EXHIBIT A

This document is not an offer of securities for sale in the United States. The notes being offered by Faurecia (the "2022 Notes") may not be sold in the United States unless they are registered under the Securities Act or are exempt from registration. The offering of 2022 Notes described in this announcement and any related guarantees has not been and will not be registered under the Securities Act, and accordingly any offer or sale of 2022 Notes and such guarantees may be made only in a transaction exempt from the registration requirements of the Securities Act.

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Promotion of the 2022 Notes in the United Kingdom is restricted by the Financial Services and Markets Act 2000 (the "FSMA"), and accordingly, the 2022 Notes are not being promoted to the general public in the United Kingdom. This announcement is for distribution only to, and is only directed at, persons who (i) have 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 "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Financial Promotion Order, or (iii) are persons to whom an invitation or inducement to engage in investment activity within the meaning of section 21 of the FSMA in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This announcement is directed only at relevant persons and must not be acted on or relied on by anyone who is not a relevant person.

In addition, if and to the extent that this announcement is communicated in, or the offer of securities to which it relates is made in, any EEA member state that has implemented the Prospectus Directive, this announcement and the offering of any securities described herein are only addressed to and directed at persons in that member state who are "qualified investors" within the meaning of the Prospectus Directive or in any other circumstances falling within Article 3(2) of the Prospectus Directive (or who are other persons to whom the offer may lawfully be addressed) and must not be acted on or relied on by other persons in that member state. The offer and sale of the 2022 Notes will be made pursuant to an exception under the Prospectus Directive, as implemented in the EEA member states, from the requirement to produce a prospectus for offers of securities. This announcement does not constitute a prospectus within the meaning of the Prospectus Directive or an offer to the public.

Neither the content of Faurecia's website nor any website accessible by hyperlinks on Faurecia's website is incorporated in, or forms part of, this announcement. The distribution of this announcement into jurisdictions other than the United Kingdom may be restricted by law. Persons into whose possession this announcement comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

No money, securities or other consideration is being solicited, and, if sent in response to the information contained herein, will not be accepted.

CERTAIN DEFINITIONS

In this document:

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

- "**2016 Notes**" refers to €350 million principal amount of 9.375% Senior Notes due 2016, which we issued on 9 November 2011 and an additional €140 million principal amount of 9.375% Senior Notes due 2016, which we issued on 21 February 2012 and which were consolidated with, and form a single series with, the notes issued on 9 November 2011;

- "**2019 Notes**" refers to €250 million principal amount of 8.75% Senior Notes due 2019, which we issued on 3 May 2012. We intend to redeem the 2019 Notes with the proceeds of the Notes and we expect to publish an unconditional and irrevocable notice of redemption of the 2019 Notes on the issue date of the Notes. In accordance with the trust deed governing the 2019 Notes, (i) the redemption of the 2019 Notes will occur 30 calendar days after the publication of the unconditional and irrevocable notice of redemption of the 2019 Notes and (ii) the 2019 Notes will be guaranteed by the Guarantors from the issue date of the Notes until the redemption of the 2019 Notes, which is expected to occur 30 calendar days after the publication of the unconditional and irrevocable notice of redemption of the 2019 Notes;

- "**2022 Notes**" refers to €500 million of new senior notes due June 2022 offered by Faurecia.

- "**g**" refers to the unit of mass, "gram";

- "**Guarantors**" refers to our subsidiaries described as initial guarantors under "Listing and General Information—The Guarantors" and any other subsidiary of the Issuer that guarantees the 2022 Notes pursuant to the trust deed governing the 2022 Notes. As at the issue date of the 2022 Notes, the Guarantors will be: 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 Walbrzych" S.A., "Faurecia Gorzòw" S.A., "Faurecia Automotive Polska" S.A., SAI Automotive Fradley Ltd, Faurecia Automotive Seating UK Limited, SAI Automotive Washington Limited, Faurecia Automotive do Brasil Ltda, Faurecia Emissions Control Technologies Do Brasil S.A., Faurecia Sistemas Automotrices de Mexico, S.A. de C.V., Faurecia Sistemas de Escape España, S.A., Faurecia Interior Systems España, S.A., Faurecia Automotive Exteriors España, S.A., Asientos de Galicia, S.A., Faurecia Automotive España, S.A., Faurecia Automotive Seating, LLC, Faurecia Interior Systems, Inc. and Faurecia Emissions Control Systems NA, LLC;

- "**kg**" refers to the unit of mass, "kilogram";

- "**Senior Credit Agreement**" means the €1,200 million senior credit agreement among us as borrower and various lenders, dated 15 December 2014, which refinanced our credit facility dated 20 December 2011 (which was scheduled to mature in December 2016) (the "**Prior Senior Credit Facilities**"). The Senior Credit Agreement is composed of a 5- year facility for an amount of €1,200 million. The facility under the Senior Credit Agreement is referred to herein as the "**Senior Credit Facility**".

Our Company

We are one of the world's largest automotive equipment suppliers. We develop, manufacture and sell high-quality and highly-engineered products through our 4 core business groups: Faurecia Automotive Seating, Faurecia Emissions Control Technologies, Faurecia Interior Systems and Faurecia Automotive Exteriors. We estimate that at least one third of vehicles in service in the world were originally equipped with at least one product manufactured by us.

Faurecia Automotive Seating. We estimate we are currently the world's number 1 supplier of seat frames and mechanisms and number 3 supplier of complete seats. We believe that in 2014 we had a 13% global market share by value for frames and mechanisms and 12% by value for complete seats. We design and manufacture seat systems, as well as components: frames, mechanisms, foam, seat covers, electronic systems, mechatronics and pneumatics. During the manufacturing process, we assemble the various components to create complete systems, front seats and rear seats, delivered on a just-in-time basis to our customers' plants. We develop solutions with an emphasis on safety, comfort, quality, versatility and use of natural/recycled materials.

Faurecia Emissions Control Technologies. We estimate we are currently the world's number 1 supplier of exhaust systems and components (including mufflers, manifolds and catalytic converters). We believe that in 2014 we had a 25% global market share by value (excluding monoliths, which are components containing precious metals used in catalytic converters for exhaust systems) for light vehicles and 22% for commercial vehicles. We develop and manufacture complete exhaust systems, including components reducing emissions as well as components for exhaust system acoustics.

Faurecia Interior Systems. We estimate we are currently the world's number 1 supplier of automotive interior systems. We believe that in 2014 we had a 14% global market share by value. We manufacture cockpit modules (instrument panels and central consoles), doors (panels, modules and door systems), acoustic modules, as well as decorative parts.

Faurecia Automotive Exteriors. We estimate we are currently the number 1 supplier of bumpers in Europe and number 2 worldwide. We believe that in 2014 we had a 25% market share by value of bumpers in Europe. We manufacture painted exterior body parts (including bumpers, tailgates, fenders and spoilers), composite parts (including fenders, roofs and doors, as well as semi-structural and structural parts) and front-end modules (including structural front-ends and fan units).

We maintain strong relationships with almost all major global automakers, including Volkswagen, Ford, the PSA Peugeot Citroën group, the Renault-Nissan group, General Motors and Daimler, each of which accounted for more than €1,500 million of total sales in 2014. We boast a broad geographic footprint, and are one of the few automotive equipment suppliers with the capacity to supply automakers' global programmes where the same car model is produced throughout several regions.

We are involved in all stages of the automotive equipment development and supply process. We design and manufacture automotive equipment adapted to each new car model or platform, and conclude contracts to provide these products throughout the anticipated life of the model or platform (usually between five and ten years). Nevertheless our customers rely increasingly on global platforms, based upon which they will produce a variety of car models. This allows us to decrease costs through a greater commonality of components, and to benefit from components or modules which can be used in more than one generation of cars. We participate in this evolution by offering generic products associated with our customers' platforms, such as standard seats frames. At the end of 2014, we had 495 programmes in the development phase. We tend to benefit from a high renewal rate of our programmes.

Our products won numerous awards and accolades in 2014. Among others, we received the following awards:

- "Supplier Relationship Award" from Fiat and Chrysler for our Emissions Control Technologies business;
- "Supplier of the Year" award at the Automotive Interiors Expo 2014 held at the Stuttgart Trade Fair Centre;

- "2014 Innovation" award in the Green category for our NAFILean technology by the European Association of Automotive Suppliers;

- "AutomotiveINNOVATIONS" Award by the Centre of Automotive Management for our innovative strength in the field of automotive interior and a 'special mention' for our interior study Performance 2.0 in the 'Concepts' category at the Automotive Brand Contest;

- The Mercedes Benz S-Class, the Audi A1 and the Audi Q3, 3 car models equipped by us, were respectively recognised "best luxury car", "best city car" and "best compact SUV" for 2015 by the readers of the prestigious German magazine *Auto und Sport*; and

- The Volkswagen Passat equipped by us, was recognised as European "Car of the year" 2015 at the Geneva International Motor Show.

Several of our production sites also received awards, in particular our sites in Siedoubs (France), Chengdu and Wuhan (China), Bakov (Czech Republic), Augsburg (Germany), Troy and Columbus (United States) and Legnica (Poland).

The quality of our products is widely acknowledged among automakers. We ensure the quality of our products through our Faurecia Excellence System, a rigorous set of project management procedures and methodologies, and by the expertise of our nearly 6,000 engineers and technicians who design products and develop technological solutions.

For the year ended 31 December 2014, our total sales amounted to €18,828.9 million compared to €18,028.6 million in 2013 and our EBITDA amounted to €1,228.9 million compared to €1,070.3 million in 2013. In 2014, we realised 55.2% of our total sales in Europe, 24.0% of our total sales in North America, 16.0% of our total sales in Asia, 3.6% of our total sales in South America and 1.2% of our total sales in other regions. The United States is our largest single country market. As at 31 December 2014, we employed approximately 99,500 people in 34 countries, spread over 330 sites including 30 R&D centres.

Our Competitive Strengths

Leading market positions in our four core business groups.

We occupy leading market positions in each of our 4 core business groups. In 2014, we estimated that we were, globally, number 1 supplier of frames and mechanisms for seats, number 3 supplier of complete seats, number 1 supplier of emissions control technologies, number 1 supplier of interior systems and number 1 supplier of bumpers in Europe and number 2 worldwide. In 2014, our business groups achieved the following results:

- Faurecia Automotive Seating's total sales reached € 5,309.1 million (28.2% of total revenue) employing 34,799 employees across 77 production sites and 16 R&D centres in 24 countries;

- Faurecia Emissions Control Technologies' total sales (including monoliths for catalytic converters) reached €6,747.4 million (35.8% of total revenue), employing 21,445 employees across 77 production sites and 7 R&D centres in 24 countries;

- Faurecia Interior Systems' total sales reached €4,709.3 million (25.0% of total revenue), employing 32,817 employees across 85 production sites and 27 R&D centres in 23 countries; and

- Faurecia Automotive Exteriors' total sales reached €2,063.1 million (11.0% of total revenue), employing 8,057 employees across 32 production sites and 9 R&D centres in 9 countries.

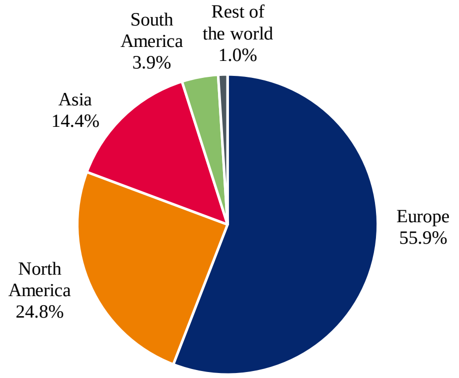
Our market leadership in each business group and our global platforms are significant strategic advantages as customers typically look to well- established suppliers when awarding new business. This has allowed us in recent years to win new business from existing and new customers. For instance, our partnership with Cummins on commercial vehicles provides significant new opportunities for our Emissions Control Technologies business group to take advantage of global regulatory pressure to reduce carbon footprint and toxic emissions. We also benefit from revenue visibility and stability, due to the difficulty for automakers to change suppliers in the midst of development and production of a car model, and from a high renewal rate of our programmes. We believe that our leading market share in each of our 4 business groups positions us well for future growth, allows us negotiate favourable terms from our suppliers and to further diversify our business model.

Highly diversified business model

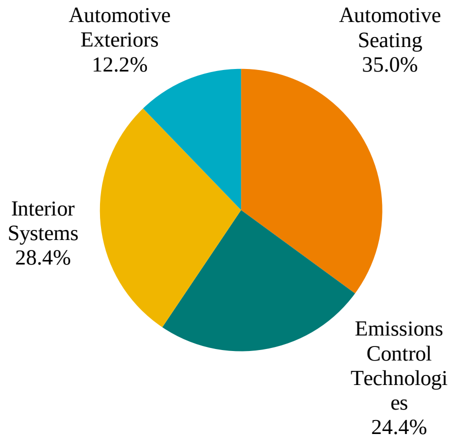
We believe that the high degree of diversification through our 4 core business groups, our geographic presence, and our number of customers and range of products limits our exposure to adverse changes in the global or local economic environment and in the various end-markets we serve, while simultaneously mitigating counterparty risk. This high degree of diversification in turn supports the resilience of our revenues and our profitability.

We analyse our revenue primarily on the basis of product sales (sales of parts and components to automakers), since product sales are directly linked to the level of car production. We also derive sales from two other sources. First, the sales of our Faurecia Emissions Control Technologies business group include the sales of monoliths from suppliers to automakers on a pass-through basis without generating industrial added value. Second, we generate revenue from the sales of tooling, R&D, prototypes and other services. These sales occur mainly before programmes are launched in production, and can be considered as an indicator of future product sales.

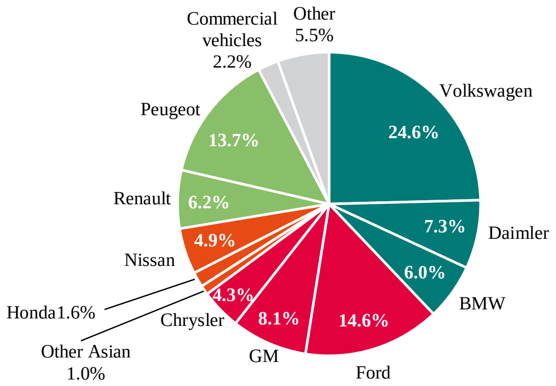
Product sales by region (2014)



Product sales by business groups (2014)



Product sales by customers (2014)



In recent years we further increased our geographic diversification by decreasing the share of our European product sales (from 86% of our consolidated product sales in 2003 to 55.9% in 2014) and by increasing the share of our North American sales (from 10% of our consolidated product sales in 2003 to 24.8% in 2014) and our Asian sales from 1% in 2003 to 14.4% in 2014. This increased diversification reduces our exposure to a single geographic area, end- market, automaker or car model.

We benefit from a global customer base, comprising primarily German (38% of our product sales), American (27% of our product sales) and Asian (8% of our product sales) customers (the classification of customers is based on the nationality of their parent company, except for Chrysler, which has been classified as an American customer). Whereas Japanese and South Korean automakers tend to use their own network of suppliers, we managed to become a supplier to Nissan and Hyundai. In 2014, we increased our product sales to Nissan by 21%, to Daimler by 23% and to Cummins by 59%, compared to 2013 (at constant currencies and scope), further enhancing the diversification of our sales. We are present on most market segments, from entry-level models to premium and luxury cars (28% of our product sales), which make us less vulnerable to the parameters which may affect one particular segment.

Global footprint enabling longstanding and expanding partnerships with global automakers

In 2014, our operations in Europe generated €10,390.8 million of total sales, employing approximately 55,000 employees, through 160 production sites and 15 main R&D centres, while our operations in North America generated €4,515.5 million of total sales, with approximately 21,000 employees, across 41 production sites and 6 main R&D centres. We are well positioned in key growth markets, in particular in Asia. In 2014, our operations in Asia generated €3,007.7 million of total sales, employing approximately 13,500 employees over 53 production sites and 6 main R&D centres, while those in South America produced €677.7 million total sales with approximately 6,100 employees across 22 production sites and 3 main R&D centres. As a result of this global footprint, we are one of only a handful of manufacturers with the capacity to supply automakers' global programmes.

We meet our customers' goals by achieving efficiencies through their and our global footprint. Our global footprint allows us to follow our customers around the world and to establish global programmes. An early successful example of such programme is the Ford Focus, for which we supply interior modules. Production thereof was ramped up from 13 of our production sites in 11 countries in Americas, Europe and Asia, to 7 Ford plants, in 18 months.

In the automotive seating business, we meet our customers' demands through the development of generic seat frames, which can be used in different models across more than one generation. For instance, the Common Module Family 1 ("CMF-1") seat frame for the Renault-Nissan group was first developed in France in one of our R&D centres and has since been produced in Portugal, China, Mexico and South Korea using the same manufacturing process.

The final performance of a programme is mostly determined during the development phase and therefore effective programme management is key. In order to address this, we use vehicle application programmes, such as the "Programme Management System", to bring together the participants needed to develop and launch a new, mass-produced product.

We believe the automotive market globalisation is accelerating with global platforms, product convergence and shorter gaps between regional launches, in particular for our Faurecia Automotive Seating and Faurecia Emissions Control Technologies business groups. This market trend benefits automakers and equipment suppliers with a global footprint such as ours and we believe that we are ideally positioned to further benefit from this trend.

Attractive underlying market fundamentals

We believe that our global footprint and technological leadership enable us to benefit from attractive underlying market fundamentals. The growth in global automotive production between 2013 and 2014 is estimated at 3.3% worldwide, with growth in all regions of the world, except in South America. Global automotive production grew again in Europe (3.2%), remained buoyant in North America (5.0%) and continued to grow in Asia, where production increased by 4.1%. In contrast, production fell 16.1% in South America (source: IHS Automotive, January 2015).

We also believe that we will benefit from favourable macro-economic factors, such as lower oil prices that should improve consumers' spending, and reduced cost of certain raw materials. The re-alignment of the euro against the U.S. dollar and Chinese renminbi should also benefit European economies.

From an economical perspective, we expect further cost reduction, as standard components become a major driver. Therefore, we have introduced a standardised process of production for some of our key equipment in particular by the introduction of generic seat frames such as CMF-1 and we also believe that we will continue to benefit from a trend among European automakers to further outsource the production of car seats to car equipment manufacturers.

From an environmental perspective, we anticipate the needs for lower levels for CO_2, pollutants and nitrogen oxides (NO_x). Lower CO_2 emissions will be achieved through lower fuel consumption, which can be mainly achieved through improved powertrain efficiency (including hybridisation), and weight reduction. We contribute to powertrain efficiency through the development of energy recovery devices, and to weight reduction by producing lighter components, developing innovative designs, using raw materials with improved performance, developing bio-sourced and renewable materials, and composites which are both lighter and stronger than metal. Altogether our business groups have embraced this evolution by contributing to a weight reduction of approximately 100 kilogrammes per vehicle representing a reduction of 10 grams of CO_2 per kilometre. We contribute to the reduction of pollutants and NO_x through our Faurecia Emissions Control Technologies business group. For instance we have developed an "Ammonia Storage and Delivery System", a breakthrough technology for NO_x reduction, which stores ammonia in a crystalline substrate and releases it as a gas when the cartridge is heated, with a much quicker response time and weight savings of up to approximately 10 kg. We also expect the introduction in China of regulation imposing reduced fuel consumption and lower CO_2 emissions for commercial vehicles to have a beneficial impact on our revenues in the coming years. We believe that China is the largest on and off highway commercial vehicles' market with nearly 3.7 million units, and represents around 2.8 times the size of the North American market and approximately 3 times the size of the European market. Our strong partnership through our Faurecia Emissions Control Technologies business group with Cummins, a world leader in medium to heavy duty on and off road diesel engines, puts us in a strong position to benefit from this trend. We have been awarded business by the major Chinese engine manufacturer, Weichai, and we note that significant interest has been shown by major Chinese cities for our Ammonia Storage and Delivery System.

From a societal perspective, we anticipate consumers demanding more comfort, better connectivity, and increased personalisation of cars by installing premium quality, comfortable and well-being equipment in vehicles, such as human machine interface innovations, retractable screens, improved connectivity, air conditioning with reduced vent sizes, kinematics and decoration and optimized driving positions. With the growing urbanisation in many parts of the world, people tend to spend more time in their cars every day and expect their cars to be a living space, connected to the outside world. Thanks to various innovations and partnerships, we believe our Faurecia Automotive Seating and Faurecia Interior Systems business groups are well positioned to benefit from this trend. In particular our Faurecia Automotive Seating business group has developed a “compliant shell” seat (based on a deformable plastic shell and a foam whose thickness has been significantly reduced) which offers more comfort while being more compact and providing more space. In 2013, we entered into a strategic partnership with Magneti Marelli for the joint development of human-machine interfaces for centre consoles with retractable or fixed screens, command buttons and decoration.

From a regulatory perspective, increasing regulation tends to increase the added value of our products. Lower CO_2 emissions targets create needs for weight reduction, an opportunity for all our business groups. Recycling requirements create a trend towards the use of more bio-materials. Standards imposed on emissions of harmful substances (exhaust gases or volatile organic compounds) require more sophisticated exhaust systems, and advanced production processes for painting and foam injection. Safety standards impose higher levels of performance. For instance, the seat is what connects the drivers and passengers of 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. As the number 1 supplier of frames and mechanisms for seats, we continue to play a key role by working in partnership with automakers on the development of new products and believe we are well positioned to benefit from further requirements in terms of safety applicable to seats.

Pioneer in technological innovations

We are a pioneer in technological innovations and our global footprint and R&D capabilities enable us to capitalise on the continuously evolving consumer demands and regulatory requirements.

We focus our technological innovation on the key market trends discussed above and we have always been committed to investment in technologies. In order to achieve these objectives, we committed €955.9 million in 2014 to R&D, or 5.1% of our annual consolidated sales, of which we dedicated approximately €100 million specifically to innovation. As at 31 December 2014, we employed nearly 6,000 engineers and technicians in 30 major R&D centres in Europe, America and Asia. We also filed 505 patents in 2014.

With a view to bolstering our R&D capabilities, we have entered into R&D partnerships with automakers, with leading German and French academic engineering laboratories and with other companies, including our joint venture with Cummins, and we have also acquired specialist technology companies, such as Sora’s automotive composites business.

These partnerships and investments have led to the development of several products for each of our 4 core business groups. For example, our Faurecia Automotive Seating business group has introduced an “e-pump”, our first powered height adjustment mechanism, which is 25% lighter than a conventional manual mechanism and saves an average of approximately 500 grams per seat. Our Faurecia Emissions Control Technologies business group developed the “SCR BlueBox”, a compact equipment which combines an oxidation catalyser, used to remove harmful carbon monoxide and unburnt fuel, with a “Selective Catalytic Reduction” to turn nitrogen oxides (“NO_x”) into nitrogen and water, using an urea-based solution, and it can even incorporate a particulate filter. This device, which complies with the Euro 6.2 regulation, reduces weight by between 3 to 4 kilogrammes per vehicle and therefore 0.3 to 0.4 grams of CO_2 emissions per kilometre. We believe that we will benefit from these technological innovations.

Strong focus on operational performance, profitability, capital expenditure and working capital management

Over the past several years, we have reduced our cost structure by achieving further footprint optimisation, in particular by expanding our production capacity in Eastern Europe through 7 new production sites and increasing the number of our employees in countries with lower labour costs. We also increased our production capacity in emerging markets to accompany the growth of our sales in these markets. For example, in the second half of 2014, this additional production capacity allowed strong sales growth outpacing the car production growth levels in China. By regrouping some of our factories and opening larger production sites, we also achieved economies of scale. Operational improvements in North America translated into higher variable costs margins, and profitability in Europe increased as we leveraged our cost base.

We generally seek to pass through increased raw material costs to our customers through a variety of means. Certain raw material cost fluctuations, such as for monoliths, are directly passed through, others are passed through (typically with a time lag) through indexation clauses in our contracts. In addition, we seek to pass through certain other raw material costs to customers through periodic price reviews that are part of our contract management. Our ability to pass through such costs has had a positive impact on our margins and profitability. In an environment of increasing raw material prices, we believe we have been generally successful in passing on the higher costs of our raw materials to our customers.

Our selective cost structure and our focus on more profitable businesses has enabled us to improve our operating margin, in particular for our Faurecia Automotive Seating and Faurecia Emissions Control Technologies business groups. Our Faurecia Automotive Seating operating margin (as a percentage of total sales) increased from 4.2% in 2013 to 4.4% in 2014. Our Faurecia Emissions Control Technologies operating margin (as a percentage of product sales) increased from 5.9% in 2013 to 7.5% in 2014. To lower costs, we continue to further standardise our equipment and production processes, as we did with the CMF-1 seat frame for the Renault- Nissan group mentioned above.

We seek to achieve steady and predictable levels of capital expenditure and working capital. We are still planning to grow while limiting our capital expenditure and capitalised R&D requirements by seeking better capital expenditure allocation. In 2014, we allocated approximately €100 million to research and innovation expenses and approximately €100 million to process standardisation.

We also try to limit the growth of working capital requirements by reducing our customer overdues, aligning our customer terms and extending our factoring programmes with regard to receivables to additional countries and customers to offset any change in working capital requirements.

We believe that we will benefit from such strong focus on operational performance, profitability, capital expenditure and working capital management.

Experienced management and a new corporate culture

Our management team and Board of Directors have significant experience in the industry. Yann Delabrière, our Chairman and Chief Executive Officer, has 25 years of experience in financial management and leadership positions in the automotive sector. The majority of the members of our Executive Committee have spent most of their careers in the automotive industry. Our management was reinforced by 3 new appointments to our executive committee in the first quarter of 2015, including Patrick Koller (Chief Operating Officer), Mark Stidham (Executive Vice President for North America) and Hagen Wiesner (Executive Vice President for Faurecia Automotive Seating). This management reinforcement will increase our focus on performance and value creation, allow us to better develop talent internally and facilitate the implementation of our strategic plan.

In 2014, we launched "Being Faurecia", a major initiative introducing new values of entrepreneurship, autonomy and accountability to drive focus on performance and value creation. This initiative also aims at strengthening people management and talent development, thereby installing a new corporate culture in our Group.

Strategy

After a period of consolidation that saw rapid growth in new regions as well as optimisation of our cost base in Europe and selective cash allocation, we intend to pursue profitable growth and cash generation by:

(i) taking advantage of our strategy of selective resource allocation;

(ii) accelerating our Asian development and strengthening our profitability in North America;

(iii) leveraging our global platforms; and

(iv) continuing to develop value-added technologies.

Take advantage of our strategy of selective resource allocation.

We intend to pursue our selective resource allocation strategy towards a balanced profitable business model by optimising our footprint, standardising our products and reducing our working capital requirements.

We intend to focus on further optimising our European footprint by committing €50 million per year from 2015 onwards for restructuring expenses to continue to optimise our industrial footprint and increase the average size of our plants.

We also aim to continue standardising our products, production and procurement processes and to exercise more purchasing leverage across our various business groups. We intend to continue our allocation of resources to research and innovation expenses and capital expenditure for process standardisation.

In order to reduce our working capital requirements, we intend to improve our inventory turns by at least 1 day out of 11 days, thereby generating a €50 million cash flow improvement. In terms of payables, we also intend to gain one day through alignment of payment terms and reverse factoring to our suppliers. We intend to pursue our strategy to increase factoring programmes to offset any change in working capital requirements by extending these programmes to the receivables of additional lines of business in new countries. We also intend to negotiate better financing terms with automakers concerning the repayment of development costs.

We believe this strategy of selective resource allocation will enable us to achieve higher operating income with significant margin improvement and higher net cash flow.

***Accelerate our Asian development and strengthen our profitability in North America*.**

The Asian market represents a significant source of growth potential and high profitability, particularly China. In 2013, we signed a joint venture agreement with China's Chang'an group in order to supply the Ford and PSA Peugeot Citroën group for its DS premium range vehicles, which has significantly boosted the growth of our Faurecia Interior Systems business group. We created a joint venture with Suzhou PowerGreen Emission System Solution Co. Ltd to manufacture emissions control systems and supply one of the 3 leading manufacturers of engines for commercial vehicles on the Chinese market. Our strategy is to continue expanding our portfolio with our current customers, and strengthen the relationship with major Chinese automakers to accelerate our business activity.

We expect stricter emissions regulations for commercial vehicles to be introduced in China in 2015. We intend to capture the growth of the commercial vehicle market with regard to emissions control technologies. We were also recently awarded a contract with a major Chinese engine manufacturer called Weichai. Major Chinese cities have also expressed an interest in our Ammonia Storage and Delivery System technology that reduces NO_x emissions.

We also intend to increase our business activity with other Asian automakers, in particular through the continuous development of our relationship with Nissan and Hyundai.

We intend to return to robust profitability in North America, in particular with regard to our Faurecia Interior Systems and Faurecia Automotive Seating business groups by benefiting from the ramp up of 17 new programmes (mainly for Faurecia Interior Systems) and from the operational improvement and stabilisation of our industrial footprint. We believe that the new North American management that was recently put in place will have a beneficial impact on our profitability in North America.

Leverage our global platforms.

As the trend of automakers setting up global platforms for their different car models and different brands continues, we believe we will benefit from our global reach and customer proximity. We intend to pursue our strategy to leverage our global footprint by developing standard or generic products to be used by different automakers and ensuring all the competencies for production and R&D are established in the various regions in which we operate. Our seat mechanisms and frames are a global benchmark, with a market share of approximately 13% by value. The number of parts manufactured and their standardization make them robust and competitive, with lifetimes lasting beyond vehicle renewal cycles. We employ approximately 2,500 engineers across 15 R&D centres outside Europe, including approximately 750 engineers in China. We intend to increase this number of engineers by 60% by 2017. We have developed R&D partnerships with automakers including Audi, Cummins, Ford, General Motors, Hyundai-Kia, Nissan and Volkswagen. We believe that few other "tier 1" suppliers have the worldwide reach and experience necessary to manage these global programmes.

Continue to develop value added technologies and maintain leadership in all business groups.

We will continue to accelerate technological development in all our business groups. We will focus on new functionality and richer product content in all our business groups. For instance, we intend to introduce an energy recovery system from 2020 onwards that should enable a 10% fuel economy. In our Faurecia Interior Systems business group, we intend to focus on innovative high quality human machine interfaces with seamless integration in interiors and develop generic products such as retractable touch-screens, wireless charging, centre stacks or smartphone docking stations. We intend to further invest in innovative aluminium, wood and synthetic decorations. This strategy will enable us to develop a global footprint for our aluminium products, complete decoration product line with wood and traditional trim parts and large surfaces with unique industrial technology. Our strategy extends to the development of bio-materials, including competitive bio-based polymer for injection to substitute oil-based materials. We will pursue innovation through the use of internal R&D teams and by leveraging recent acquisitions and partnerships, which have recently provided us with new technologies and expertise, to achieve profitable growth.

Refinancing

The issuance of the 2022 Notes is part of an overall refinancing intended to extend our debt maturity profile and strengthen our balance sheet. In addition to the offering of the 2022 Notes, we have recently entered into the Senior Credit Agreement for the purpose of refinancing the Prior Senior Credit Facilities. The proceeds of the 2022 Notes will be used primarily to redeem the €250 million principal amount of the 2019 Notes in full in 2015 and to refinance short-term borrowings. We will publish an unconditional and irrevocable notice of redemption of the 2019 Notes on the issue date of the 2022 Notes.

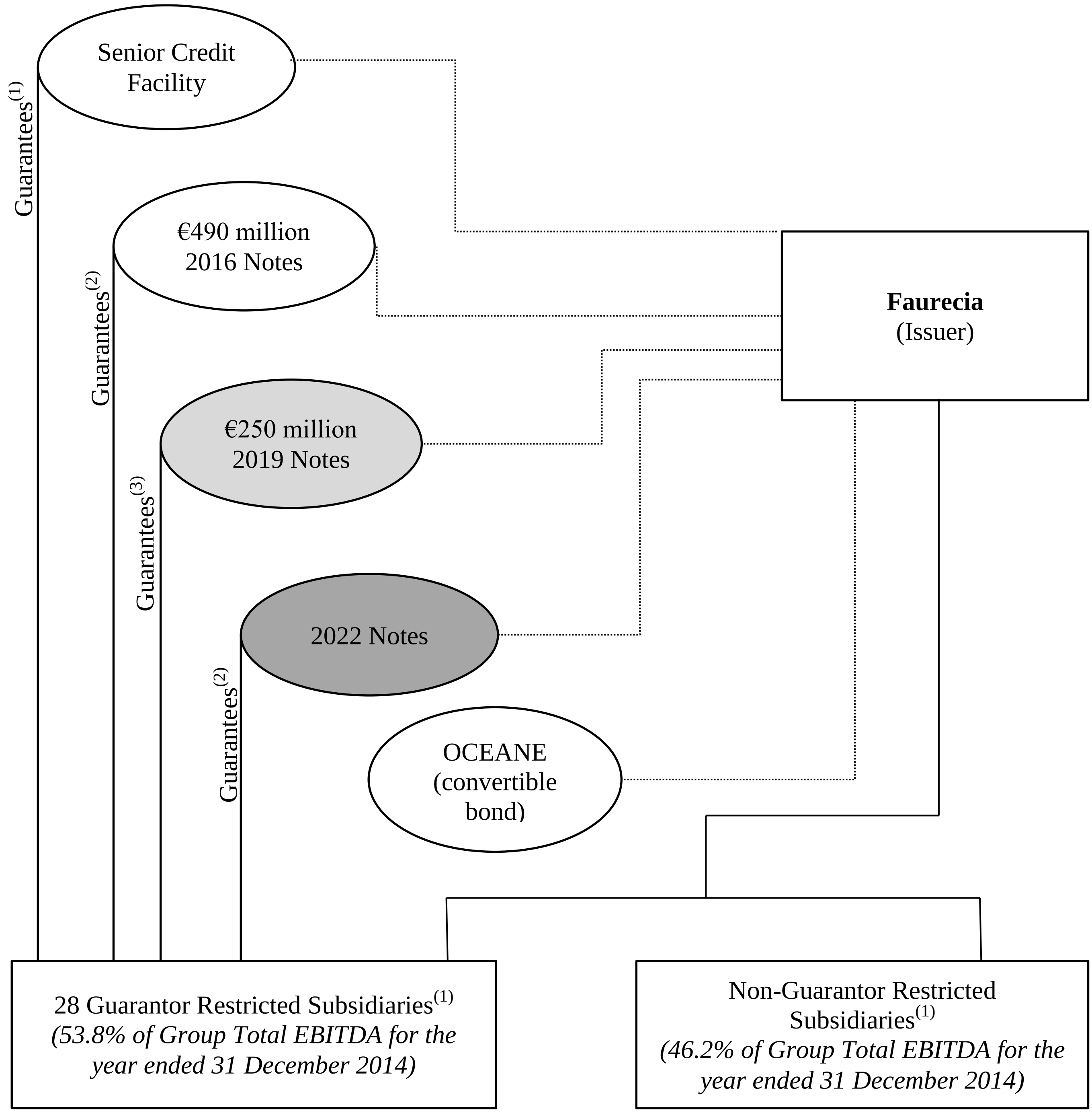
See “Description of Other Indebtedness” for further details regarding our outstanding indebtedness and the principal terms and conditions of our other debt instruments.

