part of a group for tax purposes; *provided*, *however*, that such payments will not exceed the amount of tax that the Issuer and its Subsidiaries would owe on a stand-alone basis and the related tax liabilities of the Issuer and its Subsidiaries are relieved by the payment of such amounts to a relevant taxing authority; or

(xi) so long as no Default or Event of Default has occurred and is continuing, other Restricted Payments in an aggregate amount not to exceed €50.0 million at any time outstanding.

6.3 ***Limitation on Sales of Assets and Subsidiary Stock***

(a) The Issuer will not, and will not permit any Restricted Subsidiary to consummate any Asset Disposition, unless:

(i) the Issuer or such Restricted Subsidiary receives consideration at the time of such Asset Disposition at least equal to the Fair Market Value (including as to the value of all non-cash consideration) of the shares and assets subject to such Asset Disposition; and

(ii) at least 75% of the consideration thereof received by the Issuer or such Restricted Subsidiary is in the form of (A) cash, (B) Cash Equivalents or (C) Additional Assets;

provided, *however*, that clause (a)(i) above shall not apply to any sale or other disposition of Investments in joint ventures, including any Qualified Joint Venture (or issuances of Capital Stock thereof), if (a) such sale or other disposition or issuance is required by, or made pursuant to, any buy-sell arrangement between the relevant joint venture parties that is customary (in each case, as reasonably determined in good faith by the senior management of the Issuer) and (b) the consideration for such sale is solely cash and/or Cash Equivalents.

(b) If the Issuer or any Restricted Subsidiary consummates an Asset Disposition, the Issuer or such Restricted Subsidiary shall, no later than 365 days following the consummation of such Asset Disposition (or if later, the receipt of Net Available Cash therefrom), apply an amount equal to all or any of Net Available Cash therefrom to:

(i) repay, redeem, retire or cancel any Indebtedness of the Issuer or a Restricted Subsidiary other than Subordinated Indebtedness (and if such Indebtedness to be repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto);

(ii) (A) invest in assets (including equipment, machinery and capital expenditures) to be used by the Issuer or any Restricted Subsidiary in a Permitted Business or make a capital expenditure, (B) acquire Capital Stock (other than Disqualified Stock) in a Person that is a Restricted Subsidiary or in a Person engaged in a Permitted Business that shall become a Restricted Subsidiary immediately upon the consummation of such acquisition or (C) a combination of (A) and (B) (it being understood that a binding commitment to consummate any such investment or acquisition within 180 days of such commitment shall be deemed a permitted application of such Net Available Cash pursuant to this sub-clause (ii), *provided* such binding commitment was entered into by the Issuer or a Restricted Subsidiary with a good faith expectation of such commitment being complied with);

(iii) make a Net Proceeds Offer (and, if applicable redeem, repay or purchase other Pari Passu Indebtedness) in accordance with the procedures described below; and/or

(iv) any combination of sub-clauses (i) to (iii) above.

The amount of Net Available Cash not applied or invested as provided in this clause (b) will constitute "Excess Proceeds."

(c) When the aggregate amount of Excess Proceeds equals or exceeds €25.0 million, the Issuer will be required to make an offer to purchase from all holders of the Notes and, if applicable, redeem (or make an offer to redeem, repay or purchase) any other Pari Passu Indebtedness of the Issuer the provisions of which require the Issuer to redeem, repay or purchase or make an offer to purchase such Indebtedness with the proceeds from any Asset Disposition, in an aggregate principal amount of Notes and such Pari Passu Indebtedness equal to the amount of such Excess Proceeds as follows:

(i) the Issuer will (a) make an offer to purchase Notes (a "**Net Proceeds Offer**") to all holders of the Notes and (b) redeem, repay or purchase (or make an offer to redeem, repay or purchase) any such other Pari Passu Indebtedness, pro rata in proportion to the respective principal amounts of the Notes and such other Pari Passu Indebtedness, in the maximum principal amount of Notes and Pari Passu Indebtedness that may be redeemed, repaid or purchased out of the amount (the "**Payment Amount**") of such Excess Proceeds;

(ii) the offer price for the Notes will be payable in cash in an amount equal to 100% of the principal amount of the Notes tendered pursuant to a Net Proceeds Offer, plus accrued and unpaid interest thereon, if any, to the date such Net Proceeds Offer is consummated (the "**Offered Price**"), and the redemption, repayment, or purchase price or amount, as applicable, for such Pari Passu Indebtedness (the "**Pari Passu Indebtedness Price**") shall be as set forth in the related documentation governing such Indebtedness;

(iii) if the aggregate Offered Price of Notes validly tendered and not withdrawn by holders of the Notes exceeds the pro rata portion of the Payment Amount allocable to the Notes, Notes to be purchased will be selected on a pro rata basis; and

(iv) upon completion of such Net Proceeds Offer in accordance with the foregoing provisions, the amount of Excess Proceeds with respect to which such Net Proceeds Offer was made shall be deemed to be zero.

(d) To the extent that the sum of the aggregate Offered Price of Notes tendered pursuant to a Net Proceeds Offer and the aggregate Pari Passu Indebtedness Price paid to the holders of such Pari Passu Indebtedness is less than the Payment Amount relating thereto (such shortfall constituting a "**Net Proceeds Deficiency**"), the Issuer may use the Net Proceeds Deficiency, or a portion thereof, for any purpose not prohibited by these Conditions.

(e) For the purposes of this Condition, the following are deemed to be cash or Cash Equivalents:

(1) the amount (without duplication) of any Indebtedness of the Issuer (other than Subordinated Indebtedness) or of any Restricted Subsidiary, in each case, that is expressly assumed by the transferee in such Asset Disposition

and with respect to which the Issuer or such Restricted Subsidiary, as the case may be, is unconditionally released by the holder of such Indebtedness;

(2) Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Disposition, to the extent that the Issuer and each other Restricted Subsidiary are released from any guarantee of payment of the principal amount of such Indebtedness in connection with such Asset Disposition; and

(3) securities received by the Issuer or any Restricted Subsidiary from the transferee that are converted by the Issuer or such Restricted Subsidiary into cash within 180 days.

(f) The Issuer will comply, to the extent applicable, with the requirements of any applicable securities laws or regulations in connection with the repurchase of Notes pursuant to this Condition. To the extent that the provisions of any applicable securities laws or regulations conflict with provisions of this Condition, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Condition by virtue of its compliance with such securities laws or regulations.

6.4 ***Limitation on Liens***

The Issuer will not, directly or indirectly, Incur or permit to exist any Lien on any of its properties (including Capital Stock of a Restricted Subsidiary), whether owned at the Issue Date or thereafter acquired, securing Indebtedness ("**Initial Liens**") other than Permitted Liens without effectively providing that the Notes shall be secured (i) equally and rateably with the Indebtedness so secured or (ii) if such Indebtedness is Subordinated Indebtedness, prior to the Subordinated Indebtedness so secured, in each case, for so long as such Indebtedness is so secured. Any Lien thereby created in favour of the holders of the Notes under this Condition 6.4 will be automatically and unconditionally released and discharged upon (a) the release and discharge of the Initial Lien to which it relates or (b) any sale, exchange or transfer to any Person not an Affiliate of the Issuer of the property or assets secured by such Initial Lien or of all the Capital Stock of the entity holding such property or assets (or of a Person of which such entity is a Subsidiary), in each case, that is otherwise permitted by these Conditions (but only if all other Liens on the same property or assets that were required to be given under the terms of other Indebtedness as a result of the Initial Lien having been given or having arisen have also been, or on such sale, exchange or transfer, would also be, unconditionally released and discharged).

6.5 ***Merger and Consolidation***

(a) The Issuer shall not in a single transaction or through a series of transactions consolidate with or merge with or into any other Person, or sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all of the Issuer's properties and assets to any other Person or Persons.

(b) Clause (a) will not apply if:

(i) either at the time and immediately after giving effect to any such consolidation or merger, (x) the Issuer shall be the continuing corporation or (y) the Person (if other than the Issuer) formed by or surviving any such consolidation or merger or to which such sale, assignment, conveyance, transfer, lease or other disposition of all or substantially all of the Issuer's properties and assets or all or substantially all of the properties and assets of the Issuer and of the Restricted Subsidiaries on a consolidated basis has been made (the "**Surviving Entity**"):

(A) shall be a corporation duly organised and validly existing under the laws of France, any other member state of the European Union, Switzerland, the United States of America, any state thereof or the District of Columbia; and

(B) expressly assumes the obligations of the Issuer under the Notes and the Trust Deed, pursuant to a supplemental Trust Deed, in form and substance reasonably satisfactory to the Trustee, and the Notes and the Trust Deed remain in full force and effect as so supplemented;

(ii) immediately after giving effect to any such consolidation, merger, sale, assignment, transfer, lease or other disposition on a pro forma basis (and treating any Obligation of the Issuer or any Restricted Subsidiary incurred in connection with or as a result of such transaction or series of transactions as having been incurred by the Issuer or any Restricted Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing;

(iii) immediately after giving effect to any such consolidation, merger, sale, assignment, transfer, lease or other disposition on a pro forma basis (on the assumption that such transaction or series of transactions occurred on the first day of the two-half-year period immediately prior to the consummation of such transaction or series of transactions for which internal financial statements of the Issuer are available, with the appropriate adjustments with respect to the transaction or series of transactions being included in such pro forma calculation):

(A) the Issuer (or the Surviving Entity if the Issuer is not a continuing obligor under these Conditions) could Incur at least €1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in clause (a) of Condition 6.1; or

(B) the Fixed Charge Coverage Ratio of the Issuer (or if applicable, the Surviving Entity) would not be less than it was immediately prior to giving such pro forma effect to such transaction; and

(iv) the Issuer or the Surviving Entity shall have delivered to the Trustee, in form and substance reasonably satisfactory to the Trustee, an Officers' Certificate (attaching the computations to demonstrate compliance with sub-clauses (ii) and (iii) above) and an Opinion of Counsel, each stating that such consolidation, merger, sale, assignment, conveyance, transfer, lease or other disposition, and if a supplemental Trust Deed is required in connection with such transaction, such supplemental Trust Deed will, comply with the requirements of the Trust Deed and has been duly authorized, executed and delivered by the Issuer and/or Surviving Entity and constitutes a legal, valid, binding and enforceable obligation of each such party thereto, *provided* that in giving such opinion such counsel may rely on an Officers' Certificate as to compliance with the foregoing clauses (ii) and (iii) and as to matters of fact and such opinion may contain customary assumptions and qualifications. No Opinion of Counsel shall be required for a consolidation, merger, sale, assignment, conveyance, transfer, lease or other disposition described in paragraph (c) of this Condition 6.5.

(c) (A) Paragraph (b) of this Condition 6.5 shall not apply to any transaction in which any Restricted Subsidiary consolidates with, merges into or transfers all or part of its assets to the Issuer (with the Issuer as the Surviving Entity thereof) and (B) sub-clauses (ii) and (iii) of paragraph (b) of this Condition shall not apply if the Issuer consolidates or merges with or into or transfers all or substantially all its properties and assets to (x) an Affiliate incorporated or organised for the purpose of reincorporating or reorganising the Issuer in another jurisdiction or changing its legal structure to another entity or (y) a Restricted Subsidiary of the Issuer so long as all assets of the Issuer and the Restricted Subsidiaries of the Issuer immediately prior to such transaction (other than Capital Stock of such Restricted Subsidiary) are owned by such Restricted Subsidiary and its Restricted Subsidiaries immediately after the consummation thereof.

(d) In the case of any transaction complying with this Condition to which the Issuer is a party, the Surviving Entity shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Trust Deed; *provided* that the predecessor Issuer shall not be relieved from its obligations to pay the principal and interest on the Notes in the case of a lease of all or substantially all of the assets of the Issuer and the Restricted Subsidiaries taken as a whole.

6.6 ***Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries***

(a) The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

(i) pay dividends or make any other distributions on its Capital Stock to the Issuer or any of its Restricted Subsidiaries, or with respect to any other interest or participation in, or measured by, its profits, or pay any Indebtedness owed to the Issuer or any of its Restricted Subsidiaries;

(ii) make loans or advances to the Issuer or any of its Restricted Subsidiaries; or

(iii) sell, lease or transfer any of its properties or assets to the Issuer or any of its Restricted Subsidiaries.

(b) However, Condition 6.6(a) will not apply to encumbrances or restrictions existing under or by reason of:

(i) agreements and other instruments governing Indebtedness outstanding on the Issue Date as in effect on the Issue Date and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements; *provided* that the amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings are not materially more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in those agreements on the Issue Date;

(ii) the Trust Deed and the Notes;

(iii) agreements governing other Indebtedness permitted to be incurred under the provisions of Condition 6.1 and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements; *provided* that the restrictions therein are not materially more restrictive, taken as a whole, than is customary in comparable financings (as determined in good faith by the Issuer);

(iv) applicable laws, rules, regulations or orders governmental licences, concessions, franchises or permits;

(v) any instrument governing Indebtedness or Capital Stock of a Person acquired by the Issuer or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness or Capital Stock was incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired; *provided* that, in the case of Indebtedness, such Indebtedness was permitted by the terms of the Trust Deed to be incurred;

(vi) customary non-assignment provisions in contracts and licenses entered into in the ordinary course of business;

(vii) purchase money obligations for property acquired in the ordinary course of business and Capital Lease Obligations that impose restrictions on the property purchased or leased of the nature described in clause (a)(iii) of this Condition;

(viii) any agreement for the sale or other disposition of the Capital Stock or all or substantially all of the properties and assets of a Restricted Subsidiary that restricts distributions by that Restricted Subsidiary pending its sale or other disposition;

(ix) Refinancing Indebtedness permitted by the terms of the Trust Deed; *provided* that the restrictions contained in the agreements governing such Refinancing Indebtedness are not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced;

(x) Liens permitted to be incurred under the provisions of Condition 6.4 that limit the right of the debtor to dispose of the assets subject to such Liens;

(xi) contractual requirements under or in respect of Qualified Receivables Financing;

(xii) customary provisions limiting the disposition or distribution of assets or property in joint venture agreements, asset sale agreements, sale leaseback agreements, stock sale agreements and other similar agreements (including agreements entered into in connection with a Restricted Investment) entered into with the approval of the Issuer's Board of Directors, which limitation is applicable only to the assets that are the subject of such agreements;

(xiii) restrictions on cash or other deposits or net worth imposed by customers or suppliers under contracts entered into in the ordinary course of business; and

(xiv) any encumbrance or restriction existing under any agreement that extends, renews, refinances or replaces the agreements containing the encumbrances or restrictions in the foregoing sub-clauses (i) through (xiii), or in this clause (xiv); *provided* that the terms and conditions of any such encumbrances or restrictions are no more restrictive in any material respect than those under or pursuant to the agreement so extended, renewed, refinanced or replaced.

6.7 ***Transactions with Affiliates***

(a) The Issuer will not, and will not permit any of its Restricted Subsidiaries to, make any payment to or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Issuer (each, an "**Affiliate Transaction**") involving aggregate payments or consideration in excess of €5.0 million, unless:

(i) the Affiliate Transaction is on terms that are no less favourable to the Issuer or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Issuer or such Restricted Subsidiary with a Person that is not an Affiliate of the Issuer or any of its Restricted Subsidiaries; and

(ii) the Issuer delivers to the Trustee:

(A) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of €25.0 million, a resolution of the Board of Directors of the Issuer set forth in an Officers' Certificate certifying that such Affiliate Transaction complies with this covenant and that such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors of the Issuer (or, if there is only one disinterested member of such Board of Directors, such member); and

(B) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of €100.0 million, an opinion from an accounting, appraisal or investment banking firm of national standing, stating that the transaction or series of related transactions is (x) fair from a financial point of view taking into account all relevant circumstances or (y) on terms not less

favourable than might have been obtained in a comparable transaction at such time on an arm's length basis from a Person who is not an Affiliate.

(b) The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of the prior paragraph:

(i) any issuance or sale of Capital Stock, options, other equity related interests or other securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, or entering into, or maintenance of, any employment, consulting, collective bargaining or benefit plan, program, agreement or arrangement, related trust or other similar agreement and other compensation arrangements, options, warrants or other rights to purchase Capital Stock of the Issuer, restricted stock plans, long term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits or consultant plans (including, valuation, health, insurance, deferred compensation, severance, retirement, savings or similar plans, programs or arrangements) and/or indemnities provided on behalf of Officers, employees or directors or consultants approved by the Board of Directors of the Issuer, or any similar arrangement entered into by the Issuer or any of its Restricted Subsidiaries, in each case in the ordinary course of business and payments pursuant thereto;

(ii) transactions between or among the Issuer and any Restricted Subsidiary, or between or among Restricted Subsidiaries;

(iii) transactions with a Person (other than an Unrestricted Subsidiary of the Issuer) that is an Affiliate of the Issuer solely because the Issuer owns, directly or through a Restricted Subsidiary, Capital Stock of, or controls, such Person;

(iv) payment of reasonable and customary fees and reimbursements of expenses (pursuant to indemnity arrangements or otherwise) of Officers, directors, employees or consultants of the Issuer or any of its Restricted Subsidiaries;

(v) any issuance of Capital Stock (other than Disqualified Stock) of the Issuer to Affiliates of the Issuer;

(vi) Restricted Payments that do not violate the provisions of the Trust Deed described above under Condition 6.2;

(vii) any Permitted Investments (other than Permitted Investments described in clauses (i), (ii), (ix) or (xix) of the definition thereof);

(viii) transactions with customers, clients, suppliers, or purchasers or sellers of goods or services or providers of employees or other labour, in each case in the ordinary course of business and otherwise in compliance with the terms of the Trust Deed that are fair to the Issuer or the Restricted Subsidiaries, in the reasonable determination of the members of the Board of Directors of the Issuer or the senior management thereof, or are on terms at least as favourable as might reasonably have been obtained at such time from an unaffiliated Person;

(ix) any transaction effected as part of a Qualified Receivables Financing;

(x) loans or advances to employees, directors and officers made in the ordinary course of business in an aggregate principal amount at any time not to exceed €1.0 million;

(xi) any payments or other transactions pursuant to a tax sharing agreement between the Issuer and any other Person or a Restricted Subsidiary of the Issuer and any other Person with which the Issuer or any of its Restricted Subsidiaries files a consolidated tax return or with which the Issuer or any of its Restricted Subsidiaries is part of a group for tax purposes or any tax advantageous group contribution made pursuant to applicable legislation; *provided*, *however*, that any such tax sharing or arrangement and payment does not permit or require payments in excess of the amounts of tax that would be payable by the Issuer and its Restricted Subsidiaries on a stand-alone basis;

(xii) transactions pursuant to, or contemplated by, any written agreements in existence on the Issue Date and transactions pursuant to any amendment, modification or extension to such agreement, so long as such amendment, modification or extension, taken as a whole, is not more disadvantageous to the holders of the Notes in any material respect than the original agreement as in effect on the Issue Date.

6.8 ***Business Activities***

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, engage in any business other than Permitted Businesses, except to such extent as would not be material to the Issuer and its Restricted Subsidiaries taken as a whole.

6.9 ***Payments for Consent***

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any holder of the Notes for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Trust Deed or the Notes unless such consideration is offered to be paid and is paid to all holders of the Notes that consent, waive or agree to amend in the time frame set out in the solicitation documents relating to such consent, waiver or agreement. Notwithstanding the foregoing, the Issuer and its Restricted Subsidiaries shall be permitted, in any offer or payment of consideration for, or as an inducement to, any consent, waiver or amendment of any of the terms or provisions of the Trust Deed or the Notes, to exclude holders of Notes in any jurisdiction where (i) the solicitation of such consent waiver or amendment, including in connection with an offer to purchase for cash or (ii) the payment of the consideration therefor would require the Issuer or any of its Restricted Subsidiaries to file a registration statement, prospectus or similar document under any applicable securities laws (including, but not limited to, the United States federal securities laws and the laws of the European Union or its member states), in each case, which the Issuer reasonably determines (acting in good faith) (A) would be materially burdensome or (B) would otherwise not be permitted under applicable law in such jurisdiction.

6.10 ***Reports***

As long as any Notes are outstanding, the Issuer will furnish to the holders of the Notes and to the Trustee:

(a) within 120 days after the end of the Issuer's fiscal year (beginning with the fiscal year ending 31 December 2012), annual reports, which shall contain the following information with a level of detail that is substantially comparable to the offering circular related to the issuance of the Notes on the Issue Date: (i) audited consolidated balance sheets of the Issuer as of the end of the two most recent fiscal years and audited consolidated income statements and statements of cash flow of the Issuer for the two most recent fiscal years, including complete footnotes to such financial statements and the report of the independent auditors on the financial statements; (ii) an operating and financial review of the audited financial statements, including a discussion of the results of operations, financial condition and liquidity and capital resources, and a discussion of material commitments and contingencies and critical accounting policies; (iii) a description of the business, management and shareholders of the Issuer, all material affiliate transactions and a description of all material new contractual arrangements, including material debt instruments (unless such contractual arrangements were described in a previous annual or semi-annual report, in which case the Issuer need describe only any material changes); and (iv) material risk factors relating to the business of the Issuer and material recent developments;

(b) within 45 days following the end of the first half-year period in each fiscal year of the Issuer, semi-annual reports containing the following information: (i) an unaudited condensed consolidated balance sheet of the Issuer as of the end of such period and unaudited condensed consolidated statements of income and cash flow of the Issuer for the semi-annual period ending on the unaudited condensed consolidated balance sheet date and the comparable prior year period, together with condensed footnote disclosure; (ii) an operating and financial review of the unaudited financial statements, including a discussion of the results of operations, financial condition and liquidity and capital resources, and a discussion of changes in material commitments and contingencies and changes in critical accounting policies; and (iii) material recent developments;

(c) quarterly consolidated sales data of the Issuer for each of the first and third quarter of each fiscal year of the Issuer, in each case not later than 60 days after the end of the relevant quarter; and

(d) promptly after the occurrence of a material acquisition, disposition, restructuring of the Issuer and its Restricted Subsidiaries, taken as a whole, any change in the Chief Executive Officer or Chief Financial Officer or any Executive Vice President of the Issuer or change in auditors or any other material event that the Issuer announces publicly, a report containing a description of such event.

At the same time as it delivers the financial statements referred to in this Condition 6.10, the Issuer shall deliver to the Trustee an Officers' Certificate certifying its compliance with this Condition 6 and that no Default or Event of Default has occurred or, if it has, giving detail of such Default or Event of Default. The Trustee shall have no obligation to read or analyse any information or report delivered to it under this Condition 6.10 and shall have no obligation to determine whether any such information or report complies with the provisions of this Condition 6 and shall not be deemed to have notice of anything disclosed therein and shall incur no liability by reason thereof.

The Issuer will also make available copies of all reports required by this Condition 6.10 (i) on its website and (ii) if and so long as the Notes are listed on the Euro MTF and the rules of the Luxembourg Stock Exchange so require, at the specified office of the paying agent in Luxembourg.

6.11 ***Limitation on Issuances of Guarantees of Indebtedness***

The Issuer will not cause or permit any Restricted Subsidiary to guarantee (whether directly or indirectly) any Indebtedness of the Issuer (other than (a) any guarantee by any Restricted Subsidiary of (i) Indebtedness of the Issuer under the Notes, (ii)

Indebtedness of the Issuer under the Existing Notes and (iii) Indebtedness of the Issuer under any Credit Facility Incurred pursuant to Condition 6.1(b)(i), (b) any other guarantee by any Restricted Subsidiary existing on the Issue Date of Indebtedness of the Issuer (other than Indebtedness under the Existing Notes or the Senior Credit Facility) and (c) any guarantee by any Restricted Subsidiary of Indebtedness Incurred by the Issuer in compliance with these Conditions that refinances any Indebtedness described in (a) or (b)) unless the Issuer simultaneously causes such Restricted Subsidiary to provide, by way of a supplemental Trust Deed in form and substance reasonably satisfactory to the Trustee, a guarantee of the Notes on a substantially identical basis and ranking senior to or pari passu with such Restricted Subsidiary's guarantee of such other Indebtedness of the Issuer, which guarantee of the Notes shall be legally valid and enforceable to at least the same degree as such guarantee of other Indebtedness of the Issuer and shall be in effect for so long as such Restricted Subsidiary's guarantee of such other Indebtedness of the Issuer remains in effect. Any guarantee by a Restricted Subsidiary of the Notes that is required by the immediately preceding sentence may, as necessary, be subject to any limitation under applicable law (including, without limitation, laws relating to maintenance of share capital, corporate benefit, fraudulent conveyance or transfer, transactions under value, voidable preference and financial assistance), *provided* that such limitation also applies to such guarantee of such other Indebtedness of the Issuer to at least the same extent as it applies to such guarantee of the Notes.

Notwithstanding the foregoing, the Issuer shall not be obligated to cause such Restricted Subsidiary to guarantee the Notes pursuant to this Condition 6.11 to the extent that such guarantee by such Restricted Subsidiary would reasonably be expected to give rise to or result in a violation of applicable law which, in any case, cannot be prevented or otherwise avoided through measures reasonably available to the Issuer or the Restricted Subsidiary or any liability for the officers, directors or shareholders of such Restricted Subsidiary. In the event that the Issuer shall seek, pursuant to the immediately preceding sentence, to cause or permit a Restricted Subsidiary to guarantee Indebtedness of the Issuer without such Restricted Subsidiary being obligated to guarantee the Notes (and prior to the issuance of such guarantee), the Issuer will deliver to the Trustee an Officers' Certificate to the effect that either (i) such Restricted Subsidiary cannot prevent or avoid a violation of applicable law that would reasonably be expected to give rise to or result from the giving of a guarantee by measures reasonably available to it or such Restricted Subsidiary or (ii) the giving of the guarantee by a Restricted Subsidiary would reasonably be expected to give rise to liability for the officers, directors or shareholders of such Restricted Subsidiary and the Trustee shall accept such as sufficient evidence thereof without further liability to the Noteholders or any other Person in respect thereof.

Any additional guarantee created for the benefit of the Noteholders pursuant to this Condition 6.11 will automatically and unconditionally be released under the same conditions and circumstances that the guarantee of the other Indebtedness of the Issuer that gave rise to the obligation to guarantee the Notes will be released, so long as no Event of Default would otherwise arise as a result and no other Indebtedness of the Issuer is at that time guaranteed by the relevant Restricted Subsidiary.

7. SUSPENSION OF COVENANTS DURING ACHIEVEMENT OF INVESTMENT GRADE STATUS

7.1 If during any period the Notes have achieved and for so long as the Notes continue to maintain Investment Grade Status and no Event of Default shall have occurred and be continuing (such period, an "**Investment Grade Status Period**"), upon written notice by the Issuer to the Trustee in an Officers' Certificate certifying such Investment Grade Status and the absence of any Event of Default, the following Conditions will be suspended and will not be applicable to the Issuer and the Restricted Subsidiaries during such period:

(a) Condition 6.1;

(b) Condition 6.2;

(c) Condition 6.3;

(d) Condition 6.4;

(e) Condition 6.5(b)(iii);

(f) Condition 6.6;

(g) Condition 6.7; and

(h) Condition 6.11.

In addition, during an Investment Grade Status Period, the provisions of the first sentence of the final paragraph of the definition of "Unrestricted Subsidiary" will also be suspended and will not be applicable to the Issuer and the Restricted Subsidiaries (and no Subsidiaries may be designated by the Board of Directors as Unrestricted Subsidiaries solely in anticipation of an Investment Grade Status Period).

7.2 Covenants and other provisions of these Conditions that are suspended during an Investment Grade Status Period will be immediately reinstated and will continue to exist during any period in which the Notes do not have Investment Grade Status. Upon reinstatement, calculations under the reinstated Condition 6.2 will be made as if such Condition had been in effect during the entire period from the Issue Date (including the Investment Grade Status Period), it being understood however that no action taken during an Investment Grade Status Period or prior to an Investment Grade Status Period in compliance with the covenants then applicable will constitute a Default or an Event of Default under the Notes in the event that suspended covenants and provisions are subsequently reinstated or suspended, as the case may be. For the avoidance of doubt, an Investment Grade Status Period will not commence until the Issuer has provided written notice to the Trustee in accordance with Condition 7.1.

7.3 For purposes of this Condition, "Investment Grade Status" exists as of any time if at such time the Notes have been assigned at least two of the following ratings: (x) BBB- or higher by S&P, (y) Baa3 or higher by Moody's or (z) BBB- or higher by Fitch.

8. CURRENCY INDEMNITY

8.1 Euros are the sole currency of account and payment for all sums payable by the Issuer under the Notes and the Trust Deed. Any amount received or recovered in a currency other than euros in respect of the Notes (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction or in the winding-up or dissolution of the Issuer, its Subsidiaries or otherwise) by the Trustee or a holder of the Notes in respect of any sum expressed to be due to it from the Issuer shall constitute a discharge of the Issuer only to the extent of the euros amount which the recipient is able to purchase with the amount so received or recovered in such other currency, on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that euro amount is less than the euro amount expressed to be due to the recipient under any Note, the Issuer shall indemnify the recipient against the cost of making any such purchase. For the purposes of this indemnity, it will be sufficient for the Trustee or the holders of the Notes to certify (indicating the sources of information used) that it would have suffered a loss had the actual purchase of euros been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of euros on such date had not been practicable, on the first date on which it would have been practicable).

8.2 The above indemnity, to the extent permitted by law:

(a) constitutes a separate and independent obligation from the other obligations of the Issuer;

(b) shall give rise to a separate and independent cause of action;

(c) shall apply irrespective of any waiver granted by the Trustee or any holder of the Notes; and

(d) shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or any other judgment or order.

The indemnity pursuant to this Condition 8 shall be a senior obligation with respect to the Issuer on the same basis and to the same extent as all other payment obligations of the Issuer hereunder.

9. EVENTS OF DEFAULT

9.1 Each of the following is an Event of Default with respect to the Notes (each, an "**Event of Default**"):

(a) (x) a default in the payment of interest on the Notes when due, continued for 30 days, or (y) a default in the payment of Additional Amounts for 30 days after notice thereof to the Issuer;

(b) a default in the payment of principal of, or premium, if any, on any Note when due at its Stated Maturity, upon optional redemption, a repurchase required by these Conditions, acceleration or otherwise;

(c) failure by the Issuer to comply with its obligations under (x) Condition 5, (y) Condition 6.3 or (z) Condition 6.5;

(d) failure by the Issuer to comply for 60 days after written notice from the Trustee, or holders of at least 25% in aggregate principal amount of Notes, with any other covenant contained in these Conditions or the Trust Deed;

(e) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Issuer or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Issuer or any of its Restricted Subsidiaries), whether such Indebtedness now exists, or is created after the Issue Date, if that default:

(i) is caused by a failure to pay principal of such Indebtedness prior to the expiration of the grace period provided in such Indebtedness on the date of such default (a "**Payment Default**"); or

(ii) results in the acceleration of such Indebtedness prior to its Stated Maturity,

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates €35.0 million or more

(f) the taking of any of the following actions by the Issuer or any Significant Subsidiary pursuant to or within the meaning of any Bankruptcy Law: (A) the commencement of a voluntary case (including, the appointment of a voluntary administrator); (B) the consent to the entry of an order for relief against it in an involuntary case; (C) the consent to the appointment of a Custodian of it or for any substantial part of its property (unless such appointment is done on a solvent basis or is in connection with a transaction or series of related transactions permitted by Condition 6.5) or (D) the making of a general assignment for the benefit of its creditors.

(g) the Issuer or any Significant Subsidiary that is established in France (without prejudice to the other paragraphs of this Condition) (A) is unable to pay its due debt out of its available assets (*cessation des paiements*) within the meaning of Articles L.631-1 et seq. of the French Commercial Code; or (B, without limitation to the foregoing, is subject, on its own initiative or on the initiative of a third party, to: (1) an amicable liquidation or a dissolution (other than merger or dissolution permitted by these Conditions); (2) a request of nomination of a *mandataire ad hoc* as provided in Articles L.611-3 et seq. of the French Commercial Code; (3) the opening of a proceedings for *sauvegarde, sauvegarde financière accélérée, redressement judiciaire* or *liquidation judiciaire*, (4) a bankruptcy judgment (*redressement judiciaire* or *liquidation judiciaire*) in accordance Articles L.631-1 et seq. and L.640-1 et seq. of the French Commercial Code or a judgment for the *cession totale ou partielle de l'entreprise* in accordance with Articles L.642-1 et seq. of the French Commercial Code; or (5) a conciliation proceeding under L.611-4 et seq. of the French Commercial Code;

(h) a court of competent jurisdiction enters an order, judgment or decree under any Bankruptcy Law that: (A) is for relief against the Issuer or any Significant Subsidiary in an involuntary case; (B) appoints a Custodian of the Issuer or any Significant Subsidiary or for any substantial part of any of their respective property; or (C) orders the winding up or liquidation of the Issuer or any Significant Subsidiary (unless such winding up or liquidation is done on a solvent basis or is in connection with a transaction or series of related transactions permitted by Condition 6.5); and in any of (A) through (C) the order or decree remains unstayed and in effect for 60 consecutive days; or

(i) the rendering of any final judgment by a court of competent jurisdiction for the payment of money in an amount (net of any insurance or indemnity payments actually received in respect thereof prior to or within 60 days from the entry thereof, or to be received in respect thereof in the event any appeal thereof will be unsuccessful) in excess of €35.0 million against the Issuer or a Significant Subsidiary that is not discharged, or bonded or insured by a third Person, if such judgment or decree is not discharged, waived or stayed for a period of 60 consecutive days.

9.2 (a) If an Event of Default (other than an Event of Default specified in sub-clauses (f), (g) or (h) of Condition 9.1) occurs and is continuing, the Trustee (subject as provided below in this Condition 9.2) or the holders of at least 25% in principal amount of the outstanding Notes may declare by notice in writing to the Issuer the Notes to be immediately due and repayable at their principal amount together with accrued interest and all other amounts due on all the Notes; *provided*, *however*, that, after such acceleration, but before a judgment or decree based on acceleration, the holders of a majority in aggregate principal amount of the outstanding Notes may rescind and annul such acceleration and waive the related Default and Event of Default (other than an Event of Default referred to in sub-clause (j) of Condition 12.2) (or instruct the Trustee to do so subject as provided in Condition 9.2) if all Events of Default, other than the nonpayment of accelerated principal, interest and other amounts due, have been cured or waived. Upon such a declaration, such principal and interest and all other amounts due shall be due and payable immediately. If an Event of Default relating to sub-clauses (f) (g) or (h) of Condition 9.1 occurs, the Notes will automatically become and be immediately due and payable at such amount aforesaid without any declaration or other act on the part of the Trustee or any holders of the Notes and, for the avoidance of doubt, any requirement for an Event of Default to be continuing will be satisfied upon such acceleration.

(b) Notwithstanding Condition 9.2(a) above, in the event of a declaration of acceleration in respect of the Notes because an Event of Default specified in Condition 9.1(e) above shall have occurred and be continuing, such declaration of acceleration of the Notes and such Event of Default and all consequences thereof (including any acceleration or resulting payment default) shall be annulled, waived and rescinded, automatically and without any action by the Trustee or the holders of the Notes, and be of no further effect, if the payment default or other default triggering such Event of Default pursuant to Condition 9.1(e) shall be remedied or cured by the Issuer or a Restricted Subsidiary or waived by the holders of the relevant Indebtedness within 60 days after the acceleration declaration with respect thereto and if (a) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (b) all existing Events of Default, except nonpayment of principal, premium or interest on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

(c) The Trustee may at any time, at its discretion and without notice, take such steps, actions or proceedings against the Issuer as it may think fit to enforce the provisions of the Trust Deed and the Notes, but it shall not be bound to take any such proceedings or any other step or action in relation to the Trust Deed or the Notes (including, without limitation any action under Condition 9.1 or 9.2(a)) unless (a) subject, where applicable, to the provisions of

Condition 12.1, it has been so directed by an extraordinary resolution of the holders of the Notes or so requested in writing by the holders of at least 25% in principal amount of the Notes then outstanding and (b) it has been indemnified and/or secured and/or pre-funded to its satisfaction.

9.3 In the event that holders of Notes declare the Notes to be accelerated pursuant to Condition 9.2(a), the Trustee shall be entitled to rely on such declaration (or any amendment or rescission referred to in Condition 9.2(b)) without any further investigation or liability to any party in connection therewith. Other than as provided in Condition 9.2, no holder of Notes shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

10. NO PERSONAL LIABILITY OF DIRECTORS, OFFICERS, EMPLOYEES AND SHAREHOLDERS

No director, officer, employee, incorporator or stockholder, as such, of the Issuer or any Subsidiary of any thereof shall have any liability for any obligation of the Issuer under these Conditions, the Trust Deed or the Notes or for any claim based on, in respect of, or by reason of, any such obligation or its creation. Each holder, by accepting the Notes, waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

11. PRESCRIPTION

Claims against the Issuer for payment of principal and interest in respect of the Notes will be prescribed and become void unless made, in the case of principal and premium, within ten years or, in the case of interest and Additional Amounts, within five years after the relevant date for payment thereof.

12. AMENDMENTS AND WAIVERS

12.1 The Trust Deed contains provisions for convening meetings of the holders of the Notes to consider any matter affecting their interests, including the modification or abrogation by extraordinary resolution (within the meaning of the Trust Deed) of any of these Conditions or any of the provisions of the Trust Deed. The quorum at any meeting for passing an extraordinary resolution will be one or more Persons present holding or representing more than 50% in aggregate principal amount of the Notes for the time being outstanding, except that, at any meeting the business of which includes the modification or abrogation of certain of the provisions of these Conditions and certain of the provisions of the Trust Deed in each case as set forth in Condition 12.2 below, the necessary quorum for passing an extraordinary resolution will be one or more Persons present holding or representing not less than 90% of the principal amount of the Notes for the time being outstanding. An extraordinary resolution passed at any meeting of the holders of the Notes will be binding on all holders, whether or not they are present at the meeting. Once the requisite quorum is achieved at any meeting, any extraordinary resolution may be passed by holders of Notes who are present at such meeting and who hold or represent more than 50% in aggregate principal amount of the Notes held by all holders who are present at such meeting.

The Trust Deed also provides that a resolution in writing and signed by or on behalf of more than 50% in aggregate principal amount of Notes for the time being outstanding (or in respect of the matters set forth below in Condition 12.2, not less than 90% in aggregate principal amount of Notes for the time being outstanding) shall have the same effect as an extraordinary resolution passed at a meeting as described above.

12.2 The matters that require a quorum of 90% at any meeting of holders of the Notes or that require a direction or request or the consent of holders of at least 90% in aggregate principal amount of the Notes for the time being outstanding, as described above, are:

(a) reducing the principal amount of Notes whose holders must consent to an amendment or a waiver or the principal amount of Notes required to establish a quorum for passing an extraordinary resolution;

(b) reducing the rate of or extending the time for payment of interest on the Notes;

(c) reducing the principal of or changing the Stated Maturity of the Notes;

(d) reducing the premium payable upon the redemption of, or changing the date for any redemption of, Notes under Condition 3 or Condition 4.3 (or, after a Change of Control has already occurred, Condition 5);

(e) making any of the Notes payable in a currency other than euro;

(f) impairing the right of any holder of the Notes to (i) receive payment of principal of and interest on such holder's Notes on or after the due dates therefor or (ii) institute suit for the enforcement of any payment on or with respect to such holder's Notes;

(g) making any change in the list of matters specified in this Condition 12.2;

(h) making any change in the ranking or priority of any of the Notes that would adversely affect the holders of the Notes;

(i) making any change in the provisions of Condition 4 that adversely affects the rights of the holders of the Notes or amending the terms of the Notes or the Trust Deed in each case in a manner that would result in the loss of an exemption from any of the Taxes described thereunder; or

(j) waiving a default in the payment of principal of or premium or interest on any Notes (except a rescission of acceleration of the Notes by the holders of the Notes thereof as provided above in these Conditions and a waiver of the payment default that resulted from such acceleration).

12.3 The Trustee may agree, without the consent of the holders of the Notes, to any modification (other than any modification concerning a matter listed in Condition 12.2) of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default or Default shall not be treated as such (*provided* that, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the holders of the Notes) or may agree, without any such consent as aforesaid, to any modification which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error.

12.4 In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the holders of the Notes as a class but shall not have regard to any interests arising from circumstances particular to individual holders of the Notes (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any holder of Notes be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders except to the extent already provided for in Condition 4 and/or any undertaking given in addition to, or in substitution for, Condition 4 pursuant to the Trust Deed.

12.5 Any modification, abrogation, waiver, authorisation or determination shall be binding on the holders of the Notes and, unless the Trustee agrees otherwise, shall be notified by the Issuer to the holders as soon as practicable thereafter in accordance with Condition 16.

12.6 The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction.

12.7 The Trust Deed also contains provisions pursuant to which the Trustee is entitled, inter alia, (a) to enter into business transactions with the Issuer and/or any of the Issuer's Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of the Issuer's Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the holders of the Notes and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

12.8 The Trustee may call for and rely upon an Officers' Certificate as to the amount of any defined term used in Condition 6 or 9 as at any given time or for any specified period, as applicable, or as to compliance by the Issuer with any of the covenants contained in these Conditions, in which event such Officers' Certificate shall, in the absence of manifest error, be conclusive and binding on all parties and the Trustee shall not be bound in any such case to call for further evidence or be responsible for any liability that may be occasioned by it or any other person acting on such Officers' Certificate.

13. LISTING

The Issuer will use its commercially reasonable efforts to maintain the listing of the Notes on the Euro MTF of the Luxembourg Stock Exchange (the "**Euro MTF**") for so long as such Notes are outstanding; *provided* that if at any time the Issuer determines that it is unable to list or it can no longer reasonably comply with the requirements for listing the Notes on the Euro MTF or if maintenance of such listing becomes unduly onerous, it will not be obliged to maintain a listing of the Notes on the Euro MTF and will use its commercially reasonable efforts to obtain and maintain a listing of such Notes on another recognised stock exchange in Europe.

14. AGENTS

14.1 The Agents, when acting in that capacity, are acting solely as agents of the Issuer pursuant to the Agency Agreement and (to the extent provided therein and in the Trust Deed) the Trustee and do not assume any obligation towards or relationship of agency or trust for or with any Noteholder.

14.2 The names of the Agents and their specified offices are set out in the Agency Agreement. The Issuer reserves the right under the Agency Agreement at any time with the prior written approval of the Trustee to remove the Registrar and any Paying Agent and to appoint other or further Registrars and Paying Agents; *provided* that it will at all times maintain (i) a Paying Agent having specified offices in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to European Union Directive 2003/48/EC on the taxation of savings income or any other Directive

implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000, or any law implementing or complying with, or introduced in order to conform to, such Directive and (ii) a Registrar with a specified office outside the United Kingdom. At least 30 days notice of any such removal or appointment and of any change in the specified office of the Registrar and any Paying Agent will be given to the holders of the Notes in accordance with Condition 16.

15. REPLACEMENT OF NOTES

If any Note is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the specified office of the Registrar or any Paying Agent upon payment by the claimant of such costs as may be incurred in connection with such replacement and on such terms as to evidence, security, indemnity or otherwise as the Issuer may reasonably require. Mutilated or defaced Notes must be surrendered before replacements will be issued.

16. NOTICES

All notices to the holders of the Notes regarding the Notes will be mailed to them at their respective addresses in the Register and will be deemed to have been given on the fourth Business Day after the date of mailing.

So long as the Notes are represented by a global certificate and such global certificate is held on behalf of a clearing system, notices to the holders of the Notes may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders. In addition, so long as the Notes are listed on the Euro MTF, notices to the holders of the Notes will either be published in a daily newspaper of general circulation in Luxembourg or on the website of the Luxembourg Stock Exchange.

17. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of the Conditions under the Contracts (Rights of Third Parties) Act 1999.

18. GOVERNING LAW, SUBMISSION TO JURISDICTION AND SERVICE OF PROCESS

The Trust Deed and the Notes, including any non-contractual obligations arising out of or in connection with them, are governed by, and shall be construed in accordance with, English law.

The Issuer has agreed in the Trust Deed, for the benefit of the Trustee and the holders of the Notes, that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed or the Notes and that accordingly any suit, action or proceedings (together referred to as "Proceedings" arising out of or in connection with the Trust Deed or the Notes may be brought in such courts.

The Issuer has irrevocably waived in the Trust Deed any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum.

Nothing contained in this Condition shall limit any right of the Trustee, or subject to this Condition, any holder of the Notes to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

The Issuer has agreed in the Trust Deed that the process by which any Proceedings are commenced in England pursuant to this Condition 18 may be served on it by being delivered to Law Debenture Corporate Services Limited, Fifth Floor, 100 Wood Street, London, EC2V 7EX, United Kingdom. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, the Trustee shall be entitled to appoint such a person by written notice to the Issuer. The Issuer has agreed that the failure of any process agent to notify it of any process will not invalidate the relevant proceedings. Nothing herein shall affect the right of the Trustee and the holders of the Notes to serve process in any other manner permitted by law.

19. DEFINITIONS

"**Acquired Debt**" means, with respect to any specified Person:

(i) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Restricted Subsidiary of such specified Person, whether or not such Indebtedness is Incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Restricted Subsidiary; and

(ii) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"**Additional Amounts**" has the meaning set forth in Condition 4.1.

"**Additional Assets**" means:

(i) any property or assets that replace property or assets that are the subject of an Asset Disposition and are to be used in a Permitted Business;

(ii) any property, plant, equipment or other assets (other than Indebtedness or Capital Stock) that are to be used in a Permitted Business;

(iii) the Capital Stock of a Person that becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Issuer or a Restricted Subsidiary;

(iv) the Capital Stock in any Person that at the relevant time is a Restricted Subsidiary acquired from a third party; or

(v) any Capital Stock of any joint venture, including any Qualified Joint Venture, acquired by the Issuer or any Restricted Subsidiary as consideration for the sale or other disposition of any Investments, or the issuance of Capital Stock, in any joint venture, including any Qualified Joint Venture;

provided, *however*, that any such Restricted Subsidiary described in clause (iii) or (iv) above or joint venture described in clause (v) above is engaged in a Permitted Business.

"**Additional Notes**" has the meaning set forth in Condition 2.2.

"**Affiliate**" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any Person means the possession, directly or indirectly, of the power to direct, or cause the direction of, the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise. For purposes of this definition, the terms "controlling", "controlled by" and "under common control with" have meanings correlative to the foregoing.

"**Asset Disposition**" means (a) any sale, lease, issuance, transfer or other disposition of shares of Capital Stock of a Restricted Subsidiary (other than directors' qualifying shares, or shares to be held by third parties to meet applicable legal requirements), or (b) any sale, lease, transfer or other disposition of property or other assets (each such transaction described in (a) or (b) being referred to for purposes of this definition as a "disposition") by the Issuer or any of its Restricted Subsidiaries (including any disposition by means of a merger, consolidation or similar transaction), other than:

(i) any transaction or series of related transactions in which the Issuer and/or the Restricted Subsidiaries dispose of assets or businesses with a Fair Market Value of less than €10.0 million;

(ii) a disposition to the Issuer or a Restricted Subsidiary;

(iii) dispositions of inventory, products, equipment, machinery or services in the ordinary course of business;

(iv) any Restricted Payment permitted pursuant to Condition 6.2 or any Permitted Investment;

(v) a disposition that is governed by Condition 6.5;

(vi) any disposition arising from foreclosure, condemnation or similar action with respect to any property or other assets;

(vii) any disposition of Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary;

(viii) the grant of licences to intellectual property rights to third parties (other than Affiliates of the Issuer or any of its Restricted Subsidiaries) on an arm's length basis;

(ix) dispositions constituting Liens permitted to be Incurred under these Conditions or a foreclosure thereon;

(x) any sale, transfer or other disposition of Securitization Assets in connection with any Qualified Receivables Financing;

(xi) the unwinding of any Hedging Obligations;

(xii) any disposition of obsolete, damaged, surplus or worn-out equipment and any abandonment of any assets that are no longer in use, in each case, in the ordinary course of business;

(xiii) dispositions of accounts receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(xiv) dispositions of cash and Cash Equivalents; or

(xv) the foreclosure, condemnation or any similar action with respect to any property or other assets or a surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind.

"**Attributable Indebtedness**" in respect of a Sale/Leaseback Transaction means, as at the time of determination, the present value (discounted at the interest rate borne by the Notes, compounded annually) of the total Obligations of the lessee for rental payments during the remaining term of the lease included in such Sale/Leaseback Transaction (including any period for which such lease has been extended); *provided*, *however*, that if such Sale/Leaseback Transaction results in a Capital Lease Obligation, the amount of Indebtedness represented thereby will be determined in accordance with the definition of "Capital Lease Obligation".

"**Average Life**" means, as of the date of determination, with respect to any Indebtedness, the quotient obtained by dividing:

(i) the sum of the products of the numbers of years from the date of determination to the dates of each successive scheduled principal payment of or redemption or similar payment with respect to such Indebtedness multiplied by the amount of such payment by

(ii) the outstanding principal amount of such Indebtedness.

"**Bankruptcy Law**" means Title 11, U.S. Code, or any similar U.S. Federal, state or non U.S. law for the relief of debtors, including any of the procedures referred to in Titles I to IV of Book VI of the French Commercial Code, and any analogous procedures in the jurisdiction of organisation of any present or future Significant Subsidiary.

"**Board of Directors**" means, for any Person, the board of directors or other governing body of such Person or, in either case, any committee thereof duly authorised to act on behalf of such board or other governing body. With respect to the Issuer, the "Board of Directors" means the Issuer's board of directors (conseil d'administration) or any committee thereof.

"**Business Day**" means a day other than a Saturday, Sunday or other day on which commercial banking institutions are authorised or required by law to close in London or Paris, and (in relation to any date for payment or purchase of euros) other than any other day on which the Trans-European Automated Real Time Gross Settlement Express Transfer payment system is closed for settlement of payments in euros.

"**Capital Lease Obligation**" means an obligation that is required to be classified and accounted for as a capital or finance lease for financial reporting purposes in accordance with IFRS, and the amount of Indebtedness represented by such obligation shall be the capitalised amount of such obligation determined in accordance with IFRS; and the Stated Maturity thereof shall be the date of the last scheduled payment of rent or any other amount due under such lease without payment of a penalty.

"**Capital Stock**" of any Person means any and all shares, interests (including partnership interests), rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

"**Cash Equivalents**" means any of the following: (i) securities issued or fully guaranteed or insured by the United States of America or a member state of the European Union or any agency or instrumentality of any thereof maturing within 360 days of the date of acquisition thereof; (ii) time deposit accounts, certificates of deposit, banker's acceptances and money market deposits (and similar instruments) with maturities of 12 months or less from the date of acquisition issued by a bank or trust company which is organised under, or authorised to operate as a bank or trust company under, (x) a member state of the European Union or of the United States of America or any state thereof, Canada or Switzerland (*provided* that such bank or trust company has capital, surplus and undivided profits aggregating in excess of US$500.0 million (or the foreign currency equivalent thereof as of the date of the relevant investment) and whose long-term debt is rated at least "A3" by Moody's or at least "A-" by S&P or the equivalent rating category of another internationally recognised rating agency) or (y) any jurisdiction outside the European Union, the United States of America or any state thereof, Canada or Switzerland, *provided* that in the case of (y) such bank or trust company is either (a) a controlled Affiliate of a bank or trust company meeting the conditions of sub-clause (x) or (b) a bank or trust company (including successors thereto) which, at any time during the 12-month period preceding the Issue Date, has issued to the Issuer or any Restricted Subsidiary time deposit accounts, certificates of deposit, bankers' acceptance and money market deposits (and similar instruments) with maturities of 12 months or less from the date of acquisition; (iii) commercial paper of a corporation (other than the Issuer or its Affiliates) maturing not more than 270 days from the date of acquisition, rated at least "A2" or the equivalent thereof by S&P or at least "P2" or the equivalent thereof by Moody's (or, if at such time neither is issuing ratings, then a comparable rating of another nationally recognised rating agency), (iv) money market instruments, commercial paper or other short term obligations rated at least "A2" or the equivalent thereof by S&P or at least "P2" or the equivalent thereof by Moody's (or, if

at such time neither is issuing ratings, then a comparable rating of another nationally recognised rating agency), (v) investments in money market funds subject to the risk limiting conditions of Rule 2a-7 or any successor rule of the SEC under the Investment Company Act of 1940, as amended and (vi) investments correlative in type, maturity and rating to any of the foregoing denominated in foreign currencies or at foreign institutions.

"**Commodities Agreement**" means, in respect of any Person, any commodity futures contract, forward contract, option or similar agreement or arrangement (including derivative agreements or arrangements) designed to protect such Person against, or manage such Person's exposure to, fluctuations in commodity or raw material prices.

"**Consolidated EBITDA**" means, with respect to any specified Person for any period, the Consolidated Net Income of such Person for such period, plus the following to the extent deducted in calculating such Consolidated Net Income, without duplication:

(i) provision for all taxes based on income, profits or capital, for the Issuer and the Restricted Subsidiaries, as determined on a consolidated basis in accordance with IFRS, for such period; plus

(ii) the Fixed Charges of such Person and its Subsidiaries which are Restricted Subsidiaries for such period; plus

(iii) depreciation, amortization (including amortization of intangibles but excluding amortization of prepaid cash expenses that were paid in a prior period) and other non-cash charges and expenses (excluding any such non-cash charge or expense to the extent that it represents an accrual of or reserve for cash charges or expenses in any future period or amortization of a prepaid cash charge or expense that was paid in a prior period) of such Person and its Restricted Subsidiaries for such period; plus

(iv) any expenses or charges of the Issuer and the Restricted Subsidiaries related to any equity offering or issuance or Incurrence of Indebtedness permitted by these Conditions (whether or not consummated or Incurred); plus

(v) any unrealised foreign currency translation losses (including losses related to currency remeasurements of Indebtedness) of such Person and its Restricted Subsidiaries for such period, to the extent that such losses were taken into account in computing such Consolidated Net Income; minus

(vi) any unrealised foreign currency translation gains (including gains related to currency remeasurements of Indebtedness) of such Person and its Restricted Subsidiaries for such period, to the extent that such gains were taken into account in computing such Consolidated Net Income; minus

(vii) non-cash items increasing such Consolidated Net Income for such period, other than the accrual of revenue in the ordinary course of business,

in each case, on a consolidated basis and determined in accordance with IFRS.

"**Consolidated Net Income**" means, for any period, the net income (loss) of the Issuer and its Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with IFRS and before any reduction in respect of Preferred Stock dividends; *provided* that there shall not be included in such Consolidated Net Income:

(i) the net income (loss) of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting, except to the extent of the amount of dividends or similar distributions paid in cash to the specified Person or a Restricted Subsidiary of the Person;

(ii) solely for purposes of the calculation of the Restricted Payments Basket, the net income (loss) of any Restricted Subsidiary during such period to the extent that the declaration or payment of dividends or similar distributions by such Restricted Subsidiary of that income is not permitted by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary during such period (other than (a) restrictions that have been waived or otherwise released, (b) restrictions pursuant to the Notes or the Trust Deed and (c) contractual restrictions in effect on the Issue Date with respect to such Restricted Subsidiary and other restrictions with respect to such Restricted Subsidiary that, taken as a whole, are not materially less favourable to the holders of the Notes than such restrictions in effect on the Issue Date), except that the Issuer's equity in the net income of any such Restricted Subsidiary for such period shall be included in such Consolidated Net Income up to the aggregate amount of any dividend or distribution that was or that could have been made by such Restricted Subsidiary during such period;

(iii) any net after-tax gain or loss realised upon the sale or other disposition of any asset of the Issuer or any Restricted Subsidiary (including pursuant to any Sale/Leaseback Transaction) that is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by the Board of Directors or a member of the senior management of the Issuer);

(iv) any item classified as an extraordinary, unusual or nonrecurring gain, loss or charge (including fees, expenses and charges associated with any acquisition, merger or consolidation after the Issue Date);

(v) the cumulative effect of a change in accounting principles;

(vi) all deferred financing costs written off and premiums paid in connection with any early extinguishment of Indebtedness;

(vii) the ineffective part of gains and losses from Hedging Obligations eligible for hedge accounting under IFRS, and the gains and losses from Hedging Obligations not eligible for hedge accounting under IFRS;

(viii) any non-cash compensation charge arising from any grant of stock, stock options or other equity based awards to the extent otherwise included in Consolidated Net Income; and

(ix) any impairment of goodwill.

Notwithstanding the foregoing, for the purpose of clause (a)(iii)(A) of Condition 6.2 only, there shall be excluded from Consolidated Net Income, without duplication, any dividends, repayments of loans or advances or other transfers of assets from Unrestricted Subsidiaries to the Issuer or a Restricted Subsidiary to the extent such dividends, repayments or transfers are applied by the Issuer to increase the amount of the Restricted Payments Basket pursuant to clause (a)(iii)(C), (D) or (G) of Condition 6.2.

"**Consolidated Senior Net Indebtedness**" means, with respect to the Issuer as of any date of determination, (1) the aggregate amount outstanding on such date of (a) all Indebtedness Incurred by Restricted Subsidiaries of the Issuer under clause (a)(ii) of Condition 6.1 and (b) all Refinancing Indebtedness Incurred by Restricted Subsidiaries of the Issuer under clause (b)(vi) of Condition 6.1 in exchange for, or the net proceeds of which were used to renew, refund, refinance, replace, defease or discharge, any Indebtedness Incurred by Restricted Subsidiaries of the Issuer under clause (a)(ii) of Condition 6.1, less (2) the amount of cash and Cash Equivalents that would be stated on the consolidated balance sheet of the Issuer and its Restricted Subsidiaries as of such date in accordance with IFRS.

"**Consolidated Senior Net Indebtedness Ratio**" means, as of any date of determination, the ratio of (1) the Consolidated Senior Net Indebtedness of the Issuer on such date to (2) the Consolidated EBITDA for the Issuer's most recently ended two fiscal half-years for which internal financial statements are available immediately preceding such date. In the event that the Issuer or any of its Restricted Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems Preferred Stock subsequent to the commencement of the two-half-year reference period for which the Consolidated Senior Net Indebtedness Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Consolidated Senior Net Indebtedness Ratio is made (the "**Calculation Date**"), then the Consolidated Senior Net Indebtedness Ratio will be calculated giving pro forma effect (determined in good faith by a responsible accounting or financial officer of the Issuer) to such incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, or such issuance, repurchase or redemption of Preferred Stock, and the use of the net proceeds therefrom, as if the same had occurred at the beginning of such two-half-year reference period.

In addition, for purposes of calculating the Consolidated Senior Net Indebtedness Ratio:

(i) acquisitions that have been made by the Issuer or any of its Restricted Subsidiaries, including through mergers or consolidations, or any Person or any of its Restricted Subsidiaries acquired by the Issuer or any of the Issuer's Restricted Subsidiaries, and including all related financing transactions and including increases in ownership of Restricted Subsidiaries, during the two-half-year reference period or subsequent to such reference period and on or prior to the Calculation Date, or that are to be made on the Calculation Date, will be given pro forma effect (determined in good faith by a responsible accounting or financial officer of the Issuer) as if they had occurred on the first day of the two-half-year reference period;

(ii) the Consolidated EBITDA attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded;

(iii) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such two-half-year period; and

(iv) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such two-half-year period.

"**Consolidated Total Assets**" means the total amount of the consolidated assets of the Issuer and its consolidated subsidiaries, as set forth as "Total assets" in the consolidated balance sheet of the Issuer, as of the end of the most recently completed fiscal half-year or full year period for which the Issuer's internal financial statements are available.

"**Credit Facilities**" means one or more facilities or arrangements, in each case with one or more banks or other lenders or institutions providing for revolving credit loans, term loans, receivables financings (including, without limitation, through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables or the creation of any Liens in respect of such receivables in favour of such institutions), letters of credit or other Indebtedness, in each case, including all agreements, instruments and documents executed and delivered pursuant to or in connection with any of the foregoing, including but not limited to any notes and letters of credit issued pursuant thereto and any guarantee agreement, letter of credit applications and other guarantees, in each case as the same may be amended, supplemented, waived or otherwise modified from time to time, or refunded, refinanced, restructured (including with respect to structural or contractual subordination), replaced, renewed, repaid, increased or extended from time to time (whether in whole or in part, whether with the original banks, lenders or institutions or other banks, lenders or institutions or otherwise, and whether provided under any original Credit Facility or one or more other credit agreements, commercial paper programs or facilities, indentures, financing agreements or other Credit Facilities or otherwise). Without limiting the generality of the foregoing, the term "Credit Facility" shall include any agreement (i) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (ii) adding Subsidiaries as additional borrowers or guarantors thereunder, (iii) increasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder or (iv) otherwise altering the terms and conditions thereof.

"**Currency Agreement**" means, in respect of any Person, any non-speculative foreign exchange contract, currency swap agreement or other similar agreement or arrangement (including derivative agreements or arrangements) Incurred in the ordinary course of business, as to which such Person is a party or beneficiary.

"**Custodian**" means any receiver, trustee, assignee, liquidator, custodian, voluntary administrator or similar official (including any "administrateur judiciaire", "administrateur provisoire", "mandataire ad hoc", "conciliateur" or "mandataire liquidateur") under any Bankruptcy Law.

"**Default**" means any event that is, or after notice or passage of time or both would be, an Event of Default.

"**Disqualified Stock**" means, with respect to any Person, any Capital Stock which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder) or upon the happening of any event:

(i) matures or is mandatorily redeemable (other than redeemable only for Capital Stock of such Person which is not itself Disqualified Stock) pursuant to a sinking fund Obligation or otherwise;

(ii) is convertible or exchangeable at the option of the holder for Indebtedness or Disqualified Stock; or

(iii) is mandatorily redeemable or must be purchased upon the occurrence of certain events or otherwise, in whole or in part,

in each case on or prior to 91 days after the Stated Maturity of the Notes; *provided*, *however*, that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to purchase or redeem such Capital Stock upon the occurrence of a "change of control" or "asset sale" occurring prior to 91 days after the Stated Maturity of the Notes shall not constitute Disqualified Stock if:

(i) the "change of control" or "asset sale" provisions applicable to such Capital Stock are not more favourable to the holders of such Capital Stock than the terms applicable to the Notes under Condition 5 and Condition 6.3, respectively; and

(ii) any such requirement only becomes operative after compliance with such terms applicable to the Notes, including the purchase of any Notes tendered pursuant thereto.

The amount of any Disqualified Stock that does not have a fixed redemption, repayment or repurchase price will be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were redeemed, repaid or repurchased on any date on which the amount of such Disqualified Stock is to be determined pursuant to these Conditions; *provided*, *however*, that if such Disqualified Stock could not be required to be redeemed, repaid or repurchased at the time of such determination, the redemption, repayment or repurchase price will be the book value of such Disqualified Stock as reflected in the most recent financial statements of such Person.

"**Equity Offering**" means any public or private sale of ordinary shares, preference shares or other Capital Stock of, or contribution to the capital of, the Issuer (excluding Disqualified Stock) (other than a registration statement on Form S 8 or otherwise relating to ordinary shares or common equity issued or issuable under any employee benefit plan).

"**Euro Equivalent**" means, with respect to any monetary amount in a currency other than euro, at any time of determination thereof by the Issuer or the Trustee, the amount of euro obtained by converting such foreign currency involved in such computation into euro at the spot rate for the purchase of euro at such time with the applicable foreign currency as published in The Financial Times in the "Currencies" section (or, if The Financial Times is no longer published, or if such information

is no longer available in The Financial Times, such source as may be selected in good faith by the Issuer or the Trustee, as the case may be) on the date of such determination.

Except as provided for in Condition 6.1, whenever it is necessary to determine whether the Issuer has complied with any covenant in these Conditions or a Default has occurred and an amount is expressed in a currency other than euros, such amount will be treated as the Euro Equivalent determined as of the date such amount is initially determined in such currency.

"**European Union**" means the European Union, including member states prior to 1 May 2004 but excluding any country that became or becomes a member of the European Union on or after 1 May 2004.

"**Event of Default**" has the meaning set forth in Condition 9.1.

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended.

"**Existing Notes**" means (a) the Issuer's €490,000,000 9.375% senior notes due 2016 and (b) any "Additional Notes" issued in accordance with the terms of the trust deed governing the Existing Notes and forming part of the same series as the notes described in (a).

"**Fair Market Value**" means the value that would be paid by a willing buyer to an unaffiliated willing seller in an arm's length transaction not involving distress of either party, as determined in good faith by the Board of Directors or a member of the senior management of the Issuer.

"**Fitch**" means Fitch Ratings and its successors.

"**Fixed Charge Coverage Ratio**" means, for any specified period, the ratio of (1) the Consolidated EBITDA of the Issuer for such period to (2) the Fixed Charges of the Issuer for such period. In the event that the Issuer or any of its Restricted Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems Preferred Stock subsequent to the commencement of the two-half-year reference period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "**Calculation Date**"), then the Fixed Charge Coverage Ratio will be calculated giving pro forma effect (determined in good faith by a responsible accounting or financial officer of the Issuer) to such incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, or such issuance, repurchase or redemption of Preferred Stock, and the use of the net proceeds therefrom, as if the same had occurred at the beginning of such two-half-year reference period.

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

(i) acquisitions that have been made by the Issuer or any of its Restricted Subsidiaries, including through mergers or consolidations, or any Person or any of its Restricted Subsidiaries acquired by the Issuer or any of the Issuer's Restricted Subsidiaries, and including all related financing transactions and including increases in ownership of Restricted Subsidiaries, during the two-half-year reference period or subsequent to such reference period and on or prior to the Calculation Date, or that are to be made on the Calculation Date, will be given pro forma effect (determined in good faith by a responsible accounting or financial officer of the Issuer) as if they had occurred on the first day of the two-half-year reference period;

(ii) the Consolidated EBITDA attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded;

(iii) the Fixed Charges attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of the Issuer or any of its Restricted Subsidiaries following the Calculation Date;

(iv) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such two-half-year period;

(v) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such two-half-year period; and

(vi) if any Indebtedness bears a floating rate of interest, the interest expense on such Indebtedness will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to such Indebtedness if such Hedging Obligation has a remaining term as at the Calculation Date in excess of 12 months).

"**Fixed Charges**" means, with respect to any specified Person for any period, the sum, without duplication, of:

(i) the consolidated interest expense of such Person and its Restricted Subsidiaries for such period, whether paid or accrued, including, without limitation, amortization of debt issuance costs and original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, Attributable Indebtedness and Purchase Money Indebtedness, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings, and net of the effect of all payments made or received pursuant to Hedging Obligations in respect of interest rates; plus

(ii) the consolidated interest expense of such Person and its Restricted Subsidiaries that was capitalized during such period; plus

(iii) any interest on Indebtedness of another Person that is guaranteed by such Person or one of its Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Restricted Subsidiaries, whether or not such guarantee or Lien is called upon; plus

(iv) the product of (a) all dividends, whether paid or accrued and whether or not in cash, on any series of Preferred Stock of such Person or any of its Restricted Subsidiaries, other than dividends on Capital Stock payable solely in Capital Stock of the Issuer (other than Disqualified Stock) or to the Issuer or a Restricted Subsidiary of the Issuer, and (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined federal, state and local statutory tax rate of such Person, expressed as a decimal, in each case, determined on a consolidated basis in accordance with IFRS.

"**guarantee**" means a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take or pay or to maintain financial statement conditions or otherwise). The term "guarantee" used as a verb has a corresponding meaning. The term "guarantor" shall mean any Person guaranteeing any Obligation.

"**Group**" means the Issuer together with any entities which the Issuer accounts for under the full consolidation method of accounting under IFRS.

"**Hedging Obligations**" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Currency Agreement or Commodities Agreement.

