

Nanterre, February 12, 2014

Faurecia: 2013 annual results show significant growth in the second half

Fiscal 2013

- Total sales up 5.0%¹ to €18.03 billion;
- Operating income of €538 million (3.0% of total sales);
- Net income of €88 million, or 82 euro cents per share;
- Net cash flow of €144 million, exceeding the target;
- Net financial debt of €1.52 billion, down €290 million.

Second half 2013

- Total sales up 6.1% to €8.76 billion;
- Operating income of €282 million (3.2% of total sales);
- Net income of €53 million.

Yann Delabrière, Chairman and CEO of Faurecia, stated: "In 2013, Faurecia achieved a solid sales increase, driven in particular by remarkable growth in Asia, where sales rose more than 20% for the seventh year in a row. Faurecia accelerated its technological leadership in all of its Business Groups. The action plans to focus on cash generation, have brought results: the Group generated a net cash flow of €144 million, above its objectives, and debt has been reduced by €290 million. Faurecia has thus significantly strengthened its financial position."

2013 ANNUAL RESULTS

In € million	H2-2012	H2-2013	Change %*	2012	2013	Change %*
Total sales	8,600	8,764	+6.1	17,365	18,028	+5.0
Operating income	211	282	+33.6	514	538	+4.7
As % of total sales	2.5	3.2	-	3.0	3.0	-
Net income (Group share)	22	53	+140.9	142	88	-38
Net cash flow	(291)	7	N.S.	(559)	144	N.S.
Net financial debt (at December 31)	1,807	1,519	-15.9	1,807	1,519	-15.9

* at constant exchange rates and scope

SUSTAINED SALES GROWTH

Global automotive production is estimated to have grown by 3.5% in 2013. Growth remained strong in North America and Asia, with production increasing 5% in both regions. Automotive production was stable in Europe, with a market that reached its low point towards the middle of the year.

¹ All variations of sales and product sales are expressed at constant exchange rates and on a comparable basis.

Faurecia's total sales for fiscal 2013 stood at €18.03 billion, up 5.0% over 2012 sales of €17.36 billion. During the second half of 2013, total sales climbed 6.1%.

Product sales (delivery of parts and components to automakers) totaled €13.69 billion, up 3.9% from 2012 sales of €13.30 billion. Product sales increased 4.6% in the second half of 2012.

SALES BY REGION: ASIA UP 24.3%

In 2013, Asia accounted for 13% of product sales (a 3 point increase), while North America represented 27% and South America 5%. Sales outside Europe represented 46% of the total. Faurecia reinforced the diversification of its customer portfolio, posting substantial growth with Nissan, Daimler and Ford; the latter consolidating its position as Faurecia's second largest customer with 15% of product sales. Business for commercial vehicles rose 17% over the year.

Product sales in 2013 break down as follows:

- in **Europe**, product sales were stable at €7.41 billion, in line with automotive production evolution. During the second half of the year, product sales rose 3.8% to €3.53 billion, also in line with automotive production;
- in **North America**, product sales stood at €3.71 billion, compared to €3.64 billion in 2012, a 1.3% increase, while automotive production rose 5%. During the second half, product sales fell 4.3% to €1.71 billion. The gap between sales evolution and production growth, which will be reversed from the second half of 2014, can be attributed to a period of model changes for some automakers;
- in **Asia**, product sales reached €1.71 billion, compared to €1.39 billion in 2012, up 24.3% while automotive production grew 5%. Sales in China climbed to €1.39 billion. This 27.7% increase is nearly double the growth of the Chinese automobile market (14%). Product sales in Asia rose 26.3% during the second half of the year;
- in **South America**, product sales stood at €717 million, up from €662 million a year earlier, representing a 26.3% increase compared with a 6% rise in automotive production. In the second half of 2013, product sales increased 21.7%, thanks to the ramp-up of the Automotive Exteriors Business Group.

SALES BY BUSINESS GROUP: STRONG GROWTH AT EMISSIONS CONTROL TECHNOLOGIES

The Business Group with the most dynamic growth was **Emissions Control Technologies**, where product sales totaled €6.4 billion, up 7.3% driven by growth in Asia (up 22%) and the commercial vehicle segment (up 17%). The increase in the second half was 12.1%.

Product sales for the **Automotive Seating** Business Group totaled €5.2 billion, compared to €5.1 billion in 2012, an increase of 3.4%. During the second half, total sales climbed 3.9%.

Product sales at the **Interior Systems** Business Group totaled €4.6 billion, versus €4.3 billion in 2012, up 4.1%. This growth was driven by a sales increase with Ford in North America and double-digit growth in Asia. During the second half, product sales rose 2.5%.

Product sales at **Automotive Exteriors** stood at €1.9 billion, an increase of 3.9% over 2012. During the second half, an increase of 1.7% was posted.