Recent Developments

Effective from 2 February 2015, Patrick Koller was appointed Chief Operating Officer. Patrick Koller focuses on our operations management, including in particular budget execution, business reviews, and operational relationships with our customers and supervision of our North and South American operations.

SUMMARY CORPORATE AND FINANCING STRUCTURE

The following is a simplified summary of our corporate and financing structure. This structure chart excludes certain financing arrangements and indebtedness borrowed by our Group, some of which is at the subsidiary level, including bank loans, overdrafts, factoring arrangements and finance lease obligations. For more information on our capitalisation and indebtedness, see "Capitalisation and Indebtedness" and "Description of Other Indebtedness". Upon issue of the 2022 Notes and in accordance with the trust deed governing the 2019 Notes, the 2019 Notes will also be guaranteed by our Guarantors until the redemption of the 2019 Notes, which is expected to occur 30 days after the publication, on the issue date of the 2022 Notes, of the unconditional and irrevocable notice of redemption of the 2019 Notes.



(1) 28 of our subsidiaries are guarantors of the Senior Credit Facility, the 2016 Notes, the 2019 Notes and the 2022 Notes, in each case on a pari passu basis. As at 31 December 2014, these subsidiaries represented 53.8% of our consolidated EBITDA. The 28 Guarantors are incorporated in eight different jurisdictions.

(2) The guarantees of the 2016 Notes will be released on the maturity date of the 2016 Notes or upon early redemption thereof and the Guarantees of the 2022 Notes and the guarantees of certain other indebtedness will be released at the same time. At that time, none of our outstanding debt will be guaranteed by our subsidiaries. See "Risk Factors—Risks Related to the Notes and the Guarantees—Release of Guarantees—the Guarantees will be automatically released upon redemption of the 2016 Notes".

(3) We intend to redeem the 2019 Notes with the proceeds of the 2022 Notes and we expect to publish an unconditional and irrevocable notice of redemption of the 2019 Notes on the issue date of the 2022 Notes. In accordance with the trust deed governing the 2019 Notes, (i) the redemption of the 2019 Notes will occur 30 calendar days after the publication of the unconditional and irrevocable notice of redemption of the 2019 Notes and (ii) the 2019 Notes will be guaranteed by the Guarantors from the issue date of the 2022 Notes until the redemption of the 2019 Notes, which is expected to occur 30 calendar days after the publication of the unconditional and irrevocable notice of redemption of the 2019 Notes. See "Use of Proceeds" and "Capitalisation and Indebtedness".

RISK FACTORS

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' businesses can have a significant impact on our sales and results. The level of sales and production 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 participants in that market; buyers' ability to access credit for vehicle purchases; and in some cases governmental aid programmes (such as the 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 audited consolidated financial statements for the year ended 31 December 2014), especially in Europe (which constituted 55.9% of our product sales in 2014), North America (which constituted 24.8% of our product sales in 2014) and Asia (which constituted 14.4% of our product sales in 2014).

Moreover, our sales are related to the commercial success of the models for which we produce components and modules. At the end of a vehicle's life cycle, there is significant uncertainty around 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. A shift in market share away from the vehicles for which we produce components and modules could have a material adverse effect on our business, financial condition and results of operations.

We may be adversely affected by the loss of key customers, and our customer concentration could increase due to industry consolidation, and by the risk that our customers could default on their financial obligations or enter bankruptcy.

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 may 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 material adverse effect on our business, financial condition and results of operations.

In 2014, our five largest customers accounted for over 72.1% of product sales as follows: Volkswagen Group (24.6%), Ford Group (14.6%), PSA Peugeot Citroën group (13.7%), Renault-Nissan group (11.1%, of which, Renault accounted for 6.2% and Nissan accounted for 4.9%) and General Motors (8.1%).

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 2014, we purchased materials and supplies (production and non-production) amounting to approximately € 8,753 million from approximately 5,300 suppliers. In 2014, our ten largest suppliers for each of our four business groups together accounted for 28.0% of our purchases, which represented 17.0% of our 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, which in turn could have a material adverse effect on our business, financial condition and results of operations.

We may not always be able to satisfy our customers' demands and we may be required to make investments which may not always be offset by customer order volumes.

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 R&D. 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 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 us.

These acquisitions entail risks, such as:

- we may not be able to identify suitable acquisition candidates in the future, or may not be able to finance such acquisitions on favourable terms;
- the assumptions of the business plans on which valuations are made may prove incorrect, especially concerning synergies and assessments of market 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, which could have a material adverse effect on our business, financial conditions and results of operations.

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, North America and Asia. 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 nationalisation;
- customs regulations, monetary control policies, investment restrictions or requirements or any other constraints 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.

Furthermore, while the regions in which we operate have been affected differently by the global economic downturn, any weakening in economic conditions may affect the automotive supply industry globally and negative economic conditions in one or more regions may affect the automotive supply industry in other regions. As a result, our business, financial condition and results of operations will be materially and adversely affected by a continued or further downturn on a global scale or in significant markets in which we operate.

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, global presence, technology, quality, delivery, design and engineering capabilities, new product innovation 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. Although the overall number of competitors has decreased due to on-going industry consolidation, we face significant competition within each of our major product areas, including from new competitors entering the markets that we serve. We cannot assure you that we will be able to continue to compete favourably in these competitive markets or that increased competition will not have a material adverse effect on our business, financial condition and results of operation by reducing our ability to increase or maintain sales and profit margins.

The failure to obtain new business projects on new models or to retain or increase business projects on redesigned existing models, could adversely affect our business, financial condition and results of operations. In addition, as a result of the relatively long lead times required for many of our structural components, it may be difficult in the short-term for us to obtain new revenues to replace any unexpected decline in the sale of existing products.

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

Before taking into account the impact of interest rate hedges, 52.0% of our borrowings were at variable rates as at 31 December 2014 and 49.8% of our borrowings were at variable rates as at 31 December 2013, compared to 51.9% as at 31 December 2012. Our variable rate financial debt mainly relates to the Senior Credit Agreement as well as our short-term debt. Our main fixed rate debt consists of the OCEANE (convertible bonds), the 2016 Notes and the 2019 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. Interest rate hedging decisions are made by a Market Risk Management Committee that meets on a monthly basis.

Since a significant part of our borrowings are at variable rates, the aim of our interest rate hedging policy is to reduce the impact of short-term rate changes on earnings. Our hedges primarily comprise euro-denominated interest rate swaps. They hedge a part of our interest payable in 2015 against a rise in interest rates. Our interest rate position with respect to the different types of financial instruments used is detailed in note 30.2 to our audited consolidated financial statements for the year ended 31 December 2014.

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, particularly 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 at 31 December 2014 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:

	As at 31 December 2014						
Currency	**USD**	**CZK**	**CAD**	**RUB**	**GBP**	**PLN**	**ZAR**
(in € millions)	1.21	27.74	1.41	72.34	0.78	4.27	14.04
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	1.27	29.12	1.48	75.95	0.82	4.49	14.74
Impact on pre-tax income	**(2.11)**	**—**	**(5.08)**	**0.25**	**0.08**	**0.79**	**0.06**
Impact on equity	**1.69**	**(2.41)**	**(0.03)**	**—**	**0.91**	**(5.64)**	**0.04**

"USD" means United States Dollar, "CZK" means Czech Republic Koruna, "CAD" means Canadian Dollar, "RUB" means Russian Rouble, "GBP" means British Pounds Sterling, "PLN" means Polish Zloty and "ZAR" means South African Rand.

These impacts reflect (i) the effect on our pre-tax 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 our 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 foreign exchange risks centrally, through our Finance and Treasury Department, which reports to our 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 based on estimated cash flows determined in forecasts validated by our General Management. The related derivatives are classified as cash flow hedges when there is a hedging relationship that satisfies the IAS 39 financial instruments: recognition and measurement (which outlines the requirements for the recognition and measurement of financial assets) ("**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 the consolidation of our audited consolidated financial statements, they contribute to our currency risk exposure and are therefore hedged through swaps.

Details of net balance sheet positions and hedges by currency are provided in note 30.1 to our audited consolidated financial statements for the year ended 31 December 2014.

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

We are exposed to commodity risk through our direct purchases of raw materials and indirectly through components purchased from our suppliers. The proportion of our direct purchases of raw materials, mainly steel and plastics, represented approximately 9.8% of purchases in 2014. 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.

If commodity prices were to rise steeply, we may not be able to pass on all such price increases to our customers, which could have an unfavourable impact on our sales, which in turn could have a material adverse effect on our business, financial condition and results of operations.

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

On 18 December 2014, the sanctions commission of the French financial markets authority (the *Autorité des marchés financiers* ("**AMF**")), considered that Faurecia S.A. and Yann Delabrière, our Chief Executive Officer, failed to comply with their duties as defined by articles 223-1, 223-2 and 223-10-1 of the general rules of the AMF with regard to the disclosure of some information relating to our targets for our 2012 financial year. On the basis of articles L. 621-15 (II (c) and III (c)) of the monetary and financial code, a fine of €2 million and of € 100,000 was imposed against us and Yann Delabrière, our Chief Executive Officer, respectively. With the full support of our board, on 26 February 2015, we and Yann Delabrière appealed this decision before the Paris' court of appeal, which will judge the evidence submitted by us and Yann Delabrière. We and Yann Delabrière deny any merit to this claim.

Except as disclosed in "Business—Litigation", as at this date of this Document, we are not aware of any governmental, legal or arbitration proceedings (or any such pending or threatened proceedings) which has had in the past twelve months, or is likely to have, a significant impact on our financial position or profitability. However, 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 plants and our products. In addition, technical failures, as well as breaches of contract by customers, suppliers or partners may give rise to contractual disputes, warranty claims, product recalls or product liability claims, which may have a material adverse effect on our business, financial condition and results of operations.

Our insurance coverage may not be adequate to cover all the risks we may face and it may be difficult to obtain replacement insurance on acceptable terms or at all.

Our production plants, equipment and other assets are insured for property damage and business interruption risks, and we carry insurance for products liability risks. Our insurance policies are subject to deductibles and other coverage limitations and we cannot ensure you that we are fully insured against all potential hazards incident to our business, including losses resulting from risks of war or terrorist acts, certain natural hazards (such as earthquakes), environmental damage or all potential losses, including damage to our reputation.

We have entered into liability insurance which includes specific policies such as environmental liability insurance and coverage of liability for damages resulting from accidents. However, as some risks cannot be assessed or can only be assessed to a limited extent, the possibility of loss or damage not being covered by the insured amounts and provisions cannot be ruled out. Should such loss or damage occur, this could have a material adverse effect on our business, financial conditions and results of operations.

If we incur a significant liability for which we are not fully insured or if premiums and deductibles for certain insurance policies were to increase substantially as a result of any incidents for which we are insured, this could have a material adverse effect on our business, financial condition and results of operations.

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.

Industrial and environmental risks could disrupt our business and a have a material adverse effect on our business, financial condition and results of operations.

Our manufacturing sites are subject to risks associated with fire, explosion, natural disaster, systems failure and non-compliance with current or future regulations. These various risks may result in us incurring additional costs. These additional costs could have a material adverse effect on our business, financial condition and results of operations. For instance, the occurrence of any natural disaster could cause the total or partial destruction of a plant and thus prevent us from supplying products to our customers, causing further disruption at their plants for an indeterminate period of time, which in turn could have a material adverse effect on our business, financial condition and results of operation.

USE OF PROCEEDS

In connection with the offering of the 2022 Notes, we expect to receive net proceeds of approximately €494.0 million, after deduction of estimated costs and commissions.

The net proceeds will be used primarily to redeem the 2019 Notes in full and to refinance short-term borrowings. We intend to redeem the 2019 Notes with the proceeds of the 2022 Notes and we expect to publish an unconditional and irrevocable notice of redemption of the 2019 Notes on the issue date of the 2022 Notes. In accordance with the trust deed governing the 2019 Notes, (i) the redemption of the 2019 Notes will occur 30 calendar days after the publication of the unconditional and irrevocable notice of redemption of the 2019 Notes and (ii) the 2019 Notes will be guaranteed by the Guarantors from the issue date of the 2022 Notes until the redemption of the 2019 Notes.

The following table illustrates the sources and uses of funds relating to the issuance of the 2022 Notes and the expected use of the net proceeds therefrom. Actual amounts will vary from estimated amounts depending on several factors, including estimates of the redemption premium for the redemption of the 2019 Notes in full and differences from our estimates of transaction fees and expenses.

Sources of funds (in € millions)		**Uses of funds** (in € millions)	
2022 Notes	500.0	Redemption in full of the 2019 Notes(1)	269.9
		Refinancing of short-term borrowings	224.1
		Transaction fees and expenses	6.0
Total	**500.0**	**Total**	**500.0**

(1) Represents the redemption in full of €250.0 million of aggregate principal amount of the 2019 Notes and the payment of an estimated €19.9 million of redemption premium, excluding accrued interest.

CAPITALISATION AND INDEBTEDNESS

The following table sets forth our cash and cash equivalents, total current financial liabilities, total long-term debt and total capitalisation as at 31 December 2014, on a historical basis and as adjusted to reflect the completion of offering of the 2022 Notes made hereby and the use of such proceeds. See "Use of Proceeds".

You should read this table in conjunction with "Management's Discussion and Analysis of Financial Conditions and Results of Operations" and our audited consolidated financial statements included elsewhere in this document.

	As at 31 December 2014		
(in € millions)	**Historical**	**Adjustments**	**As adjusted**
Cash and cash equivalents	1,016.9	—	1,016.9
Other current financial assets	7.9	—	7.9
Total cash and cash equivalents	**1,024.8**	**—**	**1,024.8**
Short-term borrowings[(1)]	968.0	(224.1)	743.9
Current portion of long-term debt (of which 2019 Notes[(2)])	409.9	(269.9)[(3)]	140.0
Other current financial liabilities	5.5		5.5
Total current financial liabilities	**1,383.4**	**(494.0)**	**889.4**
Senior Credit Facility	—	—	—
OCEANE (convertible bonds)	217.6	—	217.6
2016 Notes	490.0	—	490.0
Other long-term debt	321.4	—	321.4
Total long-term debt	**1,029.0**	**500.0**	**1,529.0**
Minority interests	159.9	—	159.9
Equity attributed to owners of the parent	1,716.6	—	1,716.6
Total capitalisation[(4)]	**4,288.9**	**6.0**	**4,294.9**

(1) Short-term borrowings include commercial paper.

(2) The 2019 Notes will be guaranteed by the Guarantors from the issue date of the 2022 Notes until the redemption of the 2019 Notes, which is expected to occur 30 calendar days after the publication, on the issue date of the 2022 Notes, of an unconditional and irrevocable notice of redemption of the 2019 Notes.

(3) Following our initial decision in 2014 to redeem the 2019 Notes in June 2015, we reclassified the €250.0 million of aggregate principal amount of 2019 Notes as a current portion of long-term debt and we recorded an additional €16.4 million of finance costs in the current portion of long-term debt in our audited consolidated financial statements as at and for the year ended 31 December 2014 to account for the redemption premium of the 2019 Notes, calculated at a price of 106.5625% of the aggregate principal amount of the 2019 Notes, in accordance with the trust deed governing the 2019 Notes. The €269.9 million adjustment includes €250.0 million of aggregate principal amount of the 2019 Notes and an estimated €19.9 million of redemption premium, excluding accrued interest. The estimated €19.9 million redemption premium is calculated based on the assumption that the redemption of the 2019 Notes will occur 30 calendar days after the publication, on the issue date of the 2022 Notes, of the unconditional and irrevocable notice of redemption of the 2019 Notes and the estimated €19.9 million redemption premium is therefore different from the €16.4 million redemption premium recorded in our audited consolidated financial statements as at and for the year ended 31 December 2014.

(4) Total capitalisation includes minority interests.

For further information relating to the debt instruments described above, see "Management's Discussion and Analysis of our Financial Condition and Results of Operations—Liquidity and Capital Resources" and "Description of Other Indebtedness".

Since 31 December 2014, except as set forth above, there have been no other material changes to our capitalisation.

SELECTED HISTORICAL FINANCIAL AND OPERATING DATA

The selected financial data set forth below has been prepared on the basis of our audited consolidated financial statements as at and for the years ended 31 December 2012, 2013 and 2014.

Selected consolidated income statement data

	For the year ended 31 December		
	2012[(1)]	2013	2014
(in € millions)	**(restated)**		
SALES	**17,364.5**	**18,028.6**	**18,828.9**
Of which product sales	*13,296.3*	*13,693.2*	*14,089.3*
Cost of sales	(16,038.7)	(16,636.1)	(17,271.8)
R&D costs	(239.6)	(254.0)	(235.5)
Selling and administrative expenses	(569.9)	(600.2)	(648.3)
OPERATING INCOME	**516.3**	**538.3**	**673.3**
Other non-operating income	15.5	4.8	5.1
Other non-operating expenses	(102.7)	(111.6)	(91.6)
Income from loans, cash investments and marketable securities	10.2	9.0	8.0
Finance costs	(175.4)	(196.9)	(191.1)
Other financial income and expenses	(31.9)	(46.4)	(60.5)
INCOME (LOSS) BEFORE TAX OF FULLY CONSOLIDATED COMPANIES	**232.0**	**197.2**	**343.2**
Current taxes	(96.9)	(132.0)	(161.2)
Deferred taxes	29.5	67.3	46.1
NET INCOME (LOSS) OF FULLY CONSOLIDATED COMPANIES	**164.6**	**132.5**	**228.1**
Share of net income of associates	23.6	14.0	0.8
CONSOLIDATED NET INCOME (LOSS)	**185.6**	**143.4**	**228.9**
Attributable to owners of the parent	**143.5**	**87.6**	**165.7**
Attributable to minority interests	42.1	55.8	63.2

(1) Restated to reflect the adoption of IAS19 (as amended) which determined the immediate recognition in Other Consolidated Income of actuarial gains and losses relating to changes in assumptions occurring in calculating liabilities relating to pension provisions and similar obligations to be accounted for directly in equity. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Comparability of our Results of Operations".

Selected consolidated cash flow statement data

	For the year ended 31 December		
(in € millions)	**2012**	**2013**	**2014**
Net cash provided (used) by:			
Operating activities	270.5	927.4	1,037.4
Investing activities	(902.8)	(822.9)	(870.0)
Financing activities	602.1	37.7	106.2

Selected consolidated balance sheet data

	As at 31 December		
Assets	**2012[(1)]**	**2013**	**2014**
(in € millions)	**(restated)**		
Goodwill	1,300.0	1,297.1	1,317.3
Intangible assets	588.1	686.2	850.5
Property, plant and equipment	1,972.2	2,027.9	2,229.7
Investments in associates	85.2	88.7	94.7
Other equity interests	13.4	13.9	14.6
Other non-current financial assets	54.2	49.4	62.7
Other non-current assets	18.1	18.9	26.6
Deferred tax assets	95.1	161.8	220.7
TOTAL NON-CURRENT ASSETS	**4,126.3**	**4,343.9**	**4,816.8**
Inventories, net	1,096.2	1,123.4	1,076.6

Trade accounts receivables	1,702.8	1,680.7	1,677.0
Other operating receivables	357.8	288.1	275.9
Other receivables and prepaid expenses	150.0	184.2	229.3
Other current financial assets	0.6	8.7	7.9
Cash and cash equivalents	628.0	701.8	1,016.9
TOTAL CURRENT ASSETS	**3,935.4**	**3,986.9**	**4,283.6**
TOTAL ASSETS	**8,070.4**	**8,330.8**	**9,100.4**

Liabilities	**As at 31 December**		
	2012[1]	**2013**	**2014**
(in € millions)	**(restated)**		
SHAREHOLDERS' EQUITY			
Capital	775.8	858.1	867.5
Additional paid-in capital	279.1	410.4	430.9
Treasury stock	(1.6)	(1.4)	(1.7)
Retained earnings	(47.2)	118.3	109.2
Translation adjustments	72.3	28.8	145.0
Net income (loss) for the period attributable to owners of the parent	143.5	87.6	165.7
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	**1,221.9**	**1,501.8**	**1,716.6**
Minority interests	132.6	140.5	159.9
TOTAL SHAREHOLDERS' EQUITY	**1,354.5**	**1,642.3**	**1,876.5**
Long-term provisions	300.8	283.5	369.4
Non-current financial liabilities	1,671.1	1,308.8	1,029.0
Other non-current liabilities	0.2	0.6	1.5
Deferred tax liabilities	14.0	19.6	9.6
TOTAL NON-CURRENT LIABILITIES	**1,986.1**	**1,612.5**	**1,409.5**
Short-term provisions	321.2	223.2	220.2
Current financial liabilities	764.6	920.8	1,383.4
Prepayments from customers	170.3	169.4	98.4
Trade payables	2,754.0	3,053.1	3,311.5
Accrued taxes and payroll costs	519.1	517.2	586.0
Sundry payables	154.4	192.3	214.9
TOTAL CURRENT LIABILITIES	**4,683.6**	**5,076.0**	**5,814.4**
TOTAL LIABILITIES	**8,070.4**	**8,330.8**	**9,100.4**

(1) Restated to reflect the adoption of IAS19, as amended, which determined the immediate recognition in Other Consolidated Income of actuarial gains and losses relating to changes in assumptions occurring in calculating liabilities relating to pension provisions and similar obligations to be accounted for directly in equity. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Comparability of our Results of Operations".

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with our audited consolidated financial statements and sales data for the years ended 31 December 2012, 2013 and 2014 and, in each case, the notes thereto included elsewhere in this Document, which have been prepared in accordance with IFRS (International Financial Reporting Standards) as adopted by the European Union.

Overview

We are one of the world's largest automotive equipment suppliers. We develop, manufacture and sell high-quality and highly-engineered products through our 4 core business groups: Faurecia Automotive Seating, Faurecia Emissions Control Technologies, Faurecia Interior Systems and Faurecia Automotive Exteriors. We estimate that at least one third of vehicles in service in the world were originally equipped with at least one product manufactured by us.

Faurecia Automotive Seating. We estimate we are currently the world's number 1 supplier of seat frames and mechanisms and number 3 supplier of complete seats. We believe that in 2014 we had a 13% global market share by value for frames and mechanisms and 12% by value for complete seats. We design and manufacture seat systems, as well as components: frames, mechanisms, foam, seat covers, electronic systems, mechatronics and pneumatics. During the manufacturing process, we assemble the various components to create complete systems, front seats and rear seats, delivered on a just-in-time basis to our customers' plants. We develop solutions with an emphasis on safety, comfort, quality, versatility and use of natural/recycled materials.

Faurecia Emissions Control Technologies. We estimate we are currently the world's number 1 supplier of exhaust systems and components (including mufflers, manifolds and catalytic converters). We believe that in 2014 we had a 25% global market share by value (excluding monoliths, which are components containing precious metals used in catalytic converters for exhaust systems) for light vehicles and 22% for commercial vehicles. We develop and manufacture complete exhaust systems, including components reducing emissions as well as components for exhaust system acoustics.

Faurecia Interior Systems. We estimate we are currently the world's number 1 supplier of automotive interior systems. We believe that in 2014 we had a 14% global market share by value. We manufacture cockpit modules (instrument panels and central consoles), doors (panels, modules and door systems), acoustic modules, as well as decorative parts.

Faurecia Automotive Exteriors. We estimate we are currently the number 1 supplier of bumpers in Europe and number 2 worldwide. We believe that in 2014 we had a 25% market share by value of bumpers in Europe. We manufacture painted exterior body parts (including bumpers, tailgates, fenders and spoilers), composite parts (including fenders, roofs and doors, as well as semi-structural and structural parts) and front-end modules (including structural front-ends and fan units).

We maintain strong relationships with almost all major global automakers, including Volkswagen, Ford, the PSA Peugeot Citroën group, the Renault-Nissan group, General Motors and Daimler, each of which accounted for more than €1,500 million of total sales in 2014. We boast a broad geographic footprint, and are one of the few automotive equipment suppliers with the capacity to supply automakers' global programmes where the same car model is produced throughout several regions.

We are involved in all stages of the automotive equipment development and supply process. We design and manufacture automotive equipment adapted to each new car model or platform, and conclude contracts to provide these products throughout the anticipated life of the model or platform (usually between five and ten years). Nevertheless our customers rely increasingly on global platforms, based upon which they will produce a variety of car models. This allows us to decrease costs through a greater commonality of components, and to benefit from components or modules which can be used in more than one generation of cars. We participate in this evolution by offering generic products associated with our customers' platforms, such as standard seats frames. At the end of 2014, we had 495 programmes in the development phase. We tend to benefit from a high renewal rate of our programmes.

Our products won numerous awards and accolades in 2014. Among others, we received the following awards:

- "Supplier Relationship Award" from Fiat and Chrysler for our Faurecia Emissions Control Technologies business;

- "Supplier of the Year" award at the Automotive Interiors Expo 2014 held at the Stuttgart Trade Fair Centre;

- "2014 Innovation" award in the Green category for our NAFILean technology by the European Association of Automotive Suppliers;

- "AutomotiveINNOVATIONS" Award by the Centre of Automotive Management for our innovative strength in the field of automotive interior and a 'special mention' for our interior study Performance 2.0 in the 'Concepts' category at the Automotive Brand Contest;

- The Mercedes Benz S-Class, the Audi A1 and the Audi Q3, 3 car models equipped by us, were respectively recognised "best luxury car", "best city car" and "best compact SUV" for 2015 by the readers of the prestigious German magazine *Auto und Sport*; and

- The Volkswagen Passat equipped by us, was recognised as European "Car of the year" 2015 at the Geneva International Motor Show.

Several of our production sites also received awards, in particular our sites in Siedoubs (France), Chengdu and Wuhan (China), Bakov (Czech Republic), Augsburg (Germany), Troy and Columbus (United States) and Legnica (Poland).

The quality of our products is widely acknowledged among automakers. We ensure the quality of our products through our Faurecia Excellence System, a rigorous set of project management procedures and methodologies, and by the expertise of our nearly 6,000 engineers and technicians who design products and develop technological solutions.

For the year ended 31 December 2014, our total sales amounted to €18,828.9 million compared to €18,028.6 million in 2013 and our EBITDA amounted to €1,228.9 million compared to €1,070.3 million in 2013. In 2014, we realised 55.2% of our total sales in Europe, 24.0% of our total sales in North America, 16.0% of our total sales in Asia, 3.6% of our total sales in South America and 1.2% of our total sales in other regions. The United States is our largest single country market. As at 31 December 2014, we employed approximately 99,500 people in 34 countries, spread over 330 sites including 30 R&D centres.

Significant Factors Affecting Our Results of Operations

Our results of operations, financial condition and liquidity have been influenced in the periods discussed in this Document by the following events, facts, developments and market characteristics. We believe that these factors have influenced and are likely to continue to influence our operations in the future.

Developments in the global automotive sector

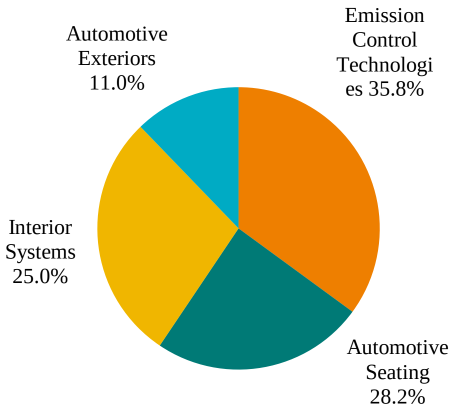
Our sales depend on the economic developments in the automotive sector, which is correlated with global macroeconomic conditions.

Our sales are primarily impacted by factors influencing consumer demand for new passenger vehicles and commercial vehicles. Our total sales and product sales are indirectly affected by factors such as unemployment, interest rates (and, more generally, overall monetary and fiscal policy), gasoline prices, consumer confidence and the availability of financing for purchases of new vehicles. In addition, our product sales are also indirectly impacted by factors such as the levels of international trade and the availability of vehicle financing, as these factors particularly affect the demand for commercial vehicles.

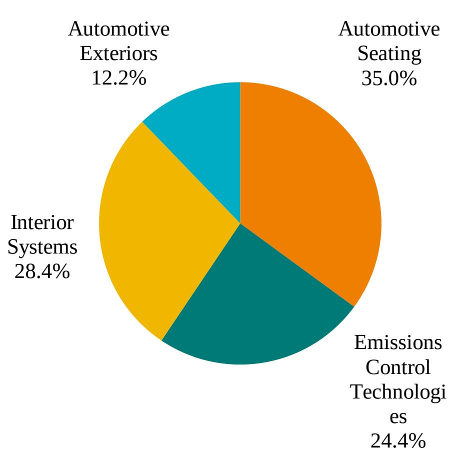
We report total sales in our audited consolidated financial statements, both for the Group and by business groups. In addition, we report an indicator that we refer to as "product sales", meaning sales of automotive parts and components to customers (excluding monoliths). Our revenue derives primarily from product sales involving shipments of parts and components to automakers. We also derive sales from two other sources. First, sales of our Faurecia Emissions Control Technologies business group include sales of monoliths, which are components used in catalytic converters for exhaust systems. Monoliths are directly managed by automakers. These products are purchased from suppliers designated by them and invoiced to automakers on a pass-through basis without generating any industrial value added to insulate our margins from fluctuations in prices of raw materials incorporated in the monoliths. Second, we generate revenue from sales of tooling, R&D, prototypes and other services.

The following charts show our total sales and product sales divided by our four business groups, for the year ended 31 December 2014:

Total Sales by Business Group
2014 Total Sales = €18,828.9 million

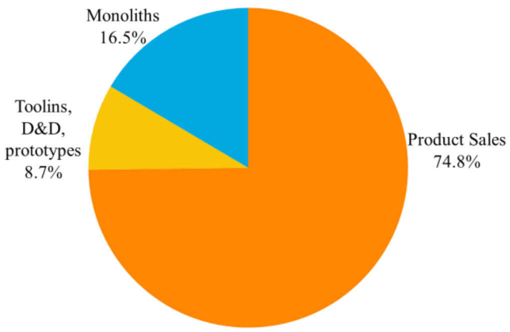


Product Sales by Business Group
2014 Product Sales = €14,089.3 million



The following chart shows our total sales split by product sales, sales of catalytic converter monoliths and sales of tooling, R&D, prototypes and other services, for the year ended 31 December 2014.

2014 Total Sales = €18,828.9 million



Capital expenditure

The growth of our business involves significant capital expenditure, to the extent that we build new manufacturing plants or increase capacity in existing plants. Increased success and penetration with our customers based on additional projects translates into increased capital expenditure to accommodate such projects. Once a project is ongoing, maintenance capital expenditure is limited and, to a limited extent, predictable. When new programmes or vehicle models are implemented or produced, usually at the end of a vehicle cycle, "renewal" or "replacement" capital expenditure is required in order to adapt existing infrastructure to accommodate new assembly and process design, in general at levels significantly below the expenditure required to create the capacity.

Diversification

Our strong geographic, customer and product diversification has had the effect of reducing revenue volatility. Our well-diversified customer base, which includes substantially all of the largest automakers, has limited our exposure to a downturn in the demand for the vehicles of a specific automaker. Regional differences in duration, timing and intensity of economic cycles, combined with the diversity of our geographic footprint, have mitigated the effects of economic cycles on our business, for instance when sales in South America decreased. Our diversification and stable revenues have allowed us to take advantage of global growth opportunities.

Vehicle cycles

In our industry, once a project has been awarded to a supplier, it is rare for an automaker to switch to another supplier, given the prohibitive operational, technical and logistical costs of switching suppliers during the life cycle of a specific vehicle model. Vehicle models typically have long, multi-year product life cycles. Given these factors, while the actual revenues which we derive from a project ultimately depend on our customers' production volumes for the respective car models, we have good visibility on mid-term revenues within a relatively small range of sensitivity.

Raw Material Prices

Most of the raw materials that we use, such as steel, plastics, brass, cast iron and cast aluminium, are subject to price volatility.

We generally seek to pass through increased raw material costs to our customers through a variety of means. Certain raw material costs are directly passed through, others are passed through to customers (typically with a time lag) through indexation clauses in our contracts. In addition, we seek to pass through certain other raw material costs to customers through periodic price reviews that are part of our contract management. Our ability to pass through such costs has had a positive impact on our margins and profitability. In an environment of increasing raw material prices, we believe we have been generally successful in passing through the increases in the raw material costs to our customers.

Research and development

Innovation regarding product development and production technology is important in order to maintain the long-term profitability of our business.

Consumer expectations and societal changes are the two main drivers of change within the automotive market. Regulatory change, which mirrors societal change, aims to reduce in particular the impact of vehicles on the environment across all major automotive markets.

These changes have an impact on our R&D expenses. We employ nearly 6,000 engineers and technicians based in 30 centres spread across our three main geographic areas: Europe, America and Asia. We opened a new R&D centre in Shanghai and also have one in Brazil and the United States. R&D expenses accounted for €955.9 million of total expenses in 2014, representing 5.1% of our revenue, out of which approximately €100 million was spent on innovation. We also filed 505 patents in 2014.