"**IFRS**" means International Financial Reporting Standards as in effect on the Issue Date, or, with respect to the reporting requirements set forth in Condition 6.10, as in effect from time to time.

"**Incur**" or "**incur**" means to create, issue, assume, enter into a guarantee of, incur or otherwise become liable for; *provided*, *however*, that any Indebtedness of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Person at the time it becomes a Restricted Subsidiary. The term "Incurrence" when used as a noun shall have a correlative meaning. Solely for purposes of determining compliance with Condition 6.1, the following will not be deemed to be the Incurrence of Indebtedness:

(i) amortization of debt discount or the accretion of principal with respect to a non-interest bearing or other discount security;

(ii) the payment of regularly scheduled interest in the form of additional Indebtedness of the same instrument or the payment of regularly scheduled dividends on Capital Stock in the form of additional Capital Stock of the same class and with the same terms; and

(iii) the Obligation to pay a premium in respect of Indebtedness arising in connection with the issuance of a notice of redemption or the making of a mandatory offer to purchase such Indebtedness.

"**Indebtedness**" means, with respect to any Person on any date of determination (without duplication):

(i) the principal of indebtedness of such Person for borrowed money;

(ii) the principal of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(iii) all reimbursement obligations of such Person in respect of letters of credit or other similar instruments (the amount of such obligations being equal at any time to the aggregate then undrawn and unexpired amount of such letters of credit or other instruments plus the aggregate amount of drawings thereunder that have not then been reimbursed);

(iv) all obligations of such Person to pay the deferred and unpaid purchase price of property (except (x) trade payables and accrued expenses Incurred by such Person in the ordinary course of business, (y) customary reservations or retentions of title under agreements with suppliers entered into in the ordinary course of business and (z) deferred insurance premiums in the ordinary course of business), which purchase price is due more than one year after the date of placing such property in final service or taking final delivery and title thereto;

(v) all Capital Lease Obligations of such Person;

(vi) all Attributable Indebtedness of such Person;

(vii) the redemption, repayment or other repurchase amount of such Person with respect to any Disqualified Stock of such Person or any Preferred Stock of a Subsidiary of such Person, but excluding, in each case, any accrued dividends (the amount of such obligation to be equal at any time to the maximum fixed involuntary redemption, repayment or repurchase price for such Capital Stock, or if less (or if such Capital Stock has no such fixed price), to the involuntary redemption, repayment or repurchase price therefor calculated in accordance with the terms thereof as if then redeemed, repaid or repurchased, and if such price is based upon or measured by the Fair Market Value of such Capital Stock;

(viii) all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided* that the amount of Indebtedness of such Person shall be the lesser of (A) the Fair Market Value of such asset at such date of determination and (B) the amount of such Indebtedness of such other Persons;

(ix) all guarantees by such Person of Indebtedness of other Persons, to the extent so guaranteed by such Person; and

(x) to the extent not otherwise included in this definition, net Hedging Obligations of such Person (the amount of any such obligation to be equal at any time to the greater of (x) the termination value of such agreement or arrangement giving rise to such Hedging Obligation that would be payable by such Person at such time and (y) the amount required under IFRS to be reflected on the balance sheet of such Person at such time),

if and to the extent any of the preceding items (other than items described under clauses (iii), (vi), (viii), (ix) and (x) above) would appear as a liability on a balance sheet (excluding the footnotes thereto) of the specified Person prepared in accordance with IFRS.

The term "**Indebtedness**" shall not include:

(i) in connection with the purchase by the Issuer or any of its Restricted Subsidiaries of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; *provided*, *however*, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 30 days thereafter;

(ii) any contingent obligations in respect of workers' compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage Taxes;

(iii) anything accounted for as an operating lease in accordance with IFRS; and

(iv) obligations under or in respect of any Qualified Receivables Financing.

"**Interest Rate Agreement**" means any non-speculative interest rate swap agreement, interest rate cap agreement or other financial agreement or arrangement with respect to exposure to interest rates Incurred in the ordinary course of business.

"**Investment**" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including guarantees or other obligations, but excluding advances or extensions of credit to customers or suppliers made in the ordinary course of business), advances or capital contributions (excluding commission, travel and similar advances to Officers and employees made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Capital Stock or other securities, together with all items that are or would be classified as Investments on a balance sheet prepared in accordance with IFRS. If the Issuer or any Restricted Subsidiary sells or otherwise disposes of any Capital Stock of any direct or indirect Restricted Subsidiary such that, after giving effect to any such sale or disposition, such Person is no longer a Restricted Subsidiary, the Issuer will be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Issuer's Investments in such Restricted Subsidiary that were not sold or disposed of, in an amount determined pursuant to Condition 6.2(a)(iii). The acquisition by the Issuer or any Restricted Subsidiary of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Issuer or such Restricted Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investments held by the acquired Person in such third Person. Except as otherwise provided in

the Trust Deed, the amount of an Investment will be determined at the time the Investment is made and without giving effect to subsequent changes in value.

For purposes of the definition of "**Unrestricted Subsidiary**", the definition of "**Restricted Payment**" and Condition 6.2:

(i) "**Investment**" shall include the portion (proportionate to the Issuer's equity interest in such Subsidiary) of the Fair Market Value of the net assets of any Subsidiary of the Issuer at the time that such Subsidiary is designated an Unrestricted Subsidiary; *provided*, *however*, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Issuer shall be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary equal to the excess (if any) of (i) the Issuer's "Investment" in such Subsidiary at the time of such redesignation less (ii) the portion (proportionate to the Issuer's equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary at the time of such redesignation; and

(ii) any property transferred to or from an Unrestricted Subsidiary shall be valued at its Fair Market Value at the time of such transfer.

"**Issue Date**" means the date of original issuance of the Notes.

"**Lien**" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind securing any Obligation of any Person (including any title transfer or other title retention agreement having a similar effect).

"**Maturity Date**" has the meaning set forth in Condition 2.1.

"**Moody's**" means Moody's Investors Service, Inc. and its successors.

"**Net Available Cash**" from an Asset Disposition means cash and Cash Equivalents payments received (including any cash or Cash Equivalents payments received by way of deferred payment of principal pursuant to a note or instalment receivable or otherwise, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring Person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of:

(i) all legal, title and recording tax expenses, commissions and other fees and expenses incurred or accrued in connection with the Asset Disposition, and all Taxes required to be paid or accrued as a liability under IFRS, as a consequence of such Asset Disposition (including as a consequence of any transfer of funds in connection with the application thereof in accordance with the covenant described in Condition 6.3);

(ii) all payments made, and all instalment payments required to be made, on any Indebtedness that is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon such assets, or that must by its terms, or in order to obtain a necessary consent to such Asset Disposition (including as a consequence of any transfer of funds in connection with the application thereof in accordance with Condition 6.3), or by applicable law, be repaid out of the proceeds from or in connection with such Asset Disposition;

(iii) all distributions and other payments required to be made to minority interest holders in Subsidiaries or joint ventures as a result of such Asset Disposition, or to any other Person (other than the Issuer or a Restricted Subsidiary) owning a beneficial interest in the assets disposed of in such Asset Disposition;

(iv) brokerage commissions and other fees and expenses (including fees, discounts and expenses of legal counsel, accountants and investment banks, consultants and placement agents) of such Asset Disposition;

(v) payments of unassumed liabilities (not constituting Indebtedness) relating to the assets sold at the time of, or within 30 days after the date of, such Asset Disposition; and

(vi) appropriate amounts to be provided, reserved or retained by the Issuer or any Restricted Subsidiary, as the case may be, against any adjustment in the sale price of such asset or assets or liabilities associated with such Asset Disposition and retained by the Issuer or any Restricted Subsidiary, as the case may be, after such Asset Disposition, including pensions and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Disposition,

in the case of each of (i) through (vi), as determined by the Issuer in good faith; *provided*, *however*, that any amounts remaining after adjustments, revaluations or liquidations of such reserves shall constitute Net Available Cash.

"**Net Cash Proceeds**", with respect to any issuance or sale of any securities of the Issuer or any Subsidiary by the Issuer or such Subsidiary, as the case may be, or any capital contributions, means the cash proceeds of such issuance, sale or contribution net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, discounts or commissions and brokerage, consultant and other fees actually incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

"**Noteholder**" or "**holder**" means the Person in whose name a Note is registered on the Registrar's books.

"**Obligations**" means, with respect to any Indebtedness, all obligations for principal, premium, interest, penalties, fees, indemnifications, reimbursements and other amounts payable pursuant to the documentation governing such Indebtedness.

"**Officer**" means the Chairman of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer or any other member of the Executive Committee of the Issuer.

"**Officers' Certificate**" means a certificate signed by two Officers.

"**Opinion of Counsel**" means a written opinion from legal counsel who is reasonably acceptable to the Trustee. Such counsel may be an employee of or counsel to the Issuer.

"**outstanding**" means in relation to the Notes all the Notes (including Additional Notes, if any) issued other than:

(i) those Notes which have been redeemed or purchased and cancelled;

(ii) those Notes in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption moneys (including premium (if any) and all interest payable thereon) have been duly paid to the Trustee or to the relevant Paying Agent in the manner provided in the Agency Agreement (and where appropriate notice to that effect has been given to the holders of the Notes in accordance with Condition 16) and remain available for payment (against presentation of the relevant Note, if required);

(iii) those Notes which have become void under Condition 11;

(iv) those mutilated or defaced Notes which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Condition 15;

(v) (for the purpose only of ascertaining the principal amount of the Notes outstanding and without prejudice to the status for any other purpose of the relevant Notes) those Notes which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to Condition 15; and

(vi) a Global Certificate (within the meaning of the Trust Deed) to the extent that it shall have been exchanged for Notes in definitive form pursuant to its provisions;

provided that for each of the following purposes, namely:

(i) the right to attend and vote at any meeting of the Noteholders, or any of them, an extraordinary resolution or any written consent and any direction or request by the holders of the Notes;

(ii) the determination of how many and which Notes are for the time being outstanding for the purposes of Conditions 9 and 12;

(iii) any discretion, power or authority (whether contained in these presents or vested by operation of law) which the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the holders of the Notes or any of them; and

(iv) the determination by the Trustee whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the holders of the Notes or any of them,

those Notes (if any) which are for the time being held or beneficially owned by the Issuer, any Subsidiary of the Issuer or any of the their Affiliates shall (unless and until ceasing to be so held) be deemed not to be outstanding.

"**Pari Passu Indebtedness**" means any Indebtedness of the Issuer that ranks pari passu in right of payment with the Notes.

"**Permitted Business**" means (i) any business, services or activities engaged in by the Issuer or any of its Restricted Subsidiaries on the Issue Date and any other business, services or activities in the transportation industry and (ii) any businesses, services and activities that are related, complementary, incidental, ancillary or similar to any of those described in clause (i) or are extensions or developments of any thereof.

"**Permitted Indebtedness**" has the meaning set forth in Condition 6.1(b).

"**Permitted Investment**" means an Investment by the Issuer or any Restricted Subsidiary in, or consisting of, any of the following:

(i) the Issuer, a Restricted Subsidiary or a Person that will, upon the making of such Investment, become a Restricted Subsidiary;

(ii) another Person if, as a result of such Investment, such other Person is merged or consolidated with or into, or transfers or conveys all or substantially all its assets to, the Issuer or a Restricted Subsidiary;

(iii) cash and Cash Equivalents;

(iv) payroll, travel, entertainment, moving and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses in accordance with IFRS and that are made in the ordinary course of business;

(v) loans or advances to employees, directors and officers made in the ordinary course of business in an aggregate principal amount at any time outstanding not to exceed €1.0 million;

(vi) stock, Obligations, securities or other Investments received in settlement of debts created in the ordinary course of business and owing to the Issuer or any Restricted Subsidiary, or as a result of foreclosure, perfection or enforcement of any Lien, or in satisfaction of judgments;

(vii) any Person to the extent such Investment represents the consideration received for or retained in connection with, sales or other dispositions of property or assets, including Asset Dispositions to the extent permitted pursuant to Condition 6.3 (other than consideration comprising assets described in clause (v) of the definition of "Additional Asset");

(viii) any Person where such Investment was acquired by the Issuer or any of its Restricted Subsidiaries (i) in exchange for any other Investment or accounts receivable held by the Issuer or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of the issuer of such other Investment or accounts receivable or (ii) as a result of a foreclosure, perfection or enforcement by the Issuer or any of its Restricted Subsidiaries with respect to any Lien, secured Investment or other transfer of title with respect to any Lien or secured Investment in default;

(ix) Investments by the Issuer or a Restricted Subsidiary in any Qualified Joint Venture having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (ix) that are at the time outstanding, not to exceed 8.0% of Consolidated Total Assets; *provided* that in the case of the concurrent purchase and sale or exchange of outstanding Investments in one or more Qualified Joint Ventures for Investments in one or more other Qualified Joint Ventures, such amount shall be calculated after giving effect to such purchase and sale or exchange;

(x) pledges or deposits with respect to leases or utilities provided to third parties in the ordinary course of business;

(xi) any Person to the extent such Investments consist of Hedging Obligations otherwise permitted under Condition 6.1(b)(vii);

(xii) Investments in existence or made pursuant to legally binding written commitments in existence on the Issue Date and any extension, modification or renewal thereof, *provided* that the amount of any such Investment may only be increased (a) as required by the terms of such Investment as in existence on the Issue Date or (b) as otherwise permitted under the Trust Deed;

(xiii) Investments in the Notes issued on the Issue Date and any Additional Notes;

(xiv) any guarantee of Indebtedness permitted to be Incurred by Condition 6.1;

(xv) investments in receivables owing to the Issuer or any of its Restricted Subsidiaries created or acquired in the ordinary course of business;

(xvi) any Investment in connection with a Qualified Receivables Financing;

(xvii) any Investment to the extent made using Capital Stock of the Issuer (other than Disqualified Stock) as consideration;

(xviii) Investments acquired after the Issue Date as a result of the acquisition by the Issuer or any Restricted Subsidiary of another Person, including by way of a merger, amalgamation or consolidation with or into the Issuer or any of its Restricted Subsidiaries in a transaction that is not prohibited by Condition 6.5, after the Issue Date to the extent that such Investments were not made in contemplation of such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger or consolidation; and

(xix) other Investments in any Person having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (xix) that are at the time outstanding, not exceeding €100.0

million; *provided* that if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the terms of these Conditions, such Investment, if applicable, shall thereafter be deemed to have been made pursuant to clause (i) of this definition of "Permitted Investment" and not this clause.

With respect to Investments made pursuant to Condition 6.2(b)(xi) or clause (ix) or (xix) of this definition of "Permitted Investment", the amount of Investments outstanding at any time pursuant to such clause shall be deemed to be reduced (without duplication of anything contained in the proviso to such clause (xix)):

(i) upon the disposition or repayment of or return on any Investment made pursuant to such Condition or clause, by an amount equal to the return of capital with respect to such Investment to the Issuer or any Restricted Subsidiary (to the extent not included in the computation of the Restricted Payments Basket); and

(ii) upon a redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary, by an amount equal to the lesser of (x) the Fair Market Value of the Issuer's proportionate interest in such Subsidiary immediately following such redesignation, and (y) the aggregate amount of Investments in such Subsidiary that increased (and did not previously decrease) the amount of Investments outstanding pursuant to such Condition or clause.

"**Permitted Liens**" means, with respect to any Person:

(i) pledges, deposits or Liens in connection with pensions, workers' compensation, unemployment insurance and other social security and other similar legislation or other insurance related obligations (including, without limitation, pledges or deposits securing liability to insurance carriers under insurance or self insurance arrangements);

(ii) pledges, deposits or Liens to secure the performance of bids, tenders, trade, government or other contracts (other than for borrowed money), obligations for utilities, leases, licences, statutory obligations, completion guarantees, surety, judgment, appeal or performance bonds, other similar bonds, instruments or obligations, and other obligations of a like nature incurred in the ordinary course of business;

(iii) Liens imposed by law, such as carriers', warehousemen's mechanics', landlord's, material men's repair men's or other like Liens, in each case for sums not overdue for a period of more than 60 days or that are bonded or that are being contested in good faith by appropriate proceedings and, to the extent required by IFRS, with respect to which appropriate reserve or other provisions have been made in respect thereof, or other Liens arising out of judgments or awards against such Person with respect to which such Person shall then be proceeding with a good faith appeal or other proceedings for review and, to the extent required by IFRS, with respect to which appropriate reserve or other provisions have been made in respect thereof, and Liens arising solely by virtue of any statutory or common law provision relating to banker's Liens, rights of set off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depository institution;

(iv) Liens for taxes, assessments or other governmental charges not yet delinquent or the nonpayment of which in the aggregate would not reasonably be expected to have a material adverse effect on the Issuer and its Restricted Subsidiaries or that are being contested in good faith and by appropriate proceedings if adequate reserves with respect thereto are maintained on the books of the Issuer or a Subsidiary thereof, as the case may be, in accordance with IFRS;

(v) Liens in favour of issuers of surety bonds or letters of credit issued pursuant to the request of and for the account of such Person in the ordinary course of its business; *provided*, *however*, that such letters of credit do not constitute Indebtedness for borrowed money;

(vi) filing of Uniform Commercial Code financing statements under U.S. state law (or similar filings under other applicable jurisdictions) in connection with operating leases in the ordinary course of business;

(vii) bankers' Liens, rights of setoff or similar rights and remedies as to deposit accounts, Liens arising out of judgments or awards not constituting an Event of Default and notices of lis pendens and associated rights related to litigation being contested in good faith by appropriate proceedings and for which adequate reserves have been made;

(viii) Liens on cash, Cash Equivalents or other property arising in connection with the defeasance, discharge or redemption of Indebtedness;

(ix) Liens securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities;

(x) any interest or title of a lessor under any operating lease;

(xi) easements (including reciprocal easement agreements), rights of way, building, zoning and similar restrictions, utility agreements, covenants, reservations, restrictions, encroachments, charges, and other similar encumbrances or title defects incurred, or leases or subleases granted to others, in the ordinary course of business, which do not in the aggregate materially interfere with the ordinary conduct of the business of the Issuer and its Subsidiaries, taken as a whole;

(xii) Liens on property or shares of Capital Stock of another Person at the time such other Person becomes a Subsidiary of such Person; *provided*, *however*, that such Liens were not Incurred in contemplation of such acquisition and the Liens may not extend to any other property owned by such Person or any of its Restricted Subsidiaries (other than assets and property affixed or appurtenant thereto);

(xiii) Liens on property at the time such Person or any of its Subsidiaries acquires the property, including any acquisition by means of a merger or consolidation with or into such Person or a Subsidiary of such Person; *provided*, *however*, that such Liens were not Incurred in contemplation of such acquisition and the Liens may not extend to any other property owned by such Person or any of its Restricted Subsidiaries (other than assets and property affixed or appurtenant thereto);

(xiv) Liens securing (a) Hedging Obligations incurred in accordance with Condition 6.1(b)(vii) and (b) Purchase Money Indebtedness or Capital Lease Obligations incurred in accordance with Condition 6.1(b)(xi) and covering only the assets acquired with or financed by the proceeds of such Purchase Money Indebtedness or Capital Lease Obligations;

(xv) Liens existing on, or provided for under written arrangements existing on, the Issue Date, or securing any Refinancing Indebtedness in respect of such Indebtedness so long as the Lien securing such Refinancing Indebtedness is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or under such written arrangements could secure) the original Indebtedness;

(xvi) (a) Liens arising out of judgments, decrees, orders or awards (not otherwise giving rise to a Default) in respect of which the Issuer shall in good faith be prosecuting an appeal or proceedings for review, which appeal or proceedings shall not have been finally terminated, or if the period within which such appeal or proceedings may be initiated shall not have expired; and (b) leases, subleases, licenses or sublicenses of property and assets to third parties;

(xvii) Liens (a) created for the benefit of (or to secure) the Notes or (b) in favour of the Issuer or any Restricted Subsidiary;

(xviii) Liens on Capital Stock or other securities of an Unrestricted Subsidiary that secure Indebtedness or other obligations of such Unrestricted Subsidiary;

(xix) any encumbrance or restriction (including, but not limited to, put and call agreements) with respect to Capital Stock of any joint venture, including any Qualified Joint Venture, or similar arrangement pursuant to any joint venture or similar agreement;

(xx) Liens securing Refinancing Indebtedness Incurred in respect of any Indebtedness secured by, or securing any refinancing, refunding, extension, renewal or replacement (in whole or in part) of any other obligation secured by, any other Permitted Liens, *provided* that any such new Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the obligations to which such Liens relate;

(xxi) Liens on specific items of inventory or other goods (and the proceeds thereof) of any Person securing such Person's obligations in respect of bankers' acceptances issued or created in the ordinary course of business for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(xxii) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods or assets entered into in the ordinary course of business;

(xxiii) Liens on Securitization Assets and related assets Incurred in connection with any Qualified Receivables Financing;

(xxiv) Liens on insurance policies and proceeds thereof, or other deposits, to secure insurance premium financings;

(xxv) any extension, renewal, refinancing or replacement, in whole or in part, of any Lien described in the foregoing clauses (i) through (xxiv), *provided* that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or,

under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced; and

(xxvi) Liens on property or assets of the Issuer to secure obligations of the Issuer in an aggregate amount at any time outstanding not to exceed €50.0 million.

For purposes of this definition, the term "Indebtedness" shall be deemed to include interest on such Indebtedness.

"**Person**" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"**Preferred Stock**", as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated), including 'actions de préférence' issued under French law, that by its terms is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"**principal**" of a Note means the principal amount of the Note plus (unless the context requires otherwise) the premium, if any, payable on the Note that is due or overdue or is to become due at the relevant time.

"**Purchase Money Indebtedness**" means any Indebtedness (including Capital Lease Obligations) Incurred to finance the acquisition, leasing, construction, addition or improvement of property (real or personal) or assets, and whether acquired through the direct acquisition of such property or asset or the acquisition of the Capital Stock of any Person owning such property or assets or otherwise.

"**Qualified Joint Venture**" means any entity in which the Issuer or any Restricted Subsidiary owns 50.0% or less of the Capital Stock and that, directly or through Subsidiaries, is engaged in a Permitted Business.

"**Qualified Receivables Financing**" means any financing pursuant to which the Issuer or any of its Restricted Subsidiaries may sell, convey or otherwise transfer to any other Person, or grant a security interest in, any accounts receivable (and related assets) in any aggregate principal amount equal to the Fair Market Value of such accounts receivable (and related assets), whether now existing or arising in the future, of the Issuer or any of its Restricted Subsidiaries; *provided* that (a) the covenants, events of default and other provisions applicable to such financing shall be customary for such transactions and shall be on market terms (as determined in good faith by a responsible accounting officer of the Issuer) at the time such financing is entered into, (b) the interest rate applicable to such financing shall be a market interest rate (as determined in good faith by a responsible accounting officer of the Issuer) at the time such financing is entered into and (c) such financing shall be non-recourse to the Issuer or any of its Restricted Subsidiaries except to the extent customary for such transactions.

"**refinance**" means, in respect of any Indebtedness, to refinance, extend, renew, refund, repay, prepay, purchase, redeem, substitute, supplement, reissue, restate, amend, defease or retire, or to issue other Indebtedness in exchange or replacement for, such Indebtedness. The terms "refinanced" and "refinancing" shall have correlative meanings.

"**Refinancing Indebtedness**" means Indebtedness that is Incurred to refinance any Indebtedness existing on the Issue Date or Incurred in compliance with these terms and conditions (including Indebtedness of the Issuer that refinances Indebtedness of any Restricted Subsidiary (to the extent permitted in these Conditions) and Indebtedness of any Restricted Subsidiary that refinances Indebtedness of another Restricted Subsidiary) including Indebtedness that refinances Refinancing Indebtedness; *provided* that (1) if the Indebtedness being refinanced (the "**Refinanced Indebtedness**") is Subordinated Indebtedness, then such Refinancing Indebtedness, by its terms, shall be subordinate in right of payment to the Notes, at least to the same extent as the Refinanced Indebtedness was so subordinate, (2) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of (x) the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Refinanced Indebtedness, plus (y) accrued and unpaid interest thereon plus (z) fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such Refinancing Indebtedness, (3) such Refinancing Indebtedness (x) has a final maturity date that is either (i) no earlier than the final maturity date of the Indebtedness being refinanced or (ii) after the final maturity date of the Notes and (y) has an Average Life as of the date of its Incurrence that is equal to or greater than the Average Life of the Refinanced Indebtedness and (4) Refinancing Indebtedness shall not include (x) Indebtedness of a Restricted Subsidiary that refinances Indebtedness of the Issuer or (y) Indebtedness of the Issuer or a Restricted Subsidiary that refinances Indebtedness of an Unrestricted Subsidiary.

"**Restricted Investment**" means an Investment other than a Permitted Investment.

"**Restricted Payment**" means:

(i) the declaration or payment of any dividends or any other distributions of any sort in respect of the Issuer's or any Restricted Subsidiary's Capital Stock (including, without limitation, any payment in connection with any merger or consolidation involving the Issuer or any of its Restricted Subsidiaries) or to the direct or indirect holders of the Issuer's or any Restricted Subsidiary's Capital Stock in their capacity as holders (other than (i)

dividends or distributions payable solely in Capital Stock (other than Disqualified Stock) of the Issuer, and (ii) dividends, loans, advances or distributions payable to the Issuer or any Restricted Subsidiary and, in the case of any such Restricted Subsidiary making such dividend or distribution, to other holders of its Capital Stock on no more than a pro rata basis, measured by value);

(ii) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value (including, without limitation, in connection with any merger or consolidation involving the Issuer) of any Capital Stock of the Issuer or any parent entity of the Issuer held by any Person;

(iii) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment of any Subordinated Indebtedness of the Issuer (other than a payment of interest or principal at the Stated Maturity thereof or the purchase, redemption, defeasance or other acquisition or retirement of any such Subordinated Indebtedness in anticipation of satisfying a sinking fund obligation, principal instalment or final maturity, in each case due within one year of the date of such purchase, redemption, defeasance or other acquisition or retirement); or

(iv) the making of Restricted Investment.

"**Restricted Payments Basket**" has the meaning set forth in Condition 6.2(a)(iii).

"**Restricted Subsidiary**" means any Subsidiary of the Issuer that is not an Unrestricted Subsidiary; *provided*, *however*, that in the event that any Restricted Subsidiary that is a Subsidiary solely as a result of it having been deemed to be a Subsidiary pursuant to the proviso to sub-clause (i) of the definition of "Subsidiary" ceases to be so deemed to be a Subsidiary, the Issuer will be deemed to have made an Investment as of the date of such cessation in an amount equal to the aggregate Fair Market Value of all outstanding Investments owned by the Issuer and its Restricted Subsidiaries in such Person (being equal, in the case of the Issuer's direct or indirect equity interest in such Person, to the portion (proportionate to such equity interest) of the Fair Market Value of the net assets of such Person).

"**S&P**" means Standard & Poor's Ratings Group and its successors.

"**Sale/Leaseback Transaction**" means a financing arrangement relating to property owned by the Issuer or a Restricted Subsidiary on the Issue Date or thereafter acquired by the Issuer or a Restricted Subsidiary whereby the Issuer or a Restricted Subsidiary transfers such property to a Person and the Issuer or a Restricted Subsidiary leases it from such Person.

"**SEC**" means the U.S. Securities and Exchange Commission.

"**Securitization Assets**" means any accounts receivable (and related assets), whether now existing or arising in the future, that are subject to a Qualified Receivables Financing.

"**Senior Credit Facility**" means the €1,150 million syndicated multi-currency revolving credit facility dated 20 December 2011 between the Issuer and BNP Paribas, Crédit Agricole Corporate and Investment Bank, Natixis and Société Générale, among others.

"**Significant Subsidiary**" means any Restricted Subsidiary of the Issuer which meets any of the following conditions:

(i) the Issuer's and its other Restricted Subsidiaries' investments in and advances to the Subsidiary exceed 10.0% of the total assets of the Issuer and its Restricted Subsidiaries consolidated as of the end of the most recently completed fiscal year;

(ii) the Issuer's and its other Restricted Subsidiaries' proportionate share of the total assets (after intercompany eliminations) of the Subsidiary exceeds 10.0% of the total assets of the Issuer and its Restricted Subsidiaries consolidated as of the end of the most recently completed fiscal year; or

(iii) the Issuer's and its other Restricted Subsidiaries' share of the income from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principle of the subsidiary exclusive of amounts attributable to any non-controlling interests exceeds 10.0% of such income of the Issuer and its Restricted Subsidiaries consolidated for the most recently completed fiscal year;

provided, *however*, that any Restricted Subsidiary of the Issuer, which, when aggregated with all other Restricted Subsidiaries of the Issuer that are not otherwise Significant Subsidiaries and as to which any event described in clauses (f), (g) and/or (h) of Condition 9.1 has occurred, shall be deemed to constitute a Significant Subsidiary in accordance with the criteria set forth above.

"**Stated Maturity**" means, with respect to any security or indebtedness, the date specified in such security or indebtedness as the fixed date on which the payment of principal of such security or indebtedness is due and payable, including pursuant

to any mandatory redemption provision (but excluding any provision providing for the repurchase or repayment of such security at the option of the holder thereof upon the happening of any contingency).

"**Subordinated Indebtedness**" means any Indebtedness of the Issuer (whether outstanding on the Issue Date or thereafter Incurred) that is expressly subordinated in right of payment to Indebtedness under the Notes pursuant to a written agreement.

"**Subsidiary**" means, with respect to any specified Person:

(i) any corporation, association, société d'exercice libéral or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders' agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); *provided* that any corporation, association or other business entity shall also be deemed to be a Subsidiary if and for so long as such corporation, association or other business entity is consolidated in the financial statements of such Person according to the full consolidation method in accordance with IFRS; and

(ii) any partnership or limited liability company (other than entities covered by clause (i) of this definition) of which (a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise, and (b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"**Unrestricted Subsidiary**" means:

(i) any Subsidiary of the Issuer that at the time of determination is an Unrestricted Subsidiary, as designated by the Board of Directors in the manner provided below; and

(ii) any Subsidiary of an Unrestricted Subsidiary.

The Issuer may designate any Subsidiary (including any newly formed or newly acquired Subsidiary) of the Issuer as an "Unrestricted Subsidiary" if no Default shall have occurred and be continuing at the time of or after giving effect to such Designation and the Issuer would be permitted to make, at the time of such designation (a) a Permitted Investment or (b) an Investment pursuant Condition 6.2(a), in an amount equal to the Fair Market Value of the Issuer's proportionate interest in such Subsidiary on such date. Notwithstanding the foregoing, no Subsidiary shall be designated as an "Unrestricted Subsidiary" if such Subsidiary or any of its Subsidiaries owns any Capital Stock or Indebtedness of, or owns or holds any Lien on any property of, the Issuer or any other Restricted Subsidiary of the Issuer that is not a Subsidiary of the Subsidiary to be so designated. The Issuer may redesignate an Unrestricted Subsidiary as a Restricted Subsidiary if (1) no Default shall have occurred and be continuing at the time of and after giving effect to such redesignation and (2) all Liens, Indebtedness and Investments of such Unrestricted Subsidiary outstanding immediately following such redesignation would, if Incurred or made at such time, have been permitted to be Incurred or made for all purposes of the Trust Deed. Any such designation or redesignation by the Board of Directors shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the resolution of the Issuer's Board of Directors giving effect to such designation and an Officers' Certificate of the Issuer certifying that such designation or redesignation complied with the foregoing provisions.

"**Voting Stock**" means, at any time, all classes of Capital Stock of the Issuer then outstanding and normally entitled to vote in the Issuer's general shareholders' meetings.

BOOK-ENTRY, DELIVERY AND FORM

The Notes will be issued only in registered form and in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof.

The Notes are being sold in reliance on Regulation S ("**Regulation S**") under the United States Securities Act of 1933, as amended (the "**Securities Act**") and will be represented on issue by an offshore global note (the "**Global Note**"), that will represent the aggregate principal amount of the Notes. The Global Note will be deposited with, and registered in the name of a nominee for the common depositary for, Euroclear Bank S.A./N.V., ("**Euroclear**") and Clearstream, Luxembourg ("**Clearstream**"). Beneficial interests in the Global Note may be held only through Euroclear or Clearstream or their participants at any time. By acquisition of a beneficial interest in the Global Note, the purchaser will be required to certify that it is either (i) a non-US person (as such term is defined in Regulation S) or (ii) a US person who purchased the Notes in a transaction not requiring registration under the Securities Act. See "Subscription and Sale of the Notes".

Beneficial interests in the Global Note will be subject to certain restrictions on transfer set out therein and under "Subscription and Sale of the Notes" and in the Agency Agreement.

Except in the limited circumstances described below (see "– Exchange of Global Notes for Definitive Notes"), owners of beneficial interests in the Global Note will not be entitled to receive physical delivery of Notes.

For so long as any of the Notes are represented by the Global Note, each person (other than another clearing system) who is for the time being shown in the records of Euroclear or Clearstream (as the case may be) as the holder of a particular aggregate principal amount of such Notes (each an "**Accountholder**") (in which regard any certificate or other document issued by Euroclear or Clearstream (as the case may be) as to the aggregate principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes) shall be treated as the holder of such aggregate principal amount of such Notes (and the expression "**Noteholders**" and references to "**holding of Notes**" and to "**holder of Notes**" shall be construed accordingly) for all purposes other than with respect to payments on such Notes, the right to which shall be vested solely in the nominee for the relevant clearing system (the "**Relevant Nominee**") in accordance with and subject to the terms of the Global Note. Each Accountholder must look solely to Euroclear or Clearstream, as the case may be, for its share of each payment made to the Relevant Nominee.

The Notes will be subject to certain transfer restrictions and certification requirements as set forth under "Subscription and Sale of the Notes".

Depository Procedures

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream (together, the "**Clearing Systems**") currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable, but none of the Issuer or the Managers takes any responsibility for the accuracy of this section. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer or any other party to the Trust Deed will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Clearing Systems

Euroclear and Clearstream

Euroclear and Clearstream each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective participants may settle trades with each other. Euroclear and Clearstream customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

Registration and Form

Book-entry interests in the Notes held through Euroclear and Clearstream will be represented by the Global Note registered in the name of a nominee of, and held by, a common depositary for Euroclear and Clearstream. As necessary, the Registrars will adjust the amounts of Notes on the Register for the accounts of Euroclear and Clearstream to reflect the amounts of Notes held through Euroclear and Clearstream, respectively. Beneficial ownership of book-entry interests in Notes will be held through financial institutions as direct and indirect participants in Euroclear and Clearstream.

The aggregate holdings of book-entry interests in the Notes in Euroclear and Clearstream will be reflected in the book-entry accounts of each such institution. Euroclear or Clearstream, as the case may be, and every other intermediate holder in the chain to the beneficial owner of book-entry interests in the Notes will be responsible for establishing and maintaining accounts for their participants and customers having interests in the book-entry interests in the Notes. The Registrars will be responsible for maintaining a record of the aggregate holdings of Notes registered in the name of a common nominee for Euroclear and Clearstream and/or, if individual Certificates are issued in the limited circumstances described herein, holders of Notes represented by those individual Certificates. Each Paying Agent will be responsible for ensuring that payments received by it from or on behalf of the Issuer for holders of book-entry interests in the Notes holding through Euroclear and Clearstream are credited to Euroclear or Clearstream, as the case may be.

We will not impose any fees in respect of holding the Notes; however, holders of book-entry interests in the Notes may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear or Clearstream.

Clearing and Settlement Procedures

Initial Settlement

Upon their original issue, the Notes will be in global form represented by the Global Note. Interests in the Notes will be in uncertified book-entry form. Purchasers electing to hold book-entry interests in the Notes through Euroclear and Clearstream accounts will follow the settlement procedures applicable to conventional Eurobonds. Book-entry interests in the Notes will be credited to Euroclear and Clearstream participants' securities clearance accounts on the business day following the issue date against payment (value the issue date).

Secondary Market Trading

Secondary market trades in the Notes will be settled by transfer of title to book-entry interests in the Clearing Systems. Title to such book-entry interests will pass by registration of the transfer within the records of Euroclear or Clearstream, as the case may be, in accordance with their respective procedures. Book-entry interests in the Notes may be transferred within Euroclear and within Clearstream and between Euroclear and Clearstream in accordance with procedures established for these purposes by Euroclear and Clearstream.

General

None of Euroclear or Clearstream is under any obligation to perform or continue to perform the procedures referred to above, and such procedures may be discontinued at any time. None of the Issuer or any of its agents will have any responsibility for the performance by Euroclear or Clearstream or their respective participants of their respective obligations under the rules and procedures governing their operations or the arrangements referred to above.

Exchange of Global Notes for Definitive Notes

A Global Note is exchangeable for Notes in registered definitive form ("**Definitive Notes**") if:

a) Euroclear and/or Clearstream is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces that it is permanently to cease business or does in fact do so and no successor or alternative clearing system is available; or

b) the relevant clearing system so requests following an Event of Default under the Trust Deed.

In all cases, Definitive Notes delivered in exchange for any Global Note or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by or on behalf of the relevant clearing system (in accordance with its customary procedures), as the case may be unless the Issuer determines otherwise in compliance with the requirements of the Trust Deed.

Definitive Notes delivered in exchange for the Global Note will be delivered to or upon the order of the relevant clearing system or an authorised representative of the relevant clearing system, and may be delivered to Noteholders at the office of the Paying Agent in Luxembourg.

Exchange of Definitive Notes for Global Notes

If issued, Definitive Notes may not be exchanged or transferred for beneficial interests in a Global Note.

Exchange of Definitive Notes for Definitive Notes

If issued, Definitive Notes may be exchanged or transferred by presenting or surrendering such Definitive Notes at the office of the Registrar located in London with a written instrument of transfer in form satisfactory to such Registrar, duly executed by the holder of the Definitive Notes or by its attorney, duly authorised in writing. If the Definitive Notes being exchanged or transferred have restrictive legends, such holder must also provide a written certificate (in the form provided in the Trust Deed) to

the effect that such exchange or transfer will comply with the appropriate transfer restrictions applicable to such Notes. See "Subscription and Sale of the Notes".

In the case of a transfer in part of a Definitive Note, a new Definitive Note in respect of the balance of the principal amount of the Definitive Note not transferred will be delivered to the office of the relevant Registrar.

If a holder of a Definitive Note claims that such Definitive Note has been lost, destroyed or stolen, or if such Definitive Note is mutilated and is surrendered to the office of the relevant Registrar, the Issuer will issue and the Registrar will authenticate a replacement Definitive Note if the Issuer's requirements are met. We may require a holder requesting replacement of a Definitive Note to furnish such security or indemnity as may be required to protect them and any agent from any loss which they may suffer if a Definitive Note is replaced. We may charge for any expenses incurred by it in replacing a Definitive Note. In case any such mutilated, destroyed, lost or stolen Definitive Note has become or is about to become due and payable, the Issuer, in its discretion, may, instead of issuing a new Definitive Note, pay such Definitive Note.

Methods of Receiving Payments on the Notes

Payments of principal and interest in respect of Notes represented by a Global Note will be made upon presentation or, if no further payment falls to be made in respect of the Notes, against presentation and surrender of such Regulation S Global Certificate to or to the order of a Paying Agent (or such other agent as shall have been notified to the holders of the Global Note for such purpose).

Distributions of amounts with respect to book-entry interests in the Global Note held through Euroclear or Clearstream will be credited, to the extent received by a Paying Agent, to the cash accounts of Euroclear or Clearstream participants in accordance with the relevant system's rules and procedures.

Principal of, premium, if any, and interest on any Definitive Notes will be payable at the office or agency of the Paying Agent in Luxembourg maintained for such purposes. In addition, interest on Definitive Notes may be paid by check mailed to the person entitled thereto as shown on the register for such Definitive Notes.

Action by Owners of Book-Entry Interests

Euroclear and Clearstream have advised us that they will take any action permitted to be taken by a holder of the Notes (including the presentation of the Notes for exchange as described above) only at the direction of one or more participants to whose account the book-entry interests in the Global Note are credited and only in respect of such portion of the aggregate principal amount of the Notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Note. However, if there is an Event of Default under the Notes, Euroclear and Clearstream reserve the right to exchange the Global Note for Definitive Notes in certificated form, and to distribute such Definitive Notes to their participants.

SUBSCRIPTION AND SALE OF THE NOTES

Each of the Managers, in their capacities as initial purchasers, pursuant to a purchase agreement, dated 27 April 2012 (the "**Purchase Agreement**"), has agreed with us, subject to the satisfaction of certain conditions, to subscribe and pay for the Notes at the initial purchase price specified therein, less subscription and underwriting fees and certain expenses to be agreed between us and the Managers. The Purchase Agreement entitles the Managers to terminate the Purchase Agreement in certain circumstances prior to payment being made to the Issuer.

The Managers are Crédit Agricole Corporate and Investment Bank, BNP Paribas, HSBC Bank plc, Mitsubishi UFJ Securities International plc and Natixis (together, the "**Managers**").

We have been advised by each Manager that it proposes to resell the Notes outside the United States to persons in offshore transactions in reliance on Regulation S and in accordance with applicable law.

Pursuant to the Purchase Agreement, the Issuer has agreed to indemnify the Managers against certain liabilities.

The Notes will be issued in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof.

This Offering Circular has been prepared by us for use in connection with the offer and sale of the Notes outside the United States in offshore transactions in reliance on Regulation S and for the admission of the Notes to listing on the Official List of the Luxembourg Stock Exchange and the admission of the Notes to trading on the Euro MTF market. Each of us and the Managers reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than the principal amount of Notes which may be offered. This Offering Circular does not constitute an offer to any Person in the United States. Distribution of this Offering Circular to any Person within the United States is unauthorised and any disclosure of any of its contents to such persons is prohibited.

The Managers have advised us that they presently intend to make a market in the Notes as permitted by applicable laws and regulations. The Managers are not obligated, however, to make a market in the Notes and any such market making may be discontinued at any time at the sole discretion of the Managers. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the Notes. See "Risk Factors – Risks Related to the Notes – There currently exists no market for the Notes, and we cannot provide assurance that an active trading market will develop for the Notes".

The Notes will initially be offered at the price indicated on the cover page hereof. After the initial offering of the Notes, the offering price and other selling terms of the Notes may from time to time be varied by the Managers without notice.

We have applied, through our listing agent in Luxembourg, to have the Notes listed on the Official List of the Luxembourg Stock Exchange and to admit the Notes to trading on the Euro MTF market. Neither the Managers nor we can assume that Notes will be approved for admission to listing and trading, and will remain listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF market.

The Managers or their respective Affiliates from time to time have provided in the past and may provide in the future investment banking, commercial lending, consulting and financial advisory services to us and our affiliates in the ordinary course of business for which we may receive customary advisory and transaction fees and expense reimbursement. Affiliates of certain of the Managers are parties to the Senior Credit Agreement and therefore, to the extent that the proceeds of the offering of the Notes will be applied toward the Senior Credit Facilities, such affiliates of the Managers will receive a portion of such proceeds.

General

Each Manager has agreed to comply with the selling restrictions set forth below.

United States

The Notes have not been and will not be registered under the Securities Act and the Notes may not be offered or sold within the United States except in certain transactions exempt from the registration requirements of the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Terms used in the paragraph above have the meanings given to them by Regulation S under the Securities Act.

United Kingdom

Each of the Managers has represented and warranted that: (i) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000, including any supplements and amendments thereto (the "**FSMA**") with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom; and (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or

inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer.

European Economic Area

Each of the Managers has acknowledged that with respect to any member state of the European Economic Area which has implemented the Prospectus Directive (the "**Relevant Member States**"), no measure has or will be taken in view of permitting an offer to the public of the Notes entailing the need for the publication of a prospectus in any Relevant Member State. Accordingly, the Notes may be offered in Relevant Member States only:

a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Managers; or

c) in any other circumstances not requiring us to publish a prospectus pursuant to Article 3(2) of the Prospectus Directive.

As used in this paragraph, the expression "offer of Notes to the public" in relation to any Notes in a given Relevant Member State means any communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and the Notes to be offered, so as to enable an investor to decide to purchase or subscribe for these Notes, as this definition may have been amended in the Relevant Member State by any measure implementing the Prospectus Directive in that relevant Member State. The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

These restrictions on sale concerning Relevant Member States are in addition to any other restrictions on sale applicable in the Relevant Member States having implemented the Prospectus Directive.

Each of the Managers has acknowledged that this Offering Circular has been prepared on the basis that all offers of the Notes in any Relevant Member State will be made pursuant to an exemption under the Prospectus Directive, as amended, as implemented in the Relevant Member States, from the requirement to produce a prospectus for offers of the Notes. Accordingly, any person making or intending to make any offer within the European Economic Area of the Notes that are the subject of the placement contemplated in this Offering Circular should only do so in circumstances in which no obligation will arise for us or the Managers to produce a prospectus pursuant to Article 3(2) of the Prospectus Directive for such offer. Neither we nor the Managers have authorised, nor do we or they authorise, the making of any offer of the Notes through any financial intermediary, other than offers made by the Managers, which constitutes the final placement of the Notes contemplated in this Offering Circular.

France

Each of the Managers has acknowledged that this Offering Circular has not been prepared and is not being distributed in the context of a public offering of securities in France within the meaning of Article L. 411-1 of the French *Code monétaire et financier* and, therefore, this Offering Circular or any other offering material relating to the Notes have not been and will not be filed with the French *Autorité des marchés financiers* for prior approval or submitted for clearance to the French *Autorité des marchés financiers* and, more generally, no prospectus has been prepared in connection with the offering of the Notes that has been approved by the French *Autorité des marchés financiers* or by the competent authority of another state that is a contracting party to the Agreement on the European Economic Area and notified to the French *Autorité des marchés financiers*; no Notes have been offered or sold nor will be offered or sold, directly or indirectly, to the public in France; this Offering Circular and any other offering material relating to the Notes have not been distributed or caused to be distributed and will not be distributed or caused to be distributed to the public in France; offers, sales and distributions of the Notes have been and shall only be made in France to (i) persons licensed to provide the investment service of portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), (ii) qualified investors (*investisseurs qualifiés*) investing for their own account and/or (iii) a restricted circle of investors (*cercle restreint d'investisseurs*) investing for their own account, all as defined in and in accordance with Articles L. 411-2, D. 411-1 to D. 411-4 of the French *Code monétaire et financier*. The direct or indirect distribution to the public in France of any Notes so acquired may be made only as provided by Articles L. 411-1 to L. 411-4, L. 412-1 and L. 621-8 to L. 621-8-3 of the French *Code monétaire et financier* and applicable regulations thereunder.

Canada, Australia and Japan

Each of the Managers has acknowledged that the Notes may not be offered, sold or purchased in Canada, Australia or Japan.

TAXATION

The statements herein regarding taxation are based on the laws in force in the European Union, the Republic of France and/or, as the case may be, the Grand Duchy of Luxembourg as of the date of this Offering Memorandum and are subject to any change in law. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of, the Notes. Each prospective holder or beneficial owner of Notes should consult its own tax advisor as to the French, Luxembourg or other tax consequences of any investment in, or ownership and disposition of, the Notes.

European Union Tax Considerations

On 3 June 2003, the European Council of Economic and Finance Ministers adopted the Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**"). Pursuant to the Savings Directive and subject to a number of conditions being met, Member States are required, since July 1, 2005, to provide to the tax authorities of another Member State, *inter alia*, details of payments of interest within the meaning of the Savings Directive (interest, premiums or other debt income) made by a paying agent located within its jurisdiction to, or for the benefit of, an individual resident or certain limited types of entities established in that other Member State (the "**Disclosure of Information Method**").

For these purposes, the term "paying agent" is defined widely and includes in particular any economic operator who is responsible for making interest payments, within the meaning of the Savings Directive, for the immediate benefit of individuals.

However, throughout a transitional period, certain Member States (Luxembourg and Austria), instead of using the Disclosure of Information Method used by other Member States, unless the relevant beneficial owner of such payment elects for the Disclosure of Information Method or for the tax certificate procedure, withhold an amount on interest payments. The rate of such withholding is currently 35 per cent.

Such transitional period will end at the end of the first full fiscal year following the later of (i) the date of entry into force of an agreement between the European Community, following a unanimous decision of the European Council, and the last of Switzerland, Liechtenstein, San Marino, Monaco and Andorra, providing for the exchange of information upon request as defined in the OECD Model Agreement on Exchange of Information on Tax Matters released on 18 April 2002 (the "**OECD Model Agreement**") with respect to interest payments within the meaning of the Savings Directive, in addition to the simultaneous application by those same countries of a withholding tax on such payments and (ii) the date on which the European Council unanimously agrees that the United States of America is committed to exchange of information upon request as defined in the OECD Model Agreement with respect to interest payments within the meaning of the Savings Directive.

A number of non-EU countries and dependent or associated territories have agreed to adopt similar measures (transitional withholding or exchange of information) with effect since 1 July 2005.

The Savings Directive, implemented pursuant to Article 242-*ter* of the *Code général des impôts* (French General Tax Code) and Articles 49 I-*ter* to 49 I-*sexies* of Schedule III of the *Code général des impôts*, imposes an obligation on paying agents based in France to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

The Savings Directive and several agreements concluded between Luxembourg and certain dependent territories of the European Union (EU) were implemented in Luxembourg by the laws of 21 June 2005.

On 13 November 2008 the European Commission published a detailed proposal for amendments to the Savings Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009. If any of these proposed changes are made in relation to the Savings Directive they may amend or broaden the scope of the requirements described above.

French Tax Considerations

The following is a summary of certain tax considerations that may be relevant to holders of notes who (i) are non-French residents, (ii) do not hold their notes in connection with a business or profession conducted in France, as a permanent establishment or with a fixed base in France, and (iii) do not concurrently hold shares of the Issuer.

Payments on the Notes

Pursuant to Article 125 A III of the *Code général des impôts*, payments of interest and other revenues made by a debtor with respect to certain debt securities (including debt in the form of bonds) are not subject to withholding tax unless such payments are made outside France in a non-cooperative State or territory within the meaning of Article 238-0 A of the *Code général des impôts* (a "**Non-Cooperative State**"), in which case a 50% withholding tax is applicable, subject to exceptions (certain of which are set forth below), and to the more favorable provisions of any applicable double tax treaty. The 50% withholding tax is applicable

irrespective of the tax residence of the holder of the notes. The list of Non-Cooperative States is published by a ministerial executive order, which is updated on a yearly basis.

Furthermore, according to Article 238 A of the *Code général des impôts*, interest and other revenues will not be deductible from our taxable income, if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid to a bank account opened in a financial institution located in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest or other revenues may be re-characterised as constructive dividends pursuant to Articles 109 *et seq.* of the *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax provided under Article 119-*bis* 2 of the same Code, at a rate of 30% or 55%, subject to the more favorable provisions of any applicable double tax treaty (Ruling (rescrit) No. 2010/30 of the *Direction Générale des Finances Publiques* dated 4 May 2010).

Notwithstanding the foregoing, neither the 50% withholding tax provided by Article 125 A III of the *Code général des impôts*, the non-deductibility of the interest and other revenues nor the withholding tax set out under Article 119-*bis* 2 of the same Code that may be levied as a result of such non-deductibility, to the extent the relevant interest or income relates to genuine transactions and is not in an abnormal or exaggerated amount, will apply in respect of a particular issue of notes *provided* that the debtor can prove that the main purpose and effect of such issue of notes is not that of allowing the payments of interest or income to be made in a Non-Cooperative State (the "**Exception**").

In addition, under Ruling (*rescrit*) 2010/11 (FP and FE) of the *Direction générale des finances publiques* dated 22 February 2010, an issue of notes benefits from the Exception without the debtor having to provide any evidence supporting the main purpose and effect of such issue of notes, if such notes are:

(i) offered by means of a public offer within the meaning of Article L. 411-1 of the *Code monétaire et financier* or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or

(ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system *provided* that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, *provided further* that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or

(iii) admitted, at the time of their issue, to the operations of a central depositary or of a securities clearing and delivery and payments systems operator within the meaning of Article L. 561-2 of the *Code monétaire et financier*, or of one or more similar foreign depositaries or operators *provided* that such depositaries or operators are not located in a Non-Cooperative State.

As the Notes are admitted at the time of their issue to the operations of a securities clearing and delivery and payments systems operator that is not located in a Non-Cooperative State, payments of interest or other revenues made by the Issuer with respect to the Notes will not be subject to the withholding tax set out under Article 125 A III of the *Code général des impôts*.

Sale, Disposal or Redemption of the Notes

Holders of Notes who are domiciled or resident for tax purposes outside of France and do not hold their Notes in connection with a business or profession conducted in France or a permanent establishment or fixed base situated in France will not be subject to any French income tax or capital gains tax on the sale, disposal or redemption of Notes. In addition, no stamp or registration fee or duty or similar taxes will be payable in France in connection with the sale, disposal or redemption of Notes to the extent that such transfer is not recorded or referred to in any manner whatsoever in a deed registered with the tax authorities in France.

Luxembourg Withholding Tax

Under Luxembourg tax laws currently in effect and with the possible exception of interest paid to individuals and to certain residual entities (as described below), there is no Luxembourg withholding tax on payments of interest under the Notes, including accrued but unpaid interest. There is also no Luxembourg withholding tax, with the possible exception of payments made to individuals and to certain residual entities (as described below), upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Notes.

Luxembourg residents

Under the Luxembourg law dated 23 December 2005, as amended,10 per cent. withholding tax is levied on interest or similar income payments made by Luxembourg paying agents (defined in the same way as in the Savings Directive) to Luxembourg individual residents or to certain non-Luxembourg residual entities (as described below) that secure interest payments on behalf of such individuals (unless such entities have opted either to be treated as UCITS recognised in accordance with Council Directive 85/611/EEC, as replaced by Directive 2009/65/EC of the European Parliament and of the Council. This

withholding tax represents the final tax liability if the beneficial owner is an individual acting in the course of the management of his/her private wealth.

Further, a Luxembourg resident individual who acts in the course of the management of his/her private wealth and who is the beneficial owner of an interest payment made by a paying agent established outside Luxembourg in a Member State of the European Union or of the European Economic Area or in a jurisdiction having concluded an agreement with Luxembourg in connection with the Savings Directive, may also opt for a final 10% levy. In such case, the 10% levy is calculated on the same amounts as for the payments made by the Luxembourg resident paying agents. The option for the 10% levy must cover all interest payments made by the paying agent to the Luxembourg resident beneficial owner during the entire civil year.

Luxembourg non-residents

Under the Luxembourg laws dated 21 June 2005 implementing the Savings Directive and several agreements concluded between Luxembourg and certain dependent or associated territories of the EU, a Luxembourg based paying agent (within the meaning of the Savings Directive) is required since 1 July 2005 to withhold tax on interest and other similar income (including reimbursement premium at maturity) paid by it to (or under certain circumstances, to the benefit of) an individual resident in another Member State or in certain EU dependent or associated territories, unless the beneficiary of the interest payments elects for an exchange of information or for the tax certificate procedure. The same regime applies to payments of interest and other similar income made to certain so-called "residual entities" within the meaning of Article 4.2 of the Savings Directive (*i.e.*, an entity established in a Member State or in certain EU dependent or associated territories without legal personality (the Finnish and Swedish companies listed in Article 4.4 of the Savings Directive are not considered as legal persons for this purpose), whose profits are not taxed under the general arrangements for the business taxation and that is not, or has not opted to be considered as, a UCITS recognised in accordance with Council Directive 85/611/EEC, as replaced by Directive 2009/65/EC of the European Parliament and the Council).

The withholding tax rate is 35 per cent since 1 July 2011. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

CERTAIN INSOLVENCY AND ENFORCEABILITY CONSIDERATIONS

The following is summary of certain insolvency law considerations in the jurisdictions in which the Issuer is organised. The description is only a summary and does not purport to be complete or to discuss all of the limitations or considerations that may affect the validity and enforceability of the Notes. Prospective investors in the Notes should consult their own legal advisors with respect to such limitations and considerations.

European Union

Pursuant to Council Regulation (EC) n°1346/2000 on insolvency proceedings (the "**EU Insolvency Regulation**"), the courts of the Member State in which a company has its "centre of main interests" (or "**COMI**") have jurisdiction to open main insolvency proceedings. The determination of where a company's COMI is located is a question of fact on which the courts of different Member States may have differing and even conflicting views, and the courts will take a broad range of factual elements into account.

COMI is not a static concept and may change from time to time. Although there is a rebuttable presumption under Article 3(1) of the EU Insolvency Regulation that any such company has its COMI in the Member State in which it has its registered office, Preamble 13 of the EU Insolvency Regulation states that the COMI of a debtor should correspond to the place where the debtor conducts the administration of its interests on a regular basis and "is therefore ascertainable by their parties". In that respect, factors such as where board meetings are held, the location where the company conducts the majority of its business and the location where the large majority of the company's creditors are established may all be relevant in the determination of the place where the company has its COMI.

If the COMI of a company is and will remain located in the Member State in which it has its registered office, the main insolvency proceedings in respect of the company under the EU Insolvency Regulation would be commenced in such jurisdiction and accordingly a court in such jurisdiction would be entitled to commence the types of insolvency proceedings referred to in Annex A to the EU Insolvency Regulation. Insolvency proceedings opened in one Member State under the EU Insolvency Regulation are to be recognised in the other Member States (other than Denmark), although secondary proceedings may be opened in another Member State. If the COMI of a debtor is in one Member State (other than Denmark) under Article 3(2) of the EU Insolvency Regulation, the courts of another Member State (other than Denmark) have jurisdiction to open "territorial proceedings" only in the event that such debtor has an "establishment" in the territory of such other Member State. The effects of those territorial proceedings are restricted to the assets of the debtor situated in the territory of such other Member State. If the company does not have an establishment in any other Member State, no court of any other Member State has jurisdiction to open territorial proceedings in respect of such company under the EU Insolvency Regulation.

France

In the event that our COMI were deemed to be in France, French law would apply to proceedings affecting creditors, including article 1244-1 of the French *Code civil*, which provides for conciliation proceedings (*procédure de conciliation*), safeguard proceedings (*procédure de sauvegarde*), accelerated financial safeguard proceedings (*procédure de sauvegarde accélérée*) and judicial reorganisation (*redressement judiciaire*) or judicial liquidation proceedings (*liquidation judiciaire*). In general, French safeguard, reorganisation or liquidation legislation favours the continuation of the business and the protection of employment over the protection of creditors.

Grace periods

In addition to insolvency laws discussed below, your enforcement rights may, like those of any other creditor, be subject to Article 1244-1 of the French Code civil.

Pursuant to the provisions of this article, French courts may, in any civil proceeding involving a debtor, defer or otherwise reschedule over a maximum period of two years the payment dates of payment obligations and decide that any amounts, the payment date of which is thus deferred or rescheduled, will bear interest at a rate that is lower than the contractual rate (but not lower than the legal rate) or that payments made shall first be allocated to repayment of principal. A court order made under Article 1244-1 of the French *Code civil* will suspend any pending enforcement measures, and any contractual interest or penalty for late payment will not accrue or be due during the period ordered by court.

Court assisted pre-insolvency proceedings

Pre-insolvency proceedings may only be initiated by the debtor company itself, in its sole discretion, *provided* that it experiences or anticipates legal, economic or financial difficulties (1) while still being able to pay our debts as they fall due out of our available assets (*i.e.*, the company is not in *cessation des paiements*) in case of *mandat ad hoc* or *conciliation* proceedings, or (2) while being in *cessation des paiements* for less than 45 days in case of conciliation proceedings only.

Mandat ad hoc and *conciliation* proceedings are informal proceedings carried out under the supervision of the president of the court. The president of the court will appoint a third party (as the case may be, a *mandataire ad hoc* or a *conciliateur*) in order to help the debtor to reach an agreement with our creditors, in particular by reducing or rescheduling our indebtedness. The debtor

may propose, in the filing for the commencement of the proceedings, the appointment of a particular person as the court appointed third party. Arrangements reached through such proceedings are non-binding on non-parties, and the *mandataire ad hoc* or *conciliateur* has no authority to force the parties to accept an arrangement.

Mandat ad hoc proceedings

Such proceedings are confidential. Unlike in conciliation proceedings, the agreement reached by the parties, if any, may be reviewed by a court, but cannot be acknowledged (*constaté*) by the president of the court or approved by the court (*homologué*), as this would destroy the confidential nature of the proceeding. There is no time limit for the duration of the *mandat ad hoc* proceedings.

Conciliation proceedings

Such proceedings are confidential. If an agreement is reached among the parties in the context of *conciliation* proceedings, it may be either recognised (*constaté*) by the president of the court or, at the request of the debtor (and *provided* that certain conditions are satisfied), sanctioned (*homologué*) by the court (in which case the proceedings cease to be confidential).

While recognition (*constatation*) of the agreement by the president of the court does not entail any specific consequences, other than to render the agreement immediately enforceable and binding upon the parties thereto, sanction (*homologation*) by the court has the following consequences:

- creditors who, as part of the sanctioned agreement, provide new money or goods or services designed to ensure the continuation of the business of the distressed company (other than shareholders providing new equity) will enjoy priority of payment over all pre-petition and post-petition claims (other than certain post-petition employment claims and procedural costs), in the event of subsequent safeguard proceedings, judicial reorganisation proceedings or judicial liquidation proceedings; or

- in the event of subsequent judicial reorganisation proceedings or judicial liquidation proceedings, the date of the *cessation des paiements* cannot be determined by the court as having occurred earlier than the date of the sanction of the agreement (see below for the definition of *cessation des paiements*).

A third party which has granted a guarantee (*sûreté personnelle*) or a security interest can benefit from the provisions of the recognized or sanctioned agreement.

Court controlled insolvency proceedings

The following French insolvency proceedings may be initiated by or against a company in France:

(a) safeguard proceedings (*procédure de sauvegarde*), if such company, while not being in cessation des paiements, is facing difficulties which it cannot overcome; or

(b) accelerated financial safeguard proceedings (*sauvegarde financière accélérée*) if such company is in conciliation proceedings; or

(c) judicial reorganisation (*redressement judiciaire*) or judicial liquidation (*liquidation judiciaire*) proceedings if such company is in cessation des paiements.

The proceedings may be initiated before the relevant court:

- in the event of (a) or (b) above, upon petition by the company only; and

- in the event of (c) above, on the court's own initiative or upon petition by the company, any creditor or the public prosecutor.

While a company does not have an obligation to apply for safeguard or accelerated financial safeguard proceedings, it is required to petition for the opening of judicial reorganisation or judicial liquidation proceedings within 45 days of becoming unable to pay our due debt out of our available assets (*cessation des paiements*). If it has not petitioned the relevant court for the opening of such proceedings and is not in conciliation proceedings, directors and, as the case may be, de facto managers of the company, may be subject to civil liability.

In safeguard and judicial reorganisation proceedings, a court appointed administrator (whose name can be suggested by the debtor in case of safeguard) investigates the business of the company during an initial observation period, which may last for up to six months renewable once (plus an additional six months under exceptional circumstances). In safeguard proceedings, the administrator's mission is limited to either supervising the debtor's management or assisting it, and preparing a safeguard plan for the company together with the debtor. In judicial reorganisation proceedings, the administrator's mission is usually to assist the management and to make proposals for the reorganisation of the company, which proposals may include the sale of all or part of the company's business to a third party. In judicial reorganisation, the court may also decide that the administrator will manage

the company him/herself. At any time during this observation period, the court can order the liquidation of the company if our rescue has become manifestly impossible.

Creditors' committees and adoption of the safeguard or reorganisation plan

In the case of large companies (with more than 150 employees or turnover greater than €20 million) or upon request from the debtor or the administrator, two creditors' committees (one for credit institutions having a claim against the debtor and the other for suppliers having a claim that represents more than 3% of the total amount of the claims of all the debtor's suppliers) must be established. To be eligible to vote, claims must be notified by the debtor to the administrator and certified by the debtor's statutory auditors.

In addition, if there are any outstanding debt securities in the form of "*obligations*" (such as bonds or notes), a general meeting gathering all holders of such debt securities (the "bondholders general meeting") must be convened. All bondholders and noteholders will be represented in the same bondholders' general meeting, whether or not there are different issuances and no matter what the applicable law of those "*obligations*" may be. The Notes offered hereby constitute "*obligations*" for purposes of a safeguard, accelerated financial safeguard or reorganisation proceeding.

The creditors' committees and the bondholders' general meeting will be consulted on the safeguard or reorganisation plan prepared by the debtor's management and the administrator during the observation period.

In the first instance, the plan must be approved by each of the two creditors' committees. Each committee must announce whether its members approve or reject such plan within 15 to 30 days of its proposal by the company. Such approval requires the affirmative vote of the creditors holding at least two-thirds of the value of the claims held by members of such committee that participated in such vote.

Following the approval of the plan by the two creditors' committees, the plan will be submitted for approval to the bondholders' general meeting. The approval of the plan at such meeting requires the affirmative vote of bondholders representing at least two-thirds of the principal amount of the obligations held by creditors voting in the bondholders' general meeting.

Following approval by the creditors' committees and the bondholders' general meeting, the plan must be submitted for approval by the relevant court. In considering such approval, the court must verify that the interests of all creditors are sufficiently protected. Once approved by the court, the safeguard or reorganisation plan accepted by the committees and the bondholders' general meeting will be binding on all the members of the committees and all bondholders (including those who voted against the adoption of the plan). A safeguard or reorganisation plan may include debt deferrals, debt write-offs and debt-for-equity swaps.

With respect to creditors who are not members of the committees, or in the event no committees are established, or in the event any of the committees or the bondholders' general meeting has refused to give its consent to the plan, creditors will be consulted on an individual basis, and asked whether they accept debt deferrals and/or write-offs provided for in the plan. In those circumstances, the court has the right to accept or reduce debt deferrals or write-offs with respect to the claims of creditors who have consented to such measures, but it may only impose uniform debt deferrals (with interest) for a maximum period of 10 years with respect to the claims of non-consenting creditors, except for debts with maturity dates in more than 10 years, in which case the maturity date may remain the same. The court cannot oblige creditors to waive part of their claim. The first payment must generally be made within a year of the judgment adopting the plan. In the third and subsequent year, the amount of each annual installment must be at least 5% of the total amount of the debt.

Financial creditors' committees and adoption of the fast track financial safeguard plan

Envisaged as a means of facilitating "pre-pack" bankruptcies in France, accelerated financial safeguard permits a debtor, the majority but not all of the creditors of which support a conciliation agreement, to rapidly begin a safeguard proceeding, allowing a restructuring plan to be approved by the two-thirds vote of the creditors applicable in safeguard proceedings. Only financial creditors are implicated in such a restructuring plan, and a safeguard accelerated proceedings filing does not entail suspension of payments to suppliers.

In order to file for an accelerated financial safeguard proceedings, the debtor company must (i) be engaged in a conciliation procedure, (ii) be able to pay its debt with its available assets, (iii) face financial difficulties which it finds itself unable to overcome, (iv) have its accounts regularly certified by a statutory auditor or certified public accountant, and (v) have more than 150 employees or annual turnover greater than 20 millions euros. According to the law n° 2012-387 dated 22 March 2012, such latter thresholds will be replaced by a minimum amount of total assets of the debtor to be fixed by an expected decree.

Under the new accelerated financial safeguard (*sauvegarde financière accélérée*) proceedings, the credit institutions committee and the bondholders' general meeting shall be consulted on a draft financial restructuring plan developed during the conciliation period. The credit institutions committee and the bondholders' general meeting can be called with a reduced minimal eight day notice period. Creditors whose rights would not be affected by the proposed plan do not, however, take part in the vote.

The plan must be approved by a two-thirds majority (by value) of the credit institutions and bondholders' represented and voting, before being submitted for court approval, which must be granted within a month of the opening of the accelerated financial safeguard proceedings, with a possibility for a single one-month extension.