OPERATING RESULTS IN LINE WITH OBJECTIVES

Operating income stood at €538 million, or 3.0% of total sales, compared with €514 million (3.0% of sales) in 2012. Operating income in the second half of 2013 came to €282 million, equivalent to 3.2% of total sales, an increase of 70 basis points.

By region, operating income is explained as follows:

- in Asia, at 8.3%, the margin continued to improve over the year, thanks to a business model that combines strong growth and excellence in execution. During the second half of the year, operating income rose 80 basis points to reach over 9.0% for the first time;
- in Europe, at 2.7%, the margin slipped slightly due to the 4.0% drop in automotive production in the first half. The margin improvement in the second half (up 60 basis points to reach 3.0%), reflects the first effects of the fixed cost reduction plan launched late 2012;
- in North America, at 2.1%, operating income posted a slight gain over the year, but profitability remains below targeted levels. A limited number of product and new technology launches had operational difficulties;
- in South America, at -3.2%, the margin has been impacted by the negative effects of inflation, currency fluctuations and higher costs of raw materials.

By Business Group, operating income evolved as follows:

- Automotive Seating: at 4.2% of sales (€198.7 million) for the fiscal year and 4.5% in the second half, operating income reached benchmark competition levels. The 50 basis points margin increase for the year stems from a good performance in Asia and a strong margin improvement in the mechanisms division;
- Emissions Control Technologies: at 3.1% of sales (€217.4 million), the gap with competition was reduced. The margin increase of 70 basis points is the result of significant progress in North America, a marked improvement in Europe and a margin which remains high in Asia;
- Interior Systems: at 1.8% of sales (€98.3 million) faced some launch difficulties particularly in North America;
- Automotive Exteriors: at 2.0% of sales (€37.9 million), the margin was impacted by launch costs in South America and transformation costs in the composites business. The margin in Europe remained satisfactory at 4.5%.

Consolidated net income (Group share) stood at €88 million, compared with €142 million in 2012. In the second half, it amounted to €53 million. The primary items apart from operating income are as follows:

- restructuring charges amounted to €91 million (versus €84 million in 2012), as part of the fixed cost reduction program in Europe launched in late 2012;
- net interest expense came to €188 million (versus €165 million in 2012), as a result of an increase in average net debt. After peaking in 2013, net interest expense will fall by €15 million in 2014, following the conversion in December 2013 of the convertible bond issued in November 2009.

POSITIVE NET CASH FLOW AND NET DEBT DOWN €290 MILLION

Net cash flow stood at €144 million, impacted positively by the deployment of the selective commercial strategy, which combines growth and cash generation, and the significant improvement in working capital requirements.

The implementation of this **commercial strategy**, in a favorable competitive context for Faurecia, has translated into a solid year for new contract acquisition at €13.8 billion. **Capital expenditure** and **capitalized R&D** expenses, which have fallen by 4.5% to €788 million compared to €825 million in 2012, are consistent with the Group's objectives. In geographical terms, this investment continued to primarily target growth outside Europe and in particular the reinforcement of the Group in Asia.

Working capital requirements have improved by €364 million, fully recovering the 2012 negative swing.

At the end of 2013, the Group's **net financial debt** came to €1.52 billion, versus €1.81 billion at end 2012. The debt reduction €290 million has been accelerated by the early conversion, in December 2013, of the convertible bond issued in November 2009.

The fiscal 2013 accounts have been approved for issue by the Board of Directors in its meeting held on February 11, 2014. The consolidated accounts for fiscal 2013 have been audited and the auditor's report is outstanding.

In light of the Group's performance, the Board of Directors announced that it would propose a **dividend** of 30 euro cents per share at the next annual shareholder meeting.

2014 OUTLOOK

In 2014, Faurecia expects global automotive production to grow by 3%, with Europe between 0 and 2%, North America up 3%, China up 7% and South America down at least 4%.

As announced at the Group's Investor Day last November, Faurecia has set itself a number of priorities, including:

- The continued deployment of its selective commercial strategy with priority given to the Emissions Control Technologies and Automotive Seating Business Groups;
- Continued strong, profitable growth in Asia; and
- Accelerated improvement in operating income in North America.

On this basis, Faurecia anticipates the following for fiscal 2014:

- an increase in sales of between 2% and 4% (at constant exchange rates);
- growth in operating income of between 20 and 50 basis points;
- positive net cash flow.