Our R&D expenditures include primarily design and development expenditures that are financed by our customers. A portion of these design and development expenditures is invoiced directly to customers, and a portion is financed by customers through per vehicle charges that are included in the purchase price of the equipment that we supply. In many cases, the per vehicle charges are initially set on certain volume assumptions and are adjusted over the life of a vehicle based on actual unit sales. Such adjustments limit the risk that unit sales will not be sufficient for us to recover our expenditures.

We record development expenditures that are to be recovered through per vehicle charges as capitalised development costs rather than expenses. The capitalised development costs are amortised over the life of the vehicle. R&D expenditures that are not invoiced to customers or capitalised are recorded as expenses in our income statement. The following table shows our gross R&D expenditures for the periods indicated.

(in € millions)	For the year ended 31 December 2012	2013	2014
Gross R&D expenditures	(943.0)	(916.5)	(955.9)
Amounts billed to customers and changes in inventories	595.9	575.3	581.6
Subtotal	**(347.1)**	**(341.2)**	**(374.3)**
Capitalised development costs	263.9	258.4	317.0
Amortisation of capitalised development costs	(158.9)	(171.5)	(175.8)
Charges to and reversals of provisions for impairment of capitalised development costs	2.5	0.3	(2.4)
R&D	**(239.6)**	**(254.0)**	**(235.5)**

After a review of commercial practices, an additional €20.0 million of 2014 development costs were considered eligible to be capitalised. Sales amounting to €37.6 million which were recognised as product sales in 2013 were recorded as sales of R&D in 2014, thereby reducing the amount of net R&D cost by the same amount.

Foreign exchange translation

We are exposed to risks arising from fluctuations in the exchange rates of certain currencies due to our large geographic footprint, as well as purchase of raw materials and other supplies by certain subsidiaries, which sell their products in a currency other than their functional currency.

Currency risks relating to the commercial transactions of our subsidiaries are managed centrally by using forward purchase and sale contracts and options as well as foreign currency financing. Hedging decisions are made by a specific committee that meets on a monthly basis. Currency risks on forecast transactions are hedged on the basis of estimated cash flows determined in forecasts updated on a regular basis and validated by our management.

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 our currency risk exposure and are therefore hedged through swaps.

Comparability of our Results of Operations

Restatements

Restatement of Comparative Figures as at and for the Year Ended 31 December 2012

Since 1 January 2013, we have applied amendments to the existing standard IAS 19R-Employee Benefits. Since these amendments were applied retroactively, our audited consolidated financial statements published prior to 1 January 2013 have been modified as set out below. The amendments to IAS 19R-Employee Benefits eliminate the option of applying the corridor approach that we used. This leads to the immediate recognition of all the actuarial variances and past service costs in our balance sheet liabilities. Actuarial variances will be fully recognised through other comprehensive income (expense) directly in equity and past service costs in period net income. These amendments define also the return on assets as the discount rate used to measure the benefits liability.

The tables below set forth a reconciliation of certain of our results of operations as at and for the year ended 31 December 2012 as restated for comparative purposes from our results of operations as at and for the year ended 31 December 2012, and display the adjustments made to reconcile such data.

Consolidated statement of comprehensive income

(in € millions)	Full-year 2012 published in February 2013	IAS 19R restatements	Full-year 2012 restated

Cost of Sales	(16,041.3)	2.6	(16,038.7)
Operating income (loss)	**513.7**	**2.6**	**516.3**
Other financial income and expense	(30.5)	(1.4)	(31.9)
Income (loss) before tax of fully consolidated companies	**230.8**	**1.2**	**232.0**
NET INCOME (LOSS) OF FULLY CONSOLIDATED COMPANIES	**163.4**	**1.2**	**164.6**
Net income of continued operations	**187.0**	**1.2**	**188.2**
Net income of discontinued operations	**(2.6)**		**(2.6)**
CONSOLIDATED NET INCOME (LOSS)	**184.4**	**1.2**	**185.6**
Attributable to owners of the parent	**142.3**	**1.2**	**143.5**
Attributable to minority interests	42.1		42.1
Basic earnings (loss) per share (in €)	1.29		1.30
Diluted earnings (loss) per share (in €)	1.25		1.26
Basic earnings (loss) of continued operations per share (in €)	1.31		1.32
Diluted earnings (loss) of continued operations per share (in €)	1.27		1.28

Other comprehensive income

(in € millions)	Full-year 2012 published in February 2013	IAS 19R restatements	Full-year 2012 restated
CONSOLIDATED NET INCOME (LOSS)	**184.4**	**1.2**	**185.6**
Amounts to be potentially reclassified to profit or loss	**(4.6)**	**0.3**	**(4.3)**
Gains (losses) arising on fair value adjustments to cash flow hedges	10.8		10.8
of which recognised in equity	*(4.0)*		*(4.0)*
of which transferred to net income (loss) for the period	*14.8*		*14.8*
Exchange differences on translation of foreign operations	(15.4)	0.3	(15.1)
Amounts not to be reclassified to profit or loss	**—**	**(43.1)**	**(43.1)**
Actuarial gain/(loss) on post employment benefit obligations		(43.1)	(43.1)
TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD	**179.8**	**(41.6)**	**138.2**
Attributable to owners of the parent	141.0	(41.5)	99.5
Attributable to minority interests	38.8	(0.1)	38.7

Balance sheet

Assets (in € millions)	As at 31 December 2012 published in February 2013	IAS 19R restatements	As at 31 December 2012 restated
Other non-current assets	18.3	(0.2)	18.1
Deferred tax assets	94.7	0.4	95.1

Liabilities (in € millions)	As at 31 December 2012 published in February 2013	IAS 19R restatements	As at 31 December 2012 restated
Equity			
Capital	775.8		775.8
Additional paid-in capital	279.1		279.1
Treasury stock	(1.6)		(1.6)
Retained earnings	35.5	(82.7)	(47.2)
Translation adjustments	74.4	(2.1)	72.3

Net income (loss) for the period attributable to owners of the parent	142.3	1.2	143.5
Equity attributable to owners of the parents	**1,305.5**	**(83.6)**	**1,221.9**
Minority interests	132.6		132.6
Total shareholders' equity	**1,438.1**	**(83.6)**	**1,354.5**
Long-term provisions	217.0	83.8	300.8
Deferred tax liabilities	14.0		14.0

Change in scope of consolidation introduced in 2014

In the Faurecia Interior Systems business group, Faurecia Howa Interior Systems, 51% owned by us, has been established in Mexico and is fully consolidated since July 2014. Faurecia Magneti Marelli Pernanbuco Componentes Automotivos Ltda in Brazil, 35% owned by us, is consolidated pursuant to the equity method from November 2014.

In the Faurecia Automotive Seating business group, Shanghai Faurecia Automotive Seating Company Limited, 55% owned by us, has been established in China and is fully consolidated since April 2014. In Spain, Industrias Cousins Frères, previously fully consolidated, is consolidated pursuant to equity method since July 2014, following a change in our governance. The position taken for Faurecia Azin Pars (Iran) in 2013 has been maintained in 2014.

In the Faurecia Emissions Control Technologies business group, Changsha Faurecia Emissions Control Technologies Company Limited has been established in China and is fully consolidated since July 2014.

Change in scope of consolidation introduced in 2013

In the Faurecia Interior Systems business group, Faurecia Summit Interior Systems, 50% owned by us, was established in Thailand and has been consolidated from March 2013. Foshan Faurecia Xuyang Interior Systems Company Limited, 60% owned by us, was established in China and has been consolidated from June 2013. CSM Faurecia Automotive Parts Company Limited, 50% owned by us, was established in China and has been consolidated pursuant to the equity method from July 2013.

In the Faurecia Automotive Seating business group, Changchun Faurecia Xuyang Automotive Components Technologies R&D Company Limited, 45% owned by us, was established in China and has been consolidated pursuant to the equity method from June 2013. Faurecia Azin Pars, 51% owned by us, produced automotive seating in Iran for the Renault group. Considering the restrictions imposed by the U.S. authorities on exports to Iran, production was stopped and no operating margin was recognised in the second half of 2013. Due to uncertainties regarding resumption of business in Iran, all the assets related to this subsidiary have been impaired as at 31 December 2013 for an amount of €8.1 million.

In the Faurecia Emissions Control Technologies business group, Faurecia Emissions Control Technologies (Foshan) Company Limited, 51% owned by us, was established in China and has been consolidated from August 2013. Faurecia Emissions Control Technologies Ningbo Hangzhou Bay, 66% owned by us, was established in China and has been consolidated from December 2013.

Change in scope of consolidation introduced in 2012

In the Faurecia Interior Systems business group, the operations of the Mornac (France) and Pardubice (Czech Republic) sites, acquired from Mecaplast, have been consolidated following their acquisition from 1 March 2012, as well as operations from the St Quentin site (France), acquired from Borgers, from 1 May 2012 and the Saline operations (USA), acquired from Ford, from 1 June 2012. The cockpit assembly activities of the Saline operations, acquired with the main activity of the Saline operations, are progressively being transferred by us to the Detroit Manufacturing Systems company, 45% owned by us, and are accordingly presented as discontinued operations in compliance with IFRS 5. In the Faurecia Automotive Exteriors business group, the operations acquired from Sora have been consolidated following their acquisition from July 2012 as well as the operations from Plastal France from 1 September 2012. Changchun Xuyang Faurecia Acoustics & Soft Trim Co. Ltd, 40% owned by us, has been consolidated pursuant to the equity method from 1 July 2012, as well as Amminex, now 42% owned, as at 1 December 2012.

COMPARISON OF OUR RESULTS OF OPERATIONS FOR THE YEARS ENDED 31 DECEMBER 2014 AND 31 DECEMBER 2013

Consolidated Sales

Group Overview

The growth in global automotive production between 2013 and 2014, estimated at 3.3% worldwide, shows a growth in all regions of the world with the exception of South America. Thus, business grew again in Europe (3.2%), remained buoyant in North America (5.0%) and continued to grow in Asia, where production increased by 4.1%. In contrast, production fell 16.1% in South America (source: IHS Automotive, January 2015).

The following table presents our sales divided by segment.

	For the year ended 31 December		
(in € millions)	**2013**	**2014**	**Change[(*)]**
Total sales	**18,028.6**	**18,828.9**	**5.5%**
Faurecia Automotive Seating	5,218.9	5,309.1	2.8%
Faurecia Emissions Control Technologies	6,350.5	6,747.4	6.9%
Faurecia Interior Systems	4,560.0	4,709.3	5.0%
Faurecia Automotive Exteriors	1,899.2	2,063.1	9.1%
Product sales	**13,693.2**	**14,089.3**	**4.4%**
Faurecia Automotive Seating	4,890.9	4,938.9	2.1%
Faurecia Emissions Control Technologies	3,351.7	3,433.0	4.7%
Faurecia Interior Systems	3,793.2	3,996.5	7.1%
Faurecia Automotive Exteriors	1,657.4	1,720,9	4.3%

(*) On a like-for-like basis.

Our total sales amounted to €18,828.9 million in 2014, compared to €18,028.6 million in 2013. This represented an increase of 4.4% on a reported basis and of 5.5% on a like-for-like basis, with an increase of 4.0% in the first half of 2014 on a like-for-like basis, compared to the first half of 2013, followed by an increase of 7.1% in the second half of 2014 on a like-for-like basis, compared to the second half of 2013.

Product sales (parts and components delivered to automakers) amounted to €14,089.3 million in 2014, compared to €13,693.2 million in 2013. This represented an increase of 2.9% on a reported basis and of 4.4% on a like-for-like basis, with an increase of 2.9% in the first half of 2014 on a like-for-like basis, compared to the first half of 2013, followed by an increase of 6.0% in the second half of 2014 on a like-for-like basis, compared to the second half of 2013.

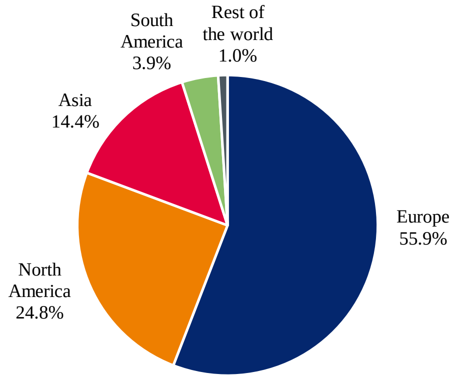
Sales of tooling, R&D, prototypes and other services amounted to € 1,637.7 million in 2014, compared to €1,567.7 million in 2013. This represented an increase of 4.5% on a reported basis and of 3.4% on a like-for-like basis.

Sales of catalytic converter monoliths amounted to €3,101.9 million in 2014, compared to €2,767.7 million in 2013. This represented an increase of 12.1% on a reported basis and of 12.2% on a like-for-like basis, with an increase of 12.3% in the first half of 2014 on a like-for-like basis, compared to the first half of 2013, followed by an increase of 12.1% in the second half of 2014 on a like-for-like basis, compared to the second half of 2013 due to the increase of precious metals prices (with such price increase being passed through to customers).

Total sales excluding monoliths amounted to €15,727.0 million in 2014, compared to €15,260.9 million in 2013. This represented an increase of 3.1% on a reported basis and of 4.3% on a like-for-like basis, with an increase of 2.5% in the first half of 2014 on a like-for-like basis, compared to the first half of 2013, followed by an increase of 6.2% in the second half of 2014 on a like-for-like basis, compared to the second half of 2013.

Product Sales in 2014 by Geographic Region

Product sales in 2014 are divided by geographic region as follows:



Europe: in Europe, our product sales amounted to €7,873.1 million in 2014 (55.9% of our product sales), compared to €7,411.5 million in 2013. Product sales increased by 6.2% on a reported basis and by 6.8% on a like-for-like basis, compared to an increase in automotive production in Europe by 3.2% (source: IHS Automotive January 2015). Our sales increased by 6.7% on a like-for-like basis in the first half of 2014, compared to an increase in automotive production of 6.2% (source: IHS Automotive January 2015) and by 6.9% in the second half of 2014, compared to an increase in automotive production of 0.1% (source: IHS Automotive January 2015).

North America: in North America, our product sales amounted to €3,495.8 million in 2014 (24.8% of our product sales), compared to €3,707.5 million in 2013. Product sales decreased by 5.7% on a reported basis and by 4.6% on a like-for-like basis, compared to an increase in automotive production in North America by 5.0% (source IHS Automotive January 2015). Our sales decreased by 9.5% on a like-for-like basis in the first half of 2014, compared to an increase in automotive production of 4.1% (source: IHS Automotive January 2015) and increased by 1.0% on a like-for-like basis in the second half of 2014, compared to an increase in automotive production of 5.9% (source: IHS Automotive January 2015). Sales performance in the first half was driven by lower sales to Ford, Chrysler (delayed launch of one programme) and the end of a programme for BMW. Recovery with Ford and Chrysler and continued growth with Nissan and Cummins drove performance in the second half of the year.

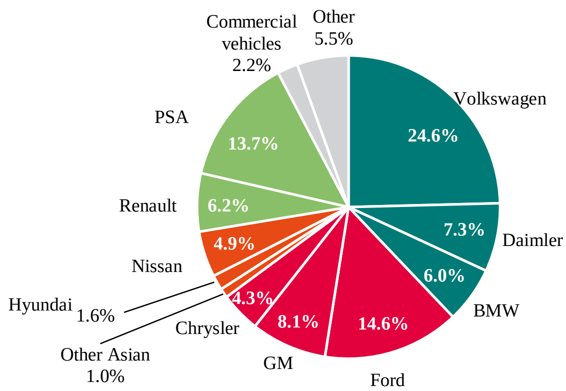
South America: in South America, our product sales amounted to €550.4 million in 2014 (3.9% of our product sales), compared to €717.0 million in 2013. Product sales decreased by 23.2% on a reported basis and by 10.3% on a like-for-like basis, compared to a decrease in automotive production in South America by 16.1% (source: IHS Automotive January 2015), due to lower sales to all main customers with the exception of Volkswagen, where our sales increased by 17.7% on a like-for-like basis. Our sales decreased by 7.9% on a like-for-like basis in the first half of 2014, compared to a decrease in automotive production of 17.7% (source: IHS Automotive January 2015) and by 12.8% on a like-for-like basis in the second half of 2014, compared to a decrease in automotive production of 15.1% (source: IHS Automotive January 2015).

Asia: in Asia, our product sales amounted to €2,029.4 million in 2014 (14.4% of our product sales), compared to €1,705.8 million in 2013. Product sales increased by 19.0% on a reported basis and by 19.7% on a like-for-like basis, with an increase of 21.5% on a like-for-like basis in China, where our product sales amounted to €1,687.8 million in 2014, and of 1.6% on a like-for-like basis in South Korea where our product sales amounted to €200.5 million in 2014. In 2014, automotive production increased by 9.4% in China and by 4.1% in South Korea (source: IHS Automotive January 2015). Our sales increased by 22.2% on a like-for-like basis in the first half of 2014, compared to an increase in automotive production of 6.1% (source: IHS Automotive January 2015) and by 17.4% on a like-for-like basis in the second half of 2014, compared to an increase in automotive production of 2.1% (source: IHS Automotive January 2015). Our sales growth in Asia was primarily due to our wide range of products sold, in particular to joint ventures with European automakers, which performed better than their competitors, and to the increase in the value per vehicle as these products sold are for more upmarket models.

Other countries: in other countries, our product sales amounted to €140.5 million in 2014 (1.0% of our product sales), compared to €151.4 million in 2013. Product sales decreased by 7.2% on a reported basis but increased by 4.2% on a like-for-like basis. Product sales in other countries are primarily sales in South Africa.

Product Sales in 2014 by Customer

Product sales in 2014 are split by customer as follows:



In terms of customers, the most remarkable developments in 2014 have been recorded with Nissan (with an increase of product sales of 21.3% on a like- for-like basis) with a strong growth in North America and in China, and with Daimler (with an increase of product sales of 23.2% on a like-for-like basis) supported by the sales of the Mercedes Benz S Class. Sales to Cummins for commercial vehicles increased by 59% (on a like-for-like basis). Commercial vehicles in 2014 accounted for 8% of Faurecia Emissions Control Technologies product sales.

In 2014, our five main customers (Volkswagen Group, Ford Group, PSA Peugeot Citroën, Renault-Nissan and General Motors) represented 72.1% of our product sales.

Product sales to the Volkswagen Group increased by 2.5% on a reported basis and 3.4% on a like-for-like basis to €3,464.4 million in 2014, and represented 24.6% of our product sales.

Product sales to Ford Group increased by 1.2% on a reported basis and 4.5% on a like-for-like basis to €2,059.2 million in 2014, and represented 14.6% of our product sales.

Product sales to the PSA Peugeot Citroën group increased by 1.2% on a reported basis and 2.4% on a like-for-like basis to €1,934.4 million in 2014, and represented 13.7% of our product sales.

Product sales to the Renault-Nissan group increased by 6.8% on a reported basis and 8.8% on a like-for-like basis to €1,555.9 million in 2014, and represented 11.1% of our product sales. Product sales to Renault slightly increased by 0.5% on a like-for-like basis, whereas product sales to Nissan increased by 21.3% on a like-for-like basis, with strong growth in Europe (82.4%) and Asia (20.0%).

Product sales to General Motors increased by 5.3% on a reported basis and 6.4% on a like-for-like basis to €1,145.8 million in 2014, and represented 8.1% of our product sales.

Product sales to Daimler Group increased by 23.1% on a reported basis in 2014 and 23.2% on a like-for-like basis to €1,029.3 million, and represented 7.3% of our product sales.

Product sales to the BMW Group decreased by 12.2% on a reported basis and by 12.8% on a like-for-like basis to €850.6 million in 2014, and represented 6.0% of our product sales.

Product sales to Fiat/Chrysler decreased by 10.2% on a reported basis and 9.9% on a like-for-like basis in 2014, and those to Chrysler represented 4.3% of our total sales. Product sales to Hyundai/Kia increased by 4.9% on a reported basis and 3.1% on a like-for-like basis in 2014, and those to Hyundai represented 1.6% of total sales. Product sales to Geely-Volvo increased by 4.6% on a reported basis and 4.7% on a like-for-like basis in 2014, and represented 1.5% of our total sales. Product sales to Toyota increased by 2.1% on a reported basis and 9.1% on a like-for-like basis in 2014.

Product Sales in 2014 by Business Group

Faurecia Automotive Seating

Total Sales	Product Sales	Headcount	Sites	Countries	R&D and Design and Development Centres
€5,309.1 million	€4,938.9 million	34,799	77	24	16

Faurecia Automotive Seating total sales increased by 1.7% year-on-year on a reported basis and 2.8% on a like-for-like basis to €5.309.1 million in 2014. Faurecia Automotive Seating product sales increased by 1.0% on a reported basis and 2.1% on a like-for-like basis to €4,938.9 million in 2014, compared to €4,890.9 million in 2013, with an increase of 7.5% on a reported basis and of 6.5% on a like-for- like basis in the second half of 2014, compared to the second half of 2013.

In Europe, Faurecia Automotive Seating product sales increased by 2.5% year- on-year on a reported basis and 2.8% on a like-for-like basis to €2,722.3 million in 2014. Product sales increased by 5.2% on a like- for-like basis in the second half of 2014, compared to the second half of 2013.

In North America, Faurecia Automotive Seating product sales decreased by 5.9% year-on-year on a reported basis and 5.2% on a like-for-like basis to €1,188.8 million in 2014. This decrease was partially offset by an increase in product sales of 9.6% on a reported basis and 5.9% on a like-for-like basis in the second half of 2014, compared to the second half of 2013.

In South America, Faurecia Automotive Seating product sales decreased by 21.9% year-on-year on a reported basis and 9.0% on a like-for-like basis to €193.6 million in 2014. Product sales decreased by 19.6% on a reported basis and by 13.3% on a like-for-like basis in the second half of 2014, compared to the second half of 2013.

In Asia, Faurecia Automotive Seating product sales increased by 17.7% year-on-year on a reported basis and 18.1% on a like-for-like basis to €834.1 million in 2014. Product sales increased by 22.1% on a reported basis and by 18.4% on a like-for-like basis in the second half of 2014, compared to the second half of 2013.

In 2014, we launched a dozen new products, including nine relating to the assembly of complete seats and three relating to the production of seat frames. In North America, we started delivering complete seats for the Chrysler 200, Dodge Avenger, Chevrolet Colorado, GMC Canyon, Nissan Frontier and Murano. In Europe, we started production of complete seats for the Mercedes V- Class, Mercedes Vito in Spain, the third generation of Renault Trafic and the new Nissan Primastar in France and the BMW Series 2 Active Tourer in the Czech Republic. In Poland, we commenced production of new seats frames to equip several car models for Volkswagen based on the MVS G2 platform. In Asia, we started to produce complete seats for Peugeot 308 and 2008 in China. The production of new CMF seat frames for the Renault-Nissan group has been extended to South Korea.

Faurecia Emissions Control Technologies

Total Sales	Product Sales*	Employees	Sites	Countries	R&D and Design and Development Centres

€6,747.4 million......................	€3,433.0 million	21,445	77	27	7

* Excluding catalytic converter monoliths sales.

The Faurecia Emissions Control Technologies total sales increased by 6.3% on a reported basis and 2.9% on a like-for-like basis to € 6,747.4 million in 2014. Faurecia Emissions Control Technologies product sales (excluding sales of catalytic converter monoliths) increased by 2.4% on a reported basis and 4.7% on a like-for-like basis to € 3,433.0 million in 2014, compared to €3,351.7 million in 2013, with an increase of 4.0% on a reported basis and 3.2% on a like-for-like basis in the second half of 2014, compared to the second half of 2013.

In Europe, Faurecia Emissions Control Technologies product sales (excluding sales of catalytic converter monoliths) increased by 1.2% year-on-year on a reported basis and 3.0% on a like-for-like basis to € 1,109.1 million in 2014. Product sales decreased by 0.8% on a reported basis but increased by 1.3% on a like-for-like basis in the second half of 2014, compared to the second half of 2013.

In North America, Faurecia Emissions Control Technologies product sales (excluding sales of catalytic converter monoliths) increased by 0.9% year-on-year on a reported basis and 1.9% on a like-for-like basis to € 1,148.5 million in 2014. Product sales increased by 4.0% on a reported basis and 0.7% on a like-for-like basis in the second half of 2014, compared to the second half of 2013.

In South Amercia, Faurecia Emissions Control Technologies product sales (excluding sales of catalytic converter monoliths) decreased by 24.8% year-on-year on a reported basis and 12.1% on a like-for-like basis to € 162.4 million in 2014. Product sales decreased by 20.0% on a reported basis and by 14.1% on a like-for-like basis in the second half of 2014, compared to the second half of 2013.

In Asia, Faurecia Emissions Control Technologies product sales (excluding sales of catalytic converter monoliths) increased by 14.0% year-on-year on a reported basis and 14.7% on a like-for-like basis to €919.6 million in 2014. Product sales increased by 14.9% on a reported basis and by 11.7% on a like-for-like basis in the second half of 2014, compared to the second half of 2013.

Our Faurecia Emissions Control Technologies business group has maintained its production activity levels with more than a 100 programmes launched in 2014.

In Europe, we reinforced our presence through our plant called Togliatti, which produces cold end parts of various vehicles. We also started production programmes at our plants in Beaulieu and Mesei (France) including for the Freelander, produced by Jaguar Land Rover and for the Audi Q7 at our Hungarian plant of Jasza.

In Asia, we maintained our market position with 35 launches, alongside the opening of new sites and plants such as Tanjung Malim in Malaysia to start our first Volkswagen programme and Changsha in China for the SVW programme.

We are working in close cooperation with automakers on some of their key models by providing the exhaust systems for Ford Mustang, Dodge Charger, Challenger and Peugeot 308. We also started production assembly lines for car engines of the PG26 Volkswagen platform (including the Polo, Fabia, A1, Fox, Ibiza and Rapid) in our plants in Orcoyen (Spain), Pisek (Czech Republic) and Port Elizabeth (South Africa).

We supply the required equipment for global platforms of some of our clients, including Ford Everest in Thailand and both Ford Edge and Kuga in North America, in Europe and in China. We also work alongside Hyundai with the launch of exhaust systems for its engines 2,01 and 2,21 in South Korea and North America, and for its engines 1,01, 1,21 and 1,41 in India and Turkey.

Our global platform also enabled us to start production for a series of new regional clients of emission control systems including the Chinese automaker Chery, GACC and Chang'an as well as the complete systems for automakers including Geely, Greatwall and SAIC. In 2014, we increased our market share for commercial vehicles by supplying depollution systems in compliance with FT4 norms to our clients John Deere, Navistar, Ventura and Vanguard in North America. We also contributed to serial productions for 10 programmes in our Beijing plant for our clients FAW and Hino and the programmes ZhuQue and Dragon. To sustain this growth, we extended the production of our Port Elizabeth's plant in South Africa to include the production of emissions solutions products.

We confirmed our market share with the award of 95 new programmes. We are a leader in nitrogen oxide reduction particulate filters for gasoline diesel engine and heat recovery to reduce CO_2 emission. For instance, we are providing noise reduction equipment in exhaust systems for the new Mercedes Benz S Class.

Faurecia Interior Systems

Total Sales	Product Sales	Headcount	Sites	Countries	R&D and Design and Development Centres
€4,709.3 million......................	€3,996.5 million	32,817	85	23	27

Faurecia Interior Systems total sales increased by 3.3% year-on-year on a reported basis and 5.0% on a like-for-like basis to € 4,709.3 million in 2014. Faurecia Interior Systems product sales increased by 5.4% on a reported basis and 7.1% on a like-for-like basis to € 3,996.5 million in 2014, compared to €3,793.2 million in 2013, with an increase of 9.3% on a reported basis and 8.2% on a like-for-like basis in the second half of 2014, compared to the second half of 2013.

In Europe, Faurecia Interior Systems product sales increased by 14.6% year-on- year on a reported basis and 15.3% on a like-for-like basis to €2,442.6 million in 2014. Product sales increased by 14.2% on a like-for-like basis in the second half of 2014, compared to the second half of 2013.

In North America, Faurecia Interior Systems product sales decreased by 10.9% year- on-year on a reported basis and 9.3% on a like-for-like basis to €1,066.2 million in 2014. Product sales decreased by 5.4% on a like- for-like basis in the second half of 2014, compared to the second half of 2013.

In South America, Faurecia Interior Systems product sales decreased by 29.0% year-on-year on a reported basis and 17.8% on a like-for-like basis to €165.6 million in 2014. Product sales decreased by 16.5% on a like-for-like basis in the second half of 2014, compared to the second half of 2013, due to the current economic situation in South America.

In Asia, Faurecia Interior Systems product sales increased by 44.9% year-on-year on a reported basis and 46.7% on a like-for-like basis to € 275.0 million in 2014. Product sales increased by 36.1% on a like-for-like basis in the second half of 2014, compared to the second half of 2013.

In 2014, in Europe we started a series of productions of various parts of the instrument panel, the cockpit and the door panel of Mercedes Benz S Class; the instrument panel of Volkswagen Passat; the trunk slab of the Mercedes Benz C Class; the instrument panel, door panel, console and glove compartment of the new Renault Espace and the instrument panel and door panels of the Mercedes Benz Vito and the Viano. In North America, we started production of the door panel for the BMW X5 but also of the instrument panel, door panel and console for the Ford F 150 and Ford Mustang. In Asia, we started the production of instrument panels for the Citroen DS6.

In 2014, in Europe, we started the production in the Romanian plant of Mioveni of the interior equipment for the following automakers: Volvo (XC60/S60), Land Rover (Range Rover) and Ford (Focus). In Asia, our plant in Chengdu also started production to supply interior equipment to Volvo and Geely.

We also widened the range of products manufactured in two of our plants in Brazil: in Porto Real with the production of instrument panels for the Peugeot 208 and door panels for the Nissan Micra and Versa; and in Dias D'Avila with the production of instrument panels, door panels and consoles for the Ford Ka. In China, our joint ventures CSM Faurecia Automotive Parts Co. Ltd., Changchun Faurecia Xuyang Interior Systems Co. Ltd., Changchun Xuyang Faurecia Acoustics & Soft Trim Co. Ltd., Xuyang and Chang'an are now fully operational with split responsibilities in terms of engineering and the ability to support all our projects, including the DS type with the 100% leather model.

Faurecia Automotive Exteriors

Total Sales	Product Sales	Employees	Sites	Countries	R&D and Design and Development Centres
€2,063.1 million......................	€1,720.9 million	8,057	32	9	9

The Faurecia Automotive Exteriors business group total sales increased by 8.6% year-on-year on a reported basis and 9.1% on a like-for-like basis to €2,063.1 million in 2014. Faurecia Automotive Exteriors product sales increased by 3.8% year-on-year on a reported basis and 4.3% on a like-for-like basis to €1,720.9 million in 2014, compared to €1,657.4 million in 2013, with an increase of 4.7% on a reported basis and 4.9% on a like-for-like basis in the second half of 2014, compared to the second half of 2013.

We acquired Plastal Germany and Plastal Spain in 2010, followed by Plastal France and Sora Composites in 2012 and we have continued our development policy by launching new products and making new investments in different regions.

In Western Europe, stable market conditions enabled us to fully allocate our resources in Germany and Spain. In Spain, our large production capability will enable us to benefit fully from the currently changing volumes of production by automakers.

We continue to reduce our exposure to Europe by increasing our international presence, in particular in South America and China. This evolution is relying on production processes via the modular and flexible design of Newtech paint lines, enabling markedly different high quality products and services, combined with optimised economic performance, to be introduced to these growth areas.

We decided in 2012 to become a key manufacturer in the sector of composites by setting up Faurecia Automotive Composites, following our acquisition of Sora Composites, aimed at developing innovative solutions leading to reduced weight of car models. As a result of this initiative, we were awarded various contracts for mass produced car models in 2013. In 2014, we received several orders for composite tailgates by two major clients in Europe and we gained new orders for exterior equipment in Europe with the PSA Peugeot Citroën group (Berlingo / Partner, 2008, DS3), Ford (Kuga, Fiesta), Volkwagen (Tiguan, Touran R-Line), Audi (A5), Daimler (Class S), BMW (Series-3 GT), but also in Brazil with FCA and in China with FAW.

In 2014, we launched 29 new programmes, in particular in Europe for the Mercedes Benz S Class Coupé, Smart Fortwo, Porsche Boxster and Cayman GTS, Audi A1 and A6-A7, Ford Mondeo, VW Golf 7 and Polo, Citroën C4-Cactus, Opel Adam X-Air, and in South America with the PSA Peugeot Citroën group Berlingo / Partner.

Operating Expenses

Our total operating expenses amounted to €18,155.6 million in 2014, compared to €17,490.3 million in 2013, an increase that reflected both internal and external growth, which was partially offset by an improvement in margins (as discussed below). Cost of sales represented 95.1% of our total operating expenses in 2014 and 95.1% in 2013. Our total operating expenses can be divided by type of expense as follows:

	For the year ended 31 December	
(in € millions)	**2013**	**2014**
Purchases consumed	(12,383.6)	(12,711.8)
External costs..	(1,682.9)	(1,776.4)
Personnel costs	(3,239.8)	(3,383.2)
Taxes other than on income..	(48.7)	(48.6)
Other income and expenses	353.7	349.2
Of which production taken into inventory or capitalised production	*319.2*	*288.0*
Depreciation, amortisation and provisions for impairment in value of non-current assets..	(532.0)	(559.0)
Charges to and reversals of other provisions	43.0	(25.8)
Total Operating Expenses..	**(17,490.3)**	**(18,155.6)**

Operating income

Operating income in 2014 amounted to €673.3 million (3.6% of total sales), compared to €538.3 million in 2013 (3.0% of total sales). In the second half of 2014, operating income amounted to €362.7 million (3.8% of total sales), compared to €282.1 million in the second half of 2013 (3.2% of total sales).