The "suspect period" (période suspecte) in judicial reorganisation and liquidation proceedings

The insolvency date, defined as the date when the debtor becomes unable to pay its due debts from available assets, is generally deemed to be the date of the court decision commencing the judicial reorganisation or judicial liquidation proceedings. However, in the decision commencing judicial reorganisation or liquidation proceedings or in a subsequent decision, a court may determine that the insolvency date be deemed to be an earlier date, up to 18 months prior to the court decision commencing the proceedings. The insolvency date, when the debtor entered into a state of cessation of payments (*cessation des paiements*), is important because it marks the beginning of the "suspect period" (*période suspecte*). Certain transactions entered into by the debtor during the suspect period are, by law, void or voidable.

Void transactions include transactions or payments entered into during the suspect period that may constitute voluntary preferences for the benefit of some creditors to the detriment of other creditors. These include transfers of assets for no consideration, contracts under which the reciprocal obligations of the debtor significantly exceed those of the other party, payments of debts not due at the time of payment, payments made in a manner which is not commonly used in the ordinary course of business, security granted for debts previously incurred, and provisional measures, unless the right of attachment or seizure predates the date of suspension of payments, share options granted or sold during the suspect period, the transfer of any assets or rights to a trust arrangement (*fiducie*) (unless such transfer is made as a security for a debt incurred at the same time), and any amendment to a trust arrangement (*fiducie*) that dedicates assets or rights as a guaranty of antecedent debts.

Voidable transactions include (i) transactions entered into, (ii) payments made when due or (iii) certain provisional and final attachment measures, in each case, if such actions are taken after the debtor was in *cessation des paiements* and the party dealing with the debtor knew that the debtor was in *cessation des paiements* at the time. Transactions relating to the transfer of assets for no consideration are also voidable when carried out during the six-month period prior to the beginning of the suspect period.

Status of creditors during safeguard, accelerated safeguard, judicial reorganisation or judicial liquidation proceedings

As a general rule, creditors domiciled in France whose debts arose prior to the commencement of insolvency proceedings must file a proof of claim (*déclaration de créances*) with the creditors' representative within two months of the publication of the court decision in the *Bulletin Officiel des annonces civiles et commerciales*; this period is extended to four months for creditors domiciled outside France. Creditors who have not submitted their claims during the relevant period are, except for very limited exceptions, precluded from receiving distributions made in connection with the insolvency proceedings. Employees are not subject to such limitations and are preferred creditors under French law. Special rules may apply to bondholders. In addition, in an accelerated financial safeguard, the debts held by financial creditors that took part in the conciliation negotiation are listed by the debtor and certified by its statutory auditor. Although such creditors can file proofs of claim pursuant to the regular process, they may also avail themselves of this simplified alternative and merely adjust the amounts of their claim as set forth on the list prepared by the debtor.

From the date of the court decision commencing the insolvency proceedings, the debtor is prohibited from paying debts (in accelerated financial safeguard proceedings, to financial creditors only) which arose prior to such date, subject to specified exceptions which essentially cover the set-off of related debts and payments authorised by the bankruptcy judge or made to recover assets for which recovery is required for the continued operation of the business. During this period, creditors are prevented from initiating any individual legal action against the debtor with respect to any claim arising prior to the court decision commencing the insolvency proceedings if the objective of such legal action is:

- to obtain an order for payment of a sum of money by the debtor to the creditor (however, the creditor may require that a court determine the amount due if the action was initiated before the commencement of the insolvency proceedings); or
- to terminate or cancel a contract for non-payment of amounts owed by the creditor; or
- enforcing security interests against the debtor.

During safeguard and judicial reorganisation proceedings, the maturity date of the debtor's obligations is maintained (subject to the terms and conditions of a safeguard or reorganisation plan). Contractual provisions such as those contained in the Trust Deed governing the Notes that would accelerate the payment of the debtor's obligations upon the occurrence of certain insolvency events are not enforceable under French law. The opening of liquidation proceedings does generally automatically accelerate the maturity of all of the debtor's obligations. However, the court may allow the business to continue for a period of no more than three months (renewable once) if it considers that a sale of part or all of the business is possible, in which case the debtor's obligations are deemed mature on the day the court approves the sale of the business or the date on which the authorization of continued activity expired.

The administrator may also terminate or, *provided* that the debtor fully performs its post-petition contractual obligations, continue on-going contracts.

If the court adopts a safeguard plan or a reorganisation plan, claims of creditors included in the plan will be paid according to the terms of the plan. With respect to those creditors who do not accept plans proposed by the administrator and the company, the court may reschedule the payment of their claims over a maximum period of ten years. The court can also set a time period during which the assets that it deems to be essential to the continued business of the debtor may not be sold without its consent.

If the court decides to order the judicial liquidation of the debtor, the court will appoint a liquidator in charge of selling the assets of the company and settling the relevant debts in accordance with their ranking. If the court adopts a plan for the sale of the business (*plan de cession*), the proceeds of the sale will be allocated for the repayment of the creditors according to the ranking of the claims.

French insolvency law assigns priority to the payment of certain preferential creditors, including employees, officials appointed by the commercial court, creditors who, as part of the sanctioned conciliation agreement, have provided new money or goods or services, post-petition creditors, certain secured creditors, and the French Treasury.

LISTING AND GENERAL INFORMATION

Listing

Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to listing on the Official List and to be admitted to trading on the Euro MTF market in accordance with the rules of that exchange. Notice of any optional redemption, change of control, or change in the rate of interest payable on the Notes will be published in a Luxembourg newspaper of general circulation (which is expected to be the *Luxembourger Wort*) or on the website of the Luxembourg Stock Exchange, at www.bourse.lu.

For so long as the Notes are listed on the Euro MTF market and the rules of the Luxembourg Stock Exchange require, copies of the following documents may be inspected and obtained at the specified office of the listing agent in Luxembourg during normal business hours on any weekday:

- the organisational documents of Faurecia;
- our most recent audited consolidated financial statements and any of our interim financial statements;
- the Trust Deed; and
- the Agency Agreement.

We will maintain a Paying and Transfer Agent in Luxembourg for as long as any of the Notes are listed on the Euro MTF market of the Luxembourg Stock Exchange. The current paying and transfer agent is Citibank, N.A., London Branch. We reserve the right to vary such appointment and we will publish notice of such change of appointment in a newspaper having a general circulation in the Grand Duchy of Luxembourg (which is expected to be the *Luxembourger Wort*) or on the website of the Luxembourg Stock Exchange, at www.bourse.lu.

Clearing Information

The Notes have been accepted for clearance through Euroclear and Clearstream. The address of Euroclear is Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, B 1210 Brussels, Belgium; and the address of Clearstream is Clearstream Banking, 42 Avenue JF Kennedy, L 1855 Luxembourg.

The Notes have been accepted for clearance through the facilities of Clearstream and Euroclear under common code 077891781. The international securities information number (ISIN) for the Notes is code XS0778917814.

The address of Euroclear France is 155, rue de Réaumur, 75081 Paris, Cedex 02, France.

Legal Information

Our financial year runs from 1 January to 31 December. We are required by our primary regulator, the *Autorité des marchés financiers*, to publish financial results twice a year, on an annual and semi-annual basis.

The creation and issuance of the Notes was authorised by resolutions of our Board of Directors taken on 17 April 2012.

For a description of our material indebtedness as of 31 December 2011, see the section entitled "Description of Other Indebtedness" in this Offering Circular.

Main Subsidiaries

Faurecia is the parent company of the Faurecia Group, which, at 31 December 2011, included 170 fully consolidated subsidiaries and 34 entities consolidated under the equity method. None of our subsidiaries accounts for more than 10% of the Group's total consolidated EBITDA or sales, but one of our subsidiaries accounts for more than 10% of assets. Our consolidated subsidiaries for each respective year are set out in the notes to the financial statements for the years ended 31 December 2011 and 2010.

Significant Change

Except as disclosed in this Offering Circular, there has been no significant change in our financial or trading position since 31 December 2011, and there has been no material adverse change in our prospects since 31 Decembre 2011.

Litigation

Except as disclosed in this Offering Circular, we are not involved in and have no knowledge of any threatened litigation, administrative proceedings or arbitration which would have a material adverse impact on our results of operation or financial condition or on the issue and offering of the Notes.

Material Contracts

Except as disclosed in this Offering Circular, there are, at the date of this Offering Circular, no material contracts entered into other than in the ordinary course of our business, which could result in our company being under an obligation or entitlement that is material to our ability to meet our obligations to Noteholders in respect of the Notes being issued.

We are managed independently and transactions with our majority shareholder the PSA Peugeot Citroën Group are conducted at arm's length terms. These transactions (including transactions with companies accounted for by the equity method by the PSA Peugeot Citroën Group) are recognised as follows in the Group's consolidated financial statements:

	For the year ended 31 December		
(in € millions)	**2009**	**2010**	**2011**
Sales	2,049.4	2,300.9	2,433.9
Purchases of products, services and materials	10.6	10.2	12.5
Receivables(*)	447.7	457.6	474.5
Payables(**)	154.5	170.1	46.9
(*)After no-recourse sales of receivables amounting to:	*192.4*	*197.2*	*201.1*
(**)Of which borrowings amounting to:	*128.0*	*142.0*	—

Conflicts of Interest

Except as disclosed in this Offering Circular, there are, at the date of this Offering Circular, no conflicts of interest which are material to the issue of the Notes between the duties of the members of our Board of Directors and their private interests and/or their other duties. For information on our relationships with our majority shareholder, see Note 32 to our 2011 consolidated financial statements.

Persons Having an Interest Material to the Issue

Save as disclosed in "Subscription and Sale of the Notes", to our knowledge, no person involved in the issue of the Notes has an interest material to the issue.

Responsibility

We accept responsibility for the information contained in this Offering Circular. We declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Offering Circular is, to the best of our knowledge, in accordance with the facts and contains no omissions likely to affect its import.

THE ISSUER

We are a public company with limited liability (*société anonyme*) incorporated under the laws of the Republic of France, and we currently have share capital of €772,578,415 represented by 110,368,345 fully paid up shares with a par value €7 each. We were incorporated on 1 July 1929 for a term of 99 years expiring on 31 December 2027, except if the term is extended or if the company is subject to early dissolution. Our ordinary shares are listed for trading on Euronext Paris.

Our registered office is located at 2, rue Hennape, 92000 Nanterre, France, and it is registered with the *Registre du commerce et des sociétés* of Nanterre under number 542 005 376. Our telephone number is +33 (0)1 72 36 70 00.

The corporate purpose of our company is to engage in the following business activities, directly or indirectly, in France and abroad:

- To create, acquire, run, directly or indirectly manage, by acquisition of holdings, by rental or by any other means, in France and internationally, all forms of industrial companies, trading companies, and tertiary sector companies.
- To research, obtain, acquire and use patents, licenses processes and trademarks.
- To rent all types of real estate, bare or constructed.
- To provide administrative, financial and technical assistance to affiliated enterprises.
- To run plants and establishments which we own or may acquire in the future.
- To manufacture, use and/or sell, regardless of form, our own products or those of affiliated enterprises.
- To manufacture and commercialise, by direct or indirect means, all products, accessories or equipment, regardless of their nature, intended for industrial use, and in particular the automobile industry.

To directly or indirectly participate in all financial, industrial or commercial operations that may relate, directly or indirectly, to any one of the abovementioned purposes, including but not limited to setting up new companies, making asset contributions, subscribing to or purchasing shares or voting rights, acquiring an interest or holding, mergers, or in any other way and, more generally, to conduct any industrial, commercial and financial operations, and operations relating to fixed or unfixed assets, that may relate, directly or indirectly, to any one of the above-mentioned purposes, totally or partially, or to any similar or related purposes, and even to other purposes of a nature to promote our business.

LEGAL MATTERS

Certain legal matters in connection with the offering of the Notes will be passed upon for us by Cleary Gottlieb Steen & Hamilton LLP, as to matters of English and French law. Certain legal matters in connection with the offering of the Notes will be passed upon for the Managers by White & Case LLP, as to matters of English and French law.

STATUTORY AUDITORS

Our statutory auditors are PricewaterhouseCoopers Audit and Ernst & Young Audit. The address of PricewaterhouseCoopers Audit is 63, rue de Villiers, 92208, Neuilly-sur-Seine, France. The address of Ernst & Young Audit is Tour First, 1, Place des Saisons, TSA 14444, 92037 Paris la Défense Cedex, France. Both entities are members of the *Compagnie régionale des Commissaires aux Comptes de Versailles* and are regulated by the *Haut Conseil du Commissariat aux Comptes* and duly authorised as *Commissaires aux Comptes*. PricewaterhouseCoopers Audit and Ernst & Young Audit have audited in accordance with professional standards applicable in France and rendered unqualified audit reports on the consolidated financial statements of the Issuer for each of the fiscal years ended 31 December 2009, 2010 and 2011 prepared in accordance with IFRS as adopted by the European Union and included in this Offering Circular.

ANNEX A

This Annex A contains free English translations of certain sections of the Company's 2011 Registration Document, namely Chapter 1 ("An Introduction to Faurecia"), Chapter 2 ("Business Review 2011"), portions of Chapter 3 ("Results of Operations and Financing"), Chapter 6 ("Research and Development"), Chapter 8 ("Corporate Governance") and Chapter 9 ("Consolidated Financial Statements"). Chapter 9 contains the Issuer's consolidated financial statements for the fiscal year ended 31 December 2011, prepared in accordance with IFRS as adopted by the European Union and the related audit report.

The information in this Annex A has not been updated since 25 April 2012 and speaks only as of that date. Any statement contained in this Annex A shall be deemed to be modified or superseded for purposes of this Offering Circular to the extent that a statement contained in this Offering Circular modifies or supersedes such statement. Any statement that is modified or superseded shall be deemed, except as modified or superseded, not to constitute a part of this Offering Circular.

This Annex A contains forward-looking statements that are by definition subject to significant uncertainty. Please see "Forward-Looking Statements" and "Risk Factors" in this Offering Circular.

Technical perfection, automotive passion

faurecia

Registration Document 2011

AUTORITÉ DES MARCHÉS FINANCIERS

AMF

The French version of this Registration Document (document de référence), including the annual financial report, was filed with the Autorité des marchés financiers (AMF) on 25th April 2012, pursuant to Article 212-13 of the AMF's General Regulations. It may only be used in connection with a financial transaction if it is 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.

Introduction to Faurecia

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Board of Directors, Executive Committee and Auditors

Board of Directors as of April 17, 2012

Yann Delabrière

Chairman and Chief Executive Officer

Directors

Éric Bourdais de Charbonnière
Jean-Pierre Clamadieu
Lee Gardner
Jean-Claude Hanus
Hans-Georg Härter
Linda Hasenfratz
Ross Mcinnes
Thierry Peugeot
Robert Peugeot
Frédéric Saint-Geours
Philippe Varin

The Statutory Auditors
Members of the Compagnie Régionale de Versailles

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

PricewaterhouseCoopers Audit
Represented by Dominique Menard
63, rue de Villiers
92208 Neuilly-sur-Seine

Executive Committee as of April 17, 2012

Yann Delabrière
Chairman and Chief Executive Officer

Jean-Marc Hannequin
Executive Vice-President, Faurecia Emissions Control Technologies

Frank Imbert
Chief Financial Officer

Patrick Koller
Executive Vice-President, Faurecia Automotive Seating

Thierry Lemâne
Executive Vice-President, Group Communications

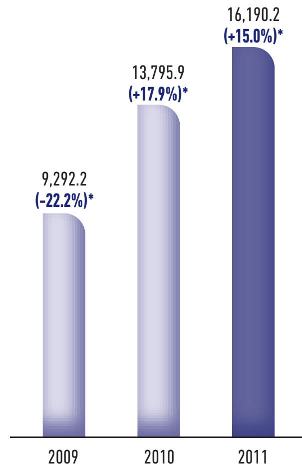
Jacques Mauge
Executive Vice-President, Faurecia Automotive Exteriors

Bruno Montmerle
Executive Vice-President, Group Strategy

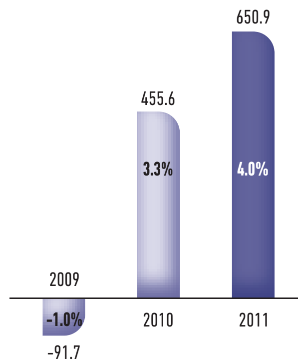
Christophe Schmitt
Executive Vice-President, Faurecia Interior Systems

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

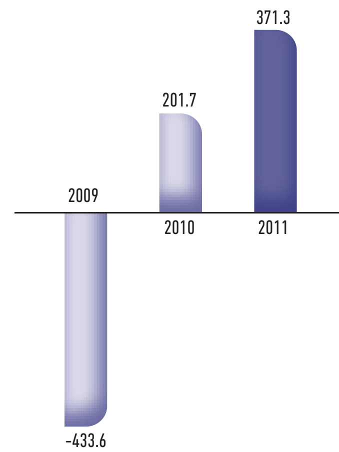
Key figures



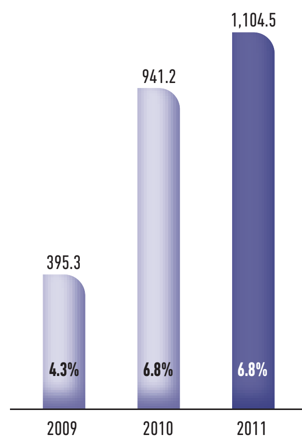
Sales *(in €m)*
* *On a like-for-like basis*



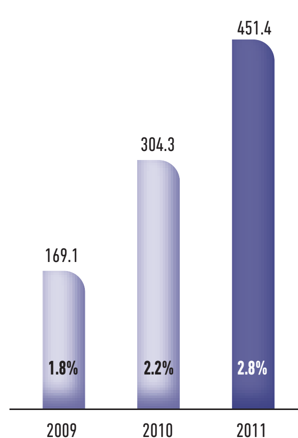
Operating income [(1)]
(in €m and as a % of sales)



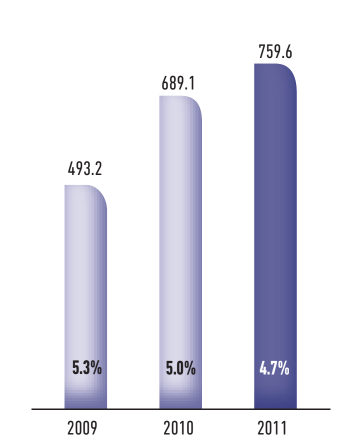
Net income/(loss) attributable to equity holders
(in €m)



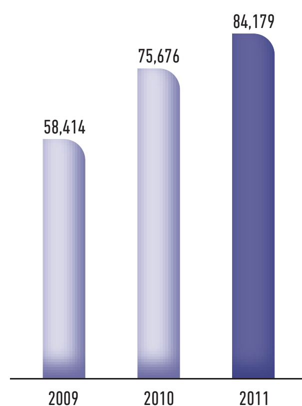
EBITDA [(2)]
(in €m and as a % of sales)



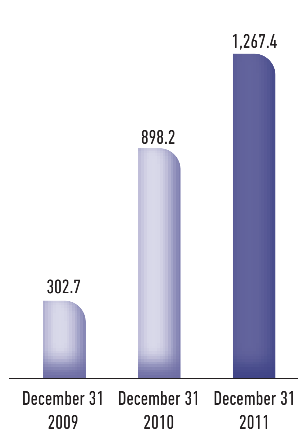
Capital expenditure
(in €m and as a % of sales)



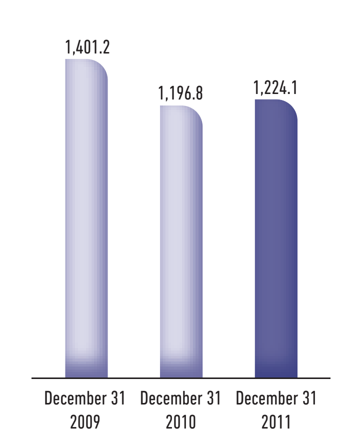
Gross R&D expenditure [(3)]
(in €m and as a % of sales)



Total headcount



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) Gross value before capitalized development costs and amounts billed to customers (See Note 5.4 to the consolidated financial statements).

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

2

Business review 2011

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

- **the consolidated financial statements, the parent company financial statements, the corresponding Statutory Auditors' reports, the comments on the consolidated financial statements and significant events of the year by business, set out respectively on pages 101 to 171, 179 to 201, 172 to 173, 202 to 203 and 8 to 20 of the 2010 Registration Document filed with the AMF on April 28, 2011 under number D. 11-0379;**
- **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, set out respectively on pages 93 to 157, 166 to 189, 158 to 159, 190 to 191 and 8 to 22 of the 2009 Registration Document filed with the AMF on April 28, 2010 under number D. 10-0334.**

2.1. The Faurecia Group

After a year marked by a recovery in global automotive production in 2010, business remained robust in 2011. The annualized growth rate of automotive production between 2010 and 2011 is estimated at 3% worldwide, with increases of 10% in North America, 6% in Europe and 3% in South America (source: IHS Automotive, January 2012).

Against this backdrop, Faurecia's consolidated 2011 sales totaled €16,190.2 million, compared to €13,795.9 million in 2010. This includes the sales generated by Angell-Demmel (consolidated since January 1, 2011), in the amount of €117.4 million, as well as those derived from the seat systems plant in Madison (Mississippi, United States), acquired on April 4, 2011, in the amount of €108.3 million.

The year-on-year growth rate of Faurecia's consolidated 2011 sales was 17.4% on a reported basis. On a like-for-like basis (2010 data restated to factor in the first-quarter 2011 sales of Plastal Germany; 2011 data excluding sales generated by Plastal Spain operations during the first nine months and operations for Madison and Angell-Demmel for the entire year), sales were up 15.0% compared to 2010, breaking down as growth of 15.5% in the first half and 14.6% in the second.

Product sales (deliveries of parts and components to automakers) amounted to €12,391.1 million, compared to €10,695.8 million in 2010, a 15.8% increase on a reported basis. On a like-for-like basis, sales increased by 12.9% (13.8% in the first half of the year, 11.9% in the second).

Sales of tooling, R&D and prototypes totaled €973.1 million, versus €795.4 million in 2010. This represents 22.3% growth on a reported basis. On a like-for-like basis, sales increased by 18.4% (14.8% in the first half, 21.3% in the second).

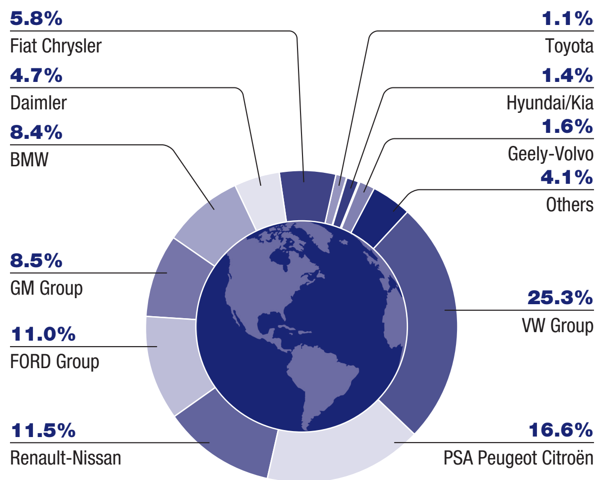
Sales of catalytic converter monoliths totaled €2,687.3 million, up from €2,168.1 million in 2010, representing increases of 23.9% on a reported basis and 25.4% on a like-for-like basis (26.2% in the first half of the year, 24.6% in the second).

Total sales excluding catalytic converter monoliths totaled €13,502.9 million in 2011, compared to €11,627.8 million in 2010, a 16.1% increase on a reported basis. On a like-for-like basis, growth compared was 13.1% from 2010, breaking down as increases of 13.6% in the first half of the year and 12.7% in the second.

Product sales by geographic region in 2011 break down as follows:

- in Europe, product sales amounted to €7,815.3 million (63.1% of total product sales), versus €7,042.9 million in 2010, up 11.0% on a reported basis and 6.2% on a like-for-like basis. After an 8.5% gain in the first half of the year, second-half sales advanced by 3.7% on a like-for-like basis. Business remained steady with German carmakers, which accounted for 50.4% of product sales in Europe during the second half of the year;
- in North America, product sales amounted to €2,579.2 million (20.8% of total product sales), versus €1,944.7 million in 2010, up 32.6% on a reported basis and 32.6% on a like-for-like basis (30.1% in the first half of the year, 35.0% in the second). Most of the gain was attributable to growth in sales to Daimler (new Mercedes M-Class), Volkswagen (Jetta, new Beetle, Passat), Ford (Fiesta and Focus) and General Motors (Cadillac in particular), as well as strong growth in product sales to Chrysler (new 200, Grand Cherokee). In addition, the acquisition of the seat systems plant in Madison contributed to the strong growth of North American sales to the Nissan group;
- in South America, product sales amounted to €639.0 million (5.2% of the total), versus €556.7 million in 2010, up 14.8% on a reported basis. On a like-for-like basis, growth was 17.2%, breaking down as increases of 23.6% in the first half of the year and 11.9% in the second;
- in Asia, product sales amounted to €1,116.8 million (9.0% of the total), versus €967.7 million in 2010, up 15.4% on a reported basis. On a like-for-like basis, the increase was 16.1%, 11.8% of which was in China – bringing annual product sales to €880.7 million – and 35.0% in Korea, where annual product sales totaled €163.2 million. In the second half of the year, product sales grew by 16.0% at constant exchange rates in Asia, with increases of 11.8% in China and 40.0% in Korea;
- in other countries, product sales amounted to €240.7 million, up 30.9% on a reported basis and 34.8% at constant exchange rates. These sales were mainly recorded in South Africa.

PRODUCT SALES IN 2011 BY CUSTOMER (%)



Product sales to the Volkswagen group totaled €3,136.8 million in 2011, up 20.8% on a reported basis and 15.0% on a like-for-like basis. They accounted for 25.3% of the Faurecia Group's total product sales. On a like-for-like basis, the increase was 13.7% in Europe, 29.6% in North America, 18.1% in Asia and 5.5% in South America.

Product sales to the PSA Peugeot Citroën group totaled €2,061.0 million in 2011, up 5.7% on a reported basis and 6.1% on a like-for-like basis. They accounted for 16.6% of the Faurecia Group's total product sales. On a like-for-like basis, sales growth was driven by Asia (+11.5%) and South America (+34.5%). In Europe, product sales growth was 3.3%.

Product sales to the Renault-Nissan group represented 11.5% of Faurecia's total product sales. They were up 11.7% compared to 2010 on a reported basis and 3.6% on a like-for-like basis, totaling €1,424.0 million. They were up 49.8% in North America and 32.8% in South America, but were flat in Europe (-0.1%) and Asia (-0.2%).

Product sales to the Ford group accounted for 11.0% of the Faurecia Group's total product sales, totaling €1,357.2 million in 2011. They were up 15.1% on a reported basis and 11.7% on a like-for-like basis, with 28.9% of growth in North America and 6.0% in Europe.

Product sales to the BMW group amounted to €1,045.9 million (8.4% of the Faurecia Group's total product sales). They were up 6.5% on a reported basis and 5.9% on a like-for-like basis. Growth mainly occurred in North America (+11.7%), with the increase in Europe coming to 2.8%, on like-for-like basis at constant exchange rates.

Product sales to the General Motors group in 2011 registered a 0.5% increase on a reported basis and a 2.7% increase on a like-for-like basis, totaling €1,052.8 million (8.5% of total product sales). On a like-for-like basis, sales were up 22.8% in Asia and 4.6% in North America. They were down 19.5% in Europe.

Product sales to the Daimler group totaled €584.9 million (4.7% of the Faurecia Group's total product sales). They were up 28.1% on a reported basis and 15.6% on a like-for-like basis, with increases of 6.8% in Europe and 282.4% in North America. The latter increase was attributable to the start of deliveries of seats and interior parts for the new Mercedes M-Class.

In 2011, product sales to Fiat-Chrysler were up 82.1% (83.3% on a like-for-like basis), 13.2% to Geely-Volvo (12.9% on a like-for-like basis) and 47.6% to Hyundai/Kia (48.7% on a like-for-like basis). They were down 22.3% to Toyota (20.6% at constant exchange rates).

(in € millions)	H2 2010	H2 2011	Chg.*	2010	2011	Chg.*
Total sales	6,970.0	8,039.9	12.7%	13,795.9	16,190.2	13.1%
Interior Modules	3,784.6	4,240.5	9.8%	7,663.8	8,626.7	10.8%
Other Modules	3,185.4	3,799.4	17.9%	6,132.1	7,563.5	17.5%
Product sales	5,341.4	6,058.9	11.9%	10,695.8	12,391.1	12.9%
Automotive Seating	2,140.5	2,319.9	6.1%	4,343.2	4,769.9	8.3%
Interior Systems	1,270.5	1,492.3	14.5%	2,635.7	3,075.3	14.1%
Interior modules (sub-total)	**3,411.0**	**3,812.2**	**9.2%**	**6,978.9**	**7,845.1**	**10.5%**
Emissions Control Technologies	1,275.8	1,478.3	18.9%	2,478.0	2,934.6	20.7%
Automotive Exteriors	654.6	768.4	12.5%	1,239.0	1,611.3	10.9%
Other modules (sub-total)	**1,930.4**	**2,246.7**	**16.7%**	**3,716.9**	**4,545.9**	**17.2%**

* *On a like-for-like basis, excluding catalytic converter monoliths.*

2.2. Interior modules

Sales for the Interior Modules segment totaled €8,626.7 million in 2011, up 12.6% on a reported basis. On a like-for-like basis, they were up 10.8% (11.8% in the first half of the year, 9.8% in the second).

Product sales amounted to €7,845.1 million in 2011, compared to €6,978.9 million in 2010, an increase of 12.4% on a reported basis. On a like-for-like basis, sales were up 10.5% (11.7% in the first half of the year, 9.2% in the second).

2.2.1. FAURECIA AUTOMOTIVE SEATING

Sales	Employees	Sites	Countries	R&D Centers
€4,981.2 million	30,272	76	24	18

The Automotive Seating business generated €4,981.2 million in sales in 2011, up 9.0% compared to 2010 on a reported basis and 7.5% on a like-for-like basis.

Product sales totaled €4,769.9 million, versus €4,343.2 million in 2010, up 9.8% on a reported basis and 8.3% on a like-for-like basis. The increase in the second half of the year was 8.4% on a reported basis and 6.1% on a like-for-like basis.

In Europe, product sales rose by 2.2% year-on-year on a reported basis to €3,131.4 million (2.3% on a like-for-like basis).

With product sales totaling €880.0 million, North America recorded 38.4% increase in annual growth on a reported basis, including 52.5% growth in the second half of 2011 compared with the second half of 2010. These sales factor in the seat systems plant business in Madison, in the amount of €107.7 million for the year. On a like-for-like basis, growth was 26.4% for the year and 34.6% in the second half of the year. The gain was attributable in large part to the ramp-up of the new Mercedes M-Class and sustained sales to Volkswagen (Jetta, new Beetle, Passat in the new Chattanooga plant).

In South America, product sales totaled €265.8 million in 2011, a 32.1% increase from 2010 on a reported basis (35.3% on a like-for-like basis). In the second half of the year, the increase was 17.7% on a reported basis and 24.1% on a like-for-like basis.

In Asia, product sales totaled €464.9 million, up 8.8% over the full year on a reported basis (9.4% on a like-for-like basis) and 8.4% in the second half (8.3% on a like-for-like basis).

Product sales to the majority of our customers were up, in particular, to Renault-Nissan, VW and Daimler, due to the launch of new vehicles for which Faurecia is a supplier and to the incorporation of new business within Faurecia's scope of consolidation, and to Chrysler due to growth in the North American market.

The year 2011 was marked by the launch of mass production of the Daimler M-Class in the USA and the VW Up ! in Europe, for which Faurecia supplies complete seating units. The year also saw the continuation of the worldwide roll out of front seating frame platforms developed and produced by Faurecia Automotive Seating for Nissan, General Motors, Volkswagen and PSA with new applications in Europe, North America, South America and Asia. These new generation standard frames (which are now fitted in more than 50 different models) have helped Faurecia bolster its leading position1* in the international seating platform market. During the year, Faurecia managed over 65 complete seat and seating frame programs in total 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 2011, Faurecia added the Madison (USA) just-in-time complete seat production unit to its businesses, purchased from Johnson Controls. This plant produces over 200,000 complete seats a year, which are delivered to the Nissan plant in Canton. This acquisition means that Faurecia is now one of Nissan's largest complete seat suppliers in North America. The launch of the production of seat frames for Nissan in the USA in 2012 and 2013 will add to this business.

Sales and marketing activities were again strong in 2011, with a high number of new program wins for complete seat units, mechanisms and other components. Over 60% of this new business was won for new vehicles or following a bid process, which led to Faurecia capturing further market share. The main growth drivers are concentrated in North America, China and Russia with GM, BMW and Renault-Nissan, meaning that the Group was able to spread its sales growth more evenly across geographic regions. New market share was won from the competition in international frame platforms and seating mechanisms at a number of customers, strengthening Faurecia's position in these segments. The main contract renewals during the year concerned BMW and VW in Europe and Renault in Brazil, for both complete seat units and seating

* *Source: Faurecia.*

frames. Faurecia's Automotive Seating business now ranks number three worldwide for complete seat units and number one for frames and mechanisms*.

During the year, the Group continued to streamline its manufacturing base, closing three facilities in Europe. The Group has 76 factories (including 34 just-in-time sites) located in 22 countries. The process to transfer all of the mechanism production and Research & Development units from Flers to the new Caligny site was completed in November 2011.

Innovation is still a priority for Faurecia Automotive Seating, with a particular focus on "Premium" solutions, lighter-weight products and international seating platforms. Product weight reduction is a key requirement of automakers and has become an essential element of the product development process. Faurecia Automotive Seating offers innovative solutions combining new materials with optimal design concepts that can lighten the weight of each seat unit by several kilograms. The international, modular, platform approach means that international carmakers can be offered a product which is relevant, and can be manufactured, based on a portfolio of standard components and sub-assemblies in every region of the world. The quest for optimal competitiveness is key to all of Faurecia Automotive Seating's new developments, including entry-level product solutions for emerging markets.

This year, Faurecia Automotive Seating took part in the Shanghai, Frankfurt and Los Angeles motor shows, where it presented its vision for the Premium (Premium Seating) and entry-level (Performance Seating) segments, at the same time as adding a new version of the Smart Fit™ seat which enables seating comfort to be adjusted, via GPS, for road conditions as well as for the occupant's position.

Throughout 2011, 4.5% of the business's sales were devoted to research and development. 56 of the 102 patents filed in 2011 were for new inventions, bringing the total number of active patents to 1,846. Close to 20 customer events dedicated to innovation and the acquisition of new programs were organized all over the world in 2011.

2.2.2. FAURECIA INTERIOR SYSTEMS

Sales	Employees	Sites	Countries	R&D Centers
€3,645.5 million	23,865	68	24	7

Interior Systems sales totaled €3,645.5 million in 2011, up 17.9% on a reported basis versus 2010, and 15.6% on a like-for-like basis.

Product sales totaled €3,075.3 million, versus €2,635.7 million in 2010, up 16.7% on a reported basis, and 14.1% on a like-for-like basis. In the second half of the year, product sales were up 17.5% and 14.5% respectively.

In Europe, product sales totaled €2,056.5 million in 2011, up 14.0% versus 2010 on a reported basis, and 8.4% on a like-for-like basis.

In North America, sales amounted to €622.3 million, up 29.9% on a reported basis versus 2010, or 35.6% at constant exchange rates.

In South America, product sales totaled €192.2 million in 2011, up 17.6% compared to 2010 on a reported basis, and 19.8% on a like-for-like basis.

In Asia, the Interior Systems business product sales totaled €137.8 million, slightly decreasing 0.3% on a reported basis and 0.2% on a like-for-like basis. However, during the second-half of the year, product sales were up 7.1% and 6.5% respectively.

Like 2010, this was another particularly eventful year in terms of production launches. In Europe, in particular, there were production launches for the Mercedes SLK, Opel Zafira, Dacia Duster, Volkswagen Up, Citroën DS5, Ford Focus and Toyota Yaris. North America started production of instrument panels for the new Chrysler Sebring, Volkswagen Passat and Volkswagen New Beetle. South America started production of instrument panels for the Chevrolet Astra and the Dacia Sandero.

New contracts continued to be won in 2011. Faurecia Interior Systems won 88 contracts estimated to be worth €3,026 million in product sales.

In line with its strategy of consolidating its technological leadership, in early 2011, Faurecia acquired Angell-Demmel Europe, the world leader in metal automotive interior trim parts. In 2011, Faurecia Angell-Demmel, based in Lindau (Germany), achieved €111.7 million worth of sales with the leading German carmakers Audi, BMW, Daimler and Volkswagen. This company employs 1,177 people at two industrial sites in Lindau and Kennelbach (Austria) and a design, development and prototyping center in Lindau.

The SAS joint venture with Continental, which specializes in just-in-time assembly and delivery of complete cockpit modules comprising instrument panels with built-in electronics and circuitry (and which is world leader in this sector), enabled Faurecia to deliver 4.4 million ready-assembled modules, resulting in sales of €3,576.6 million, up 10.8% compared to 2010.

* *Source: Faurecia.*

Faurecia Interior Systems is pursuing its ambitious expansion plans in China. As a result of the strategic alliance entered into with the Geely group in 2010, six new plants are being built. One became operational at the end of 2011, and the other five were still under construction or in the launch phase on that same date. Based in Chengdu, Cixi, Beilun, Lanzhou, Jinan and Xiangta, the six plants aim to develop, produce and deliver interior automobile systems to all the Geely brands in China. Additionally, the Group has formed a company in which Faurecia has a 50% interest, together with Guangneng, the Chinese plastic parts supplier, to deliver interior parts to the Changan Ford JV in Chongching. Guangneng will also start gradually producing injection tools, under Faurecia's supervision.

Faurecia Interior Systems has also built two new plants based in Pluak Daeng (Thailand) and Chennai (India), which will be operational in the first half of 2012.

In North America, a new plant in Louisville (USA) was launched in the third quarter of 2011 and another in Fraser (USA) is currently under construction.

In Europe, three new plants are being built to consolidate Faurecia Interior Systems' position in Kaluga (Russia), Gorzow (Poland) and Kosice (Slovakia).

The Interior Systems business also pursued its roll out of the Faurecia Excellence System (FES), leading to a major shift in its manufacturing performance. This improvement has been recognized by several of the group's customers. The Washington (England) plant was recognized by Nissan Europe in the *meilleure progression usine* [most improved plant] category whereas the Orhangazi (Turkey) plant won the prize for the best plant in terms of quality, cost and delivery times, awarded by Oyak Renault-Nissan.

Innovation, which is a key function for Faurecia Interior Systems, is very much focused on carmakers' requirements. A great deal of effort has been put into weight reduction, use of renewable materials, expanding the use of natural fibers, optimizing architectures and replacing oil-based products with bio-sourced components.

A particular focus has been placed on developing a portfolio of trim technologies. Faurecia's unique and particularly diversified offer of trim materials and components provides carmakers with original solutions for making their vehicle interiors more attractive and ensures product differentiation.

The development of vertical integration and products designed to be manufactured in any part of the world means that Faurecia can offer the most competitive solutions.

Faurecia Interior Systems' engineering expertise was recognized internationally at the 41st "Society of Plastics Engineers" awards ceremony, when Faurecia won three awards in the "Automotive Innovation" category, alongside its customers, Ford and Chrysler. These prizes were awarded for the development of the MuCell molding technology, recognized in the "Process" category. This technology enabled the weight of the instrument panels on the Ford Escape and Kuga 2012, produced in the Faurecia Interior Systems (FIS) plant in Louisville (Kentucky, United States) to be reduced significantly. FIS's achievements in the area of passive safety system integration with the RALF concept which is found in numerous new vehicles, including the new Ford Focus, was also recognized. Finally, the Engineering teams were recognized with a special award from the panel of judges for their performance in developing instrument panels for the latest Chrysler vehicles.

2.3. Other modules

Sales for the Other Modules business totaled €7,563.5 million in 2011, up 23.3% on a reported basis. On a like-for-like basis, and excluding catalytic converter monoliths, sales in this segment increased by 17.5% (17.0% in the first half, 17.9% in the second).

Product sales excluding catalytic converter monoliths totaled €4,545.9 million in 2011, versus €3,716.9 million in 2010, up 22.3% on a reported basis. On a like-for-like basis, the increase was 17.2%, 17.7% of which was in the first half of the year and 16.7% in the second half.

2.3.1. EMISSIONS CONTROL TECHNOLOGIES

Sales	Employees	Sites	Countries	Development centers
€5,779.3 million	18,550	70	21	7

The Emissions Control Technologies business generated total sales of €5,779.3 million in 2011, up 20.9% on a reported basis and 20.5% at constant exchange rates and excluding sales of catalytic converter monoliths.

Product sales excluding catalytic converter monoliths totaled €2,934.6 million in 2011, increasing 18.4% on a reported basis and 20.7% on a like-for-like basis. In the second half of 2011, product sales increased by 15.9% on a reported basis and 18.9% at constant exchange rates.

By geographic region, product sales (excluding catalytic converter monoliths) rose by 11.9% in Europe (11.7% on a like-for-like basis), 26.4% in North America (32.0% on a like-for-like basis) and 27.8% in Asia (28.7% on a like-for-like basis). They were down 5.7% in South America (-3.9% on a like-for-like basis).

In the second half of 2011, product sales rose by 6.7% in Europe (6.8% on a like-for-like basis), 25.8% in North America (31.9% on a like- for-like basis) and 26.9% in Asia (27.3% on a like-for-like basis). They were down 9.4% in South America (-4.5% on a like-for-like basis).

The year 2011 was filled with mass production start-ups, with 88 vehicle launches. In Europe, in particular, there was the launch of the new 2.0l GTDI from BMW, equipped with a complete module formed by the turbo, the manifold and the catalytic converter, the launch of the Audi Q3 from the PQMix platform, shared with the VW Tiguan, equipped with self-contained systems for its gasoline and diesel engines as well the launch of the Land Rover Evoque, equipped with complete exhaust lines. In Russia, where Faurecia Emission Control Technologies supplies the cold section of the Avtovaz Priora.

In North America, the Chattanooga production plant launched the production of exhaust systems for the VW Passat. Faurecia Emissions Control Technologies also launched the complete exhaust line for the Chrysler 300C onto the commercial vehicles market as well as hot section equipment for Cummins, John Deere and Hino.

In Asia, the GM Global Small platform was launched this year in South Korea, as well as the GM Colorado and Ford Ranger pick-ups in Thailand, both equipped with complete exhaust lines.

In 2011, Faurecia Emissions Control Technologies held onto its position as world market leader[1] with over 99 new programs won. Its increasingly significant position in the Chinese market continued with the majority of new programs coming from Chinese carmakers such as FAW, Geely, Changan, Dongfeng, JMC and Guangzhou. A significant number of contracts were also won in Europe with our major clients VW, Ford and PSA. Business continued to grow on the commercial vehicles market due to consolidation of the partnership with Cummins and the acquisition of new programs at DAF, Cummins and John Deere.

Faurecia Emissions Control Technologies is present on all automotive markets worldwide, with an overall manufacturing presence covering 70 sites and 7 research and development centers. In April 2011, expansion of the research and development center for customers in Shanghai began. This center is focusing on developing emissions control to anticipate future Chinese standards, improving engine energy consumption and designing optimal acoustic solutions.

This year, Faurecia Emissions Control Technologies consolidated its presence on the Indian market with the acquisition of Yutaka Autoparts Limited, a manufacturer of complete exhaust systems based in Pune and supplying Indian carmakers, in particular, Tata. The expansion of the Chennai site is also part of Faurecia's strategy of supporting its global customers, in this case, Hyundai. Tata and Hyundai can be added to the list of existing Indian customers such as Ford, Nissan and Toyota.

In South Korea, Faurecia Emissions Control Technologies strengthened its position by opening a third plant. This plant,

(1) Source: Faurecia.

located in Yeoncheon, will reinforce the existing system for filling Hyundai orders. It supplies cold sections for the new version of the Accent and Veloster models, as well as the hot sections for the Korean brand's Gamma 1.4L/1.6L, Nu 2.0L and Tau 4.6L/5.0L.

Innovation continues to be a priority for Faurecia Emissions Control Technologies. The business presented some new products at the Frankfurt motor show, such as the fabricated isolated manifold designed for gasoline engines combined with a dual entry turbo as well as new processes such as the brazing and forming technologies used to significantly reduce the weight of exhaust lines. New concepts were also demonstrated, such as the post-treatment module for the "range extender". This compact module comprising a manifold coupled to a catalytic converter, a resonator and a silencer demonstrated Faurecia's ability to rise to this new specific challenge in terms of emissions control, acoustics and packaging.

Faurecia Emission Control Technologies reinforced its capacity to treat diesel emissions by making a strategic investment in Amminex A/S, a Danish company with the latest expertise in the treatment of nitrous oxides and the inventor of the Ammonia Storage and Delivery System (ASDS). This technology is a gaseous selective catalytic reduction (SCR) system, providing an alternative to liquid SCR systems. It will offer major advantages to carmakers in terms of satisfying the Euro 6 standard and the future Euro 7 standard.

2.3.2. AUTOMOTIVE EXTERIORS

Sales	Employees	Sites	Countries	Development centers
€1,784.2 million	5,894	29	9	7

Sales from the Automotive Exteriors business totaled €1,784.2 million in 2011, up 32.1% compared to 2010 on a reported basis, and 12.1% on a like-for-like basis. The reported change in sales factors in the contribution from Plastal Germany in the first quarter of 2011, in the amount of €135.9 million, and that of Plastal Spain in the first nine months of the year, in the amount of €121.6 million.

Product sales totaled €1,611.3 million in 2011. They were up 30.1% on a reported basis. Product sales were up 10.9% compared with 2010 on a like-for-like basis.

During the second half of 2011, product sales increased 17.4% compared with the same period of 2010 on a reported basis and 12.5% on a like-for-like basis.

The year 2011 was marked by the deployment of Faurecia's growth strategy outside Europe. It was focused, on the one hand, on South America, with orders being won for major programs for PSA and VW with the construction of two plants in Brazil, one in Sao Bernardo do Campo (State of Sao Paulo) and the second in Porto Real (State of Rio de Janeiro) as well as the construction of the Malvinas plant in Argentina. The strategy was also put into practice in China, with the creation of a joint venture with the HuaXiang group, which supplies the FAW-Volkswagen groups with exterior parts in Changchun. Lastly, Faurecia Automotive Exteriors has agreed to build a plant in Belvidere (Illinois) in the United States for the launch of various programs for Chrysler.

There were seventeen product launches in 2011, in particular, the Audi A4 facelift front-end module, the VW Passat and VW up technical front-ends, the Audi A6 S-Line, VW Tiguan, BMW Série 5GT, Ford Focus, Opel Zafira, Porsche 911 and Citroën DS5 fenders, as well as the fan unit for the VW Up.

The innovations applied to program in 2011 involved not only the international deployment of the NewTech process, but also product/process solutions responding to carmakers' style requirements. In particular, self-colored grilles or the use of laser welding as an assembly method for body trim components. Finally, as part of its weight reduction strategy and, more specifically, its strategy to reduce the weight of structural parts, Faurecia signed a number of major partnership deals for composites, including one with the Fraunhofer Institute in Karlsruhe. It also furthered this strategy by creating an international chair dedicated to "industrial composites for automotive applications" with the *École Centrale de Nantes.*

The Automotive Exteriors business now has a total of 29 plants in nine countries, 23 of which in Europe, two in the United States, three in South America and one in China. The research and development centers are located in Audincourt, France, Weissenburg and Gaimersheim, Germany, Barcelona, Spain and Auburn Hills, United States. Two research and development centers are shared with other Faurecia businesses: Pune in India and Shanghai in China.

Results of operations and financing

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3.1. Results of operations

3.1.1. OPERATING INCOME

Operating income for 2011 totaled a profit of €650.9 million, or 4.0% of sales, up 43% compared to 2010, when it represented a profit of €455.6 million, or 3.3% of sales.

In the second half of 2011, operating income totaled €310.8 million, or 3.9% of sales, up 30% compared to the same period in 2010, when it totaled €239.1 million, or 3.4% of sales.

The €71.7 million increase in operating income during the second half of 2011 compared to the same period of 2010 is mainly due to four factors:

- growth in sales volumes, with the additional contribution estimated at €190 million;
- a negative impact of €10 million from change in raw material prices, net of rebilling to customers, as well as other costs stemming from the strong growth of project start-ups, estimated at €45 million;
- a €46 million reduction in fixed costs in Europe;
- increased costs stemming from new facilities and the expansion of operations outside Europe, totaling €109 million. In North America, the main projects were the start of production for Volkswagen on the Chattanooga (Tennessee) site the start of production for the new Mercedes M-Class on the Cottondale and Tuscaloosa (Alabama) sites, the expansion of the Madison (Missouri) site for Nissan, and the Arlington (Texas), Lansing (Michigan) and Louisville (Kentucky) sites. In addition, Faurecia Emissions Control Technologies started producing emissions control systems for commercial vehicles in partnership with Cummins. In China, 11 new production sites were launched in Hadu, Chengdu (2), Wuhan, Shenyang, Beilun, Lixi, Xiangtan, Jinan, Yancheng and Lanzhou.

The increase of €195.3 million in operating income for all of 2011 compared to 2010 is attributable to the same factors:

- growth in sales volumes, contributing €373 million;
- a negative impact estimated at €40 million from change in raw material prices, net of rebilling to customers, as well as other costs in the amount of €17 million;
- a €75 million reduction in fixed costs in Europe;
- increased costs outside Europe to support new developments, totaling €196 million (see above).

The trend for individual business segments was similar to that for the Group as a whole:

- the operating income for Interior Modules (Automotive Seating and Interior Systems) increased €152.4 million from 2010. For 2011, it amounted to €407.5 million, or 4.7% of sales. This change resulted from improved operations and the profitability of programs launched during the last few years;
- the operating income for Other Modules (Emissions Control Technologies and Automotive Exteriors) increased €42.9 million, reaching €243.4 million, or 3.2% of sales. It amounted to 5.0% of sales excluding catalytic converter monoliths.

Gross R&D expenditure amounted to €759.6 million and represented 4.7% of sales, versus €689.1 million in 2010 (5.0% of sales). The increase was 10% on a like-for-like basis. It was attributable to development activity generated by the high level of order intakes recorded in 2010 and 2011.

Amounts billed and billable to customers rose sharply to €498.0 million, versus €393.5 million in 2010. The capitalized portion of research and development expenditure, in accordance with IFRS, amounted to €178.9 million, compared with €154.3 million in 2010. As a ratio of total research and development expenditure, capitalized expenditures went to 23.5%.

Faurecia benefited in France from the regime of specific tax credits awarded on the basis of research and development activity conducted in that country. For 2011, these tax credits, which are deducted from gross research and development expenditure, amounted to €35 million, compared with €13 million in 2010, the increase stemming chiefly from an additional amount calculated on expenditures made in prior years.

Together, these factors resulted in net development costs of €222.3 million, versus €303.2 million in 2010, and €207.9 million in 2009.

Selling and administrative expenses amounted to €510.6 million, or 3.2% of sales, versus €443.8 million or 3.2% of sales in 2010. Excluding change in the scope of consolidation and exchange rates, the increase was 11%, well below the increase in sales, and was mainly due to growth in trading outside Europe.

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 €1,104.5 million (6.8% of sales), compared to €941.2 million in 2010. The increase in EBITDA mainly stemmed from growth in operating income.

3.1.2. NET INCOME

The "Other operating income and expenses" item totaled €57.9 million. It included €55.8 million in restructuring charges. These mainly pertain to the restructuring of businesses in France (€20.4 million), Germany (€14.3 million) and the USA (€6.8 million). These charges represent the finalization of the restructuring plans set out in 2009, with the aim of adapting production facilities in Europe to the new market conditions, and generating synergies from the integration of Emcon Technologies, acquired in February 2010. They also include expenses relating to the redundancy of 1,338 employees.

Cash financial income totaled €10.6 million, versus €8.1 million in 2010. Finance costs totaled €109.1 million, versus €98.7 million in 2010. The increase in finance costs was attributable to an increase in average borrowing costs from 4.22% in 2010 to 4.42% in 2011. At year end, Faurecia issued a €350 million bond maturing in five years, repaid early loans granted in November 2008 by a pool of banks and its largest shareholder, Peugeot SA, and set up a new three-and five-year syndicated loan with its banks.

Other financial revenues and expenses totaled €19.0 million, versus €25.6 million in 2010. This item includes an €8.2 million impact from the discounting of pension liabilities and the accelerated amortization of the balance of commissions on the 2008 syndicated loan in the amount of €3.5 million.

The tax expense for the year was €95.9 million, versus €89.8 million in 2010, putting the average tax rate at 20% in 2011. A €12 million tax asset was recognized in Germany, where the Group makes significant profits but where it still has tax-loss carry-forwards. In total, Faurecia has unrecognized tax-loss carry-forwards totaling €794 million, mainly in France and the USA.

The share of earnings of equity associates was €33.72 million, versus €18.8 million in 2010. The increase stemmed from the robust performance of SAS Automotive, a joint-venture with the Continental group specializing in cockpit assembly.

After allocating their share of net income to minority interests (totaling €42 million in 2011, mainly the share of associates in the income of Chinese companies of which Faurecia is not the single shareholder), net income for the year amounted to €371.3 million, an increase of 84% compared to 2010, when it was €201.7 million.

Basic earnings per share totaled €3.37 (€3.11 diluted earnings per share), versus €1.87 in 2010 (€1.79 diluted earnings per share), an 80% increase.

3.2. Financial structure and net debt

2011 was a year of strong growth for Faurecia, with increased investments, on means of production as well as product development, to allow the Group to pursue its growth, particularly in the emerging markets.

Net cash flows, corresponding to change in net debt restated for change in sales of derecognized trade receivables, dividends paid to minority interests and shareholders, investments in minority interests, debt relating to the acquisition of Angell-Demmel and the impact of exchange-rate fluctuations on debt denominated in foreign currencies, represented a negative €26 million net, a negative €6 million of which in the first half of the year and a negative €20 million in the second.

The negative net cash-flow balance of €26 million over the year was attributable to the following:

- EBITDA was €1,104.5 million, up 17% compared to 2010, when it was €941.2 million;
- an increase in the working capital requirements, which, restated for sales of derecognized trade receivables, rose by €114 million. This increase (€101 million) was mainly due to increases in billable studies and tooling following a surge in new contracts;
- restructuring represented cash outflows of €93 million, compared to €109 million in 2010;
- financial costs represented cash outflows of €120 million, versus €98 million in 2010. The difference was mainly due to costs relating to the bond issued in November 2011 and bank commissions on the new syndicated loan;
- capital expenditures represented cash outflows of €451 million, versus €304 million in 2010. Investments were lifted from €153 million to €257 million in low-cost countries, a 68% increase, and from €151 million to €194 million in high-cost countries. The share of investments made outside Europe was 47%, while sales outside Europe accounted for 37% in 2011;
- capitalized research and development costs represented cash outflows of €180 million, versus €154 million in 2010. The percentage of capitalized development costs went to 24% of total research and development costs;
- taxes represented cash outflows of €114 million, compared to €100 million in 2011;
- finally, other cash flow items represented €57 million in outflows, versus €30 million in inflows in 2010;

The €20 million negative net cash-flow balance in the second half of 2011 was attributable to the following:

- EBITDA amounted to €532 million;
- the working capital requirements, restated for sales of trade receivables, was a positive €10 million, representing a €56 million improvement in the production working capital requirements and a €47 million growth in billable studies and tooling;
- restructuring represented €48 million in cash outflows;
- finance costs represented €81 million in cash outflows;
- additions to property, plant and equipment represented €275 million in cash outflows;
- capitalized development costs represented €86 million in cash outflows;
- taxes represented €54 million in cash outflows;
- finally, other items represented €18 million in cash outflows.

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

- acquisitions of new companies and investments in unconsolidated companies represented in €85.4 million in cash outflows, €29.2 million of which was for the January 2011 acquisition of the German company Angell-Demmel, specialized in decorative aluminum vehicle-interior trimmings; €19.7 million for the acquisition of a 21.2% stake in the Danish company Amminex, specialized in technology for reducing nitrogen oxide in exhaust emissions, and €25 million in Chinese ventures, particularly with the manufacturer Geely to produce vehicle interiors and €11.6 million in other investments;
- dividends paid to shareholders represented €27.6 million in cash outflows;
- trade receivables sold and derecognized increased by €83.8 million over the year, rising from €377.9 million to €461.7 million. This increase was due mainly to the growth in sales;
- other exchange-rate fluctuations and sales of cash securities represented a positive balance of €28 million.

Net debt therefore amounted to €1,224.1 million as of year-end 2011, versus €1,196.8 million as of year-end 2010.

The Group's shareholders' equity sharply increased, rising from €810.5 million as of year-end 2010 to €1,153.9 million as of year-end 2011, due mainly to net income for the year.

At the end of 2011, Faurecia carried out a number of refinancing transactions aimed at reinforcing its credit lines and extending the maturity of its debt:

- issuance of a "Schuldschein," medium-term, three to five-year loan of €58 million provided by a pool of German banks;
- issuance of a €350 million bond maturing in December 2016, issued at 99.5% of par value, with a coupon of 9.375%. This placement, carried out in a challenging financial environment, was a major success with fixed-income investors, with demand representing four times the value of the issue. This proves Faurecia's capacity to refinance directly in the debt markets. To enter these markets, the Company sought a rating from Moody's, and was awarded a Ba3 rating with a positive outlook. The proceeds of the bond enabled repayment of the €250 million Peugeot SA credit line set up in November 2008;
- lastly, Faurecia made the early repayment of a syndicated loan awarded by its pool of banks in November 2008, and renegotiated a new syndicated loan with the same pool of banks for a total amount of €1,150 million in two tranches, one three-year tranche renewable twice and one five-year tranche. A previous clause, which made the continuation of the loan conditional on Peugeot SA keeping a 40% stake in Faurecia's share capital, was replaced by a classic change of control clause.

As a consequence of these transactions, Faurecia does not forecast any significant refinancing before the end of 2014, or more likely the end of 2016 if, as in the past, the three-year tranche of the syndicated loan is renewed.

Faurecia's financing is therefore completely autonomous.

Research and development

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Research and development (R&D) represents a strategic challenge for Faurecia. It is the starting point for the Group's innovative product and process creations and for future customer applications. R&D activities are structured around two main divisions:

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

R&D accounted for €760 million of gross expenditure in 2011 (4.7% of sales). €100 million of this was spent on innovation over the same period.

5,000 engineers and technicians based at over 40 centers across the globe represent the Group's R&D community. 390 patents were filed in 2011.

Technological development and innovation are key priorities for Faurecia. Technological development continued to accelerate in 2011, supported by a strong focus on academia. Faurecia signed strategic partnership agreements with universities in the form of contracts or chairs as well as investing in technological research institutes (IRT).

Faurecia also deployed its skills management policy by means of an ambitious plan with rigorous monitoring requirements. 272 experts are now skilled in the Group's 60 different areas of expertise. Skills sharing, wherever relevant, ensures optimal use of such expertise. The Company is forecasting this community of experts to be expanded to include more than 400 experts by 2015.

General Management's involvement in monitoring innovation plans via "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

The acceleration in model and platform globalization has made the standardized solutions offered by Faurecia increasingly attractive.

Deployed throughout the production and development process, this approach optimizes costs and reduces lead times.

Globalization of vehicle platforms

To reduce overheads, international carmakers roll out their models internationally with almost simultaneous commercial launches. This strategy is based on a policy of transversal components which are designed centrally, but produced locally.

With 270 production sites in 33 different countries, Faurecia's market presence means that it can respond to the constraints of these global platforms.

This presence was, for example, a determining factor for Ford when it decided to select Faurecia to supply the new Focus. No fewer than 13 Faurecia sites will deliver interiors, emissions control systems and body parts to the North American carmaker.

Increased popularity of platform components

In addition to model globalization, carmakers are endeavoring to mainstream major functions across several vehicle ranges by means of a 'platform components' policy.

With 20% of market share in 2010, seating units complying with this definition will account for over 70% of the market by 2015.

In anticipating this trend, Faurecia consolidated its positions by offering both standardized and modular architectures. Architecture standardization reduces development and industrial production costs. Modularization means that equipment levels can be varied to suit the local market, thereby reducing costs.

Production technology standardization

The platform components policy requires the standardization of technologies across all of the affected sites. By incorporating production technologies into their design, Faurecia's platform products can be rolled out worldwide very economically, while still guaranteeing adherence to quality and productivity criteria.

Standardization adds value

The cost reduction resulting from this platform component policy means that carmakers can shift value to design, comfort and ergonomics, thereby benefiting the user.

For Faurecia, this shift is reflected in the creation of value in each of its product lines and for all market segments. Benefiting from its expertise in top-of-the-line markets, Faurecia is in a position to offer innovative products providing high performance solutions and perceived quality at all levels of its product line and for all markets worldwide.

In 2011, this segmented approach was reflected in the presentation of several new designs in the seating and interiors markets. The High Performance and Ultra Premium Seats presented at the Frankfurt motor show were designed for entry level and top-of-the-line vehicle segments, offering hitherto unknown performance and differentiation levels. Likewise, the “Ready-to-Wear” vehicle interior concept applies principles inherited from the clothing industry by offering affordable content taken direct from the world of automotive *haute couture.*

These designs are proposed by our industrial design studios which, being in direct contact with engineering departments, are located in the immediate proximity of carmaker’ decision-making centers. This local presence adds force to their proposals which can be adapted to meet the specific needs of local markets.

This pragmatic approach was also rolled out in 2011 via the “Collections by Faurecia” concept. This palette of trim solutions enables carmakers to choose pre-approved materials which can be introduced into their products rapidly and with the utmost reliability.

Global resources and local service

In order to meet the needs of this global configuration, Faurecia has put specific development structures in place:

- skills centers bring together development resources from each of the platform product lines;
- client development centers nearest the carmakers, responsible for specific applications;
- shared resources platforms capable of making design and calculation workloads for all applications more flexible.

For example, this organization has enabled Faurecia to develop and industrialize the interior of the new Chrysler 200 and Dodge Avenger in less than twelve months; an improvement compared to the 30 months required for the previous generation of vehicles. This performance won Faurecia the 2011 automobile engineering team prize awarded by the Society of Plastic Engineers.

6.2. Research and Innovation

In 2011, investment in innovation continued and was focused on areas that are key to the Company's competitiveness such as environmental performance, product attractiveness, the system approach and the optimization of manufacturing processes, including the logistics which have consolidated Faurecia's leadership in terms of its quest for excellence.

6.2.1. ENVIRONMENTAL PROTECTION

Weight reduction

A multi-criteria approach is required to reach weight reduction targets, simultaneously addressing the performance of materials used, manufacturing processes, functional integration of products and the system in which they operate.

By combining different materials such as very high tensile strength steel and lightweight alloys or even composite plastics, hybrid seats can be developed that are both lighter in weight and safer for the seat's occupant.

A combination of aluminum and fiberglass materials applied to front-end modules gives a 15% gain over previous technologies. This technology is now used in volume production of the new Audi A6.

Microcellular plastics using "Microject technology" (injection combining resin and an inflating agent or gas) make it possible to reduce the density of molded parts without affecting performance. When applied to door panels, central consoles or instrument panel parts, the weight of the parts is reduced by 20% compared to the traditional injection system.

In addition, Lignolight technology (Faurecia patent) applied to door panels improves density by 40% compared to traditional components.

Considerable gains are also achieved thanks to technologies using steel. The Ultima seat track made from ultra high strength steel (Dual Phase 1000) is a first. Durability is improved by 20% and weight is reduced by 15%. The weight of the recliner mechanisms has also been reduced by approximately 30% by combining higher performance materials and different forming and assembling technologies (e.g. laser welding).

The induction brazing technology developed to assemble the various exhaust line components has cut their weight by 20% by reducing their width. This technology will enter into mass production in 2012 and will gradually be introduced for other modules delivered by Faurecia, by relevance of application.

Hydro-forming is another process developed by Faurecia to reduce the number of components and optimize thicknesses, particularly for exhaust lines.

Over and above these material and product gains, the only way to achieve new weight reduction thresholds is to apply a systemic approach. Traditionally, noise levels inside vehicles are reduced by layering heterogeneous materials which reflect or absorb sound vibrations and waves. Research into the nature of sound vibrations and waves and the ways in which they propagate has led to development of a range of materials combining acoustic insulation and absorption properties. By carrying out a three-dimensional simulation of a vehicle's acoustic and vibration signature, it is possible to define an optimal distribution of acoustic insulation material. This two-pronged approach makes it possible to reduce the weight of soundproofing materials by more than one third, a potential gain of over 10kg per vehicle.

Faurecia applies these weight-reduction strategies to all of its products so that it can surpass market objectives and offer products that provide a weight savings of approximately 70kg out of an average of 200kg.

Size reduction

Reducing product size maximizes passenger room and helps reduce vehicle size. The goal is to provide the users of a certain vehicle class with the interior space of the next highest line.

Development of new, lighter and more compact seat mechanisms and of composite backrests increases capacity by 15 to 20 mm.

Optimization of front-end modules by integrating ISO standard safety functions is another avenue of investigation which saves around 20 mm, which can then be gained on the length of the vehicle.

Pollution reduction

Faurecia develops all technologies for reducing nitrogen-oxide and particulate emissions for off- and on-road passenger cars and commercial vehicles; these technologies either use systems for re-circulating exhaust gas back to the engine intake or autonomous systems, in particular selective catalysis. In partnership with Amminex, Faurecia develops and industrializes the ASDS (Ammonia Storage and Delivery System) process which stores ammonia in a compact gaseous form, allowing for improved performance over a traditional liquid-form storage system. The first projects to use this technology have begun with a number of automakers.

Increased energy efficiency

Faurecia develops technologies for recycling the thermal energy available in exhaust systems, either directly to heat the vehicle's interior, for example, or by transforming the thermal energy into electricity to power accessories. Two technologies are considered for the latter application – thermoelectricity, which uses a semiconducting material crossed by a heat flow to generate electricity, or the generation of mechanical energy from the "Rankine cycle", which uses fluid transformed into steam to power a standard or a "scroll" turbine. This mechanical energy is then converted into electricity. These two principles reduce CO_2 emissions from 4 to 6 grams.

6.2.2. SYSTEM APPROACH

Standardization

Equipment suppliers must standardize for individual automakers and between several automakers in order to reduce development time and investment, ensure high levels of robustness at start of production, and increase competitiveness. However, this must not have a negative impact on the diversity of the product offer or on the performance of individual applications.

Faurecia has played a pioneering role in this field and the approaches that it proposes for each module are adapted to the needs of its customers.

When applied to seat frames, the Apollo concept defines those elements of assembly which remain unchanged for the various parts. As these key areas are cross-cutting, the automaker has freedom when it comes to product design, standardizing assembly technology and adapting the level of automation to the cost structure of the production country. This leads to a massive reduction in investment, a reduction in development time and costs, and the ability to supply a reliable, high-performance product under the best economic conditions. The mechanisms incorporated into seating structures are highly standardized components which use capital intensive procedures and, consequently, require large quantities to reduce repayment costs.

Similarly, the front-end carrier technique is at the heart of a modular concept which makes it possible to supply a wide range of products just in time. This part both ensures that the front end of the vehicle is rigid and integrates all the cooling and lighting components. These restricting parameters are taken into account both in terms of the part's design, which must adapt to the diversity of the components, and in terms of the production system able to create the desired composition in the time given. In Audi's case, this gives five different vehicles offering five million different module combinations delivered at an average rate of 1,700 units per day.

