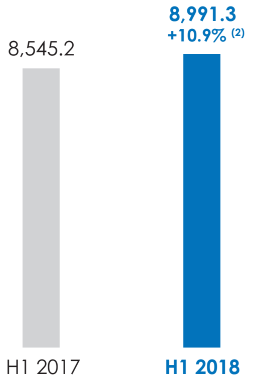
2018
Half-Year Results

faurecia
inspiring mobility

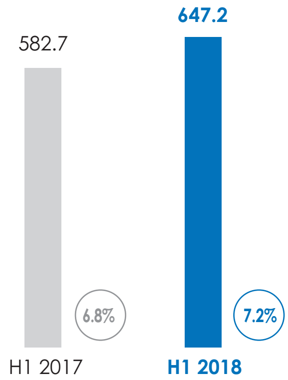
Contents

Interim results 2018

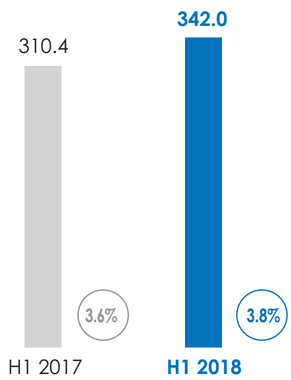
Key figures [1]



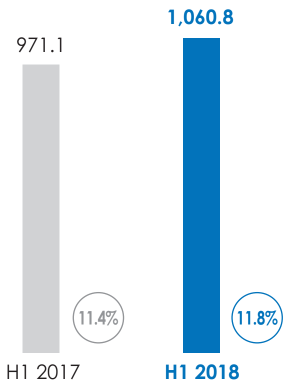
Sales
(in €m)



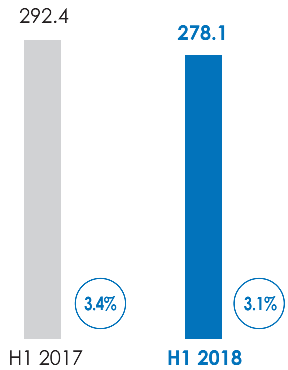
Operating Income [3]
(in €m and as a % of sales)



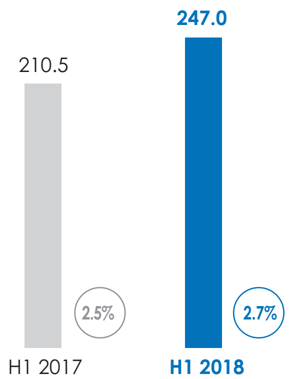
Net Income Group Share
(in €m and as a % of sales)



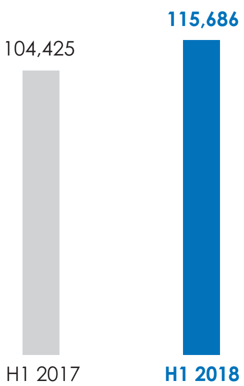
EBITDA [4]
(in €m and as a % of sales)



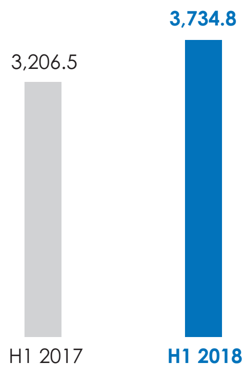
Capital expenditure
(in €m and as a % of sales)



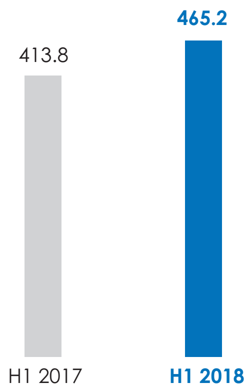
Net Cash Flow
(in €m and as a % of sales)



Number of employees



Total equity
(in €m)



Net debt [5]
(in €m)

(1) After application of IFRS15 (reconciliation available in §1.7).
(2) At constant currencies and including Bolt-Ons.
(3) Before amortization of acquired intangible assets (Note 1A to the consolidated financial statements).
(4) Operating income before depreciations and amortizations of assets (§ 2.3 to the consolidated financial statements).
(5) Note 18.1 to the consolidated financial statements.

1. Business review

Since January 1, 2018 Faurecia has applied the IFRS15 standard on revenue recognition. As the group decided to have full retrospective application, the consolidated financial statements published as of December 31, 2017 have been restated consequently. All 2017 figures presented herafter are after application of IFRS15 norm.