The €135.0 million increase in operating income over the full- year 2014 compared to 2013 was attributable to the following factors:

- in Europe, the increase in sales led to an increase in operating income of €110.7 million, with operating income accounting for 3.6% of total sales;

- in North America, the decrease in sales for the year 2014 led to a decrease in operating income of €20.6 million, with operating income accounting for 1.7% of total sales, down slightly compared to 2.1% in 2013;

- in South America, the decrease in sales of 10.3% on a like-for- like basis and a difficult economic and financial environment led to a decrease in operating income of €21.5 million, resulting in an operating loss of €49.4 million in 2014;

- in Asia, the increased acivities in the region led to an additional €58.3 million of operating income and operating income amounted to €268.4 million in 2014, or 8.9% of our total sales, compared to €210.1 million in 2013, or 8.3% of our total sales; and

- in other countries, primarily South Africa, operating income increased by €8.0 million.

The €80.6 million increase in operating income in the second half of 2014, compared to the second half of 2013, is best understood on a regional basis:

- in Europe, increased sales and better cost control led to an increase in operating income by €54.4 million to 3.8% of total sales for the second half of 2014, compared to 3.0% of total sales for the second half of 2013;

- the increase in product sales in the second half of 2014 helped our North American activities to maintain an operating income in line with the operating income for the second half of 2013. Operating income for the second half of 2014 amounted to 1.6% of total sales compared to 1.6% of total sales for the second half of 2013;

- in South America, falling sales and a difficult economic environment resulted in a decrease by €4.9 million in operating income in the second half of 2014 compared to the second half of 2013;

- in Asia, operating income continued to rise in line with higher sales and contributed an additional €27.1 million of operating income in the second half of 2014. Operating income amounted to 9.3% of total sales for the second half of 2014, compared to 9.1% for the second half of 2013; and

- in other countries, primarily South Africa, operating income increased by €2.3 million.

The trend for individual business segments was as follows:

- operating income for Faurecia Automotive Seating in 2014 was €234.1 million (4.4% of total sales) compared to €217.4 million in 2013 (4.2% of total sales);

- operating income for Faurecia Emissions Control Technologies in 2014 was €256.6 million (3.8% of total sales) compared to €199.0 million in 2013 (3.1% of total sales);

- operating income for Faurecia Interior Systems in 2014 was €128.9 million (2.7% of total sales) compared to €84.0 million in 2013 (1.8% of total sales); and

- operating income for Faurecia Automotive Exteriors in 2014 was €53.7 million (2.6% of total sales) compared to €37.9 million in 2013 (2.0% of total sales).

Research and Development Costs

Gross expenditures for R&D in 2014 were €955.9 million, or 5.1% of total sales, compared to €916.5 million, or 5.1% of total sales in 2013. The portion of R&D expenditure capitalised under IFRS amounted to €317.0 million in 2014, representing 33.2% of total R&D expenditure in 2014, compared to €258.4 million in 2013, represented 28.2% of total R&D expenditure in 2013. Sales which were previously billed as product sales in 2013 have now been integrated as sales of R&D in 2014 for an amount of €37.6 million, this amount hence reduces the net R&D cost.

Taken together, these items resulted in a net R&D cost of €235.5 million in 2014, compared to €254.0 million in 2013.

Selling and Administrative Expenses

Selling and administrative expenses amounted to €648.3 million in 2014 (3.4% of total sales), compared with €600.2 million (3.3% of total sales) in 2013. This increase was due to the reinforcement of our management and operating structure across all regions and business groups.

EBITDA

EBITDA (which represents operating income before depreciation, amortisation and provisions for impairment of property, plant and equipment and capitalised R&D expenditures) amounted to €1,228.9 million (6.5% of total sales) in 2014, compared to €1,070.3 million (5.9% of total sales) in 2013.

Other Income Statement Items

Other income and expenses. Other income and expenses amounted to €86.5 million in 2014 compared to €106.8 million in 2013. This item included €76.7 million in restructuring charges compared to €91.3 million in 2013. These costs mainly related to the restructuring of our operations in Germany (€29.3 million), France (€17.7 million), Russia (€8.7 million), Spain (€3.5 million), North America (€11.8 million), South America (€6.0 million) and other countries (for a net income of €0.3 million). These charges stemmed from restructuring plans implemented with a view to bringing costs in line with new market realities. These costs include expenses relating to downsizing by 1,781 employees.

Finance costs. Financial income totalled €8.0 million compared to €9.0 million in 2013. Finance costs totalled €191.1 million in 2014 compared to €196.9 million in 2013. The 2014 finance costs included €16.4 million which corresponds to the amount of premium to be paid in connection with the redemption of the 2019 Notes and was accrued at the time as a result of the announcement of our intention to exercise this redemption. The weighted average interest rate on financial liabilities fell from 6.1% in 2013 to 5.4% in 2014.

Other financial income and expenses. Other financial income and expenses resulted in a net expense of €60.5 million (compared to €46.4 million in 2013). This includes €9.1 million from discounting pension liabilities, €12.1 million of fees for syndicated debt (of which, €8.6 million is related to the amortisation of fees relating to the early reimbursement of a syndicated credit at the end of 2014), €14.0 million linked to the amortisation of borrowing costs and €15.3 million of translation differences on borrowings, mainly from the rouble.

The tax expense in 2014 amounted to €115.1 million, compared to €64.7 million in 2013, representing an average tax rate of 33.5% compared to 32.8% in 2013. The increase in tax expense was attributable to lower recognition of tax assets in 2014 compared to 2013 and a higher value of taxable income.

The share of net income of associates totalled €0.8 million, compared to €14.0 million in 2013. The difference stemmed largely from lower volumes in certain joint ventures.

Net Income

Net income for 2014 totalled €165.7 million, compared to € 87.6 million in 2013, net of net income attributable to minority interests (totalling €63.2 million in 2014 and mainly consisting of net income accruing to investors in Chinese companies in which we are not the sole shareholder).

Basic earnings per share on continuing operations were €1.34 (diluted earnings per share of €1.34) compared to €0.82 in 2013 (diluted earnings per share of €0.82).

COMPARISON OF OUR RESULTS OF OPERATIONS FOR THE YEARS ENDED 31 DECEMBER 2013 AND 31 DECEMBER 2012

Consolidated Sales

Group Overview

The growth in global automotive production between 2012 and 2013, estimated at 3.5% worldwide, masked a more mixed regional picture. Thus, while business remained buoyant in North America, South America and Asia (automotive production in those regions being up 4.9%, 5.8% and 5.0% respectively), it was relatively steady in Europe, where production was up slightly at 0.2% over 2012 (source: IHS Automotive, January 2014).

The following table presents our sales by segment.

	For the year ended 31 December		
(in € millions)	**2012**	**2013**	**Change(*)**
Total sales	**17,364.5**	**18,028.6**	**5.0%**
Faurecia Automotive Seating	5,155.9	5,218.9	3.4%
Faurecia Emissions Control Technologies	6,079.5	6,350.5	7.2%
Faurecia Interior Systems	4,352.7	4,560.0	4.1%
Faurecia Automotive Exteriors	1,776.4	1,899.2	3.8%
Product sales	**13,296.3**	**13,693.2**	**3.9%**
Faurecia Automotive Seating	4,904.5	4,890.9	1.8%
Faurecia Emissions Control Technologies	3,233.2	3,351.7	7.0%
Faurecia Interior Systems	3,597.1	3,793.2	4.4%
Faurecia Automotive Exteriors	1,561.5	1,657.4	2.9%

(*) On a like-for-like basis.

Our total sales were €18,028.6 million in 2013, compared to €17,364.5 million in 2012. This represented an increase of 3.8% on a reported basis and of 5.0% on a like-for-like basis, with an increase of 3.9% in the first half of 2013 on a like-for-like basis, compared to the first half of 2012, followed by an increase of 6.1% in the second half of 2013 on a like-for-like basis, compared to the second half of 2012.

Product sales (parts and components delivered to automakers) were € 13,693.2 million in 2013, compared to €13,296.3 million in 2012. This represented an increase of 3.0% on a reported basis and of 3.9% on a like-for-like basis, with an increase of 3.2% in the first half of 2013 on a like-for-like basis, compared to the first half of 2012, followed by an increase of 4.6% in the second half of 2013 on a like-for-like basis, compared to the second half of 2012.

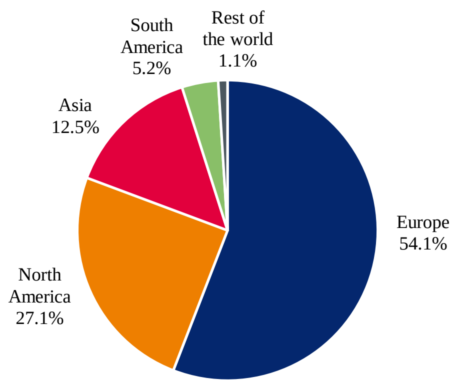
Sales of tooling, R&D, prototypes and other services totalled € 1,567.7 million in 2013, compared to €1,414.1 million in 2012. This represented an increase of 10.9% on a reported basis and of 12.4% on a like-for-like basis, with an increase of 22.8% in the first half of 2013 on a like-for-like basis, compared to the first half of 2012, followed by an increase of 4.7% in the second half of 2013 on a like-for-like basis, compared to the second half of 2012.

Sales of catalytic converter monoliths totalled €2,767.7 million in 2013, compared to €2,654.1 million in 2012. This represented an increase of 4.3% on a reported basis and of 6.4% on a like-for-like basis, with an increase of 0.8% in the first half of 2013 on a like-for-like basis, compared to the first half of 2012, followed by an increase of 14.6% in the second half of 2013 on a like-for-like basis, compared to the second half of 2012.

Total sales excluding monoliths totalled €15,260.9 million in 2013, compared to €14,710.4 million in 2012. This represented an increase of 3.7% on a reported basis and of 4.7% on a like-for-like basis, with an increase of 4.8% in the first half of 2013 on a like-for-like basis, compared to the first half of 2012, followed by an increase of 4.6% in the second half of 2013 on a like-for-like basis, compared to the second half of 2012.

Product Sales in 2013 by Geographic Region

Product sales in 2013 are split by geographic region as follows:



Europe: in Europe, our product sales amounted to €7,411.5 million in 2013 (54.1% of our product sales), compared to €7,411.7 million in 2012. Product sales were stable on a reported basis and decreased by 0.4% on a like-for-like basis. Our sales decreased by 4.1% on a like-for-like basis in the first half of 2013, compared to a decrease in automotive production of 4% (source: IHS Automotive January 2014) and increased by 3.8% in the second half of 2013, compared to an increase in automotive production of 4% (source: IHS Automotive January 2014).

North America: in North America, our product sales amounted to €3,707.5 million in 2013 (27.1% of our product sales), compared to €3,645.5 million in 2012. Product sales increased by 1.7% on a reported basis and by 1.3% on a like-for-like basis. Our sales increased by 7.7% on a like-for-like basis in the first half of

2013, compared to an increase in automotive production of 3% (source: IHS Automotive January 2014) and decreased by 4.3% on a like-for-like basis in the second half of 2013, compared to an increase in automotive production of 6% (source: IHS Automotive January 2014) mainly due to the decrease in sales to Chrysler as a result of it shutting down its Sterling Heights plant to prepare for the production of BMW's new X5 and low sales of certain models that we supply.

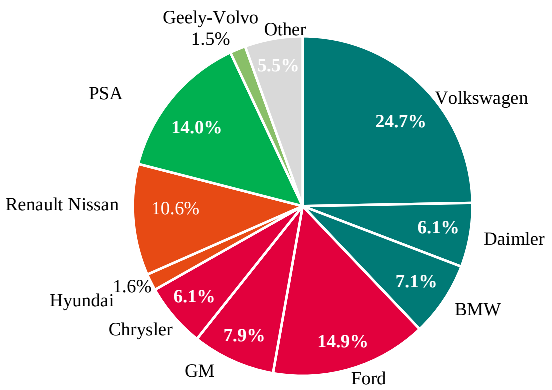
South America: in South America, our product sales amounted to €717.0 million in 2013 (5.2% of our product sales), compared to €661.6 million in 2012. Product sales increased by 8.4% on a reported basis and by 26.3% on a like-for-like basis. Our sales increased by 31.2% on a like-for-like basis in the first half of 2013, compared to an increase in automotive production of 15% (source: IHS Automotive January 2014) and by 21.7% on a like-for-like basis in the second half of 2013, compared to a decrease in automotive production of 2% (source: IHS Automotive January 2014).

Asia: in Asia, our product sales amounted to €1,705.8 million in 2013 (12.5% of our product sales), compared to €1,388.4 million in 2012. Product sales increased by 22.9% on a reported basis and by 24.3% on a like-for-like basis, with an increase of 27.7% on a reported basis in China, where our product sales amounted to €1,392.9 million in 2013, compared to an increase in automotive production of 14% (source: IHS Automotive January 2014), and of 3.3% on a reported basis in South Korea where our product sales amounted to €189.8 million in 2013.

Other countries: in other countries, our product sales amounted to €151.4 million in 2013 (1.1% of our product sales), compared to €189.1 million in 2012. Product sales decreased by 19.9% on a reported basis but increased by 4.2% on a like-for-like basis. Product sales in other countries are primarily sales in South Africa.

Product Sales in 2013 by Customer

Product sales in 2013 are divided by customers as follows:



Product sales to the Volkswagen Group increased by 0.4% on a reported basis and by 1.4% on a like-for-like basis to €3,380.3 million in 2013, and represented 24.7% of our product sales.

Product sales to Ford Group increased by 16.0% on a reported basis and by 13.0% on a like-for-like basis to €2,034.7 million in 2013, and represented 14.9% of our product sales.

Product sales to the PSA Peugeot Citroën group increased by 1.0% on a reported basis and by 1.9% on a like-for-like basis to €1,912.2 million in 2013, and represented 14.0% of our product sales.

Product sales to the Renault-Nissan group increased by 3.8% on a reported basis and by 6.6% on a like-for-like basis to €1,456.3 million in 2013, and represented 10.6% of our product sales. Product sales to Renault decreased by 6.7% on a like-for-like basis, while product sales to Nissan increased by 30.7% on a like-for-like basis, with strong growth in North America with the launch of the X-Trail (50.0%) and in Asia (31.3%).

Product Sales to General Motors decreased by 2.7% on a reported basis but increased by 0.8% on a like-for-like basis to €1,088.5 million in 2013, and represented 7.9% of our product sales.

Product sales to the BMW Group decreased by 9.1% on a reported basis and by 7.7% on a like-for-like basis to €969.1 million in 2013, and represented 7.1% of our product sales.

Product sales to Daimler Group increased by 17.7% on a reported basis and 15.0% on a like-for-like basis to €835.9 million in 2013, and represented 6.1% of our product sales. The increase was mainly attributable to higher sales in relation to the Mercedes Benz M-Class and A-Class.

Product sales to Fiat-Chrysler decreased by 6.8% on a reported basis and 3.9% on like-for-like basis, and represented 6.1% of our product sales. Product sales to Hyundai/Kia increased by 3.6% on a reported basis and 5.5% on a like-for-like basis in 2013, and represented 1.6% of our product sales. Product sales to Geely-Volvo increased by 8.6% on a reported basis and 8.6% on a like-for-like basis in 2013, and represented 1.5% of our product sales. Product sales to Toyota increased by 0.7% on a reported basis and 9.1% on a like-for-like basis in 2013.

Product Sales in 2013 by Business Group

Faurecia Automotive Seating

Total Sales	Product Sales	Headcount	Sites	Countries	R&D and Design and Development Centres
€5,218.9 million	€4,890.9 million	33,500	75	24	24

Our Faurecia Automotive Seating total sales increased by 1.2% year-on-year on a reported basis and 3.4% on a like-for-like basis to €5,218.9 million in 2013. Our Faurecia Automotive Seating product sales decreased by 0.3% on a reported basis but increased by 1.8% on a like-for-like basis to €4,890.9 million in 2013, compared to €4,904.5 million in 2012, with a decrease of 2.0% on a reported basis but an increase of 1.3% on a like-for-like basis in the second half of 2013, compared to the second half of 2012.

In Europe, our Faurecia Automotive Seating product sales decreased by 5.4% year-on-year on a reported basis and by 5.1% on a like-for-like basis to €2,656.5 million in 2013.

In North America, our Faurecia Automotive Seating product sales increased by 2.8% year-on-year on a reported basis to €1,263.7 million in 2013, despite a decrease of 8.7% in the second half of 2013 compared to the second half of 2012. Our Faurecia Automotive Seating product sales in North America in 2013 increased by 6.5% on a like-for-like basis, compared to 2012, with a 2.9% decrease for the second half of 2013 compared to the second half of 2012.

In South America, our Faurecia Automotive Seating product sales decreased by 0.5% year-on-year on a reported basis, but increased by 16.2% on a like-for-like basis, to €248.0 million in 2013. Product sales decreased by 4.6% on a reported basis but increased by 15.5% on a like-for-like basis in the second half of 2013, compared to the second half of 2012.

In Asia, our Faurecia Automotive Seating product sales increased by 20.3% year-on-year on a reported basis and by 21.5% on a like-for-like basis to €708.9 million in 2013. Product sales increased by 18.1% on a reported basis and by 21% on a like-for-like basis in the second half of 2013, compared to the second half of 2012.

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

During 2013, the production of front seating frame platforms increased significantly with the production of the UKL front seating platform for BMW in Poland and Slovakia, as well as the global expansion of production of the CMF-1 front seating frame platform for Renault and Nissan, in Portugal, China and Mexico. During 2013, we managed a total of more than 110 complete seats and seating frame programmes 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 seat systems.

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

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

Our sales growth is also due to the start of production of the Sculpted Cover in Brazil by Faurecia Automotive Seating. This is an innovative foam and upholstery assembly which makes it possible to form shapes that cannot be achieved with traditional sewing and embossing techniques. The Renault Logan is the first model to use this technique.

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

Faurecia Emissions Control Technologies

Total Sales	**Product Sales**	**Employees**	**Sites**	**Countries**	**R&D and Design and Development Centres**
€6,350.5 million	€3,351.7 million	21,100	79	25	7

Faurecia Emissions Control Technologies total sales increased by 4.5% year-on- year on a reported basis and 9.5% on a like-for-like basis to €6,350.5 million in 2013. Our Faurecia Emissions Control Technologies product sales (excluding catalytic converter monoliths) increased by 3.7% on a reported basis and 7.0% on a like-for-like basis to €3,351.7 million in 2013.

In Europe, our Faurecia Emissions Control Technologies product sales in 2013 increased by 0.4% year-on-year on a reported basis and by 0.9% on a like-for-like basis. Product sales increased by 4.1% on a reported basis and by 4.8% on a like-for-like basis in the second half of 2013, compared to the second half of 2012.

In North America, our Faurecia Emissions Control Technologies product sales in 2013 decreased by 2.2% year-on-year on reported basis but increased by 1.0% on a like-for-like basis. Product sales increased by 0.3% on a reported basis and by 5.7% on a like-for-like basis in the second half of 2013, compared to the second half of 2012.

In South America, our Faurecia Emissions Control Technologies product sales in 2013 increased by 8.7% year-on-year on a reported basis and by 26.3% on a like-for-like basis. Product sales decreased by 1.1% on a reported basis but increased by 19.9% on a like-for-like basis in the second half of 2013, compared to the second half of 2012.

In Asia, our Faurecia Emissions Control Technologies product sales in 2013 increased by 21.0% year-on-year on a reported basis and by 22.4% on a like-for-like basis. Product sales increased by 18.8% on a reported basis and by 22.2% on a like-for-like basis in the second half of 2013, compared to the second half of 2012.

Faurecia Emissions Control Technologies held onto its position as world market leader in 2013 with over a hundred new products, while increasing its presence in Asia with nearly 40 mass production start-ups in China (22%) and continued growth in Europe. Expansion continued in North America with 15 new products during the year, including General Motors' K2 platform for SUVs and pick-up trucks.

The following new products contributed to the increase of our Faurecia Emissions Control Technologies product sales:

- in China, Faurecia Emissions Control Technologies started producing the pollution control systems for the General Motors Cadillac XTS and STS and the DS5 as well as complete systems for the VW Lavida, the Peugeot 301 and the Citroën C- Elysée. In South Korea, Faurecia Emissions Control Technologies started producing the Hyundai Equus, fitted with a manifold and a pollution control system;

- in North America, Faurecia Emissions Control Technologies started producing complete systems for the GMC Sierra and the Chevrolet Silverado on the General Motors K2 platform, and for the new Ford Fiesta;

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

- we also started producing pollution control systems for the Volkswagen Up in Brazil and the production of complete systems for the Hyundai Grand I10 in India.

Other factors that explain the increase in our Faurecia Emissions Control Technologies product sales include the following:

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

- business continued to flourish on the Chinese market with a number of programmes won not only with Geely, but also with Chery and Great Wall. Volkswagen programmes on MQB B and MQB A2 platforms were also won on this highly competitive market. In Europe, our success in winning the 35Up programme allowed us to retain our position as a supplier of pollution control systems for BMW's diesel engines; and

- in North America, we won the Audi Q5 programme in Mexico; the first vehicle produced by Audi for this market.

Another contributing factor to the level of our Faurecia Emissions Control Technologies product sales in 2013 was the establishment of new just-in time plants and sites in Europe and Asia. Europe saw the opening of the Herrenberg just-in-time site for the assembly and delivery of the complete system for the new S Class from Daimler, and the Fradley just-in-time site for the assembly of complete systems for the Toyota Auris and the Land Rover Evoque, Defender and Freelander. In Asia, 3 sites opened in 2013 as a result of new production programmes. The Shenzhen just-in-time site assembles complete exhaust systems from sub-assemblies produced in the new Foshan plant, to be fitted onto Citroën DS5 engines. Finally, the Cixi plant, near Ningbo, is providing back-up for production programmes with Geely, VW and Ford.

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

Use of the self-piloted Adaptive Valve™ continued to increase on all pick-ups and SUVs based on the new General Motors K2XX platform, which took over from the GMT900 platform and is now fitted on the Chevrolet Silverado and GMC Sierra. The new Mercedes Benz S Class was launched in 2013 and we produced complete systems fitted with stamped mufflers as well as pneumatically piloted acoustic valves for versions of the Mercedes Benz S class with V8 gasoline engines.

For its new generation of SUVs (X5, X6) with 6 and 8 cylinder gasoline engines, we supplied to BMW its new generation high-performance electrically piloted acoustic valve which has a moulded cast iron valve body.

Faurecia Interior Systems

Total Sales	Product Sales	Headcount	Sites	Countries	R&D and Design and Development Centres
€4,560.0 million	€3,793.2 million	32,800	82	23	8

Faurecia Interior Systems total sales increased by 4.8% year-on-year on a reported basis and 4.1% on a like-for-like basis to €4,560.0 million in 2013. Faurecia Interior Systems product sales increased by 5.5% on a reported basis and 4.4% on a like for like basis to €3,793.2 million in 2013, compared with €3,597.1 million in 2012, with a decrease of 3.0% on a reported basis but an increase of 4.1% on a like-for-like basis in the second half of 2013 compared to the second half of 2012.

In Europe, our Faurecia Interior Systems product sales increased by 3.3% year-on-year on a reported basis and by 3.9% on a like-for-like basis to €2,130.5 million in 2013.

In North America, our Faurecia Interior Systems product sales increased by 4.8% year-on-year on a reported basis but decreased by 4.1% on a like-for-like basis to €1,196.9 million in 2013.

In South America, our Faurecia Interior Systems product sales increased by 9.2% on a reported basis and by 27.1% on a like-for-like basis to € 233.4 million in 2013.

In Asia, our Faurecia Interior Systems product sales increased by 43.5% on a reported basis and by 45.8% on a like-for-like basis to €189.8 million in 2013.

The year ended 31 December 2013 was a particularly eventful year in terms of new productions, which contributed to our increase in product sales. In particular, in Europe we started production of interiors for the Mercedes Benz S Class, Peugeot 308 and Dacia Sandero (instrument panels and door panels), instrument panels for the Mercedes Benz CLA/GLA, the Volvo V40 and the Citroën C4 Picasso as well as door panels for the Range Rover Sport. In North America, we started the production of instrument and door panels for the Ford Fiesta, the BMW X5, and the BMW X6 M, instrument panels for the Buick Regal and the VW Jetta, and door panels for the Cadillac CTS. In Asia, the most significant new productions involved the instrument panel for the Volvo S60 and the Skoda Yeti as well as door panels for the Citroën DS5.

The increase in Faurecia Interior Systems' product sales in 2013 was also due to our further expansion in Asia and Eastern Europe. In 2013, Faurecia Interior Systems opened 5 new plants, focusing on its expansion in Asia. In Europe, the Legnica II plant (Poland) started to manufacture decorative aluminium parts for Mercedes and BMW. In China, two plants commenced production: the Foshan plant, which supplies the first instrument panels for the Audi A3 and door panels for the VW Golf, and the Shenzhen plant which supplies parts for CAPSA (joint venture between Chang'an and the PSA Peugeot Citroën group).

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

During 2013, we noticed a positive year for the decorative parts business with major programme wins, particularly with the Audi A4 and the BMW X1.

In February 2013, we signed a joint venture agreement with Auto Interior Product Co. Ltd, leading Faurecia & Summit Interior Systems (Thailand) Company Limited to produce all Ford's vehicle interior requirements (including door panels, instrument panels and consoles) in Thailand.

In April 2013, we signed a joint venture agreement with China Chang'an group so that CSM Faurecia Automotive Parts Company Limited manufactures and supplies Ford's and the PSA Peugeot Citroën group's JVs with Chang'an with automotive interiors such as door panels, instrument panels and consoles.

Faurecia Automotive Exteriors

Total Sales	**Product Sales**	**Employees**	**Sites**	**Countries**	**R&D and Design and Development Centres**
€1,899.2 million	€1,657.4 million	8,000	32	9	9

Faurecia Automotive Exteriors' total sales increased by 6.9% year-on-year on a reported basis to €1,899.2 million in 2013. Faurecia Automotive Exteriors' product sales increased by 6.1% on a reported basis to €1,657.4 million in 2013, with an increase by 4.9% on a reported basis compared and 5.0% on a like-for-like basis in the second half of 2013, compared to the second half of 2012.

Faurecia Automotive Exteriors has grown substantially since 2009 as a result of the takeovers of Plastal Germany and Plastal Spain, followed more recently by the takeover of Plastal Hambach (Smart) and Sora Composites.

In Western Europe, Faurecia Automotive Exteriors' production base is well-positioned near strategic customers and optimises the employment of the industrial resources available at its bumper manufacturing plants, both in France and in Germany. Faurecia Automotive Exteriors has begun to expand beyond Europe, in South America and China. International expansion is based on production standards, in particular, via the modular and flexible design of Newtech paint lines, enabling markedly different high quality products and services, combined with optimised economic performance, to be introduced to these growth areas. In South America, Faurecia Automotive Exteriors opened two manufacturing sites and we are now one of the three main manufacturers in this region.

We decided to become one of the major composites manufacturers through the acquisition of Sora Composites. Composite materials, produced by combining separate materials to create one material, provide significant weight savings for automotive parts without affecting equipment strength and performance. By helping to reduce vehicle weight, composite technology is having a direct impact on efforts to cut fuel consumption. Our decision was justified by an initial mass market structural parts order, the signing of strategic innovation contracts for semi-structural parts and the construction of a product/process offering capable of responding to the demands of the North American market.

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

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

In addition, our Brussels site, which supplies parts for the Audi A1, can be added to the list of our many local sites, set up to provide our customers with the best possible service.

Operating Expenses

Our total operating expenses amounted to €17,490.3 million in 2013, compared to €16,848.2 million in 2012, due to internal and external growth. This increase was partially offset by an improvement in margins (as discussed below). Cost of sales represented 95.1% of total operating expenses in 2013 and 95.2% in 2012. Our total operating expenses can be split by type of expense as follows:

	For the year ended 31 December	
(in € millions)	**2012**	**2013**
	(restated)	
Purchases consumed	(11,983.4)	(12,383.6)
External costs	(1,629.0)	(1,682.9)
Personnel costs	(3,182.9)	(3,239.8)
Taxes other than on income	(59.7)	(48.7)
Other income and expenses	442.5	353.7
Of which production taken into inventory or capitalised production	*427.6*	*319.2*
Depreciation, amortisation and provisions for impairment in value of non-current assets	(495.7)	(532.0)
Charges to and reversals of other provisions	60.0	43.0
Total Operating Expenses	**(16,848.2)**	**(17,490.3)**

Operating income

We reported operating income of €538.3 million (3.0% of our total sales) in 2013, compared to €516.3 million in 2012 (restated). In the second half of 2013, operating income was €282.1 million (3.2% of our total sales), up from €211.1 million (2.5% of our total sales) in the second half of 2012.

The €22.0 million increase in operating income in 2013 was attributable to the following factors:

- in Europe, despite a flat automotive production, product sales decreased by 0.4%, resulting in a €20.6 million decrease in operating income. Operating income amounted to €261 million, or 2.7% of our total sales;

- in North America, lower materials costs and higher revenues increased our operating income by €7.2 million in 2013, or 2.1% of our total sales, despite the additional costs mentioned below in the second half of 2013;

- in South America, our operating income decreased by €10.7 million due to higher labour and materials costs which could not all be immediately passed on to customers. This resulted in an operating loss of €28 million;

- in Asia, operating income continued to increase due to higher sales and to an additional €40.3 million of operating income. Operating income in Asia amounted to €210 million, or 8.3% of our total sales; and

- in other countries, primarily South Africa, operating income increased by €8.4 million in 2013.

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

- in Europe, sales growth and improved cost control increased operating income by €29.5 million, or 3% of our total sales and 2.4% of our total sales in the second half of 2012;

- operating income in North America was affected by a slowdown in business and by operational efficiency issues at some plants: higher costs relating to sophisticated new productions and problems controlling logistical flows (internal control issues). These additional costs were offset by a decrease in the cost of raw materials resulting in an improved operating income of €6.5 million (1.6% of sales) compared with 1.2% in the second half of 2012;

- in South America, operating income increased by €1.6 million due to an increase in sales;

- in Asia, operating income continued to increase due to higher sales and led to an additional €31.2 million of operating income. This was reflected by a 9.1% operating margin of sales in 2013 (8.3% in the second half of 2012); and

- in other countries, primarily South Africa, operating income increased by €2.2 million in the second half of 2013.

The trend for individual business segments was as follows:

- operating income for Faurecia Automotive Seating in 2013 was €217.4 million, or 4.2% of total sales, compared with €192.7 million in 2012, which was 3.7% of total sales;

- operating income for Faurecia Emissions Control Technologies in 2013 was € 199.0 million, or 3.1% of total sales, compared with €148.2 million in 2012, or 2.4% of total sales;

- in 2013, Faurecia Interiors Systems (affected by new production costs in North and South America and by internal control weaknesses), achieved operating income of €84.0 million, or 1.8% of total sales, compared with €132.1 million, or 3.0% of total sales in 2012;

- operating income for Faurecia Automotive Exteriors was €37.9 million, or 2.0% of total sales, compared with €43.3 million, or 2.4% of total sales in 2012.

Research and development Costs

Gross R&D expenditure amounted to €916.5 million and represented 5.1% of total sales in 2013, compared to €943.0 million in 2012, which represented 5.4% of total sales in 2012. This was a reduction of 2.8% on a reported basis and a reduction of 1.1% on a like-for-like basis between 2012 and 2013. We recorded capitalised development costs of € 258.4 million in 2013, representing 28.2% of total R&D capital expenditure in 2013, compared to €263.9 million in 2012, representing 28.0% of total R&D capital expenditure in 2012.

We benefited in France, Spain and North America from specific tax credits awarded on the basis of R&D activity conducted in those countries. In 2013, these tax credits, which included an additional amount connected with expenditure in prior years and are set against gross R&D expenditure, amounted to €41.0 million, compared to €25.0 million in 2012.

Selling and Adminstrative Expenses

Selling and administrative expenses amounted to €600.2 million and represented 3.3% of sales, compared to €569.9 million in 2012 (3.3% of total sales), due to the reinforcement of our management and operating structure across all regions and business groups.

EBITDA

EBITDA, which corresponds to operating income before depreciation, amortisation and provisions for impairment of property, plant and equipment and capitalised R&D expenditures, amounted to €1,070.3 million (5.9% of total sales) compared to €1,009.2 million (5.8% of total sales) in 2012.

Other Income Statement Items

Other Income and Expenses: Other non-operating income totalled €4.8 million in 2013, which includes profit from bad-will related to the acquisition of Saline in 2012.

Other non-operating expenses totalled €111.6 million in 2013, including €91.3 million relating to restructuring costs. The latter mainly relate to the restructuring of activities in France (€38.8 million), Germany (€18.1 million) and Spain (€15.5 million). These costs concern the implementation of the restructuring plans elaborated in 2011, in order to adapt certain plants in Europe to new market conditions, and generating synergies from the integration of Emcon's activities.

Finance Costs: Cash financial income totalled €9.0 million in 2013, compared to €10.2 million in 2012. Finance costs totalled € 196.9 million in 2013, compared to €175.4 million in 2012. The increase in finance costs was largely due to the increase in average debt over the full year. The weighted average interest rate on financial liabilities remained stable, at 6.06% in 2012 and 6.11% in 2013.

Other Financial Income and Expenses: Other financial income and expenses amounted to €46.4 million in 2013, compared to €31.9 million in 2012. This included the €8.6 million impact of discounting pension liabilities, €9.3 million for the amortisation of fees for syndicated debt, €9.2 million for the amortisation of debt issue costs, including the residual amortisation of costs relating to the convertible bond issued in November 2009 and redeemed early on 30 December 2013, and €15.7 million in foreign exchange gains and losses on financial liabilities.

The tax expense for the year was €64.7 million, compared to €67.4 million in 2012, representing an average tax rate of 32.8% in 2013. A €50.5 million tax asset was recognised in the United States due to the positive change in our taxable income in that country. At the end of 2013, we had deferred tax assets on unrecognised losses totalling € 789.2 million, primarily in France.

Net Income

After minority interests of €55.8 million, primarily consisting of net income accruing to investors in Chinese companies in which we are not the sole shareholder, our reported net income for the year 2013 was €87.6 million compared to €143.5 million in 2012.

LIQUIDITY AND CAPITAL RESOURCES

The following table sets forth certain information derived from our consolidated cash flow statements for the periods indicated.