Standardization is confined to manufacturing processes and technologies. For this reason, Faurecia has introduced a rationalization policy which changes every time a new technology becomes a benchmark and needs to be integrated, for example.

One good example is the "New Tech" assembly line incorporating fender injection, painting and final assembly.

Customization

Decoration is a key element of customization. For Faurecia, it is a strategic focal point. The product offering for vehicle interior parts breaks down into two large families: add-on trim such as painted, filmed, aluminum or wood inserts, and integrated decorations such as DecoSkin (trim integrated into the surface of a part), DecoStitch (stylish sewing lines) applied to series production on the Laguna 3.

Other processes can be used to enhance surfaces, i.e. dual-colored, metallic or mother-of-pearl instrument panels.

The same approach is applied to automotive exterior parts, through specific painting of some elements and add-on films or parts.

Customization cannot be fully applied to the detriment of standardization. For this reason, Faurecia systematically searches for the best balance between these two aspects by optimizing product and process architectures, thereby reducing the diversity of components.

Additionally, Faurecia has developed a seat concept called SmartFit™ which makes it possible to customize automatic adjustment for each occupant in line with their measurements. The seat can also adapt to driving conditions (city, highway, sport, etc.) by connecting to GPS, or provide additional wellbeing functions such as massage.

Linked to the seat's electronic system, SmartFit's™ Bluetooth interface can transmit information from an iPhone, simplify seat commands and optimize the occupant's comfort and security.

Faurecia developed “collections” which were shown at the Frankfurt and Los Angeles motor shows. These are the result of combining attractive designs with advanced and innovative technologies, thereby enabling new freedoms in terms of industrial design as well as new user functions. They make use of all the materials, styles and technologies available for vehicle interiors. The “Collections by Faurecia” use 15 technologies, 250 colors and graphic designs in over 4,000 parts which make up five tables corresponding to 2012 trends.

Lastly, at the Los Angeles motor show, Faurecia presented a “Ready-to-Wear” concept and demonstrator applied to Interior Systems. This concept is the synthesis of the best technologies and functionalities that Faurecia can implement for the majority of vehicle applications. It uses authentic materials (high quality wood, leather, aluminum and textiles) and trims, innovative man/machine interfaces, a wireless cell phone charger, interior ventilation built into trim parts, a foot and leg massage system and weight optimization for visible structural components.

6.2.3. MATERIALS AND PROCESSES

Materials development

The development of specific plastic formulas leads to new materials that better address market needs and expectations.

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

Generally speaking, new materials cannot be dissociated from product design and manufacturing processes.

Control and innovation in manufacturing processes

In addition to processing methods for plastic materials, Faurecia focuses on forming processes for metallic materials, such as hydro-forming, cold forging or assembly processes such as laser welding which it pioneered, and brazing technologies. No stone is left unturned and all technologies likely to be used by Faurecia product families are systematically researched and awarded a specific classification.

A new concept for exterior-part painting lines (New Tech) was unveiled in March 2011 in Audincourt (France). This new concept can significantly reduce approximately 95% of volatile organic compound emissions, approximately 25% of energy consumption and increase flexibility, making it possible to adapt investments as closely as possible to automakers’ budgets, particularly in emerging markets. This new concept will be widely used for the international expansion of Faurecia Automotive Exteriors.

In addition, Faurecia set up a Chair on composites with the *École Centrale de Nantes* with the aim of researching materials and manufacturing processes compatible with the automobile industry’s time cycles.

6.2.4. THE INNOVATION PROCESS

Management and Expertise

Product development moves through various successive stages before taking shape in the form of an automobile/vehicle part.

An innovation must be validated prior to being proposed in vehicle development.

This first stage, for which an innovation project manager is responsible, uses marketing and product/process innovation teams which follow a several-stage standardized innovation process and call upon experts and skills centers across Faurecia's network of different Research and Development centers.

At the end of this process, the product must meet market expectations in terms of overall performance and be supported by an industrial validation which can be put into practice, whenever necessary, by a "pilot" production line.

Collaboration

To expand and enhance its expertise, Faurecia is constantly forming new partnerships with suppliers as well as research institutes. This approach, which is particularly evident in the field of plastics and metals, makes it possible to achieve lighter-weight designs at the best possible cost.

The launch of a chair on composites with the *École Centrale de Nantes* is a big step in the direction of the academic world and opens the door to other initiatives in this area.

Specific cooperative actions are also implemented for innovation projects that require technologies related to Faurecia's core business. For example, incorporating mobile electronics as part of the man-machine interface has led to collaboration with industry players in the fields of connectors, switches and electronics.

Investment

In 2011, the Group's continuous innovation work resulted in filing 390 new patents. Higher than in previous years, this number demonstrates Faurecia's commitment to innovation, despite heavy economic constraints.

It should also be noted that these patents pertain to products, materials, and manufacturing processes, demonstrating the efforts made by Faurecia to optimize the entire product value chain.

In 2011, R&D's commitment to innovation was embodied by:

- the inauguration of the Worldwide R&D and Innovation Center for complete seats and Automotive Seating structures;
- the opening of the Minbei Development center in China for the Emissions Control entity;
- furthermore, Faurecia announced the opening of an R&D center in China which, by the end of 2012, will bring together the Seating, Interior and Exterior Systems divisions, in Shanghai. Eventually, this center will have 350 engineers and technicians.

6.3. Engineering and Program Management

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

Engineering

As of today, Faurecia operates 38 R&D Centers around the world. Each business group's Research and Development is spread across our three main geographic areas — Europe, America and Asia. It is managed as a separate entity and possesses all the resources necessary to carry out the projects which it is assigned. Since it is structured as a network, it can run worldwide programs and commit as many of its resources as are needed through its worldwide workforce, or commit the right quality of resources needed through its roster of experts, particularly for vehicle innovation or application projects.

Project Management

Vehicle application programs follow a unique process, bringing together all the participants needed to develop and launch a new, mass-produced product. This process, known as PMS (Program Management System), describes all the deliverables to be produced at each phase of the program. Every program is given periodic interim reviews, first by specialists and then at the close of each phase by management, so that its progress can be seen. The PMS includes five phases: obtain and validate customer needs, develop the product, test the product and develop the manufacturing process, plan and validate productive machinery, and increase line speeds and launch mass production.

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

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

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

At the end of 2011, 538 programs run by 320 Program Managers were under development. Some are of global scale, from first drawings to final manufacture.

8

Corporate governance

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Sections 8.1.1, 8.1.2.2.1 and 8.4 of this chapter of this Registration Document constitute the Chairman's report to the Shareholders' Meeting pursuant to 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 composition, the conditions governing the preparation and organization of its work during 2011, and the internal control and risk management procedures introduced by Faurecia.

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

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

Finally, this report was approved by the Board of Directors at its April 17, 2012 Meeting, was sent to the AMF at the same time as this Registration Document and can be viewed on Faurecia's website: www.faurecia.fr.

8.1. Board of Directors

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

8.1.1.1. Members of the Board of Directors

According to the applicable legal and regulatory requirements and the Company's bylaws, the Board of Directors comprises at least three and no more than fifteen members. Following the approval of the first resolution presented to the General Meeting of Shareholders of May 26, 2011, Article 11 of the Company's bylaws was modified. The directors' term of office has been reduced from six years to five years. At the same meeting, Ms. Linda Hasenfratz Newton was appointed a director of Faurecia.

Since the changes brought about at this Meeting and at the date this Registration Document was drawn up, Faurecia's Board of Directors has 12 members:

Yann DELABRIÈRE	Director, Chairman & Chief Executive Officer
Eric BOURDAIS DE CHARBONNIERE	Director
Jean-Pierre CLAMADIEU	Director
Lee GARDNER	Director
Jean-Claude HANUS	Director
Hans-Georg HÄRTER	Director
Linda HASENFRATZ	Director
Ross McINNES	Director
Robert PEUGEOT	Director
Thierry PEUGEOT	Director
Frédéric SAINT-GEOURS	Director
Philippe VARIN	Director

Six of these members are considered to be independent within the meaning of the Corporate Governance Code. They are Mr. Eric Bourdais de Charbonnière, Mr. Jean-Pierre Clamadieu, Mr. Lee Gardner, Mr. Hans-Georg Härter, Ms. Linda Hasenfratz, Mr. Ross McInnes.

Five directors hold or have held executive management or supervisory positions within the PSA Peugeot Citroën group, the parent company of which, Peugeot SA, is a Faurecia majority shareholder with 57.43% of the Company's capital. They are Messrs. Jean-Claude Hanus, Robert Peugeot, Thierry Peugeot, Frédéric Saint-Geours and Philippe Varin.

Lastly, Mr. Yann Delabrière has been Faurecia's Chairman and Chief Executive Officer since February 16, 2007.

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

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

In accordance with the applicable legal and regulatory requirements and the Company's bylaws, the term of office of directors is currently five years. This term of office, which is longer than recommended by the Corporate Governance Code, allows, in the opinion of the Board of Directors, the recommendations set out in the AFEP-MEDEF Code to be taken into consideration, providing shareholders the opportunity to give their opinion regularly enough on the nomination of directors, the continual requirements and long-term implication needed in the automotive industry. Indeed, it more closely reflects the average production and marketing cycles for automakers' vehicle ranges. Further information on each director and details of directorships and other positions held by them are provided in section 8.1.2 of this Registration Document.

8.1.1.2. Responsibilities of the Board of Directors

The Board of Directors is responsible for determining the overall business, financial and economic strategies of the Company and the Faurecia Group. It oversees their implementation.

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

The internal rules of the Board of Directors – which may be consulted by shareholders at the Company's headquarters or on Faurecia's corporate website (www.faurecia.com) govern the role of the Board and of its committees. They also organize its work.

The internal rules thus describe the Board's modus operandi and its role in the management of the Company and the Group as carried out in accordance with the law and the Company's bylaws. They specify the rights and responsibilities of Board members, particularly regarding the prevention of conflicts of interest, the holding of multiple directorships and the need for strict confidentiality as well as diligence in taking part in the Board's work. In addition they set out rules governing transactions involving Faurecia's shares, as recommended by the *Autorité des marchés financiers*.

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

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

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

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

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

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

8.1.1.3. Organization and report on the Board' work in 2011

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

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

1. THE BOARD'S WORK IN 2011

The Board of Directors met five times in 2011. The rate of attendance was 96.60%.

At each of its meetings, the Board was informed of the Group's operating results and sales and earnings outlook. The budgets for 2011 (as revised at the end of the first-half) and 2012 were presented at the Board meeting of July 25, 2011 and December 21, 2011 respectively. The Board examined and approved the 2010 parent company and consolidated financial statements, at its meeting of February 7, 2011; and the 2011 consolidated interim financial statements, at its July 25, 2011 meeting. The Board meeting of July 25, 2011 examined the Group's 2011-2015 medium-term Business Plan.

The renegotiation of the Group's financing was examined and approved by the Board at its February 7, 2011 and July 25, 2011 meetings. The strategy of the Group's four businesses was debated during the October 13, 2011 and December 21, 2011 meetings in particular. At its meeting on April 14, 2011, the Board of Directors decided to submit a resolution to the Shareholders' Meeting to shorten directors' terms of office, approved the Registration Document and convened an Ordinary and Extraordinary General Shareholders' Meeting. During this Meeting, the Board also ensured that its internal rules were in line with the November 3, 2010 AMF recommendation.

At its meeting in July 25, 2011, the Board of Directors decided on a third share grant plan (plan no. 3) and authorized the launch of an ADR program.

2. THE AUDIT COMMITTEE

Members

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

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

The Audit Committee currently has three members: Messrs. Eric Bourdais de Charbonnière, Ross McInnes and Fréderic Saint-Geours.

It is chaired by Mr. Ross McInnes.

The Committee includes two independent directors, one of whom is its Chairman. The number of independent directors is therefore two-thirds of the Committee members, as recommended in the Corporate Governance Code. All of its members have proven financial or accounting experience and expertise.

Responsibilities

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

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

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

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

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

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

The Committee also ensures the independence of the Statutory Auditors.

Organization and activity report

The Audit Committee meets at least twice a year, prior to the closing of the annual and interim financial statements. In 2011, it met four times with an attendance rate of 91.60%.

The main aims of the Audit Committee meeting held on February 7, 2011 were to prepare and examine the 2010 parent company and consolidated financial statements, and review the Group's cash position, the bank covenants included in the Group's main bank credit facilities and the Group's financing plan.

The April 7, 2011 Committee meeting was dedicated to the implementation and organization structure of the shared accounting services, developments in the roll out of the Group's ERP system, financial control and verification of programs, a presentation of the work carried out by the Internal Audit department and risk management.

In its July 20, 2011 meeting, the Committee examined the interim financial statements and the Group's bank covenants.

Lastly, the December 16, 2011 Audit Committee meeting focused on the accounting options used for the 2011 financial statements, a presentation given by the Statutory Auditors on their work carried out during the year and risk management. Information regarding the Group's financing was relayed.

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

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

The Chairman of the Committee submitted reports on the Committee's work to the Board of Directors on February 7, April 14, July 25 and December 21, 2011.

3. THE STRATEGY COMMITTEE

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

Members

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

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

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

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

The Strategy Committee is currently composed of four members: Messrs. Yann Delabrière, Lee Gardner, Hans-Georg Härter and Philippe Varin. It is chaired by Mr. Philippe Varin. The Strategy Committee therefore includes two independent directors. Beyond the provisions of the internal rules, the number of independent directors is therefore in line with the threshold recommended in the Corporate Governance Code.

Responsibilities

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

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

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

Organization and activity report

The Committee meets at least twice a year. In 2011, it met four times with an attendance rate of 100%.

During its four meetings, the Strategy Committee focused on strategic development opportunities for Faurecia. It examined certain consolidation and acquisition opportunities that had been presented by Senior Management as well as the technological development strategies of each of Faurecia's businesses, in particular in Vehicle Interiors.

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

4. THE APPOINTMENTS AND COMPENSATION COMMITTEE

Members

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

The Appointments and Compensation Committee is composed of three members: Mr. Jean-Pierre Clamadieu (its Chairman), Mr. Jean Claude Hanus and Ms. Linda Hasenfratz. The Committee includes two independent directors, one of whom is its Chairman. In line with the Corporate Governance Code, no corporate officers are members of the Committee and the majority of its directors are independent.

Responsibilities

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

Organization and activity report

The Appointments and Compensation Committee meets at least twice a year. In 2011, it met four times with an attendance rate of 91.60%.

At its meeting on January 31, 2011 the Committee examined the compensation payable to the Chairman and Chief Executive Officer, together with the factors taken into account to determine the variable portion of his compensation; assessed the membership structure and the operating procedures of the Board; and reviewed whether to modify the duration of directors' terms of office.

The Meeting held on April 8, 2011 discussed the duration of directors' terms of office, the conditions for a share grant plan aimed at inciting executives and key managers interest in the Group's medium-term performance, and reviewed the compensation of the Group's Executive Committee.

The Committee, during its July 18, 2011 meeting, took note of the Executive Committee replacement plan, it also decided to propose that the Board implement a third share grant plan (plan no. 3).

Finally, at its November 21, 2011 meeting, the Appointments and Compensation Committee came to a decision regarding the reappointment of members of the Board of Directors whose terms of office are due to expire and the suggestions to be presented to the Board of Directors. It launched preliminary studies of changes to the long-term incentive plan for the Group's management and examined the issue of the assessment of the work of the Board of Directors as recommended by the Corporate Governance Code.

8.1.1.4. Board of Directors assessment

The Board of Directors carried out an assessment of its work in line with the Corporate Governance Code. An audit carried out during 2010, with the assistance of an external consultant, allowed the Appointments and Compensation Committee to draw up in January 2011 six areas for improvement aimed at making the work of the Board of Directors even more efficient. The Appointments and Compensation Committee was satisfied that the recommendations made following this audit have been carried out.

A new assessment will be carried out by an external consultant at the end of 2012.

8.1.1.5. Principles of compensation of corporate officers

The determination of compensation (fixed and variable parts), compensation criteria, and benefits in kind granted to corporate officers, as well as a comparison of compensation awarded in past years, are detailed in Chapter 8.1.2 of this Registration Document.

8.1.1.6. Factors liable to impact a public tender offer

Information required under Article L. 225-100-3 is set out in sections 8.1.1.3, 8.1.2.1 to 8.1.2.2, 8.4, 10.3.2, 10.4.2 and 10.4.2.2 of this Registration Document.

8.1.1.7. Shareholder participation in Shareholder Meetings

The particular rules governing the participation of shareholders in the General Meetings are described in Articles 17 and 18 of the Company's bylaws, which may be consulted on our website (www.faurecia.fr), and in section 10.4.2.1 of this Registration Document.

8.1.2. MEMBERS OF FAURECIA'S BOARD OF DIRECTORS

8.1.2.1. Information on Board members

The Company has no employee-elected or non-voting directors.

Pursuant to the bylaws, each Board member must hold at least 20 Faurecia shares throughout his or her term of office.

Apart from the Chairman and Chief Executive Officer, no member of the Board of Directors holds a senior management or other salaried position within Faurecia or a company that is directly or indirectly controlled by Faurecia.

The only directors with a family connection were Messrs. Thierry Peugeot and Robert Peugeot. There are no other family ties between Faurecia's other corporate officers.

No director has been convicted of any fraudulent offense, none has managed a company that has filed for bankruptcy or gone into receivership or liquidation in the past five years, and none has received a definitive official public incrimination and/or sanction by statutory or regulatory authorities. None of them has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer, or from acting in the management or conduct of the affairs of an issuer in the past five years.

CIVIL STATUS AND TERM OF OFFICE

Directors	Directorships/Positions
Yann DELABRIÈRE Mr. Yann Delabrière has been Chairman and Chief Executive Officer of Faurecia since February 16, 2007. His term of office will expire at the Annual Shareholders' Meeting to be held in 2012 to approve the financial statements for the year ended December 31, 2011. Aged 61, Mr. Yann Delabrière has been a director of Faurecia since November 18, 1996. He has occupied various positions within the Finance departments of several major manufacturing groups. He joined the PSA Peugeot Citroën group in 1990, serving as Chief Financial Officer and member of the Executive Committee from 1998 to 2007. As of December 31, 2011, Mr. Yann Delabrière held 6,294 Faurecia shares. Business address: FAURECIA 2, rue Hennape 92735 Nanterre cedex	**Within the Company** Chairman and Chief Executive Officer of Faurecia **Outside the Company** As of December 31, 2011, Mr. Yann Delabrière also held the following directorship: • Director of Capgemini Over the last five years, Mr. Yann Delabrière has also held the following directorships and positions, which he no longer holds: • Chief Financial Officer of Peugeot SA • Chairman and Chief Executive Officer of Banque PSA Finance • Chairman and Chief Executive Officer of Compagnie Générale de Crédit aux Particuliers – Credipar • Director of Peugeot Citroën Automobiles SA • Director of Automobiles Citroën • Director of Gefco • Chairman of Pergolese Investissements • Chief Executive Officer of Grande Armée Participations • Chairman of the Supervisory Board of SIT • Permanent representative of Peugeot SA on the Board of Directors of Automobiles Peugeot • Manager of PSA Services SrL (Italy) • Chairman of the Board of Directors of Peugeot Citroën Argentina SA (Argentina) • Chairman of the Supervisory Board of Peugeot Finance International (Netherlands) • Vice-Chairman and director of PSA International SA (Switzerland)
Éric BOURDAIS DE CHARBONNIÈRE Mr. Éric Bourdais de Charbonnière has been a director of Faurecia since February 8, 2010. His term of office will expire at the Annual Shareholders' Meeting to be held in 2015 to approve the financial statements for the year ended December 31, 2014. Aged 72, Mr. Éric Bourdais de Charbonnière joined JP Morgan in 1965, and went on to hold various positions within it. From 1987 to 1990 he was the Executive Vice-President, Head of Europe. In 1990, he joined Michelin as Chief Financial Officer, and subsequently became a member of the Group Executive Council. He has been Chairman of the Supervisory Board since September 2000. Mr. Éric Bourdais de Charbonnière held 100 Faurecia shares as of December 31, 2011. Business address: MICHELIN 46, avenue de Breteuil 75324 Paris cedex 07	**Within the Company** • Director of Faurecia **Outside the Company** As of December 31, 2011, Mr. Éric Bourdais de Charbonnière also held the following directorships and positions: • Chairman of the Supervisory Board of Michelin • Member of the Supervisory Board of ODDO Over the last five years, Mr. Éric Bourdais de Charbonnière has also held the following positions, which he no longer holds: • Member of the Supervisory Board of ING group • Member of the Board of Directors of Thomson SA

Directors	Directorships/Positions
Jean-Pierre CLAMADIEU Mr. Jean-Pierre Clamadieu has been a director of Faurecia since May 29, 2007. Aged 53, 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 the Deputy Chief Executive Officer of Solvay since September 8, 2011. His term of office will expire at the Annual Shareholders' Meeting to be held in 2012 to approve the financial statements for the year ended December 31, 2011. As of December 31, 2011, Mr. Jean-Pierre Clamadieu held 364 Faurecia shares. Business address: Solvay SA Rue de Ransbeek 310 B-1120 Brussels	**Within the Company** • Director of Faurecia **Outside the Company** As of December 31, 2011, Mr. Jean-Pierre Clamadieu also held the following directorships and positions: • Deputy Chief Executive Officer of Solvay • Chairman of the Board of Directors of Rhodia • Director of the SNCF • Member of the Supervisory Board of Solvay GmbH (Germany) • Director of Solvay Finance (Luxembourg) SA • Director of Solvay Iberica SL (Spain) • Director of Solvay America, Inc. (United States) Over the last five years, Mr. Jean-Pierre Clamadieu has also held the following directorships and positions, which he no longer holds: • Chief Executive Officer of Rhodia until March 2008 • Chairman and CEO of Rhodia until October 27, 2011
Lee GARDNER Mr. Lee Gardner has been a director of Faurecia since February 8, 2010. His term of office will expire at the Annual Shareholders' Meeting to be held in 2015 to approve the financial statements for the year ending December 31, 2014. Aged 65, Mr. Lee Gardner joined One Equity Partners in 2001. In 2008, he became Chairman and CEO of Emcon Technologies, a member of the OEP group, a position he relinquished following the sale of Emcon Technologies to Faurecia. He is currently a director of Precision Gear Holdings. He has also kept his position as Partner and Managing Director of One Equity Partners. As of December 31, 2011, Mr. Lee Gardner held 27,310 Faurecia shares. Business address: One Equity Partners Suite 170 100 Bloomfield Hills Parkway Bloomfield Hills Michigan 48304 USA	**Within the Company** • Director of Faurecia **Outside the Company** As of December 31, 2011, Mr. Lee Gardner also held the following directorship: • Director of Precision Gear Holdings Over the last five years, Mr. Lee Gardner has also held the following directorships and positions, which he no longer holds: • Director and Chairman of Emcon Technologies • Director of OEP Precision Holdings LLC • Director of Polaroid Inc. • Director of Mauser–Werke GmbH • Director and Chairman of Progress Rail

Directors	Directorships/Positions
Jean-Claude HANUS	**Within the Company**
Mr. Jean-Claude Hanus has been a director of Faurecia since February 21, 2000. His term of office will expire at the Annual Shareholders' Meeting to be held in 2016 to approve the financial statements for the year ending December 31, 2015. Aged 65, Mr. Jean-Claude Hanus has spent his entire career with the PSA Peugeot Citroën group, where he was director of Legal Affairs, Institutional Relations and Internal Audit, and then Company Secretary until September 1, 2011, when he retired. As of December 31, 2011, Mr. Jean-Claude Hanus held 100 Faurecia shares. Business address: Pôle Mov'eo Technopole du Madrillet 50, rue Ettore Bugatti 76800 Saint-Étienne-du-Rouvray	• Director of Faurecia **Outside the Company** As of December 31, 2011, Mr. Jean-Claude Hanus also held the following position: • Chairman of Pôle Mov'eo since June 7, 2011. Over the last five years, Mr. Jean-Claude Hanus has also held the following directorships and positions, which he no longer holds: • Company Secretary and director of Legal Affairs, Institutional Relations and Internal Audit at Peugeot SA • Director of Association Auxiliaire de l'Automobile • Director of Automobiles Peugeot • Director of Compagnie Générale de Crédit aux Particuliers – Credipar • Permanent representative of Peugeot SA on the Board of Directors of Banque PSA Finance • Permanent representative of Peugeot SA on the Board of Directors of Gefco SA • Chairman of DJ6 • Chairman of Grande Armée Participations • Director of Peugeot Citroën Automobiles España SA • Director of PCMA Holding BV • Permanent representative of Peugeot SA on the Board of Directors of Automobiles Citroën • Director of Comité des Constructeurs Français Automobiles

Directors	Directorships/Positions
Hans-Georg HÄRTER Mr. Hans-Georg Härter has been a director of faurecia since May 26, 2010. His term of office will expire at the Annual Shareholders' Meeting to be held in 2015 to approve the financial statements for the year ending December 31, 2014. Aged 66, Hans-Georg Härter spent his entire career with the ZF group, which he joined in 1973. He was appointed Chairman of the Managing Board of ZF Friedrichshafen AG in January 2007. As of December 31, 2011, Mr. Hans-Georg Härter held 720 Faurecia shares. Business address: ZF Friedrichshafen AG 88038 Friedrichshafen Germany	**Within the Company** • Director of Faurecia **Outside the Company** As of December 31, 2011, Mr. Hans-Georg Härter also held the following directorships and positions: • Chief Executive Officer of ZF Friedrichshafen AG • Member of the Supervisory Board of ZF Lenksysteme GmbH Schwäbisch Gmünd • Member of the Supervisory Board of Flughafen Friedrichshafen GmbH • Member of the Supervisory Board of Klingelnberg AG • Member of the Advisory Committee of Landesbank Baden-Württemberg • Member of the Advisory Committee of Zeppelin Luftschifftechnik • Member of the Advisory Committee of Allianz Global Corporate & Specialty AG • Member of the Advisory Committee of VDA Herstellergruppe III, Teile und Zubehör • Member of VDA Rohstoffausschuss • Member of the Supervisory Board of LVI, Landesverband der Baden-Württembergischen Industrie e.V. • Member of the Stiftungsrat of Zeppelin University Friedrichshafen • Member of Stifterverband Deutsche Wissenschaft e.V. • Member of Stiftung Deutsche Sporthilfe • Member of Max-Planck-Gesellschaft • Member of Institut Deutsche Wissenschaft • Member of the Advisory Committee of Unterfränkische Überlandzentrale eG Over the last five years, Mr. Hans-Georg Härter has also held the following directorships and positions, which he no longer holds: • 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 Automobilindustrie (VDA)

Directors	Directorships/Positions
Linda HASENFRATZ Ms. Linda Hasenfratz has been a director of Faurecia since May 26, 2011. Her term of office will expire at the Annual Shareholders' Meeting to be held in 2016 to approve the financial statements for the year ending December 31, 2015. Aged 45, 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. As of December 31, 2011, Ms. Linda Hasenfratz held 100 Faurecia shares. Business address: Linamar Corporation 287 Speedvale Ave., W., Guelph, Ontario, Canada, N1H 1C5	**Within the Company** • Director of Faurecia **Outside the Company** As of December 31, 2011, Ms. Hasenfratz also held the following directorships and positions: • Chief Executive Officer of Linamar Corporation since 2002 • Director of Linamar Corporation since 1998 • Vice-President of the Board of Governors, Royal Ontario Museum since 2002 • Director of Canadian Imperial Bank of Commerce (CIBC) since June 2004 • Director of Original Equipment Manufacturers Association since November 2005 • Director of the Canadian Council of Chief Executives since October 2010 • Member of the Catalyst Canadian Board of Advisors since 2003 Over the last five years, Ms. Hasenfratz has not held any directorships and positions that she no longer holds.
Frédéric SAINT-GEOURS Mr. Frédéric Saint-Geours has been a director of Faurecia since July 20, 2009. His term of office will expire at the Annual Shareholders' Meeting to be held in 2012 to approve the financial statements for the year ended December 31, 2011. Aged 61, Frédéric Saint-Geours is a graduate of the *Institut d'Études Politiques in Paris*, holds a degree in Economics and is a graduate of the *École Nationale d'Administration.* He joined the PSA Peugeot Citroën group in 1986, holding various positions including Chief Financial Officer and Head of the Peugeot brand. He was appointed Member of the Managing Board and Chief Financial and Strategic Development Officer in June 2009, and Head of Brands in January 2012. As of December 31, 2011, Mr. Frédéric Saint-Geours held 100 Faurecia shares. Business address: PSA Peugeot Citroën 75 avenue de la Grande-Armée 75116 Paris	**Within the Company** • Director of Faurecia **Outside the Company** As of December 31, 2011, Frédéric Saint-Geours also held the following directorships and positions: • Member of the Managing Board of Peugeot SA • Executive Vice-President, Finance and Strategic Development, then Head of PSA Peugeot Citroën group Brands as of January 2012 • Chairman and Chief Executive Officer of Banque PSA Finance • Chairman of the Supervisory Board of Peugeot Finance International NV • Vice-Chairman of Dongfeng Peugeot Citröen Automobiles Company Ltd • Vice-Chairman and Chief Executive Officer of PSA International SA • Director of Changan PSA Automobiles Co. Ltd • Director of Gefco • Director of Automobiles Citroën • Director of Peugeot Citroën Automobiles SA • Director of PCMA Holding BV • Permanent representative of Peugeot SA on the Board of Directors of Automobiles Peugeot • Director of Casino Guichard-Perrachon Over the last five years, Frédéric Saint-Geours has also held the following directorships and positions, which he no longer holds: • Member of the Supervisory Board of Peugeot Deutschland GmbH • Director of Peugeot España SA • Director of Automobiles Peugeot • Chief Executive Officer of Automobiles Peugeot • Permanent representative of Automobiles Peugeot on the Board of Directors of Gefco • Permanent representative of Automobiles Peugeot on the Board of Directors of Banque PSA Finance

Directors	Directorships/Positions
Ross McINNES	**Within the Company**

Ross McINNES

Mr. Ross McInnes has been a director of Faurecia since May 29, 2007.
His term of office will expire at the Annual Shareholders' Meeting to be held in 2012 to approve the financial statements for the year ended December 31, 2011.
Aged 58, Mr. Ross McInnes held the position of Chief Financial Officer of Eridania Beghin-Say from 1991 to 2000, and became a director in 1999. He joined Thomson-CSF (Thales) in 2000, as Senior Vice-President and Chief Financial Officer, before joining the PPR group in 2005, as Senior Vice-President Finance and Strategy. From 2007 to 2009 he held the position of Vice-Chairman of Macquarie Capital Europe. In March 2009 Mr Ross McInnes joined the Safran group as Advisor to the Chairman of the Management Board. In June 2009 he then became Chief Operating Officer responsible for Economic and Financial Affairs. He was a member of the Management Board from July 2009 to April 2011. On April 21, 2011 he was appointed Deputy Managing Director responsible for Economic and Financial Affairs by Safran's Board of Directors.
As of December 31, 2011, Mr. Ross McInnes held 100 Faurecia shares.
Business address:
SAFRAN
2, boulevard du Général Martial Valin
75015 Paris

Within the Company

- Director of Faurecia

Outside the Company

As of December 31, 2011, Mr. Ross McInnes also held the following directorships and positions:
- Deputy Managing Director responsible for Economic and Financial Affairs at Safran
- Director of Vallaroche Conseil
- Permanent representative of the Board of Directors of Établissements Vallaroche (company represented: Safran)
- Director of Messier-Bugatti-Dowty
- Permanent representative of the Board of Directors of Soreval (Luxembourg) (company represented: Établissements Vallaroche)
- Director of Aircelle
- Director of Sagem Défense Sécurité
- Director of Morpho
- Director of Snecma
- Director of Turbomeca
- Director of Safran USA, Inc. (United States)
- Director of Financière du Planier
- Permanent representative of the Board of Directors of Générale de Santé SA (company represented: Santé Europe Investissements Sàrl)
- Permanent representative of the Board of Directors of Santé SA (Luxembourg) (company represented: Santé Europe Investissements Sàrl)
- Director of Limoni SpA (Italy)

Over the last five years, Mr. Ross McInnes has also held the following directorships and positions, which he no longer holds:
- Member of the Management Board of Safran
- Director of SME
- Director of Messier-Dowty SA
- Permanent representative of the Board of Directors of Messier-Dowty SA (company represented: Safran)
- Chairman of the Management Board of Générale de Santé SA
- Director of Santé SA (Luxembourg)
- Chairman of Chartreuse & Mont-Blanc SAS
- Vice-Chairman of Macquarie Capital Europe Ltd (UK)
- Director of Macquarie Autoroutes de France SAS
- Director of Eiffarie SAS
- Director of Autoroutes Paris-Rhin-Rhône
- Director of AREA and Adelac SAS
- Director of Chartreuse & Mont-Blanc Global Holdings SCA (Luxembourg), Chartreuse & Mont-Blanc GP SARL (Luxembourg) and Chartreuse & Mont-Blanc Holdings Sarl (Luxembourg)
- Director of Bienfaisance Holding
- Director of Electro Banque
- Member of the Supervisory Board of Générale de Santé SA
- Member of the Supervisory Board of Pisto SAS
- Permanent representative of the Board of Directors of La Financière de Brienne (company represented: Établissements Vallaroche)
- Permanent representative of Santé SARL on the Supervisory Board of Générale de Santé SA
- Censor at the Board of Générale de Santé SA

Directors	Directorships/Positions
Robert PEUGEOT	**Within the Company**
Mr. Robert Peugeot has been a director of Faurecia since May 29, 2007. His term of office will expire at the Annual Shareholders' Meeting to be held in 2012 to approve the financial statements for the year ended December 31, 2011. Aged 61, Mr. Robert Peugeot is Chairman and CEO of FFP. Robert Peugeot studied at the École Centrale de Paris and INSEAD. He has held various senior positions within the PSA Peugeot Citroën group, and was a member of the Group Executive Committee from 1998 to 2007, holding the position of Vice-President, Innovation and Quality. He has been a member of the Supervisory Board of Peugeot SA since February 2007 and has chaired the Strategy Committee since December 2009. He is also a member of the Finance Committee and of the Appointments and Governance Committee. He has been responsible for FFP's development since end 2002. As of December 31, 2011, Mr. Robert Peugeot held 100 Faurecia shares. Business address: FFP 75, avenue de la Grande-Armée 75116 Paris	• Director of Faurecia **Outside the Company** As of December 31, 2011, Mr. Robert Peugeot also held the following directorships and positions: • Chairman and Chief Executive Officer of FFP • Member of the Supervisory Board of Peugeot SA • Member of the Supervisory Board of Hermès International • Member of the Supervisory Board of IDI Emerging Markets SA • Permanent representative of FPP on the Supervisory Board of Zodiac Aerospace • Director of Sanef • Director of Imerys • Director of Holding Reinier • Director of Établissements Peugeot Frères • Director of Sofina • Director of DKSH AG • Permanent representative of FFP, Chairman of Financière Guiraud SAS • Manager of SCI Rodom • Manager of SCI CHP Gestion Over the last five years, Mr. Robert Peugeot has also held the following directorships and positions, which he no longer holds: • Chairman and Chief Executive Officer of Simante SL • Director of Fomento de Construcciones y Contratas SA (FCC) • Director of LFPF (La Française de Participations Financières) • Director of Aviva Participations • Member of the Supervisory Board of Aviva France • Director of GIE de recherche et d'études PSA Renault • Director of Immeubles et Participations de l'Est • Director of Alpine Holding • Director of WRG Group Ltd • Director of B-1998-SL • Director of FCC Construction SA • Member of the Supervisory Board of Citroën Deutschland AG • Director of Citroën Denmark A/S • Director of Citroën UK Ltd

Directors	Directorships/Positions
Thierry PEUGEOT Mr. Thierry Peugeot has been a director of Faurecia since April 17, 2003. His term of office will expire at the Annual Shareholders' Meeting to be held in 2016 to approve the financial statements for the year ending December 31, 2015. Aged 54, Mr. Thierry Peugeot has been Chairman of the Supervisory Board of Peugeot SA since the end of 2002. A graduate of ESSEC, Mr. Thierry Peugeot began his career at the Marrel group as Export Manager for the Middle East and Anglophone Africa, before becoming director of Air Marrel America. In 1988, he joined PSA Peugeot Citroën group, initially as Area Manager for South-East Asia at Automobiles Peugeot, before becoming CEO of Peugeot do Brasil and CEO of SLICA (Peugeot's main sales subsidiary) in Lyon. In 2000 he was appointed Head of International Key Accounts at Automobiles Citroën. He subsequently became director of Services and Parts for Citroën and a member of the Group's Management Committee. In December 2002, he was appointed Chairman of the Supervisory Board of Peugeot SA. As of December 31, 2011, Mr. Thierry Peugeot held 628 Faurecia shares. Business address: PSA Peugeot Citroën 75, avenue de la Grande-Armée 75116 Paris	**Within the Company** • Director of Faurecia **Outside the Company** As of December 31, 2011, Mr. Thierry Peugeot also held the following directorships and positions: • Chairman of the Supervisory Board of Peugeot SA • Chairman of the Compensation Committee of Peugeot SA • Member of the Appointments and Governance Committee of Peugeot SA • Member of the Strategy Committee of Peugeot SA • Vice-Chairman and Chief Operating Officer of Établissements Peugeot Frères • Director of Société Anonyme de Participations (SAPAR) • Director of Air Liquide SA • Director of Compagnie Industrielle de Delle (CID) • Permanent representative of CID on the Board of Directors of LISI • Member of the Compensation Committee of LISI • Director and member of the Holding Committee of FFP Over the last five years, Mr. Thierry Peugeot has also held the following directorships, which he no longer holds: • Director of Française de Participation Financière • Director of AMC Promotion • Chairman and director of Immeubles et Participation de l'Est
Philippe VARIN Mr. Philippe Varin has been a director of Faurecia since April 9, 2009. His term of office will expire at the Annual Shareholders' Meeting to be held in 2016 to approve the financial statements for the year ending December 31, 2015. Aged 59, Mr. Philippe Varin is a graduate of *École Polytechnique* and *École des Mines de Paris*. He held different positions of responsibility within Pechiney group prior to his appointment as director of the Rhenalu Division in 1995, and then as director of the Aluminum Sector and member of the Executive Board in 1999. He was appointed as Chief Executive of Anglo-Dutch steel group Corus in 2003, a position he held until April 2009 when he joined Peugeot SA as Chairman of the Managing Board. As of December 31, 2011, Mr. Philippe Varin held 20 Faurecia shares. Business address: PSA Peugeot Citroën 75, avenue de la Grande-Armée 75116 Paris	**Within the Company** • Director of Faurecia **Outside the Company** As of December 31, 2011, Mr. Philippe Varin also held the following directorships and positions: • Chairman of the Management Board of Peugeot SA • Director of Banque PSA Finance • Director of Gefco • Chairman of the Board of Directors of Peugeot Citroën Automobiles SA • Director of PCMA Holding BV • Non-executive director of BG group PLC Over the last five years, Mr. Philippe Varin has also held the following directorships, which he no longer holds: • Director of Tata Steel Europe Ltd • Director of Tata Steel Ltd • Director of Tata Steel UK Ltd

CONFLICTS OF INTEREST

As provided for in the Board of Directors' internal rules of procedure, each director must disclose to the Board any conflicts of interest (including any potential conflicts of interest) relating to issues on the agendas of Board meetings, and must refrain from taking part in the vote on the matters in question. No such situations arose in 2011.

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 Board of Directors strengthened its rules relating to conflicts of interest by adopting a procedure regarding the use of insider information. This procedure provides that no transactions may be carried out involving the Company's shares until the related information has been made public. Directors and certain categories of personnel, who are all included in a regularly updated list, must disclose any trades they carry out in Faurecia's shares to the Company which then informs the markets.

On April 14, 2010, the Board of Directors modified its internal rules of procedure for the purpose of:

- setting out situations where directors could encounter conflicts of interest and restating the confidentiality and discretion incumbent on directors with regard to information not in the public domain acquired during the course of their duties;
- setting up blackout periods during which directors are prohibited from carrying out transactions involving Faurecia shares, in particular periods during which interim or annual results or quarterly revenue are reported; directors are accordingly prohibited from trading on Faurecia securities (including derivatives), including through the exercise of stock options, during the following periods:
  - from the date of the annual December meeting of Faurecia's Board of Directors up to and including the third day following the announcement of Faurecia's annual results,
  - within 30 calendar days prior to the announcement of interim results, and up to and including the third day following the announcement, this deadline having been extended from 15 to 30 days by the Board meeting of April 14, 2011, and the internal rules of procedure amended accordingly,
  - within 15 calendar days prior to the publication of quarterly revenue and up to and including the third day following the announcement,
  - throughout the period between the dates on which the Company (acting through its management) becomes aware of information that, if it became public, would be liable to have a significant impact on the share price of Faurecia, or the price of related financial instruments, and the date on which this information is made public. In the case of doubt on the nature of the information in its possession, each director may refer to the Group Chief Financial Officer, who has 24 hours to issue an opinion on the prospective transaction in his capacity as ethics officer,
  - creating a position of compliance officer to facilitate the handling of securities transactions and sensitive information discussed by the Board.

TRANSACTIONS BY DIRECTORS DURING THE PAST FINANCIAL YEAR

Declarant	No. and date of the Decision/ AMF Information	Financial Instrument	Type of transaction	Date of transaction	Date of receipt of declaration	Transaction venue	Unit price	Amount of transaction
Ross McInnes, on behalf of an individual linked to him	Decision and information No. 211D0067 dated January 6, 2011	Shares	Sale	January 3, 2011	January 4, 2011	Euronext Paris	€22.42	€22,420

INDEPENDENCE

The independence of the members of the Board of Directors of Faurecia is assessed in accordance with the criteria set by the AFEP-MEDEF Code of Corporate Governance for listed companies.

Six of them are considered to be independent within the meaning of the Code. They are Messrs. Éric Bourdais de Charbonnière, Jean-Pierre Clamadieu, Hans-Georg Härter, Ross McInnes and Lee Gardner, and Ms. Linda Hasenfratz. Mr. Lee Gardner, appointed to the Board after the acquisition of the Emcon group, and who holds positions in *One Equity Partners* (JP Morgan Chase group), a major shareholder of Faurecia until October 20, 2010, only became an independent director once the Board had noted that he no longer had relationships with the Company or a shareholder that were liable to call his independence into question after the disposal by *One Equity Partner* of its 13% holding in Faurecia's capital.

Therefore, as recommended by the Corporate Governance Code, over one-third of Faurecia's Board of Directors is made up of independent directors.

DIRECTORS' COMPENSATION

Directors' compensation is paid in the form of attendance fees allocated by the Board of Directors. Total attendance fees were decided by the Ordinary Shareholders' Meeting of May 27, 2003, and are apportioned among Board members.

At its meeting of April 14, 2010, the Board decided that as of January 1, 2010:

- directors would receive a fixed portion of attendance fees amounting to €12,000 in recognition of their directorship position, and a variable portion representing a maximum of €2,000 based on the number of Board meetings attended;
- Committee members receive a fixed portion of attendance fees amounting to €7,000 and a variable portion of €1,500 per relevant Committee meeting;
- the Chairman and Chief Executive Officer waives all attendance fees for his participation in Board or Committee meetings;
- members of the Board of Directors holding executive management or associate positions in a company that is a shareholder of the Group do not receive any attendance fees in respect of their position on Faurecia's Board of Directors.

At the Meeting, Mr. Thierry Peugeot indicated that he would waive attendance fees for Faurecia.

Directors received gross attendance fees in respect of 2010 and 2011 in the amounts detailed in the table below:

Attendance fees

TABLE NO. 3 (NUMBERING IN LINE WITH THE AMF RECOMMENDATION OF DECEMBER 22, 2008)

Directors	Amount of attendance fees paid in 2010 *(in €)*	Of which, the variable portion paid in 2010 *(in €)*	Amount of attendance fees paid in 2011 *(in €)*	Of which, the variable portion paid in 2011 *(in €)*
Éric BOURDAIS DE CHARBONNIÈRE	33,500	14,500	31,500	12,500
Jean-Pierre CLAMADIEU	35,500	16,500	35,000	16,000
Yann DELABRIÈRE	0	0	0	0
Frank ESSER*	34,000	15,000	24,000	5,000
Linda HASENFRATZ**	-	-	26,500	7,500
Hans-Georg HÄRTER	26,500	7,000	36,500	17,500
Jean-Claude HANUS	0	0	0	0
Lee GARDNER	24,500	5,500	36,500	17,500
Ross McINNES	35,000	16,000	33,000	14,000
Frédéric SAINT-GEOURS	0	0	0	0
Thierry PEUGEOT	0	0	0	0
Robert PEUGEOT	24,000	12,000	0	0
Philippe VARIN	0	0	0	0
TOTAL	**212,500**	**86,500**	**245,000**	**90,000**

* *Director until May 26, 2011.*
** *Director since May 26, 2011.*

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

In 2009, the controlling company, Peugeot SA, paid fixed and variable compensation as well as benefits in kind to the following officers who also hold a corporate office within Faurecia.

In his capacity as Chairman of the Managing Board of Peugeot SA since June 1, 2009, Mr. Philippe Varin received €1,302,700 in respect of 2011.

In his capacity as member of the Managing Board of Peugeot SA, Mr. Frédéric Saint-Geours received €620,700 in respect of 2011. In his capacity as Chairman of the Supervisory Board of Peugeot SA, Mr. Thierry Peugeot received €515,000 in respect of 2011. In his capacity as member of the Supervisory Board of Peugeot SA, Mr. Robert Peugeot received €90,000 in respect of 2011.

Faurecia does not have any information concerning the compensation of its corporate officers who are not also corporate officers of the controlling company. Faurecia specifies that no compensation other than the attendance fees mentioned above was paid to any of its directors by the Company or its subsidiaries during the past year.

8.1.2.2. Information on corporate officers

Mr. Yann Delabrière has been Faurecia's Chairman and Chief Executive Officer since February 16, 2007. He is the Company's sole corporate officer.

RESTRICTIONS PLACED BY THE BOARD ON THE POWERS OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Board of Directors has entrusted its Chairman with responsibility for the Company's general management. The Board's internal rules, which are available on the Company's website at www.faurecia.fr, specify the terms and conditions of performance of the Board's own responsibilities as well as the duties of the Chairman. The Chairman must obtain approval from the Board before carrying out any acquisition, disposal or joint venture project representing a total asset value of over €100 million and/or revenue in excess of €300 million. These rules also state that the Board should be consulted on all company and Group strategic decisions at the Chairman's initiative. At its meeting of July 25, 2011, the Board of Directors authorized the Chairman and Chief Executive Officer to give endorsements or guarantees subject to an overall ceiling of €50 million, with a limit of €10 million per transaction. If the Group is required to provide advance payment guarantees or performance bonds for contracts with successive performance commitments, the Chief Executive Officer is authorized to provide guarantees representing a maximum of €5 million per transaction, subject to the same overall ceiling. 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 the Company.

COMPENSATION OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Faurecia complies with the 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 2011 was set at €700,000 by the Board of Directors on February 7, 2011, based on a recommendation by the Appointments and Compensation Committee on January 30, 2011. At its meeting of February 7, 2011, the Board further decided that the variable portion of the Chairman and Chief Executive Officer's compensation would, in principle, represent 80% of his fixed compensation, subject to the full achievement of certain targets, and would be capped at 120% of his fixed remuneration if the said targets were exceeded. The objectives set by the Board related to operating results, net cash flow and the implementation of the Group's strategy.

On the recommendation of the Appointments and Compensation of January 19, 2012, the Board, at its meeting of February 7, 2012, set Mr. Delabrière's variable compensation in respect of 2011 at €393,400. This Board also set Mr. Delabrière's fixed compensation for 2012. Lastly, it decided which portion of his variable compensation for that year would be based on operating results, cash flow and the implementation of the Group's strategy.

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 2011.

Mr. Yann Delabrière did not receive or exercise any company stock options in 2011.

At its meeting of December 17, 2009, the Board reviewed its plan for the allocation of free shares and decided that any shares granted to the Chairman would henceforth be subject to the same performance conditions as share allocations for other members of Faurecia's Senior Management. To this end, the Board of Directors decided, on July 25, 2011, that share allocation plan no. 3 will be subject to performance conditions related to net income before tax and before the recognition of asset disposals and changes in the scope of consolidation in 2013. The Board also decided that the Chairman and Chief Executive Officer should keep 30% of his allocation until the expiry of his term of office, regardless of the number of times it is renewed. If the performance condition set out in plan no. 3 is achieved by the end of 2013, Mr. Yann Delabrière will be allocated a maximum of 52,000 shares.

The benefits in kind granted to Mr. Yann Delabrière correspond to a company car for business use as well as the services of a driver.

Mr. Yann Delabrière is a member of the supplementary pension scheme set up for all of Faurecia's managerial employees in France, which comprises:

- a defined contribution plan relating to salary tranches A and B with total contributions representing 1% on tranche A and 6% on tranche B of the compensation without the beneficiary's participation;
- a defined benefit plan relating to salary tranche C whose contribution rate corresponds to 1% of salary tranche C multiplied by the beneficiary's years of seniority within Faurecia. Further information on the supplementary pension scheme can be found in Note 25-F to the consolidated financial statements.

The Chairman and Chief Executive Officer is not entitled to any deferred compensation in the event that he loses his corporate office. The Chairman and Chief Executive Officer does not receive any other form of compensation from Faurecia.

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 NO. 1 (NUMBERING IN LINE WITH THE AMF RECOMMENDATION OF DECEMBER 22, 2008)

	Year 2010	Year 2011
Compensation due for the year (see Table no. 2)	€1,317,371	€1,100,771.60
Value of stock options granted during the year (see Table no. 4)	-	-
Value of performance shares granted during the year	€782,982	€1,085,040
TOTAL	**€2,100,353**	**€2,185,811.60**

Breakdown of compensation received by Mr. Yann Delabrière

TABLE NO. 2 (NUMBERING IN LINE WITH THE AMF RECOMMENDATION OF DECEMBER 22, 2008)

	Year 2010		Year 2011	
(gross in €)	Amount due	Amount paid	Amount due	Amount paid
Fixed compensation	610,000	612,496	700,000	700,215.08
Variable compensation	700,000*	339,900**	393,400***	700,000****
Exceptional bonus	0	0	0	0
Attendance fees	-	-	-	-
Benefits in kind	7,371	7,371	7,371.60	7,371.60
TOTAL	**1,317,371**	**959,767**	**1,100,771.60**	**1,407,586.68**

* *Amount due in respect of fiscal year 2010 and paid in 2011.*
** *Amount due in respect of fiscal year 2009 and paid in 2010.*
*** *Amount due in respect of fiscal year 2011, to be paid in 2012.*
**** *Amount paid in respect of fiscal year 2010.*

Stock options granted to Mr. Yann Delabrière during prior years by Faurecia and other Group companies

TABLE NO. 4 (NUMBERING CONSISTENT WITH THE AMF RECOMMENDATION OF DECEMBER 22, 2008)

Yann DELABRIÈRE	Plan number and date	Type of options (purchase or subscription)	Value of options based on the method used in the consolidated financial statements	Number of options granted (adjusted)	Adjusted exercise price	Exercise period
	No. 17 – April 16, 2007	Subscription	911,090	48,000	44.69	4/16/2011 – 4/16/2017
	No. 18 – April 10, 2008	Subscription	603,624	60,000	28.38	4/10/2012 – 4/10/2016
TOTAL	**-**	**-**	**1,514,714**	**108,000**	**-**	**-**

As far as the Company is aware, there are no hedges on the Company's stock subscription options.

TABLE NO. 5: NOT APPLICABLE

Performance shares granted to each senior executive and director

TABLE NO. 6 (NUMBERING IN LINE WITH THE AMF RECOMMENDATION OF DECEMBER 22, 2008)

Yann DELABRIÈRE	Number and date of the plan	Max. number of shares granted during the period*	Valuation of stock by the method used for the consolidated financial statements	Acquisition date	Vesting date	Performance conditions
Plan no. 1	Plan no. 1 of June 23, 2010	37,050	383,468	6/23/2012	6/23/2014	Pretax net income of the Group as of December 31, 2011 before gains on asset disposals and change in the scope of consolidation
Plan no. 2	Plan no. 2 of July 21, 2010	37,050	399,514	7/21/2013	7/21/2015	Pretax net income of the Group as of December 31, 2012 before gains on asset disposals and change in the scope of consolidation
Plan no. 3	Plan no. 3 of July 25, 2011	52,000	1,085,040	7/25/2014	7/25/2016	Pretax net income of the Group as of December 31, 2013 before gains on asset disposals and change in the scope of consolidation
TOTAL	**-**		**1,868,022**		**-**	**-**

* *The number of performance shares given in this table is the maximum number and corresponds to 130% of the number of shares used in the valuation.*

TABLE NO. 7: NOT APPLICABLE

Record of purchase or subscription options granted to Mr. Yann Delabrière

TABLE NO. 8 (NUMBERING IN LINE WITH THE AMF RECOMMENDATION OF DECEMBER 22, 2008)

Disclosures regarding stock subscription options	Plan no. 17	Plan no. 18
Date of Shareholders'/Board meeting authorizing stock option grants	Shareholders' Mtg of May 23, 2005 Board meeting of April 16, 2007	Shareholders' Mtg of May 29, 2007 Board meeting of April 10, 2008
Adjusted total number of shares available for subscription	48,000	60,000
Start of exercise period	4/16/2011	4/10/2012
Expiration date	4/16/2017	4/10/2016
Adjusted exercise price	44.69	28.38
Exercise conditions (where the plan includes more than one tranche)	-	-
Number of shares purchased on exercise of stock options as of December 31, 2011	0	0
Total stock options canceled or forfeited	0	0
Stock options outstanding at year-end	48,000	60,000

No other corporate officer received stock options.
Historical data in respect of stock subscription or purchase is provided in Note 22 to the consolidated financial statements.

TABLE NO. 9: NOT APPLICABLE

TABLE NO. 10 (NUMBERING IN LINE WITH THE AMF RECOMMENDATION OF DECEMBER 22, 2008)

Yann DELABRIÈRE	Employment Contract		Supplementary pension plan		Compensation or benefits due or potentially due because of leaving or changing office		Compensation due under a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Position: Chairman and Chief Executive Officer Start of term: February 16, 2007 End of term: 2012 Annual Meeting		X	X*			X		X

* *Supplementary pension plan applicable to all of Faurecia's managerial employees (see section 8.1.2.2).*

8.2. The Executive Committee

8.2.1. EXECUTIVE COMMITTEE MEMBERS

Faurecia's executive management function is performed under the responsibility of the Chairman and Chief Executive Officer by the Group Executive Committee that meets every month to review the Group's results and consider general matters concerning the Group.

Its members as of December 31, 2011 were as follows:

Name	Position
Yann DELABRIÈRE	Chairman of the Board of Directors and Chief Executive Officer
Jean-Marc HANNEQUIN	Executive Vice-President, Faurecia Emissions Control Technologies
Frank IMBERT	Chief Financial Officer
Patrick KOLLER	Executive Vice-President, Faurecia Automotive Seating
Thierry LEMÂNE	Executive Vice-President, Group Communications
Jacques MAUGE	Executive Vice-President, Faurecia Automotive Exteriors
Bruno MONTMERLE	Executive Vice-President, Group Strategy
Christophe SCHMITT	Executive Vice-President, Faurecia Interior Systems
Jean-Pierre SOUNILLAC	Executive Vice-President, Group Human Resources

8.2.2. MISSION AND STRUCTURE

The Faurecia Group is organized into business groups dedicated to managing and developing Faurecia's activities worldwide.

They are responsible for the operating results of their individual businesses, as well as investments and the management of operating cash flow.

Faurecia comprises four business groups:

- the Automotive Seating business *(Faurecia Automotive Seating)* is responsible for the management and development of the complete seat unit business and all aspects of the design and production of seat such as metal frames, mechanisms, comfort and safety submodules, foams and covers;
- the Emission Control Technologies business *(Faurecia Emissions Control Technologies)* is responsible for the management and development of complete exhaust systems and exhaust components covering both the hot end of the exhaust system such as particulate and exhaust fume treatments, as well as the cold end;
- the Interior Systems business *(Faurecia Interior Systems)* is responsible for the management and development of the main parts making up vehicle interiors such as instrument panels, cockpits, center consoles, door panels, door modules, sound insulation solutions, soft trim and acoustic modules;
- the Automotive Exteriors business *(Faurecia Automotive Exteriors)* is responsible for front-end modules and exterior equipment.

The corporate departments include:

- the Finance and Human Resources departments, which are responsible for the management of their respective areas of expertise. They are structured around country-based divisions and shared service centers in charge of providing financial and administrative services (cash management, accounting, tax, legal) and human resources management services to the Faurecia Group as a whole;
- the Strategy department, which drives the Group's strategy and medium-term planning, and coordinates the business groups' innovation and R&D activities, as well as Faurecia's expansion in emerging markets;
- the Communications department, which conducts the Group's internal and external communications.

8.2.3. COMPENSATION OF THE EXECUTIVE COMMITTEE

The total compensation paid or allocated to members of the Executive Committee for 2011 amounted to €6,510,928.12.

The compensation of the Executive Committee includes a variable bonus. Performing on target can result in a bonus worth 50% of the base salary. Should objectives be exceeded, this percentage can rise to 100% of the base salary. 80% of the bonus depends on collective objectives for operating income and cash generation within the scope of responsibility, and 20% on the same objectives measured across the Group.

If the employment contract of an Executive Committee member is terminated, he or she may receive contractual severance pay of up to 12 months' compensation, depending on their position. This amount is not payable in the event of gross or willful misconduct.

Details on the number of stock options and shares of restricted stock granted to Executive Committee members are provided in section 10.4.2.2 of this Registration Document. The members of the Executive Committee also benefit from a performance share plan instituted by the Board of Directors, which voted two initial rounds of awards at its meetings of June 23, 2010 and July 21, 2010, and a third round at its meeting of July 25, 2011 (see section 4.4.5 of this Registration Document).

8.3. Senior Management

Each of the four core businesses is organized into geographic divisions – Europe, divided when appropriate into Northern and Southern Europe, North America, South America, and Asia (China) – which manage operations in their region and also coordinate operations with customers headquartered in their region.

The four businesses also have a central staff that handles the main operating functions (sales and marketing, programs, manufacturing support, purchasing, human relations and finance). These functions are also managed within the geographic divisions by equivalent teams. Additionally, some specialized areas are managed by worldwide product lines within the four businesses, such as seat mechanisms, acoustic treatments and decorative interior trims.

Senior Management at Faurecia consists of all the aforementioned management teams along with the Executive Committee and the key headquarters managers of the manufacturing and quality staff, the Human Relations department and the Financial departments.

Faurecia Senior Management included 250 members as of December 31, 2011. This is Faurecia's operational management, responsible for the Company's operations, growth and performance. As such, the members of this team are linked with short-term results through a system of variable bonuses based 80% on operating income and cash generation within their direct scope of authority and 20% on the scope immediately above them.

The members of this team also benefit from a performance share plan instituted by the Board of Directors, which voted two initial rounds of awards at its meetings of June 23, 2010 and July 21, 2010, and a third round at its meeting of July 25, 2011 (see section 4.4.5 of this Registration Document).

8.4. Internal control

8.4.1. INTERNAL CONTROL: DEFINITION AND OBJECTIVES

Internal control is a group structure that comprises a set of resources, patterns of conduct, procedures and actions adapted to the individual characteristics of each company and the Group which:

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

The underlying aim of internal control is to ensure:

- compliance with legislation and regulations;
- that the instructions and directional guidelines fixed by Senior Management and/or the Board of Directors are applied;
- that the Company's internal processes are functioning correctly, particularly those implicating the security of its assets;
- that financial information is reliable.

Nevertheless, internal controls cannot give an absolute guarantee that the Company's objectives shall be achieved. Any internal control system has inherent limitations. These limitations are due to several factors, notably the uncertainties in the outside world, the exercise of people's judgment or the cost/benefit relationship of setting up new controls.

In its capacity as the Group's parent company, Faurecia SA verifies that internal control procedures have been set up within its subsidiaries. These procedures are adapted to the specific characteristics of the subsidiaries and to relations between the parent company and the companies included in the scope of consolidation.

8.4.2. REFERENCE FRAMEWORK USED BY FAURECIA

The Faurecia Group continues to develop its internal control system by making use of the AMF Reference Framework and its Application Guide, as updated on July 22, 2010. This system applies to processes relating to the preparation of accounting and financial information intended for publication and the general organization of the Group's operating divisions. It is also applied to the risk management procedures set up by the Company and its application by operational departments is verified.

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

It affects all of the Group's fully consolidated subsidiaries.

The summarized information provided in this report on Faurecia's internal control procedures is focused on the main areas that could have an impact on the financial and accounting information published by the Group.

8.4.3. INTERNAL CONTROL PROCEDURES: PARTICIPANTS AND ORGANIZATION

Internal control processes are implemented by both Senior Management and all of the Group's other employees on a daily basis in line with the Group's procedures.

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 the strategy of its core businesses, and for overseeing their implementation;
- the Audit Committee, described earlier in this report, whose responsibilities are set by the Board of Directors and which plays a vital role, particularly in the monitoring of (i) the process by which financial data are developed, (ii) the effectiveness of internal control and risk management systems, and (iii) legal audits of parent company and consolidated financial statements by Statutory Auditors;

- the Group Executive Committee, which orchestrates the Group's strategy, allocates the resources required to implement this strategy, sets the objectives for all Group entities and verifies that these objectives are met;
- monthly operations committee meetings are held between Group Senior Management and the executive team of each business in order to review management indicators. This Committee particularly focuses on the various key aspects of development programs relating to quality, financial performance and respecting deadlines;
- the Financing and Treasury department, the Financial Control department, the Quality department, the Legal Affairs department and the Country Financial departments, which all play a specific role in the internal control process on account of their cross-functional skills;
- the Operational Risk Committee which is charged with both ensuring that the major risks identified by the Group are correctly monitored and that the indicators used to measure these risks are pertinent;
- the Internal Audit department which reviews the internal control system and any changes to the related processes; ensures that the Group's procedures comply with the applicable legislation and market recommendations; verifies that the system as a whole is complete, consistent and relevant; ensures that procedures are respected via regular tests and checks. In the event of shortfalls, it ensures that corrective measures are taken and reports on the system's effectiveness.

The Internal Audit department reports directly to the Group's Finance department. While centralized at Group headquarters, it has remote offices in the United States, Germany and China. Its work is approved and supervised by the Chairman of the Board and the Audit Committee. The role of the Internal Audit department is to ensure continuous improvement in the effectiveness of all systems of internal financial control, by applying a systematic and methodical approach. It is authorized to take action where required in relation to any Group process throughout the world. It conducts its assignments in a wholly objective manner and systematically supports its findings with precise facts and figures that have been duly verified. All of the Internal Audit department's work is made available to Group Senior Management, to which it reports regularly on the progress of its assignments and the measures taken to reach its objectives. Tracking the recommendations sent by the Internal Audit to the audited sites is accomplished 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 that is deemed necessary. It presents its audit plan, as well as the reports it has drawn up – including a self-assessment of its performance – to the Group Executive Committee twice a year, and to the Audit Committee once a year. In 2004, the department drew up an Internal Audit Charter which defines its roles and remit, as well as the purpose and methods of its assignments.

The Operational Risk Committee, set up on November 10, 2011, and chaired by the Head of the Internal Audit department, convenes the entities subject to major risks within the Group. This Committee is charged with defining, monitoring, quantifying and prioritizing these risks in accordance with Group objectives. Its deliberations include an evaluation of the usefulness over time of the key indicators of each major risk as well as the measures needed to reinforce their control or to manage them. Finally, the Committee assists the Head of the Internal Audit department compile and control information regarding risks for the Audit Committee.

The work of the Group's internal departments is rounded out by the actions of external parties, including:

- the Statutory Auditors. The latter are not directly involved, through their statutory duty, in the internal control or risk management systems. They are aware of them, make use of the Internal Audit reports to improve their understanding of the Company and give a wholly independent opinion as to their pertinence. They perform an audit of the Group every year within the scope of their statutory audit engagement on the Group's consolidated financial statements and other audit engagements regarding the financial statements of Group entities. In accordance with French company law, the financial statements of the Company and the Group are certified by two audit firms which undertake a joint review of the full accounts and the procedures used for preparing them and also examine certain Group internal control processes concerning the preparation of accounting and financial information. Backed by members of their networks in each of the Group's host countries, these two audit firms perform statutory or contractual audit engagements for all of the Group's fully consolidated companies. The Statutory Auditors present their comments on the Chairman's report with respect to those internal control procedures which have to do with preparing and processing financial and accounting data, and certify that other disclosures required by law have been made;
- third-party organizations which carry out the following certification processes for the whole Group over a three-year cycle:
  - environment (ISO 14001),
  - quality (ISO/TS);
- engineers from fire and property & casualty insurance companies which conduct a two-yearly audit at each of Faurecia's sites with the aim of:
  - assessing fire risks and any potential impact on production and customers,
  - assessing whether the prevention and protection measures in place are adequate,
  - issuing recommendations on reducing risks.

8.4.4. RISK ANALYSIS AND RISK MANAGEMENT PROCEDURES

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

The Group also carefully tracks that major identified operating risks are properly managed. These include personal safety, quality, program management, liquidity risk, the availability of key information systems, the reliability of supplies, asset protection (fire risks), reliability of financial information, fraud, and the environment.

Operations managers are responsible for identifying and controlling the risks of their entity.

The Company has undertaken a risk review and considers that it is not currently exposed to any material risks other than those described in section 3.4 of this Registration Document.

8.4.5. DESCRIPTION OF INTERNAL CONTROL PROCEDURES

The Group's internal control system is underpinned by a set of procedures that can be accessed by all employees via the intranet. These procedures form part of the Faurecia Excellence System (FES) which defines the way in which the Group's employees work across the globe and structures the Group's identity.

The related FES Core Procedures (FCP) is organized around the following six processes:

- *leadership,* which sets a common framework for all Group entities in relation to issues such as financial control, setting objectives, drawing up strategic plans, quality policies, communication and health and safety;
- *development,* which includes the applicable procedures for defining the Group's product offering, innovation strategy and program control measures;
- *production,* corresponding to the various production process stages within the Group's plants: preparing for the start-up of new programs or units; planning and controlling the production process; and managing flows;
- *customer relations,* which details the process for building up customer relations and ensuring customer satisfaction through competitively priced high-quality products and services;
- *supplier relations,* covering processes set up with the Group's suppliers with a view to building a sustainable relationship based on excellence;
- *employee empowerment,* encompassing human resource policies.

These procedures are developed by each Group function while respecting a common general framework, and apply to all subsidiaries controlled by the Group. They are regularly updated and enhanced.

An annual audit is carried out by the Group at each plant to ensure that the FES is correctly implemented. Each plant is given a rating. Insufficient/Acceptable/Excellent/Benchmark. Where a site is rated Insufficient it is required to prepare a remedial action plan, which is presented directly to Faurecia's Chairman, with a view to reaching an Acceptable level within a maximum period of three months.

Program control

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

- responds to a specific request from an automaker ("Request for Quotation" or RFQ) for the supply of complex automotive equipment;
- meets set objectives concerning quality, cost and lead times;
- meets the Group's profitability criteria.

The life of a program can stretch to ten years, from the beginning of the development phase (including the order-placing phase and start-up of industrial production) to the end of series life (production).