In 2017, Faurecia had already partly anticipated IFRS15 through the presentation of sales as «Value-added sales», i.e. "Total sales" minus "Monoliths", for which Faurecia operates as an agent.

In addition, as from January 1, 2018, with the implementation of IFRS15:

- revenue from Tooling is recognized at the transfer of control to the customer (PPAP = Production Part Approval Process), shortly before serial production;
- development costs are recognized as set-up costs for the serial parts production and the corresponding revenue is included in product sales.

The impacts of IFRS15 norm on consolidated financial statements as of December 31, 2017 are available on § 1.7.

The § 2.5 Note 1.B provides further explanation on IFRS15 application.

1.1. Main events

January/February 2018

Rating agencies updated their long-term corporate credit ratings:

- Standard & Poors has assigned Faurecia their 'BB+' long-term corporate credit ratings, with a stable outlook. The stable outlook reflects their view that Faurecia will gradually improve its profitability, with an S&P Global Ratings-adjusted EBITDA margin widening toward 9% in 2018 and funds from operations to adjusted debt within the 35%-40% range;
- Moody's has upgraded the corporate family rating (CFR) of Faurecia SA (Faurecia) to Ba1 from Ba2. The outlook on the ratings is stable;
- Fitch Ratings has upgraded Faurecia S.A.'s Long-Term Issuer Default Rating (IDR) and senior unsecured debt from 'BB' to 'BB+'. The Outlook on the Long-Term IDR is Stable. The rating action reflects the improved and better-than-expected earnings and underlying cash generation of Faurecia, which positions the French auto supplier at the high-end of the 'BB' category, according to Fitch's revised Rating Navigator for auto suppliers.

February/March 2018

Faurecia issued early March €700m of 7-year bonds, due 2025, with a coupon of 2.625%. The favourable conditions achieved demonstrate the significant appreciation of Faurecia's credit quality. With the cash raised through these new bonds, Faurecia repaid in advance €700m of 3.125% bonds June 2022. This was done through an exchange offer which allowed amortising the reimbursement premium and issuance fees over the life of the new bonds.

This new long-term bond issue will allow Faurecia to enhance its financial structure by extending its debt maturity profile and reducing its cost of funding.

March 2018

Faurecia announced that it had completed the acquisition of 100% of the Swiss company Hug Engineering, a market leader in complete exhaust gas purification systems for high horsepower engines (above 750hp). These engines are used in applications including marine propulsion, power generation, rail, agricultural and other industries. This acquisition represents a major step forward for Faurecia in its strategy to improve air quality through world class aftertreatment systems for all types of diesel engines. Hug Engineering is the High Horsepower market leader in Europe and one of the largest players worldwide. The company is well positioned to maintain its leadership position as the market grows rapidly to reach €2.4 billion in the next 10 years when the majority of high horsepower engines become subject to emissions regulations.

Faurecia announced an investment in the French start-up Enogia in order to enhance its expertise in energy recovery technology. Founded in 2009 and based in Marseille, the start-up, which employs 30 people, has developed and patented a hermetic, compact high-speed turbine that recovers heat and converts it into electricity. Enogia's technologies are very well suited to commercial vehicles, trucks and high horsepower engines (marine transport and generators) and the investment by Faurecia will enable it to grow rapidly in these market segments.

April 2018

Faurecia announced the opening of a new tech center in Yokohama, Japan, for its Seating, Interiors and Clean Mobility businesses. With this strengthened presence, the Group will accelerate the development of technologies for Smart Life on Board and Sustainable Mobility through reinforced customer intimacy and the establishment of technology partnerships.

May 2018

At its Capital Markets Day held in Paris on May 15, Faurecia detailed its 2020 financial targets:

- sales growth of above 7% per year to exceed €20 billion. After three years of record order intake, Faurecia has secured growth of above 7% CAGR (including a 2% annual market growth assumption) between 2017 and 2020 to reach sales of over €20 billion. The Group will double its sales in China to reach €4.5 billion;
- operating margin of 8% of sales in 2020 (a 110 basis point improvement vs. 2017) to be achieved through leverage on sales and major Group Initiatives, including digital transformation. Combined, these initiatives will provide around 125 bps of improved operating margin, a part of which will finance acceleration in innovation;
- net cash flow at 4% of sales driven by its "Convert2Cash" initiative.

Faurecia communicated on its 2025 ambition: €30 billion of sales, New Value Spaces representing almost €7 billion.