	For the year ended 31 December		
(in € millions)	**2012**	**2013**	**2014**
Operating income	513.7	538.3	673.3
Depreciation and amortisations of assets	495.5	532.0	555.6
EBITDA	**1,009.2**	**1,070.3**	**1,228.9**
Change in working capital requirement	(372.1)	364.4	263.2
Cash flows provided by operating activities	270.5	927.4	1,037.4
Cash flows provided by investing activities	(902.8)	(822.9)	(870.0)
Cash provided (used) by operating and investing activities	**(632.3)**	**104.5**	**167.4**
Issuance of debt securities and increase in other financial liabilities	850.5	473.0	296.2
Repayment of debt and other financial liabilities	(244.3)	(398.4)	(138.4)
Net cash provided by (used in) financing activities	**602.1**	**37.7**	**106.2**
Impact of exchange rate changes on cash and cash equivalents	(6.9)	(27.7)	41.5
Net flows from discontinued operations	35.0	(40.7)	—
Net increase (decrease) in cash and cash equivalents	**(2.1)**	**73.8**	**315.1**
Cash and cash equivalents at the beginning of the year	**630.1**	**628.0**	**701.8**
Cash and cash equivalents at end of the year	**628.0**	**701.8**	**1,016.9**

In addition to our consolidated cash flow statement, we analyse variations in cash flow by reference to changes in our net debt, excluding changes in net debt from acquisitions, variation in factoring levels (which results in derecognition of receivables), the impact of foreign exchange variations on outstanding debt, and dividend payments. We refer to the remaining variation as our "net cash flow", a non-GAAP measure. Net cash flow represents all cash flows after adjustment for changes in working capital requirements, investments (property, plant and equipment and capitalised R&D), finance costs, costs related to restructuring, tax and other operating items but before our management decisions on acquisitions (including equity investments).

The principal operational components of our net cash flow include:

- EBITDA;
- changes in working capital, net of receivables sold and derecognised in securitisation transactions;
- cash flow used for restructuring, generally equal to restructuring costs as recorded in the income statement, adjusted for accruals of new restructuring reserves;
- capital expenditures, net of changes in payables and receivables related to capital expenditures; and
- changes in capitalised R&D costs.

In addition to these operational components, we analyse certain non- operational components at the Group level, including cash net financial expense, and cash tax charges, generally equal to the current tax charge as indicated in the income statement adjusted for variations in tax reserves.

Financial structure and net debt 2014

Sources of Funds in 2014

Net cash flow (excluding net flows from discontinued operations) corresponds to cash provided by operating and investing activities, restated for the acquisitions of investments and business (€33.3 million) and changes in other investing activities and non-current assets (€15.4 million). We had a net positive balance of €216.1 million in 2014, including €177.0 million in the first half-year and €39.0 million in the second half, compared to a net positive balance of €143.6 million in 2013.

The €216.1 million of net positive balance in 2014 was attributable to the following:

- EBITDA amounted to €1,228.9 million in 2014 compared to €1,070.3 million in 2013;
- A positive change in net working capital, including receivables factoring, of €263.2 million in 2014 compared to €364.4 million in 2013, due to a €77.9 million decrease in production inventory, a €87.8 million decrease in trade receivables (including a €356.8 million increase in factoring due to a higher volume of annual sales than in 2013), and a €120.2 million increase in trade payables. Trade payables represented 19.2% of our cost of sales in 2014, compared to 18.4% and 17.2% of our cost of sales in 2013 and 2012, respectively;
- restructuring represented cash outflows of €95.5 million compared to €122.6 million in 2013;
- financial costs represented cash outflows of €180.2 million compared €187.5 million in 2013;
- capital expenditures and increases in intangible assets represented cash outflows of €521.0 million compared €522.6 million in 2013;
- capitalised development costs represented cash outflows of €321.6 million compared to €265.0 million in 2013. The percentage of total capitalised R&D expenditure reached 33.2% in 2014 compared to 28.2% in 2013;
- income taxes represented cash outflows of €154.9 million compared to €134.3 million in 2013;
- finally, other cash flow items represented cash outflows of €3.0 million, compared to €59.0 million in outflows in 2013.

Uses of Funds in 2014

For the 2014 financial year, the other items contributing to changes in our net debt were:

- the acquisition of new companies and investments in unconsolidated companies represented €33.3 million in net cash outflows;

- dividends paid to minority shareholders represented €49.8 million in cash outflows compared to €47.9 million in 2013;

- a positive foreign exchange effect of €41.5 million compared to a negative foreign exchange effect of €27.7 million in 2013.

Net debt amounted to €1,387.6 million as at 31 December 2014, compared to €1,519.1 million as at 31 December 2013.

Our shareholders' equity increased from €1,501.8 million as at 31 December 2013 to €1,716.6 million as at 31 December 2014, mainly driven by net income for the year.

The main elements of our long term debt are the new syndicated credit facility of €1,200 million signed on 15 December 2014 (which is scheduled to mature in December 2019), which was not drawn upon as at 31 December 2014, the €490 million of bonds with maturity in December 2016, the €250 million of convertible bonds with maturity 1 January 2018 and the €250 million of bonds which mature in June 2019, for which we had initially announced our intention to exercise our right to reimburse in June 2015 (whereas the 2019 Notes will be redeemed 30 calendar days after the publication, on the issue date of the 2022 Notes, of the unconditional and irrevocable notice of redemption).

Financial structure and net debt 2013

Sources of Funds in 2013

Net cash flow (excluding net flows from discontinued operations) corresponds to cash provided by operating and investing activities, restated for the acquisitions of investments and business (€12 million), and changes in other investments and non-current assets (€27 million), was €144 million, comprising €137 million for the first half of 2013 and €7 million for the second half of 2013.

The €144 million of net positive balance in 2013 was attributable to:

- EBITDA amounted to €1,070.3 million compared with €1,009.2 million in 2012;

- the positive change in net working capital of €364.0 million in 2013, including the sale of unconsolidated trade accounts receivable, due to a €57 million increase in manufacturing inventory, largely due to increased sales volume, €22 million increase in unbilled engineering and tooling, a €44 million net increase in trade receivables (including an increase from the sale of unconsolidated trade accounts receivables of €77 million before currency translation) due to a higher volume of annual sales than in 2012 and to a €396 million increase in trade payables (including an exchange rate impact of €88 million). Trade payables represented 18.4% of our cost of sales in 2013, compared to 17.2% and 18.7% of our cost of sales in 2012 and 2011, respectively;

- restructuring represented cash outflows of €123 million in 2013, compared with €54 million in 2012;

- financial costs represented cash outflows of €187 million in 2013, compared to €164 million in 2012. This increase was due to establishing new means of financing in 2012;

- capital expenditures on non-current assets of all types represented cash outflows of €523 million in 2013, compared to €560 million in 2012. The percentage of capital expenditures on property, plant and equipment produced outside Europe was 53.5%, whereas 46% of 2013 sales were outside Europe;

- capitalised development costs represented cash outflows of €265 million in 2013 compared to €267 million in 2012. The percentage of total capitalised R&D expenditure amounted to 28.2%, compared to 28% in 2012;

- income taxes represented cash outflows of €134 million in 2013, compared to €104 million in 2012; and

- other cash flow items represented cash outflows of €59 million in 2013, compared with €23 million in outflows in 2012.

Uses of Funds in 2013

For 2013, the other items contributing to changes in our net debt were:

- acquisitions of new companies and investments in non-consolidated companies net of cash flows relating to dis-continued operations accounted for net cash outflows of €77.2 million, including € 40.7 million corresponding to the negative working capital requirement for the Saline cockpit assembly operations which were transferred to the Detroit Manufacturing Systems joint venture in which we have a minority interest;

- dividends paid to minority shareholders represented €47.9 million in cash outflows;

- the conversion to stock of the convertible bond issued in November 2009, which increased shareholders' equity by €213.5 million; and

- a positive foreign exchange effect of €56 million.

Net debt amounted to €1,519.1 million as at 31 December 2013 compared to €1,807.1 million as at 31 December 2012.

Our shareholders' equity increased from €1,221.9 million as at 31 December 2012 to €1,501.8 million at 31 December 2013, mainly due to net income in 2013 and the conversion to stock of some convertible bonds, the effect of which was to add €213.5 million to shareholders' equity.

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

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

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

Finally, we exercised, in November 2013, the option to extend by 1 year the €654 million tranche of the syndicated credit facility maturing in 2015, thereby extending the maturity to December 2016.

The main due dates for our long-term debt, besides the €1,200 million senior credit facility due in December 2019 which had not been drawn down at 31 December 2014, are the €490 million in bonds maturing in December 2016, the €250 million in convertible bonds maturing on 1 January 2018 and the €250 million in bonds maturing in June 2019.

Contractual Commitments

The following tables set forth our outstanding off-balance sheet contractual commitments as at 31 December 2014, as well as the schedule of lease payments due as of each date.

(in € millions)	**As at the year ended 31 December 2014**
Future minimum lease payments under operating leases	487.7
Debt collateral:	
Mortgages	6.3

Other debt guarantees	66.0
Firm orders for property, plant and equipment and intangible assets	98.1
Other	1.9
Total	**660.0**

Future minimum lease payments under operating leases are divided as follows:

(in € millions)	As at the year ended 31 December 2014
N+1	95.3
N+2	76.0
N+3	63.5
N+4	55.4
N+5 and above	197.5
Total	**487.7**

Capital Expenditure and Capitalised Development Costs

Our capital expenditure is incurred primarily in connection with the acquisition or construction of new plants, or with the acquisition of tooling and equipment for new or existing plants. We analyse our capital expenditure on a gross basis and adjust capital expenditures for the changes in investment-related receivables and payables.

We also incur development costs linked to programmes, which we expect to recover through per-vehicle charges over the life of a car model as part of the purchase price of the equipment that we sell. See "—Significant Factors Affecting the Group's Results of Operations—R&D".

The following table sets forth our capital expenditure, on a gross and a net basis, as well as our capitalised development costs, for the periods indicated.

	As at the year ended 31 December		
(in € millions)	2012	2013	2014
Capital expenditure(1)	557.3	518.0	519.2
Additional intangible assets	2.9	4.6	1.8
Total capital expenditure	560.2	522.6	521.0
Capitalised development costs	266.7	265.0	321.6

(1) Capital expenditure represents additions to property, plant and equipment.

Certain plant tooling and specific tooling is produced or purchased exclusively for the purpose of manufacturing parts or modules for customer orders. Such tools and equipment investments may be either not sold to the customer, or paid for by the customer incrementally on delivery of each part, without the customer guaranteeing full financing of the costs incurred. In accordance with IAS 16: Property, Plant and Equipment, this tooling is capitalised on the balance sheet as property, plant and equipment and 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.

The implementation of a selective sales policy, combining growth and cash generation, translated into capital expenditures, which decreased from €560.2 million in 2012 to €522.6 million in 2013 and remained stable at €521.0 million in 2014.

Capitalised development costs were stable between 2012 (€266.7 million) and 2013 (€265.0 million) and increased to €321.6 million in 2014. The €56.6 million increase between 2013 and 2014 was due to programmes acquired in 2013 and to the fact that after review of commercial practices, an additional €20.0 million of 2014 development costs were considered eligible to be capitalised.

The following table sets forth our capital expenditure (which represents additions to property, plant and equipment) in all our geographic regions in 2014.

(in € millions)	France	Germany	Other European Countries	North America	South America	Asia	Other Countries	Total
Capital Expenditure	73.7	54.4	160.0	123.0	21.3	83.8	2.9	519.2

We expect in the coming year an increase in annual capital expenditure as we increase our production capacity, mainly outside Europe. We may incur capital expenditures in connection with the introduction of new technologies, although the amount will depend on whether these technologies can be successfully developed and in a certain timeframe.

Working Capital

The trend in our working capital requirements over the past several years has largely reflected trends in our business. We analyse our working capital requirements after adjusting for sales of derecognised trade receivables under our non-recourse factoring programme.

	For the year ended 31 December		
(in € millions)	**2012**	**2013**	**2014**
Change in inventories	(208.9)	(79.4)	77.9
Change in trade accounts receivable	(91.2)	(44.0)	87.8
Change in trade payables	(22.6)	395.8	120.2
Change in other operating receivables and payables(1)	(18.1)	74.4	(4.8)
Change in other receivables and payables(2)	(31.2)	17.6	(17.9)
Change in working capital requirements	**(372.1)**	**364.4**	**263.2**

(1) Represents primarily the change in VAT and other tax receivables.

(2) Represents primarily the change in prepaid income and expenses, current taxes and amounts due to suppliers of non-current assets.

Short-term debt, net debt and cash

Our short-term debt and cash and cash equivalents include significant amounts of cash balances that we collect in respect of receivables that we have sold and derecognised under our non-recourse factoring programme. Our obligation to deliver cash to the owner of the receivables is treated as short-term debt. The proportion of our short-term debt represented by these amounts typically represents between one third and one half of our total consolidated short-term debt. As at 31 December 2014, we had €968.0 million of short-term borrowings (including overdrafts).

Our net debt as at 31 December 2014 was €1,387.6 million, reflecting total gross debt of €2,412.4 million and net cash and cash equivalents of €1,016.9 million. In addition to the cash balances held in respect of servicing of derecognised receivables (described above), our subsidiaries tend to hold significant amounts of cash 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.

Dividend Payment Policy

We pay dividends in line with the practices of other similar companies, based on our results for the year. In light of our performance, the Board of Directors has announced that at the next annual shareholder meeting, to be held on 27 May 2015, it would propose the payment of a dividend of 35 euro cents per share, an increase of 17%, with a distribution rate of 27%. Shareholders will also be given the option to receive their dividend as shares.

Market Risk

Currency risks relating to the commercial transactions of our subsidiaries are managed centrally using forward purchase and sale contracts and options as well as foreign currency financing. We manage the hedging of interest rate risks on a central basis, through our 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. Our principal accounting policies are set out in note 1 to our audited consolidated financial statements for the year ended 31 December 2014 and a discussion of hedging interest rate and currency risks is set out in note 30 to our audited consolidated financial statements for the year ended 31 December 2014.

Interest rate risk

Taking into account the impact of interest rate hedges, 52.0% of our borrowings were at variable rates as at 31 December 2014, compared with 49.8% as at 31 December 2013. Variable rate financial debt mainly relates to the €1,200 million syndicated bank loan refinanced in December 2014, as well as short-term debt. The main components of fixed-rate debt are:

- bonds maturing in December 2016, issued in November 2011 and February 2012, with a principal amount of €490.0 million;
- bonds maturing in June 2019, issued in May 2012, with a principal amount of €250.0 million; and
- bonds convertible into and/or exchangeable for new or existing shares, issued in September 2012, with a principal amount of €250.0 million, maturing on 1 January 2018.

We manage the hedging of interest rate risks on a central basis. The management of this risk is implemented through our 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.

We engage in derivatives transactions in order to hedge against the impact of short-term rate changes on earnings, as a significant part of our borrowings are at variable rates; these hedging transactions may entail counterparty risk. The hedges arranged comprise mainly euro denominated interest rate swaps. These hedges cover some of the borrowings due in the first half of 2015, against a rise in rates. Our interest rate position based on the nature of the instruments used and the sensitivity of interest expense to short-term rates are disclosed in note 30.2 to our audited consolidated financial statements for the year ended 31 December 2014. Since part of our borrowings are at variable rates, a rise in short-term rates would impact our financial expenses. A 100 basis points increase in average interest rates compared to the rate curve as at 31 December 2014 shows that the effect on financial expense (before taxes) would not be significant, taking into account the profile of our borrowings and derivatives in place as at 31 December 2014.

Currency risk

We are also exposed to risks arising from fluctuations in the exchange rates of certain currencies, particularly due to the location of some of our plants 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 at 31 December 2014 to changes in exchange rates of transaction currencies used by our subsidiaries other than their functional currency (with all other variables remaining constant) are as follows:

	As at 31 December 2014						
Currency	**USD**	**CZK**	**CAD**	**RUB**	**GBP**	**PLN**	**ZAR**
(in € millions)	1.21	27.74	1.41	72.34	0.78	4.27	14.04
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	1.27	29.12	1.48	75.95	0.82	4.49	14.74
Impact on pre-tax income	**(2.11)**	—	**(5.08)**	**0.25**	**0.08**	**0.79**	**0.06**
Impact on equity	**1.69**	**(2.41)**	**(0.03)**	—	**0.91**	**(5.64)**	**0.04**

"USD" means United States Dollar, "CZK" means Czech Republic Koruna, "CAD" means Canadian Dollar, "RUB" means Russian Rouble, "GBP" means British Pounds Sterling, "PLN" means Polish Zloty and "ZAR" means South African Rand.

These impacts reflect (i) the effect on the income statement of currency fluctuations on the year-end valuation of assets and liabilities recognised 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.

Currency risks relating to the commercial transactions of our subsidiaries are managed centrally using forward purchase and sale contracts and options as well as foreign currency financing. 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. Our 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 our currency risk exposure and are therefore hedged through swaps. Details of net balance sheet positions and hedges by currency are provided in note 30.2 to our audited consolidated financial statements for the year ended 31 December 2014. Our hedging policy implemented may not prove effective in mitigating our foreign exchange risk and may create additional risks for us, such as counterparty risks.

BUSINESS

Our Company

We are one of the world's largest automotive equipment suppliers. We develop, manufacture and sell high-quality and highly-engineered products through our 4 core business groups: Faurecia Automotive Seating, Faurecia Emissions Control Technologies, Faurecia Interior Systems and Faurecia Automotive Exteriors. We estimate that at least one third of vehicles in service in the world were originally equipped with at least one product manufactured by us.

Faurecia Automotive Seating. We estimate we are currently the world's number 1 supplier of seat frames and mechanisms and number 3 supplier of complete seats. We believe that in 2014 we had a 13% global market share by value for frames and mechanisms and 12% by value for complete seats. We design and manufacture seat systems, as well as components: frames, mechanisms, foam, seat covers, electronic systems, mechatronics and pneumatics. During the manufacturing process, we assemble the various components to create complete systems, front seats and rear seats, delivered on a just-in-time basis to our customers' plants. We develop solutions with an emphasis on safety, comfort, quality, versatility and use of natural/recycled materials.

Faurecia Emissions Control Technologies. We estimate we are currently the world's number 1 supplier of exhaust systems and components (including mufflers, manifolds and catalytic converters). We believe that in 2014 we had a 25% global market share by value (excluding monoliths, which are components containing precious metals used in catalytic converters for exhaust systems) for light vehicles and 22% for commercial vehicles. We develop and manufacture complete exhaust systems, including components reducing emissions as well as components for exhaust system acoustics.

Faurecia Interior Systems. We estimate we are currently the world's number 1 supplier of automotive interior systems. We believe that in 2014 we had a 14% global market share by value. We manufacture cockpit modules (instrument panels and central consoles), doors (panels, modules and door systems), acoustic modules, as well as decorative parts.

Faurecia Automotive Exteriors. We estimate we are currently the number 1 supplier of bumpers in Europe and number 2 worldwide. We believe that in 2014 we had a 25% market share by value of bumpers in Europe. We manufacture painted exterior body parts (including bumpers, tailgates, fenders and spoilers), composite parts (including fenders, roofs and doors, as well as semi-structural and structural parts) and front-end modules (including structural front-ends and fan units).

We maintain strong relationships with almost all major global automakers, including Volkswagen, Ford, the PSA Peugeot Citroën group, the Renault-Nissan group, General Motors and Daimler, each of which accounted for more than €1,500 million of total sales in 2014. We boast a broad geographic footprint, and are one of the few automotive equipment suppliers with the capacity to supply automakers' global programmes where the same car model is produced throughout several regions.

We are involved in all stages of the automotive equipment development and supply process. We design and manufacture automotive equipment adapted to each new car model or platform, and conclude contracts to provide these products throughout the anticipated life of the model or platform (usually between five and ten years). Nevertheless our customers rely increasingly on global platforms, based upon which they will produce a variety of car models. This allows us to decrease costs through a greater commonality of components, and to benefit from components or modules which can be used in more than one generation of cars. We participate in this evolution by offering generic products associated with our customers' platforms, such as standard seats frames. At the end of 2014, we had 495 programmes in the development phase. We tend to benefit from a high renewal rate of our programmes.

Our products won numerous awards and accolades in 2014. Among others, we received the following awards:

- "Supplier Relationship Award" from Fiat and Chrysler for our Faurecia Emissions Control Technologies business;
- "Supplier of the Year" award at the Automotive Interiors Expo 2014 held at the Stuttgart Trade Fair Centre;

- "2014 Innovation" award in the Green category for our NAFILean technology by the European Association of Automotive Suppliers;

- "AutomotiveINNOVATIONS" Award by the Centre of Automotive Management for our innovative strength in the field of automotive interior and a 'special mention' for our interior study Performance 2.0 in the 'Concepts' category at the Automotive Brand Contest;

- The Mercedes Benz S-Class, the Audi A1 and the Audi Q3, 3 car models equipped by us, were respectively recognised "best luxury car", "best city car" and "best compact SUV" for 2015 by the readers of the prestigious German magazine *Auto und Sport*; and

- The Volkswagen Passat equipped by us, was recognised as European "Car of the year" 2015 at the Geneva International Motor Show.

Several of our production sites also received awards, in particular our sites in Siedoubs (France), Chengdu and Wuhan (China), Bakov (Czech Republic), Augsburg (Germany), Troy and Columbus (United States) and Legnica (Poland).

The quality of our products is widely acknowledged among automakers. We ensure the quality of our products through our Faurecia Excellence System, a rigorous set of project management procedures and methodologies, and by the expertise of our nearly 6,000 engineers and technicians who design products and develop technological solutions.

For the year ended 31 December 2014, our total sales amounted to €18,828.9 million compared to €18,028.6 million in 2013 and our EBITDA amounted to €1,228.9 million compared to €1,070.3 million in 2013. In 2014, we realised 55.2% of our total sales in Europe, 24.0% of our total sales in North America, 16.0% of our total sales in Asia, 3.6% of our total sales in South America and 1.2% of our total sales in other regions. The United States is our largest single country market. As at 31 December 2014, we employed approximately 99,500 people in 34 countries, spread over 330 sites including 30 R&D centres.

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 shows a breakdown of our total sales in 2014 by geographic region.

	2014 Total Sales by Region					
(in € millions)	**Europe**	**North America**	**Asia**	**South America**	**Rest of the World and Other countries**	**Total**
Sales	10,390.8	4,515.5	3,007.7	677.7	237.2	18,828.9
Percentage of Total Sales	55.2%	24.0%	16.0%	3.6%	1.2%	100.0%

Competitive Strengths

Leading market positions in our four core business groups.

We occupy leading market positions in each of our 4 core business groups. In 2014, we estimated that we were, globally, number 1 supplier of frames and mechanisms for seats, number 3 supplier of complete seats, number 1 supplier of emissions control technologies, number 1 supplier of interior systems and number 1 supplier of bumpers in Europe and number 2 worldwide. In 2014, our business groups achieved the following results:

- Faurecia Automotive Seating's total sales reached € 5,309.1 million (28.2% of total revenue) employing 34,799 employees across 77 production sites and 16 R&D centres in 24 countries;

- Faurecia Emissions Control Technologies' total sales (including monoliths for catalytic converters) reached €6,747.4 million (35.8% of total revenue), employing 21,445 employees across 77 production sites and 7 R&D centres in 24 countries;

- Faurecia Interior Systems' total sales reached €4,709.3 million (25.0% of total revenue), employing 32,817 employees across 85 production sites and 27 R&D centres in 23 countries; and

- Faurecia Automotive Exteriors' total sales reached €2,063.1 million (11.0% of total revenue), employing 8,057 employees across 32 production sites and 9 R&D centres in 9 countries.

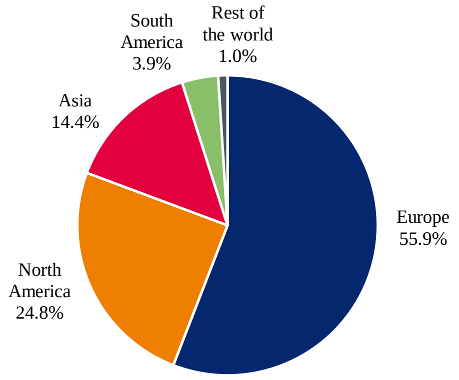
Our market leadership in each business group and our global platforms are significant strategic advantages as customers typically look to well-established suppliers when awarding new business. This has allowed us in recent years to win new business from existing and new customers. For instance, our partnership with Cummins on commercial vehicles provides significant new opportunities for our Faurecia Emissions Control Technologies business group to take advantage of global regulatory pressure to reduce carbon footprint and toxic emissions. We also benefit from revenue visibility and stability, due to the difficulty for automakers to change suppliers in the midst of development and production of a car model, and from a high renewal rate of our programmes. We believe that our leading market share in each of our 4 business groups positions us well for future growth, allows us negotiate favourable terms from our suppliers and to further diversify our business model.

Highly diversified business model

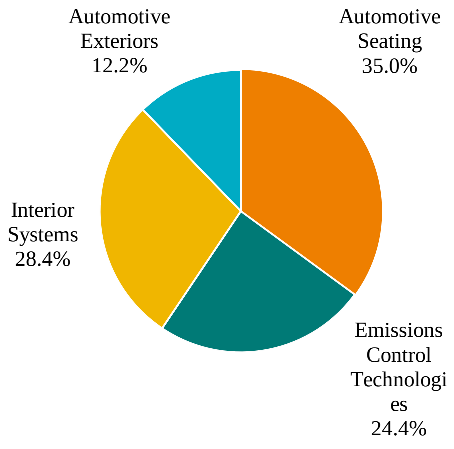
We believe that the high degree of diversification through our 4 core business groups, our geographic presence, and our number of customers and range of products limits our exposure to adverse changes in the global or local economic environment and in the various end-markets we serve, while simultaneously mitigating counterparty risk. This high degree of diversification in turn supports the resilience of our revenues and our profitability.

We analyse our revenue primarily on the basis of product sales (sales of parts and components to automakers), since product sales are directly linked to the level of car production. We also derive sales from two other sources. First, the sales of our Faurecia Emissions Control Technologies business group include the sales of monoliths from suppliers to automakers on a pass-through basis without generating industrial added value. Second, we generate revenue from the sales of tooling, R&D, prototypes and other services. These sales occur mainly before programmes are launched in production, and can be considered as an indicator of future product sales.

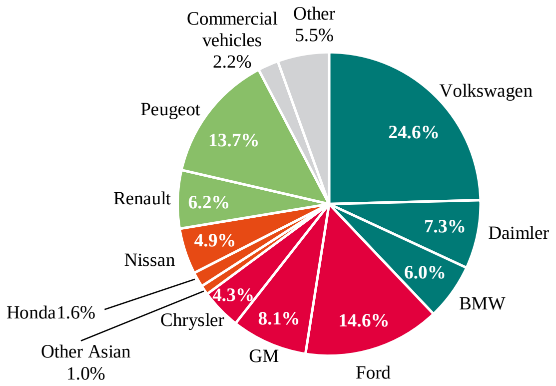
Product sales by region (2014)



Product sales by business groups (2014)



Product sales by customers (2014)



In recent years we further increased our geographic diversification by decreasing the share of our European product sales (from 86% of our consolidated product sales in 2003 to 55.9% in 2014) and by increasing the share of our North American sales (from 10% of our consolidated product sales in 2003 to 24.8% in 2014) and our Asian sales from 1% in 2003 to 14.4% in 2014. This increased diversification reduces our exposure to a single geographic area, end- market, automaker or car model.

We benefit from a global customer base, comprising primarily German (38% of our product sales), American (27% of our product sales) and Asian (8% of our product sales) customers (the classification of customers is based on the nationality of their parent company, except for Chrysler, which has been classified as an American customer). Whereas Japanese and South Korean automakers tend to use their own network of suppliers, we managed to become a supplier to Nissan and Hyundai. In 2014, we increased our product sales to Nissan by 21%, to Daimler by 23% and to Cummins by 59%, compared to 2013 (at constant currencies and scope), further enhancing the diversification of our sales. We are present on most market segments, from entry-level models to premium and luxury cars (28% of our product sales), which make us less vulnerable to the parameters which may affect one particular segment.

Global footprint enabling longstanding and expanding partnerships with global automakers

In 2014, our operations in Europe generated €10,390.8 million of total sales, employing approximately 55,000 employees, through 160 production sites and 15 main R&D centres, while our operations in North America generated €4,515.5 million of total sales, with approximately 21,000 employees, across 41 production sites and 6 main R&D centres. We are well positioned in key growth markets, in particular in Asia. In 2014, our operations in Asia generated €3,007.7 million of total sales, employing approximately 13,500 employees over 53 production sites and 6 main R&D centres, while those in South America produced €677.7 million total sales with approximately 6,100 employees across 22 production sites and 3 main R&D centres. As a result of this global footprint, we are one of only a handful of manufacturers with the capacity to supply automakers' global programmes.

We meet our customers' goals by achieving efficiencies through their and our global footprint. Our global footprint allows us to follow our customers around the world and to establish global programmes. An early successful example of such programme is the Ford Focus, for which we supply interior modules. Production thereof was ramped up from 13 of our production sites in 11 countries in Americas, Europe and Asia, to 7 Ford plants, in 18 months.

In the automotive seating business, we meet our customers' demands through the development of generic seat frames, which can be used in different models across more than one generation. For instance, the Common Module Family 1 ("CMF-1") seat frame for the Renault-Nissan group was first developed in France in one of our R&D centres and has since been produced in Portugal, China, Mexico and South Korea using the same manufacturing process.

The final performance of a programme is mostly determined during the development phase and therefore effective programme management is key. In order to address this, we use vehicle application programmes, such as the "Programme Management System", to bring together the participants needed to develop and launch a new, mass-produced product.

We believe the automotive market globalisation is accelerating with global platforms, product convergence and shorter gaps between regional launches, in particular for our Faurecia Automotive Seating and Faurecia Emissions Control Technologies business groups. This market trend benefits automakers and equipment suppliers with a global footprint such as ours and we believe that we are ideally positioned to further benefit from this trend.

Attractive underlying market fundamentals

We believe that our global footprint and technological leadership enable us to benefit from attractive underlying market fundamentals. The growth in global automotive production between 2013 and 2014 is estimated at 3.3% worldwide, with growth in all regions of the world, except in South America. Global automotive production grew again in Europe (3.2%), remained buoyant in North America (5.0%) and continued to grow in Asia, where production increased by 4.1%. In contrast, production fell 16.1% in South America (source: IHS Automotive, January 2015).

We also believe that we will benefit from favourable macro-economic factors, such as lower oil prices, that should improve consumers' spending, and reduced cost of certain raw materials. The re-alignment of the euro against the U.S. dollar and Chinese renminbi should also benefit European economies.

From an economical perspective, we expect further cost reduction, as standard components become a major driver. Therefore, we have introduced a standardised process of production for some of our key equipment in particular by the introduction of generic seat frames such as CMF-1 and we also believe that we will continue to benefit from a trend among European automakers to further outsource the production of car seats to car equipment manufacturers.

From an environmental perspective, we anticipate the needs for lower levels for CO_2, pollutants and nitrogen oxides (NO_x). Lower CO_2 emissions will be achieved through lower fuel consumption, which can be mainly achieved through improved powertrain efficiency (including hybridisation), and weight reduction. We contribute to powertrain efficiency through the development of energy recovery devices, and to weight reduction by producing lighter components, developing innovative designs, using raw materials with improved performance, developing bio-sourced and renewable materials, and composites which are both lighter and stronger than metal. Altogether our business groups have embraced this evolution by contributing to a weight reduction of approximately 100 kilogrammes per vehicle representing a reduction of approximately 10 grams of CO_2 per kilometer. We contribute to the reduction of pollutants and NO_x through our Faurecia Emissions Control Technologies business group. For instance we have developed an "Ammonia Storage and Delivery System", a breakthrough technology for NO_x reduction, which stores ammonia in a crystalline substrate and releases it as a gas when the cartridge is heated, with a much quicker response time and weight savings of up to 10 kg. We also expect the introduction in China of regulation imposing reduced fuel consumption and lower CO_2 emissions for commercial vehicles to have a beneficial impact on our revenues in the coming years. We believe that China is the largest on and off highway commercial vehicles' market with nearly 3.7 million units, and represents around 2.8 times the size of the North American market and approximately 3 times the size of the European market. Our strong partnership through our Faurecia Emissions Control Technologies business group with Cummins, a world leader in medium to heavy duty on and off road diesel engines, puts us in a strong position to benefit from this trend. We have been awarded business by the major Chinese engine manufacturer, Weichai, and we note that significant interest has been shown by major Chinese cities for our Ammonia Storage and Delivery System.

From a societal perspective, we anticipate consumers demanding more comfort, better connectivity, and increased personalisation of cars by installing premium quality, comfortable and well-being equipment in vehicles, such as human machine interface innovations, retractable screens, improved connectivity, air conditioning with reduced vent sizes, kinematics and decoration and optimized driving positions. With the growing urbanisation in many parts of the world, people tend to spend more time in their cars every day and expect their cars to be a living space, connected to the outside world. Thanks to various innovations and partnerships, we believe our Faurecia Automotive Seating and Faurecia Interior Systems business groups are well positioned to benefit from this trend. In particular our Faurecia Automotive Seating business group has developed a "compliant shell" seat (based on a deformable plastic shell and a foam whose thickness has been significantly reduced) which offers more comfort while being more compact and providing more space. In 2013, we entered into a strategic partnership with Magneti Marelli for the joint development of human-machine interfaces for centre consoles with retractable or fixed screens, command buttons and decoration.

From a regulatory perspective, increasing regulation tends to increase the added value of our products. Lower CO_2 emissions targets create needs for weight reduction, an opportunity for all our business groups. Recycling requirements create a trend towards the use of more bio-materials. Standards imposed on emissions of harmful substances (exhaust gases or volatile organic compounds) require more sophisticated exhaust systems, and advanced production processes for painting and foam injection. Safety standards impose higher levels of performance. For instance, the seat is what connects the drivers and passengers of 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. As the number 1 supplier of frames and mechanisms for seats, we continue to play a key role by working in partnership with automakers on the development of new products and believe we are well positioned to benefit from further requirements in terms of safety applicable to seats.

Pioneer in technological innovations

We are a pioneer in technological innovations and our global footprint and R&D capabilities enable us to capitalise on the continuously evolving consumer demands and regulatory requirements.