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

Right from its inception – i.e. during the filing of the bid – each program is subject to a forward-looking financial analysis in the form of a Business Plan (BP). BPs are prepared in accordance

with a standard method developed and monitored by Group management. The BP is regularly updated as assumptions are changed. Therefore, it contains all the information required to assess a program at every stage, from the preparation of the quotation, through contract negotiations, to the development phase.

To improve program effectiveness, an excellence plan for program management has been put in place. It covers methodology, quality, profitability and the program manager's individual development. The aim of this plan is ensure that development procedures are strictly applied and that deadlines are met, right from the business acquisition phase through to series production. As part of the plan the Group monitors progress indicators on a monthly basis. An audit process has been set up to ensure the plan is complied with and to identify and standardize best practices for program teams.

Code of Ethics

The Faurecia Group is deeply committed to respecting the fundamental principles of accountability, integrity and ethical conduct. The Group's Code of Ethics forms an integral part of the FCPs. It defines the general rules on ethical behavior applicable on a day-to-day basis to all of Faurecia's employees in their relations both inside and outside the Group, as well as to the Group's partners. The Code also describes how the Group seeks to implement its core values of respecting customers, shareholders, the people it works with and the environment. In addition to strengthening the measures already in place, the Code introduced a whistle-blowing procedure enabling employees to notify Faurecia, in confidence, of any breaches of the law or Group procedures. A reinforced warning procedure, accessible to all Group employees who are aware of matters that relate to serious risks to the Company in terms of its accounting, financial auditing and anti-corruption measures, has been established. This procedure allows Faurecia to refer to an outside organization which gathers and initially processes the alert procedures. If circumstances warrant, the organization contacts the Faurecia Group through its Chairman and CEO, who can ask the Group's Internal Audit department to carry out the necessary investigation. The Code of Ethics has been widely relayed throughout the Group – notably via intranet – so that all employees can access it and comply with it at all times and in all circumstances. It is aimed at developing a sense of accountability and involvement among the Group's employees. During Internal Audits, auditors systematically check that everyone at the plant level is familiar with the Code.

8.4.6. INTERNAL CONTROL PROCEDURES RELATING TO QUALITY RISK MANAGEMENT

Quality risks are measured based on precise indicators and are detailed in both monthly reports and continuous improvement plans. A specific Group-wide monitoring system has been put in place to trigger warnings if any safety or regulatory requirements are breached and corrective measures are subsequently taken. Each safety warning is systematically followed up by a quality audit in the subsequent month. The objective for 2012 is once again to ensure that there are no safety or regulatory warnings that have an impact on customers.

The launch of the Breakthrough Quality Plan has enabled the Group to significantly improve its management of quality and program risks. The plan is based on seven straightforward practical rules, including QRQC (Quick Response on Quality Control) – an approach designed to correct development and production problems rapidly and which must be carefully and strictly applied by each employee.

The risk prevention and protection system is based on:

- daily on-site reviews as well as audits conducted by the Quality department. The quality audits are designed to cover all Group sites and programs on a rotating basis. Recommendations from the audits are systematically monitored. Priority action is taken for sites and programs that are deemed to be critical;
- a highly practical quality validation review system for critical program phases;
- a training plan for all participants involved in the program development phase;
- the measurement of programs for the first six months following the start of series production, based on precise criteria and leading to immediate corrective action where required;
- a structured process for reporting information up to management as well as a management support system;
- quality audits designed to cover all Group sites and programs on a rotating basis.

8.4.7. INTERNAL CONTROL PROCEDURES FOR THE PREPARATION AND PROCESSING OF ACCOUNTING AND FINANCIAL INFORMATION

Principles applied to the preparation of financial statements

The Board of Directors is collectively responsible for publishing reliable financial and accounting information.

The Audit Committee is expected to study and prepare certain of the Board's deliberations. It issues proposals, opinions and recommendations within its sphere of competence. The Committee has a consultative role only, and acts under the authority of the Board, to whom it reports whenever necessary.

It is the Audit Committee's assignment to review the yearly and half-yearly parent company financial statements of the Faurecia Group.

It may hear from outside auditors, without the Financial department necessarily being present, as well as from the Group's Chief Financial Officer, who may be supported by any employee he or she chooses.

Group Senior Management relies on input from the Accounting, Consolidation, Financial Control and Financial Communications departments.

The Accounting department prepares monthly consolidated financial statements and the interim and annual financial information that is issued publicly. It ensures that local financial managers properly prepare the subsidiaries' financial statements and that they do so in compliance with local regulations. It defines the Group's accounting principles in accordance with IFRS norms and sees that all subsidiaries follow them. It also prepares the financial statements of Faurecia SA.

The internal control procedures necessary to produce reliable accounting data are implemented at the local level. These include, among others, physical inventorying, a separation of tasks and reconciliations with independent sources of information.

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

- ensuring that information about transactions is complete;
- ensuring that transactions comply with the applicable accounting principles;
- periodically reviewing the value of assets.

Ensuring consistency between financial reporting tools and the Group's operating systems is vital for the preparation of reliable financial and accounting information. The volume of information involved, the quality and integrity required to process the information and ever-tighter financial reporting deadlines – enabling management to respond quickly and to efficiently control operations – require the use of effective information systems. The major systems upgrade program that began in July 2008 at sites in France was rolled out in Europe, Asia and South America in 2009. It will continue to be gradually implemented across the Group's various sites.

The Group's financial statements are prepared using information provided by each subsidiary and integrated into the Magnitude reporting and consolidation system. The accounting data submitted by each subsidiary are prepared in accordance with the Group's accounting policies, which comply with IFRS as adopted by the European Union. An IFRS accounting manual is included in the Faurecia Core Procedures system, which can be accessed via the intranet.

Each subsidiary's accounting information comprises income statements prepared by nature and by function, as well as a breakdown by business segment, an analysis of current and deferred taxes, a balance sheet, a cash flow statement, and a statement of commitments and contingent liabilities.

Inter-company transactions are entered monthly using the ICS software.

The Finance department also uses short- and medium-term forecasts to verify the value of cash-generating units; actuarial reports to assess pension and other employee benefit obligations; and fair-value measurements of derivatives confirmed by the Group's banking counterparties.

In each subsidiary, the head of accounting and the financial controller have access to all the information they require in order to draw up accurate financial statements in compliance with local GAAP for the statutory accounts and with the Group's accounting policies for reporting purposes.

At every interim and annual close the heads of all subsidiaries are required to prepare an IFRS/local GAAP reconciliation for equity and income and expenses.

Every month instructions are sent to the accountants and financial controllers specifying the closing procedures to be followed. In addition, training sessions on the BO Finance systems are regularly provided to newly recruited accounting and financial staff.

The preparation of monthly reporting packages requires each entity to ensure it has the appropriate resources to draw up quality information.

Off-balance sheet commitments

Off-balance sheet commitments are handled in accordance with a specific identification and valuation process.

Each commitment is tracked by nature. Currency and interest-rate risks, as well as inter-company financing in foreign currencies, are managed at Group level under the supervision of the Group Finance department. Foreign currency hedges are set up where required. Any sureties or guarantees granted by Faurecia SA are issued and monitored at Group level.

Identification and analysis of risks impacting accounting and financial information

The preparation of full monthly financial statements greatly reduces risks at interim and annual closes, particularly regarding meeting financial reporting deadlines. Any problems are anticipated, inter-company accounts are reconciled each month, specific transactions are accounted for without waiting for the yearly close, and tax calculations are regularly substantiated.

By preparing and reviewing monthly financial statements and reconciling them with the budget each entity can detect any anomalies in the accounts, such as in relation to inventories or cash flows. Implemented in tandem with specific procedures, this process is intended to reduce the risk of errors and fraud.

"Hard close" procedure

A hard close is carried out on October 31 each year aimed at anticipating, evaluating and validating the main accounting options for the yearly close. Similarly a hard close is carried out in May for the interim financial statements as of June 30.

Accounting and financial control tools

The Group has drawn up procedures for preparing and processing financial and accounting information. These procedures comply with applicable accounting principles and standards and, like all the other internal control procedures, are available on the Company's intranet. The following figure among the most important Group procedures:

- a capital expenditure authorization procedure, aimed at determining capital spending criteria and designating authorized signatories who can commit the Company for amounts up to pre-defined thresholds;
- an authorization procedure for capital increases, capital injections, acquisitions of shareholdings and inter-company loans;
- a procedure for drafting Program Business Plans;
- a procedure relating to the acquisition of new programs;
- a procedure for consolidating the financial statements.

The Group has reorganizing its financial services with the overall aim of segregating "accounting" functions from "financial control" functions and creating shared accounting services centers for each country, with these centers reporting to the Finance Director of the country concerned. Under this new organizational structure the Group Finance department is responsible for drawing up accounting and financial rules and procedures as well as for consolidation processes, audits and managing the Group's cash position and financing.

This organization makes it possible to handle the variety of businesses within the Group, to enhance the applicability and consistency of the Group's procedures and therefore the effectiveness of the internal control system. The underlying aim is to gradually strengthen the roles and responsibilities of the accounting function and enhance reporting processes, as well as to increase the effectiveness of information systems and reinforce financial controls relating to programs. In addition, it is intended to help build the skill sets of the employees involved and boost their motivation as their tasks will be more interesting and rewarding than previously.

Financial reporting processes

The Group's financial reporting processes are aimed at providing systems for informing and steering the Group and ensuring maximum responsiveness to any risks that may arise. A "reporting glossary" describes the content of all reporting data and procedures explain how reporting should be carried out.

The Group uses the BO Finance consolidation system for its monthly reporting process. This tool provides for the reporting of both financial information (income statement and balance sheet data) and non-financial information (such as indicators relating to quality, production, purchasing, safety and human resources).

The level of control over the process for consolidating results at Group level has been reinforced by applying blocking controls upstream in reporting schedules, and intermediate controls for the reporting system.

Monthly reporting data include estimated sales and operating profit for each business unit within three days of the month-end, and definitive data five days after the month-end prepared in accordance with the Group's accounting policies. Every month, the Operations Committee reviews the operating performance and action plans of each Group business.

Medium-term plan and the budget

Faurecia's budget is drawn up on an annual basis and updated half-yearly.

The Group Finance department provides the economic and financial assumptions to be used in the budget, and sets specific objectives for each operating unit. The budget is then tailored to each plant, R&D center and administrative center. Finally, it is converted to monthly periods using standard schedules, and then consolidated.

In order to effectively anticipate short-term changes and improve responsiveness, the monthly reporting package includes a rolling three-month forecast (current and subsequent quarters) for the income statement and cash flow statement.

As Faurecia's contracts span several years, the Group needs a medium-term overview of its financial position in order to effectively manage risks. To this end, the Group draws up a five-year plan (known as the medium-term plan) each year in which the program-related dimension plays an essential part. This plan makes it possible to clarify the Group's outlook in terms of profitability and required resources. It is consolidated on the same basis as the monthly reporting process, by applying the

same stringent procedures, and is used to define the targets set in the budget.

Financial press releases, annual report and Registration Document

The Group's Finance and Communications departments are responsible for drawing up and relaying all of the Group's financial information to the financial markets. Financial communication is transmitted through two main vehicles:

- the annual report/Registration Document; and
- financial press releases.

Preparation of the annual report/Registration Document is coordinated by the Legal Affairs department. A wide number of people who are experts in their field contribute to the process, ensuring that the document contains in-depth, high-quality and broad-ranging information. The Registration Document is then reviewed and approved by the Board of Directors before it is published.

Financial press releases are systematically reviewed by the Finance department, and annual and half-yearly earnings announcements are also approved by the Board of Directors.

8.4.8. KEY TRENDS

During the year the Group continued to improve its internal control procedures:

- it continued to implement the standards and procedures of the Faurecia Excellence System, particularly by regularly updating the procedures and self-assessment questionnaires that enable each site to appraise whether it complies with these standards;
- it defined and disseminated the 11 basic principles of internal control throughout the Group's sites. The Internal Audit department carried out special audits to ensure that the sites observed these basic principles. The compliance of each site visited was rated on a scale of four, ranging from inadequate to satisfactory;
- the Faurecia Group has for several years undertaken a program to reform its management information systems. Based on Faurecia Core Procedures, the Faurecia Core System makes use of management software published by the German company SAP.

The objective of this project is for the Faurecia Group to employ best practices in accounting and administrative management, together with uniform tools and processes for approving and monitoring management's actions, from requisition through to the payment of the supplier, from an order received from the customer through to final payment.

Throughout the project an emphasis is placed on consistency and uniformity of financial information. All the control processes and quality checks of financial data, from their creation to their publication in the monthly or yearly consolidated statements, receive particular attention.

The FCS project has been an opportunity to clarify the roles and responsibilities of those involved in the management process: accounting management centers, controllers of profit centers, purchasing and sales administration offices.

Another outcome has been the development of shared services for accounting, sales and purchasing as a way of optimizing support staff and improving the quality of teams by recombining skill sets.

By upgrading its information systems based on SAP architecture the Group has created standardized, reliable and up-to-the-minute tools that correspond to Faurecia's standards and procedures and which are gradually being rolled out across the Group since the implementation of pilot sites in 2008.

The first operational sites were integrated into FCS in mid-2008 in France and Korea. By end-2011 a total of 150 of Faurecia's sites had been integrated. The majority of worldwide shared service centers and all of the product development centers, save Brazil, are also involved.

By end-2012, 80% of the R&D Centers will be integrated into FCS, as well as 60% of the accounting centers and 53% of production sites. The rollout of the FCS project should be complete, on a like-for-like basis, by end-2015.

To check the quality of what has been accomplished, the Group has performed audits with the help of ad hoc companies as well as Internal Audits of targeted management processes.

- Finally, with regard to managing the authorizations to access the data processing tools, Faurecia has developed and implemented a policy of managing user account profiles and having these profiles validated by the managers to whom employees report, using an IAM (identity access management) application. These profiles employ a strict definition of roles and responsibilities and a strict separation of tasks in order to comply with the Company's rules of internal control.

These procedures are also audited by independent outside parties.

8.5. Statutory Auditors' report prepared in accordance with Article L. 225-235 of the French Commercial Code (Code de commerce) on the report prepared by the Chairman of the Board of Directors of Faurecia

This is a free translation into English of a report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Faurecia, and in accordance with Article L. 225 235 of the French Commercial Code *(Code de commerce)*, we hereby report on the report prepared by the Chairman of your Company in accordance with Article L. 225-37 of the French Commercial Code *(Code de commerce)* for the year ended December 31, 2011.

It is the Chairman's responsibility to prepare and submit for the Board of Directors' approval a report on internal control and risk management procedures implemented by the Company and to provide the other information required by Article L. 225-37 of the French Commercial Code *(Code de commerce)* relating to matters such as corporate governance.

Our role is to:

- report on any matters as to the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information; and
- confirm that the report also includes the other information required by Article L. 225-37 of the French Commercial Code *(Code de commerce)*. It should be noted that our role is not to verify the fairness of this other information.

We conducted our work in accordance with professional standards applicable in France.

Information on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consist mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and of the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our work are properly disclosed in the Chairman's report.

On the basis of our work, we have no matters to report on the information relating to the Company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the Chairman of the Board of Directors in accordance with Article L. 225-37 of the French Commercial Code *(Code de commerce)*.

Other information

We confirm that the report prepared by the Chairman of the Board of Directors also contains the other information required by Article L. 225-37 of the French Commercial Code *(Code de commerce)*.

Neuilly-sur-Seine and Paris-La Défense, April 19, 2012

The Statutory Auditors

PricewaterhouseCoopers Audit	Ernst & Young Audit
Dominique Ménard	Denis Thibon

Consolidated statement

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9.1. Consolidated statement of comprehensive income

(in € millions)	*Notes*	2011	2010	2009
SALES	*4*	**16,190.2**	**13,795.9**	**9,292.2**
Cost of sales	*5*	(14,806.4)	(12,593.3)	(8,840.1)
Research and development costs	*5*	(222.3)	(303.2)	(207.9)
Selling and administrative expenses	*5*	(510.6)	(443.8)	(335.9)
OPERATING INCOME (LOSS)		**650.9**	**455.6**	**(91.7)**
Other non operating income	*6*	0.3	87.2	6.9
Other non operating expense	*6*	(58.2)	(123.2)	(141.0)
Income from loans, cash investments and marketable securities		10.6	8.1	12.3
Finance costs		(109.1)	(98.7)	(135.3)
Others financial income and expense	*7*	(19.0)	(25.6)	(43.9)
INCOME (LOSS) BEFORE TAX OF FULLY CONSOLIDATED COMPANIES		**475.5**	**303.4**	**(392.7)**
Current taxes	*8*	(97.7)	(85.9)	(42.2)
Deferred taxes	*8*	1.8	(3.9)	6.3
NET INCOME (LOSS) OF FULLY CONSOLIDATED COMPANIES		**379.6**	**213.6**	**(428.6)**
Share of net income of associates:	*13*			
Before tax		*46.0*	*26.7*	*14.8*
After tax		33.7	18.8	11.3
CONSOLIDATED NET INCOME (LOSS)		**413.3**	**232.4**	**(417.3)**
Attributable to owners of the parent		**371.3**	**201.7**	**(433.6)**
Attributable to minority interests		42.0	30.7	16.3
Basic earnings (loss) per share *(in €)*	*9*	3.37	1.87	(6.85)
Diluted earnings (loss) per share *(in €)*	*9*	3.11	1.79	(6.85)

OTHER COMPREHENSIVE INCOME

(in € millions)	2011	2010	2009
CONSOLIDATED NET INCOME (LOSS)	**413.3**	**232.4**	**(417.3)**
Gains (losses) arising on fair value adjustments to cash flow hedges	(6.3)	(1.3)	4.2
of which recognized in equity	*(7.6)*	*(0.8)*	*1.9*
of which transferred to net income (loss) for the period	*1.3*	*(0.5)*	*2.3*
Exchange differences on translation of foreign operations	(1.2)	53.8	8.6
TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD	**405.8**	**284.9**	**(404.5)**
Attributable to owners of the parent	357.4	250.3	(419.0)
Attributable to minority interests	48.4	34.6	14.5

9.2. Balance sheet consolidated

ASSETS

(in € millions)	*Notes*	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Goodwill	*10*	1,260.6	1,230.8	1,039.9
Intangible assets	*11*	464.2	435.2	396.9
Property, plant and equipment	*12*	1,733.4	1,575.5	1,224.6
Investments in associates	*13*	71.0	43.6	31.0
Other equity interests	*14*	38.8	15.3	11.2
Other non-current financial assets	*15*	35.4	27.8	23.5
Other non-current assets	*16*	16.9	14.5	18.9
Deferred tax assets	*8*	78.3	86.2	72.0
TOTAL NON-CURRENT ASSETS		**3,698.6**	**3,428.9**	**2,818.0**
Inventories, net	*17*	885.4	734.0	438.6
Trade accounts receivables	*18*	1,620.2	1,387.7	1,025.9
Other operating receivables	*19*	297.6	223.3	171.0
Other receivables	*20*	131.2	100.7	79.9
Other current financial assets	*30*	1.5	0.0	1.7
Cash and cash equivalents	*21*	630.1	605.8	357.8
TOTAL CURRENT ASSETS		**3,566.0**	**3,051.5**	**2,074.9**
TOTAL ASSETS		**7,264,6**	**6,480,4**	**4,892.9**

LIABILITIES

(in € millions)	*Notes*	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
EQUITY				
Capital	*22*	772.6	772.6	626.1
Additional paid-in capital		282.4	282.4	130.1
Treasury stock		(1.7)	(10.4)	(10.4)
Retained earnings		(357.1)	(529.8)	(99.4)
Translation adjustments		86.4	94.0	44.1
Net income (loss) for the period attributable to owners of the parent		371.3	201.7	(433.6)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENTS	*22*	**1,153.9**	**810.5**	**256.9**
Minority interests	*23*	113.5	87.7	45.8
TOTAL SHAREHOLDERS' EQUITY		**1,267.4**	**898.2**	**302.7**
Long-term provisions	*24*	218.8	214.5	193.9
Non-current financial liabilities	*26*	1,240.1	1,114.9	1,232.2
Other non-current liabilities		1.5	1.3	2.3
Deferred tax liabilities	*8*	15.5	29.2	7.1
TOTAL NON-CURRENT LIABILITIES		**1,475.9**	**1,359.9**	**1,435.5**
Short-term provisions	24	322.3	416.6	320.3
Current financial liabilities	26	615.6	687.7	528.1
Prepayments from customers		138.5	87.8	80.8
Trade payables		2,762.0	2,419.9	1,730.6
Accrued taxes and payroll costs	27	507.6	452.8	371.7
Sundry payables	28	175.3	157.5	123.2
TOTAL CURRENT LIABILITIES		**4,521.3**	**4,222.3**	**3,154.7**
TOTAL LIABILITIES		**7,264.6**	**6,480.4**	**4,892.9**

9.3. Consolidated cash flow statement

(in € millions)	Notes	Full-year 2011	Full-year 2010	Full-year 2009
I - OPERATING ACTIVITIES				
Consolidated net income (loss)		413.3	232.5	(417.3)
Depreciation and amortization		460.7	497.8	496.6
Deferred tax (benefits) charges		(1.8)	3.9	(6.3)
Increase (decrease) in long-term provisions		2.7	(5.9)	(1.4)
Share of net income of associates, net of dividendes received		(12.7)	(3.8)	13.7
Capital (gains) losses on disposals of non-current assets		2.4	(0.4)	(2.4)
Others*		45.2	(86.4)	15.9
CASH FLOW FROM OPERATIONS		**909.8**	**637.7**	**98.8**
Increase (usage & decrease) in short-term provisions	24	(114.5)	(35.3)	(5.1)
Change in inventories		(137.6)	(80.7)	100.2
Change in trade accounts receivables		(221.9)	(33.6)	(66.8)
Change in trade payables		312.8	298.6	18.7
Change in other operating receivables and payables		20.7	(47.8)	(14.2)
Change in other receivables and payables		(43.8)	(14.8)	(44.2)
(Increase) decrease in working capital requirement		**(184.3)**	**86.4**	**(11.4)**
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		**725.5**	**724.1**	**87.4**
II - INVESTING ACTIVITIES				
Additionals to property, plant and equipment	12	(451.4)	(304.3)	(169.1)
Capitalized development costs		(180.2)	(154.3)	(104.4)
Acquisitions of investments (net of cash and cash equivalents)		(66.3)	30.2	(12.0)
Proceeds from disposal of property, plant and equipment		10.2	17.3	20.1
Proceed from disposal of financial assets		0.2	31.0	0.0
Change in investment-related receivables and payables		11.0	25.9	(24.8)
Other changes		(21.0)	(39.8)	(19.0)
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES		**(697.5)**	**(394.0)**	**(309.2)**
CASH PROVIDED (USED) BY OPERATING AND INVESTING ACTIVITIES (I)+(II)		**28.0**	**330.1**	**(221.8)**
III - FINANCING ACTIVITIES				
Issuance of shares by Faurecia and fully-consolidated companies (net of costs)		1.2	4.2	446.1
Option component of convertible bonds			0.0	23.3
Dividends paid to owners of the parent company		(27.6)	0.0	0.0
Dividends paid to minority interests in consolidated subsidiaries		(26.7)	(6.0)	(9.3)
Issuance of debt securities and increase in other financial liabilities		925.1	77.6	214.4
Repayment of debt and other financial liabilities		(881.9)	(188.0)	(502.7)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		**(9.9)**	**(112.2)**	**171.8**
IV - OTHER CHANGES IN CASH AND CASH EQUIVALENTS				
Impact of exchange rate changes on cash and cash equivalents		6.2	30.1	(17.9)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**24.3**	**248.0**	**(67.9)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR		**605.8**	**357.8**	**425.7**
CASH AND CASH EQUIVALENTS AT END OF YEAR	26	**630.1**	**605.8**	**357.8**

* *O/w badwill from Plastal Germany and Plastal Spain acquisition: €84.3 million for the full year 2010.*

9.4. Consolidated statement of changes in equity

(in € millions)	Number of shares[2]	Capital stock	Additional paid-in capital	Treasury Stock	Retained earnings and net income (loss) for the period	Fair value and translation adjustments: Translation adjustments	Fair value and translation adjustments: Cash flow hedges	Equity attributable to owners of the parent	Minority interests	Total
SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2008 BEFORE APPROPRIATION OF NET INCOME (LOSS)	**24,395,048**	**170.8**	**198.9**	**(11.5)**	**(175.3)**	**33.7**	**(13.7)**	**202.9**	**40.6**	**243.5**
Net income (loss)					(433.6)			(433.6)	16.3	(417.3)
Translation adjustments						10.4		10.4	(1.8)	8.6
Changes in fair value of hedging instruments							4.2	4.2		4.2
TOTAL INCOME (EXPENSE) RECOGNIZED IN EQUITY					**(433.6)**	**10.4**	**4.2**	**(419.0)**	**14.5**	**(404.5)**
Capital increase	65,053,456	455.3	(9.3)					446.1		446.1
2008 dividends								0.0	(9.3)	(9.3)
Measurement of stock options					3.4			3.4		3.4
Purchases and sales of treasury stock				1.1	(0.9)			0.2		0.2
Changes in scope of consolidation					23.3			23.3		23.3
Recognition of 2008 losses of the parent company			(59.5)		59.5			0.0		0.0
SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2009 BEFORE APPROPRIATION OF NET INCOME (LOSS)	**89,448,504**	**626.1**	**130.1**	**(10.4)**	**(523.5)**	**44.1**	**(9.5)**	**256.9**	**45.8**	**302.7**
Net income (loss)					201.7			201.7	30.7	232.4
Translation adjustments						49.9		49.9	3.9	53.8
Changes in fair value of currency and interest rate hedging instruments							(1.3)	(1.3)		(1.3)
TOTAL INCOME (EXPENSE) RECOGNIZED IN EQUITY					**201.7**	**49.9**	**(1.3)**	**250.3**	**34.6**	**284.9**
Capital increase	20,918,224	146.4	152.3					298.7	4.2	302.9
2009 dividends								0.0	(6.0)	(6.0)
Measurement of stock options and shares grant					4.6			4.6		4.6
Purchases and sales of treasury stock								0.0		0.0
Option component of convertible bonds								0.0		0.0
Changes in scope of consolidation								0.0	9.1	9.1

(in € millions)	Number of shares[2]	Capital stock	Additional paid-in capital	Treasury Stock	Retained earnings and net income (loss) for the period	Fair value and translation adjustments: Translation adjustments	Fair value and translation adjustments: Cash flow hedges	Equity attributable to owners of the parent	Minority interests	Total
SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2010 BEFORE APPROPRIATION OF NET INCOME (LOSS)	**110,366,728**	**772.5**	**282.4**	**(10.4)**	**(317.2)**	**94.0**	**(10.8)**	**810.5**	**87.7**	**898.2**
Net income (loss)					371.3			371.3	42.0	413.3
Translation adjustments						(7.6)		(7.6)	6.4	(1.2)
Changes in fair value of currency and interest rate hedging instruments							(6.3)	(6.3)		(6.3)
TOTAL INCOME (EXPENSE) RECOGNIZED IN EQUITY					**371.3**	**(7.6)**	**(6.3)**	**357.4**	**48.4**	**405.8**
Capital increase[1]	1,617	0.1						0.1	1.2	1.3
2010 dividends					(27.6)			(27.6)	(26.7)	(54.3)
Measurement of stock options and shares grant					11.1			11.1		11.1
Purchases and sales of treasury stock				8.7	(2.3)			6.4		6.4
Changes in scope of consolidation and other					(4.0)			(4.0)	2.9	(1.1)
SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2011 BEFORE APPROPRIATION OF NET INCOME (LOSS)	**110,368,345**	**772.6**	**282.4**	**(1.7)**	**31.3**	**86.4**	**(17.1)**	**1,153.9**	**113.5**	**1,267.4**

(1) Capital increase arising from the conversion of bonds for the Group part.
(2) O/w 270,814 of treasury stock as of 12/31/2009 & 2010, 46,872 as of 12/31/2011 (cf. Note 22.3).

9.5. Notes to the consolidated financial statements

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Faurecia SA and its subsidiaries ("Faurecia") form one of the world's leading automotive equipment suppliers in four vehicule businesses: Automotive Seating, Emission 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 consolidated financial statements were approved by Faurecia's Board of Directors on February 7, 2012.

The accounts were prepared on a going concern basis.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Faurecia Group have been prepared in accordance with International Financial Reporting Standards (IFRS) published by the IASB, as adopted by the European Union and available on the European Commission website: http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm

These standards include International Financial Reporting Standards and International Accounting Standards (IAS), a well as the related International Financial Reporting Interpretations Committee (IFRIC) interpretations.

The standards used to prepare the 2011 consolidated financial statements and comparative data for 2010 and 2009 are those published in the Official Journal of the European Union (OJEU) as of December 31, 2011, 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, 2011 Faurecia has applied the amendments and revisions to the existing standards IAS 1, IAS 21, IAS 24R, IAS 28, IAS 31, IAS 32, IAS 34, IAS 39, IFRS 3R, IFRS 7, IFRS 8; these amendments did not have any material impact on the consolidated financial statements as from December 31, 2010. Moerover, Faurecia has not applied by anticipation the standards, amendments or interpretations:

- adopted by the European Union but which application is due after December 31, 2011 (amendments to IFRS 7);
- not yet adopted by the European Union as of December 31, 2011 (standards IFRS 9, IFRS 10, IFRS 11, IFRS 12, IFRS 13, IAS 27, IAS 28, IAS 19, amendments to IAS 1, IAS 12). The amendment to IAS 19 Employee benefits suppresses notably the possibility retained by Faurecia to apply the corridor method. All actuarial gains and losses as well as service costs will be directly accounted for as liablilities in the balance sheet (see Note 25.2 Pension benefit obligations). Actuarial variances will be fully recognized through other comprehensive income (expense) directly in equity and past service costs in period net income. This amendment defines also the return on assets as the discount rate used to measure the benefits liability.

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 more consolidated as of the date that control ceases.

Companies over which the Group exercises significant influence but not control -generally through a shareholding representing between 20% and 50% of the voting rights are accounted for by the equity method.

The Faurecia Group's financial statements are presented in euros.

The functional currency of foreign subsidiaries is generally their local currency. The assets and liabilities of these companies are translated into euros at the year-end exchange rate and income statement items are translated at the average exchange rate for the year. The resulting currency translation adjustments are recorded in equity.

Certain companies located outside the eurozone which carry out the majority of their transactions in euros may, however, use euros as their functional currency.

All material inter-company transactions are eliminated in consolidation, including inter-company gains.

The accounting policies of subsidiaries and companies accounted for by the equity method are not significantly different from those applied by the Group.

1.2 Goodwill

In case of a business combination, the aggregate value of the acquisition is allocated to the identifiable tangible and intangible assets acquired 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 acquiree 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:

- Automotive Seating;
- Emissions Control Technologies;
- Automotive Exteriors;
- Automotive Seating.

The carrying amount of assets and liabilities thus grouped is compared to the higher of its market value and value in use, which is equal to the present value of the net future cash flows expected, and their net market value including costs of disposal.

1.3 Intangible assets

A - RESEARCH AND DEVELOPMENT EXPENDITURE

The Faurecia Group incurs certain development costs in connection with producing and delivering modules for specific customer orders which are not considered as sold to the customer, specially when paid for by the customer on delivery of each part. In accordance with IAS 38, these development costs are recorded as an intangible asset where the Company concerned can demonstrate:

- its intention to complete the project as well as the availability of adequate technical and financial resources to do so;
- how the customer contract will generate probable future economic benefits and the Company's ability to measure these reliably;
- its ability to measure reliably the expenditure attributable to the contracts concerned (costs to completion).

These capitalized costs are amortized to match the quantities of parts delivered to the customer, over a period not exceeding five years except under exceptional circumstances.

Research costs, and development costs that do not meet the above criteria, are expensed as incurred.

B - OTHER INTANGIBLE ASSETS

Other intangible assets include development and purchase costs relating to software used within the Group – which are amortized on a straight-line basis over a period of between one and three years – as well as patents and licenses.

1.4 Property, plant and equipment

Property, plant and equipment are stated at acquisition cost, or production cost in the case of assets produced by the Group for its own use, less accumulated depreciation.

Maintenance and repair costs are expensed as incurred, except when they increase productivity or prolong the useful life of an asset, in which case they are capitalized.

In accordance with the amended version of IAS 23, borrowing costs on qualifying assets arising subsequent to January 1, 2009 are included in the cost of the assets concerned.

Property, plant and equipment are depreciated by the straight-line method over the estimated useful lives of the assets, as follows:

Buildings	20 to 30 years
Leasehold improvements, fixtures and fittings	10 to 20 years
Machinery, tooling and furniture	3 to 10 years

Certain tooling is produced or purchased specifically for the purpose of manufacturing parts or modules for customer orders, which are either a) not sold to the customer, or b) paid for by the customer on delivery of each part. In accordance with IAS 16, this tooling is recognized as property, plant and equipment.

It is depreciated to match the quantities of parts delivered to the customer over a maximum of three years, in line with the rate at which models are replaced.

Investment grants are recorded as a deduction from the assets that they were used to finance.

Property, plant and equipment acquired under finance leases which transfer substantially all the risks and rewards incidental to ownership of the asset to the lessee are recorded under assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The recognized assets are subsequently depreciated as described above. An obligation of the same amount is recorded as a liability.

1.5 Cash generating units and impairment tests

Impairment tests are carried out whenever there is an indication that an asset may be impaired. Impairment testing consists of comparing the carrying amount of an asset, or group of assets, with the higher of its market value and value in use. Value in use is defined as the present value of the net future cash flows expected to be derived from an asset or group of assets.

The assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash Generating Units, or CGUs).

Impairment tests are performed on each group of intangible assets (development costs) and property, plant and equipment attributable to a customer contract. This is done by comparing the aggregate carrying amount of the group of assets concerned with the present value of the expected net future cash flows to be derived from the contract.

An impairment loss is recorded when the assets' carrying amount is higher than the present value of the expected net future cash flows. A provision is also recorded for losses to completion on loss-making contracts.

In case of triggering event, impairment testing is also carried out on general and corporate assets grouped primarily by type of product and geographic area.

The cash inflows generated by the assets allocated to these CGUs are largely interdependent due to the high overlap among the various manufacturing flows, the optimization of capacity utilization, and the centralization of research and development activities.

Manufacturing assets whose closure is planned are tested independently for impairment.

1.6 Financial assets and liabilities (excluding derivatives)

A - DEFINITIONS

In accordance with IAS 39, the Group classifies its financial assets in the following categories: loans and receivables, available-for-sale financial assets, and financial assets at fair value through profit or loss. They are recorded on the following balance sheet items: "Other equity interests" (Note 14), "Other non-current financial assets" (Note 15), "Trade account receivables" (Note 18), "Other operating receivables" (Note 19), "Other receivables" (Note 20) and "Cash and cash equivalents" (Note 21).

The Group does not use the IAS 39 categories of "Held-to-maturity investments" or "Financial assets held for trading".

The Group's financial liabilities fall within the IAS 39 categories of (i) financial liabilities at fair value through profit or loss, and (ii) other financial liabilities measured at amortized cost.

They are recorded on the following balance sheet items: "current financial liabilities" and "non current financial liabilities" (Note 26), "Accrued taxes and payroll costs" (Note 27) and "Other payables" (Note 28).

Financial assets and liabilities are broken down into current and non-current components for maturities at the balance sheet date: under or over a year.

B - RECOGNITION AND MEASUREMENT OF FINANCIAL

Assets 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.

Loans and other financial assets

Loans and other financial assets are initialy 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.

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 Derivatives

Faurecia uses derivative instruments traded on organized markets or purchased over-the-counter from first-rate counterparties to hedge currency and interest rate risks.

They are recorded at fair value in the balance sheet.

CURRENCY HEDGES

The effective portion of changes in the fair value of instruments used to hedge future revenues is recorded in equity and taken to operating income when the hedged revenues are received.

Changes in the fair value of instruments used to hedge trade receivables and payables are recorded as operating income or expense.

The portion of the change in fair value of these hedges that is ineffective (time value of the hedges) is recorded under "Other financial income and expense" together with changes in the fair value of instruments used to hedge other receivables and payables.

INTEREST RATE HEDGES

Changes in the fair value of interest rate hedges are recorded directly in "Other financial income and expense" when the hedging relationship cannot be demonstrated under IAS 39, or where the Group has elected not to apply hedge accounting principles.

1.10 Minority interests

This item corresponds to minority shareholders' interests in the equity of consolidated subsidiaries.

1.11 Provisions for pensions and other post-employment benefits

The Group's liability for pensions and other employee benefits is determined on an actuarial basis using the projected unit credit method. The valuation takes into account the probability of employees staying with the Group up to retirement age and expected future salary levels. Benefit obligations are partially funded by contributions to external funds. In cases where the funds are permanently allocated to the benefit plan concerned, their value is deducted from the related liability.

Actuarial gains and losses are recognized according to the corridor method over the expected average remaining working lives of the employees participating in the plans.

Periodic pension and other employee benefit costs are recognized as operating expenses over the benefit vesting period, except for the interest cost, which is recorded under "Other financial income and expense" in accordance with the alternative method under IAS 19. The impact of changes in the present value of external funds is also recorded under this item.

1.12 Stock option, share grant and free shares plans

Stock options and share grant plans for managers of Group companies. Options granted after November 7, 2002 that had not vested as of January 1, 2005 are measured at fair value as of the grant date using the Black & Scholes option pricing model. The fair value of stock options is recognized in payroll costs on a straight-line basis over the vesting period (the period between the grant date and the vesting date), with a corresponding adjustment to equity.

Free shares are measured at fair value by reference to the market price of Faurecia's shares at the grant date, less (i) an amount corresponding to the expected dividends due on the shares but not paid during the vesting period and (ii) an amount reflecting the cost of the shares being subject to a lock-up period. The fair value is recognized in payroll costs on a straight-line basis over the vesting period, with a corresponding adjustment to equity.

1.13 Restructuring and reorganization provisions

A provision is booked when Group General Management has decided to streamline the organization structure and announced the program to the employees affected by it or their representatives.

1.14 Sales recognition

Sales are recognized when the risks and rewards incidental to ownership of the modules or parts produced are transferred. This generally corresponds to when the goods are shipped.

For development contracts or the sale of tooling, sales are recognized when the technical stages are validated by the customer. If no such technical stages are provided for in the contract, sales are recognized when the related study is completed or the tooling is delivered.

1.15 Operating income

Operating income is the Faurecia Group's principal performance indicator.

It corresponds to net income of fully consolidated companies before:

- other operating income and expense, corresponding to material, unusual and non-recurring items including reorganization expenses and early retirement costs, the impact of exceptional events such as the discontinuation of a business, the closure or sale of an industrial site, disposals of non-operating buildings, impairment losses recorded for property, plant and equipment or intangible assets, as well as other material and unusual losses;
- income on loans, cash investments and marketable securities;

- finance costs;
- other financial income and expense, which includes 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 tax

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, the Group adjusts net income attributable to owners of the parent and the weighted average number of shares outstanding for the effects of all dilutive potential ordinary shares (including stock options, free shares and convertible bonds).

NOTE 2 CHANGES IN SCOPE OF CONSOLIDATION

2.1 Change in scope of consolidation in 2011

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

2.2 Reminder of change in scope of consolidation introduced in 2010

The entities of the Emcon group were integrated as part of Faurecia's Emissions Control Technology business following the transfer of all of the shares in the Emcon Technologies group to Faurecia by Emcon Holdings. This transaction was approved by Faurecia's shareholders at an Extraordinary General Meeting held on February 8, 2010. Faurecia's 50% ownership interest in Arvin Sango held since the Emcon acquisition was sold in June 2010.

On March 31, 2010 and September 30, 2010, respectively, Faurecia acquired the German and Spanish operations of Plastal, a leading supplier of plastic exterior parts for the automotive industry. They were consolidated as of the acquisition date.

Faurecia also acquired, as part of the Interior Systems business, part of the operations of the Rennes Visteon France plant on December 17, 2010 and the company Incalplas in August 2010; and, as part of the Automotive Seating business, the seating comfort operations of Hoerbiger Automotive Komfortsysteme on December 23, 2010.

In addition, Faurecia consolidated the following companies as from January 1, 2010: South Korea-based Faurecia Shin Sung, established in 2007, as part of the Interior Systems business, Russia-based Faurecia Metalloprodukcia and France-based Faurecia Metalloprodukcia Holding, as part of the Emissions Control Technologies business, and Faurecia Informatique Tunisie, established in 2009. The Turkey- based company Orcia, which was acquired in 2008, is consolidated by the equity method as from January 1, 2010. Faurecia sold 40% of Faurecia ADP Holding during the first half of 2010.

2.3 Impact on 2011 consolidated data of changes in scope of consolidation

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

NOTE 3 EVENTS AFTER THE BALANCE SHEET DATE

No significant post-balance sheet events have occurred.

NOTE 4 INFORMATION BY OPERATING SEGMENT

For internal reporting purposes the Group is structured into the following four business units based on the type of products and services provided:

- Automotive Seating (design of vehicle seats, manufacture of seating frames and adjustment mechanisms, and assembly of complete seating units);
- Emissions Control Technologies (design and manufacture of exhaust systems);
- Interior Systems (design and manufacture of instrument panels, door panels and modules, and acoustic components);
- Automotive Exteriors (design and manufacture of front ends and safety modules).

These business units are managed on an independent basis in terms of reviewing their individual performance and allocating resources. The tables below show reconciliation between the indicators used to measure the performance of each segment – notably operating income – and the consolidated financial statements. Borrowings, other operating income and expense, financial income and expense, and taxes are monitored at Group level and are not allocated to the various segments.

In accordance with the option available under IFRS 8, the 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 long term economic characteristics, notably in terms of earnings outlook, type of customer and manufacturing processes.

4.1 Key figures by operating segment

2011

(in € millions)	Interior Modules	Other Modules	Other	Total
Sales	**8,677.0**	**7,583.6**	**319.6**	**16,580.3**
Inter-segment eliminations	(50.3)	(20.1)	(319.6)	(390.1)
Consolidated sales	**8,626.7**	**7,563.5**	**0.0**	**16,190.2**
Operating income (loss) before allocation of costs	421.6	251.6	(22.4)	650.9
Allocation of costs	(14.1)	(8.3)	22.4	0.0
Operating income	**407.5**	**243.4**	**0.0**	**650.9**
Other non-operating income				0.3
Other non-operating expense				(58.2)
Finance costs, net				(98.5)
Other financial income and expense				(19.0)
Corporate income tax				(95.9)
Share of net income in associates				33.7
NET INCOME (LOSS)				**413.3**
Segment assets				
Net 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
Total segment assets	**3,789.2**	**2,479.2**	**70.6**	**6,339.0**
Investments in associates				71.0
Equity interests				38.8
Short and long-term financial assets				683.9
Tax assets (current and deferred)				131.9
TOTAL ASSETS				**7,264.6**
Segment liabilities	**2,352.1**	**1,638.2**	**100.8**	**4,091.1**
Borrowings				1,855.7
Tax liabilities (current and deferred)				50.4
Equity and minority interests				1,267.4
TOTAL LIABILITIES				**7,264.6**
Capital expenditure	247.7	190.4	13.3	451.4
Depreciation of 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

2010

(in € millions)	Interior Modules	Other Modules	Other	Total
Sales	**7,708.0**	**6,153.7**	**239.0**	**14,100.7**
Inter-segment eliminations	(44.2)	(21.6)	(239.0)	(304.8)
Consolidated sales	**7,663.8**	**6,132.1**	**0.0**	**13,795.9**
Operating income (loss) before allocation of costs	284.2	216.7	(45.3)	455.6
Allocation of costs	(29.1)	(16.2)	45.3	0.0
Operating income	**255.1**	**200.5**	**0.0**	**455.6**
Other non-operating income				87.2
Other non-operating expense				(123.2)
Finance costs, net				(90.6)
Other financial income and expense				(25.6)
Corporate income tax				(89.8)
Share of net income in associates				18.8
NET INCOME				**232.4**
Segment assets				
Property, plant and equipment, net	947.3	620.1	8.1	1,575.5
Other	2,460.6	1,582.8	33.1	4,076.5
Total segment assets	**3,407.9**	**2,202.9**	**41.2**	**5,652.0**
Investments in associates				43.6
Other equity interests				15.3
Short and long-term financial assets				648.1
Tax assets (current and deferred)				121.4
TOTAL ASSETS				**6,480.4**
Segment liabilities	**2,153.7**	**1,464.3**	**100.5**	**3,718.5**
Borrowings				1,802.6
Tax liabilities (current and deferred)				61.1
Equity and minority interests				898.2
TOTAL LIABILITIES				**6,480.4**
Capital expenditure	172.5	124.4	7.4	304.3
Depreciation of property, plant and equipment	(208.0)	(96.2)	(3.3)	(307.6)
Impairment in value of property, plant and equipment	(6.7)	(2.0)		(8.7)
Headcounts	51,385	22,868	1,423	75,676

2009

(in € millions)	Interior Modules	Other Modules	Other	Total
Sales	**6,649.3**	**2,712.4**	**205.4**	**9,567.1**
Inter-segment eliminations	(46.7)	(22.8)	(205.4)	(274.9)
Consolidated sales	6,602.6	2,689.6	0.0	9,292.2
Operating income (loss) before allocation of costs	(91.6)	50.0	(50.1)	(91.7)
Allocation of costs	(38.7)	(11.4)	50.1	0.0
Operating income	**(130.3)**	**38.6**	**0.0**	**(91.7)**
Other non-operating income				6.9
Other non-operating expense				(141.0)
Finance costs, net				(123.0)
Other financial income and expense				(43.9)
Corporate income tax				(35.9)
Share of net income in associates				11.3
NET INCOME				**(417.3)**
Segment assets				
Property, plant and equipment, net	951.2	261.8	11.6	1,224.6
Other	2,374.1	726.1	37.5	3,137.7
Total segment assets	**3,325.3**	**987.9**	**49.1**	**4,362.3**
Investments in associates				31.0
Other equity interests				11.2
Short and long-term financial assets				401.9
Tax assets (current and deferred)				86.5
TOTAL ASSETS				**4,892.9**
Segment liabilities	**2,039.4**	**667.0**	**89.3**	**2,795.7**
Borrowings				1,760.3
Tax liabilities (current and deferred)				34.2
Equity and minority interests				302.7
TOTAL LIABILITIES				**4,892.9**
Capital expenditure	114.6	45.9	8.6	169.1
Depreciation of property, plant and equipment	(230.7)	(61.6)	(3.4)	(295.7)
Impairment in value of property, plant and equipment	(9.8)	(1.2)		(11.0)
Headcounts	47,407	9,877	1,130	58,414

Sales by operating segment break down as follows:

(in € millions)	2011	%	2010	%	2009	%
INTERIOR MODULES						
• Automotive Seating	4,981.2	31	4,571.2	33	3,990.9	43
• Interior Systems	3,645.5	23	3,092.6	23	2,611.7	28
	8,626.7	53	7,663.8	56	6,602.6	71
OTHER MODULES						
• Emissions Control Technologies	5,779.3	36	4,781.4	34	1,826.1	20
• Automotive Exteriors	1,784.2	11	1,350.7	10	863.5	9
	7,563.5	47	6,132.1	44	2,689.6	29
TOTAL	**16,190.2**	**100**	**13,795.9**	**100**	**9,292.2**	**100**

4.2 Sales by major customer

Sales* by major customer break down as follows:

(in € millions)	2011	%	2010	%	2009	%
VW group	3,418.0	21	2,767.7	20	1,824.7	20
PSA Peugeot Citroën	2,433.9	15	2,300.9	17	2,049.4	22
Ford Group	1,652.2	10	1,487.7	11	875.1	9
Renault-Nissan	1,555.2	10	1,442.1	10	1,164.3	13
GM	1,277.5	8	1,231.9	9	506.1	5
BMW	1,092.6	7	1,037.0	8	857.8	9
Others	4,760.8	29	3,528.6	25	2,014.8	22
TOTAL	**16,190.2**	**100**	**13,795.9**	**100**	**9,292.2**	**100**

* *Invoiced sales.*

Sales invoiced may differ from 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.

2011

(in € millions)	France	Germany	Other European countries	North America	South America	Asia	Other countries	Total
Sales	2,281.6	3,939.4	3,828.3	3,359.7	729.6	1,772.2	279.5	16,190.2
Net property, plant and equipment	325.8	254.0	502.4	317.5	93.8	175.5	64.4	1,733.4
Capital expenditure	85.2	49.2	106.8	76.1	43.9	65.3	24.9	451.4
Number of employees as of December 31	14,237	13,261	24,204	15,973	5,180	8,952	2,372	84,179

2010

(in € millions)	France	Germany	Other European countries	North America	South America	Asia	Other countries	Total
Sales	2,214.5	3,294.1	3,426.8	2,496.9	636.6	1,407.7	319.3	13,795.9
Net property, plant and equipment	322.9	233.5	488.3	284.8	67.5	125.4	53.0	1,575.4
Capital expenditure	63.2	27.1	52.6	72.4	23.2	42.6	23.3	304.4
Number of employees as of December 31	14,663	11,283	24,021	12,571	4,770	6,598	1,770	75,676

2009

(in € millions)	France	Germany	Other European countries	North America	South America	Asia	Other countries	Total
Sales	2,059.0	2,334.4	2,413.1	1,077.7	335.1	827.0	245.9	9,292.2
Net property, plant and equipment	359.6	104.6	443.8	173.2	43.4	73.5	26.5	1,224.6
Capital expenditure	68.7	18.0	43.4	23.2	10.0	15.6	11.2	190.1
Number of employees as of December 31	15,530	7,410	18,613	7,488	2,969	4,185	2,219	58,414

NOTE 5 ANALYSIS OF OPERATING EXPENSES

5.1 Analysis of operating expenses by function

(in € millions)	Full-year 2011	Full-year 2010	Full-year 2009
Cost of sales	(14,806.4)	(12,593.3)	(8,840.1)
Research and development costs	(222.3)	(303.2)	(207.9)
Selling and administrative expenses	(510.6)	(443.8)	(335.9)
TOTAL	**(15,539.3)**	**(13,340.3)**	**(9,383.9)**

5.2 Analysis of operating expenses by nature

(in € millions)	Full-year 2011	Full-year 2010	Full-year 2009
Puchases consumed	(11,048.9)	(9,339.0)	(6,049.0)
External costs	(1,420.7)	(1,212.6)	(834.5)
Personnel costs	(2,883.2)	(2,467.7)	(1,922.3)
Taxes and other than on income	(56.5)	(46.0)	(48.7)
Other income and expenses*	257.1	171.1	10.6
Depreciation, amortization and provisions for impairment in value of non-current assets	(453.6)	(485.6)	(487.0)
Charges to and reversals of provisions	66.5	39.5	(53.1)
TOTAL	**(15,539.3)**	**(13,340.3)**	**(9,383.9)**
* *Including production taken into inventory or capitalized*	298.4	208.9	78.7

5.3 Personnel costs

(in € millions)	Full-year 2011	Full-year 2010	Full-year 2009
Wages and salaries*	(2,260.8)	(1,952.8)	(1,496.5)
Payroll taxes	(622.4)	(514.9)	(425.8)
TOTAL	**(2,883.2)**	**(2,467.7)**	**(1,922.3)**
* *Of which temporary employee costs*	(250.5)	(164.4)	(89.5)

Details of expenses relating to the Group's stock option plans and pension costs are provided in Notes 22.2 and 25, respectively.

5.4 Research and development costs

(in € millions)	Full-year 2011	Full-year 2010	Full-year 2009
Research and development costs, gross	(759.6)	(689.1)	(493.2)
• Amounts billed to customers and changes in inventories	498.0	393.5	361.6
• Capitalized development costs	178.9	154.3	104.4
• Amortization of capitalized development costs	(141.7)	(175.5)	(161.1)
• Charges to and reversals of provisions for impairment of capitalized development costs	2.1	13.6	(19.6)
NET EXPENSE	**(222.3)**	**(303.2)**	**(207.9)**

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

(in € millions)	Full-year 2011	Full-year 2010	Full-year 2009
Amortization of capitalized development costs	(141.7)	(175.5)	(161.1)
Amortization of items of property, plant and equipement	(20.9)	(19.5)	(12.1)
Depreciation of specific tooling	3.2	(11.5)	(12.9)
Depreciation and impairment of other items of property, plant and equipment	(296.3)	(292.7)	(281.3)
Provisions for impairment of capitalized development costs	2.1	13.6	(19.6)
TOTAL	**(453.6)**	**(485.6)**	**(487.0)**

NOTE 6 OTHER INCOME AND EXPENSE

Other non-operating income and expense are analyzed as follows:

OTHER NON-OPERATING INCOME

(in € millions)	Full-year 2011	Full-year 2010	Full-year 2009
Provision for contingencies	0.3	0.4	0.0
Badwill from the acquisition of Plastal Germany & Plastal Spain	0.0	84.3	0.0
Losses on disposals of assets	0.0	2.5	6.9
Other operating income	0.0	0.0	0.0
TOTAL	**0.3**	**87.2**	**6.9**

OTHER NON-OPERATING EXPENSES

(in € millions)	Full-year 2011	Full-year 2010	Full-year 2009
Reorganization expenses*	(55.8)	(117.0)	(129.5)
Losses on disposal of assets	0.0	0.0	0.0
Other**	(2.4)	(6.2)	(11.5)
TOTAL	**(58.2)**	**(123.2)**	**(141.0)**

** As of December 31, 2011, this item includes restructuring costs in the amount of €48,7 million and provisions for impairment in value of non-current assets in the amount of €7,1 million, versus respectively, €104.7 million and €12.3 million in 2010 and €119.8 million and €9.7 million in 2009.*
*** This item includes the cost of acquisition of Emcon and Plastal principally in the amount of €7.6 million in 2009 and €5.3 million in 2010.*

RESTRUCTURING

Reorganization costs (€55,8 million) include redundancy and site relocation payments for 1,338 people and breakdown by country as follows:

	In € millions	Employees
France	20.4	120
Germany	14.3	205
USA	6.8	776
Other	14.3	237
TOTAL	**55.8**	**1,338**

NOTE 7 OTHER FINANCIAL INCOME AND EXPENSE

(in € millions)	Full-year 2011	Full-year 2010	Full-year 2009
Impact of discounting pension benefit obligations	(8.2)	(9.6)	(10.5)
Changes in the ineffective portion of currency hedges	(2.3)	(0.4)	(2.9)
Changes in fair value of currency hedged relating to debt	0.0	0.0	(1.7)
Changes in fair value of interest rate hedges	(0.3)	3.6	(6.0)
Translation differences on borrowings	3.3	(4.0)	(14.8)
Gains on sales of securities	(0.2)	0.0	0.0
Other	(11.3)	(15.2)	(8.0)
TOTAL	**(19.0)**	**(25.6)**	**(43.9)**

NOTE 8 CORPORATE INCOME TAX

Corporate income tax can be analyzed as follows:

(in € millions)	Full-year 2011	Full-year 2010	Full-year 2009
Current taxes			
• Current corporate income tax	(97.7)	(85.9)	(42.2)
Deferred taxes			
• Deferred taxes for the period	1.8	(3.9)	6.3
• Impairment of deferred tax assets previously recorded			
Deferred taxes	1.8	(3.9)	6.3
TOTAL	**(95.9)**	**(89.8)**	**(35.9)**

The 2011 tax charge includes for some countries the recognition of deferred income tax assets made possible by more favorable economic perspectives.

The income tax rate change in France has not had any impact on the 2011 Group income tax.

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)	Full-year 2011	Full-year 2010	Full-year 2009
Pre-tax income of consolidated companies	475.4	303.4	(392.7)
Tax at 36.1% (34.43% in 2009 and 2010)	*(171.6)*	*(104.5)*	*135.2*
Effect of rate changes on deferred taxes recognized on the balance sheet	(2.3)	0.0	(2.0)
Effect of local rate differences	45.1	31.5	(1.4)
Tax credits	17.5	20.4	10.1
Use of non-capitalized loss carryforwards	79.5	26.2	6.6
Non-capitalized tax losses	(61.5)	(103.7)	(183.9)
Impairment of tax carryforwards	0.0	0.0	0.0
Permanent differences and others	(2.6)	40.3	(0.5)
CORPORATE TAX RECOGNIZED	**(95.9)**	**(89.8)**	**(35.9)**

8.2 Analysis of tax assets and liabilities

(in € millions)	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Current taxes			
• Assets	53.6	35.2	14.5
• Liabilities	(34.9)	(31.9)	(27.1)
	18.7	**3.3**	**(12.6)**
Deferred taxes			
• Assets*	78.3	86.2	72.0
• Liabilities	(15.5)	(29.2)	(7.1)
	62.8	**57.0**	**64.9**
* *Of which tax assets on tax losses*	35.7	40.0	45.1

Changes in deferred taxes recorded on the balance sheet break down as follows:

(in € millions)	2011	2010	2009
Net amount at the beginning of the year	**57.0**	**64.9**	**53.2**
Deferred taxes for the period carried to income	1.8	(3.9)	6.3
Deferred taxes recognized directly in equity	0.0	0.0	0.0
Effect of currency fluctuations and other movements	4.0	(4.0)	5.4
Impairment of tax assets carryforwards	0.0	0.0	0.0
Net amount at the end of the year	**62.8**	**57.0**	**64.9**

8.3 Impairment of tax asset carryforwards

(in € millions)	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
N+1	9.8	32.6	5.3
N+2	8.9	7.0	4.6
N+3	13.2	9.5	6.7
N+4	24.7	28.1	12.6
N+5 and above	187.9	220.3	207.9
Unlimited	549.5	505.8	461.2
TOTAL	**794.0**	**803.3**	**698.3**

These deferred income tax assets on loss carry forwards are originated mainly from France and the USA.

NOTE 9 EARNINGS PER SHARE

(in € millions)	Full-year 2011	Full-year 2010	Full-year 2009
Number of shares outstanding at year end[(1)]	**110,368,345**	**110,366,728**	**89,448,504**
Adjustements:			
• treasury stock	(46,872)	(270,814)	(270,814)
• weighted impact of share issue prorated	(583)	(2,235,098)	(25,843,1 54)
Weighted average number of shares before dilution	**110,320,890**	**107,860,816**	**63,334,536**
Weighted impact of dilutive instruments:			
• stock options[(2)]	0	0	0
• free shares attributed	2,465,850	1,344,500	0
• bonds with conversion option[(3)]	6,774,402	3,408,805	11,306,058
WEIGHTED AVERAGE NUMBER OF SHARES AFTER DILUTION	**119,561,142**	**112,614,121**	**74,640,594**

(1) Changes in the number of shares outstanding as of December 31 are analysed as follows:
As of December 31, 2009: Number of Faurecia shares outstanding 89,448,504.
Capital increase 20,918,224. As of December 31, 2010: Number of Faurecia shares outstanding 110,366,728. Capital increase (bonds converted) 1,617.
As of December 31,20 11: Number of Faurecia shares outstanding 110,368,345.

(2) As of December 31, 2011: 1,475,348 stock options were outstanding and exercisable, compared with 1,523,998 as of December 31, 2010 and 1,594,223 as of December 31, 2009. Taking into account the average Faurecia share price for 2011, 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.

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 €22.89 in 2011).

Earnings per share

Earnings per share break down as follows:

(in € millions)	Year 2011	Year 2010	Year 2009
Net income (Loss)	**371.3**	**201.7**	**(433.6)**
Basic earnings (loss) per share	3.37	1.87	(6.85)
After dilution	3.11	1.79	(6.85)

NOTE 10 GOODWILL

(in € millions)	Gross	Impairment	Net
Net carrying amount as of December 31, 2008	**1,550.8**	**(510.6)**	**1,040.2**
Acquisitions and minority interest buyouts	1.6	0.0	1.6
Impairment of goodwill	0.0	0.0	0.0
Translation adjustments and other movements	(1.8)	(0.1)	(1.9)
Net carrying amount as of December 31, 2009	**1,550.6**	**(510.7)**	**1,039.9**
Acquisitions and minority interest buyouts	178.7	0.0	178.7
Translation adjustments and other movements	12.6	(0.4)	12.2
Net carrying amount as of December 31, 2010	**1,741.9**	**(511.1)**	**1,230.8**
Acquisitions	25.5	0.0	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**

Breakdown of the net amount of goodwill by operating segment:

(in € millions)	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Automotive Seating	792.4	792.4	792.6
Emissions Control Technologies	340.2	335.8	151.2
Interior Systems	31.9	6.5	0.0
Automotive Exteriors	96.1	96.1	96.1
TOTAL	**1,260.6**	**1,230.8**	**1,039.9**

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 2012-201 5 medium-term Business Plan which was drafted in mid-2011 and adjusted at the end of the year based on the latest assumptions in the 2012 budget. The volume assumptions used in the 2012-201 5 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 2015 is 5.6% for the Group as a whole.

Projected cash flows for the last year of the medium-term Business Plan (2015) 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 201 1, 201 0 and 2009 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 10 companies operating in the automotive supplier sector (seven in Europe and three in the United States). Taking into account these parameters and a market risk premium of 5.5% to 6%, 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 2011 (9% in 2010). 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 2011 did not show any indication of further impairment in goodwill.

The projected discounted cash flows are significantly above the valuation based on the stock value on the market. However, the book value of the capital employed remains below this same value.

The table below shows the sensitivity of the impairment test results to changes in the assumptions used as of December 31, 2011 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 +0.5pt**	**Growth rate to infinity -0.5pt**	**Operating Income for terminal value -0.5pt**	**Combination of the 3 factors**
Automotive Seating	1,583	(193)	(158)	(209)	(513)
Emissions Control Technologies	1,212	(129)	(106)	(206)	(399)
Interior Systems	1,480	(140)	(113)	(136)	(357)
Automotive Exteriors	590	(53)	(43)	(65)	(146)

NOTE 11 INTANGIBLE ASSETS

Intangible assets break down as follows:

in € millions	**Development costs**	**Software and other**	**Total**
NET AS OF JANUARY 1, 2009	**449.5**	**20.3**	**469.8**
Additions	104.2	2.6	106.8
Funding of amortization provisions	(161.1)	(12.1)	(173.2)
Funding of provisions	(19.6)	0.0	(19.6)
Translation adjustments and other	(3.6)	16.7	13.1
NET AS OF DECEMBER 31, 2009	**369.4**	**27.5**	**396.9**
Additions	154.6	4.8	159.4
Funding of amortization provisions	(175.5)	(19.5)	(195.0)
Funding of provisions	13.6	0.0	13.6
Translation adjustments and other	15.1	45.2	60.3
NET AS OF DECEMBER 31, 2010	**377.2**	**58.0**	**435.2**
Additions	180.2	6.9	187.1
Funding of amortization provisions	(148.3)	(20.9)	(169.2)
Funding of provisions	8.7	0.0	8.7
Translation adjustments and other	(2.7)	5.1	2.4
NET AS OF DECEMBER 31, 2011	**415.1**	**49.1**	**464.2**

The carrying amount of development costs allocated to a customer contract as well as the associated specific tooling is compared to the present value of the expected net future cash flows to be derived from the contract based on the best possible estimate of future sales. The volumes taken into account in Faurecia's Business Plans are the best estimates by the Group's Marketing department based on automakers' forecasts when available.

NOTE 12 PROPERTY, PLANT AND EQUIPMENT

(in € millions)	Land	Buildings	Plant, tooling and equipment	Specific tooling	Other property, plant and equipment and property, plant and equipment in progress	Total
NET AS OF JANUARY 1, 2009	**58.1**	**343.1**	**703.0**	**23.9**	**232.7**	**1,360.8**
Additions (including own work capital)[1]	1.0	20.8	78.1	15.4	74.8	190.1
Disposals	(1.7)	(45.2)	(171.7)	(1.9)	(23.4)	(243.9)
Funding of depreciation, amortization and impairment provisions	(0.5)	(49.4)	(216.6)	(13.0)	(16.2)	(295.7)
Non-recurring impairment losses	(1.2)	(2.3)	(6.9)	(0.2)	(0.4)	(11.0)
Depreciation written off on disposals	0.3	41.9	166.6	1.3	21.5	231.6
Currency translation adjustments	0.4	4.4	5.2	0.2	1.4	11.6
Entry into scope of consolidation & other movements	1.1	52.5	95.6	(1.0)	(167.1)	(18.9)
NET AS OF DECEMBER 31, 2009	**57.5**	**365.8**	**653.3**	**24.7**	**123.3**	**1,224.6**
Additions (including own work capital)[1]	4.3	21.0	117.1	8.0	153.9	304.3
Disposals	(2.6)	(22.5)	(110.7)	(6.4)	(22.1)	(164.3)
Funding of depreciation, amortization and impairment provisions	(0.2)	(49.3)	(232.6)	(10.8)	(21.2)	(314.1)
Non-recurring impairment losses	0.0	(1.8)	(7.6)	(0.7)	(3.2)	(13.3)
Depreciation written off on disposals	1.7	19.7	112.6	6.4	22.0	162.4
Currency translation adjustments	1.9	13.2	31.2	0.3	6.7	53.3
Entry into scope of consolidation & other movements	24.5	66.9	284.5	1.1	(54.4)	322.6
NET AS OF DECEMBER 31, 2010	**87.1**	**413.0**	**847.8**	**22.6**	**205.0**	**1,575.5**
Additions (including own work capital)[1]	1.0	15.0	104.6	20.9	309.9	451.4
Disposals	(0.4)	(19.9)	(124.3)	(6.6)	(29.0)	(180.2)
Funding of depreciation, amortization and impairment provisions	(1.5)	(46.0)	(213.2)	(11.6)	(26.5)	(298.8)
Non-recurring impairment losses	(0.2)	(3.3)	(3.5)	0.0	(0.2)	(7.2)
Depreciation written off on disposals	0.2	20.0	122.8	6.4	27.4	176.8
Currency translation adjustments	(0.5)	(0.4)	(6.2)	0.5	(0.8)	(7.4)
Entry into scope of consolidation & other movements	(0.7)	46.6	138.3	(1.4)	(159.5)	23.3
NET AS OF DECEMBER 31, 2011	**85.0**	**425.0**	**866.3**	**30.8**	**326.3**	**1,733.4**

(1) Including assets held under finance leases
In 2009 21.3
In 2010 4.0
In 2011 5.4

	Dec. 31, 2011			Dec. 31, 2010		Dec. 31, 2009
(in € millions)	Gross	Depreciation	Net	Gross	Net	Net
Land	95.2	(10.2)	85.0	95.7	87.1	57.5
Buildings	1,051.1	(626.1)	425.0	1,018.5	413.0	365.8
Plant, tooling and technical equipment	3,127.3	(2,261.0)	866.3	3,123.1	847.8	653.3
Specific tooling	141.1	(110.3)	30.8	129.4	22.6	24.7
Other property, plant and equipment and property, plant and equipment in progress	603.7	(277.4)	326.3	499.0	205.0	123.3
TOTAL	**5,018.4**	**(3,285.0)**	**1,733.4**	**4,865.7**	**1,575.5**	**1,224.6**
Including assets subject to lease financing	122.7	(60.6)	62.1	135.4	68.2	44.8

Property, plant and equipment are often specific and dedicated to client programs. Their utilization rates are primarily dependent on the level of activity, with very few exceptions. The utilization rates for equipment are not monitored centrally or systematically.