Faurecia's financial presentation and annual report will be available at 7:00 am today (Paris time) on the Faurecia website: www.faurecia.com. A meeting for financial analysts and media will be held today at 8:30 am at Pavillon Gabriel in Paris, 8th arrondissement. It can also be followed at www.faurecia.com or by telephone:

- Paris, France: +33 1 76 77 22 22
- London, UK: +44 20 3427 1912
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Confirmation code: 3539528

About Faurecia

Faurecia is the world's sixth-largest automotive equipment supplier with four key Business Groups: Automotive Seating, Emissions Control Technologies, Interior Systems and Automotive Exteriors. In 2013, the Group posted total sales of €18 billion. At December 31, 2013, Faurecia employed 97,500 people in 34 countries at 320 sites, including 30 R&D centers. Faurecia is listed on the NYSE Euronext Paris stock exchange and trades in the U.S. over-the-counter (OTC) market. For more information, visit: www.faurecia.fr

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APPENDICES
PER BUSINESS GROUP

TOTAL SALES (in €m)	2011	H1 2012	H2 2012	2012	H1 2013	H2 2013	2013
Automotive Seating	4,981.2	2,668.5	2,487.4	5,155.90	2,718.6	2,500.3	5,218.9
Interior Systems	3,645.5	2,064.8	2,287.9	4,352.7	2,361.3	2,198.7	4,560.0
Emissions Control Technologies	5,779.3	3,155.0	2,924.4	6,079.5	3,200.0	3,150.4	6,350.5
Automotive Exteriors	1,784.2	876.3	900.1	1,776.4	985.1	914.2	1,899.3
TOTAL	16,190.2	8,764.6	8,599.9	17,364.5	9,265.0	8,763.6	18,028.6

PRODUCT SALES (in €m)	2011	H1 2012	H2 2012	2012	H1 2013	H2 2013	2013
Automotive Seating	4,769.9	2,558.1	2,346.5	4,904.5	2,591.6	2,299.3	4,890.9
Interior Systems	3,075.3	1,733.7	1,863.4	3,597.1	1,985.1	1,808.1	3,793.2
Emissions Control Technologies	2,934.6	1,659.8	1,573.4	3,233.2	1,700.6	1,651.0	3,351.7
Automotive Exteriors	1,611.3	801.3	760.2	1,561.5	860.3	797.0	1,657.4
TOTAL	12,391.1	6,752.9	6,543.4	13,296.3	7,137.6	6,555.5	13,693.2

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

* Reported (not restated for IAS 19R)

PER REGION

TOTAL SALES* (in €m)	2011	H1 2012	H2 2012	2012	H1 2013	H2 2013	2013
Europe	10,072.3	5,079.8	4,538.5	9,618.3	5,034.6	4,666.4	9,701.0
North America	3,313.6	2,138.1	2,403.0	4,541.1	2,461.4	2,230.3	4,691.7
Asia	1,722.5	1,020.0	1,103.9	2,123.9	1,177.1	1,344.8	2,521.9
South America	716.9	364.4	413.3	777.7	450.7	410.7	861.4
RoW, Other & Elims	365.0	162.2	141.2	303.4	141.2	111.4	252.6
TOTAL	16,190.3	8,764.6	8,599.9	17,364.5	9,265.0	8,763.6	18,028.6

PRODUCT SALES* (in €m)	2011	H1 2012	H2 2012	2012	H1 2013	H2 2013	2013
Europe	7,815.3	3,995.3	3,416.4	7,411.7	3,884.2	3,527.3	7,411.5
North America	2,579.2	1,694.3	1,951.3	3,645.6	1,995.5	1,712.0	3,707.5
Asia	1,116.8	650.7	737.7	1,388.4	799.2	906.6	1,705.8
South America	639.0	316.8	344.8	661.6	370.7	346.3	717.0
RoW, Other & Elims	240.7	95.9	93.2	189.1	88.1	63.3	151.4
TOTAL	12,391.1	6,752.9	6,543.4	13,296.3	7,137.7	6,555.5	13,693.2

OPERATING INCOME (in €m)	2011	H1 2012	H2 2012	2012	H1 2013	H2 2013	2013
Europe	413.3	172.2	109.1	281.3	122.1	138.6	260.8
<i>Margin (as % of Total sales)</i>	4.1%	3.4%	2.4%	2.9%	2.4%	3.0%	2.7%
North America	81.2	61.5	29.4	90.9	62.2	35.9	98.1
<i>Margin (as % of Total sales)</i>	2.5%	2.9%	1.2%	2.0%	2.5%	1.6%	2.1%
Asia	149.5	78.1	91.7	169.8	87.2	122.9	210.1
<i>Margin (as % of Total sales)</i>	8.7%	7.7%	8.3%	8.0%	7.4%	9.1%	8.3%
South America	23.1	-1.2	-16.0	-17.2	-13.4	-14.5	-27.9
<i>Margin (as % of Total sales)</i>	3.2%	-0.3%	-3.9%	-2.2%	-3.0%	-3.5%	-3.2%
RoW, Other & Elims	-19.9	-8.1	-3.0	-11.1	-1.9	-0.8	-2.7
<i>Margin (as % of Total sales)</i>	-5.5%	-5.0%	-2.1%	-3.7%	-1.3%	-0.7%	-1.1%
TOTAL	650.9	302.5	211.1	513.7	256.2	282.1	538.3
<i>Margin (as % of Total sales)</i>	4.0%	3.5%	2.5%	3.0%	2.8%	3.2%	3.0%

* by origin