We focus our technological innovation on the key market trends discussed above and we have always been committed to investment in technologies. In order to achieve these objectives, we committed €955.9 million in 2014 to R&D, or 5.1% of our annual consolidated sales, of which we dedicated approximately €100 million specifically to innovation. As at 31 December 2014, we employed nearly 6,000 engineers and technicians in 30 major R&D centres in Europe, America and Asia. We also filed 505 patents in 2014.

With a view to bolstering our R&D capabilities, we have entered into R&D partnerships with automakers, with leading German and French academic engineering laboratories and with other companies, including our joint venture with Cummins, and we have also acquired specialist technology companies, such as Sora's automotive composites business.

These partnerships and investments have led to the development of several products for each of our 4 core business groups. For example, our Faurecia Automotive Seating business group has introduced an "e-pump", our first powered height adjustment mechanism, which is 25% lighter than a conventional manual mechanism and saves an average of approximately 500 grams per seat. Our Faurecia Emissions Control Technologies business group developed the "SCR BlueBox", a compact equipment which combines an oxidation catalyser, used to remove harmful carbon monoxide and unburnt fuel, with a "Selective Catalytic Reduction" to turn nitrogen oxides ("NO_x") into nitrogen and water, using an urea-based solution, and it can even incorporate a particulate filter. This device, which complies with the Euro 6.2 regulation, reduces weight by between 3 to 4 kilogrammes per vehicle and therefore 0.3 to 0.4 grams of CO_2 emissions per kilometre. We believe that we will benefit from these technological innovations.

Strong focus on operational performance, profitability, capital expenditure and working capital management

Over the past several years, we have reduced our cost structure by achieving further footprint optimisation, in particular by expanding our production capacity in Eastern Europe through 7 new production sites and increasing the number of our employees in countries with lower labour costs. We also increased our production capacity in emerging markets to accompany the growth of our sales in these markets. For example, in the second half of 2014, this additional production capacity allowed strong sales growth outpacing the car production growth levels in China. By regrouping some of our factories and opening larger production sites, we also achieved economies of scale. Operational improvements in North America translated into higher variable costs margins, and profitability in Europe increased as we leveraged our cost base.

We generally seek to pass through increased raw material costs to our customers through a variety of means. Certain raw material cost fluctuations, such as for monoliths, are directly passed through, others are passed through (typically with a time lag) through indexation clauses in our contracts. In addition, we seek to pass through certain other raw material costs to customers through periodic price reviews that are part of our contract management. Our ability to pass through such costs has had a positive impact on our margins and profitability. In an environment of increasing raw material prices, we believe we have been generally successful in passing on the higher costs of our raw materials to our customers.

Our selective cost structure and our focus on more profitable businesses has enabled us to improve our operating margin, in particular for our Faurecia Automotive Seating and Faurecia Emissions Control Technologies business groups. Our Faurecia Automotive Seating operating margin (as a percentage of total sales) increased from 4.2% in 2013 to 4.4% in 2014. Our Faurecia Emissions Control Technologies operating margin (as a percentage of product sales) increased from 5.9% in 2013 to 7.5% in 2014. To lower costs, we continue to further standardise our equipment and production processes, as we did with the CMF-1 seat frame for the Renault- Nissan group mentioned above.

We seek to achieve steady and predictable levels of capital expenditure and working capital. We are still planning to grow while limiting our capital expenditure and capitalised R&D requirements by seeking better capital expenditure allocation. In 2014, we allocated approximately €100 million to research and innovation expenses and approximately €100 million to process standardisation.

We also try to limit the growth of working capital requirements by reducing our customer overdues, aligning our customer terms and extending our factoring programmes with regard to receivables to additional countries and customers to offset any change in working capital requirements.

We believe that we will benefit from such strong focus on operational performance, profitability, capital expenditure and working capital management.

Experienced management and a new corporate culture

Our management team and Board of Directors have significant experience in the industry. Yann Delabrière, our Chairman and Chief Executive Officer, has 25 years of experience in financial management and leadership positions in the automotive sector. The majority of the members of our Executive Committee have spent most of their careers in the automotive industry. Our management was reinforced by 3 new appointments to our executive committee in the first quarter of 2015, including Patrick Koller (Chief Operating Officer), Mark Stidham (Executive Vice President for North America) and Hagen Wiesner (Executive Vice President for Faurecia Automotive Seating). This management reinforcement will increase our focus on performance and value creation, allow us to better develop talent internally and facilitate the implementation of our strategic plan.

In 2014, we launched “Being Faurecia”, a major initiative introducing new values of entrepreneurship, autonomy and accountability to drive focus on performance and value creation. This initiative also aims at strengthening people management and talent development, thereby installing a new corporate culture in our Group.

Strategy

After a period of consolidation that saw rapid growth in new regions as well as optimisation of our cost base in Europe and selective cash allocation, we intend to pursue profitable growth and cash generation by:

(i) taking advantage of our strategy of selective resource allocation;

(ii) accelerating our Asian development and strengthening our profitability in North America;

(iii) leveraging our global platforms; and

(iv) continuing to develop value-added technologies.

Take advantage of our strategy of selective resource allocation.

We intend to pursue our selective resource allocation strategy towards a balanced profitable business model by optimising our footprint, standardising our products and reducing our working capital requirements.

We intend to focus on further optimising our European footprint by committing €50 million per year from 2015 onwards for restructuring expenses to continue to optimise our industrial footprint and increase the average size of our plants.

We also aim to continue standardising our products, production and procurement processes and to exercise more purchasing leverage across our various business groups. We intend to continue our allocation of resources to research and innovation expenses and capital expenditure for process standardisation.

In order to reduce our working capital requirements, we intend to improve our inventory turns by at least 1 day out of 11 days, thereby generating a €50 million cash flow improvement. In terms of payables, we also intend to gain one day through alignment of payment terms and reverse factoring to our suppliers. We intend to pursue our strategy to increase factoring programmes to offset any change in working capital requirements by extending these programmes to the receivables of additional lines of business in new countries. We also intend to negotiate better financing terms with automakers concerning the repayment of development costs.

We believe this strategy of selective resource allocation will enable us to achieve higher operating income with significant margin improvement and higher net cash flow.

***Accelerate our Asian development and strengthen our profitability in North America*.**

The Asian market represents a significant source of growth potential and high profitability, particularly China. In 2013, we signed a joint venture agreement with China's Chang'an group in order to supply the Ford and PSA Peugeot Citroën group for its DS premium range vehicles, which has significantly boosted the growth of our Faurecia Interior Systems business group. We created a joint venture with Suzhou PowerGreen Emission System Solution Co. Ltd to manufacture emissions control systems and supply one of the 3 leading manufacturers of engines for commercial vehicles on the Chinese market. Our strategy is to continue expanding our portfolio with our current customers, and strengthen the relationship with major Chinese automakers to accelerate our business activity.

We expect stricter emissions regulations for commercial vehicles to be introduced in China in 2015. We intend to capture the growth of the commercial vehicle market with regard to emissions control technologies. We were also recently awarded a contract with a major Chinese engine manufacturer called Weichai. Major Chinese cities have also expressed an interest in our Ammonia Storage and Delivery System technology that reduces NO_x emissions.

We also intend to increase our business activity with other Asian automakers, in particular through the continuous development of our relationship with Nissan and Hyundai.

We intend to return to robust profitability in North America, in particular with regard to our Faurecia Interior Systems and Faurecia Automotive Seating business groups by benefiting from the ramp up of 17 new programmes (mainly for Faurecia Interior Systems) and from the operational improvement and stabilisation of our industrial footprint. We believe that the new North American management that was recently put in place will have a beneficial impact on our profitability in North America.

Leverage our global platforms.

As the trend of automakers setting up global platforms for their different car models and different brands continues, we believe we will benefit from our global reach and customer proximity. We intend to pursue our strategy to leverage our global footprint by developing standard or generic products to be used by different automakers and ensuring all the competencies for production and R&D are established in the various regions in which we operate. Our seat mechanisms and frames are a global benchmark, with a market share of approximately 13% by value. The number of parts manufactured and their standardization make them robust and competitive, with lifetimes lasting beyond vehicle renewal cycles. We employ approximately 2,500 engineers across 15 R&D centres outside Europe, including approximately 750 engineers in China. We intend to increase this number of engineers by 60% by 2017. We have developed R&D partnerships with automakers including Audi, Cummins, Ford, General Motors, Hyundai-Kia, Nissan and Volkswagen. We believe that few other "tier 1" suppliers have the worldwide reach and experience necessary to manage these global programmes.

Continue to develop value added technologies and maintain leadership in all business groups.

We will continue to accelerate technological development in all our business groups. We will focus on new functionality and richer product content in all our business groups. For instance, we intend to introduce an energy recovery system from 2020 onwards that should enable a 10% fuel economy. In our Faurecia Interior Systems business group, we intend to focus on innovative high quality human machine interfaces with seamless integration in interiors and develop generic products such as retractable touch-screens, wireless charging, centre stacks or smartphone docking stations. We intend to further invest in innovative aluminium, wood and synthetic decorations. This strategy will enable us to develop a global footprint for our aluminium products, complete decoration product line with wood and traditional trim parts and large surfaces with unique industrial technology. Our strategy extends to the development of bio-materials, including competitive bio-based polymer for injection to substitute oil-based materials. We will pursue innovation through the use of internal R&D teams and by leveraging recent acquisitions and partnerships, which have recently provided us with new technologies and expertise, to achieve profitable growth.

History and Development

We have been a major automotive equipment supplier for decades. We have grown in tandem with technological and industrial advancements to reach our current position as a market leader in our four core business groups. The following are key milestones and acquisitions in our development.

1914. At Levallois-Perret to the west of Paris, Bertrand Faure opens his first workshop, making seats for Paris trams and underground trains.

1929. Bertrand Faure acquires the patent for the Epeda process, enabling the company to fine-tune its seats for the automotive industry and develop a new product: the spring mattress. Both businesses meet with significant success after the Second World War. Bertrand Faure’s clients include Renault, Peugeot, Citroën, Talbot, Panhard-Levassor, Berliet and Simca.

1987. Cycles Peugeot and Aciers & Outillages Peugeot are merged to form Ecia (Équipements et Composants pour l’Industrie Automobile), the PSA Peugeot Citroën group’s specialist automotive equipment subsidiary. Ecia then undergoes ten years of substantial industrial and geographical expansion.

1997. Ecia launches a friendly bid for Bertrand Faure, bringing its direct and indirect stake in this group to 99%. The acquisition leads to our formation in 1998 with the underlying aim of focusing on the automotive equipment business.

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. At that time, we report sales of over €4 billion, with a workforce of 32,000 employees.

2000. We purchase Sommer Allibert. By financing this transaction, the PSA Peugeot Citroën group raises its stake in our company to 71.5%.

2001. The Sommer Allibert acquisition is finalised through a public offer to buy out Sommer Allibert’s minority shareholders. 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 2 in its market.

2003. We follow up these acquisitions by buying the South Korean exhaust systems company Chang Heung Precision, which holds market share of over 20%.

2005. To strengthen our South Korean operations, we raise our stake in Daeki (specializing in exhaust systems for Hyundai) to 100%.

2007. We take over the bumper operations of Cadence Innovation France.

2009. We agree to acquire Emcon Technologies, becoming the world leader in the exhaust systems market. 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 the PSA Peugeot Citroën group'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 Centre, 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. In addition, we acquire an 18.75% stake in Xuyang Group in China, which enables us to widen the range of products and services we provide.

2011. In January, we acquire a 21.2% stake in a Danish company specialized in nitrogen oxide (NO_x) reduction, Amminex A/S, thus strengthening our technology towards diesel-emission control.

2012. On 3 May 2012, we announce our acquisition of the Ford ACH interior components plant in Saline, Michigan (USA). On 30 August 2012, we announce the acquisition of Plastal France (Plastal SAS), a supplier of plastic body parts for Smart branded vehicles (Daimler). We acquire the automotive business of Sora Composites and sign a partnership agreement with Mitsubishi Chemical to co-develop and produce bio-plastics for the automotive industry.

2013. Our Faurecia Emissions Control Technologies business group enters into a joint venture agreement with Suzhou PowerGreen Emission System Solution Co. Ltd, to jointly manufacture emissions control systems in Shanghai. Our Interior Systems business group also enters into a joint venture agreement with Chinese automaker Chang'an Automobile Group, one of China's largest automakers to produce and deliver automotive interior equipment to Ford and PSA Peugeot Citroën group for its DS premium range and also enters into a cooperation agreement with Magneti Marelli for the design, development and manufacture of advanced human-machine interface vehicle interior products. Our Faurecia Automotive Seating business group enters into an agreement to establish a joint venture with Thailand-based equipment manufacturer Summit Auto Seats to support Ford's growth strategy in Southeast Asia, especially in Thailand.

2014. Our Faurecia Interior Systems business group enters into a joint venture with Interval, a major French agricultural cooperative to develop the use of natural fibre-based materials for the automotive industry, and also enters into a joint venture with the Japanese equipment supplier Howa for the production of interior systems for the Renault-Nissan group in Mexico.

Our Industry

We operate within the global automotive equipment sector and our business growth is dependent on the trends in the global automotive market. Consumer expectations and societal changes are the two main drivers of change within such market. Regulatory change, which mirrors societal change, aims to reduce the impact of vehicles on the environment across all major automotive markets. The globalization of the automotive markets and the swift change in consumption patterns and tools, particularly in the field of electronics, have prompted automakers to look for new solutions enabling them to offer diverse, customisable and financially attractive products.

Since early 2010, our markets have experienced substantial growth, fuelled by a rebound of sales in Europe and North America, as well as robust growth in China and other emerging markets. The increase in global automotive production between 2013 and 2014, estimated at 3.3% worldwide, shows growth in all regions of the world with the exception of South America (source: IHS Automotive January 2015). Thus, business grew in Europe (3.2%) (excluding Russia, approximately 6.0%), remained buoyant in North America (5.0%) and continued to grow in Asia, where production increased by 4.1% (including an increase of approximately 9.0% in China). In contrast, production fell by an estimated 16.1% in South America (source: IHS Automotive January 2015). We also expect that companies such as ours will be particularly well positioned to take advantage of market growth in light of the following key industry trends.

Reducing fuel consumption, an increasingly compelling requirement

In 2013, the European Commission adopted average CO_2 emission targets for the automotive industry in Europe of 95 grams per kilometre (equivalent to around 4 litres of fuel per 100 kilometres), effective from the end of 2020. As the average level is expected to be 130 grams in 2015, this target will lead automakers to drastically improve parameters such as vehicle weight. This objective will require breakthroughs in design and materials. We are already active in the various areas that help reduce vehicle weight by offering new products and new designs applicable to existing products, optimised design, and are working to develop alternative materials and new manufacturing processes.

Environmental performance

Emissions of all combustion-related pollutants are subject to standards that are converging towards a drastic reduction. Reducing fuel consumption results in increased levels of pressure and higher temperatures in combustion chambers, which is damaging to the environment in terms of emissions of gas, pollutants and particulates. Direct fuel injection, increasingly widespread in gasoline engines, generates particulates that may require treatment in the exhaust system. From 2014, we have supplied the world’s first particulate filters for gasoline engines as standard equipment. For diesel engines, we expect that regulatory change will result in the widespread adoption of post-treatment in the exhaust system for such emissions by 2018. By mastering all aspects of the design and production of exhaust systems, we are able to provide systems integrating the most efficient pollutant and particulate treatment technologies.

Sustainable development and use of raw materials

Materials are increasingly chosen and designed to satisfy regulatory constraints and societal expectations. From 2015, the European Commission will impose stricter requirements where the recyclability of synthetic materials such as plastics and, in the longer term, composite materials is one of the key features of the vehicle of the future. As with alternative energy sources, the development of bio-sourced resins associated with natural fiber reinforcements will ultimately allow vehicles to survive the depletion of oil resources. We are already making a contribution by developing technology strategies and innovative partnerships in these two areas. In 2013, we entered into a strategic partnership with Mitsubishi Chemicals for the development of bio-sourced resins and in 2014, with an agricultural cooperative for the development of natural fibre-based composites.

Attractiveness

Vehicles are becoming living spaces in which drivers and passengers expect comfort, quality and seamless connectivity with their personal and professional environments. Accordingly, while the use of wood, aluminum and leather is indispensable for interiors in the upper segments, alternative technologies can increasingly provide a premium touch in the intermediate segments. From the body to the cockpit and the seats, the products supplied by us are subject to continuous technological innovation.

Competitiveness

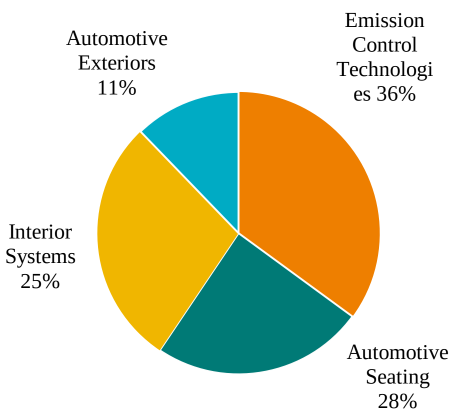
Development cost overruns and increased diversity are the downsides of the increase in embedded equipment. The standardisation of components across production sites can help automakers offset these additional costs. By offering pre-developed generic products, rolled out globally, we are making a contribution to the strategy of streamlining costs imposed by automakers, while continuing to provide the highest level of technical performance.

Products

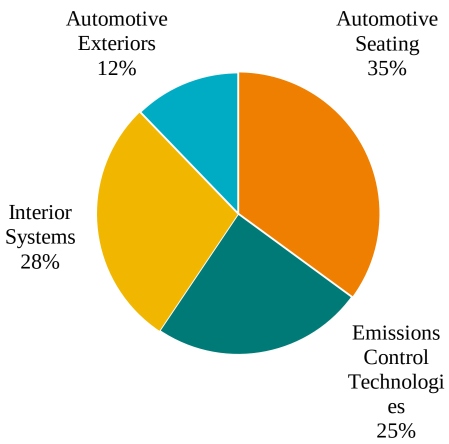
We develop, manufacture and sell high-quality and highly-engineered products through our 4 business groups: Faurecia Automotive Seating, Faurecia Emissions Control Technologies, Faurecia Interior Systems and Faurecia Automotive Exteriors.

The following charts show our total sales and product sales in 2014 across our 4 business groups:

Total Sales by Business Group
(2014 Total Sales = €18,828.9 million)



Product Sales by Business Group
(2014 Product Sales = €14,089.3 million)



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

Faurecia Automotive Seating

We estimate we are currently the world's number 1 supplier of seat frames and mechanisms and number 3 supplier of complete seats. We believe that in 2014 we had a 13% global market share by value for frames and mechanisms and 12% by value for complete seats.

We are a leader in the design, development and manufacture of seat systems, as well as seat products. Our line of automotive seating components include frames, mechanisms and motors, padding, seat, covers, accessories, electronic and pneumatic systems. We also assemble complete seats, both front and rear, for just-in-time delivery to our customers' plants. Drawing on technological savvy that has won recognition from the largest automakers, we work alongside our customers to develop solutions that focus on safety, modularity, comfort and quality.

As seats play a critical role in the driver and passenger experience, we maintain a constant pace of innovation to provide automotive seating that is more efficient and inviting than ever, without compromising on safety.

The principal characteristics distinguishing our automotive seating products are the following:

Safety. The seat is what connects the drivers and passengers 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. We estimate that seats absorb around 80% of the pressure coming from a shock at the back, around 30% to 40% of the pressure coming from the front and, depending on automakers, around 30% to 80% of the pressure coming sideways.

Comfort. We draw on our expertise in foam and covers, adjustment mechanisms, runners, headrests and armrests to provide drivers and passengers with superior comfort. We develop new features (heating and massage functions, built-in screens for rear passengers) and make greater use of mechatronics to ensure that, among other advantages, seat adjustments can be customised to each user's needs and body type. We leverage advanced functions, in particular innovations in on-board electronics, to create added value. Our concept seats provide a glimpse of the ultra-premium seats of the future, in which technology delivers optimal personal comfort.

Quality. We design seats to deliver maximum quality and ensure that the level of finish is targeted towards each type of vehicle, creating optimised industrial products.

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.

Weight reduction. Seats account for approximately 6% to 10% of the vehicle's weight. As part of the "Light Attitude" weight reduction programme, we use high tensile steel, offering superior resistance, while reducing volume and weight. We use a laserbeam 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. For instance we developed an "e-pump", our first power height adjustment mechanism, which is approximately 25% lighter than a conventional manual mechanism and saves an average of approximately 500 grams per seat. We developed a lightweight seat that has a 35% lighter front seat structure, around 30% more compact seat back and saves an average of up to 11 kilogrammes per car or 1.1 gram of CO_2 emission per kilometer.

Competitiveness. We estimate that seats account for around 5% of a vehicle's total cost; as a result, they represent the second largest expense for automakers in terms of purchases from third party suppliers. Generic mechanisms and/or structures can be implemented in multiple vehicle models or segments thereby reducing costs. For instance, the front seat frame platforms developed and produced for Nissan, General Motors, Volkswagen and the PSA Peugeot Citroën group are being deployed worldwide. These new generations of generic seat frames can now be found in more than 50 different vehicle models.

Our automotive seating business group received several awards for our production sites, in particular our sites in Siedoubs (France), Chengdu and Wuhan (China).

Faurecia Emissions Control Technologies

We estimate we are currently the world's number 1 supplier of exhaust systems and components. We believe that in 2014 we had a 25% market share by value (excluding monoliths, which are components containing precious metals used in catalytic converters for exhaust systems) for light vehicles and 22% by value for commercial vehicles.

We are the global market leader in emissions control for light and commercial vehicles alike. We develop and manufacture complete exhaust systems and components, including mufflers, manifolds and catalytic converters.

We focus on three critical areas: weight reduction, pollutant emissions control and energy recovery, to ensure our exhaust systems meet more stringent environmental standards and to also respond to the public's growing ecological concerns. Through constant innovation, we are mobilising our know-how to enhance the environment.

Environmental standards for managing and reducing pollutant emissions are becoming more stringent worldwide. Emerging markets are adopting established European standards. Against this backdrop, our added value for automakers is our ability to propose a comprehensive portfolio of forward-looking solutions with regard to emissions control as well as acoustic treatment, weight reduction and exhaust heat recovery.

We have defined key areas for innovation for our Faurecia Emissions Control Technologies business group:

Weight reduction. In terms of weight reduction, we are the market leader for valves used in cold-end exhaust components. Our self-adjusting "Adaptive Valve™" valve addresses the growing market demand for lighter-weight vehicles: by cutting muffler size in half, it provides significant savings in exhaust system weight. Similarly, the use of brazing in the welding process reduces the thickness of each component, which not only yields substantial weight reduction but also enhances the exhaust system's quality and durability.

Pollutant emissions control. With regard to emissions reduction, we have developed the Blue Box Selective Catalytic Reduction (SCR) solution. Thanks to this innovation, the SCR converter can be placed as close as possible to the engine, for more efficient recovery of nitrogen oxide emissions. To respond to the needs of diesel trucks, we have developed the ActiveClean® Thermal Enhancer™, which reduces diesel fuel needs to regenerate catalytic converters and particulate filters. This device consists of a small combustion chamber where precisely measured quantities of diesel fuel are injected and burned in an optimised manner when not enough natural exhaust heat is available for regeneration and efficient catalytic operations. ActiveClean® operates at 80 to 90% efficiency, requiring much less extra fuel than conventional diesel heating methods. Another approach to supporting Diesel Particulate Filter regeneration is the diesel fuel vaporizer, a technology in which we have become the world leader.

Energy recovery. We developed the Exhaust Heat Recovery Manifold (EHRM). This technology captures heat of the exhaust to warm the interior more quickly than a conventional set-up, reducing fuel consumption and pollutant emissions. This technology can reduce the amount of time that the engine must run to sufficiently heat the interior by up to 50%. The reduced running time for the engine leads to improved fuel economy and lower emissions. The Thermoelectric Generator (TEG), a device currently under development, will convert part of the otherwise lost heat from exhaust gases into electricity to power vehicle systems. This additional electricity can reduce the demands on the alternator, resulting in less fuel use and therefore a lower level of vehicle emissions.

In 2014, we received the "Supplier Relationship Award" from Fiat and Chrysler for our Faurecia Emissions Control Technologies business.

Faurecia Interior Systems

We estimate we are currently the world's number 1 supplier of automotive interior systems. We believe that in 2014 we had a 14% global market share by value of interior systems.

We develop and produce instrument panels and centre consoles, cockpits, door panels and modules, acoustic products and modules and decorative components (such as paint, film, wood and aluminium).

Cars are increasingly regarded as a living space. Their users want an interior that is a reflection of themselves. They are looking for customised comfort and style that let everyone enjoy a unique road and driving experience. We rely on our in-house expertise to supply quality products with a solid cost-performance ratio to every market segment. In particular, we draw on our specialised know-how in cut-and-sew techniques, applied to genuine leather as well as polyurethane or PVC-based thermoplastics.

In terms of decoration, from the instrument panel to the door panels and centre console, we can customize nearly every surface that contributes to the visual ambiance of the vehicle interior. Interior decoration and quality have become priorities for automakers, and we use a wide array of materials (wood, skins, leather, textiles, brushed or polished aluminium) and technology to create a full range of interior environments for every market segment.

Doors. We produce panels, door modules and complete doors. With 7 million vehicles fitted every year, we are a leading global supplier of door panels and modules. We offer our customers highly integrated door modules that contain all the door's main functions. These modules comprise the door panel and all the mechanical components, such as locks and window-lifts, as well as the electric/electronic functions and connectivity. Modular solutions reduce costs for automakers and also allow them to manufacture lighter cars and accelerate their production processes. We use a full range of synthetic and natural materials, including wood fibers, natural fibers and thermoplastic composites. The door plays a critical role in protecting drivers and passengers in the event of a frontal or lateral impact. We leverage our expertise in safety and material behaviour to design unique solutions implementing energy-absorbing structures.

Acoustic Modules. We are rated among the top 5 suppliers of acoustic modules in Europe. Acoustics plays a key role in vehicle comfort. 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. 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 seatbelt retractors.

We produce coverings and insulators, designed to soundproof the vehicle's interior (floor carpets and dash insulators), the trunk (parcel shelves, side trims and trunk floor carpets) and engine compartment (hood insulators and absorbers).

We offer our customers acoustic solutions that ensure optimal vehicle quality, cost and weight, thanks to some of the most sophisticated acoustic analysis and simulation tools in the world. These solutions include the Light Weight Concept inner dashboard insulator found in the Peugeot 208, for which we were rewarded by an innovation award from the PSA Peugeot-Citroën group in 2012.

Cockpit modules. The main three parts of the cockpit are the instrument panel, the centre console, and the cross-car beam. We are a global leader in designing and producing instrument panels and centre consoles. We can draw on our extensive experience to deliver high-quality products featuring an excellent cost/performance ratio for all market segments. As a world leader in cockpits through SAS, our joint venture with Continental, we have developed a unique expertise in providing automakers with high quality, cost-effective instrument panels in all market segments, combining our modules with Continental's electronics.

Instrument Panel. The overall quality impression of the cockpit is provided by the instrument panel so our engineers focus on quality and decoration while optimizing the cost/quality ratio.

Centre Console. The centre console has become an increasingly complex part. Its design in terms of ergonomy, comfort and 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.

Cross-Car Beam. The cross-car beam is the basic backbone of the cockpit to which other components are attached. The cross-car beam of most vehicles is constructed of metal and requires a large number of welds. We are resolving this issue by applying cold metal transfer welding techniques to the cross-car beam as a means of saving weight through a reduced wall thickness. We achieve this by creating a lighter-weight hybrid cross-car beam that combines steel with glass-fibre-filled thermoplastics for reduced weight, noise and vibration while meeting the toughest safety standards at an affordable cost. We also achieve this by developing a composite cross-car beam, fabricated from nylons, carbon fibre and/or glass fibre. We intend to start mass production of the full composite cross-car beam in 2020.

Electronic technologies. Through SAS, our joint venture with Continental, we supply turnkey cockpits featuring the latest electronic technologies. We optimise the vehicle architecture and simplify automakers' assembly lines and supply chain management systems.

When designing and developing our products, we use powerful simulation and virtual reality tools, which allows us to shorten the development cycles, propose multiple variants to our customers and enable thorough testing.

We are developing and integrating renewable, bio-based materials as part of a long-term campaign to produce lighter components. For example, one of our technologies combines natural hemp fibres with a polypropylene resin to yield a 25% weight reduction over glass-reinforced polypropylene. Another example relates to a fibre glass composite floor that is 16.5 kilogrammes lighter than a conventional steel floor, reducing emissions of CO_2 by 1.65 grams per kilometre.

In 2014, we received the "2014 Innovation" award in the Green category for our NAFILean technology by the European Association of Automotive Suppliers and "AutomotiveINNOVATIONS" Award by the Centre of Automotive Management for our innovative strength in the field of automotive interior and a 'special mention' for our interior study Performance 2.0 in the 'Concepts' category at the Automotive Brand Contest.

Faurecia Automotive Exteriors

We estimate we are currently the number 1 supplier of bumpers in Europe and number 2 supplier of bumpers worldwide. We believe that in 2014 we had a 25% market share by value of bumpers in Europe.

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.

These exterior module products improve the vehicle's 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.

Our Faurecia Automotive Exteriors segment features the following products:

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 can be assembled and delivered on a just-in-time basis, 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.

Bumper. 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 R&D capabilities are used to improve air flow efficiency and minimise vibrations to enhance the acoustic comfort of the whole system.

Lighter-weight vehicles are a top priority for the automotive industry as it seeks to provide a more economical and eco-friendly form of travel. We continue to innovate in this area, developing new materials and architectures designed to reduce frame and body weight, while meeting the same high standards for safety.

The challenge is twofold: reduce vehicle weight while keeping production costs under control. Our aim is to develop materials, processes and products that will enter into production. To this end, we draw on the know-how acquired through our work on high-performance sports cars to adapt processes and products to the requirements of high-volume programmes.

With respect to processes, we focus on the development and international implementation of cleaner production processes that offer greater reliability without compromising quality or competitiveness. The NewTech modular process, which combines bumper injection, painting and assembly on a single production line, enables us to meet our customers' high quality, cost and environmental standards. Already up and running in France, the NewTech process is now being introduced at Faurecia Automotive Exteriors sites in South America.

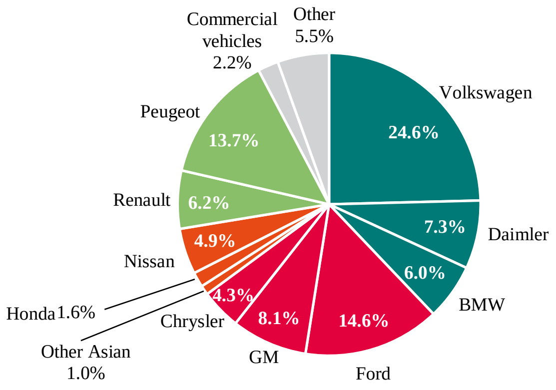
We also developed a composite carbon-fibre tailgate, featured on the Peugeot 208 Hybrid Air concept car, which can run 100 kilometers with two litres of petrol. Such tailgate comprises a combination of plastic and carbon fibre, reducing weight by 35% or 7 kilogrammes compared to the steel version.

We received an award for our production site in Hlohovec (Slovakia).

Customers

Our customer portfolio includes nearly every large automakers in the world, including automakers in emerging economies, such as Brazil and China. Volkswagen, Ford, the PSA Peugeot Citroën group, the Renault-Nissan group and General Motors each accounted for more than €1,500 million in total sales in 2014. The table below shows 2014 product sales for each of the following customers:

Product sales by customers (2014)



We are successfully developing and implementing customer vehicle production programmes on a global scale. At the end of 2014, we had 495 customer programmes in development. Global platforms for non-visible components have become the norm for an automotive industry that intends to reduce its production costs. Automakers use standardised parts that can be adapted to an array of vehicles or even brands worldwide. This requirement represents a strong barrier to entry for new entrants. We develop and produce standard, modular products such as seat frames or exhaust line components that enable full-scale production to begin virtually simultaneously on every continent. In 2013, we supplied products for several major platforms, including MQB (its front-wheel drive modular transversal matrix) for Volkswagen brands and MFA (a modular front-wheel drive architecture) for Mercedes Benz.

We design and manufacture equipment that is specific to each new car model or platform, and generally conclude contracts to provide these products throughout the anticipated life of the model or platform (usually between five and ten years). 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-product charge that is part of the product purchase price.

Our products have won numerous awards and accolades from customers. In 2013, our Faurecia Automotive Seating business group received among others a Supplier Quality Excellence Award from General Motors for our Pisek site in the Czech Republic. The same year, our Faurecia Emissions Control Technologies business group received several awards including 60 Months 0 ppm (number of defective parts per million parts delivered to the customer), an Award from Ford Motor Company and the Best Supplier Award from Zhengzhou Nissan with regard to our Wuhan site in China. Our Faurecia Interior Systems business group also received the Gold Star Award as Supplier of the Year from Ford Otosan for our Orhangazi site in Turkey.

The quality of our products is widely acknowledged among automakers. We ensure the quality of our products by our Faurecia Excellence System, a rigorous set of project management procedures and methodologies, and by the expertise of our nearly 6,000 engineers and technicians who design products and develop technological solutions.

Competition

Based on 2013 sales figures, we are the seventh leading automotive parts supplier worldwide (source: Automotive News, June 2014). We estimate that we are among the top three suppliers in terms of worldwide sales in every business in which we compete. Each of our segments is projected to experience significant growth, not least due to increased car ownership in developing countries. We have benefited from the significant consolidation in our markets and have been able to acquire significant new technologies, markets and product lines.

Faurecia Automotive Seating: Our main competitors are JCI, Lear, Magna and Brose.

Faurecia Emissions Control Technologies: Our main competitors are Tenneco, Eberspächer, Boysen, Benteler and Keiretsu/Chaebol competitors such as Calsonic Kansei and Sejong.