NOTE 13 INVESTMENTS IN ASSOCIATES

AS OF DECEMBER 31, 2011

(in € millions)	% interest**	Group share of equity	Dividends received by the Group	Group share of sales	Group share of total assets
Teknik Malzeme*	50	5.2	0.0	48.8	35.0
Copo Iberica SA	50	2.7	0.0	18.2	7.7
Componentes de Vehiculos de Galicia SA	50	2.0	(1.0)	5.7	4.0
Zhejiang Faurecia Limin Interior & Exterior Systems Company Limited	50	3.9	0.0	0.0	4.7
Changchun Huaxiang Faurecia Automotive Plastic Components Co Ltd	50	6.1	0.0	7.4	14.6
Jinan Faurecia Limin Interior & Exterior Systems Company Limited	50	2.4	0.0	0.0	3.3
Others***	-	5.2	0.0	319.7	104.9
TOTAL	**-**	**27.5**	**(1.0)**	**399.8**	**174.2**
SAS Group	50	43.5	(20.0)	2,213.1	349.2
TOTAL		**71.0**	**(21.0)**	**2,612.9**	**523.4**

* *The company Orcia has been consolidated in Teknik Malzeme.*
** *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 or contingencies and charges.*

SAS is a joint venture with Continental Automotive GmbH which manufactures full cockpit modules with electronics and circuitry built into the instrument panels.

In 2011, the consolidated financial statements were prepared using SAS Group's accounts as of December 31st, whereas for the years 2010 and 2009 SAS Group's accounts as of September 30, were considered in order to meet the Faurecia Group's publication deadlines.

13.1 Change in investments in associates

(in € millions)	2011	2010	2009
Group share of equity at beginning of period	43.6	31.0	40.1
Dividends	(21.0)	(15.0)	(25.0)
Share of net income of associates	33.7	18.8	11.3
Change in scope of consolidation	13.8	4.8	3.9
Capital increase	0.0	0.9	0.7
Currency translation adjustments	0.8	3.1	0.0
Group share of equity at end of period	**71.0**	**43.6**	**31.0**

13.2 Group share of financial items of associates

(in € millions)	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Fixed assets	64.6	39.7	32.0
Current assets	397.9	388.0	331.1
Cash and cash equivalents	60.9	42.9	33.0
TOTAL ASSETS	**523.4**	**470.6**	**396.1**
Equity	63.5	35.1	27.1
Borrowings	32.4	18.9	18.1
Other non-current liabilities	18.3	33.7	24.9
Non-current financial liabilities	409.2	382.9	326.0
TOTAL EQUITY AND LIABILITIES	**523.4**	**470.6**	**396.1**

NOTE 14 OTHER EQUITY INTERESTS

(in € millions)	% of share capital	Dec. 31, 2011 Gross	Dec. 31, 2011 Net	Dec. 31, 2010 Net	Dec. 31, 2009 Net
Changchun Xuyang Industrial Group	19	11.9	11.9	11.0	0.0
Amminex	21	19.7	19.7		
Changchun Xuyang Faurecia Acoustics &Soft Trim Co., Ltd.	40	5.4	5.4		
Faurecia Technology Center India Ltd**				3.6	3.6
Faurecia Shin Sung*					4.3
Faurecia Metalloprodukcia*					2.4
Other	-	4.4	1.8	0.7	0.9
TOTAL		**41.4**	**38.8**	**15.3**	**11.2**

* *Companies consolidated as of 1/1/2010.*
** *Companies consolidated as of 1/1/2011.*

NOTE 15 OTHER NON CURRENT FINANCIAL ASSETS

(In € millions)	Dec. 31, 2011 Gross	Dec. 31, 2011 Provisions	Dec. 31, 2011 Net	Dec. 31, 2010 Net	Dec. 31, 2009 Net
Loans with maturity longer than one year	30.8	(8.2)	22.6	19.4	17.7
Interest rate derivatives	0.0	0.0	0.0	0.0	0.1
Other	13.7	(0.9)	12.8	8.4	5.6
TOTAL	**44.5**	**(9.1)**	**35.4**	**27.8**	**23.4**

NOTE 16 OTHER NON CURRENT ASSETS

This line includes:

(In € millions)	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Pension plan surpluses	0.1	0.2	0.0
Guarantee deposits and other	16.8	14.3	18.9
TOTAL	**16.9**	**14.5**	**18.9**

NOTE 17 INVENTORIES AND WORK IN PROGRESS

	Dec. 31, 2011			Dec. 31, 2010	Dec. 31, 2009
(en € millions)	Gross	Provisions	Net	Net	Net
Raw materials and supplies	359.0	(39.7)	319.3	277.4	157.6
Engineering, tooling and prototypes	368.8	(23.3)	345.5	253.5	160.9
Work-in-progress for production	42.3	(2.5)	39.8	38.6	22.1
Semi-finished and finished products	210.4	(29.6)	180.8	164.5	98.0
TOTAL	**980.5**	**(95.1)**	**885.4**	**734.0**	**438.6**

NOTE 18 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.

The following table shows the amount of receivables sold with maturities beyond December 31, 2011, for which substantially all the risks and rewards have been transferred, and which have therefore been derecognized:

(In € millions)	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Receivables sold and derecognized	461.7	377.9	290.7

Individually impaired trade receivables are as follows:

(In € millions)	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Gross total trade receivables	1,640.2	1,409.6	1,047.0
Provision for impairment of receivables	(20.0)	(21.9)	(21.1)
TOTAL TRADE ACCOUNTS RECEIVABLE, NET	**1,620.2**	**1,387.7**	**1,025.9**

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, 2011 were €83.9 million, breaking down as follows:

- €45.6 million less than one month past due;
- €10.6 million one to two months past due;
- €6.9 million two to three months past due;
- €8.8 million three to six months past due;
- €12.0 million more than six months past due.

NOTE 19 OTHER OPERATING RECEIVABLES

(In € millions)	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Down payments	116.3	61.6	39.5
Other receivables[1]	181.3	161.7	131.5
TOTAL	**297.6**	**223.3**	**171.0**
(1) Including the following amounts for VAT and other tax receivables	174.8	154.9	127.0

NOTE 20 OTHER RECEIVABLES

(In € millions)	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Short-term portion of loans	3.7	3.5	0.1
Prepaid expenses	9.0	14.6	4.6
Current taxes	53.6	35.3	14.5
Other sundry payables	64.9	47.3	60.7
TOTAL	**131.2**	**100.7**	**79.9**

NOTE 21 CASH AND CASH EQUIVALENTS

As of December 31, 2011, cash and cash equivalents included current account balances in the amount of €564.3 million (versus €532.5 million as of December 31, 2010 and €292.2 million as of December 31, 2009) and short-term investments in the amount of €65.8 million (versus €73.3 million as of December 31, 2010 and €65.6 million as of December 31, 2009).

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, 2011, Faurecia's capital stock totaled €772,578,415 divided into 1 10,368,345 fully paid-in shares with a par value of €7 each.

The Group's capital is not subject to any external restrictions. Shares which have been registered in the name of the same holder for at least two years carry double voting rights.

As of December 31, 2011, Peugeot SA held 57.43% of Faurecia's capital and 72.87% 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, 2011, a total of 1,475,348 stock options were outstanding.

The exercise of these options would result in increasing:

- the capital stock by €10.3 million;
- additional paid-in capital by €53 million.

Details of the stock subscription option plans as of December 31, 2011 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 12/31/2011
	June 26, 1997			June 27 2002			
May 31, 1994	34.40	63,180	17,550	June 25, 2012	36,855	19,305	7,020
June 5, 1997	February 22, 2002			February 23 2006			
June 1, 2001	47.01	411,489	81,315	February 22, 2012	32,994	135,369	243,126
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	-	1 25,775	195,975
	April 13, 2006			April 12, 2010			
May 23, 2005	45.20	340,800	168,000	April 12, 2016	-	135,600	205,200
	April 16, 2007			April 17, 2011			
May 23, 2005	44.69	346,200	172,800	April 17, 2017	-	85,200	261,000
	April 10, 2008			April 10, 2012			
May 29, 2007	28.38	357,000	174,000	April 10, 2016	-	32,400	324,600
TOTAL							**1,475,348**

Movements in the aggregate number of options under all of the plans in force were as follows:

(in € millions)	2011	2010	2009
Total at beginning of the period	1,523,998	1,594,223	1,435,183
Adjustment related to the capital increase	0	0	256,093
Options granted	0	0	0
Options exercised	0	0	0
Options cancelled and expired	(48,650)	(70,225)	(97,053)
TOTAL	**1,475,348**	**1,523,998**	**1,594,223**

In accordance with IFRS 2, the six plans issued since November 7, 2002 have been measured at fair value as of the grant date. The measurement was performed using the Black & Scholes option pricing model based on the following assumptions:

	11/28/2002 plan	04/14/2004 plan	04/19/2005 plan	04/13/2005 plan	04/16/2007 plan	04/10/2008 plan
Option exercise price (as of the grant date) *in euros**	35.65	49.73	54.45	45.20	44.69	28.38
Share price (as of the grant date) *in euros*	41.82	58.45	62.05	53.15	56.15	33.10
Option vesting period	4 years	4 years	4 years	4 years	4 years	4 years
Expected share dividend	2%	2%	2%	1.5%	0.00%	0.00%
Zero coupon rate	3.57%	3.33%	2.93%	3.50%	4.41%	3.86%
Expected share price volatility	40%	40%	40%	30%	30%	30%

* *Adjusted following the capital increase.*

The fair value of the option is amortized over the vesting period, with a corresponding adjustment to equity. The related expense in 2011 totaled €1.5 million, compared with €2 million in 2010.

B - STOCK PURCHASE OPTIONS

From 1999 to 2001, Faurecia granted stock options to executives of Group companies and their over 50%-owned subsidiaries. As of December 31, 2011, no stock purchase options are outstanding.

C - 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 in expenses for the period is €9.6 million, compared with €2.6 million in 2010.

Details of the share grant plans as of December 31, 2011 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
	June 23, 2010	662,000	860,600	2011 pretax income target as stated in mid term plan when granted
February 8, 2010	July 21, 2010	682,500	887,250	2012 pretax income target as stated in mid term plan when granted
May 26, 2011	July 25, 2011	718,000	933,400	2013 pretax income target as stated in mid term plan when granted

22.3 Treasury stock

As of December 31, 2011, Faurecia held 46,872 shares of treasury stock.

The cost of the shares held in treasury stock as of December 31, 2011 totaled €1.7 million, representing an average cost of €36.79 per share.

NOTE 23 MINORITY INTERESTS

Changes in minority interests were as follows:

(in € millions)	2011	2010	2009
Balance as of January 1	87.7	45.8	40.6
Increase in minority shareholder interests	1.2	4.2	0.0
Other changes in scope of consolidation	2.9	9.1	0.0
Minority interests in net income for the year	42.0	30.7	16.3
Dividends paid to minority interests	(26.7)	(6.0)	(9.3)
Translation adjustments	6.4	3.9	(1.8)
BALANCE AS OF DECEMBER 31	**113.5**	**87.7**	**45.8**

NOTE 24 LONG AND SHORT TERM PROVISIONS

24.1 Long-term provisions

LONG-TERM PROVISIONS

(in € millions)	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Provisions for pensions and other employee obligations			
Pension obligations	162.4	157.3	143.2
Long-service awards	20.6	20.9	19.2
Healthcare costs	32.8	33.1	26.3
	215.8	**211.3**	**188.7**
Provisions for early retirement costs	3.0	3.2	5.2
TOTAL LONG-TERM PROVISIONS	**218.8**	**214.5**	**193.9**

CHANGES IN LONG-TERM PROVISIONS

(in € millions)	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Balance of provisions at beginning of year	**214.5**	**193.9**	**193.6**
Changes in scope of consolidation	0.0	25.8	0.0
Other movements	1.9	4.4	1.8
Funding (or reversal) of provision	22.3	26.2	22.1
Expenses charged to the provision	(7.3)	(19.5)	(15.4)
Payments to external funds	(12.6)	(16.3)	(8.2)
BALANCE OF PROVISIONS AT END OF YEAR	**218.8**	**214.5**	**193.9**

24.2 Short-term provisions

SHORT-TERM PROVISIONS

(in € millions)	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Restructuring	123.8	169.2	157.8
Risks on contracts and customer warranties	96.9	123.5	56.7
Litigation	38.6	43.9	47.4
Other	63.0	80.0	58.4
TOTAL SHORT-TERM PROVISIONS	**322.3**	**416.6**	**320.3**

Changes in these provisions in 2011 were as follows:

(in € millions)	Balance as of Dec. 31, 2010	Additions	Expenses charged	Reversals*	sub-total changes	Change in scope of consolidation ond other changes	Balance as of Dec. 31, 2011
Restructuring	169.2	46.9	(89.1)	(2.4)	(44.6)	(0.8)	123.8
Risks on contracts and customer warranties	123.5	6.7	(56.7)	(1.2)	(51.2)	24.6	96.9
Litigation	43.9	10.5	(15.7)	0.0	(5.2)	(0.1)	38.6
Other provisions	80.0	12.4	(24.4)	(1.5)	(13.5)	(3.5)	63.0
TOTAL	**416.6**	**76.5**	**(185.9)**	**(5.1)**	**(114.5)**	**20.2**	**322.3**

* *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.

Faurecia Systèmes d'Échappement is subject to a claim concerning electrostatic filtration which has been brought before the courts following its unsuccessful cooperation with a service provider. On June 24, 201 1, the Paris *Tribunal de Grande Instance* (district court of first instance) rendered a judgment favourable to Faurecia. The opposing party has served notice of its decision to appeal the judgment. No date has yet been settled by the *Cour d'Appel* (court of appeal). Suzuki has initiated a procedure of international arbitration against Faurecia Innenraum Systeme alleging delivery of defective products. The Group has filed its arguments in defence with the arbitral tribunal. A first hearing is scheduled for February 10, 2012. This claim had already been provisioned for the amount below franchise and for associated uninsured costs. 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)	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Present value of projected obligations			
• Pension benefit obligations	290.7	270.3	222.9
• Long-service awards	20.6	20.9	19.2
• Healthcare costs	50.8	48.4	36.5
TOTAL	**362.1**	**339.6**	**278.6**
Value of plan assets			
• Provisions booked in the accounts	215.8	211.3	188.7
• External funds (market value)	104.5	101.6	83.6
• Plan surplus[(1)]	(0.1)	(0.2)	0.0
• Actuarial gains and losses	41.9	26.9	6.3
TOTAL	**362.1**	**339.6**	**278.6**

(1) Pension plan surpluses are included in "Other non-current assets".

25.2 Pension benefit obligations

A - DESCRIPTION OF THE PLANS

In addition to the pension benefits provided under local legislation in the various countries where Group companies are located, Group employees are entitled to supplementary pension benefits and retirement bonuses.

B - ASSUMPTIONS USED

The Group's obligations under these plans are determined on an actuarial basis, using the following assumptions:

- retirement age between 62 and 65 for employees in France;
- staff turnover assumptions based on the economic conditions specific to each country and/or Group company;
- mortality assumptions specific to each country;
- estimated future salary levels until retirement age, based on inflation assumptions and forecasts of individual salary increases for each country;
- the expected long-term return on external funds;
- discount and inflation rates (or differential) based on local conditions.

The main actuarial assumptions used in the past three years to measure the pension liability are as follows:

(in %)	Euro Zone	United Kingdom	United States
DISCOUNT RATE			
2011	4.50%	5.00%	4.99%
2010	4.15%	5.54%	5.35%
2009	5.00%	5.83%	5.75%
INFLATION RATE			
2011	2.00%	2.69%	2.00%
2010	2.00%	3.45%	1.50%
2009	2.00%	3.50%	2.70%
EXPECTED RETURN ON PLAN ASSETS			
2011	3.17%	6.82%	7.50%
2010	3.09%	6.85%	7.50%
2009	3.20%	7.76%	7.50%

C - INFORMATION ON EXTERNAL FUNDS

External funds are invested as follows:

	2011		2010		2009	
(in %)	Equities	Bonds	Equities	Bonds	Equities	Bonds
France	14%	86%	15%	85%	11%	89%
United Kingdom	61%	39%	62%	38%	69%	31%
United States	59%	41%	64%	36%	63%	37%

D - PROVISIONS FOR PENSION LIABILITIES RECOGNIZED ON THE BALANCE SHEET

	2011			2010			2009		
(in € millions)	France	Abroad*	Total	France	Abroad	Total	France	Abroad	Total
BALANCE OF PROVISIONS AT BEGINNING OF YEAR	**76.7**	**80.4**	**157.1**	**77.0**	**66.2**	**143.2**	**71.0**	**68.6**	**139.6**
Effect of changes in scope of consolidation (provision net of plan surpluses)	0.0	0.0	0.0	0.2	17.4	17.6	0.0	0.0	0.0
Additions	7.5	8.7	16.2	7.7	8.7	16.4	9.8	5.9	15.7
Expenses charged to the provision	(0.2)	(2.1)	(2.3)	(1.7)	(7.2)	(8.9)	(1.7)	(3.1)	(4.8)
Payments to external funds	(4.1)	(5.8)	(9.9)	(6.5)	(6.7)	(13.2)	(2.1)	(6.1)	(8.2)
Other movements	0.9	0.3	1.2	0.0	2.0	2.0	0.0	0.9	0.9
BALANCE OF PROVISIONS AT END OF YEAR	**80.8**	**81.5**	**162.3**	**76.7**	**80.4**	**157.1**	**77.0**	**66.2**	**143.2**

* *The provision for €81,5 million on December 31, 2011 relates mainly to Germany (€71,6 million).*

E - CHANGES IN PENSION LIABILITIES

(in € millions)	Dec. 31, 2011			Dec. 31, 2010			Dec. 31, 2009		
	France	Abroad	Total	France	Abroad	Total	France	Abroad	Total
PROJECTED BENEFIT OBLIGATION									
At beginning of the period	**88.7**	**181.6**	**270.3**	**80.4**	**142.5**	**222.9**	**97.1**	**129.0**	**226.1**
Service costs	4.8	4.6	9.4	4.5	4.0	8.5	6.7	2.2	8.9
Annual restatement	3.9	8.0	11.9	4.2	8.5	12.7	5.7	7.5	13.2
Benefits paid	(4.0)	(8.0)	(12.0)	(5.2)	(11.3)	(16.5)	(8.4)	(6.4)	(14.8)
Restatement differences	8.6	(1.3)	7.3	5.2	10.9	16.1	(18.3)	8.6	(9.7)
Other movements (including translation adjustment)	0.9	3.2	4.1	0.2	27.0	27.2	0.0	1.6	1.6
Curtailments and settlements	(0.3)	0.0	(0.3)	(0.6)	0.0	(0.6)	(2.4)	0.0	(2.4)
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	**102.6**	**188.1***	**290.7**	**88.7**	**181.6**	**270.3**	**80.4**	**142.5**	**222.9**
VALUE OF PLANT ASSETS									
At beginning of the period	**15.9**	**85.6**	**101.5**	**12.6**	**71.0**	**83.6**	**17.1**	**58.1**	**75.2**
Expected return on plan assets	0.4	5.5	5.9	0.3	5.1	5.4	0.6	3.9	4.5
Restatement differences	(0.3)	(5.5)	(5.8)	0.0	0.8	0.8	(0.6)	4.9	4.3
Other movements (including translation adjustment)	0.0	2.6	2.6	0.0	6.1	6.1	0.0	1.3	1.3
Employer contributions	4.1	5.8	9.9	6.5	6.7	13.2	2.1	6.1	8.2
Benefits paid	(3.8)	(5.8)	(9.6)	(3.5)	(4.1)	(7.6)	(6.6)	(3.3)	(9.9)
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	**16.3**	**88.2**	**104.5**	**15.9**	**85.6**	**101.5**	**12.6**	**71.0**	**83.6**
DEFERRED ITEMS									
At beginning of the period	**(3.9)**	**15.6**	**11.7**	**(9.2)**	**5.3**	**(3.9)**	**9.0**	**2.3**	**11.3**
New deferred items	8.9	4.2	13.1	5.2	10.1	15.3	(17.8)	3.6	(14.2)
Amortization of deferred items	(0.1)	(1.4)	(1.5)	(0.4)	(1.4)	(1.8)	(0.2)	(0.1)	(0.3)
Other movements (including translation adjustment)	0.0	0.3	0.3	0.0	1.5	1.5	0.0	(0.5)	(0.5)
Curtailments and settlements	0.5	(0.2)	0.3	0.5	0.1	0.6	(0.2)	0.0	(0.2)
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	**5.4**	**18.5**	**23.9**	**(3.9)**	**15.6**	**11.7**	**(9.2)**	**5.3**	**(3.9)**
BALANCE OF PROVISIONS AT THE END OF THE YEAR	**80.9**	**81.4**	**162.3**	**76.7**	**80.4**	**157.1**	**77.0**	**66.2**	**143.2**

* *Of which €78,9 million for Germany.*

F - PERIODIC PENSION COST

Period pension cost is recognized

- in operating income for the portion relating to service cost and amortization of deferred items;
- in "Other financial income and expenses" for restatement of vested rights and the expected return on external funds. Period pension cost break down as follows:

	2011			2010			2009		
	France	Abroad	Total	France	Abroad	Total	France	Abroad	Total
Service costs	(4.8)	(4.6)	(9.4)	(4.5)	(4.0)	(8.5)	(6.7)	(2.2)	(8.9)
Restatement of projected benefits	(3.9)	(8.0)	(11.9)	(4.2)	(8.5)	(12.7)	(5.7)	(7.5)	(13.2)
Change in top-up scheme	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Expected return on plan assets	0.4	5.5	5.9	0.3	5.1	5.4	0.6	3.9	4.5
Curtailment and settlements	0.9	(0.2)	0.7	1.1	0.1	1.2	2.2	0.0	2.2
Amortization of deferred differences	(0.1)	(1.4)	(1.5)	(0.4)	(1.4)	(1.8)	(0.2)	(0.1)	(0.3)
TOTAL	**(7.5)**	**(8.7)**	**(16.2)**	**(7.7)**	**(8.7)**	**(16.4)**	**(9.8)**	**(5.9)**	**(15.7)**

a) The supplementary pension scheme for all managerial employees in France comprises:
   - a defined contribution plan financed entirely by Faurecia whose contribution rate varies depending on salary tranches A or B applies;
   - a defined benefit plan relating to salary tranche C.

b) In France, when calculating its pension liability as of December 31, 2011, the Group has used only voluntary retirement assumptions beginning at 62 years of age for non-management employees and at 65 years of age for management.

c) In France, pension liability increased by €13.9 million at year-end compared to 2010. This increase breaks down as follows:
   - +€8.7 million relating to service cost and interest cost for 2011;
   - -€4.0 million relating to lump-sum retirement bonuses and rights to capital for supplementary pension schemes;
   - -€0.3 million relating to headcount reduction plans in 2011;
   - +€1.9 million relating to increased lump-sum retirement bonuses according to the rates in the metallurgical collective labor agreement;
   - +€7.6 million resulting from actuarial gains and losses, including -€3.9 million relating to the discount rate, +€9.9 million relating to experience and +€1.6 million for other assumptions.

G - 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 rate for:

- total service cost for the period would be for France a 3.26% decrease and for Germany a 5.18% decrease;
- the projected benefit obligation would be for France a 2.63% decrease and for Germany a 3.92% decrease.

25.3 Long-service awards

The Group evaluates its liability for the payment of long-service awards, given to employees based on certain seniority requirements. The Group calculates its liability for the payment of long-service awards using the same method and assumptions as for its pension liability. Provisions for long-service awards have been set aside as follows:

(in € millions)	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
French companies	6.6	6.9	8.5
Foreign companies	14.0	14.0	10.7
TOTAL	**20.6**	**20.9**	**19.2**

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)	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Foreign companies	32.8	33.1	26.3
TOTAL	**32.8**	**33.1**	**26.3**

The impact of a one percentage point increase in healthcare cost trend rates would be:

- a 11% rise in total service cost for the period and financial expenses;
- a 10% rise in the projected benefit obligation.

The impact of a one percentage point decrease in medical cost trend rates would be:

- a 9% decrease in total service cost for the period and financial expenses;
- a 9% decrease in the projected benefit obligation.

Expenses recognized in connection with this liability break down as follows:

EXPENSES RECOGNIZED

(in € millions)	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Service cost	(2.7)	(3.1)	(2.5)
Interest cost*	(2.2)	(2.4)	(1.9)
Curtailment	0.0	0.0	(0.3)
Amortization of deferred differences	(1.4)	(1.0)	0.3
TOTAL	**(6.3)**	**(6.5)**	**(4.4)**

* *Interest cost is recorded under "Other financial income and expenses".*

NOTE 26 NET DEBT

26.1 Detailed breakdown

(in € millions)	**Dec. 31, 2011**	**Dec. 31, 2010**	**Dec. 31, 2009**
Bonds	543.6	191.8	183.7
Bank borrowings	655.8	726.1	869.1
PSA loan	0.0	142.0	128.0
Other borrowings	5.0	5.7	6.3
Obligations under finance lease	29.8	37.0	29.4
Non-current derivatives	5.9	12.3	15.7
SUB-TOTAL NON-CURRENT FINANCIAL LIABILITIES	**1,240.1**	**1,114.9**	**1,232.2**
Current portion of long term debt	36.0	78.7	36.2
Short-term borrowings[1]	573.7	608.0	486.6
Payments issued[2] (a)	0.0	0.4	0.0
Current derivatives	5.9	0.6	5.4
SUB-TOTAL CURRENT FINANCIAL LIABILITIES	**615.6**	**687.7**	**528.2**
TOTAL	**1,855.7**	**1,802.6**	**1,760.4**
Derivatives classified under non-current and current assets	(1.5)	0.0	(1.4)
Cash and cash equivalents (b)	(630.1)	(605.8)	(357.8)
NET DEBT	**1,224.1**	**1,196.8**	**1,401.2**
Net cash and cash equivalent (b)-(a)	**630.1**	**605.4**	**357.8**
(1) Including bank overdrafts.	137.2	162.7	128.0

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

26.2 Maturities of long-tem debt

(In € millions)	**2013**	**2014**	**2015**	**2016**	**2017 and beyond**	**Total**
Bonds	0.0	0.0	195.4	348.2	0.0	543.6
Bank borrowings	52.0	531.3	3.3	41.3	27.9	655.8
PSA loan	0.0	0.0	0.0	0.0	0.0	0.0
Other borrowings	2.5	1.3	0.7	0.3	0.2	5.0
Obligation under finance leases	7.9	2.3	2.4	2.1	15.1	29.8
TOTAL AS OF DEC. 31, 2011	**62.4**	**534.9**	**201.8**	**391.9**	**43.2**	**1,234.2**

26.3 Financing

Faurecia has implemented a new long term financing plan through a €350 million bond issue and the anticipated renewal of its syndicated bank loan for €1,150 million. Finally, a private placement has been issued in Germany for €58 million in October 2011. Taking advantage of this refinancing, the current amount of the €250 million loan granted by PSA Peugeot Citroën, correlated to the previous syndicated bank loan, has been fully reimbursed for €121 million. This loan has been simultaneously cancelled.

The syndicated bank loan implemented on December 20, 201 1 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 December 31, 2011 the undrawn portion of this credit facility was €660 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, 2011, 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 (any 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.

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 and are listed on the Luxemburg stock exchange. They also include a covenant restricting the additional indebtness if the EBITDA after some adjustments is lower than 2.5 times the gross interest costs, and restrictions on the debt similar to the ones of the syndicated credit loan. The costs related to the bond issue are expensed in P&L on the life time of the bonds.

The syndicated bank loan as well as the bond benefit from guarantees from some group affiliates.

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 a change of control clause relating to PSA.

In conformity with IAS 39, the fair value of OCEANE bonds is calculated based on two components, a liability component, calculated based on prevailing market interest rates for similar bonds with no conversion option, and a conversion option component, calculated based on the difference between the fair value of the OCEANE bonds and the liability component. Upon issue these two components were €184.3 million and €23.3 million, respectively. As of December 31, 2011 the liability component was €194.1 million, before hedging.

(*) Adjusted net debt = consolidated net debt + adjustments for certain obligations undertaken, based on definitions provided in the credit facility agreement (e.g. mortgages or collateralized liabilities).

(**) 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, 2011 breaks down as follows:

	Carrying Amount			Remaining contractal maturities				
(in € millions)	**Assets**	**Liabilities**	**Total**	**0-3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**> 5 years**
Other non-current financial assets	35.4		35.4				35.4	
Loans and receivables	16.9		16.9				16.9	
Other current financial assets	1.5		1.5	1.5				
Trade accounts receivables	1,620.2		1,620.2	1,596.6	20.4	3.2		
Cash and non cash equivalents	630.1		630.1	630.1				
Interests on other long term borrowings								
Syndicated credit facility		*(0.4)*	*(51.3)*	*(4.3)*	*(4.3)*	*(8.6)*	*(34.1)*	
Bonds 2011		*(4.7)*	*(165.0)*		*(16.6)*	*(16.7)*	*(131.7)*	
2009 OCEANE			*(28.7)*			*(9.6)*	*(19.1)*	
Other		*(16.0)*	*(13.7)*	*(2.2)*	*(1.4)*	*(2.1)*	*(8.0)*	
Obligations under finance leases (ST portion)		(14.2)	(14.2)	(10.8)	(1.2)	(2.2)		
Other current financial liabilities		(574.4)	(574.4)	(543.9)	(16.4)	(14.1)		
Trade accounts payable		(2,762.0)	(2,762.1)	(2,715.6)	(35.7)	(10.8)		
Bonds (excluding interest)								
2009 OCEANE		*(195.4)*	*(211.3)*				*(211.3)*	
Bonds 2011		*(348.2)*	*(350.0)*				*(350.0)*	
Bank borrowings								
Syndicated credit Facility		*(490.0)*	*(490.0)*				*(490.0)*	
Other		*(165.8)*	*(165.8)*				*(165.8)*	
PSA loan		0.0	0.0					
Other borrowings		(5.0)	(5.0)				(4.9)	(0.1)
Obligations under finance leases (LT portion)		(29.8)	(29.7)				(14.7)	(15.0)
Interest rate derivatives	**0.0**	**(6.9)**	**(5.4)**	**(1.0)**	**(1.0)**	**(2.1)**	**(1.3)**	**0.0**
• o/w cash flow hedges		(5.5)	(4.1)	(0.7)	(0.7)	(1.4)	(1.3)	
• o/w derivatives not qualifying for hedge accounting under IFRS		(1.4)	(1.3)	(0.3)	(0.3)	(0.7)		
Currency hedges	**1.5**	**(18.4)**	**(17.1)**	**(9.8)**	**(5.5)**	**(1.8)**	**0.0**	**0.0**
• o/w fair value hedges	1.5	(5.0)	(3.6)	(3.6)				
• o/w cash flow hedges		(13.5)	(13.5)	(6.2)	(5.5)	(1.8)		
• o/w derivatives not qualifying for hedge accounting under IFRS		0.1	0.1			0.1		
TOTAL	**2,305.6**	**(4,631.2)**	**(2,579.6)**	**(1,059.4)**	**(61.7)**	**(64.8)**	**(1,378.6)**	**(15.1)**

26.4 Securitization and factoring programs

Part of Faurecia's financing requirements are met through receivables sale programs (see Note 18).

In December 2011, financing under these programs – corresponding to the cash received as consideration for the receivables sold – totaled €535.2 million, versus €524.5 million as of December 31, 2010.

(in € millions)	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Financing	571.5	566.8	481.5
Guarantee reserve deducted from borrowings	(36.3)	(42.3)	(40.7)
Cash received as consideration for receivables sold	535.2	524.5	440.8
Receivables sold and derecognized	(461.7)	(377.9)	(290.7)

26.5 Analysis of borrowings

As of December 31, 2011, the floating rate portion was 67.7% 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)	Dec. 31, 2011	
Variables rate borrowings	1,255.8	67.7%
Fixed rate borrowings	599.9	32.3%
TOTAL	**1,855.7**	**100.0**

Borrowings, taking into account exchange rate swaps, break down by repayment currency as follows:

(in € millions)	Dec. 31, 2011		Dec. 31, 2010		Dec. 31, 2009	
Euros	1,431.3	77.2%	1,472.7	81.7%	1,233.2	72.9%
US Dollar	290.0	15.6%	279.6	15.5%	242.6	14.3%
Other currencies	134.4	7.2%	50.3	2.8%	215.8	12.8%
TOTAL	**1,855.7**	**100,0%**	**1,802.6**	**100,0%**	**1,691.6**	**100,0%**

In 2011, the weighted average interest rate on gross outstanding borrowings was 4.42%.

NOTE 27 ACCRUED TAXES AND PAYROLL COSTS

(in € millions)	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Accrued payroll costs	242.9	226.2	181.7
Payroll taxes	135.8	121.9	106.2
Employee profit-sharing	15.2	2.4	1.2
Other accrued taxes and payroll costs	113.7	102.3	82.6
TOTAL	**507.6**	**452.8**	**371.7**

NOTE 28 SUNDRY PAYABLES

(in € millions)	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Due to suppliers of non-current assets	64.4	54.0	19.2
Prepaid income	24.0	47.4	47.2
Current taxes	34.9	32.0	27.1
Other	38.6	22.3	29.7
Currenciy derivatives for operations	13.4	1.8	0.0
TOTAL	**175.3**	**157.5**	**123.2**

NOTE 29 FINANCIAL INSTRUMENTS

29.1 Financial instruments recorded in the balance sheet

FINANCIAL INSTRUMENTS RECORDED IN THE BALANCE SHEET

(in € millions)	Dec. 31, 2011		Breakdown by category of instrument[(1)]				
	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 liabilities 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 equivalent	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	5.0	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 (December 31, 2011) of €20.1, at €227.2 million. In the balance sheet, OCEANE is recorded, on the one hand, as an amount of the component for bonds with no conversion option and, on the other, as a registered component of shareholder's equity that represents the value of the conversion option.*

FINANCIAL INSTRUMENTS RECORDED IN THE BALANCE SHEET

	Dec. 31, 2010		Breakdown by category of instrument[1]				
(in € millions)	Carrying amount	Fair value	Financial assets/ liabilities at fair value through profit or loss[2]	Financial assets/ liabilities at fair value through equity[2]	Available-for-sale assets	Loans and recei-vables	Financial liabilities measured at amortized cost
Other equity interests	15.3	15.3			15.3		
Other non-current financial assets	27.8	27.8				27.8	
Trade accounts receivables	1,387.7	1,387.7				1,387.7	
Other operating receivables	223.3	223.3				223.3	
Other receivables and prepaid expenses	100.7	100.7				100.7	
Currency derivatives	0.0	0.0				0.0	
Interest rate derivatives	0.0	0.0		0.0			
Cash and cash equivalent	605.8	605.8	605.8				
FINANCIAL ASSETS	**2,360.6**	**2,360.6**	**605.8**	**0.0**	**15.3**	**1,739.5**	**0.0**
Long-term debt*	1,102.5	1,102.5					1,102.5
Short-term debt	687.1	687.1					687.1
Prepayments from customers	87.8	87.8				87.8	
Trade payables	2,419.9	2,419.9				2419.9	
Accrued taxes and payroll costs	452.8	452.8				452.8	
Sundry payables	155.7	155.7				155.7	
Currency derivatives	1.9	1.9		1.3			0.6
Interest rate derivatives	12.8	12.8	3.3	9.5			
FINANCIAL LIABILITIES	**4,920.5**	**4,920.5**	**3.3**	**10.8**	**0.0**	**3,116.2**	**1,790.2**

(1) No financial instruments were transferred between categories in 2010 or 2009.
(2) All of the instruments in this category are financial assets or liabilities designated as measured at fair value through profit or loss on initial recognition, in accordance with the criteria set out in Note 1.6.
** The market value of OCEANE was established on the base of the end of year valuation (December 31, 2010) of €24.2, at €273.6 million. In the balance sheet, OCEANE is recorded, on the one hand, as an amount of the component for bonds with no conversion option and, on the other, as a registered component of shareholder's equity that represents the value of the conversion option.*

FINANCIAL INSTRUMENTS RECORDED IN THE BALANCE SHEET

	Dec. 31, 2009		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 recei-vables	Financial liabilities measured at amortized cost
Other equity interests	11.2	11.2			11.2		
Other non-current financial assets	23.3	23.3				23.3	
Trade accounts receivables	1,025.9	1,025.9				1,025.9	
Other operating receivables	171.0	171.0				171.0	
Other receivables and prepaid expenses	79.9	79.9				79.9	
Currency derivatives	1.7	1.7	1.2	0.5		0.0	
Interest rate derivatives	0.2	0.2	0.2	0.0			
Cash and cash equivalents	357.8	357.8	357.8				
FINANCIAL ASSETS	**1,671.0**	**1,671.0**	**359.2**	**0.5**	**11.2**	**1,300.1**	**0.0**
Long-term debt*	1,216.5	1,216.5					1,216.5
Short-term debt	528.7	528.7					528.7
Prepayments from customers	80.8	80.8				80.8	
Trade payables	1,730.6	1,730.6				1730.6	
Accrued taxes and payroll costs	371.7	371.7				371.7	
Sundry payables	123.2	123.2				123.2	
Currency derivatives	0.0	0.0				0.0	0.0
Interest rate derivatives	17.7	17.7	7.6	10.1			
FINANCIAL LIABILITIES	**4,069.2**	**4,069.2**	**7.6**	**10.1**	**0.0**	**2,306.3**	**1,745.2**

(1) No financial instruments were transferred between categories in 2010 or 2009.

(2) All of the instruments in this category are financial assets or liabilities designated as measured at fair value through profit or loss on initial recognition, in accordance with the criteria set out in Note 1.6.

** The market value of Oceane was established on the base of the end of year valuation (December 31, 2009) of €18.95, at €214.25 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, 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

	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 income and expenses	(19.0)			(16.4)		(2.6)
Net income (expense)	**(117.7)**	**10.6**	**0.0**	**(16.4)**	**(109.1)**	**(2.8)**

	2010	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	0.3			(0.1)		0.4
Income on loans, cash investments and marketable securities	8.1	8.1				
Finance costs	(98.7)				(98.7)	
Other financial income and expenses	(25.6)			(28.9)		3.3
Net income (expense)	**(115.9)**	**8.1**	**0.0**	**(29.0)**	**(98.7)**	**3.7**

	2009	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	0.1			2.4		(2.3)
Income on loans, cash investments and marketable securities	12.3	12.3				
Finance costs	(135.3)				(135.3)	
Other financial income and expenses	(10.2)			0.4		(10.6)
Net income (expense)	**(133.1)**	**12.3**	**0.0**	**2.8**	**(135.3)**	**(12.9)**

As of December 31, 2011, movements in provisions for impairment break down as follows by category of financial asset:

(in € millions)	Balance as of Dec. 31, 2010	Additions	Utilizations	Reversals (surplus provisions)	Change in scope of consolidation and other changes	Balance as of Dec. 31, 2011
Doubtful accounts	(21.9)	(8.4)	10.2	0.0	0.1	(20.0)
Shares in non-consolidated companies	(2.6)	0.0	0.0	0.0	0.0	(2.6)
Non-current financial assets	(8.0)	(0.1)	0.6	0.0	(1.6)	(9.1)
Other receivables	(1.5)	0.0	0.3	0.0	0.0	(1.2)
TOTAL	**(34.0)**	**(8.5)**	**11.1**	**0.0**	**(1.5)**	**(32.9)**

29.2 Financial instruments – fair value hierarchy

The Group's financial instruments that are measured at fair value break down as follows by level of fair value measurement: Level 1 (prices quoted in active markets) for short-term cash investments and Level 2 (measured using a valuation technique based on rates quoted on the interbank market, such as Euribor and exchange rates set daily by the European Central Bank) for currency and interest rate instruments.

NOTE 30 HEDGING OF CURRENCY AND INTEREST RATE RISKS

30.1 Hedging of currency risks

Currency risks relating to the commercial transactions of the Group's subsidiaries are managed centrally by Faurecia using forward purchase and sale contracts and options as well as foreign currency financing. Faurecia manages the hedging of interest rate risks on a central basis, through the Group Finance and Treasury department, which reports to Group General Management. Hedging decisions are made by a Market Risk Management Committee that meets on a monthly basis.

Currency risks on forecast transactions are hedged on the basis of estimated cash flows determined in forecasts validated by General Management; these forecasts are updated on a regular basis. The related derivatives are classified as cash flow hedges when there is a hedging relationship that satisfies the IAS 39 criteria.

Subsidiaries with a functional currency different from the euro are granted inter-company loans in their operating currencies. Although these loans are refinanced in euros and eliminated in consolidation, they contribute to the Group's currency risk exposure and are therefore hedged through swaps.

AS OF DECEMBER 31, 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 6 months.*

AS OF DECEMBER 31, 2010

Currency exposure *(in € millions)*	USD	CZK	CAD	MXN	GBP	PLN	ZAR
Trade receivables (net of payables)	0.0	0.0	0.0	16.2	1.4	(10.3)	18.3
Financial assets (net of liabilities)*	279.6	1.0	35.2	17.5	(39.8)	0.0	36.3
Forecast transactions**	28.1	(39.0)	(8.2)	(25.5)	(9.6)	(72.1)	(42.6)
Net position before hedging	**307.7**	**(38.0)**	**27.0**	**8.2**	**(48.0)**	**(82.4)**	**12.0**
Currency hedges	(311.9)	27.0	(24.4)	(40.4)	42.0	66.3	(39.1)
Net position after hedging	(4.2)	(11.0)	2.6	(32.2)	(6.0)	(16.1)	(27.1)

Including inter-company financing.

** *Commercial exposure anticipated over the next 6 months.*

AS OF DECEMBER 31, 2009

Currency exposure *(in € millions)*	USD	CZK	CAD	MXN	GBP	PLN	ZAR
Trade receivables (net of payables)	13.4	(3.4)	(8.4)	(2.3)	5.4	(4.1)	(3.2)
Financial assets (net of liabilities)*	242.6	89.0	22.2	17.2	58.1	0.0	14.8
Forecast transactions**	6.9	(14.6)	(11.6)	(14.9)	(23.7)	(63.9)	3.6
Net position before hedging	**262.9**	**71.0**	**2.2**	**0.0**	**39.8**	**(68.0)**	**15.2**
Currency hedges	(256.1)	(78.4)	(11.9)	5.4	(43.3)	45.7	(15.7)
Net position after hedging	6.8	(7.4)	(9.7)	5.4	(3.5)	(22.3)	(0.5)

Including inter-company financing.

** *Commercial exposure anticipated over the next 6 months.*

Hedging instruments are recognized in the balance sheet at fair value. Said value is determined based on measurements confirmed by banking counterparties.

Information on hedged notional amounts

	Carrying amount			Maturities		
As of December 31, 2011 *(in € millions)*	Assets	Liabilities	Notional amount*	< 1 years	1 to 5 years	> 5 years
Fair value hedges						
• forward currency contracts	0.0	0.0	4.5	4.5	0.0	
• inter-company loans in foreign currencies swapped for euros	1.5	(5.0)	678.1	678.1	0.0	
Cash flow hedges						
• forward currency contracts	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.

As of December 31, 2010 *(in € millions)*	Carrying amount			Maturities		
	Assets	**Liabilities**	**Notional amount***	**< 1 years**	**1 to 5 years**	**> 5 years**
Fair value hedges						
• forward currency contracts	0.0	(0.1)	3.0	3.0	0.0	0.0
• inter-company loans in foreign currencies swapped for euros	3.7	(3.7)	727.8	727.8	0.0	0.0
Cash flow hedges						
• forward currency contracts	1.0	(2.7)	217.2	217.2	0.0	0.0
Not eligible for hedge accounting	0.1	0.0	8.9	8.9		
	4.8	**(6.5)**				

* *Notional amounts based on absolute values.*

As of December 31, 2009 *(in € millions)*	Carrying amount			Maturities		
	Assets	**Liabilities**	**Notional amount***	**< 1 years**	**1 to 5 years**	**> 5 years**
Fair value hedges						
• forward currency contracts	0.1	(0.1)	4.0	4.0	0.0	
• currency options	0.0	0.0	0.0	0.0	0.0	
• inter-company loans in foreign currencies swapped for euros	2.2	(1.0)	523.7	523.7	0.0	
Cash flow hedges					0.0	
• forward currency contracts	1.1	(0.6)	114.2	114.2	0.0	
• Currency options	0.0	0.0	0.0	0.0	0.0	
Not eligible for hedge accounting	0.0	0.0	0.0	0.0	0.0	
	3.5	**(1.7)**				

* *Notional amounts based on absolute values.*

The sensitivity of Group income and equity as of December 31, 2011 to a fluctuation in exchange rates against the euro is as follows for the main currencies to which the Group is exposed:

Currency *(in € millions)*	**USD**	**CZK**	**CAD**	**MXN**	**GBP**	**PLN**	**ZAR**
as of December 31, 2011	1.29	25.79	1.32	18.05	0.84	4.46	10.48
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	**1.36**	**27.08**	**1.39**	**18.95**	**0.88**	**4.68**	**11.01**
Impact on pre-tax income	0.85	(3.29)	(2.99)	(0.15)	0.01	0.34	0.28
Impact on equity	4.11	(1.02)	0.00	0.12	(0.32)	(4.79)	0.00

These impacts reflect (i) the effect on the income statement of currency fluctuations on the year-end valuation of assets and liabilities recognized on the balance sheet, net of the impact of the change in the intrinsic value of hedging instruments (both those qualifying and not qualifying as fair value hedges) and (ii) the effect on equity of the change in the intrinsic value of hedging instruments for derivatives qualifying as cash flow hedges.

30.2 Interest-rate hedges

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

The table below shows the Group's interest rate position, with assets, liabilities and derivatives broken down into fixed or variable rates. Financial assets include cash and cash equivalents and interest rate hedges include interest rate swaps as well as in-the-money options.

	Under 1 year		1 to 2 years		2 to 5 years		More than 5 years		Total	
(in € millions) **Dec. 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)**

	Under 1 year		1 to 2 years		2 to 5 years		More than 5 years		Total	
(in € millions) **Dec. 31, 2010**	**Fixed rate**	**Variable Rate**	**Fixed rate**	**Variable Rate**	**Fixed rate**	**Variable Rate**	**Fixed rate**	**Variable Rate**	**Fixed rate**	**Variable Rate**
Financial assets	0.0	606.0							0.0	606.0
Financial liabilities	0.0	(656.6)	(169.0)	(787.1)	(190.1)	0.0	0.0	0.0	(359.1)	(1,443.7)
Net position before hedging	**0.0**	**(50.6)**	**(169.0)**	**(787.1)**	**(190.1)**	**0.0**	**0.0**	**0.0**	**(359.1)**	**(837.7)**
Interest rate hedges	(157.2)	157.2	(278.5)	278.5	0.0	0.0	0.0	0.0	(435.7)	435.7
Net position after hedging	**(157.2)**	**106.6**	**(447.5)**	**(508.6)**	**(190.1)**	**0.0**	**0.0**	**0.0**	**(794.8)**	**(402.0)**

	Under 1 year		1 to 2 years		2 to 5 years		More than 5 years		Total	
(in € millions) **Dec. 31, 2009**	**Fixed Rate**	**Variable Rate**	**Fixed Rate**	**Variable Rate**	**Fixed Rate**	**Variable Rate**	**Fixed Rate**	**Variable Rate**	**Fixed Rate**	**Variable Rate**
Financial assets		286.0							0.0	286.0
Financial liabilities	(8.5)	(428.7)	(129.7)	(624.0)	(184.7)	(311.0)	0.0	0.0	(322.9)	(1,363.7)
Net position before hedging	**(8.5)**	**(142.7)**	**(129.7)**	**(624.0)**	**(184.7)**	**(311.0)**	**0.0**	**0.0**	**(322.9)**	**(1,077.7)**
Interest rate hedges	(34.7)	34.7	(297.8)	297.8	67.5	(67.5)	0.0	0.0	(265.0)	265.0
Net position after hedging	**(43.2)**	**(108.0)**	**(427.6)**	**(326.2)**	**(117.2)**	**(378.5)**	**0.0**	**0.0**	**(587.9)**	**(812.7)**

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 arranged comprise euro- and dollar-denominated interest rate swaps, caps and other option based structures. These hedges cover some of the borrowings due in 201 1, 2012 and to a lesser extent in 2013, against a significant 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)	Carring amount		Notional amounts by maturity		
As of Dec. 31, 2011	**Assets**	**Liabilities**	**< 1 years**	**1 to 5 years**	**> 5 years**
Interest rate options	0.0		150		
Variable-rate rate/fixed rate swaps		(6.9)	158	224	
Floor					
• Accured premiums payable					
	0.0	**(6.9)**	**308**	**224**	**-**

(in € millions)	Carring amount		Notional amounts by maturity		
As of Dec. 31, 2010	**Assets**	**Liabilities**	**< 1 years**	**1 to 5 years**	**> 5 years**
Interest rate options	0.0		1,600	150	-
Variable-rate rate/fixed rate swaps		(12.3)	157	279	-
Floor			0	0	-
• Accured premiums payable		(0.5)			
	0.0	**(12.8)**	**1,757**	**429**	**-**

(in € millions)	Carring amount		Notional amounts by maturity		
As of Dec. 31, 2009	**Assets**	**Liabilities**	**< 1 years**	**1 to 5 years**	**> 5 years**
Interest rate options	0.2		1,600	150	-
Variable-rate rate/fixed rate swaps		(17.7)	570	843	-
Floor	0.0				-
• Accured premiums payable		(3.5)			
	0.2	**(21.2)**	**2,170**	**993**	**-**

In view of the short-term rates in 2011, despite a continuous increase until the last quarter of the year, a number of the Group's option-based interest rate hedges are out of the money. A rise in short-term rates would therefore have an impact on financial expense.

The sensitivity tests performed, assuming a 100bp increase or decrease in average interest rates compared to the rate curve as of December 31, 2011 show that the negative effect on financial expense can be estimated at €8,7 million, taking into account the profile of the Group's borrowings and derivatives in place as of December 31, 2011.

Counterparty risk in connection to its derivatives:

Faurecia's counterparty risk connection with its derivatives is not significant as the majority of its derivatives are arranged with banks with strong ratings that form part of its banking pool.

NOTE 31 COMMITMENTS GIVEN AND CONTINGENT LIABILITIES

31.1 Commitments given

(in € millions)	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Future minimum lease payments under operating leases	235.1	232.6	104.6
Dept collateral:			
• mortgages	12.7	15.9	12.3
Other debt guarantees	39.7	55.0	27.5
Firm orders for property, plant and equipment and intangible assets	101.9	79.5	83.5
Other	5.0	1.3	0.6
TOTAL	**394.4**	**384.3**	**228.5**

Future minimum lease payments under operating leases break down as follows:

(in € millions)	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
n+1	56.2	51.2	26.3
n+2	41.5	40.7	20.4
n+3	32.9	32.2	15.0
n+4	26.2	24.9	11.5
n+5 and above	78.3	83.6	31.4
TOTAL	**235.1**	**232.6**	**104.6**

Expiry dates of mortgages and guarantees:

(in € millions)	Dec. 31, 2011
• Less than a year	25.5
• 1 to 5 years	11.3
• more than 5 years	15.6
TOTAL	**52.4**

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 2011, the average utilization rate of this entitlement was 1.1%.

The number of unused training hours accumulated at year-end totaled 1,176,825. 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)	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Sales	2,433.9	2,300.9	2,049.4
Purchases of products, services and materials	12.5	10.2	10.6
Receivables*	474.5	457.6	447.7
Payables**	46.9	170.1	154.5
* *After no-recourse sales of receivables amounting to:*	201.1	197.2	192.4
** *O/w borrowings amounting to:*	0.0	142.0	128.0

32.2 Management compensation

Total compensation for 2011 awarded to the members of the Board of Directors and the Group Executive Committee serving in this capacity on, December 31, 2011 amounted to €6,755,928, including directors' fees of €245,000, compared with the year-earlier figures of €6,293,092 and €212,500 respectively.

No Faurecia stock subscription options were awarded to management in 2011.

NOTE 33 FEES PAID TO THE STATUTORY AUDITORS

(in € millions)	PricewaterhouseCoopers				Ernst & Young			
	Amount (excl. VAT)		%		Amount (excl. VAT)		%	
	2011	2010	2011	2010	2011	2010	2011	2010
AUDIT								
Statutory and contractual audits	2.8	2.7	96.6%	100.0%	4.2	3.6	97.7%	94.7%
Issuer	0.5	0.6	17.2%	22.2%	0.5	0.3	11.6%	7.9%
Fully consolidated companies	2.3	2.1	79.3%	77.8%	3.7	3.3	86.0%	86.8%
Other services relating directly to the auditor's duties	0.1	0.0	3.4%	0.0%	0.1	0.2	2.3%	5.3%
Issuer	0.1	0.0	3.4%	0.0%	0.1	0.0	2.3%	0.0%
Fully consolidated companies	0.0	0.0	0.0%	0.0%	0.0	0.2	0.0%	5.3%
SUB-TOTAL	**2.9**	**2.7**	**100.0%**	**100.0%**	**4.3**	**3.8**	**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	**2.9**	**2.7**	**100.0%**	**100.0%**	**4.3**	**3.8**	**100.0%**	**100.0%**

NOTE 34 INFORMATION ON THE CONSOLIDATING COMPANY

The consolidated accounts 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 at December 31, 2011, Peugeot SA held 57.43% of the capital and 72.87% of the voting rights of Faurecia SA.

NOTE 35 DIVIDENDS

The Board of Directors has decided to submit a proposal at the next Shareolders' Meeting for a dividend of €0.35 per share.

9.6. Consolidated companies as of December 31, 2011

	Country	Interest of the parent company (%)	Stake (%)[1]
I - FULLY CONSOLIDATED COMPANIES			
Société Internationale de Participations	Belgium	100	100
Faurecia (CHINA) Holding Co. Ltd	China	100	100
Faurecia	France	Parent Company	Parent Company
SFEA – Société Foncière pour l'Équipement Automobile	France	100	100
Financière Faurecia	France	100	100
Faurecia Investments	France	100	100
Faurecia Services Groupe	France	100	100
Faurecia Exhaust International	France	100	100
Faurecia Netherlands Holding BV	Netherlands	100	100
Faurecia Informatique Tunisie	Tunisia	100	100
Faurecia USA Holdings Inc.	USA	100	100
INTERIOR MODULES			
Faurecia Argentina SA	Argentina	100	100
Faurecia Automotive do Brasil Ltda	Brazil	100	100
Faurecia Industrie NV	Belgium	100	100
Faurecia Automotive Seating Canada Ltd	Canada	100	100
Changchun Faurecia XUYANG Automotive Seat Co., Ltd (CFXAS)	China	60	60
Faurecia- GSK (Wuhan) Automotive Seating Co., Ltd	China	51	51
Faurecia (Wuxi) Seating Components Co., Ltd	China	100	100
Faurecia (Changchun) Automotive Systems Co., Ltd	China	100	100
Faurecia (Shanghai) Management Company, Ltd	China	100	100
Faurecia (Wuhan) Automotive Seating Co., Ltd	China	100	100
Faurecia (Shanghai) Automotive Systems Co., Ltd	China	100	100
Faurecia (Shenyang) Automotive Systems Co., Ltd	China	100	100
Faurecia (Wuhan) Automotive Components Systems Co., Ltd	China	100	100
Changchun Faurecia XUYANG Interior Systems Company Limited	China	60	60
Chongqing Guangneng Faurecia Interior Systems Company Limited	China	50	50
Chengdu Faurecia Limin Automotive Systems Company Limited	China	51	51
Faurecia (Yancheng) Automotive Systems Co., Ltd	China	100	100
Faurecia (Guangzhou) Automotive Systems Co., Ltd	China	100	100
Faurecia (Nanjing) Automotive Systems Co., Ltd	China	100	100
Faurecia Interior Systems Bohemia sro	Czech Republic	100	100
Faurecia Components Pisek sro	Czech Republic	100	100
Faurecia Interiors Pardubice sro	Czech Republic	100	100
Faurecia Autositze GmbH	Germany	100	100

(1) Total interest of fullly-consolidated companies.

	Country	Interest of the parent company (%)	Stake (%)[1]
Faurecia Angell-Demmel GmbH	Germany	100	100
Faurecia Automotive GmbH	Germany	100	100
Faurecia Innenraum Systeme GmbH	Germany	100	100
Asientos de Castilla Leon, SA	Spain	100	100
Asientos del Norte, SA	Spain	100	100
Faurecia Asientos Para Automovil Espana, SA	Spain	100	100
Industrias Cousin Freres, SL	Spain	50	50
Tecnoconfort	Spain	50	50
Asientos D Galicia, SL	Spain	100	100
Faurecia Automotive Espana, SL	Spain	100	100
Faurecia Interior System Espana, SA	Spain	100	100
Faurecia Interior System SALC Espana, SL	Spain	100	100
Valencia Modulos de Puertas,SL	Spain	100	100
Incalplas, SL	Spain	100	100
Faurecia Sieges d'automobile	France	100	100
Faurecia Industries	France	100	100
ECSA – Études et Construction de Sieges 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
Sieto	France	100	100
Trecia	France	100	100
Faurecia Automotive Holdings	France	100	100
Faurecia Intérieur Industrie	France	100	100
Automotive Sandouville	France	100	100
Faurecia ADP Holding	France	60	60
Faurecia JIT Plastique (ex-Flamant Jaune SAS)	France	100	100
Faurecia Automotive Seating UK Limited	United Kingdom	100	100
Faurecia Midlands Limited	United Kingdom	100	100
SAI Automotive Fradley Ltd	United Kingdom	100	100
SAI Automotive Washington Limited	United Kingdom	100	100
Faurecia Automotive Seating India Private Limited	India	100	100
Faurecia Interior Systems India Private Limited	India	100	100
Faurecia Azin Pars Company	Iran	51	51
Faurecia Japan KK	Japan	100	100
Faurecia Trim Korea Ltd	South Korea	100	100
Faurecia Shin Sung Co. Ltd	South Korea	100	100

(1) Total interest of fullly-consolidated companies.

	Country	Interest of the parent company (%)	Stake (%)[1]
Faurecia Automotive Systems Korea Limited	South Korea	100	100
Faurecia AST Luxembourg SA (ex-SAI Automotive SILUX SA)	Luxembourg	100	100
Faurecia Équipements Automobiles Maroc	Morocco	100	100
Faurecia Sistemas Automotrices de Mexico, SA de CV (ex-Faurecia Duroplast Mexico, SA de E CV)	Mexico	100	100
Servicios Corporativos de Personal Especializado, SA de CV	Mexico	100	100
Faurecia Interor Systems Mexico, SA de CV	Mexico	100	100
Faurecia Automotive Seating BV	Netherlands	100	100
Faurecia Automotive Polska Spolka Akcyjna	Poland	100	100
Faurecia Walbrzych Spolka Akcyjna	Poland	100	100
Faurecia Grojec R&D Center Spolka Akcyjna	Poland	100	100
Faurecia Legnica Spolka Akcyjna	Poland	100	100
Faurecia Gorzow Spolka Akcyjna.	Poland	100	100
Faurecia – Assentos de Automovel, Limitada	Portugal	100	100
SASAL	Portugal	100	100
EDA – Estofagem de Assentos, Lda,	Portugal	100	100
Faurecia Sistemas de Interior de Portugal. Componentes Para Automoveis SA (Ex-SAI Portugal)	Portugal	100	100
Faurecia Seating Talmaciu SRL	Romania	100	100
Euro Auto Plastic Systems SRL	Romania	50	50
OOO Faurecia ADP	Russia	60	60
Faurecia Interior Systems Sweden AB	Sweden	100	100
Faurecia Slovakia sro	Slovakia	100	100
Faurecia Interior Systems Thailand	Thailand	100	100
Société Tunisienne d'Équipements d'Automobile	Tunisia	100	100
Faurecia Polifleks Otomotiv Sanayi Ve Ticaret Anonim Sirketi	Turkey	100	100
Faurecia Automotive Seating, LLC	USA	100	100
Faurecia Interior Systems, Inc.	USA	100	100
Faurecia Madison Automotive Seating, Inc.	USA	100	100
Faurecia Interiors Louisville, LLC	USA	100	100
Faurecia Automotive del Uruguay	Uruguay	100	100
Faurecia Interior Systems South Africa (PTY) Ltd	South Africa	100	100
Faurecia Interior Systems Pretoria (Proprietary) Limited	South Africa	100	100
OTHER MODULES			
Faurecia Sistemas de Escape Argentina SA	Argentina	100	100
Faurecia Emissions Control Technologies Cordoba	Argentina	100	100
Faurecia Exterior Argentina	Argentina	100	100
ET (Barbados) Holdings SRL	Barbados	100	100
Faurecia Sistemas de Escapamento do Brasil Ltda	Brazil	100	100
Faurecia Emissions Control Technologies, Limeira	Brazil	100	100
Emcon Technologies Canada ULC	Canada	100	100

(1) Total interest of fullly-consolidated companies.

	Country	Interest of the parent company (%)	Stake (%)[1]
Faurecia Exhaust Systems Changchun Co., Ltd (ex-CLEC)	China	51	51
Faurecia Tongda Exhaust System (Wuhan Co., Ltd (ex-TEEC)	China	50	50
Faurecia HONGHU Exhaust Systems Shanghai, Co. Ltd (ex-SHEESC)	China	51	51
Faurecia Emissions Control Technologies Development (Shanghai) Company Ltd	China	100	100
Faurecia (Qingdao) Exhaust Systems Co, Ltd	China	100	100
Faurecia (Wuhu) Exhaust Systems Co, Ltd	China	100	100
Faurecia Emissions Control Technologies consulting (Shanghai) 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	72,5
Faurecia Emissions Control Technologies (Yantai) Co., Ltd.	China	100	100
Faurecia (Chengdu) Emission Control Technologies Co., Ltd	China	100	100
Faurecia Exhaust Systems sro	Czech Republic	100	100
Faurecia Automotive Czech Rebublic, sro	Czech Republic	100	100
Faurecia Emissions Control Technologies, Mlada Boleslav, sro (previously Emcon Technologies Czech Republic, sro)	Czech Republic	100	100
Faurecia Kunststoffe Automobilsysteme GmbH	Germany	100	100
Faurecia Abgastechnik GmbH	Germany	100	100
Faurecia Emissions Control Technologies, Germany GmbH	Germany	100	100
Faurecia Emissions Control Technologies, Novaferra GmbH	Germany	100	100
Faurecia Emissions Control Technologies, Finnentrop GmbH	Germany	100	100
Faurecia Exteriors GmbH	Germany	100	100
Faurecia Sistemas de Escape Espana, SA	Spain	100	100
Faurecia Emissions Control Technologies, Pamplona, SL	Spain	100	100
Faurecia Automotive Exteriors Espana, SA (ex-Plastal Spain SA)	Spain	100	100
EAK Composants pour l'Automobile (EAK SAS)	France	51	51
EAK Composants pour l'Automobile (EAK SNC)	France	51	51
Faurecia Automotive Industrie	France	100	100
Faurecia Systèmes d'Échappement	France	100	100
Faurecia Bloc Avant	France	100	100
Faurecia-Metalloprodukcia Holding	France	60	60
Emcon Technologies France SAS	France	100	100
Faurecia Emissions Control Technologies UK Limited	United Kingdom	100	100
Faurecia Magyarorszag Kipufogo-rendszer Kft	Hungary	100	100
Faurecia Emissions Control Technologies, Hungary Kft	Hungary	100	100
Faurecia Emissions Control Technologies India Private Limited	India	74	74
Yutaka Autoparts Pune Ptivate Limited	India	74	74
Faurecia Emissions Control Technologies, Italy SRL	Italy	100	100
Faurecia Emissions Control Systems Korea	South Korea	100	100
Faurecia Jit and Sequencing Korea	South Korea	100	100

(1) Total interest of fullly-consolidated companies.

	Country	Interest of the parent company (%)	Stake (%)[1]
Faurecia Exhaust Mexicana, SA de CV	Mexico	100	100
Exhaust Services Mexicana, SA de CV	Mexico	100	100
ET Mexico Holdings I, S de RL de CV	Mexico	100	100
ET Mexico Holdings II, S de RL de CV	Mexico	100	100
ET Dutch Holdings Cooperatie UA	Netherlands	100	100
ET Dutch Holdings BV	Netherlands	100	100
ET Dutch Holdings II BV	Netherlands	100	100
Faurecia Emissions Control Technologies Netherlands BV	Netherlands	100	100
Faurecia – Sistemas de Escape Portugal, LDA	Portugal	100	100
OOO Faurecia Metalloprodukcia Exhaust Systems	Russia	60	60
OOO Faurecia Automotive Development	Russia	100	100
Faurecia Exhaust Systems AB	Sweden	100	100
United Parts Exhaust Systems AB	Sweden	100	100
Faurecia Emissions Control Technologies, Thailand Co. Ltd	Thailand	100	100
Faurecia Exhaust Systems, Inc.	USA	100	100
Faurecia Emissions Control Technologies, USA, LLC	USA	100	100
Faurecia Exhaust Systems South Africa Ltd	South Africa	100	100
Emission Control Technologies Holdings SA (Pty) Ltd	South Africa	100	100
Emission Control Technologies SA (Ga-Rankuwa) (Pty) Ltd	South Africa	100	100
Faurecia Emission Control Technologies SA (CapeTown) (Pty) Ltd	South Africa	100	100
II - COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD			
INTERIOR MODULES			
Zhejiang Faurecia Limin Interior & Exterior Systems Company Limited	China	50	50
Lanzhou Faurecia Limin Interior & Exterior Systems Company Limited	China	50	50
Xiangtan Faurecia Limin Interior & Exterior Systems Company Limited	China	50	50
Jinan Faurecia Limin Interior & Exterior Systems Company Limited	China	50	50
Componentes de Vehiculos de Galicia, SA	Spain	50	50
Copo Iberica, SA	Spain	50	50
Faurecia-NHK Co., Ltd	Japan	50	50
Kwang Jin Faurecia Co. Limited	South Korea	50	50
Vanpro Assentos Limitada	Portugal	50	50
Teknik Malzame Ticaret Ve Sanayi AS	Turkey	50	50
Orcia Otomotiv Yan Sanayi Ve Ticaret Anonim Sirketi	Turkey	50	50
Arsed, Podjetje Za Proizvodnjo In Trzenje Kovinske Opreme (Arsed Doo)	Slovenia	50	50

(1) Total interest of fullly-consolidated companies.

	Country	Interest of the parent company (%)	Stake (%)[1]
SAS GROUP			
SAS Automotriz Argentina SA (dormant Company)	Argentina	50	50
SAS Automotive N.V	Belgium	50	50
SAS Automotive do Brasil Ltda	Brazil	50	50
SAS (Wuhu) Automotive Systems Co. Ltd	China	50	50
SAS AutoSystemtechnik sro	Czech Republic	50	50
SAS Autosystemtechnik Verwaltungs GmbH	Germany	50	50
SAS Autosystemtechnik GmbH und Co. KG	Germany	50	50
SAS Autosystemtechnick Zwickau Verwaltungs GmbH	Germany	50	50
SAS Autosystemtechnick Zwickau GmbH & Co. KG	Germany	50	50
SAS Automotive Ltd	Great Britain	50	50
SAS Autosystemstechnick, SA	Spain	50	50
SAS Automotive France	France	50	50
Cockpit Automotive Systems Douai SNC	France	50	50
SAS Automotive Systems SA de CV	Mexico	50	50
SAS Automotive Systems & Services SA de CV	Mexico	50	50
SAS AutoSystemtechnik de Portugal, Unipessoal, Lda.	Portugal	50	50
SAS Automotive sro	Slovakia	50	50
SAS Otosistem Teknik Ticaret ve Limited Sirketi	Turkey	50	50
SAS Automotive USA Inc.	USA	50	50
SAS Automotive RSA (Pty) Ltd	South Africa	50	50
OTHER MODULES			
Changchun Huaxiang Faurecia Automotive Plastic Components Co., Ltd	China	50	50
AD Tech Co Ltd	South Korea	50	50

(1) Total interest of fullly-consolidated companies.

9.7. Statutory Auditors' report on the consolidated financial statements

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the 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 captions or on information taken outside of the consolidated financial statements.