Faurecia Interior Systems: Our main competitors are Yanfeng-JCI (merger pending), IAC, Cerberus (ex-Visteon), Magna, Calsonic Kansei, Antolin and Dräxlmaier.

Faurecia Automotive Exteriors: Our main competitors are Plastic Omnium, SMP (ex-Peguform), Magna and Rehau.

Manufacturing

With around 330 plants and R&D centres in 34 countries, we can support automakers with on-the-ground services, especially in high-growth emerging markets. Focusing on innovation, project-engineering and production, we play a leading role in shaping the automotive industry around the world.

Two thirds of our plants producing components are specifically located near our customers' plants in order to streamline industrial and supply chain costs. A third of our sites use a just-in-time business model, meaning that rather than stock-piling raw materials and finished products, components are produced based on the specifications communicated by the customer on the day of production. Located near automakers' assembly lines or even set up within their actual industrial parks, these sites are capable of delivering to our customers' production lines in less than three hours. For this reason, much of our property, plant and equipment is specifically dedicated to particular client programmes and utilisation rates are dependant on the activity level of the customers.

Most of our property, plants and equipment is comprised of machinery, specific tooling and new plant in the process of construction, as well as land and buildings involved in our production processes. The level of automation in our manufacturing plants will depend on the local context and customers' needs; however, none of our plants are 100% automated and the skills of our employees is a key factor of our quality level.

Suppliers

We use a large number of suppliers based in different countries for our raw materials and basic parts. In 2014, out of a total of approximately € 8,753 million in purchases from approximately 5,300 suppliers, our ten largest suppliers for each of our four business groups together accounted for 28.0% of our purchases and 17.0% of sales. We closely monitor the quality and reliability of our suppliers' production operations.

Quality

We measure our quality performance as the average half-yearly rate of customer rejections per million parts delivered (ppm). For the six months ended 31 December 2014, this indicator showed a record 13 defective parts per million parts delivered.

Our culture of quality has been reinforced via major initiatives: Quick Response Continuous Improvement (QRCI) and Faurecia Excellence System (FES) audits. QRCI is a management approach whereby all defects must be dealt with through corrective action immediately, or within 24 hours at the latest, working from an in-depth analysis to pinpoint the root causes of the problem and determine appropriate technical solutions that can be used across all of our businesses. It is applied company-wide, from production line operators to workshop and site managers, as well as in project development teams and development centres. FES audits allow to accurately monitor the progress of our plants and to adjust processes where needed, which allows the plants concerned to quickly achieve progress towards meeting our quality requirements.

Our major customers acknowledge that we offer one of the highest levels of quality worldwide, as evidenced by numerous awards received from customers each year. Detailed monitoring of specific performance with each customer has been introduced in order to ensure that corrective measures are taken immediately to address any quality issues at a given plant. Reducing quality performance differentials between sites remains an overriding goal.

Research and development

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

In 2014, we employed nearly 6,000 engineers and technicians based in 30 centres spread across our three main geographic areas: Europe, America and Asia. We opened a new R&D centre in Shanghai and also have one in Brazil and the United States. R&D expenses accounted for €955.9 million of total expenses in 2014, representing 5.1% of our revenue. Approximately € 100 million of this was spent on innovation in 2014. 505 patents were filed in 2014.

Starting in 2013, we focused our innovation efforts on the following five objectives: fuel consumption reduction, environmental performance, use of renewable materials, attractiveness and competitiveness. The overall performance of research and innovation is based on two key drivers: a systems approach and optimised product and process design.

Systems approach

We develop and supply complete modules such as seats, front-end modules, cockpits and exhaust systems. We develop our own product architecture for each module.

We develop systems engineering in each of the areas covered by the modules we design. Since 2012, we have made particular efforts to enhance our expertise in mechatronics, with the creation of an electronics laboratory in Brières (France) and an industrial chair of automotive mechatronics with Supélec and ESIGELEC (France).

We also reinforced our expertise in the optimisation of assembly lines and logistics through the creation of an industrial chair with École Centrale de Paris (ECP, France) and the Technische Universität München (TUM, Germany).

Product process and design

Product process and design are central to the activity of our engineering teams. We develop our own rules and design standards. This guarantees both a high level of robustness and a competitive advantage. We expect this process of standardisation to help us reduce our existing level of capital expenditure by allowing us to manufacture different types of vehicles for several automakers, using the same production process and the same plants.

We commit a lot of efforts and incur significant expenses to improve our production processes, in particular in order to ensure that our productivity and production efficiency continues to increase. Our customers often require that we share with them our productivity gains by agreeing to some potential price reduction to reflect any improvement in productivity based on certain volume of production assumptions for each particular programme. These approaches have allowed us to develop lighter products than our competitors.

The industrial chair of composites with École Centrale de Nantes (France), of processing methods for metal materials with the Technische Universität Dortmund (TUD, Germany), as well as a new chair in polymer chemistry and renewable materials with the University of Freiburg (FMF) and Süddeutsche Kunststoff-Zentrum (SKZ) Würzburg are part of this process.

Marketing

We sell directly to our existing customers or to other automotive equipment makers that sell directly to their own customers. For instance, we provide the so-called “CMF-1” seat structure platform, which is fitted in many Renault and Nissan car models. We may sell the seat structure platform directly to Renault or Nissan if we are responsible for the complete seat assembly, or to other auto equipment suppliers if they are responsible.

Our sales terms comprise predominantly open deliveries, as well as agreed contract conditions which can be framework agreements, single-year or multi-year contracts. As we have business locations all over the world, sales channels, sales conditions and terms of sales are different in each country, depending on the respective economic and financial situation as well as national custom.

Intellectual Property

In order to ensure that new and existing products, proprietary know-how and production processes are not compromised, we maintain issued and pending patents and other intellectual property, including trademarks relating to our business in France and other countries. Technological development and innovation are among our priorities and we filed 505 patents in 2014. These patents relate to products, materials, and manufacturing processes, demonstrating the efforts made by us to optimise the entire product value chain.

While our patent portfolio and other intellectual property rights including trademarks are of material importance to our business, we do not consider any one patent or group of patents that relates to any particular product or process as being of material importance in relation to the products we supply to any client or, for that matter, to our business as a whole. We are not currently engaged in any material intellectual property litigation, nor do we know of any material intellectual property claims outstanding.

Environment

Depending on the engine type and driving cycle, decreasing the average vehicle's total mass by 100kg reduces CO_2 emissions by approximately 8-10g per kilometer driven. Our products can represent up to 20% of a vehicles' total weight. This makes us a major contributor to the reduction of vehicle weight as a means of cutting fuel consumption, limiting emissions of greenhouse gases and reducing the use of raw materials in vehicle production. Through our Faurecia Emissions Control Technologies Business Group, we also make a significant contribution to lowering CO_2 emissions and reducing noise pollution.

In order to grow and manufacture lighter and cleaner vehicles, we take environmental factors into account at all stages of the product life cycle, from product design to the environmental impact of our plants, from supplier collaboration to product end-of-life. We have gradually put in place a management system that allows us to be particularly responsive to new restrictions and to set up an alternative project if necessary. Our management system includes an investigation phase to collect reports from our suppliers, notably in the context of the new EU regulatory framework for the Registration, Evaluation, Authorization and Restriction of Chemicals ("REACH") regulation, and setting up an alternative project if necessary).

Product Approach

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

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

Recycling

Given the general increase of regulatory requirements from an environmental perspective, automakers demand their suppliers to focus on end-of-life product recycling.

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

We offer an increasing number of recycled plastic parts. In our Faurecia Automotive Seating, Interiors Systems and Automotive Exteriors business groups, depending on the type and category of vehicle, various components are now partly made of recycled materials, the quality of which is certified from the development stage of the programmes. Taking all these components together, recycled plastics, for instance, can now account for 15-20% of the materials comprising the seats manufactured by us.

Insurance

As we do not have any captive insurance entities, our system for safeguarding assets is based on the implementation and on-going adaptation of our risk prevention policy as well as our strategy of transferring our principal risks to the insurance market. As with any industrial activity, our sites are exposed to various risks: fire, explosion, natural disaster, systems failure, non- compliance with regulations or stricter regulations applicable or other factors. These types of events may result in us incurring additional costs and/or capital expenditure to remedy the situation, to comply with regulations and/or as a result of any fines.

We hold fire, property damage and business interruption insurance policies. Insurance coverage for our buildings and equipment is based on the asset's replacement value. We have established special coverage in connection with certain country-specific risks. We renewed our liability insurance policy on 1 January 2015. Liability insurance covers operating liability and product liability after delivery, including the risk of product recall.

Employees

Our total number of employees increased by 1,862, or 1.9%, to approximately 99,281 as at 31 December 2014, compared to 2013. The proportion of staff employed under indefinite term contracts (as opposed to temporary workers on fixed term contracts) decreased slightly from 77.1% to 76.2% in 2014 compared to 2013. The proportion of staff on fixed term contracts was on par with 2014, decreasing slightly from 7.1% to 6.8% in 2014, and the proportion of temporary staff rose from 15.8% to 17.0% in 2014.

The following table shows our permanent employees across regions and functions:

	31 December 2014			
	Operators and workers	**Technicians, foremen and administrative staff**	**Managers and professionals**	**Total**
Europe	29,805	7,453	8,282	45,540
North America	12,815	1,307	3,714	17,836
South America	3,332	1,169	621	5,122
Asia	4,532	1,079	3,549	9,160
Other	3,577	611	536	4,724
Total	**54,061**	**11,619**	**16,702**	**82,382**

In addition to the above employees, we employed 16,899 total temporary employees throughout all of our sites.

Our employees benefit from stock option programmes, employees saving plans and other incentive-based pay depending on their level and the country in which they work.

Litigation

On 25 March 2014, the European Commission and the Department of Justice of the United States of America and on 27 November 2014, the Competition Commission of South Africa, initiated an enquiry covering certain suppliers of emission control systems on the basis of suspicions of anti-competitive practices in this segment. We are one of the companies subject to these enquiries. These enquiries are on-going. In the event anti-competitive practices are proven, possible sanctions include fines, criminal charges or civil damages. We are at present unable to predict the consequences of such inquiries including the level of fines or sanctions that could be imposed.

On 18 December 2014, the sanctions commission of the French financial markets authority (the *Autorité des marchés financiers* (" AMF")), considered that Faurecia S.A. and Yann Delabrière, our Chief Executive Officer, failed to comply with their duties as defined by articles 223-1, 223-2 and 223-10-1 of the general rules of the AMF with regard to the disclosure of some information relating to our targets for our 2012 financial year. On the basis of articles L. 621-15 (II (c) and III (c)) of the monetary and financial code, a fine of € 2 million and of €100,000 were imposed against us and Yann Delabrière, our Chief Executive Officer, respectively. With the full support of our board, on 26 February 2015, we and Yann Delabrière appealed this decision before the Paris court of appeal, which will judge the evidence submitted by us and Yann Delabrière. We and Yann Delabrière deny any merit to this claim.

Except as otherwise disclosed in this document, we are not involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which we are aware) which may have, or have had in the recent past, a significant impact on our financial position or profitability.

Awards

In 2014, our production sites received a number of customer awards:

- for our Faurecia Automotive Seating business group:
  - Siedoubs (France) received a "Best Factory" award from the PSA Peugeot Citroën group;
  - Chengdu (China) received the best quality supplier award from FAW- Volkswagen;
  - Wuhan (China) received for the tenth consecutive year, the award given to the top 10 suppliers from Dongfeng Peugeot Citroën Automotive (DPCA).
- for our Faurecia Emissions Control Technologies business group:
  - our Faurecia Emissions Control Technologies business group received a "Supplier Relationship" award trophy from Fiat—Chrysler;
  - Bakov (Czech Republic), Augsburg (Germany), Troy and Columbus (USA) received a "Supplier Quality Excellence" award from General Motors;
  - Wuhan (China) has received several awards: including "72 months 0 ppm" award from Ford Changan, "General Manager's Special" award from DPCA, and "Excellent Supplier" award from Dongfeng;
  - Chongqing (China) received the 2014 "Top Supplier" award from Ford Changan;
  - Anting (China) received the "Positive Response and Contribution" award, "Excellent Service Supplier" award from Shanghai General Motors, "Excellent Development Supplier" award and "Best Response" award from SAIC;
  - Changchun (China) received a "Top 10 Supplier" award from FAW- Volkswagen;
  - Chengdu (China) received the "Excellent Quality" award from FAW- Volkswagen;

- Yantai (China) received the “GP8 Continuous Improvement” award from Shanghai GM;
- Bangalore (India) received the “QCC 2014” award from Toyota;

- for our Faurecia Interior Systems business group:
  - Legnica (Poland) and Hlohovec (Slovakia) received a “Best Factory” trophy from the PSA Peugeot Citroën group;
  - Uitenhage (South Africa) and Puebla (Mexico) received a “Supplier Quality Excellence” award from General Motors;
  - Chengdu (China) received a “Best Launching Supplier” award from Volvo China and an “Excellent Supplier” award from Geely;
  - Foshan (China) received a “Quality Service” award from FAW- Volkswagen; and
- for our Faurecia Automotive Exteriors business group:
  - Hlohovec (Slovakia) received a “Best Factory” trophy from the PSA Peugeot Citroën group.

MANAGEMENT

We are a public limited liability company (*société anonyme à conseil d'administration*) with a Board of Directors. The business address of our Board of Directors is 2 rue Hennape, 92000 Nanterre, Cedex, France.

Our Board of Directors determines our overall business, financial and economic strategies and also oversees their implementation. Subject to the powers expressly granted by the shareholders meetings and subject to our by-laws, the Board of Directors handles all our matters. The Board of Directors is consulted with respect to all of our strategic decisions at the initiative of our chairman.

Our day-to-day activities are overseen by an Executive Committee. Our Executive Committee meets once a month in order to review the principal questions relating to our general organisation. The Executive Committee discusses and prepares guidelines on major operations-related issues concerning us and our subsidiaries, which are then implemented by each of the Executive Committee's members in line with their functions.

Board of Directors

According to our Articles of Association, our Board of Directors must be composed of at least three members and no more than fifteen. The term of office has been five years since the General Meeting of 26 May 2011 and our Board of Directors has been composed of thirteen members since the General Meeting of 23 May 2012. Its members are appointed by the ordinary shareholders' meeting for a term of office of five years, reduced from the previous term of office of six years, as decided by the first resolution of the general shareholders' meeting held on 26 May 2011.

Members of the Board of Directors

The Board of Directors currently consists of thirteen members, eight of whom are independent directors under French corporate governance guidelines issued by the *Association Française des Entreprises Privées /Mouvement des Entreprises de France* corporate governance code (the "**Corporate Governance Code**"): Éric Bourdais de Charbonnière, Jean-Pierre Clamadieu, Lee Gardner, Linda Hasenfratz, Hans-Georg Härter, Ross McInnes, Amparo Moraleda and Bernadette Spinoy.

Four directors hold executive management or supervisory positions within the PSA Peugeot Citroën group, our majority shareholder: Jean-Baptiste Chasseloup de Chatillon, Robert Peugeot, Thierry Peugeot and Carlos Tavares. Yann Delabrière has been our Chairman and Chief Executive Officer since 16 February 2007.

Name	Age	Position	Initially Appointed
Mr. Yann Delabrière	63	Chairman and CEO	16 February 2007
Mr. Éric Bourdais de Charbonnière	75	Director	8 February 2010
Mr. Jean-Baptiste Chasseloup de Chatillon	49	Director	23 May 2012
Mr. Jean-Pierre Clamadieu	56	Director	29 May 2007
Mr. Lee Gardner	67	Director	8 February 2010
Mr. Hans-Georg Härter	69	Director	26 May 2010
Ms. Linda Hasenfratz	48	Director	26 May 2011
Mr. Ross McInnes	60	Director	29 May 2007
Ms. Amparo Moraleda	50	Director	23 May 2012
Mr. Robert Peugeot	64	Director	29 May 2007
Mr. Thierry Peugeot	57	Director	17 April 2003
Ms. Bernadette Spinoy	52	Director	27 May 2014
Mr. Carlos Tavares	56	Director	27 May 2014

The members of the Board of Directors bring together a range of quality managerial, industrial and financial skills. Our directors come from a broad spectrum of professional backgrounds, including not only the automotive industry but also various other business sectors. They enhance the work and discussions of the Board of Directors and its committees through their diverse capabilities and the expert input they can give both from an international perspective as well as in terms of their specific experience in finance, manufacturing and management. They act in the best interests of all shareholders and are fully involved in defining our corporate strategy so that they can actively contribute to and support the decisions of the Board of Directors.

We have no employee-elected or non-voting directors. Each member of the Board of Directors must hold at least 20 shares or stock in our company throughout his or her term of office. Apart from the Chairman and Chief Executive Officer, no member of the Board of Directors holds an executive management or other salaried position within a Group company. The only directors with a family connection are Thierry Peugeot and Robert Peugeot. There are no other family relationships between members of the Board of Directors or corporate officers.

Yann Delabrière—Chairman of the Board of Directors. Yann Delabrière, 63, has been the Chairman of our Board of Directors and Chief Executive Officer since 16 February 2007. His term of office will expire at the Annual Shareholders' Meeting to be held in 2017. Yann Delabrière has been a director since 18 November 1996. He occupied various positions within the finance departments of major manufacturing groups before joining the PSA Peugeot Citroën group in 1990 where he held the position of Chief Financial Officer and member of the Executive Committee from 1998 to 2007.

Éric Bourdais de Charbonnière. Éric Bourdais de Charbonnière, 75, has been a member of our Board of Directors since 8 February 2010. His term of office will expire at the Annual Shareholder's Meeting to be held in 2015. Éric Bourdais de Charbonnière joined JP Morgan in 1965 and went on to hold various positions in the bank. From 1987 to 1990 he was the Executive Vice-President, Head of Europe. In 1990, he joined Michelin as Chief Financial Officer, and later became member of our Executive Committee. He was Chairman of the Supervisory Board from September 2000 until 17 May 2013.

Jean-Baptiste Chasseloup de Chatillon. Jean-Baptiste Chasseloup de Chatillon, 49, has been a member of our Board of Directors since 23 May 2012. His term of office will expire at the Annual Shareholders' Meeting to be held in 2017. He has held several financial and sales positions within the PSA Peugeot Citroën group since 1989, and is currently the Chief Financial Officer of the PSA Peugeot Citroën group and a member of the Management Board of Peugeot S.A.

Jean-Pierre Clamadieu. Jean-Pierre Clamadieu, 56, has been a member of our Board of Directors since 29 May 2007. His term of office will expire at the Annual Shareholders' Meeting to be held in 2017. Jean-Pierre Clamadieu was appointed Chief Executive Officer of Rhodia in October 2003 and served as Chairman and Chief Executive Officer between March 2008 and October 2011. He previously held various divisional executive positions, and has been the Chief Executive Officer of Solvay since 8 May 2012.

Lee Gardner. Lee Gardner, 67, has been a member of our Board of Directors since 8 February 2010. His term of office will expire at the Annual Shareholders' Meeting to be held in 2015. Lee Gardner is currently general director of OEP Capital Advisors, L.P., which he joined in 2001. In 2008, he became Chairman and Chief Executive Officer of Emcon Technologies, a position he relinquished further to the merger of this company with us in February 2010. He is currently a Partner and Managing Director of One Equity Partners.

Hans-Georg Härter. Mr. Hans-Georg Härter, 69, has been a member of our Board of Directors since 26 May 2010. His term of office will expire at the Annual Shareholders' Meeting to be held in 2015. Mr. Härter spent his whole career within the ZF Group, which he joined in 1973, and held the position of CEO of ZF Friedrichshafen AG between January 2007 and May 2012, when he retired.

Linda Hasenfratz. Linda Hasenfratz, 48, has been a member of our Board of Directors since 26 May 2011. Her term of office will expire at the Annual Shareholders' Meeting to be held in 2016. Linda Hasenfratz is Chief Executive Officer of Linamar Corporation since August 2002. She had been President of Linamar Corporation from April 1999 to August 2004. From September 1997 to September 1999 Ms. Hasenfratz was also Chief Operating Officer of the Company. Ms. Hasenfratz has been a director of Linamar Corporation since 1998.

Ross McInnes. Ross McInnes, 60, has been a member of our Board of Directors since 29 May 2007. His term of office will expire at the Annual Shareholders' Meeting to be held in 2017. 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 2009, Ross McInnes joined the Safran group as Advisor to the Chairman of the Management Board and was appointed Chief Operating Officer responsible for Economic and Financial Affairs. He was a member of the Executive Board from July 2009 to April 2011. In April 2011, he was appointed Deputy Managing Director responsible for Economic and Financial Affairs. In April 2015, Ross McInnes will be appointed Chairman of the Board of Safran.

Amparo Moraleda. Amparo Moraleda, 50, has been a member of our Board of Directors since 23 May 2012. Her term of office will expire at the Annual Shareholders' Meeting to be held in 2017. Amparo Moraleda was the Chief Operating Officer at Iberdrola S.A. International Division between January 2009 and February 2012. Between 1998 and 2008, she held various positions at the IBM group, including General Manager of IBM Spain and Portugal, from June 2001 to June 2005, and General Manager of IBM for Spain, Portugal, Greece, Israel and Turkey, from June 2005 to December 2008.

Robert Peugeot. Robert Peugeot, 64, has been a member of our Board of Directors since 29 May 2007. His term of office will expire at the Annual Shareholders' Meeting to be held in 2017. Robert Peugeot is a member of the Supervisory Board of Peugeot S.A. He has held a number of executive positions, primarily in the PSA Peugeot Citroën group. He was previously a member of the Executive Committee of PSA Peugeot Citroën group and held the position of Vice-President, Innovation and Quality between 1998 and 2007. He has also been Chairman and Chief Executive Officer of FFP since 2003.

Thierry Peugeot. Thierry Peugeot, 57, has been a member of our Board of Directors since 17 April 2003. His term of office will expire at the Annual Shareholders' Meeting to be held in 2016. Thierry Peugeot previously held executive positions within the PSA Peugeot Citroën group in Europe and South America.

Bernadette Spinoy. Bernadette Spinoy, 52, has been a member of our Board of Directors since 27 May 2014. Her term of office will expire at the Annual Shareholders' Meeting to be held in 2019. Bernadette Spinoy began her career in 1985 with the Belgian PetroFina Group. Since 1999, she has held various positions with the Total Group in the areas of supply and refining of petroleum products, logistics and marketing of natural gas, strategy and petrochemicals with the Total Group. She is currently director of industrial safety of the Total Group.

Carlos Tavares. Carlos Tavares, 56, has been a member of our Board of Directors since 27 May 2014. His term of office will expire at the Annual Shareholders' Meeting to be held in 2019. Carlos Tavares held various senior positions in the Renault Group between 1981 and 2004 before joining the Nissan Group. After being Operations Manager for Nissan in the Americas, he was appointed Chief Operations Officer by the Renault Group from 2011 to 2013. He became a member of the Managing Board of Peugeot S.A. on 1 January 2014 and has been in charge of their operations since 20 February 2014.

Responsibilities of the Board of Directors

The rules of procedure of the Board of Directors, which can be consulted by shareholders at the Company's head office or on our website, www.faurecia.fr, detail the mission of the Board of Directors and its committees. Such rules describe the Board's *modus operandi* and its role in our management and our compliance with the law and our Articles of Association.

They specify the rights and responsibilities of members of our Board of Directors, particularly regarding the prevention of conflicts of interest, the holding of multiple offices, and the need for strict confidentiality in deliberations as well as diligence in taking part in the work of the Board of Directors. They also set out the rules governing transactions in our shares, as recommended by the AMF.

The Board of Directors is also subject to a set of internal rules, which were last updated in April 2011. These internal rules aim to improve work methods and govern the provision of information to its members.

The Board of Directors is free to decide how to exercise their oversight. This can be performed, under its responsibility, either by the Chairman of the Board of Directors himself or by another person appointed by the Board of Directors and bearing the title of Chief Executive Officer.

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

Committees of the Board of Directors

The Audit Committee

The Audit Committee currently has four members: Ross McInnes, Eric Bourdais de Charbonnière, Jean-Baptiste Chasseloup de Chatillon, and Bernadette Spinoy, all of whom have proven financial or accounting experience and expertise. It is chaired by Ross McInnes.

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

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

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

Lastly, the Committee also ensures the independence of our statutory auditors.

Strategy Committee

Our Strategy Committee was set up by the Board of Directors on 15 October 2009.

The Strategy Committee is currently composed of five members: Carlos Tavares, Yann Delabrière, Lee Gardner, Hans-Georg Härter and Thierry Peugeot. It is chaired by Carlos Tavares. The Strategy Committee therefore includes two independent directors, Lee Gardner and Hans-Georg Härter.

As part of its general mission to analyse our overall strategic vision, the Strategy Committee prepares the matters to be discussed by the Board of Directors. It issues proposals, opinions, and recommendations on:

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

Appointments and Compensation Committee

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

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

Conflicts of interest

As provided for in the Board of Directors' internal regulations, each director must disclose to the Board any conflicts of interest (including any potential conflicts of interest) relating to issues on the agendas of Board meetings, and must refrain from taking part in the vote on the matters in question. No such situations arose in the last three years.

The Board of Directors strengthened its rules relating to conflicts of interest by adopting a procedure regarding the use of inside information. This procedure provides that no transactions may be carried out involving our 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 our shares to the Company which then informs the market.

Executive Committee

Our executive management function is performed under the responsibility of the Chairman and Chief Executive Officer by our Executive Committee that meets every month to review our results and consider general matters concerning our Group. Its members are as follows:

Name	Position	Joined the Company
Mr. Yann Delabrière	Chairman and CEO	2007
Mr. Patrick Koller	Chief Operating Officer	2006
Mr. Niklas Braun	Executive Vice-President, Faurecia Automotive Exteriors	2014
Mr. Michel Favre	Executive Vice-President, Group Chief Financial Officer	2013
Mr. Hervé Guyot	Executive Vice-President, Strategy	2012
Mr. Mark Stidham	Executive Vice-President, North America	2003
Ms. Kate Philipps	Executive Vice-President, Faurecia Communication	2012
Mr. Jean-Michel Renaudie	Executive Vice-President, Faurecia Interior Systems	2002
Mr. Christophe Schmitt	Executive Vice-President, Faurecia Emissions Control Technologies	2006
Mr. Jean-Pierre Sounillac	Executive Vice-President, Human Resources	2004
Mr Hagen Wiesner	Executive Vice-President, Faurecia Automotive Seating	2006

Yann Delabrière—Chairman of the Board of Directors and CEO. Yann Delabrière, 63, has been our Chairman and Chief Executive Officer of our Board of Directors since 16 February 2007. His term of office will expire at the Annual Shareholders' Meeting to be held in 2017. Yann Delabrière has been a director since 18 November 1996. He occupied various positions within the finance departments of major manufacturing groups before joining the PSA Peugeot Citroën group in 1990 where he held the position of Chief Financial Officer and member of the Executive Committee from 1998 to 2007.

Patrick Koller—Chief Operating Officer. Patrick Koller has been our Chief Operating Officer since 2 February 2015. He held various managerial positions at Rhodia and Valeo before joining us in 2006.

Niklas Braun—Executive Vice-President, Faurecia Automotive Exteriors. Niklas Braun has been our Executive Vice- President for Faurecia Automotive Exteriors since 2014. He held various managerial positions at Rehau before joining us.

Michel Favre—Executive Vice-President, Group Chief Financial Officer. Michel Favre has been our Executive Group Chief Financial Officer since 2013. He held various managerial positions at Rexel, Casino and Altadis before joining us in 2013.

Hervé Guyot—Executive Vice-President, Strategy. Hervé Guyot is Executive Vice-President for Strategy. He held various managerial positions at Fonds Stratégique d'Investissement, Fonds de Modernisation des Equipementiers Automobile and the PSA Peugeot Citroën group before joining us.

Mark Stidham—Executive Vice-President, North America. Mark Stidham has been appointed Executive Vice-President for North America in March 2015. He was previously VP North America for Faurecia Emissions Control Technologies.

Kate Philipps—Executive Vice-President, Faurecia Communication. Kate Philipps has been Executive Vice-President for Faurecia Communication since 2012. She held various managerial positions at Essilor, Valeo and Schlumberger Smart Cards and Terminals Division before joining us.

Jean-Michel Renaudie—Executive Vice-President, Faurecia Interior Systems. Jean-Michel Renaudie has been Executive Vice-President for Faurecia Interior Systems since 2013. He held various managerial positions at Faurecia before becoming Executive Vice-President for Faurecia Interior Systems.

Christophe Schmitt—Executive Vice-President, Emissions Control Technologies. Christophe Schmitt has been Executive Vice-President for Faurecia Emissions Control Technologies since 2013. He held various managerial positions at Faurecia before becoming Executive Vice-President for Faurecia Emissions Control Technologies.

Jean-Pierre Sounillac—Executive Vice-President, Human Resources. Jean-Pierre Sounillac has been Executive Vice-President for Human Resources since 2004. He held various positions in human resources at Alstom and Faurecia before becoming Executive Vice-President for human resources.

Hagen Wiesner—Executive Vice-President, Faurecia Automotive Seating. Hagen Wiesner has been Executive Vice-President for Faurecia Automotive Seating since 2015. He held various managerial positions at Edscha AG and Faurecia before becoming Executive Vice-President for Faurecia Automotive Seating.

Senior Management

Each of our four core businesses is organised into geographic divisions—Europe (divided when appropriate into Northern and Southern Europe), North America, South America, and Asia—which manage operations in their region and also coordinate operations with customers headquartered in their region.

The four businesses also have central staff that handle the main operating functions (sales and marketing, programmes, manufacturing support, purchasing, human relations and finance). These functions are also managed within the geographic divisions by equivalent teams. Additionally, some specialised areas are managed by worldwide product lines within the four businesses, such as seat mechanisms, acoustic treatments and interior decorative trim.

Our Senior Management 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 department.

Our Senior Management as at 31 December 2014 included 302 members. This is our operational management, responsible for our operations, growth and performance. As such, the members of our Senior Management receive variable bonuses which are performance based.

In 2010, we implemented a share grant plan for executives of our subsidiaries. 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 our 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 recognised over the share vesting period. The amount recognised in 2014 is an expense of €6 million, compared to €2.1 million in 2013.

		Maximum number of free shares that can be granted* for		
Date of shareholders' meeting	**Date of Board Meeting**	**reaching the objective**	**exceeding the objective**	**Performance condition**
26 May 2011	23 July 2012	682,000	886,600	2014 pre-tax income target as stated in strategic plan when granted and earning per share of Faurecia compared to a reference group of companies
30 May 2013	24 July 2013	852,000	1,107,600	2015 pre-tax income target as stated in strategic plan when granted and earning per share of Faurecia compared to a reference group of companies

30 May 2013	28 July 2014	718,350	933,855	2016 pre-tax income target as stated in strategic plan when granted and earning per share of Faurecia compared to a reference group of companies

* Net of free shares granted cancelled.

Following the achievement of the performance condition for the first plan (Board meeting of 23 June 2010), 478,400 shares have been attributed in previous years and 226,200 in 2014.

Compensation of the Executive Committee

The total compensation paid or allocated to members of our Board of Directors and of the Executive Committee for 2014 amounted to €7,379,663. The compensation of the Executive Committee includes a variable bonus. Performing on target can result in a bonus worth 50% of base salary. Should targets be exceeded, this percentage can rise to 100% of the base salary through performance based bonuses.

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 his or her position. This amount is not payable in the event of gross or wilful misconduct.

PRINCIPAL SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Principal shareholders

As at 31 December 2014, our share capital amounted to €867,476,470, divided into 123,925,210 fully paid-up shares with a par value of €7, all in the same class. These shares represent 188,120,310 theoretical voting rights and 188,084,044 exercisable voting rights.

Our ownership structure and voting rights as at 31 December 2014 were as follows:

Shareholder	Shares Owned	Per cent of shares outstanding	Theoretical voting rights	Exercisable voting rights	Per cent of voting rights
Peugeot S.A.	63,380,509	51.1%	126,688,459	126,698,450	67.4%
Faurecia Actionnariat corporate mutual fund	316,482	0.25%	586,797	586,797	0.31%
Board members	60,532	0.05%	105,793	105,793	0.06%
Treasury stock(*)	36,266	0.03%	—	—	—
Other	60,131,421	48.52%	60,692,995	60,692,995	32.27%
TOTAL	**123,925,210**	**100%**	**188,120,310**	**188,084,044**	**100%**

(*) voting rights in treasury stock cannot be exercised by us.

Our directors hold approximately 0.03% of our capital and voting rights.

Transactions with majority shareholders

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

	For the year ended 31 December		
(in € millions)	2012	2013	2014
Sales	2,263.2	2,263.4	2,219.3
Purchases of products, services and materials	14.2	16.3	14.8
Receivables*	399.9	426.3	430.4
Payables	44.0	17.9	23.6

(*) Before no-recourse sales of receivables amounting to: 136.2 160.4 167.2

DESCRIPTION OF OTHER INDEBTEDNESS

Our outstanding debt currently includes primarily our €490 million principal amount of 2016 Notes, of which €350 million was issued in November 2011 and €140 million was issued in February 2012, €250 million principal amount of 2019 Notes, 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).

Debt Summary

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

	As at 31 December		
(in € millions)	**2012**	**2013**	**2014**
Prior Senior Credit Facilities	300.0	—	—
Senior Credit Facility	—	—	—
Other long term debt	190.3	321.0	290.6
2016 Notes	490.0	490.0	490.0
2019 Notes	250.0	250.0	—
OCEANE (convertible bonds)	400.2	210.0	217.6
Other borrowings	4.2	3.0	2.4
Obligations under finance leases	29.3	31.1	28.4
Non-current derivatives	7.1	3.7	—
Subtotal—Non-Current Financial Liabilities	**1,671.1**	**1,308.8**	**1,029.0**
Current portion of long-term debt	74.2	148.2	409.9
Of which 2019 Notes			*250.0*
Short-term borrowings	684.1	772.6	968.0
Of which bank overdrafts	*163.6*	*115.2*	*107.9*
Current derivatives	6.3	—	5.5
Subtotal—Current Financial Liabilities	**764.6**	**920.8**	**1,383.4**
Total	**2,435.7**	**2,229.6**	**2,412.4**

Our net debt as at 31 December 2014 was €1,387.6 million, reflecting total gross debt of €2,412.4 million and cash and cash equivalents (including other current financial assets included in net debt) of €1,016.9 million. Our subsidiaries hold significant cash balances from their servicing of de-recognised receivables, 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.

As at 31 December 2014, the weighted average interest rate on our outstanding debt was 5.4% for 2014.

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 at 31 December 2014.

(in € millions)	**2016**	**2017**	**2018**	**2019**	**2020 and beyond**	**Total**
Bonds	491.7	—	217.6	—	—	709.3
Bank borrowings	155.5	77.4	28.4	11.1	16.5	288.9
Other borrowings	1.5	0.4	0.2	0.3	—	2.4
Obligations under finance leases	15.2	1.9	1.6	1.7	8.0	28.4
Total as at 31 December 2014	**663.9**	**79.7**	**247.8**	**13.1**	**24.5**	**1,029.0**

2016 Notes

On 9 November 2011, we issued €350 million principal amount of 9.375% Senior Notes due 2016. On 21 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 9 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 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 re-purchase 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 28 of our subsidiaries organised in nine jurisdictions. As at the date of this Document, these guarantors are 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 Walbrzych” S.A., “Faurecia Gorzów” S.A., “Faurecia Automotive Polska” S.A., SAI Automotive Fradley Ltd, Faurecia Automotive Seating UK Limited, SAI Automotive Washington Limited, Faurecia Automotive do Brasil Ltda, Faurecia Emissions Control Technologies Do Brasil S.A., Faurecia Sistemas Automotrices de Mexico, S.A. de C.V., Faurecia Sistemas de Escape España, S.A., Faurecia Interior Systems España, S.A., Faurecia Automotive Exteriors España, S.A., Asientos de Galicia, S.A., Faurecia Automotive España, S.A., Faurecia Automotive Seating, LLC, Faurecia Interior Systems Inc. and Faurecia Emissions Control Systems NA, LLC.

Together, these guarantors accounted for 53.8% of our consolidated EBITDA for the year ended 31 December 2014.

2019 Notes

On 3 May 2012, we issued €250 million principal amount of 8.75% Senior Notes due 2019. We refer to all such notes as the “2019 Notes”.

Terms of the 2019 Notes

We are required to pay interest on the 2019 Notes semi-annually in arrears on 15 June and 15 December of each year, commencing on 15 December 2012. All of the 2019 Notes will mature at par on 15 June 2019 unless earlier redeemed or repurchased and cancelled.

The 2019 Notes are senior unsecured obligations of the Issuer.

The 2019 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 2019 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 2019 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 addition, in the event we undergo specific kinds of changes of control, holders of the 2019 Notes may require us to repurchase their 2019 Notes at a price equal to 101% of the outstanding principal amount thereof, plus accrued and unpaid interest, if any.

The net proceeds will be used primarily to redeem the 2019 Notes in full and to refinance short-term borrowings. We intend to redeem the 2019 Notes with the proceeds of the 2022 Notes and we expect to publish an unconditional and irrevocable notice of redemption of the 2019 Notes on the issue date of the 2022 Notes. In accordance with the trust deed governing the 2019 Notes, (i) the redemption of the 2019 Notes will occur 30 calendar days after the publication of the unconditional and irrevocable notice of redemption of the 2019 Notes and (ii) the 2019 Notes will be guaranteed by the Guarantors from the issue date of the 2022 Notes until the redemption of the 2019 Notes, which is expected to occur 30 calendar days after the publication of the unconditional and irrevocable notice of redemption of the 2019 Notes.

Senior Credit Facility

We have entered into a €1,200 million senior credit agreement among us as borrower and guarantor and various lenders, dated 15 December 2014, which refinanced the Prior Senior Credit Facility. The Senior Credit Agreement is composed of one 5-year facility for an amount of € 1,200 million. As at 31 December 2014 this Senior Credit Facility was not drawn; therefore the undrawn portion of this Senior Credit Facility was €1,200 million. This Senior Credit Facility includes only one covenant, concerning compliance with a consolidated financial ratio: the ratio net debt/EBITDA has to be below 2.50; the compliance with this ratio is a condition to the availability of this Senior Credit Facility. As at 31 December 2014, we complied with this ratio. Net debt corresponds to published consolidated net debt. EBITDA corresponds to operating income plus depreciation, amortisation and funding of provisions for impairment of property, plant and equipment and intangible assets, for the past twelve months. Furthermore, this Senior Credit Facility includes some restrictive provisions on asset disposals (a disposal representing over 25% of our total consolidated assets requires the prior approval of lenders representing two-thirds of the lenders under the Senior Credit Agreement) and on the level of indedtedness of some subsidiaries. The Senior Credit Facility benefits from guarantees from the Guarantors. These guarantees will be released automatically if the 2016 Notes are redeemed in full.

OCEANE and Other Bond Debt

OCEANE

On 18 September 2012, we issued OCEANE bonds ("**OCEANE**") convertible into or exchangeable for new or existing shares, with an aggregate principal amount of €250 million, payable 1 January 2018. At 31 December 2014, €217.6 million is recorded as debt in accordance with IFRS, and the remainder reflects a deemed option premium that is recorded in equity. The OCEANE bear annual interest of 3.25% payable on 1 January each year, as from 1 January 2013. The OCEANE mature on 1 January 2018. Each OCEANE has a nominal value of €19.48. Subject to certain conditions, we may redeem the OCEANE early, at any time beginning on 15 January 2016, at a price equal to their par value plus accrued interest, provided that all of the convertible outstanding OCEANE are redeemed. The OCEANE can be converted by their holders at any time as from their date of issue. The OCEANE include a compulsory early redemption provision triggered by a change of control but not relating to the shareholding level of Peugeot S.A.

In accordance with the accounting standard IAS 39, the fair value of the OCEANE is split into two components: (i) a liability component calculated based on prevailing market interest rates for similar bonds with no conversion option and (ii) an equity component corresponding to the conversion option, calculated based on the difference between the fair value of the OCEANE and the liability component. As at 31 December 2014 the liability component was €217.6 million.

Factoring Programmes

We have several factoring programmes, which enable us to obtain financing at a lower cost than issuing bonds or obtaining bank loans. Part of our financing requirements is met through receivables sale programmes (see note 18 to our audited consolidated financial statements for the year ended 31 December

2014), under which the receivables are derecognised and not included as assets in our consolidated balance sheet.

As at 31 December 2014, financing under these programmes, corresponding to the cash received as consideration for the receivables sold totalled €816.7 million, compared to €549.5 million as at 31 December 2013.

	As at 31 December		
(in € millions)	**2012**	**2013**	**2014**
Financing	435.8	565.5	850.6
Guarantee reserve deducted from borrowings	(15.9)	(16.0)	(33.9)
Cash received as consideration for receivables sold	419.9	549.5	816.7
Receivables sold and de-recognised	(313.0)	(385.4)	(742.2)

Commercial Paper Programme

We have a commercial paper programme on the French domestic market amounting to €1,000 million, of which €738.3 million had been used as at 31 December 2014.

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 2022 Notes was authorised by resolutions of our Board of Directors taken on 9 December 2014.

The Guarantors

On an aggregated basis, the contribution of the Guarantors (described below) to our audited consolidated financial statements represents 53.8% of consolidated EBITDA over the twelve-month period beginning on 1 January 2014 and ending on 31 December 2014, 47.0% of consolidated total sales (after eliminating inter-company sales) over the twelve-month period beginning on 1 January 2014 and ending on 31 December 2014 and 28.9% of total assets (after eliminating inter-company assets) as at 31 December 2014. The Guarantors are listed below by jurisdiction of incorporation.

Brazil

Faurecia Automotive do Brasil Ltda

Faurecia Automotive do Brasil Ltda is a limited company (*sociedade limitada*) organised under the laws of Brazil. Its share capital is R$476,547,739.00 divided into 476,547,739.00 fully paid shares, with a nominal value of R$1 each. It was incorporated on 30 April 1996 for an indefinite term and 99.99% of its share capital is held by ET Dutch Holdings BV and 0.01% by Faurecia Automotive Holdings.

The registered office of Faurecia Automotive do Brasil Ltda is located at Avenida Prefeito Domingos Mocelin Neto, n. 777, 83420000 Quatro Barras, Estado de Paraná, Brazil, and its registration number at the commercial register of Quatro Barras is 01.178.298/0001-97.

The main activity of Faurecia Automotive do Brasil Ltda the cutting, sewing and production of metal frames for the automotive industry (this legal entity comprises FAS, FIS and FAE activities in Brazil). It is a limited company with a board of directors. As at the date hereof, the board of directors has three members:

- Alexandre Manuel de Almeida Figueiredo (President);
- Olivier Pierre Serge Lefebvre (Executive Director);
- Fernando Augusto Ruiz de Campo (Executive Director); and
- Fabricio Sbardeloto (Executive Director).

Faurecia Emissions Control Technologies Do Brasil S.A.

Faurecia Emissions Control Technologies Do Brasil S.A. is a joint stock company (*sociedade anônima*) organised under the laws of Brazil. Its share capital is R$117,876,651.00 divided into 117.876.651 fully paid shares, with a nominal value of R$1 each. It was incorporated on 11 December 1997 for a term expiring on 31 December 2012, except if the term is extended or if the company is subject to early dissolution. 99.99% of its share capital is held by ET. DUTCH HOLDINGS B.V. and 0.01% by Faurecia Exhaust International.

The registered office of Faurecia Emissions Control Technologies Do Brasil S.A. is located at Rodovia Engenheiro Joao Tosello, SP-147, Km 103,3, Bairro do Pinhal, cidade de Limeira, Estado de São Paulo, Brazil, and its registration number at the commercial registry of the State of São Paulo is 02308873001.91.

The main activity of Faurecia Emissions Control Technologies Do Brasil S.A. is manufacturing exhaust systems and the Board of Directos are the following:

- Abdo Jorge Chaves Kassisse (Manager Director); and

- Pedro Luiz Moraes (Director).

France

Faurecia Intérieur Industrie

Faurecia Intérieur Industrie is a simplified joint stock company (*société par actions simplifiée*) organised under the laws of France. Its share capital is €23,430,000 divided into 1,562,000 fully paid shares, with a nominal value of €15 each. It was incorporated for a term of 99 years, expiring on 27 July 2070, except if the term is extended or if the company is subject to early dissolution. 1,561,999 of its shares are held by Faurecia Automotive Holdings, the remaining share being held by Faurecia Industries.

The registered office of Faurecia Intérieur Industrie is located at 2 rue Hennape, 92000 Nanterre, France, and its registration number at the commercial register of Nanterre is 071 502 397.

The main activity of Faurecia Intérieur Industrie is the manufacture, and assembly of, and trade in electrical or mechanical equipment, mechanical products or industrial products. The President of Faurecia Intérieur Industrie is Mr. Jean-Michel Renaudie.

Faurecia Bloc Avant

Faurecia Bloc Avant is a simplified joint stock company with a sole shareholder (*société par actions simplifiée unipersonnelle*) organised under the laws of France. Its share capital is €10,000,000 divided into 625,000 fully paid shares, with a nominal value of €16 each. It was incorporated for a term of 99 years, expiring on 24 October 2101, except if the term is extended or if the company is subject to early dissolution. 100% of its share capital is held by Faurecia Industries.

The registered office of Faurecia Bloc Avant is located at 2 rue Hennape, 92000 Nanterre, France, and its registration number at the commercial register of Nanterre is 443 982 038.

The main activity of Faurecia Bloc Avant is the manufacturing, development, production, assembly and sale of equipment and components for the automotive industry. The President of Faurecia Bloc Avant is Mr. Jean-Paul Thierry.

Faurecia Sièges d'Automobile

Faurecia Sièges d'Automobile is a simplified joint stock company with a sole shareholder (*société par actions simplifiée unipersonnelle*) organised under the laws of France. Its share capital is €100,000,000 divided into 6,250,000 fully paid shares, with a nominal value of €16 each. It was incorporated for a term of 99 years, expiring on 3 December 2092, except if the term is extended or if the company is subject to early dissolution. 100% of its share capital is held by Faurecia Investments.

The registered office of Faurecia Sièges d'Automobile is 2 rue Hennape, 92000 Nanterre, France, and its registration number at the commercial register of Nanterre is 393 162 433.

The main activity of Faurecia Sièges d'Automobile is the manufacture, purchase, sale, R&D in all forms, relating to automotive seats and their accessories. The President of Faurecia Sièges d'Automobile is Mr. François Tardif.

Faurecia Automotive Industrie

Faurecia Automotive Industrie is a simplified joint stock company (*société par actions simplifiée*) organised under the laws of France. Its share capital is €4,327,500 divided into 288,500 fully paid shares, with a nominal value of €15 each. It was incorporated for a term of 99 years, expiring on 29 November 2056, except if the term is extended or if the company is subject to early dissolution. 288,499 of its shares are held by Faurecia Automotive Holdings, the remaining share being held by Faurecia Industries.

The registered office of Faurecia Automotive Industrie is 2 rue Hennape, 92000 Nanterre, France, and its registration number at the commercial register of Nanterre is 915 722 011.

The main activity of Faurecia Automotive Industrie is the manufacture, purchase and sale of all thermal and phonic insulating products, in addition to the purchase and sale of all textile products and padding products, their derivates and subproducts, natural, synthetic or artificial stuffing, in foam rubber form or in sheets. The President of Faurecia Automotive Industrie is Mr. Jean-Michel Renaudie.

Faurecia Systèmes d'Echappement

Faurecia Systèmes d'Echappement is a simplified joint stock company with a sole shareholder (*société par actions simplifiée unipersonnelle*) organised under the laws of France. Its share capital is €84,730,500 divided into 5,648,700 fully paid shares, with a nominal value of €15 each. It was incorporated for a term of 99 years, expiring on 2 December 2097, except if the term is extended or if the company is subject to early dissolution. 100% of its share capital is held by Faurecia Exhaust International

The registered office of Faurecia Systèmes d'Echappement is 2 rue Hennape, 92000 Nanterre, France, and its registration number at the commercial register of Nanterre is 420 797 433.

Faurecia Systèmes d'Echappement's main activity is researching, designing, developing, manufacturing, assembling, renovating and selling car products, components, equipment and accessories, particularly though not exclusively, exhaust systems and other metal components. The President of Faurecia Systèmes d'Echappement is Mr. Christophe Schmitt.

Trecia

Trecia is a simplified joint stock company with a sole shareholder (*société par actions simplifiée unipersonelle*) organised under the laws of France. Its share capital is €202,860 divided into 13,524 fully paid shares, with a nominal value of €15 each. It was incorporated for a term of 99 years, expiring on 1 August 2096, except if the term is extended or if the company is subject to early dissolution. 100% of its share capital is held by Faurecia Automotive Holdings.

The registered office of Trecia is Technoland, 835 avenue Oehmichen, 25460 Etupes, France, and its registration number at the commercial register of Belfort is 413 214 164.

The main activity of Trecia is the manufacture, and assembly of, and trade in electrical or mechanical equipment, mechanical products or industrial products. The President of Trecia is Mr. Jean-Michel Renaudie.

Germany

Faurecia Innenraum Systeme GmbH

Faurecia Innenraum Systeme GmbH is a German limited liability company (GmbH) and is registered with the commercial register (Handelsregister) at the local court (Amtsgericht) in Landau in der Pfalz under registration number HRB 21778. Its registered office is Faureciastraße 1, 76767 Hagenbach, Germany.

As at the date hereof, Faurecia Innenraum Systeme GmbH is wholly owned by Faurecia Automotive GmbH and its share capital amounts to € 50,003,000. Its main activity is the development, production, supply and distribution of parts for the automotive industry and the refinement and completing assembly of such parts, as well as to systems and modules and congeneric products and services in connection therewith. The parts can consists of different materials such as plastics, woodfibre or textiles as well as other formed or formable materials distributed by using the trademarks Allibert, Sommer, Lignotock and Fauceria.

Faurecia Innenraum Systeme GmbH is represented by its managing directors (*Geschäftsführer*):

- Dr. Wolfgang Braun; and

- Mr. Christophe Bentz.

Faurecia Autositze GmbH

Faurecia Autositze GmbH is a German limited liability company (GmbH) and is registered with the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) in Stadthagen under registration number HRB 200125. Its registered office is Nordsehler Str. 38, 31655 Stadthagen, Germany.

As at the date hereof, Faurecia Autositze GmbH is wholly owned by Faurecia Automotive GmbH and its share capital amounts to €2,000,000. Its main activity is the development, production, supply and distribution of products for the equipment of vehicles of any kind.

Faurecia Autositze GmbH is represented by its managing directors (Geschäftsführer):

- Annette Stieve;
- Thilo Ludewig; and
- Dr. Hagen Wiesner.

Faurecia Exteriors GmbH

Faurecia Exteriors GmbH is a German limited liability company (GmbH) and is registered with the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) in Stadthagen under registration number HRB 200502. Its registered office is Jahnstr. 18, 91781 Weißenburg, Germany.

As at the date hereof, Faurecia Exteriors GmbH is wholly owned by Faurecia Automotive GmbH and its share capital amounts to €25,000.

The main activity of Faurecia Exteriors GmbH is the development, production, supply and distribution of products for the equipment of vehicles of any kind. Faurecia Exteriors GmbH is represented by its managing directors (*Geschäftsführer*):

Annette Stieve; and

Francisco Javier Gonzaléz Casas.

Faurecia Kunststoffe Automobilsysteme GmbH

Faurecia Kunststoffe Automobilsysteme GmbH is a German limited liability company (GmbH) and is registered with the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) in Stadthagen under registration number HRB 201057. Its registered office is Nördliche Grünauer Straße 21, 86633 Neuburg a.d. Donau, Germany.

As at the date hereof, Faurecia Kunststoffe Automobilsysteme GmbH is wholly owned by Faurecia Automotive GmbH and its share capital amounts to €1,023,000.

Its main activity is the development, production, supply and distribution of parts for the automotive industry and it is represented by its managing directors (*Geschäftsführer*):

- Annette Stieve; and
- Francisco Javier Gonzaléz Casas.

Faurecia Abgastechnik GmbH

Faurecia Abgastechnik GmbH is a German limited liability company (GmbH) and is registered with the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) in Augsburg under registration number HRB 26434. Its registered office is Biberachstraße 9, 86154 Augsburg, Germany.

As at the date hereof, Faurecia Abgastechnik GmbH is wholly owned by Faurecia Automotive GmbH and its share capital amounts to €500,000. Its main activity is the development, production, supply and distribution of products and parts in respect of exhaustion technology for the automotive industry and it is represented by its managing directors (*Geschäftsführer*):

- Marcus Kötting; and
- Markus Bergmann.

Mexico

Faurecia Sistemas Automotrices de Mexico, S.A. de C.V.

Faurecia Sistemas Automotrices de Mexico, S.A de C.V. is a variable capital stock corporation (*Sociedad Anonima de Capital Variable*) organised under the laws of Mexico with share capital of $1,504,499,345.00 pesos divided into 39,038,683 fully paid shares with no nominal value.

Faurecia Sistemas Automotrices de Mexico, S.A de C.V. was incorporated on 15 December 1994 for a term of 99 years and 61.436875% of its outstanding share capital is held by Faurecia USA Holdings, Inc. and 0.000003% by Faurecia Interior Systems, Inc.; 18.647425% by Faurecia Sistemas de Escape España, S.A. and 19.915697% by ET Dutch Holdings, BV.

The registered office of Faurecia Sistemas Automotrices de Mexico, S.A de C.V. is Km 117 Autopista Mexico, Puebla/Parque Industrial Finsa Nave 17, Camino San Lorenzo Almecatla, Municipio de Cuantlancingo, Puebla, Pue, CP 72710, Mexico.

It is registered with the Public Commercial Registry of Mexico, Federal District under commercial folio number 194722 and its main activity is the manufacture, design, assembly, purchase, sale, import, export and distribution of all types of parts, products, accessories, parts and plastic components, wood fiber, resin and all kind of materials for the automotive industry.

Faurecia Sistemas Automotrices de Mexico, S.A de C.V. has a board of directors comprising three members:

- Jean-Michel Renaudie (chairman);
- Manfred Günter Kwade; and
- Thorsten Muschal.

Poland

"Faurecia Wałbrzych" S.A.

"Faurecia Wałbrzych" S.A. is a joint stock company (*spółka akcyjna*) organised under the laws of Poland with share capital of PLN 150,000,000 divided into 150,000,000 fully paid shares with a nominal value of PLN 1. It was established as a result of transformation of "Faurecia Wałbrzych" sp. z o.o. on 30 November 2011 for a non-fixed term.

100% of its share capital is held by "Faurecia Automotive Polska" S.A. . Its registered office is ul. Mariana Jachimowicza 3, 58-306 Wałbrzych, Poland, and its registration number at the commercial register is KRS 0000403295.

Its main activity is among others manufacturing and distribution of mechanism and frames for car seats. It has a management board and a supervisory board. As at the date hereof, the management board has seven members:

- Karol Zieliński;
- Artur Plewniak;
- Magdalena Wojtasiak (president);
- Ryszard Ziemann;
- Piotr Kuś;
- Mieczysław Król; and
- Daniel Placek.

The supervisory board has three members:

- Jack Benidictus Van Den Maegdenbergh;
- Patrick Willy Koller; and
- Pedro Garcia Rodriguez.

"Faurecia Gorzów" S.A.

"Faurecia Gorzów" S.A. is a joint stock company (*spółka akcyjna*) organised under the laws of Poland with share capital of PLN 60,000,000 divided into 60,000,000 fully paid shares, each with a nominal value of PLN 1.

It was established as a result of transformation of "Faurecia Gorzów" sp. z o.o. on 30 November 2011 for a non-fixed term and 100% of its share capital is held by "Faurecia Automotive Polska" S.A..

Its registered office is Szczecińska 31, 66-400 Gorzów Wielkopolski, Poland, and its registration number at the commercial register is KRS 0000403805.

Its main activity is among others the manufacture and distribution of interior systems, instruments and door panels. "Faurecia Gorzów" S.A. has a management board and a supervisory board. As at the date hereof, the management board has six members:

- Ryszard Ziemann;
- Artur Zieleń;
- Jacek Koszela;
- Sebastien Jean-Paul Gross;
- Daniel Placek; and
- Magdalena Wojtasiak (president).

The supervisory board has three members:

- Jean-Michel Renaudie;
- Wolfgang Jurgen Braun; and

- Yanik Cantieni.

"Faurecia Automotive Polska" S.A.

"Faurecia Automotive Polska" S.A. is a joint stock company (*spółka akcyjna*) organised under the laws of Poland with share capital of PLN 147,751,200 divided into 147,751,200 fully paid shares, each with a nominal value of PLN 1.

It was established as a result of transformation of "Faurecia Automotive Polska" sp. z o.o. on 30 November 2011 for a non-fixed term and 100% of its share capital is held by Faurecia Investments SAS. Its registered office is ul. Spółdzielcza 4, 05-600 Grójec, Poland, and its registration number at the commercial register is 0000 403609.

Its main activity is among others the manufacture and distribution of mechanisms and frames for car seats. "Faurecia Automotive Polska" S.A. has a management board and a supervisory board. As of the date of hereof, the management board has five members:

- Andrzej Fedorowicz;
- Ryszard Wacłw Ziemann; and
- Magdalena Marlena Wojtasiak (president);
- Grzegorz Sibilski, and
- Daniel Placek.

The supervisory board has three members:

- Patrick Willy Koller;
- Michel Alain Favre; and
- Yanik Cantieni.

Spain

Faurecia Automotive España, S.A.

Faurecia Automotive España S.A. is a joint stock company (*Sociedad Anónima*) organised under the laws of Spain with share capital of €7,138,176 divided into 1,189,696 fully paid shares, each with a nominal value of €6. It was incorporated on 31 December 1946 for an indefinite term, and 63.88% of its outstanding share capital is held by Faurecia Automotive Holdings, 25.46% by Faurecia Investments, S.A.S. and 10.66% by Faurecia S.A.

Its registered office is located at Calle Marie Curie, N°19, 28529 Rivas Vaciamadrid (Madrid), Spain, and its registration number at the commercial register of Madrid, Tomo 18054, Folio 24, Sección 8, Hoja M-16528.The main activity of Faurecia Automotive España S.A. is the production of instrument panels, windshields and other products for the PSA Peugeot Citroën group, Mercedes and Renault.

As of the date hereof, the board of directors has four members:

- Jean Michel Renaudie (chairman and Chief Executive Officer);
- Hervé Guyot (Chief Executive Officer);
- Yanik Cantieni; and
- Inmaculada Umbert (secretary non-director).

Faurecia Sistemas de Escape España S.A.

Faurecia Sistemas de Escape España S.A. is a joint stock company (*Sociedad Anónima*) organised under the laws of Spain with share capital of €451,967.04 divided into 1,504 shares, each with a nominal face value of €300.51.

Faurecia Sistemas de Escape España S.A. was incorporated on 27 December 1978 for an indefinite term and 99.93% of its outstanding share capital is held by Faurecia Automotive España, S.L and 0.07% by Faurecia Industries, S.A.

The registered office of Faurecia Sistemas de Escape España S.A. is Camino del Caramuxo, 33, 36213 Vigo, Spain, and its registration number at the commercial register of Pontevedra is tomo 2623, libro 2623, sección 8, folio 203, Hoja PO 28391.

Its main activity is the manufacture and sale of exhaust systems and components. As at the date hereof, the board of directors has four members:

- Christophe Joseph Schmitt (chairman and chief executive officer);
- Markus Bergmann (director);
- Marcus Koetting (director); and
- Inmaculada Umbert (secretary non-director).

Asientos de Galicia, S.A.

Asientos de Galicia, S.A. is a joint stock company (*Sociedad Anónima*) organised under the laws of Spain with share capital of €3,000,000 divided into 3,000,000 shares with a nominal face value of €1 each. It was incorporated on 11 December 2000 for an indefinite term and 99.9999% of its outstanding share capital is held by Faurecia Asientos para Automovil España, S.A. and 0.0001% by Faurecia Sièges d’Automobile, S.A.

The registered office of Asientos de Galicia, S.L. is Parque Technológico de Vigo, Calle 3-Parcella 2, 36312 Beade, Vigo (Pontevedra), Spain, and its registration number at the commercial register of Pontevedra is tomo 2544, libro 2544, folio 20, Sección 8, Hoja PO 26997.

Its main activity is the manufacture and sale of exhaust systems and components. As at the date hereof, the managing directors are:

- Pedro García (Chairman);
- Juan Pedro Mazo (director);
- Jack van den Maegdenbergh (director); and
- Inmaculada Umbert (secretary non-director).

Faurecia Interior Systems España S.A.

Faurecia Interior Systems España S.A. is a joint stock company (*Sociedad Anonima*) organised under the laws of Spain with share capital of €10,800,000 divided into 1,800,000 shares, each with a nominal face value of €6. It was incorporated on 11 July 1985 for an indefinite term, and 100% of its outstanding share capital is held by Faurecia Automotive España, S.A.

The registered office of Faurecia Interior Systems España S.A. is C/ Charles Darwin, n°38, Parque Tecnológico, 46980—Paterna (Valencia), Spain, and its registration number at the commercial register of Valencia is tomo 5579, libro 2886, folio 223, Sección 8, Hoja V- 49770.

Its main activity is the manufacture and sale of door panels and modules, cockpit and instrument panels for the PSA Peugeot Citroën group, Ford, Volkswagen and Seat. Faurecia Interior Systems España S.A. is also a holding company. As at the date hereof, the board of directors has four members:

- Jean Michel Renaudie (chairman and chief executive officer);
- Yanik Cantieni (Director);
- Juan Pedro Mazo (Director); and
- Inmaculada Umbert (secretary non-director).

Faurecia Automotive Exteriors España, S.A.

Faurecia Automotive Exteriors España S.A. is a joint stock company (*Sociedad Anónima*) organised under the laws of Spain with share capital of €7,321,204 divided into 332,782 shares, each with a nominal face value of €22. It was incorporated on 25 January 1994 for an indefinite term, and 100% of its outstanding share capital is held by Faurecia Automotive España, S.A.

The registered office of Faurecia Automotive Exteriors España S.A. is Carretera Nacional II, Km 593, 08740, Sant Andreu de la Barca (Barcelona), Spain, and its registration number at the commercial register of Valencia, tomo 32.386, folio 219, Hoja B-209189.

Its main activity is manufacturing and marketing a variety of chemicals, plastics and derivatives. As at the date hereof, the board of directors has four members:

- Hervé Guyot (chairman and chief executive officer);
- Juan Pedro Mazo Gautier (Director);
- Jean-Paul Thierry (Director); and
- Inmaculada Umbert (secretary non-director).

United Kingdom

SAI Automotive Fradley Ltd

SAI Automotive Fradley Ltd is a limited company organised under the laws of the United Kingdom with share capital of £121,700,000 divided into 121,700,000 fully paid shares with a nominal value of £1 each.

SAI Automotive Fradley Ltd was incorporated on 17 October 1989, and 100% of its outstanding share capital is held by Faurecia Automotive Holdings. The registered office of SAI Automotive Fradley Ltd is Fradley Park, Common Lane, Lichfield, Staffordshire, WS13 8NF, United Kingdom, and its number at the registrar of companies for England and Wales is 2433456.

The main activity of SAI Automotive Fradley Ltd is manufacturing door panels and automotive cockpits. SAI Automotive Fradley Ltd is a limited company with two managing directors:

- Yanick Cantieni; and
- Faurecia Automotive Holdings.

Faurecia Automotive Seating UK Limited

Faurecia Automotive Seating UK Limited is a company limited by shares organised under the laws of the United Kingdom with authorised capital of £33,200,000 divided into 150,000 A ordinary shares of £100 each and 260,000 B ordinary shares with a nominal value of £70 each. The paid-up capital of Faurecia

Automotive Seating UK Limited is £32,320,000 divided into 141,200 A ordinary shares of £100 each and 260,000 B ordinary with a nominal value of £70 each.

Faurecia Automotive Seating UK Limited was incorporated on 7 November 1990, and 100% of its outstanding share capital is held by Faurecia Investments. The registered office of Faurecia Automotive Seating UK Limited is Cherwell III, Middleton Close, Banbury, Oxfordshire, OX16 4RS, United Kingdom, and its number at the registrar of companies for England and Wales is 2556213.

Its main activity is the manufacture and sale of car seat components. Faurecia Automotive Seating UK Limited is a company limited by shares with two managing directors:

- Jack Van den Maegdenbergh; and
- Faurecia Investments.

SAI Automotive Washington Limited

SAI Automotive Washington Limited is a company limited by shares organised under the laws of the United Kingdom with share capital of £7,222,000 divided into 7,222,000 fully paid shares with a nominal value of £1 each.

SAI Automotive Washington Limited was incorporated on 13 October 1989, and 100% of its outstanding share capital is held by SAI Automotive Fradley Ltd. The registered office of SAI Automotive Washington Limited is Staithes Road, Pattinson South Industrial Estate, District 8 Washington, Tyne and Wear—NE38 8NW—United Kingdom, and its number at the registrar of companies for England and Wales is 2432086.

Its main activity is the manufacture and sale of components for car interior, acoustics and Soft Trim. SAI Automotive Washington Limited is a company limited by shares with two managing directors:

- José Membrillera; and
- SAI Automotive Fradley Ltd.

United States

Faurecia Automotive Seating, LLC

Faurecia Automotive Seating, LLC is a Delaware limited liability company that was formed on 30 June 2011. The principal place of business for Faurecia Automotive Seating, LLC is 2800 High Meadows Circle, 48126 Auburn Hills, MI, United States and is registered under number 2066155. Faurecia Automotive Seating, LLC is wholly owned by Faurecia Interior Systems, Inc.

The main activity of Faurecia Automotive Seating, LLC is the design, development and manufacture of automotive seats and seating components for sale to original equipment manufacturers. As at the date of this Document, the Board of Managers has the following two members:

- Michael Heneka; and
- Patrick Koller.

Faurecia Interior Systems, Inc.

Faurecia Interior Systems, Inc. is a Delaware corporation that was formed on 3 March 1997. Its principal place of business is 2500 Executive Hills Blvd., Auburn Hills, MI 48326, United States. Faurecia Interior Systems, Inc. is registered under number 2723985 and is wholly owned by Faurecia USA Holdings, Inc.

The main activity of Faurecia Interior Systems, Inc. is design, development and manufacture of automotive interior components, including instrument panels, door panels and cockpit assemblies, for sale to original equipment manufacturers.

As at the date of this Document, its Board of Directors has two members:

- Jean-Michel Renaudie (president and director); and
- Christophe Schmitt (director).

Faurecia Emissions Control Systems NA, LLC

Faurecia Emissions Control Systems NA, LLC is a Delaware corporation that was formed on 15 July 1988. Its principal place of business is located at 950 West 450 South, Columbus, IN 47201, United States.

Faurecia Emissions Control Systems NA, LLC is registered under number 2166694 and is wholly owned by Faurecia USA Holdings, Inc. The main activity of Faurecia Exhaust Systems, Inc. is the design, development and sale of exhaust systems and exhaust components for various applications to original equipment manufacturers.

As at the date of this Document, the Board of Directors has the following two members:

- Jean Marc Hannequin (director); and
- Michael Heneka (director).

Main Subsidiaries

The Issuer is the parent company of our Group, which, at 31 December 2014, included 174 fully consolidated subsidiaries and 22 entities consolidated under the equity method. None of our subsidiaries accounts for more than 10% of our 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 our audited consolidated financial statements for the years ended 31 December 2014, 2013 and 2012.

Significant Change

Except as disclosed in this Document, there has been no significant change in our financial or trading position since 31 December 2014, and there has been no material adverse change in our prospects since 31 December 2014.

Material Contracts

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 the our audited consolidated financial statements:

	For the year ended 31 December		
(in € millions)	**2012**	**2013**	**2014**
Sales	2,263.2	2,263.4	2,219.3
Purchases of products, services and materials	14.2	16.3	14.8
Receivables(*)	399.9	426.3	430.4
Trade payables	44.0	17.9	23.6

(*) Before no-recourse sales of receivables amounting to	*136.2*	*160.4*	*167.2*

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