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 Shareholders' Meeting, we hereby report to you, for the year ended December 31, 2011, 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, 2011 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II. Justification of our assessments

In accordance with the requirements of Article L. 823-9 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

- the 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 Notes 1.2, 1.5, 10, 11 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 the Group;
- Note 1.16 to the consolidated financial statements concerning deferred taxes specifies 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 the Group, 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 Notes 1.3 and 1.5 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 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 8, 2012

The Statutory Auditors

PricewaterhouseCoopers Audit	Ernst & Young Audit
Dominique Ménard	Denis Thibon

ANNEX B

This Annex B contains free English translations of the Company's consolidated financial statements for the fiscal year ended 31 December 2010, prepared in accordance with IFRS as adopted by the European Union and the related audit report.

Audited Consolidated Financial Statements for the Financial Year Ended 31 December 2010

Statutory Auditors' report on the consolidated financial statements

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the 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 captions or on information taken outside of the consolidated financial statements.

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 Shareholders' Meeting, we hereby report to you, for the year ended 31 December 2010, 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, 2010 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 Note 1 «Accounting policies» to the consolidated financial statements which describes the new standards and amendments to existing standards applied by the Group since January 1, 2010, in particular IFRS 3 (revised)—Business Combinations.

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:

- The 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 Notes 1-2, 1-5, 10b, 11 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 the Group.
- Note 1-16 to the consolidated financial statements concerning deferred taxes specifies 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 the Group, 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 Notes 1-3 and 1-5 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 8, 2011

The Statutory Auditors

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Dominique Ménard	Denis Thibon

Audited Consolidated financial statements for the financial years ended 31 December 2010

Consolidated financial statements

Consolidated statement of comprehensive income

(in €millions)	*Notes*	2010	2009	2008
SALES	*4*	**13,795.9**	**9,292.2**	**12,010.7**
Cost of sales	*5*	(12,593.3)	(8,840.1)	(11,296.8)
Research and development costs	*5*	(303.2)	(207.9)	(269.9)
Selling and administrative expenses	*5*	(443.8)	(335.9)	(352.8)
OPERATING INCOME		**455.6**	**(91.7)**	**91.2**
Other non-operating income	*6*	87.2	6.9	0.1
Other non-operating expenses	*6*	(123.2)	(141.0)	(444.4)
Income on loans, cash investments and marketable securities		8.1	12.3	14.5
Finance costs		(98.7)	(135.3)	(110.8)
Other financial income and expenses	*7*	(25.6)	(43.9)	(98.9)
INCOME (LOSS) OF FULLY CONSOLIDATED COMPANIES		**303.4**	**(392.7)**	**(548.3)**
Current taxes	*8*	(85.9)	(42.2)	(34.1)
Deferred taxes	*8*	(3.9)	6.3	5.4
NET INCOME (LOSS) OF FULLY CONSOLIDATED COMPANIES		**213.6**	**(428.6)**	**(577.0)**
Share of net income of associates	*13*			
Before tax		*26.7*	*14.8*	*15.4*
After tax		18.8	11.3	7.7
CONSOLIDATED NET INCOME (LOSS)		**232.4**	**(417.3)**	**(569.3)**
Attributable to owners of the parent		**201.7**	**(433.6)**	**(574.8)**
Attributable to minority interests		30.7	16.3	5.5
Basic earnings (loss) per share *(in euros)*	*9*	1.87	(6.85)	(23.83)
Diluted earnings (loss) per share *(in euros)*	*9*	1.79	(6.85)	(23.83)

Other comprehensive income

(in €millions)	2010	2009	2008
CONSOLIDATED NET INCOME (LOSS)	**232.4**	**(417.3)**	**(569.3)**
Gains (losses) arising on fair value adjustments to cash flow hedges	(1.3)	4.2	(22.4)
of which recognized in equity	*(0.8)*	*1.9*	*(13.7)*
of which recycled to income	*(0.5)*	*2.3*	(8.7)
Exchange differences on translation of foreign operations	53.8	8.6	(2.4)
TOTAL INCOME (EXPENSE) RECOGNIZED IN EQUITY	**284.9**	**(404.5)**	**(594.1)**
Attributable to owners of the parent	250.3	(419.0)	(602.7)
Attributable to minority interests	34.6	14.5	8.6

Balance sheet consolidated

Assets

(in €millions)	*Notes*	**Dec. 31, 2010**	**Dec. 31, 2009**	**Dec. 31, 2008**
Goodwill	*10*	1,230.8	1,039.9	1,040.2
Intangible assets	*11*	435.2	396.9	469.8
Property, plant and equipment	*12*	1,575.5	1,224.6	1,360.8
Investments in associates	*13*	43.6	31.0	40.1
Other equity interests	*14*	15.3	11.2	1.6
Other non-current financial assets (*)	*15*	27.8	23.5	26.5
Other non-current assets	*16*	14.5	18.9	8.5
Deferred tax assets	*8*	86.2	72.0	91.4
TOTAL NON-CURRENT ASSETS		**3,428.9**	**2,818.0**	**3,038.9**
Inventories, net	*17*	734.0	438.6	526.1
Trade accounts receivables	*18*	1,387.7	1,025.9	954.0
Other operating receivables	*19*	223.3	171.0	197.3
Other receivables	*20*	100.7	79.9	79.8
Other current financial assets (*)	*30*	0.0	1.7	6.0
Cash and cash equivalents	*21*	605.8	357.8	425.7
TOTAL CURRENT ASSETS		**3,051.5**	**2,074.9**	**2,188.9**
TOTAL ASSETS		**6,480.4**	**4,892.9**	**5,227.8**

(*) In accordance with IAS 1, currency and interest rate derivatives that were recognized in other financial assets have been reclassified to other non-current financial assets for fiscal year 2008.

Liabilities

(in €millions)	*Notes*	**Dec. 31, 2010**	**Dec. 31, 2009**	**Dec. 31, 2008**
SHAREHOLDERS' EQUITY				
Capital	*22*	772.6	626.1	170.8
Additional paid-in capital		282.4	130.1	198.9
Treasury stock		(10.4)	(10.4)	(11.5)
Retained earnings		(529.8)	(99.4)	385.8
Translation adjustments		94.0	44.1	33.7
Net income (loss)		201.7	(433.6)	(574.8)
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	*22*	**810.5**	**256.9**	**202.9**
Minority interests	*23*	87.7	45.8	40.6
TOTAL SHAREHOLDERS' EQUITY		**898.2**	**302.7**	**243.5**
Long-term provisions	*24*	214.5	193.9	193.6
Non-current financial liabilities (*)	*26*	1,114.9	1,232.2	1,491.7
Other non-current liabilities		1.3	2.3	1.9
Deferred tax liabilities	*8*	29.2	7.1	38.2
TOTAL NON-CURRENT LIABILITIES		**1,359.9**	**1,435.5**	**1,725.4**
Short-term provisions	*24*	416.6	320.3	317.3
Current financial liabilities (*)	*26*	687.7	528.1	546.2
Prepayments from customers		87.8	80.8	118.8
Trade payables		2,419.9	1,730.6	1,695.2
Accrued taxes and payroll costs	*27*	452.8	371.7	366.1
Sundry payables	*28*	157.5	123.2	215.3
TOTAL CURRENT LIABILITIES		**4,222.3**	**3,154.7**	**3,258.9**
TOTAL LIABILITIES		**6,480.4**	**4,892.9**	**5,227.8**

(*) In accordance with IAS 1, currency and interest rate derivatives that were recognized in current financial liabilities have been reclassified to non-current financial liabilities for fiscal year 2008.

Consolidated cash flow statement

(in €millions)	*Notes*	Year 2010	Year 2009	Year 2008
I—OPERATING ACTIVITIES				
Consolidated net income (loss)		232.5	(417.3)	(569.3)
Depreciation and amortization		497.8	496.6	734.4
Deferred tax (benefits) charges		3.9	(6.3)	(5.4)
Increase (decrease) in long-term provisions		(5.9)	(1.4)	(12.1)
Share of net income of associates net of dividends received		(3.8)	13.7	12.3
Capital (gains) losses on disposals of non-current assets		(0.4)	(2.4)	(0.6)
Other (*)		(86.4)	15.9	15.5
CASH FLOW FROM OPERATIONS		**637.7**	**98.8**	**174.8**
Increase (decrease) in current provisions		(35.3)	(5.1)	21.2
Change in inventories		(80.7)	100.2	38.5
Change in trade accounts receivable		(33.6)	(66.8)	668.6
Change in trade payables		298.6	18.7	(423.5)
Change in other operating receivables and payables		(47.8)	(14.2)	(83.6)
Changes in other receivables and payables		(14.8)	(44.2)	52.6
(Increase) decrease in working capital requirements		**86.4**	**(11.4)**	**273.8**
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		**724.1**	**87.4**	**448.6**
II—INVESTING ACTIVITIES				
Additions to property, plant and equipment	*12*	(304.3)	(169.1)	(328.7)
Capitalized development costs		(154.3)	(104.4)	(144.7)
Acquisitions of investments (net of cash and cash equivalents)		30.2	(12.0)	(6.6)
Proceeds from disposal of property, plant and equipment		17.3	20.1	19.3
Proceeds from disposal of financial assets		31.0		
Change in investment-related receivables and payables		25.9	(24.8)	0.9
Other changes		(39.8)	(19.0)	(13.3)
CASH FLOW PROVIDED BY INVESTING ACTIVITIES		**(394.0)**	**(309.2)**	**(473.1)**
NET CASH (USED) PROVIDED BY OPERATING AND INVESTING ACTIVITIES (I)+(II)		**330.1**	**(221.8)**	**(24.5)**
III—FINANCING ACTIVITIES				
Issuance of shares by Faurecia and fully-consolidated companies (net of costs)		4.2	446.1	
Option component of convertible bonds			23.3	
Dividends paid to shareholders of the parent company				
Dividends paid to minority interests in consolidated subsidiaries		(6.0)	(9.3)	(12.3)
Issue of debt and new financial liabilities		77.6	214.4	1,142.3
Repayment of debt and other financial liabilities		(188.0)	(502.7)	(1,209.6)
CASH FLOW PROVIDED BY (USED IN) FINANCING ACTIVITIES		**(112.2)**	**171.8**	**(79.6)**
IV—OTHER CHANGES IN CASH AND CASH EQUIVALENTS				
Impact of exchange rate changes on cash and cash equivalents		30.1	(17.9)	(13.7)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**248.0**	**(67.9)**	**(117.8)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**357.8**	**425.7**	**543.5**
CASH AND CASH EQUIVALENTS AT END OF YEAR	*26*	**605.8**	**357.8**	**425.7**

(*) o/w badwill from Plastal Germany and Plastal Spain acquisition €84.3 million (see Note10A).

Consolidated statement of changes in equity

(in €millions)	Number of shares [1]	Capital stock	Additional paid-in capital	Treasury stock	Retained earnings and net income (loss) for the year	Evaluation ad
						Translation adjustments
Shareholders' equity as of December 31, 2007 before appropriation of net income (loss)	**24,395,048**	**170.8**	**198.9**	**(11.5)**	**395.9**	**39.2**
Net income (loss)					(574.8)	
Translation adjustments						(5.5)
Changes in fair value of hedging instruments						
Total income (expense) recognized in equity					***(574.8)***	***(5.5)***
Capital increase						
2007 dividend						
Measurement of stock options					3.6	
Purchases and sales of treasury stock						
Changes in scope of consolidation						
Recognition of 2007 losses of the parent company						
Shareholders' equity as of December 31, 2008 before appropriation of net income (loss)	**24,395,048**	**170.8**	**198.9**	**(11.5)**	**(175.3)**	**33.7**
Net income (loss)					(433.6)	
Translation adjustments						10.4
Changes in fair value of hedging instruments						
Total income (expense) recognized in equity					***(433.6)***	***10.4***
Capital increase	65,053,456	455.3	(9.3)			
2008 dividend						
Measurement of stock options					3.4	
Purchases and sales of treasury stock				1.1	(0.9)	
Option component of convertible bonds					23.3	
Changes in scope of consolidation						
Recognition of 2008 losses of the parent company			(59.5)		59.5	
Shareholders' equity as of December 31, 2009 before appropriation of net income (loss)	**89,448,504**	**626.1**	**130.1**	**(10.4)**	**(523.6)**	**44.1**
Net income (loss)					201.7	
Translation adjustments						49.9
Changes in fair value of hedging instruments						
Total income (expense) recognized in equity					***201.7***	***49.9***
Capital increase	20,918,224	146.4	152.3			
2009 dividend						
Measurement of stock options					4.6	
Purchases and sales of treasury stock						
Option component of convertible bonds						
Changes in scope of consolidation						
Shareholders' equity as of December 31, 2010 before appropriation of net income (loss)	**110,366,728**	**772.5**	**282.4**	**(10.4)**	**(317.3)**	**94.0**

(1) Including 270,814 treasury shares as of Dec. 31, 2008, Dec 31, 2009 and Dec 31, 2010 (see Note 22.3).

Notes to the consolidated financial statements

Faurecia S.A. and its subsidiaries ("Faurecia") form one of the world's leading automotive equipment suppliers in four vehicle businesses: Automotive Seating, Emissions Control Technologies, Interior Systems and Automotive Exteriors. The Group has operations in 32 countries, spanning 200 sites.

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 7, 2011.

The accounts were prepared on a going concern basis.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Faurecia Group have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union and available on the European Commission website:

They can be viewed on the European Commission's website at http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission

These standards include International Financial Reporting Standards and International Accounting Standards (IAS), a well as the related International Financial Reporting Interpretations Committee (IFRIC) interpretations.

The standards used to prepare the 2010 consolidated financial statements and comparative data for 2009 and 2008 are those published in the Official Journal of the European Union (OJEU) as of December 31, 2010, 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.

Faurecia has applied the following new standards and amendments to existing standards since January 1, 2010:

- Revised IFRS 3 Business Combinations. Business combinations carried out as from January 1, 2010 are recognized as follows:

  - the identifiable assets acquired and liabilities assumed are measured at fair value as of the acquisition date,
  - any non-controlling interest in the acquiree (i.e. minority interest) is measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. This choice of measurement method is made on an acquisition-by-acquisition basis,
  - acquisition-related costs are accounted for as expenses in the periods in which they are incurred and are included on the line "Other operating expense" on the consolidated statement of comprehensive income,
  - any contingent price adjustments arising from a business combination is recognized at its acquisition date fair value. After the acquisition date, contingent consideration is measured at fair value at the end of each subsequent reporting period. Any changes in the fair value of contingent consideration arising more than one year after the acquisition date (the measurement period) are recognized in income. Changes in fair value with one year of the acquisition date are recognized in income if they clearly result from events after the acquisition date. Other changes are recognized as an adjustment to goodwill.

  The Group applied the revised version of IFRS 3 in accounting for its acquisitions in 2010 and in particuler its acquisitions of Emcon and Plastal Germany and Spain. See Note 10 for further information;

- IAS 27: Changes in scope of consolidation

  The revised version of IAS 27 specifies (i) the circumstances in which an entity must present consolidated financial statements of another entity and (ii) the accounting for changes in the level of ownership interests in a subsidiary. Application of this standard did not have any impact on the consolidated financial statements;

- IFRS 5: amendments to this standard require the reclassification of assets and liabilities of a subsidiary in the event of a disposal resulting in a loss of control of said subsidiary. Application of this standard did not have any impact on the consolidated financial statements;

- IAS 39: eligible hedged items

- The amendments adopted provide additional guidance on applying hedge accounting. They did not affect the presentation of the consolidated financial statements;

- IAS 17: the amendments to this standard—which concern the classification of the land element of leases as an operating or finance lease—did not have any impact on the interim consolidated financial statements.

The other standards, interpretations and amendments whose application was required beginning in 2010 had no material impact on the accounts as from December 31, 2010.

1.1 Consolidation principles

Companies 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 deconsolidated as of the date that control ceases.

Companies over which the Group exercises significant influence but not control -generally through a shareholding representing between 20% and 50% of the voting rights are accounted for by the equity method.

The Faurecia Group's financial statements are presented in euros.

The functional currency of foreign subsidiaries is generally their local currency. The assets and liabilities of these companies are translated into euros at the year-end exchange rate and income statement items are translated at the average exchange rate for the year. The resulting currency translation adjustments are recorded in equity.

Certain companies located outside the eurozone which carry out the majority of their transactions in euros may, however, use euros as their functional currency.

All material intercompany transactions are eliminated in consolidation, including intercompany 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

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired entity as of the date of acquisition.

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 business segment at which goodwill is monitored for internal management purposes. The Group has identified the following CGUs:

- Automotive Seating;

- Emissions Control Technologies;

- Automotive Exteriors;

- Automotive Seating.

The carrying amount of an asset 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 either a) not sold to the customer, or b) paid for by the customer on delivery of each part, without the customer guaranteeing full financing of the costs incurred. 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, without the customer guaranteeing full financing of the costs incurred. In accordance with IAS 16, this tooling is recognized as property, plant and equipment.

It is depreciated to match the quantities of parts delivered to the customer over a maximum of three years, in line with the rate at which models are replaced.

Investment grants are recorded as a deduction from the assets that they were used to finance.

Property, plant and equipment acquired under finance leases which transfer substantially all the risks and rewards incidental to ownership of the asset to the lessee are recorded under assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The recognized assets are subsequently depreciated as described above. An obligation of the same amount is recorded as a liability.

1.5 Cash generating units and impairment tests

Impairment tests are carried out whenever there is an indication that an asset may be impaired. Impairment testing consists of comparing the carrying amount of an asset, or group of assets, with the higher of its market value and value in use. Value in use is defined as the present value of the net future cash flows expected to be derived from an asset or group of assets.

The assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash Generating Units, or CGUs).

Impairment tests are performed on each group of intangible assets (development costs) and property, plant and equipment attributable to a customer contract. This is done by comparing the aggregate carrying amount of the group of assets concerned with the present value of the expected net future cash flows to be derived from the contract.

An impairment loss is recorded when the assets' carrying amount is higher than the present value of the expected net future cash flows. A provision is also recorded for losses to completion on loss-making contracts.

Impairment testing is also carried out on general and corporate assets grouped primarily by type of product and geographic area.

The cash inflows generated by the assets allocated to these CGUs are largely interdependent due to the high overlap among the various manufacturing flows, the optimization of capacity utilization, and the centralization of research and development activities.

Manufacturing assets whose closure is planned are tested independently for impairment.

1.6 Financial assets and liabilities (excluding derivatives)

A - DEFINITIONS

In accordance with IAS 39, the Group classifies its financial assets in the following categories: loans and receivables, available-for-sale financial assets, and financial assets at fair value through profit or loss. They are recorded on the following balance sheet items: "Other equity interests" (Note 14), "Other non-current financial assets" (Note 15), "Trade account receivables" (Note 18), "Other operating receivables" (Note 19), "Other receivables excluding taxes" (Note 20) and "Cash and cash equivalents" (Note 21).

The Group does not use the IAS 39 categories of "Held-to-maturity investments" or "Financial assets held for trading".

The Group's financial liabilities fall within the IAS 39 categories of (i) financial liabilities at fair value through profit or loss, and (ii) other financial liabilities measured at amortized cost.

They are recorded on the following balance sheet items: "Short-term debt" and "long-term debt" (Note 26), "Accrued taxes and payroll costs" (Note 27) and "Other payables" (Note 28).

Financial assets and liabilities are broken down into current and non-current components for maturities at the balance sheet date: under or over a year.

B - RECOGNITION AND MEASUREMENT OF FINANCIAL ASSETS

Equity interests

Equity interests correspond to the Group's interests in the capital of non-consolidated companies. They are carried on the balance sheet at cost. This value is 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.

Loans and other financial assets

Loans and other financial assets are stated at nominal value which corresponds to 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.

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.

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 Derivatives

Faurecia uses derivative instruments traded on organized markets or purchased over-the-counter from first-rate counterparties to hedge currency and interest rate risks.

They are recorded at fair value in the balance sheet.

CURRENCY HEDGES

The effective portion of changes in the fair value of instruments used to hedge future revenues is recorded in equity and taken to operating income when the hedged revenues are received.

Changes in the fair value of instruments used to hedge trade receivables and payables are recorded as operating income or expense.

The portion of the change in fair value of these hedges that is ineffective (time value of the hedges) is recorded under "Other financial income and expense" together with changes in the fair value of instruments used to hedge other receivables and payables.

INTEREST RATE HEDGES

Changes in the fair value of interest rate hedges are recorded directly in "Other financial income and expense" when the hedging relationship cannot be demonstrated under IAS 39, or where the the Group has elected not to apply hedge accounting principles.

1.10 Minority interests

This item corresponds to minority shareholders' interests in the equity of consolidated subsidiaries.

1.11 Provisions for pensions and other post-employment benefits

The Group's liability for pensions and other employee benefits is determined on an actuarial basis using the projected unit credit method. The valuation takes into account the probability of employees staying with the Group up to retirement age and expected future salary levels. Benefit obligations are partially funded by contributions to external funds. In cases where the funds are permanently allocated to the benefit plan concerned, their value is deducted from the related liability.

Actuarial gains and losses are recognized according to the corridor method over the expected average remaining working lives of the employees participating in the plans.

Periodic pension and other employee benefit costs are recognized as operating expenses over the benefit vesting period, except for the interest cost, which is recorded under "Other financial income and expense" in accordance with the alternative method under IAS 19. The impact of changes in the present value of external funds is also recorded under this item.

1.12 Stock option, share grant and free shares plans

Stock options and share grant plans for managers of Group companies. Options granted after November 7, 2002 that had not vested as of January 1, 2005 are measured at fair value as of the grant date using the Black & Scholes option pricing model. The fair value of stock options is recognized in payroll costs on a straight-line basis over the vesting period (the period between the grant date and the vesting date), with a corresponding adjustment to equity.

Free shares are measured at fair value by reference to the market price of Faurecia's shares at the grant date, less (i) an amount corresponding to the expected dividends due on the shares but not paid during the vesting period and (ii) an amount reflecting the cost of the shares being subject to a lock-up period. The fair value is recognized in payroll costs on a straight-line basis over the vesting period, with a corresponding adjustment to equity.

1.13 Restructuring and reorganization provisions

A provision is booked when Group General Management has decided to streamline the organization structure and announced the program to the employees affected by it or their representatives.

1.14 Recognition sales

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 includes 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 tax

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 can be utilized.

Where appropriate, an accrual 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.

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, property, plant and equipment and provisions for pensions and other employee benefits are provided in Notes 10, 12 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.

Diluted earnings per share are calculated by the treasury stock method, which consists of multiplying the number of outstanding stock options by the ratio of the average exercise price for outstanding stock options and the average share price for the year. For the purpose of calculating diluted earnings per share, the Group adjusts net income attributable to owners of the parent and the weighted average number of shares outstanding for the effects of all dilutive potential ordinary shares (including stock options, free shares and convertible bonds).

NOTE 2 CHANGES IN SCOPE OF CONSOLIDATION

2.1 Change in scope of consolidation in 2010

The entities of the Emcon Group were integrated as part of Faurecia's Emissions Control Technology business following the transfer of all of the shares in the Emcon Technologies Group to Faurecia by Emcon Holdings. This transaction was approved by Faurecia's shareholders at an Extraordinary General Meeting held on February 8, 2010. Faurecia's 50% ownership interest in Arvin Sango held since the Emcon acquisition was sold in June 2010.

On March 31, 2010 and September 30, 2010, respectively, Faurecia acquired the German and Spanish operations of Plastal, a leading supplier of plastic exterior parts for the automotive industry. They were consolidated as of the acquisition date.

Faurecia also acquired, as part of the Interior Systems business, part of the operations of the Rennes Visteon France plant on December 17, 2010 and the company Incalplas in August 2010; and, as part of the Automotive Seating business, the seating comfort operations of Hoerbiger Automotive Komfortsysteme on December 23, 2010.

In addition, Faurecia consolidated the following companies as from January 1, 2010: South Korea-based Faurecia Shin Sung, established in 2007, as part of the Interior Systems business, Russia-based Faurecia Metalloprodukcia and France-based Faurecia Metalloprodukcia Holding, as part of the Emissions Control Technologies business, and Faurecia Informatique Tunisie, established in 2009. The Turkey-based company Orcia, which was acquired in 2008, is consolidated by the equity method as from January 1, 2010. Faurecia sold 40% of Faurecia ADP Holding during the first half of 2010.

2.2 Reminder of change in scope of consolidation introduced in 2009

Faurecia JIT and Sequencing in Korea (Emissions Control Technologies) and Faurecia Automotive Development in Russia (Interior Systems), both incorporated in 2008, have been fully consolidated in the Group's 2009 financial statements.

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

The impact related to Emcon and Plastal acquisitions are described in Note 10a.

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

NOTE 3 EVENTS AFTER THE BALANCE SHEET DATE

Faurecia acquired the assets of Angell-Demmel Europe GmbH on January 17, 2011, after it received authorisation to do so by the German and Austrian antitrust authorities. Faurecia acquired a 21.2% share of the company Aminex A/S on January 17, 2011.

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:

- Automotive Seating (design of vehicle seats, manufacture of seating frames and adjustment mechanisms, and assembly of complete seating units);
- Emissions Control Technologies (design and manufacture of exhaust systems);
- Interior Systems (design and manufacture of instrument panels, door panels and modules, and acoustic components);
- Automotive Exteriors (design and manufacture of front ends and safety modules).

These business units are managed on an independent basis in terms of reviewing their individual performance and allocating resources. The tables below show reconciliation between the indicators used to measure the performance of each segment—

notably operating income—and the consolidated financial statements. Borrowings, other operating income and expense, financial income and expense, and taxes are monitored at Group level and are not allocated to the various segments.

In accordance with the option available under IFRS 8, the 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.

4.1 Key figures by operating segment

2010

(in € millions)	Interior Modules	Other modules	Other	Total
Sales	**7,708.0**	**6,153.7**	**239.0**	**14,100.7**
Inter-segment eliminations	(44.2)	(21.6)	(239.0)	(304.8)
Consolidated sales	**7,663.8**	**6,132.1**	**0.0**	**13,795.9**
Operating income (loss) before allocation of costs	284.2	216.7	(45.3)	455.6
Allocation of costs	(29.1)	(16.2)	45.3	0.0
Operating income (loss)	**255.1**	**200.5**	**0.0**	**455.6**
Other operating income				87.2
Other operating expenses				(123.2)
Financial costs net				(90.6)
Other financial income and expenses				(25.6)
Corporate income tax				(89.8)
Share of net income of associates				18.8
NET INCOME (LOSS)				**232.4**
Segment assets				
Net property, plant and equipment	947.3	620.1	8.1	1,575.5
Other segment assets	2,460.6	1,582.8	33.1	4,076.5
Total segment assets	**3,407.9**	**2,202.9**	**41.2**	**5,652.0**
Investments in associates				43.6
Equity interests				15.3
Short- and long-term financial assets				648.1
Tax assets (current and deferred)				121.4
TOTAL ASSETS				**6,480.4**
Segment liabilities	**2,153.7**	**1,464.3**	**100.5**	**3,718.5**
Borrowings				1,802.6
Tax liabilities (current and deferred)				61.1
Equity and minority interests				898.2
TOTAL LIABILITIES				**6,480.4**
Capital expenditure	172.5	124.4	7.4	304.3
Depreciation of items of property plant and equipment	(208.0)	(96.2)	(3.3)	(307.6)
Impairment of property, plant and equipment	(6.7)	(2.0)		(8.7)
Headcount	51.385	22.868	1.423	75.676

2009

(in €millions)	**Interior Modules**	**Other modules**	**Other**	**Total**
Sales	**6,649.3**	**2,712.4**	**205.4**	**9,567.1**
Inter-segment eliminations	(46.7)	(22.8)	(205.4)	(274.9)
Consolidated sales	**6,602.6**	**2,689.6**	**0.0**	**9,292.2**
Operating income (loss) before allocation of costs	(91.6)	50.0	(50.1)	(91.7)
Allocation of costs	(38.7)	(11.4)	50.1	0.0
Operating income (loss)	**(130.3)**	**38.6**	**0.0**	**(91.7)**
Other operating income				6.9
Other operating expenses				(141.0)
Financial costs, net				(123.0)
Other financial income and expenses				(43.9)
Corporate income tax				(35.9)
Share of net income of associates				11.3
NET INCOME (LOSS)				**(417.3)**
Segment assets				
Net property, plant and equipment	951.2	261.8	11.6	1,224.6
Other segment assets	2,374.1	726.1	37.5	3,137.7
Total segment assets	**3,325.3**	**987.9**	**49.1**	**4,362.3**
Investments in associates	31.0			31.0
Equity interests				11.2
Short- and long-term financial assets				401.9
Tax assets (current and deferred)				86.5
TOTAL ASSETS				**4,892.9**
Segment liabilities	**2,039.4**	**667.0**	**89.3**	**2,795.7**
Borrowings				1,760.3
Tax liabilities (current and deferred)				34.2
Equity and minority interests				302.7
TOTAL LIABILITIES				**4,892.9**
Capital expenditure	114.6	45.9	8.6	169.1
Depreciation of items of property, plant and equipment	(230.7)	(61.6)	(3.4)	(295.7)
Impairment of property, plant and equipment	(9.8)	(1.2)		(11.0)
Headcount	47.407	9.877	1.130	58,414

2008

(in € millions)	Interior Modules	Other modules	Other	Total
Sales	**8,332.6**	**3,718.5**	**219.6**	**12,270.7**
Inter-segment eliminations	(23.6)	(16.8)	(219.6)	(260.0)
Consolidated sales	**8,309.0**	**3,701.7**	**0.0**	**12,010.7**
Operating income (loss) before allocation of costs	3.7	124.1	(36.6)	91.2
Allocation of costs	(28.3)	(8.3)	36.6	
Operating income (loss)	**(24.6)**	**115.8**	**0.0**	**91.2**
Other income and expenses				(444.3)
Financial costs net				(96.3)
Other financial income and expenses				(98.9)
Corporate income tax				(28.7)
Share of net income of associates				7.7
NET INCOME (LOSS)				**(569.3)**
Segment assets				
Net property, plant and equipment	1,058.1	278.3	24.4	1,360.8
Other segment assets	2,517.7	699.0	20.8	3,237.5
Total segment assets	**3,575.8**	**977.3**	**45.2**	**4,598.3**
Investments in associates	40.1	0.0	0.0	40.1
Equity interests				1.6
Short- and long-term financial assets				466.8
Tax assets (current and deferred)				121.0
TOTAL ASSETS				**5,227.8**
Segment liabilities	**2,166.2**	**678.9**	**(11.5)**	**2,833.6**
Borrowings				2,079.6
Tax liabilities (current and deferred)				71.1
Equity and minority interests				243.5
TOTAL LIABILITIES				**5,227.8**
Capital expenditure	253.7	63.1	11.9	328.7
Depreciation of items of property, plant and equipment	(236.4)	(63.7)	(3.3)	(303.4)
Impairment of property, plant and equipment	(10.5)			(10.5)
Headcount	50.720	9.787	850	61.357

Sales by operating segment break down as follows:

Sales by operating segment

(in € millions)	2010	%	2009	%	2008	%
Interior Modules						
- Automotive Seating	4,571.2	33	3,990.9	43	5,004.3	42
- Interior systems	3,092.6	23	2,611.7	28	3,304.7	27
	7,663.8	56	6,602.6	71	8,309.0	69
Other modules						
- Emissions Control Technologies	4,781.4	34	1,826.1	20	2,755.4	23
- Automotive Exteriors	1,350.7	10	863.5	9	946.3	8
	6,132.1	44	2,689.6	29	3,701.7	31
TOTAL	**13,795.9**	**100**	**9,292.2**	**100**	**12,010.7**	**100**

4.2 Sales by major customer

Sales by major customer break down as follows:

Sales by major customer (*)

(in € millions)	2010	%	2009	%	2008	%
VW Group	2,767.7	20	1,824.7	20	2,156.9	18
PSA Peugeot Citroën	2,300.9	17	2,049.4	22	2,733.9	23
Ford Group	1,487.7	11	875.1	9	1,114.1	9
Renault-Nissan	1,442.1	10	1,164.3	13	1,273.9	11
GM	1,231.9	9	506.1	5	820.8	7
BMW	1,037.0	8	857.8	9	1,070.4	9
Other	3,528.6	25	2,014.8	22	2,840.7	23
TOTAL	**13,795.9**	**100**	**9,292.2**	**100**	**12,010.7**	**100**

(*) Sales invoiced.

Sales invoiced may differ from 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.

2010

(in € millions)	France	Germany	Other European countries	North America	South America	Asia	Other countries	Total
Sales	2,214.5	3,294.1	3,426.8	2,496.9	636.6	1,407.7	319.3	13,795.9
Net property, plant and equipment	322.9	233.5	488.3	284.8	67.5	125.4	53.0	1,575.4
Capital expenditure	63.2	27.1	52.6	72.4	23.2	42.6	23.3	304.4
Number of employees as of December 31	14.663	11.283	24.021	12.571	4.770	6.598	1.770	75.676

2009

(in € millions)	France	Germany	Other European countries	North America	South America	Asia	Other countries	Total
Sales	2,059.0	2,334.4	2,413.1	1,077.7	335.1	827.0	245.9	9,292.2
Net property, plant and equipment	359.6	104.6	443.8	173.2	43.4	73.5	26.5	1,224.6
Capital expenditure	68.7	18.0	43.4	23.2	10.0	15.6	11.2	190.1
Number of employees as of December 31	15.530	7.410	18.613	7.488	2.969	4.185	2.219	58.414

2008

(in € millions)	France	Germany	Other European countries	North America	South America	Asia	Other countries	Total
Sales	2,745.2	3,055.4	3,015.6	1,774.3	329.1	733.0	358.1	12,010.7
Net property, plant and equipment	419.0	121.1	482.4	149.9	84.1	83.2	21.1	1,360.8
Capital expenditure	102.9	15.7	97.3	32.0	32.4	39.5	10.4	330.2
Number of employees as of December 31	16.489	8.215	20.658	7.801	2.679	3.654	1.861	61.357

NOTE 5 ANALYSIS OF OPERATING EXPENSES

5.1 Analysis of operating expenses by function

(in €millions)	2010	2009	2008
Cost of sales	(12,593.3)	(8,840.1)	(11,296.8)
Research and development costs	(303.2)	(207.9)	(269.9)
Selling and administrative expenses	(443.8)	(335.9)	(352.8)
TOTAL	**(13,340.3)**	**(9,383.9)**	**(11,919.5)**

5.2 Analysis of operating expenses by nature

(in €millions)	2010	2009	2008
Purchases consumed	(9,339.0)	(6,049.0)	(8,196.8)
External costs	(1,212.6)	(834.5)	(1,075.8)
Personnel costs	(2,467.7)	(1,922.3)	(2,257.5)
Taxes other than on income	(46.0)	(48.7)	(52.4)
Other operating income and expenses [(1)]	171.1	10.6	101.5
Depreciation, amortization and provisions for impairment in value of non-current assets	(485.6)	(487.0)	(467.1)
Charges to and reversals of provisions	39.5	(53.1)	28.6
TOTAL	**(13,340.3)**	**(9,383.9)**	**(11,919.5)**
(1) Including inventoried and capitalized production	208.9	78.7	126.3

5.3 Personnel costs

(in €millions)	2010	2009	2008
Wages and salaries (*)	(1,952.8)	(1,496.5)	(1,784.5)
Payroll taxes	(514.9)	(425.8)	(473.0)
TOTAL	**(2,467.7)**	**(1,922.3)**	**(2,257.5)**
(*) Of which temporary employee costs	(164.4)	(89.5)	(198.2)

Details of expenses relating to the Group's stock option plans and pension costs are provided in Notes 22.2 and 25, respectively.

5.4 Research and development costs

(in €millions)	2010	2009	2008
Gross research and development costs	(689.1)	(493.2)	(613.0)
—amounts billed to customers and changes in inventories	393.5	361.6	362.5
—capitalized development costs	154.3	104.4	144.7
—amortization of capitalized development costs	(175.5)	(161.1)	(168.8)
—charges to and reversals of provisions for impairment of capitalized development costs	13.6	(19.6)	4.7
NET EXPENSE	**(303.2)**	**(207.9)**	**(269.9)**

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

(in €millions)	2010	2009	2008
Amortization of capitalized development costs	(175.5)	(161.1)	(168.8)
Depreciation of items of property, plant and equipment	(19.5)	(12.1)	(9.3)
Depreciation of specific tooling	(11.5)	(12.9)	(13.9)
Depreciation and impairment of other items of property, plant and equipment items	(292.7)	(281.3)	(279.8)
Provisions for impairment of capitalized development costs	13.6	(19.6)	4.7
TOTAL	**(485.6)**	**(487.0)**	**(467.1)**

NOTE 6 OTHER INCOME AND EXPENSE

Other non-operating income and expense are analyzed as follows:

OTHER NON-OPERATING INCOME

(in €millions)	2010	2009	2008
Provisions for contingencies	0.4	0.0	0.0
Badwill from the acquisition of Plastal Germany and Plastal Spain	84.3	0.0	0.0
Losses on disposals of assets	2.5	6.9	0.0
Other	0.0	0.0	0.1
TOTAL	**87.2**	**6.9**	**0.1**

OTHER NON-OPERATING EXPENSES

(in € millions)	2010	2009	2008
Provisions for contingencies	0.0	0.0	(2.5)
Provisions for impairment of goodwill (Vehicle Interiors)	0.0	0.0	(247.9)
Provisions for impairment of assets (Vehicle Interiors)	0.0	0.0	(16.3)
Other provisions for impairment of assets	0.0	0.0	(4.0)
Reorganization expenses (*)	(117.0)	(129.5)	(165.3)
Losses on disposals of assets	0.0	0.0	(8.2)
Other (**)	(6.2)	(11.5)	(0.2)
TOTAL	**(123.2)**	**(141.0)**	**(444.4)**

(*) As of December 31, 2010, this item included restructuring costs in the amount of €104.7 million and in the amount of €12.3 million, versus, respectively, €119.8 million and €9.7 million in 2009 and €162.2 million and €3.0 million in 2008.

(**) This item includes the cost of acquisition of Emcon and Plastal principally in the amount of € 7.6 million in 2009 and € 5.3 million in 2010

RESTRUCTURING

Reorganization costs (117.0 million euros) include redundancy and site relocation payments for 2,776 people and breakdown by country as follows:

	Millions of euros	Employees
France	32.9	771
Germany	59.3	977
Spain	14.1	688
Great Britain	7.6	93
Other	3.1	247
TOTAL	**117.0**	**2,776**

NOTE 7 OTHER FINANCIAL INCOME AND EXPENSE

(in € millions)	Year 2010	Year 2009	Year 2008
Impact of discounting the pension benefit obligation	(9.6)	(10.5)	(9.8)
Changes in the ineffective portion of currency hedges (1)	(0.4)	(2.9)	(37.5)
Changes in the value of currency hedges relating to debt	0.0	(1.7)	1.4
Changes in the value of interest rate hedges (2)	3.6	(6.0)	(23.7)
Translation differences on borrowings	(4.0)	(14.8)	(20.9)
Gains on sales of securities	0.0	0.0	0.1
Other	(15.2)	(8.0)	(8.5)
TOTAL	**(25.6)**	**(43.9)**	**(98.9)**

(1) The expense recorded in 2008 includes an expense of €22 million in changes in the intrinsic value of instruments used as economic hedges of currency risks on forecast transactions which do not qualify for hedge accounting under IAS 39. Consequently, this unrealized loss was recorded on the income statement in 2008 as it could not be recognized in equity. The instruments concerned correspond to options and if they are exercised at maturity any realized loss would result in a symmetrical gain recorded on the realized transactions.

(2) The decrease in the fair value of interest rate instruments relates primarily to changes in the intrinsic value of instruments used as economic hedges of interest rate risks which did not qualify for hedge accounting under IAS 39 as of December 31, 2007. In 2008, a corresponding €20.0 million gain on changes in interest rates was recorded under financial income.

NOTE 8 CORPORATE INCOME TAX

Corporate income tax can be analyzed as follows:

(in €millions)	2010	2009	2008
Current taxes			
—Current corporate income tax	(85.9)	(42.2)	(34.1)
—Taxes on intra-group distributions, tax reassessments, carry back			
	(85.9)	(42.2)	(34.1)
Deferred taxes			
—Deferred taxes for the period	(3.9)	6.3	20.7
—Impairment of deferred tax assets previously recorded			(15.3)
Deferred taxes	(3.9)	6.3	5.4
TOTAL	**(89.8)**	**(35.9)**	**(28.7)**

New tax regulations in France applicable as from January 1, 2010:

The 2010 Finance Law passed in December 2009 introduced a "territorial economic contribution" (CET) to replace the business tax (TP). The CET has two components: the corporate real estate tax (CFE) and the corporate value added tax (CVAE). The CFE is calculated on the lease price of the assets subject to the real estate tax. The CVAE is assessed at 1.5% of the value added. The CET is assessed at 3% of the value added.

The overall amount of the CET (i.e. the sum of the value added contribution and the land tax levy) is capped at 3% of the company's value added. The value added generated by the Group's French operations is much higher than their taxable earnings because the French tax group has reported tax losses for the past several years whereas the value added figure is positive. Consequently the Group has classified the CET as an operating expense rather than a component of corporate income tax and the CET due as from 2010 will be included in the operating income line, in the same way as the local business tax levied until 2009.

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)	2010	2009	2008
Pre-tax income of consolidated companies	303.4	(392.7)	(548.3)
Tax at 34.43%	*(104.5)*	*135.2*	*188.8*
Effect of rate changes on deferred taxes recognized on the balance sheet	0.0	(2.0)	0.2
Effect of local rate differences	31.5	(1.4)	2.3
Tax credits	20.4	10.1	21.8
Use of non-capitalized loss carryforwards	26.2	6.6	18.2
Non-capitalized tax losses	(103.7)	(183.9)	(154.2)
Impairment of tax asset carryforwards	0.0		(15.3)
Permanent differences	40.3	(0.5)	(90.5)
Corporate tax recognized	**(89.8)**	**(35.9)**	**(28.7)**

8.2 Analysis of tax assets and liabilities

(in €millions)	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Current taxes			
—Assets	35.2	14.5	29.6
—Liabilities	(31.9)	(27.1)	(32.9)
	3.3	**(12.6)**	**(3.3)**
Deferred taxes			
—Assets (*)	86.2	72.0	91.4
—Liabilities	(29.2)	(7.1)	(38.2)
	57.0	**64.9**	**53.2**
(*) Of which tax assets on tax losses	40.0	45.1	40.4

Changes in deferred taxes recorded on the balance sheet break down as follows:

(in €millions)	2010	2009	2008
NET AMOUNT AT THE BEGINNING OF THE YEAR	**64.9**	**53.2**	**46.0**
—Deferred taxes for the period carried to income	(3.9)	6.3	20.7
—Deferred taxes recognized directly in equity	*0.0*		
—Effect of currency fluctuations and other movements	*(4.0)*	*5.4*	*1.8*
—Impairment of tax asset carryforwards	0.0		(15.3)
NET AMOUNT AT THE END OF THE YEAR	**57.0**	**64.9**	**53.2**

8.3 Impairment of tax asset carryforwards

(in €millions)	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
N+1	32.6	5.3	18.1
N+2	7.0	4.6	3.1
N+3	9.5	6.7	2.8
N+4	28.1	12.6	3.7
N+5 and above	220.3	207.9	197.5
Unlimited	505.8	461.2	411.6
TOTAL	**803.3**	**698.3**	**636.8**

NOTE 9 EARNINGS PER SHARE

(in €millions)	2010	2009	2008
Number of shares outstanding at year end [(1)]	**110,366,728**	**89,448,504**	**24,395,048**
Adjustments:			
—treasury stock	(270,814)	(270,814)	(270,814)
—weighted impact of share issues prorated	(2,235,098)	(25,843,154)	
Weighted average number of shares before dilution	**107,860,816**	**63,334,536**	**24,124,234**
Weighted impact of dilutive instruments			
Stock options [(2)]	0		4,195
Free shares attributed [(3)]	1,344,500		
Bonds with conversion option [(4)]	3,408,805	11,306,058	
Weighted average number of shares after dilution	**112,614,121**	**74,640,594**	**24,128,429**

(1) Changes in the number of shares outstanding as of December 31 are analyzed as follows:

As of December 31, 08: Number of Faurecia shares outstanding	*24,395,048*
Capital increase	*65,053,456*
As of December. 31, 09: Number of Faurecia shares outstanding	*89,448,504*
Capital increase	*20,918,224*
As of December. 31, 10: Number of Faurecia shares outstanding	*110,366,728*

(2) As of December 31, 2010 1,523,998 stock options were outstanding and exercisable, compared with 1,594,223 as of December 31, 2009 and 1,435,183 as of December 31, 2008. Taking into account the average Faurecia share price for 2010, none of the stock options have a dilutive impact.

(3) The number of free shares to be granted as of December 31, 2010 subject to attendance and performance requirements was 1,344,500 (see Note 22.2 c).

(4) 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.

The dilutive impact of the bonds was calculated using the treasury stock method.

In relation to stock options, this method consists of comparing the number of shares that would have been issued if all outstanding stock options had been exercised to the number of shares that could have been acquired at fair value (in this case the average Faurecia share price for the year was €15.922 in 2010).

Earnings per share

Earnings per share break down as follows:

(in € millions)	Year 2010	Year 2009	Year 2008
Net income (loss)	**201.7**	**(433.6)**	**(574.8)**
Basic earnings (loss) per share	1.87	(6.85)	(23.83)
After dilution	1.79	(6.85)	(23.83)

NOTE 10A BUSINESS COMBINATIONS

Emcon Technologies

On October 30, 2009 Faurecia signed an agreement to acquire the Emcon Technologies group—a leading player at that time in emissions control technologies (formerly Arvin Industries)—from One Equity Partners LP11 (OEP), the private equity arm of JPMorgan Chase & Co. The transaction was cleared by the relevant antitrust authorities, notably in Europe and the United States, in early 2010.

The acquisition involved EMCON Holdings transferring to Faurecia all of the shares in the EMCON Technologies group. As consideration for this transfer, Faurecia issued 20,918,224 shares to EMCON Holdings, representing 18.95% of Faurecia's capital and 16.41% of its voting rights. As part of the deal, Faurecia also assumed US$22.3 million (€15.8 million) worth of EMCON Holdings' liabilities.

The deal was approved by Faurecia's shareholders at an Extraordinary General Meeting held on February 8, 2010.

The main advantages that Faurecia expects to gain from this transaction are as follows:

- enhanced worldwide and regional positioning within the emissions control industry;
- additional research and innovation capacities in new technologies for emissions reduction;
- entry into the commercial and off-road vehicles markets; and
- broader customer base.

Out of the initial purchase price of €314.5 million (excluding acquisition related costs recorded as expenses) €142.2 million has been allocated to the net assets acquired and €172.3 million to goodwill, taking into account the following fair value adjustments:

- €24.6 million for technologies and customer relationships, based on a valuation by an independent expert;
- €11.1 million for estimated additional contingent liabilities related to provisions for claims and litigation;
- €32.9 million and €21.8 million, respectively, for property, plant and equipment and other current assets;
- €28.1 million for deferred tax assets and liabilities.

The goodwill recognized on the acquisition mainly corresponds to human capital and the synergies expected to be generated in terms of revenue and cost reductions.

Acquisition-related costs have been recognized as expenses in an aggregate amount of €9 million of which €6.6 million were recorded in 2009 and the balance in 2010.

The table below shows a breakdown of Emcon Technologies' net assets acquired by Faurecia.

(in € millions)	IFRS historical values	Fair value adjustments	Fair value
Intangible assets	7.8	24.6	32.4
Property, plant and equipment	143.2	32.9	176.1
Other non-current assets	48.2	1.7	49.9
TOTAL NON-CURRENT ASSETS	**199.3**	**59.1**	**258.4**
Inventories, net	125.6		125.6
Trade accounts receivables	253.1		253.1
Other current assets	36.1	21.8	57.9
Cash and cash equivalents	60.6		60.6

(in € millions)	IFRS historical values	Fair value adjustments	Fair value
TOTAL CURRENT ASSETS	**475.4**	**21.8**	**497.2**
TOTAL ASSETS	**674.6**	**81.0**	**755.6**
Provision and non-current liabilities	117.2	40.9	158.1
Non-current financial liabilities	0.8		0.8
TOTAL NON-CURRENT LIABILITIES	**118.0**	**40.9**	**158.9**
Trade payables	282.3		282.3
Other current liabilities	87.0		87.0
Current financial liabilities	85.2		85.2
TOTAL CURRENT LIABILITIES	**454.5**	**0.0**	**454.5**
TOTAL LIABILITIES	**572.5**	**40.9**	**613.4**
Net assets acquired			**142.2**
Goodwill			172.3
Consideration			**314.5**

As the business combination did not have a material impact on Faurecia's consolidated financial statements between January 1, 2010 and February 8, 2010, Emcon's accounts have been included in the consolidated financial statements since January 1, 2010. Emcon's total contribution to Faurecia's consolidated revenue and operating income was €2,416.1 million and €32 million respectively in 2010.

Plastal Germany and Plastal Spain

On February 3, 2010 Faurecia signed an agreement with a view to acquiring the German operations of Plastal, a first-rate supplier of exterior plastic parts; it included an option to acquire the operations of Plastal Spain and an option to acquire the operations of Plastal France, both subsidiaries of Plastal Germany. The acquisition of the German operations was completed on March 31, 2010, and that of the Spanish operations on September 30, 2010 upon approval by the corresponding antitrust authorities. The option to acquire Plastal France has not been exercised.

The main advantages that Faurecia expects to gain from this transaction are as follows:

- enhanced positioning within the European market for automotive exterior parts;
- stronger positioning, primarily with German automakers.

The acquisition of Plastal Germany's operations took the form of a asset deal, while that of the Spanish operations was a share purchase. These two acquisitions are considered a business combination under the revised IFRS 3. The German and Spanish Plastal operations have been acquired for a net consideration of €49.9 million net (excluding acquisition related costs recognized as expenses) including the option to buy the Plastal Spain shares valued as of the acquisition of the German assets. This consideration was allocated to net assets acquired and liabilities assumed. Plastal's unique situation (Plastal Germany had been in reorganization proceedings since June 2009) explains the bargain terms obtained for these acquisitions, resulting in the recognition of an €84.3 million gain carried to the line other income (see Note 6), taking into account the following fair value adjustments:

- €6.5 million to fair value for customer relationships, based on a valuation by an independent expert;
- €(17) million restatement to fair value of property, plant and equipment;
- Option to buy the Plastal Spain and Plastal France shares for €4.1 million;
- €1.8 million for deferred tax assets and liabilities.

The 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 March 31, 2010 acquisition date for Plastal Germany and September 30, 2010 for Plastal Spain.

Acquisition-related costs have been recognized as expenses in an aggregate amount of €3.8 million of which €1 million were recorded in 2009 and the balance in 2010.

The table below shows a breakdown of Plastal Germany and Plastal Spain net assets acquired by Faurecia.

(in € millions)	IFRS historical values	Fair value adjustments	Fair value
Intangible assets	3.7	6.5	10.2
Property, plant and equipment	156.3	(17.0)	139.3
Other non-current assets	3.9	1.8	5.7
TOTAL NON-CURRENT ASSETS	**163.9**	**(8.7)**	**155.2**
Current assets	75.4	4.1	79.5
Cash and cash equivalents	18.5	0.0	18.5
TOTAL CURRENT ASSETS	**93.9**	**4.1**	**98.0**
TOTAL ASSETS	**257.8**	**(4.6)**	**253.2**
Non-current liabilities	35.9	0.0	35.9
Non-current financial liabilities	18.6	0.0	18.6
TOTAL NON-CURRENT LIABILITIES	**54.5**	**0.0**	**54.5**
Current liabilities	56.5	0.0	56.5
Current financial liabilities	7.9	0.0	7.9
TOTAL CURRENT LIABILITIES	**64.5**	**0.0**	**64.5**
TOTAL LIABILITIES	**119.0**	**0.0**	**119.0**
Net assets acquired			**134.2**
Badwill			(84.3)
Consideration			**49.9**

Plastal's total contribution to Faurecia's consolidated sales and operating income, respectively, was €386.5 million and €19 million for the period from April 1, 2010 to December 31, 2010.

NOTE 10B GOODWILL

(in € millions)	Gross amount	Impairment	Net amount
Net carrying amount as of December 31, 2007	**1,552.0**	**(263.4)**	**1,288.6**
Acquisitions and minority interest buyouts	1.3		1.3
Impairment of Vehicle Interiors goodwill		(247.9)	(247.9)
Translation adjustments and other movements	(2.5)	0.7	(1.8)
Net carrying amount as of December 31, 2008	**1,550.8**	**(510.6)**	**1,040.2**
Acquisitions and minority interest buyouts	1.6		1.6
Impairment of Vehicle Interiors goodwill			0.0
Translation adjustments and other movements	(1.8)	(0.1)	(1.9)
Net carrying amount as of December 31, 2009	**1,550.6**	**(510.7)**	**1,039.9**
Acquisitions and minority interest buyouts	178.7		178.7
Impairment of Vehicle Interiors goodwill			0.0
Translation adjustments and other movements	12.6	(0.4)	12.2
Net carrying amount as of December 31, 2010	**1,741.9**	**(511.1)**	**1,230.8**

Breakdown of the net amount of goodwill by operating segment:

(in € millions)	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Automotive Seating	792.4	792.6	792.6
Emissions Control Technologies	335.8	151.2	151.5
Interior Systems	6.5	0.0	0.0
Automotive Exteriors	96.1	96.1	96.1
TOTAL	**1,230.8**	**1,039.9**	**1,040.2**

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 2011-2014 medium-term business plan which was drafted in mid-2010 and adjusted at the end of the year based on the latest assumptions in the 2011 budget. The volume assumptions used in the 2011-2014 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 2014 is 5.5% for the Group as a whole.

Projected cash flows for the last year of the medium-term business plan (2014) 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 2010, 2009 and 2008 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 10 companies operating in the automotive supplier sector (seven in Europe and three in the United States). Taking into account these parameters and a market risk premium of 5.25% to 5.75%, the weighted average cost of capital used to discount future cash flows was set at 9.0% (on the basis of a range of values provided by the independent expert) in 2010 (9% in 2009). 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 decrease in the value in use of the Interior Systems business at the end of 2008 resulted in the Group fully writing down the €247.9 million in residual goodwill on the business. This write-down was the direct consequence of the contraction in both the European and US automotive markets, which Faurecia believed would affect automakers' orders and lead to lower income than originally forecast.

The tests performed at year-end 2010 did not show any indication of further impairment in goodwill.

The table below shows the sensitivity of the impairment test results to changes in the assumptions used as of December 31, 2010 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 + 0.5pt**	**Growth rate to infinity-0.5 pt**	**Operating income for a terminal value of -0.5pt**
Automotive Seating	1,420.0	(165.0)	(135.0)	(172.0)
Emissions Control Technologies	1,296.0	(138.0)	(115.0)	(201.0)
Interior Systems	1,326.0	(119.0)	(97.0)	(119.0)
Automotive Exteriors	519.0	(45.0)	(36.0)	(58.0)

Note 11 INTANGIBLE ASSETS

Intangible assets break down as follows:

(in €millions)	**Development costs**	**Software and other**	**Total**
NET AS OF JANUARY 1, 2008	**494.1**	**17.3**	**511.4**
Additions	144.7	9.8	154.5
Funding of amortization provisions	(168.8)	(9.3)	(178.1)
Funding of provisions	1.8	0.0	1.8
Translation adjustments and other	(22.3)	2.5	(19.8)
NET AS OF DECEMBER 31, 2008	**449.5**	**20.3**	**469.8**
Additions	104.2	2.6	106.8
Funding of amortization provisions	(161.1)	(12.1)	(173.2)
Funding of provisions	(19.6)	0.0	(19.6)
Translation adjustments and other	(3.6)	16.7	13.1
NET AS OF DECEMBER 31, 2009	**369.4**	**27.5**	**396.9**
Additions	154.6	4.8	159.4
Funding of amortization provisions	(175.5)	(19.5)	(195.0)
Funding of provisions	13.6	0.0	13.6
Translation adjustments and other (*)	15.1	45.2	60.3
NET AS OF DECEMBER 31, 2010	**377.2**	**58.0**	**435.2**

(*) See note 10A.

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 where available.

NOTE 12 PROPERTY, PLANT AND EQUIPMENT

(in €millions)	**Land**	**Buildings**	**Plant, tooling and equipment**	**Specific tooling**	**Other property, plant and equipment and property, plant and equipment in progress**	**Total**
NET AS OF JANUARY 1, 2008	**57.6**	**348.7**	**718.0**	**27.2**	**257.4**	**1,408.9**
Additions (including own work capitalized) [1]	2.2	29.5	128.6	9.4	159.0	328.7
Disposals	(1.3)	(42.2)	(175.8)	(8.7)	(41.1)	(269.1)
Funding of depreciation, amortization and impairment provisions	(0.3)	(49.3)	(205.5)	(13.8)	(24.8)	(293.7)
Non-recurring impairment losses	0.1	(5.1)	(14.9)	(0.3)	(0.3)	(20.5)
Depreciation written off on disposals	1.1	38.5	168.2	8.2	38.8	254.8
Currency translation adjustments	(2.1)	(12.2)	(26.5)	(0.1)	(2.7)	(43.6)
Entry into scope of consolidation & other movements	0.8	35.2	110.9	2.0	(153.6)	(4.7)
NET AS OF DECEMBER 31, 2008	**58.1**	**343.1**	**703.0**	**23.9**	**232.7**	**1,360.8**
Additions (including own work capitalized) [1]	1.0	20.8	78.1	15.4	74.8	190.1
Disposals	(1.7)	(45.2)	(171.7)	(1.9)	(23.4)	(243.9)
Funding of depreciation, amortization and impairment provisions	(0.5)	(49.4)	(216.6)	(13.0)	(16.2)	(295.7)
Non-recurring impairment losses	(1.2)	(2.3)	(6.9)	(0.2)	(0.4)	(11.0)
Depreciation written off on disposals	0.3	41.9	166.6	1.3	21.5	231.6
Currency translation adjustments	0.4	4.4	5.2	0.2	1.4	11.6
Entry into scope of consolidation & other movements	1.1	52.5	95.6	(1.0)	(167.1)	(18.9)
NET AS OF DECEMBER 31, 2009	57.5	365.8	653.3	24.7	123.3	1,224.6
Additions (including own work capitalized) [1]	4.3	21.0	117.1	8.0	153.9	304.3
Disposals	(2.6)	(22.5)	(110.7)	(6.4)	(22.1)	(164.3)
Funding of depreciation, amortization and impairment provisions	(0.2)	(49.3)	(232.6)	(10.8)	(21.2)	(314.1)
Non-recurring impairment losses	0.0	(1.8)	(7.6)	(0.7)	(3.2)	(13.3)
Depreciation written off on disposals	1.7	19.7	112.6	6.4	22.0	162.4
Currency translation adjustments	1.9	13.2	31.2	0.3	6.7	53.3
Entry into scope of consolidation & other movements [*]	24.5	66.9	284.5	1.1	(54.4)	322.6
NET AS OF DECEMBER 31, 2010	**87.1**	**413.0**	**847.8**	**22.6**	**205.0**	**1,575.5**

(*) See Note 10A.

(1) Including assets held under finance leases

in 2008	*0.1*
in 2009	*21.3*
in 2010	*4.0*

(in €millions)	Dec. 31, 2010			Dec. 31, 2009		Dec. 31, 2008
	Gross	Depreciation	Net	Gross	Net	Net
Land	95.7	(8.6)	87.1	64.5	57.5	58.1
Buildings	1,018.5	(605.5)	413.0	945.9	365.8	343.1
Plant, tooling and technical equipment	3,123.1	(2,275.3)	847.8	2,654.7	653.3	703.0
Specific tooling	129.4	(106.8)	22.6	123.6	24.7	23.9
Other property, plant and equipment and property, plant and equipment in progress	499.0	(294.0)	205.0	406.7	123.3	232.7
TOTAL	**4,865.7**	**(3,290.2)**	**1,575.5**	**4,195.4**	**1,224.6**	**1,360.8**
Including assets subject to lease financing	135.4	(67.2)	68.2	94.2	44.8	31.8

Property, plant and equipment are often specific and dedicated to client programs. Their utilization rates are primarily dependent on the level of activity, with very few exceptions. The utilization rates for equipment are not monitored centrally or systematically.

NOTE 13 INVESTMENTS IN ASSOCIATES

As of December 31, 2010

(in €millions)	% of share capital held (*)	Faurecia's share of equity	Dividends received by the Group	Faurecia's share of sales	Faurecia's share of equity
Vanpro Assentos Lda (1)	50%	0.0	0.0	44.6	12.5
Teknik Malzeme	50%	6.5	0.0	40.0	27.0
Orcia (1)	50%	0.0	0.0	4.3	5.2
Copo Ibérica Sa	50%	2.7	0.0	16.8	6.6
Componentes de Vehiculos de Galicia SA	50%	2.7	0.0	6.7	4.7
Faurecia Japon NHK Co. Ltd (1)	50%	0.0	0.0	185.8	56.7
Arsed d.o.o.	50%	0.7	0.0	18.9	6.9
Kwang Jin Faurecia Co Ltd	50%	1.2	0.0	22.2	8.6
AD tech Co Ltd	50%	1.1	0.0	3.0	4.5
TOTAL	**—**	**14.9**	**0.0**	**342.3**	**132.7**
SAS Group	50%	28.7	(15.0)	1,579.9	337.9
TOTAL		**43.6**	**(15.0)**	**1,922.2**	**470.6**

(*) Interest held by the company holding the shares.

(1) As the Group's share of this company's net equity is negative it is recorded under liabilities as a provision for contingencies and charges.

SAS is a joint venture with Continental Automotive Gmbh which manufactures full cockpit modules with electronics and circuitry built into the instrument panels.

In order to meet the Faurecia Group's publication deadlines, the consolidated financial statements were prepared using SAS Group's accounts for the twelve months ended September 30. Specific accounts drawn up for the SAS Group as of December 31 would not give rise to any material difference.

13.1 Change in investments in associates

(in €millions)	2010	2009	2008
Group share of equity at beginning of period	31.0	40.1	44.8
Dividends	(15.0)	(25.0)	(20.0)
Share of net income of associates	18.8	11.3	7.7
Change in scope of consolidation	4.8	3.9	6.6
Capital increase	0.9	0.7	2.2
Currency translation adjustments	3.1	0.0	(1.2)
Group share of equity at end of period	**43.6**	**31.0**	**40.1**

13.2 Group share of financial items of associates

(in € millions)	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Fixed assets	39.7	32.0	31.4
Current assets	388.0	331.1	330.8
Cash and cash equivalents	42.9	33.0	40.0
TOTAL ASSETS	**470.6**	**396.1**	**402.2**
Equity	35.1	27.1	40.1
Borrowings	18.9	18.1	21.4
Other non-current liabilities	33.7	24.9	24.1
Non-current financial liabilities	382.9	326.0	316.6
TOTAL LIABILITIES	**470.6**	**396.1**	**402.2**

NOTE 14 OTHER EQUITY INTERESTS

	% of share capital	Dec. 31, 2010		Dec. 31, 2009	Dec. 31, 2008
(in € millions)				Gross	Net
SCI Messei	100	0.4	0.1	0.1	0.1
Faurecia Technology Center India Ltd	100	3.6	3.6	3.6	0.4
Changchun Xuyang Industrial Group	19	11.0	11.0		
Faurecia Shin Sung (*)				4.3	0.0
Faurecia Metalloprodukcia (*)				2.4	
Other	—	2.9	0.6	0.8	1.1
TOTAL		**17.9**	**15.3**	**11.2**	**1.6**

(*) Companies consolidated as of 1/01/10.

NOTE 15 OTHER NON CURRENT FINANCIAL ASSETS

	Dec. 31, 2010			Dec. 31, 2009	Dec. 31, 2008
(in € millions)	Gross	Provisions	Net	Net	Net
Loans with maturity longer than one year	26.4	(7.0)	19.4	17.7	19.3
Interest rate derivatives	0.0	0.0	0.0	0.1	1.4
Other	9.4	(1.0)	8.4	5.6	5.8
TOTAL	**35.8**	**(8.0)**	**27.8**	**23.4**	**26.5**

NOTE 16 OTHER NON CURRENT ASSETS

This line includes:

(in € millions)	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Pension plan surpluses	0.2	0.0	0.0
Guarantee deposits and other	14.3	18.9	8.5
TOTAL	**14.5**	**18.9**	**8.5**

NOTE 17 INVENTORIES AND WORK IN PROGRESS

	Dec. 31, 2010			Dec. 31, 2009	Dec. 31, 2008
(in € millions)	Gross	Provisions	Net	Net	Net
Raw materials and supplies	312.3	(34.9)	277.4	157.6	210.6
Work-in-progress	316.9	(24.8)	292.1	183.0	190.3
Semi-finished and finished products	194.4	(29.9)	164.5	98.0	125.2
TOTAL	**823.6**	**(89.6)**	**734.0**	**438.6**	**526.1**

NOTE 18 TRADE ACCOUNTS RECEIVABLE

Under an annually renewable trade receivables sale program set up in May 2007, the Group can sell a portion of the receivables of a number of its French 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.

Other receivables sale agreements are in force between certain of the Group's European subsidiaries and a number of their banks, providing for the transfer of substantially all of the risks and rewards of the receivables sold.

The following table shows the amount of receivables sold with maturities beyond December 31, 2010, for which substantially all the risks and rewards have been transferred, and which have therefore been derecognized:

(in €millions)	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Receivables sold and derecognized	377.9	290.7	388.5

Individually impaired trade receivables are as follows:

(in €millions)	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Gross total trade receivables	1,409.6	1,047.0	972.9
Provision for impairment of receivables	(21.9)	(21.1)	(19.0)
TRADE TRADE ACCOUNTS RECEIVABLE, NET	**1,387.7**	**1,025.9**	**953.9**

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, 2010 were €64.5 million, breaking down as follows:

- €35.4 million less than one month past due;
- €7.6 million one to two months past due;
- €4.3 million two to three months past due;
- €7.5 million three to six months past due;
- €9.7 million more than six months past due.

NOTE 19 OTHER OPERATING RECEIVABLES

(in €millions)	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Down payments	61.6	39.5	41.9
Other receivables [1]	161.7	131.5	155.4
TOTAL	**223.3**	**171.0**	**197.3**
(1) Including the following amounts for VAT and other tax receivables	154.9	127.0	149.4

NOTE 20 OTHER RECEIVABLES

(in €millions)	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Short-term portion of loans	3.5	0.1	0.1
Prepaid expenses	14.6	4.6	17.0
Current taxes	35.3	14.5	29.6
Other sundry payables	47.3	60.7	33.1
TOTAL	**100.7**	**79.9**	**79,8**

NOTE 21 CASH AND CASH EQUIVALENTS

As of December 31, 2010, cash and cash equivalents included current account balances in the amount of €532.5 million (versus €292.2 million as of December 31, 2009 and €374.9 million as of December 31, 2008) and short-term investments in the amount of €73.3 million (versus €65.6 million as of December 31, 2009 and €50.8 million as of December 31, 2008).

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

Following the capital increase resulting from the issue at par of 20,918,224 new shares, as of December 31, 2010, Faurecia's capital stock totaled €772,567,096 divided into 110,366,728 fully paid-in shares with a par value of €7 each.

The Group's capital is not subject to any external restrictions. Shares which have been registered in the name of the same holder for at least two years carry double voting rights.

As of December 31, 2010, Peugeot SA held 57.43% of Faurecia's capital and 63.26% 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, 2010, a total of 1,523,998 stock options were outstanding.

The exercise of these options would result in increasing:

- the capital stock by €10.7 million;
- additional paid-in capital by €54.4 million.

Details of the stock subscription option plans as of December 31, 2010 are set out in the table below:

Date of Shareholders' Meeting	Date of Board Meetings Adjusted € exercise price	Number of options granted (adjusted)	Including granted to senior executive management	Start of exercise period Last exercise date	Options exercised	Options cancelled	Adjusted number of options outstanding as of Dec. 31, 2010
05/03/1995	09/12/1996 22.92	133,750	42,800	09/13/2001 09/11/2011	97,905	10,700	25,145
05/31/1994	06/26/1997 34.40	63,180	17,550	06/27/2002 06/25/2012	36,855	19,305	7,020
06/05/1997 06/01/2001	02/22/2002 47.01	411,489	81,315	02/23/2006 02/22/2012	32,994	133,029	245,466
06/01/2001 05/14/2002	11/28/2002 35.65	315,315	118,170	11/29/2006 11/27/2012	106,583	133,520	75,212
05/14/2002	04/14/2004 49.73	313,560	127,530	04/14/2008 04/13/2014	—	139,230	174,330
05/25/2004	04/19/2005 54.45	321,750	142,740	04/18/2009 04/18/2015	—	119,925	201,825
05/23/2005	04/13/2006 45.20	340,800	168,000	04/12/2010 04/12/2016	—	133,200	207,600
05/23/2005	04/16/2007 44.69	346,200	172,800	04/17/2011 04/17/2017	—	84,000	262,200
05/29/2007	04/10/2008 28.38	357,000	174,000	04/10/2012 04/10/2016	—	31,800	325,200
TOTAL							**1,523,998**

Movements in the aggregate number of options under all of the plans in force were as follows:

(in € millions)	2010	2009	2008
Total at beginning of the period	1,594,223	1,435,183	1,258,303
adjustment related to the capital increase	0	256,093	
Options granted	0	0	297,500
Options exercised	0	0	
Options cancelled and expired	(70,225)	(97,053)	(120,620)
TOTAL AT THE END OF THE YEAR	**1,523,998**	**1,594,223**	**1,435,183**

In accordance with IFRS 2, the six plans issued since November 7, 2002 have been measured at fair value as of the grant date. The measurement was performed using the Black & Scholes option pricing model based on the following assumptions:

	11/28/2002 plan	04/14/2004 plan	04/19/2005 plan	04/13/2006 plan	04/16/2007 plan	04/10/2008 plan
Option exercise price (as of the grant date) in euros (*)	€35.65	€49.73	€54.45	€45.20	€44.69	€28.38
Share price as of the grant date in euros	€41.82	€58.45	€62.05	€53.15	€56.15	€33.10
Option vesting period	4 years	4 years	4 years	4 years	4 years	4 years
Expected share dividend	2%	2%	2%	1.5%	0.00%	0.00%
Zero coupon rate	3.57%	3.33%	2.93%	3.50%	4.41%	3.86%
Expected share price volatility	40%	40%	40%	30%	30%	30%

(*) Surplus provisions.

The fair value of the option is amortized over the vesting period, with a corresponding adjustment to equity. The related expense in 2010 totaled €2 million, compared with €3.4 million in 2009.

B) STOCK PURCHASE OPTIONS

From 1999 to 2001, Faurecia granted stock options to executives of Group companies and their over 50%-owned subsidiaries.

As of December 31, 2010, a total of 25,740 stock options were outstanding.

Details of the share grant plans as of December 31, 2010 are set out in the table below:

Date of Shareholders' Meeting	Date of Board Meetings / Adjusted € exercise price	Number of options awarded	including granted to senior executive management	Start of exercise period / Last exercise date	Options exercised	Options cancelled	Number of options outstanding as of Dec. 31, 2010
	04/26/2001			04/26/2005			
05/22/2000	46.59	50,895	—	04/25/2011	19,305	5,850	25,740
TOTAL							**25,740**

C) 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 in expenses for the period is €2.6 million.

Details of the share grant plans as of December 31, 2010 are set out in the table below:

		Maximum number of free shares that can be granted for		
Date of Shareholders' Meeting	Date of Board Meetings	reaching the objective	exceeding the objective	Performance conditions
	06/23/2010	662,000	860,600	2011 target for pretax income
02/08/2010	07/21/2010	682,500	887,250	2012 target for pretax income

22.3 Treasury stock

As of December 31, 2010, Faurecia held 270,814 shares of treasury stock, reflecting the following transactions:

- 200,000 shares contributed by ECTRA in 1999;
- 19,613 shares purchased in 2000 for €0.8 million;
- 96,361 shares purchased in 2001 for €4.2 million;
- 96,860 shares purchased in 2002 for €3.8 million;
- 32,745 shares purchased in 2004 for €1.0 million;
- 74,285 shares purchased in 2005 for €2.3 million;
- 30,000 shares purchased in 2005 for €1.8 million;
- 33,650 shares purchased in 2006 for €1.3 million;
- 31,340 shares purchased in 2007 for €1.0 million;

The cost of the shares held in treasury stock as of December 31, 2010 totaled €10.4 million, representing an average cost of €38.43 per share.

These shares are held to cover the exercise of stock options granted to Group company executives resolved upon by Board of Directors on April 26, 2001. The number of remaining exercisable stock options on December 31, 2010 covered 25,740 shares (see Note 22.2b).

NOTE 23 MINORITY INTERESTS

Changes in minority interests were as follows:

(in € millions)	2010	2009	2008
Balance as of January 1	45.8	40.6	44.3
Increase in minority shareholder interests	4.2	0.0	
Other changes in scope of consolidation	9.1	0.0	
Minority interests in net income for the year	30.7	16.3	5.5
Dividends paid to minority interests	(6.0)	(9.3)	(12.3)
Translation adjustments	3.9	(1.8)	3.1
BALANCE AS OF DECEMBER 31	**87.7**	**45.8**	**40.6**

NOTE 24 LONG AND SHORT TERM PROVISIONS

24.1 Long-term provisions

LONG-TERM PROVISIONS

(in € millions)	2010	2009	2008
Provisions for pension and other post-employment obligations			
Pension obligations	157.3	143.2	139.6
Long-service awards	20.9	19.2	19.5
Healthcare costs	33.1	26.3	27.5
	211.3	**188.7**	**186.6**
Provisions for early retirement costs	3.2	5.2	7.0
	214.5	**193.9**	**193.6**

CHANGES IN LONG-TERM PROVISIONS

(in €millions)	2010	2009	2008
Balance of provisions at beginning of year	**193.9**	**193.6**	**209.3**
Changes in scope of consolidation	25.8	0.0	0.0
Other movements	4.4	1.8	(0.8)
Funding (or reversals) of provisions	26.2	22.1	13.3
Expenses charged to the provision	(19.5)	(15.4)	(18.3)
Payments to external funds	(16.3)	(8.2)	(9.9)
BALANCE OF PROVISIONS AT END OF YEAR	**214.5**	**193.9**	**193.6**

24.2 Short-term provisions

SHORT-TERM PROVISIONS

(in €millions)	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Restructuring	169.2	157.8	200.4
Risks on contracts and customer warranties	123.5	56.7	48.9
Litigation	43.9	47.4	25.4
Other provisions	80.0	58.4	42.6
TOTAL PROVISIONS	**416.6**	**320.3**	**317.3**

Changes in these provisions in 2010 were as follows:

(in €millions)	Balance as of Dec. 31, 2009	Additions	Expenses charged	Reversals (*)	Change in scope of consolidation and other changes	Balance as of Dec. 31, 2010
Restructuring	157.8	132.1	(128.2)	(6.0)	13.5	169.2
Risks on contracts and customer warranties	56.7	29.9	(56.5)	0.0	93.4	123.5
Litigation	47.4	19.0	(26.4)	(3.0)	6.9	43.9
Other provisions	58.4	25.0	(19.9)	(0.5)	17.0	80.0
TOTAL	**320.3**	**206.0**	**(231.0)**	**(9.5)**	**130.8**	**416.6**

(*) 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.

Faurecia Systèmes d'Échappement, which has long-standing expertise in conventional impregnated ceramic-based filtration technology, is subject to a claim concerning electrostatic filtration that has been brought before the courts following its unsuccessful cooperation with a service provider. This case is continuing before the Paris District Court (Tribunal de Grande Instance) and the Paris Court of Appeal (Cour d'Appel). The Group considers that the residual risks and impact of these proceedings are not material. Provisions have also been funded for a claim concerning the repair of Blackpool (formerly Emcon) buildings at end of lease. The Group has also received a claim from Suzuki that is the subject of a request for arbitration. This claim is provisioned according to the below franchise level costs not covered by insurance.

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)	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Present value of projected obligations			
Pension benefit obligations	270.3	222.9	226.1
Long-service awards	20.9	19.2	19.5
Healthcare costs	48.4	36.5	34.8
TOTAL	**339.6**	**278.6**	**280.4**
Value of plan assets			
Provisions booked in the accounts	211.3	188.7	186.6
External funds (market value)	101.6	83.6	75.2
Plan surpluses (1)	(0.2)	0.0	0.0
Actuarial gains and losses	26.9	6.3	18.6
TOTAL	**339.6**	**278.6**	**280.4**

(1) Pension plan surpluses are included in "Other non-current assets".

25.2 Pension benefit obligations

A - DESCRIPTION OF THE PLANS

In addition to the pension benefits provided under local legislation in the various countries where Group companies are located, Group employees are entitled to supplementary pension benefits and retirement bonuses.

B - ASSUMPTIONS USED

The Group's obligations under these plans are determined on an actuarial basis, using the following assumptions:

- retirement age between 62 and 65 for employees in France;
- staff turnover assumptions based on the economic conditions specific to each country and/or Group company;
- mortality assumptions specific to each country;
- estimated future salary levels until retirement age, based on inflation assumptions and forecasts of individual salary increases for each country;
- the expected long-term return on external funds;
- discount and inflation rates (or differential) based on local conditions.

The main actuarial assumptions used in the past three years to measure the pension liability are as follows:

(In %)	Euro Zone	United Kingdom	United States
DISCOUNT RATE			
2010	4.15%	5.54%	5.35%
2009	5.00%	5.83%	5.75%
2008	5.50%	5.93%	6.70%
INFLATION RATE			
2010	2.00%	3.45%	1.50%
2009	2.00%	3.50%	2.70%
2008	2.00%	3.00%	0.09%
EXPECTED RETURN ON PLAN ASSETS			
2010	3.09%	6.85%	7.50%
2009	3.20%	7.76%	7.50%
2008	2.79%	7.35%	7,61%

C - INFORMATION ON EXTERNAL FUNDS

External funds are invested as follows:

(In %)	2010		2009		2008	
	Equities	**Bonds**	**Equities**	**Bonds**	**Equities**	**Bonds**
France	15%	85%	11%	89%	15%	85%
United Kingdom	62%	38%	69%	31%	67%	33%
United States	64%	36%	63%	37%	59%	41%

D - PROVISIONS FOR PENSION LIABILITIES RECOGNIZED ON THE BALANCE SHEET

(in € millions)	2010			2009			2008		
	France	**Abroad (*)**	**Total**	**France**	**Abroad**	**Total**	**France**	**Abroad**	**Total**
Balance of provisions at beginning of year	**77.0**	**66.2**	**143.2**	**71.0**	**68.6**	**139.6**	**78.9**	**76.4**	**155.3**
Effect of changes in scope of consolidation (provision net of plan surpluses)	0.2	17.4	17.6	0.0	0.0	0.0	0.0	0.0	0.0
Additions	7.7	8.7	16.4	9.8	5.9	15.7	2.4	3.9	6.3
Expenses charged to the provision	(1.7)	(7.2)	(8.9)	(1.7)	(3.1)	(4.8)	(4.4)	(4.2)	(8.6)
Payments to external funds	(6.5)	(6.7)	(13.2)	(2.1)	(6.1)	(8.2)	(5.9)	(3.9)	(9.8)
Other movements	0.0	2.0	2.0	0.0	0.9	0.9	0.0	(3.6)	(3.6)
BALANCE OF PROVISIONS AT END OF YEAR	**76.7**	**80.4**	**157.1**	**77.0**	**66.2**	**143.2**	**71.0**	**68.6**	**139.6**

(*) The provision for €80.4 million on Dec. 31, 2010 relates mainly to Germany (€70.4 million).

E - CHANGES IN PENSION LIABILITIES

(in € millions)	Dec. 31, 2010			Dec. 31, 2009			Dec. 31, 2008		
	France	**Abroad (*)**	**Total**	**France**	**Abroad**	**Total**	**France**	**Abroad**	**Total**
PROJECTED BENEFIT OBLIGATION									
At beginning of the period	**80.4**	**142.5**	**222.9**	**97.1**	**129.0**	**226.1**	**114.4**	**146.1**	**260.5**
Service cost	4.5	4.0	8.5	6.7	2.2	8.9	8.5	3.0	11.5
Annual restatement	4.2	8.5	12.7	5.7	7.5	13.2	6.4	7.7	14.1
Benefits paid	(5.2)	(11.3)	(16.5)	(8.4)	(6.4)	(14.8)	(13.9)	(7.3)	(21.2)
Restatement differences	5.2	10.9	16.1	(18.3)	8.6	(9.7)	(11.2)	(10.7)	(21.9)
Other movements (including translation adjustment)	0.2	27.0	27.2	0.0	1.6	1.6	0.0	(9.4)	(9.4)
Curtailments and settlements	(0.6)	0.0	(0.6)	(2.4)	0.0	(2.4)	(11.7)	(0.4)	(12.1)
Effect of closures and plan amendments						0.0	4.6		4.6
AT END OF THE PERIOD	**88.7**	**181.6**	**270.3**	**80.4**	**142.5**	**222.9**	**97.1**	**129.0**	**226.1**
VALUE OF PLAN ASSETS									
At beginning of the period	**12.6**	**71.0**	**83.6**	**17.1**	**58.1**	**75.2**	**20.2**	**81.0**	**101.2**
Expected return on plan assets	0.3	5.1	5.4	0.6	3.9	4.5	0.6	5.5	6.1
Restatement differences	0.0	0.8	0.8	(0.6)	4.9	4.3	(0.1)	(21.9)	(22.0)
Other movements (including translation adjustment)	0.0	6.1	6.1	0.0	1.3	1.3	0.0	(7.0)	(7.0)
Employer contributions	6.5	6.7	13.2	2.1	6.1	8.2	5.9	4.0	9.9
Benefits paid	(3.5)	(4.1)	(7.6)	(6.6)	(3.3)	(9.9)	(9.5)	(3.0)	(12.5)
Curtailments and settlements	0.0	0.0	0.0					(0.5)	(0.5)
Effect of closures and plan amendments									0.0
AT END OF THE PERIOD	**15.9**	**85.6**	**101.5**	**12.6**	**71.0**	**83.6**	**17.1**	**58.1**	**75.2**
DEFERRED ITEMS									
At beginning of the period	**(9.2)**	**5.3**	**(3.9)**	**9.0**	**2.3**	**11.3**	**15.2**	**(11.3)**	**3.9**
New deferred items	5.2	10.1	15.3	(17.8)	3.6	(14.2)	(11.1)	11.2	0.1
Amortization of deferred items	(0.4)	(1.4)	(1.8)	(0.2)	(0.1)	(0.3)	(0.6)	1.3	0.7
Other movements (including translation adjustment)	0.0	1.5	1.5		(0.5)	(0.5)		1.1	1.1
Curtailments and settlements	0.5	0.1	0.6	(0.2)		(0.2)	0.9		0.9
Effect of closures and plan amendments							4.6		4.6
AT END OF THE PERIOD	**(3.9)**	**15.6**	**11.7**	**(9.2)**	**5.3**	**(3.9)**	**9.0**	**2.3**	**11.3**
BALANCE OF PROVISIONS AT END OF YEAR	**76.7**	**80.4**	**157.1**	**77.0**	**66.2**	**143.2**	**71.0**	**68.6**	**139.6**

F - PERIODIC PENSION COST

Periodic pension cost is recognized:

- in operating income for the portion relating to service cost and amortization of deferred items;
- in "Other financial income and expense" for restatement of vested rights and the expected return on external funds.

Periodic pension cost break down as follows:

(in € millions)	2010			2009			2008		
	France	Abroad	Total	France	Abroad	Total	France	Abroad	Total
Service cost	(4.5)	(4.0)	(8.5)	(6.7)	(2.2)	(8.9)	(8.5)	(3.0)	(11.5)
Restatement of projected benefits	(4.2)	(8.5)	(12.7)	(5.7)	(7.5)	(13.2)	(6.4)	(7.7)	(14.1)
Change in top-up scheme									
Expected return on plan assets	0.3	5.1	5.4	0.6	3.9	4.5	0.6	5.5	6.1
Curtailments and settlements	1.1	0.1	1.2	2.2	0.0	2.2	12.5	0.0	12.5
Amortization of deferred differences	(0.4)	(1.4)	(1.8)	(0.2)	(0.1)	(0.3)	(0.6)	1.3	0.7
Other changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	(7.7)	(8.7)	(16.4)	(9.8)	(5.9)	(15.7)	(2.4)	(3.9)	(6.3)

a) The supplementary pension scheme for all managerial employees in France comprises:

- a defined contribution plan financed entirely by Faurecia whose contribution rate varies depending on salary tranches A or B applies;
- a defined benefit plan relating to salary tranche C.

b) In France, as from January 1, 2011, that is, when calculating its pension liability as of December 31, 2010, the Group used only voluntary retirement assumptions beginning at 62 years of age for non-management employees and at 65 years of age for management.

c) In France, pension liability increased by €8.1 million at year-end compared to 2009. This increase breaks down as follows:

- + €8.7 million relating to service cost and interest cost for 2010;
- - €5.2 million relating to lump-sum retirement bonuses and rights to capital for supplementary pension schemes;
- - €0.6 million relating to headcount reduction plans in 2010;
- + €9.1 million relating to increased lump-sum retirement bonuses according to the rates in the metallurgical collective labor agreement;
- - €3.9 million resulting from actuarial gains and losses, including a €6.8 million increase relating to the discount rate, a €10.0 million decrease relating to experience and a €0.8 million decrease for other assumptions.

G - RETIREMENT PENSION LIABILITIES IN FRANCE: SENSITIVITY TO CHANGES IN THE DISCOUNT RATE

The impact of a 0.25 percentage point increase in the discount rate for:

- total service cost for the period would be a 3.34% decrease;
- the projected benefit obligation would be a 2.71% decrease.

25.3 Long-service awards

The Group evaluates its liability for the payment of long-service awards, given to employees based on certain seniority requirements. The Group calculates its liability for the payment of long-service awards using the same method and assumptions as for its pension liability. Provisions for long-service awards have been set uside as follows:

(in € millions)	As of Dec. 31, 2010	As Dec. 31, 2009	As Dec. 31, 2008
French companies	6.9	8.5	9.0
Foreign companies	14.0	10.7	10.5
TOTAL	**20.9**	**19.2**	**19.5**

25.4 Healthcare costs

In addition to pension plans, some Group companies—mainly in the United States—cover the healthcare costs of their employees.

The related liability can be analyzed as follows:

(in € millions)	As of Dec. 31, 2010	As Dec. 31, 2009	As Dec. 31, 2008
Foreign companies	33.1	26.3	27.5
TOTAL	**33.1**	**26.3**	**27.5**

The impact of a one percentage point increase in medical cost trend rates would be:

- a 10.00 % rise in total service cost for the period and financial expenses;
- a 9.00% rise in the projected benefit obligation.

The impact of a one percentage point decrease in medical cost trend rates would be:

- 1) a 8.00% rise in total service cost for the period and financial expenses;
- 2) a 9.00% rise in the projected benefit obligation.

Expenses recognized in connection with this liability break down as follows:

EXPENSES RECOGNIZED

(in € millions)	As of Dec. 31, 2010	As Dec. 31, 2009	As Dec. 31, 2008
Service cost	(3.1)	(2.5)	(3.1)
Interest cost (*)	(2.4)	(1.9)	(1.7)
Curtailment	0.0	(0.3)	0.4
Amortization of deferred differences	(1.0)	0.3	(0.7)
TOTAL	**(6.5)**	**(4.4)**	**(5.1)**

(*) Interest cost is recorded under "Other financial income and expense".

NOTE 26 NET DEBT

26.1 Detailed breakdown

(in € millions)	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Bonds	191.8	183.7	300.0
Bank borrowings	726.1	869.1	956.4
PSA loan	142.0	128.0	194.0
Other borrowings	5.7	6.3	8.5
Obligations under finance leases	37.0	29.4	17.0
Non-current derivatives	12.3	15.7	15.8
SUBTOTAL—NON-CURRENT FINANCIAL LIABILITIES	**1,114.9**	**1,232.2**	**1,491.7**
Current portion of long-term debt	78.7	36.2	31.4
Short-term borrowings (1)	608.0	486.6	509.9
Payments issued (2) (a)	0.4		0.0
Current derivatives	0.6	5.4	4.9
SUBTOTAL—CURRENT FINANCIAL LIABILITIES	**687.7**	**528.2**	**546.2**
TOTAL	**1,802.6**	**1,760.4**	**2,037.9**
Derivatives classified under non-current and current assets	0.0	(1.4)	(7.4)
Cash and cash equivalents (b)	(605.8)	(357.8)	(425.7)
NET DEBT	**1,196.8**	**1,401.2**	**1,604.8**
Net cash and cash equivalents (b) - (a)	**605.4**	**357.8**	**425.7**
	162.7	128.0	112.5

(1) Including bank accounts

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

26.2 Maturities of long-tem debt

(in € millions)	2012	2013	2014	2015	2016 and beyond	Total
Oceane bond issue	0.0	0.0	0.0	191.8	0.0	191.8
Bank borrowings	24.9	667.6	4.5	2.6	26.5	726.1
PSA loan	0.0	142.0	0.0	0.0	0.0	142.0
Other borrowings	1.2	2.3	1.4	0.8	0.0	5.7
Obligations under finance leases	26.5	4.6	1.7	1.4	2.8	37.0
TOTAL AS OF DEC. 31, 2010	**52.6**	**816.5**	**7.6**	**196.6**	**29.3**	**1,102.6**

26.3 OCEANE bond, Eurobond and syndicated credit facility

Since November 28, 2008, Faurecia has had access to an €1.42 billion credit facility.

This facility comprises a syndicated bank loan of €1.17 billion and a €250 million loan from Faurecia's majority shareholder, PSA Peugeot Citroën. The two loans are correlated so that the drawdowns made by Faurecia on the PSA Peugeot Citroën loan are proportionate to those made on the syndicated bank loan, based on the same rates and periods.

The overall facility is divided into an €20 million tranche expiring in November 2011, an €690 million expiring in November 2013 following the exercise by the banks and PSA of an option to extend the expiration, and an €710 million expiring in November 2013.

As of December 31, 2010 the undrawn portion of this credit facility was 613 million euros.

The contracts relating to this credit facility include covenants, notably a change of control clause relating to PSA and provisions concerning compliance with consolidated financial ratios. As of Dec. 31, 2010, the Group complied with all of these ratios, of which the amounts are presented below:

- a net debt ceiling of €1.8 billion was set for December 31, 2010;
- the other financial ratios with which the Group is required to comply are as follows:

	Adjusted net debt (*)/EBITDA (**) Ceiling	EBITDA (**)/net interest Floor
December 31, 2010	4 : 1	4.25 : 1
June 30, 2011 and subsequent six-month periods	3.5 : 1	4.50 : 1

(*) *Adjusted net debt = consolidated net debt + adjustments for certain obligations undertaken, based on definitions provided in the credit facility agreement (e.g. mortgages or collateralized liabilities).*

(**) 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, any asset disposal representing over 15% of the Group's total consolidated assets requires the prior approval of banks representing two-thirds of the syndicate.

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.

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 a change of control clause relating to PSA.

In conformity with IAS 39, the fair value of OCEANE is calculated based on two components, a liability component, calculated based on prevailing market interest rates for similar bonds with no conversion option, and a conversion option component, calculated based on the difference between the fair value of the OCEANE (bonds) and the liability component. Upon issue these two components were €184.3 million and €23.3 million, respectively. As of December 31, 2010 the liability component was €189.2 million, before hedging.

On October 5, 2005 Faurecia carried out an €300 million bond issue due in October 2010. As the bond covenants were breached as of June 30, 2009, the bondholders were entitled to require their early redemption. Out of the intial amount issued, €291.5 million worth of the bonds were redemmed on August 14, 2009, the balance was covered on the expiry date on October 5, 2010. The early redemption in August 2009 was partially financed by an €205 million credit facility extended by a pool of French

banks. The credit facility, which was to expire at end-January 2011, was subject to the same financial ratio covenants as the syndicated credit facility, and it was prepaid in full on August 17, 2010.

The Group's global contractual maturity schedule as of December 31, 2010 breaks down as follows:

	Carrying Amount		**Remaining contractual maturities**					
(in € millions)	**Assets**	**Liabilities**	**Total**	**0-3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**> 5 years**
Other non-current financial assets	27.8		27.8				27.8	
Loans and receivables	14.5		14.5				14.5	
Other current financial assets	0.0		0.0					
Trade accounts receivables	1,387.7		1,387.7	1,384.5	2.0	1.2		
Cash and cash equivalents	605.8		605.8	605.8				
Interest on other long-term borrowings								
Syndicated credit facility		*(0.2)*	*(34.1)*	*(3.0)*	*(3.0)*	*(6.0)*	*(22.1)*	
PSA loan		*(0.1)*	*(7.4)*	*(0.6)*	*(0.6)*	*(1.2)*	*(5.0)*	
2009 OCEANE		*(10.4)*	*(48.6)*	*(10.4)*	*0.0*		*(38.2)*	
Other		*(1.9)*	*(2.4)*	*(0.8)*	*(0.8)*	*(0.8)*		
Obligations under finance leases (ST portion)		(14.1)	(14.1)	(11.9)	(0.8)	(1.4)		
Other current financial liabilities		(640.6)	(640.6)	(632.7)	(7.0)	(0.9)		
Trade accounts payable		(2,419.9)	(2,419.9)	(2,387.6)	(18.0)	(14.3)		
Bonds (excluding interest)								
2009 OCEANE		*(191.8)*	*(211.3)*				*(211.3)*	*0.0*
Bank borrowings								
Syndicated credit facility		*(665.0)*	*(665.0)*			*(20.0)*	*(645.0)*	
Other		*(81.1)*	*(81.1)*				*(54.7)*	*(26.4)*
PSA loan		(142.0)	(142.0)	0.0	0.0	0.0	(142.0)	0.0
Other borrowings		(5.7)	(5.7)				(5.7)	
Obligations under finance leases (LT portion)		(37.0)	(37.0)				(34.2)	(2.8)
Interest rate derivatives	**0.0**	**(12.8)**	**(14.2)**	**(2.6)**	**(2.3)**	**(4.4)**	**(4.9)**	**0.0**
—o/w cash flow hedges	0.0	(8.4)	(9.6)	(1.6)	(1.5)	(3.0)	(3.5)	
—o/w derivatives not qualifying for hedge accounting under IFRS	0.0	(4.4)	(4.6)	(1.0)	(0.8)	(1.4)	(1.4)	
Currency hedges	**0.0**	**(1.9)**	**(1.9)**	**(0.9)**	**(0.9)**	**(0.1)**	**0.0**	**0.0**
—o/w fair value hedges		(0.2)	(0.2)	(0.2)				
—o/w cash flow hedges		(1.7)	(1.7)	(0.7)	(0.9)	(0.1)		
TOTAL	**2,035.8**	**(4,224.5)**	**(2,289.5)**	**(1,060.2)**	**(31.4)**	**(47.9)**	**(1,120.8)**	**(29.2)**

26.4 Securitization and factoring programs

Part of Faurecia's financing requirements are met through receivables sale programs (see Note 18).

In December 2010, financing under these programs—corresponding to the cash received as consideration for the receivables sold—totaled €524.5 million, versus €440.8 million as of December 31, 2009.

(in € millions)	**Dec. 31, 2010**	**Dec. 31, 2009**	**Dec. 31, 2008**
Financing	566.8	481.5	626.6
Guarantee reserve deducted from borrowings	(42.3)	(40.7)	(22.1)
Cash received as consideration for receivables sold	524.5	440.8	604.5
Receivables sold and derecognized	(377.9)	(290.7)	(388.5)

26.5 Analysis of borrowings

As of December 31, 2010, the floating rate portion was 80.1% 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)	**Dec. 31, 2010**	
Variable rate borrowings	1,443.5	80.1%
Fixed rate borrowings	359.1	19.9%
TOTAL	**1,802.6**	**100.0%**

Borrowings, taking into account exchange rate swaps, break down by repayment currency as follows:

(in € millions)	Dec. 31, 2010		Dec. 31, 2009		Dec. 31, 2008	
Euros	1,472.7	81.7%	1,233.2	72.9%	1,533.6	75.5%
US Dollar	279.6	15.5%	242.6	14.3%	239.2	11.8%
Other currencies	50.3	2.8%	215.8	12.8%	257.6	12.7%
TOTAL	**1,802.6**		**1,691.6**		**2,030.5**	

In 2010, the weighted average interest rate on outstanding borrowings was 4.54%.

NOTE 27 ACCRUED TAXES AND PAYROLL COSTS

(in € millions)	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Accrued payroll costs	226.2	181.7	174.5
Payroll taxes	121.9	106.2	111.7
Employee profit-sharing	2.4	1.2	2.4
Other accrued taxes and payroll costs	102.3	82.6	77.5
TOTAL	**452.8**	**371.7**	**366.1**

NOTE 28 SUNDRY PAYABLES

(in € millions)	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Due to suppliers of non-current assets	54.0	19.2	44.0
Prepaid income	47.4	47.2	54.1
Current taxes	32.0	27.1	32.9
Other	22.3	29.7	44.3
Currency derivatives for operations	1.8	0.0	40.0
TOTAL	**157.5**	**123.2**	**215.3**

NOTE 29 FINANCIAL INSTRUMENTS

29.1 Financial instruments recorded in the balance sheet

FINANCIAL INSTRUMENTS RECORDED IN THE BALANCE SHEET

	Dec. 31, 2010		Breakdown by category of instrument (1)				
(in € millions)	Carrying amount	Fair value	Financial assets/liabilities at fair value through profit or loss (2)	Financial assets/liabilities at fair value through equity (2)	Available-for-sale assets	Loans and receivables	Financial liabilities measured at amortized cost
Other equity interests	15.3	15.3			15.3		
Other non-current financial assets	27.8	27.8				27.8	
Trade accounts receivables	1,387.7	1,387.7				1,387.7	
Other operating receivables	223.3	223.3				223.3	
Other receivables and prepaid expenses	100.7	100.7				100.7	
Currency derivatives	0.0	0.0				0.0	
Interest rate derivatives	0.0	0.0		0.0			
Cash and cash equivalents	605.8	605.8	605.8				
FINANCIAL ASSETS	**2,360.6**	**2,360.6**	**605.8**	**0.0**	**15.3**	**1,739.5**	**0.0**
Long-term debt (*)	1,102.5	1,102.5					1,102.5
Short-term debt	687.1	687.1					687.1
Prepayments from customers	87.8	87.8				87.8	
Trade payables	2,419.9	2,419.9				2,419.9	
Accrued taxes and payroll costs	452.8	452.8				452.8	
Sundry payables	155.7	155.7				155.7	
Currency derivatives	1.9	1.9		1.3			0.6
Interest rate derivatives	12.8	12.8	3.3	9.5			
FINANCIAL LIABILITIES	**4,920.5**	**4,920.5**	**3.3**	**10.8**	**0.0**	**3,116.2**	**1,790.2**

(1) No financial instruments were transferred between categories in 2010 or 2009.

(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, 2010) of 24.2 euros, at 273.6 million euros.

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, as a registered component of Shareholder's equity that represents the value of the conversion option.

FINANCIAL INSTRUMENTS RECORDED IN THE BALANCE SHEET

	Dec. 31, 2009		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 liabilities measured at amortized cost**
Other equity interests	11.2	11.2			11.2		
Other non-current financial assets	23.3	23.3				23.3	
Trade accounts receivables	1,025.9	1,025.9				1,025.9	
Other operating receivables	171.0	171.0				171.0	
Other receivables and prepaid expenses	79.9	79.9				79.9	
Currency derivatives	1.7	1.7	1.2	0.5		0.0	
Interest rate derivatives	0.2	0.2	0.2	0.0			
Cash and cash equivalents	357.8	357.8	357.8				
FINANCIAL ASSETS	**1,671.0**	**1,671.0**	**359.2**	**0.5**	**11.2**	**1,300.1**	**0.0**
Long-term debt [(*)]	1,216.5	1,216.5					1,216.5
Short-term debt	528.7	528.7					528.7
Prepayments from customers	80.8	80.8				80.8	
Trade payables	1,730.6	1,730.6				1730.6	
Accrued taxes and payroll costs	371.7	371.7				371.7	
Sundry payables	123.2	123.2				123.2	
Currency derivatives	0.0	0.0				0.0	0.0
Interest rate derivatives	17.7	17.7	7.6	10.1			
FINANCIAL LIABILITIES	**4,069.2**	**4,069.2**	**7.6**	**10.1**	**0.0**	**2,306.3**	**1,745.2**

(1) No financial instruments were transferred between categories in 2010 or 2009.

(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 (12.31.09) of 18.95 euros, at 214.25 million euros. 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, as a registered component of Shareholder's equity that represents the value of the conversion option.

FINANCIAL INSTRUMENTS RECORDED IN THE BALANCE SHEET

	Dec. 31, 2008		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 liabilities measured at amortized cost**
Other equity interests	1.6	1.6			1.6		
Other non-current financial assets	25.1	25.1				25.1	
Trade accounts receivables	954.0	954.0				954.0	
Other operating receivables	197.3	197.3				197.3	
Other receivables and prepaid expenses	79.8	79.8				79.8	
Currency derivatives	4.8	4.8	4.8				
Interest rate derivatives	2.6	2.6	2.6				
Cash and cash equivalents	425.7	425.7	425.7				
FINANCIAL ASSETS	**1,690.9**	**1,690.9**	**433.1**	**0.0**	**1.6**	**1,256.2**	**0.0**
Long-term debt	1,475.9	1,475.9					1,475.9
Short-term debt	541.2	541.2					541.2
Prepayments from customers	118.8	118.8				118.8	
Trade payables	1,695.2	1,695.2				1,695.2	
Accrued taxes and payroll costs	366.1	366.1				366.1	
Sundry payables	175.3	175.3				175.3	
Currency derivatives	40.0	40.0	37.7	2.3			
Interest rate derivatives	20.7	20.7	9.2	11.5			
FINANCIAL LIABILITIES	**4,433.2**	**4,433.2**	**46.9**	**13.8**	**0.0**	**2,355.4**	**2,017.1**

(1) No financial instruments were transferred between categories in 2010 or 2009.

(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 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:

	2010	Breakdown by category of instrument				
(in € millions)	Impact Income	Fair value through income	Financial assets available for sale	Loans and receivables	Payables at cost amortized	Instruments derivatives
Translation differences on commercial transactions	0.3			(0.1)		0.4
Income on loans, cash investments and marketable securities	8.1	8.1				
Finance costs	(98.7)				(98.7)	
Other financial income and expenses	(25.6)			(28.9)		3.3
Net income (expense)	**(115.9)**	**8.1**	**0.0**	**(29.0)**	**(98.7)**	**3.7**

	2009	Breakdown by category of instrument				
(in € millions)	Impact Income	Fair value through income	Financial assets available for sale	Loans and receivables	Payables at cost amortized	Instruments derivatives
Translation differences on commercial transactions	0.1			2.4		(2.3)
Income on loans, cash investments and marketable securities	12.3	12.3				
Finance costs	(135.3)				(135.3)	
Other financial income and expenses	(10.2)			0.4		(10.6)
Net income (expense)	**(133.1)**	**12.3**	**0.0**	**2.8**	**(135.3)**	**(12.9)**

	2008	Breakdown by category of instrument				
(in € millions)	Impact Income	Fair value through income	Financial assets available for sale	Loans and receivables	Payables at cost amortized	Instruments derivatives
Translation differences on commercial transactions						
Income on loans, cash investments and marketable securities	34.0	34.0				
Finance costs	(130.3)				(130.3)	
Other financial income and expenses	(63.3)			(3.5)		(59.8)
Net income (expense)	**(159.6)**	**34.0**	**0.0**	**(3.5)**	**(130.3)**	**(59.8)**

As of December 31, 2010, movements in provisions for impairment break down as follows by category of financial asset:

(in € millions)	Balance as of Dec. 31, 2009	Additions	Utilizations	Reversals (surplus provisions)	Change in scope of consolidation and other changes	Balance as of Dec. 31, 10
Doubtful accounts	(21.1)	(7.7)	11.5	0.0	(4.6)	(21.9)
Shares in non-consolidated companies	(2.6)	0.0	0.0	0.0	0.0	(2.6)
Non-current financial assets	(6.2)	(1.6)	0.6	0.0	(0.8)	(8.0)
Other receivables	(1.2)	0.0	0.2	0.0	(0.5)	(1.5)
TOTAL	**(31.1)**	**(9.3)**	**12.3**	**0.0**	**(5.9)**	**(34.0)**

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 based on observable market data) for currency and interest rate instruments.

NOTE 30 HEDGING OF CURRENCY AND INTEREST RATE RISKS

30.1 Hedging of currency risks

Currency risks relating to the commercial transactions of the Group's subsidiaries are managed centrally by Faurecia using forward purchase and sale contracts and options as well as foreign currency financing. Faurecia manages the hedging of interest rate risks on a central basis, through the Group Finance and Treasury Department, which reports to Group General Management. Hedging decisions are made by a Market Risk Management Committee that meets on a monthly basis.

Currency risks on forecast transactions are hedged on the basis of estimated cash flows determined in forecasts validated by General Management; these forecasts are updated on a regular basis. The related derivatives are classified as cash flow hedges when there is a hedging relationship that satisfies the IAS 39 criteria.

Subsidiaries outside the euro zone 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, 2010

Currency exposure *(in € millions)*	USD	CZK	CAD	MXN	GBP	PLN	ZAR
Trade receivables (net of payables)	0.0	0.0	0.0	16.2	1.4	(10.3)	18.3
Financial assets (net of liabilities) (*)	279.6	1.0	35.2	17.5	(39.8)	0.0	36.3
Forecast transactions (**)	28.1	(39.0)	(8.2)	(25.5)	(9.6)	(72.1)	(42.6)
Net position before hedging	**307.7**	**(38.0)**	**27.0**	**8.2**	**(48.0)**	**(82.4)**	**12.0**
Currency hedges	(311.9)	27.0	(24.4)	(40.4)	42.0	66.3	(39.1)
Net position after hedging	(4.2)	(11.0)	2.6	(32.2)	(6.0)	(16.1)	(27.1)

(*) Including inter-company financing.
(**) Commercial exposure anticipated over the next 6 months.

As of December 31, 2009

Currency exposure *(in € millions)*	USD	CZK	CAD	MXN	GBP	PLN	ZAR
Trade receivables (net of payables)	13.4	(3.4)	(8.4)	(2.3)	5.4	(4.1)	(3.2)
Financial assets (net of liabilities) (*)	242.6	89.0	22.2	17.2	58.1	0.0	14.8
Forecast transactions (**)	6.9	(14.6)	(11.6)	(14.9)	(23.7)	(63.9)	3.6
Net position before hedging	**262.9**	**71.0**	**2.2**	**0.0**	**39.8**	**(68.0)**	**15.2**
Currency hedges	(256.1)	(78.4)	(11.9)	5.4	(43.3)	45.7	(15.7)
Net position after hedging	6.8	(7.4)	(9.7)	5.4	(3.5)	(22.3)	(0.5)

(*) Including inter-company financing.
(**) Commercial exposure anticipated over the next 6 months.

As of December 31, 2008

Currency exposure *(in € millions)*	USD	CZK	CAD	MXN	GBP	PLN	ZAR
Trade receivables (net of payables)	(9.1)	(7.5)	0.2	(4.2)	5.8	(28.2)	(1.8)
Financial assets (net of liabilities) (*)	233.1	28.1	46.5	14.7	43.9	112.1	0.0
Forecast transactions	51.5	(86.0)	(39.5)	(15.5)	(3.0)	(145.0)	0.0
Net position before hedging	**275.5**	**(65.4)**	**7.2**	**(5.0)**	**46.7**	**(61.1)**	**(1.8)**
Currency hedges (**)	(278.4)	37.7	32.3	15.5	(40.9)	(1.4)	1.8
Net position after hedging	(2.9)	(27.7)	39.5	10.5	5.8	(62.5)	0.0

(*) Including inter-company financing.
(**) Including tunnels.

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

As of December 31, 2010 *(in € millions)*	Carrying amount Assets	 Liabilities	 Notional amount (*)	Maturities < 1 years	 1 to 5 years	 > 5 years
Fair value hedges						
—forward currency contracts	0.0	(0.1)	3.0	3.0	0.0	0.0
—inter-company loans in foreign currencies swapped for euros	3.7	(3.7)	727.8	727.8	0.0	0.0
Cash flow hedges						
—forward currency contracts	1.0	(2.7)	217.2	217.2	0.0	0.0
Not eligible for hedge accounting	0.1	0.0	8.9	8.9		
	4.8	**(6.5)**				

(*) Notional amounts based on absolute values.

As of December 31, 2009 *(in € millions)*	Carrying amount Assets	 Liabilities	 Notional amount (*)	Maturities < 1 years	 1 to 5 years	 > 5 years
Fair value hedges						
—forward currency contracts	0.1	(0.1)	4.0	4.0	0.0	
—currency options	0.0	0.0	0.0	0.0	0.0	
—inter-company loans in foreign currencies swapped for euros	2.2	(1.0)	523.7	523.7	0.0	
Cash flow hedges						
—forward currency contracts	1.1	(0.6)	114.2	114.2	0.0	
—currency options	0.0	0.0	0.0	0.0	0.0	
Not eligible for hedge accounting	0.0	0.0	0.0	0.0	0.0	
	3.5	**(1.7)**				

(*) Notional amounts based on absolute values.

As of December 31, 2008 *(in € millions)*	Carrying amount Assets	 Liabilities	 Notional amount (*)	Maturities < 1 years	 1 to 5 years	 > 5 years
Fair value hedges						
—forward currency contracts		(1.7)	37.6	37.6		
—currency options						
—inter-company loans in foreign currencies swapped for euros	4.8		421.0	421.0		
Cash flow hedges						
—forward currency contracts						
—currency options		(2.5)	280.0	280.0		
Not eligible for hedge accounting		44.2	50.0	50.0		
	4.8	**40.0**				
of which currency hedges for operations		40.0				
of which currency hedges for operations	4.8					

(*) Notional amounts based on absolute values.

The sensitivity of Group income and equity as of December 31, 2010 to a fluctuation in exchange rates against the euro is as follows for the main currencies to which the Group is exposed:

Currency *(in € millions)*	USD	CZK	CAD	MXN	GBP	PLN	ZAR
as of Dec. 31,2010	1.34	25.06	1.33	16.55	0.86	3.98	8.86
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	**1.40**	**26.31**	**1.40**	**17.37**	**0.90**	**4.17**	**9.31**
Impact on pre-tax income	(0.21)	(0.09)	(1.80)	(0.85)	0.02	0.51	(0.88)
Impact on equity	1.07	(1.24)	0.01	0.16	(0.10)	(3.12)	0.0

These impacts reflect (i) the effect on the income statement of currency fluctuations on the year-end valuation of assets and liabilities recognized on the balance sheet, net of the impact of the change in the intrinsic value of hedging instruments (both those qualifying and not qualifying as fair value hedges) and (ii) the effect on equity of the change in the intrinsic value of hedging instruments for derivatives qualifying as cash flow hedges.

30.2 Interest-rate hedges

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

The table below shows the Group's interest rate position, with assets, liabilities and derivatives broken down into fixed or variable rates. Financial assets include cash and cash equivalents and interest rate hedges include interest rate swaps as well as in-the-money options.

	Under 1 year		**1 to 2 years**		**2 to 5 years**		**More than 5 years**		**Total**	
Dec. 31, 2010 *(in €millions)*	**Fixed Rate**	**Variable Rate**	**Fixed Rate**	**Variable Rate**	**Fixed Rate**	**Variable Rate**	**Fixed Rate**	**Variable Rate**	**Fixed Rate**	**Variable Rate**
Financial assets	0.0	606.0							0.0	606.0
Financial liabilities	0.0	(656.6)	(169.0)	(787.1)	(190.1)	0.0	0.0	0.0	(359.1)	(1,443.7)
Net position before hedging	**0.0**	**(50.6)**	**(169.0)**	**(787.1)**	**(190.1)**	**0.0**	**0.0**	**0.0**	**(359.1)**	**(837.7)**
Interest rate hedges	(157.2)	157.2	(278.5)	278.5	0.0	0.0	0.0	0.0	(435.7)	435.7
Net position after hedging	**(157.2)**	**106.6**	**(447.5)**	**(508.6)**	**(190.1)**	**0.0**	**0.0**	**0.0**	**(794.8)**	**(402.0)**

	Under 1 year		**1 to 2 years**		**2 to 5 years**		**More than 5 years**		**Total**	
Dec. 31, 2009 *(in €millions)*	**Fixed Rate**	**Variable Rate**	**Fixed Rate**	**Variable Rate**	**Fixed Rate**	**Variable Rate**	**Fixed Rate**	**Variable Rate**	**Fixed Rate**	**Variable Rate**
Financial assets		286.0							0.0	286.0
Financial liabilities	(8.5)	(428.7)	(129.7)	(624.0)	(184.7)	(311.0)	0.0	0.0	(322.9)	(1,363.7)
Net position before hedging	**(8.5)**	**(142.7)**	**(129.7)**	**(624.0)**	**(184.7)**	**(311.0)**	**0.0**	**0.0**	**(322.9)**	**(1,077.7)**
Interest rate hedges	(34.7)	34.7	(297.8)	297.8	67.5	(67.5)	0.0	0.0	(265.0)	265.0
Net position after hedging	**(43.2)**	**(108.0)**	**(427.6)**	**(326.2)**	**(117.2)**	**(378.5)**	**0.0**	**0.0**	**(587.9)**	**(812.7)**

	Under 1 year		**1 to 2 years**		**2 to 5 years**		**More than 5 years**		**Total**	
Dec. 31, 2008 *(in €millions)*	**Fixed Rate**	**Variable Rate**	**Fixed Rate**	**Variable Rate**	**Fixed Rate**	**Variable Rate**	**Fixed Rate**	**Variable Rate**	**Fixed Rate**	**Variable Rate**
Financial assets		321.3							0.0	321.3
Financial liabilities	0.0	(426.0)	(401.0)	(585.0)	0.0	(515.0)	0.0	0.0	(401.0)	(1,526.0)
Net position before hedging	**0.0**	**(104.7)**	**(401.0)**	**(585.0)**	**0.0**	**(515.0)**	**0.0**	**0.0**	**(401.0)**	**(1,204.7)**
Interest rate hedges	0.0	0.0	(186.8)	186.8	(87.6)	87.6	0.0	0.0	(274.4)	274.4
Net position after hedging	**0.0**	**(104.7)**	**(587.8)**	**(398.2)**	**(87.6)**	**(427.4)**	**0.0**	**0.0**	**(675.4)**	**(930.3)**

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 arranged comprise euro- and dollar-denominated interest rate swaps, caps and other option-based structures. These hedges cover some of the borrowings due in 2011, 2012 and to a lesser extent in 2013, against a significant rise in rates.

Since 2008, certain of the Group's derivatives have qualified for hedge accounting under IAS39. The other derivatives purchased by the Group constitute economic hedges of interest rate risks on borrowings but do not qualify for hedge accounting under IAS39. As a result, changes in the fair value of these instruments are recognized directly in income under "Other financial income and expense".

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 Dec. 31, 2010	**Assets**	**Liabilities**	**< 1 years**	**1 to 5 years**	**> 5 years**
Interest rate options	0.0		1,600	150	—
Variable-rate rate/fixed rate swaps		(12.3)	157	279	—
Floor			0	0	—
—Accrued premiums payable		(0.5)			
	0.0	(12.8)	1,757	429	—

(in €millions)	**Carrying amount**		**Notional amounts by maturity**		
As of Dec. 31, 2009	**Assets**	**Liabilities**	**< 1 years**	**1 to 5 years**	**> 5 years**
Interest rate options	0.2		1,600	150	—
Variable-rate rate/fixed rate swaps		(17.7)	570	843	—
Floor	0.0				—
—Accrued premiums payable		(3.5)			
	0.2	(21.2)	2,170	993	—

As of Dec. 31, 2008 (in €millions)	Carrying amount		Notional amounts by maturity		
	Assets	Liabilities	< 1 years	1 to 5 years	> 5 years
Interest rate options	1.4		1,915	1,750	—
Variable-rate rate/fixed rate swaps		(14.3)	301	865	—
Floor	1.2	0.0	36		—
—Accrued premiums payable		(6.4)			
	2.6	(20.7)	2,252	2,615	—

In view of the short-term rates in 2010, despite a moderate increase in the second half of the year, a number of the Group's option-based interest rate hedges are out of the money. A rise in short-term rates would therefore have an impact on financial expense.

In addition, a fluctuation in interest rates would affect "Other financial income and expense" due to the resulting change in the fair value of derivatives arranged to hedge interest due in from 2011 to 2013.

The sensitivity tests performed, assuming a 100 bp increase or decrease in average interest rates compared to the rate curve as of December 13, 2010 show that the positive or negative effect on financial expense can be estimated at €10 million, taking into account the profile of the Group's borrowings and derivatives in place as of Dec. 31, 2010.

Counterparty risk in connection to its derivatives:

Faurecia's counterparty risk connection with its derivatives is not significant as the majority of its derivatives are arranged with banks with strong ratings that form part of its banking pool.

NOTE 31 COMMITMENTS GIVEN AND CONTINGENT LIABILITIES

31.1 Commitments given

(in €millions)	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Future minimum lease payments under operating leases	232.6	104.6	109.7
Debt collateral:			
—mortgages	15.9	12.3	11.6
Other debt guarantees	55.0	27.5	20.1
Firm orders for property, plant and equipment and intangible assets	79.5	83.5	108.3
Other	1.3	0.6	1.7
TOTAL	**384.3**	**228.5**	**251.4**

Future minimum lease payments under operating leases break down as follows:

(in €millions)	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
n+1	51.2	26.3	29.8
n+2	40.7	20.4	22.7
n+3	32.2	15.0	14.5
n+4	24.9	11.5	11.8
n+5 and above	83.6	31.4	30.9
TOTAL	**232.6**	**104.6**	**109.7**

Expiry dates of mortgages and guarantees:

(in €millions)	Dec. 31, 2010
—Less than a year	29.5
—1 to 5 years	18.3
—Over five years	23.1
TOTAL	**70.9**

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 2010, the average utilization rate of this entitlement was 6.5%.

The number of unused training hours accumulated at year-end totaled 1,607,901. 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)	**Dec. 31, 2010**	**Dec. 31, 2009**	**Dec. 31, 2008**
Sales	2,300.9	2,049.4	2,733.9
Purchases of products, services and materials	10.2	10.6	20.9
Receivables (*)	457.6	447.7	488.6
Payables (**)	170.1	154.5	265.5
(*) after no-recourse sales of receivables in the amounting to:	197.2	192.4	300.9
(**) o/w borrowings amounting to:	142.0	128.0	194.0

32-2 Management compensation

Total compensation for 2010 awarded to the members of the Board of Directors and the Group Executive Committee serving in this capacity at Friday, December 31, 2010 amounted to €6,293,092, including directors' fees of €212,500, compared with the year-earlier figures of €5,246,942 and €232,750 respectively.

No Faurecia stock subscription options were awarded to management in 2010.

NOTE 33 FEES PAID TO THE STATUTORY AUDITORS

	PricewaterhouseCoopers				**Ernst & Young**			
(in € millions)	**Amount (excl. VAT)**		**%**		**Amount (excl. VAT)**		**%**	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
AUDIT								
Statutory and contractual audits	2.7	1.6	100.0%	100.0%	3.6	3.2	94.7%	100.0%
Issuer	0.6	0.3	22.2%	18.8%	0.3	0.3	7.9%	9.4%
Fully consolidated companies	2.1	1.3	77.8%	81.3%	3.3	2.9	86.8%	90.6%
Other services relating directly to the auditor's duties	0.0	0.0	0.0%	0.0%	0.2	0.0	5.3%	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%	0.2	0.0	5.3%	0.0%
SUB-TOTAL	**2.7**	**1.6**	**100.0%**	**100.0%**	**3.8**	**3.2**	**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**	**1.6**	**100.0%**	**100.0%**	**3.8**	**3.2**	**100.0%**	**100.0%**

NOTE 34 INFORMATION ON THE CONSOLIDATING COMPANY

The consolidated accounts 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 12.31.10, Peugeot SA held 57.43% of the capital and 63.26% of the voting rights of Forecia SA.

NOTE 35 DIVIDENDS

The Board of Directors has decided to propose at the next shareolders' meeting a dividend of 0.25 euro per share.

Consolidated Companies as of Dec. 31, 2010

	Country	Interest of the parent company (%)	Stake (%) (1)
I—FULLY CONSOLIDATED COMPANIES			
Faurecia	France	parent company	parent company
Financière Faurecia	France	100	100
SFEA—Société Foncière pour l'Equipement Automobile	France	100	100
Faurecia Investments	France	100	100
Faurecia Services Groupe	France	100	100
Faurecia Exhaust International	France	100	100
Faurecia Netherlands Holding B.V.	Netherlands	100	100
United Parts Exhaust Systems AB	Sweden	100	100
Société Internationale de Participations	Belgium	100	100
Faurecia USA Holdings, Inc.	USA	100	100
Faurecia (China) Holding Co. Ltd	China	100	100
Faurecia Informatique Tunisie	Tunisia	100	100
INTERIOR MODULES			
Faurecia Automotive Seating	France	100	100
Faurecia Industries	France	100	100
Faurecia Automotive Holdings	France	100	100
EAK—Composants pour l'Automobile (EAK SAS)	France	51	51
EAK—Composants pour l'Automobile (EAK SNC)	France	51	51
Trecia	France	100	100
Siebret	France	100	100
Siemar	France	100	100
Sienor	France	100	100
Sieto	France	100	100
Sotexo	France	100	100
Siedoubs	France	100	100
Sielest	France	100	100
ECSA—Études et Construction de Sièges pour l'Automobile	France	100	100
Faurecia Intérieur Industrie	France	100	100
Faurecia Automotive Industrie	France	100	100
Automotive Sandouville	France	100	100
Société Automobile du Cuir de Vesoul	France	100	100
Faurecia ADP Holding	France	60	60
Faurecia JIT Plastique	France	100	100
Faurecia Autositze GmbH	Germany	100	100
Faurecia Automotive GmbH	Germany	100	100
Faurecia Innenraum Systeme GmbH	Germany	100	100
Faurecia Industrie N.V.	Belgium	100	100
Faurecia Asientos Para Automovil España, S.A.	Spain	100	100
Asientos de Castilla Leon, S.A.	Spain	100	100
Asientos del Norte, S.A.	Spain	100	100
Industrias Cousin Freres, S.L.	Spain	50	50
Tecnoconfort	Spain	50	50
Faurecia Automotive España, S.L.	Spain	100	100
Faurecia Interior Systems España, S.A.	Spain	100	100
Faurecia Interior Systems Salc España, S.L.	Spain	100	100
Cartera e Inversiones Enrich, S.A.	Spain	100	100
Asientos de Galicia, S.L.	Spain	100	100
Valencia Modulos de Puerta, S.L.	Spain	100	100
Incalplas, S.L.	Spain	100	100
Faurecia AST Luxembourg S.A. (ex: SAI Automotive Silux S.A.)	Luxemburg	100	100
Faurecia Automotive Seating B.V.	Netherlands	100	100
Faurecia—Assentos de Automovel, Limitada	Portugal	100	100
Sasal	Portugal	100	100

	Country	Interest of the parent company (%)	Stake (%) [1]
Faurecia Sistemas de Interior de Portugal. Componentes para Automoveis S.A. (ex: SAI Portugal)	Portugal	100	100
EDA—Estofagem De Assentos, Lda	Portugal	100	100
Faurecia Automotive Seating UK Limited	United Kingdom	100	100
Faurecia Midlands Limited	United Kingdom	100	100
SAI Automotive Fradley Ltd	United Kingdom	100	100
SAI Automotive Washington Limited	United Kingdom	100	100
Faurecia Interior Systems Sweden AB	Sweden	100	100
Faurecia Fotele Samochodowe Sp.Zo.o	Poland	100	100
Faurecia Walbrzych Sp.Zo.o	Poland	100	100
Faurecia Legnica Sp.Zo.o	Poland	100	100
Faurecia Grojec R&D Center Sp.Zo.o	Poland	100	100
Faurecia Gorzow Sp.Zo.o	Poland	100	100
Faurecia Interior Systems Bohemia s.r.o.	Czech Rep.	100	100
Faurecia Components Pisek s.r.o.	Czech Rep.	100	100
Faurecia Seating Talmaciu S.R.L.	Romania	100	100
Euro Auto Plastic Systems S.R.L.	Romania	50	50
Faurecia Slovakia s.r.o.	Slovakia	100	100
Faurecia Polifleks Otomotiv Sanayi Ve Ticaret Anonim Sirketi	Turkey	100	100
Faurecia Azin Pars Company	Iran	51	51
Faurecia Interior Systems South Africa (PTY) Ltd	South Africa	100	100
AI Manufacturers (PTY) Ltd	South Africa	100	100
Societe Tunisienne d'Equipements D'automobile	Tunisia	100	100
Faurecia Automotive Seating Canada Ltd	Canada	100	100
Faurecia Automotive Seating, INC	USA	100	100
Faurecia Interior Systems, INC.	USA	100	100
Faurecia Automotive del Uruguay	Uruguay	100	100
Faurecia Argentina S.A.	Argentina	100	100
Faurecia Automotive do Brasil Ltda	Brazil	100	100
Faurecia Sistemas Automotrices De Mexico, S.A. de C.V. (ex: Faurecia Duroplast Mexico, S.A. DE C.V.)	Mexico	100	100
Servicios Corporativos de Personal Especializado, S.A. DE C.V.	Mexico	100	100
Faurecia Interior Systems Mexico, S.A. DE C.V.	Mexico	100	100
Changchun Faurecia Xuyang Automotive Seat Co., LTD (CFXAS)	China	60	60
Faurecia (Changchun) Automotive Systems Co., LTD	China	100	100
Faurecia- Gsk (Wuhan) Automotive Seating Co., Ltd	China	51	51
Faurecia (Wuxi) Seating Components Co., Ltd	China	100	100
Faurecia (Shanghai) Management Company, Ltd	China	100	100
Faurecia (Shanghai) Automotive Systems Co., Ltd	China	100	100
Faurecia (Wuhan) Automotive Seating Co., Ltd	China	100	100
Faurecia (Guangzhou) Automotive Systems Co., Ltd	China	100	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 Xuang Interior Systems Company Limited	China	60	60
Faurecia Trim Korea Ltd	South Korea	100	100
Faurecia Automotive Seating India Private Limited	India	100	100
Faurecia Japan K.K.	Japan	100	100
Faurecia Equipements Automobiles Maroc	Morocco	100	100
OOO Faurecia ADP	Russia	60	60
OOO Faurecia Automotive Development	Russia	100	100
Faurecia Shin Sung Co. Ltd	South Korea	60	60

	Country	Interest of the parent company (%)	Stake (%) [1]
OTHER MODULES			
Faurecia Systèmes d'Echappement	France	100	100
Faurecia Bloc avant	France	100	100
Emcon Technologies France SAS	France	100	100
Faurecia-Metalloprodukcia Holding	France	60	60
Faurecia Abgastechnik GmbH	Germany	100	100
Faurecia Kunststoffe Automobilsysteme GmbH	Germany	100	100
Leistritz Abgastechnik Stollberg GmbH	Germany	100	100
Faurecia Emissions Control Technologies, Germany GmbH	Germany	100	100
Faurecia Emissions Control Technologies, Novaferra GmbH	Germany	100	100
Faurecia Emissions Control Technologies, Finnentrop GmbH	Germany	100	100
Faurecia Exteriors GmbH	Germany	100	100
Faurecia Sistemas de Escape España, S.A.	Spain	100	100
Faurecia Emissions Control Technologies, Pampelona, S.L.	Spain	100	100
Faurecia Automotive Exteriors Espana, S.A. (ex-Plastal Spain S.A.)	Spain	100	100
Faurecia - Sistemas De Escape Portugal, Lda	Portugal	100	100
Faurecia Exhaust Systems AB	Sweden	100	100
Faurecia Magyarorszag Kipufogo-rendszer Kft	Hungary	100	100
Faurecia Exhaust Systems S.R.O.	Czech Rep.	100	100
Faurecia Automotive Czech Republic, s.r.o.	Czech Rep.	100	100
Faurecia Emissions Control Technologies, Mlada Boleslav, s.r.o	Czech Rep.	100	100
Faurecia Emissions Control Technologies UK Limited	United Kingdom	100	100
Faurecia Exhaust Systems South Africa 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
Emission Control Technologies S.A. (CapeTown) (Pty) Ltd	South Africa	100	100
Faurecia Exhaust Systems, Inc.	USA	100	100
Faurecia Emissions Control Technologies, Usa, LLC	USA	100	100
Faurecia Emissions Control Technologies, Spartanburg, Inc.	USA	100	100
Emcon Thailand LLC	USA	100	100
Faurecia Sistemas de Escape Argentina S.A.	Argentina	100	100
Faurecia Emissions Control Technologies, Cordoba	Argentina	100	100
Faurecia Sistemas de Escapamento do Brasil Ltda	Brazil	100	100
Faurecia Emissions Control Technologies, Limeira	Brazil	100	100
Faurecia Exhaust Mexicana, S.A. de C.V.	Mexico	100	100
Exhaust Services Mexicana, S.A. de C.V.	Mexico	100	100
ET Mexico Holdings I, S. de R.L.de C.V.	Mexico	100	100
ET Mexico Holdings II, S. de R.L.de C.V.	Mexico	100	100
Faurecia Honghu Exhaust Systems Shanghai, Co. Ltd (ex-SHEESC)	China	51	51
Faurecia Tongda Exhaust System (Wuhan) Co., Ltd	China	50	50
Faurecia Exhaust Systems Changchun Co., Ltd	China	51	51
Faurecia Emissions Control Technologies Development (Shanghai) Company Ltd	China	100	100
Faurecia (Qingdao) Exhaust Systems Co, Ltd	China	100	100
Faurecia (Wuhu) Exhaust Systems Co, Ltd	China	100	100
Faurecia Emissions Control Technologies Consulting (Shanghai) Co., Ltd	China	100	100
Faurecia Emissions Control Technologies (Shanghai) Co., Ltd	China	100	100
Faurecia Emissions Control Technologies (Chongqing) Co., Ltd	China	100	100
Faurecia Emissions Control Technologies (Yantai) Co., Ltd	China	100	100
Faurecia Emission Control Technologies Chengdu	China	100	100
Faurecia Emissions Control Systems Korea (ex-Daeki)	South Korea	100	100
Faurecia Jit And Sequencing Korea	South Korea	100	100
Faurecia Interior Systems Thailand Co., Ltd.	Thailand	100	100
Faurecia Emissions Control Technologies, Thailand Co., Ltd	Thailand	100	100
Et (Barbados) Holdings SRL	Barbados	100	100
Emcon Technologies Canada ULC	Canada	100	100
Emcon Technologies Hungary Holdings Kft	Hungary	100	100
Emcon Technologies Kft	Hungary	100	100

	Country	Interest of the parent company (%)	Stake (%) [1]
Faurecia Emissions Control Technologies, India Private Limited	India	74	74
Faurecia Emissions Control Technologies, Italy SRL	Italy	100	100
ET Dutch Holdings Cooperatie U.A.	Netherlands	100	100
ET Dutch Holding BV	Netherlands	100	100
ET Dutch Holding II BV	Netherlands	100	100
Faurecia Emissions Control Technologies Netherlands B.V.	Netherlands	100	100
OOO Faurecia Metalloprodukcia Exhaust Systems	Russia	60	60
II – COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD			
INTERIOR MODULES			
Componentes De Vehiculos De Galicia, S.A.	Spain	50	50
Copo Iberica, S.A.	Spain	50	50
Vanpro Assentos Limitada	Portugal	50	50
Arsed, Podjetje Za Proizvodnjo in Trzenje Kovinske Opreme (ARSED Doo)	Slovenia	50	50
Teknik Malzeme Ticaret Ve Sanayi A.S.	Turkey	50	50
Orcia Otomotiv Yan Sanayi Ve Ticaret Anonim Sirketi	Turkey	50	50
Kwang Jin Faurecia Co. Limited	Korea	50	50
Faurecia-Nhk Co., Ltd	Japan	50	50
SAS GROUP			
Sas Automotive France	France	50	50
Cockpit Automotive Systems Douai SNC	France	50	50
SAS Autosystemtechnik Verwaltungs GmbH	Germany	50	50
SAS Autosystemtechnik GmbH und Co. KG	Germany	50	50
SAS Automotive N.V.	Belgium	50	50
SAS Autosystemstechnick, S.A.	Spain	50	50
SAS Autosystemtechnik de Portugal, Unipessoal, Lda.	Portugal	50	50
SAS Automotive Limited	United Kingdom	50	50
SAS Autosystemtechnik s.r.o.	Czech Rep.	50	50
SAS Automotive s.r.o	Slovakia	50	50
SAS Automotive RSA (Pty) Ltd	South Africa	50	50
SAS Automotive Do Brasil Ltda	Brazil	50	50
SAS Automotive Systems S.A. de C.V.	Mexico	50	50
SAS Automotive Systems & Services, S.A. DE C.V.	Mexico	50	50
SAS Automotive USA, Inc.	USA	50	50
SAS Automotriz Argentina S.A. (dormant company)	Argentina	50	50
OTHER MODULES			
AD Tech Co Ltd	South Korea	50	50

(1) Total interest of fully-consolidated companies.

REGISTERED AND HEAD OFFICE OF FAURECIA

Faurecia
2, rue Hennape
92000 Nanterre
France

LEGAL ADVISORS TO FAURECIA

As to English law
Cleary Gottlieb Steen & Hamilton LLP
55 Basinghall Street, City Place House
London EC2V 5EH
United Kingdom

As to French law
Cleary Gottlieb Steen & Hamilton LLP
12, rue de Tilsitt
75008Paris
France

LEGAL ADVISORS TO THE MANAGERS

As to English law
White & Case LLP
5 Old Broad Street
London EC2N 1DW
United Kingdom

As to French law
White & Case LLP
19, Place Vendôme
75001 Paris
France

INDEPENDENT STATUTORY AUDITORS OF FAURECIA

PricewaterhouseCoopers
63, rue de Villiers
92208 Neuilly-sur-Seine
France

Ernst & Young
Tour First
1, Place des Saisons
TSA 14444
92037 Paris La Defense
France

TRUSTEE AND PRINCIPAL PAYING AGENT

Citibank, N.A., London Branch
Citigroup Centre
25 Canada Square
London E14 SLB
United Kingdom

REGISTRAR

Citigroup Global Markets Deutschland AG
Reuterweg 16
60323 Frankfurt
Germany

LEGAL ADVISORS TO THE TRUSTEE

Linklaters LLP
One Silk Street
London EC2Y 8HQ
United Kingdom

LUXEMBOURG PAYING AGENT

Banque Internationale à Luxembourg S.A.
69, route d'Esch
L-2953 Luxembourg

faurecia