June 2018

Faurecia signed a strategic partnership framework agreement with one of the leading Chinese automobile manufacturer, FAW Group, to develop cockpit of the future technologies and sustainable mobility solutions. Within this strategic cooperation, several fields have been defined: develop Cockpit of the Future solutions and services, develop connected, versatile and predictive seat solutions and provide zero emission and air quality technologies.

Faurecia signed on June 15 an Amend & Extend (A&E) agreement regarding its €1.2 billion Syndicated Credit Facility, initially signed in December 2014 and already amended in June 2016. This new agreement extends the maturity of the facility, which is undrawn as of today, from June 2021 to June 2023, with two optional one-year extensions. It also improves its economic conditions. This agreement strengthens the Group's financial structure and flexibility over the long-term: Faurecia's average long-term debt maturity now exceeds five years and its average cost of financing is below 3%.

July 2018

Faurecia and Parrot have finalized a proposal concerning the take-over of 100% of Parrot Automotive by Faurecia, ahead of schedule. This transaction underlines the importance of Parrot Automotive in Faurecia's Cockpit of the Future strategy.

It would accelerate the development of infotainment solutions based on the Android operating system by Parrot Automotive and the development of an open platform integrating the different connected systems and functionalities of the vehicle interior. This will facilitate the introduction of innovative and differentiating user experiences such as for postural and thermal comfort, immersive sound experience and new HMI solutions. The transaction would be based on an enterprise value of € 100 million, identical to that used when Faurecia entered into the capital of Parrot Automotive in 2017.

This project is subject to consultation of the Parrot Automotive and Parrot SA Works Councils and to the agreement of the antitrust authorities. It would be closed during the third quarter of 2018.

All these press releases are available on the site www.faurecia.com.

1.2. Automotive production

Worldwide automotive production grew by 1.8% in the first half of 2018 compared to the first half of 2017. It grew in all regions of the world except in North America, where it fell by 2.9%. Production increased in Europe (including Russia) by 2.2%, in South America by 10.7% and in Asia by 2.8% (3.4% in China).

All the data related to automotive production and volume evolution in 2018 is coming from IHS Automotive report dated July 2018.

1.3. Sales

(in € millions)	H1 2017	Currencies effect	Growth at constant currencies *	H1 2018
Product Sales	8,060.1	(452.5)	808.7	8,416.3
Var. *(in %)*		-5.6%	10.0%	4.4%
Tooling, Prototypes and Other Services	485.1	(30.2)	120.1	575.0
Var. *(in %)*		-6.2%	24.8%	18.5%
TOTAL SALES	**8,545.2**	**(482.7)**	**928.8**	**8,991.3**
VAR. (IN %)		**-5.6%**	**10.9%**	**5.2%**

* *Including Bolt-Ons representing €143.9m or 1.7%.*

Sales of products (parts, components and R&D sold to manufacturers) reached €8,416.3 million in the first half of 2018 compared to €8,060.1 million in the same period in 2017. The product sales increased by 4.4% on a reported basis and by 10.0% at constant currencies.

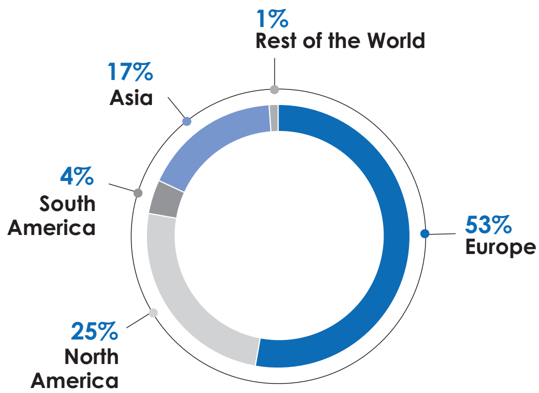
Sales of tooling, prototypes and other services totaled €575.0 million in the first half of 2018 versus €485.1 million in the first half of 2017. This represents an increase of 18.5% on a reported basis and of 24.8% at constant currencies.

Sales totaled €8,991.3 million in the first half of 2018 compared to €8,545.2 million in the first half of 2017, showing an increase of 5.2% on a reported basis and a growth of 10.9% at constant currencies.

1.3.1. By region

(in € millions)	H1 2018	H1 2017	Reported	At constant currencies*	Automotive production
Sales					
Europe	4,730.1	4,310.3	9.7%	10.9%	2.2%
North America	2,232.0	2,351.2	-5.1%	6.2%	-2.9%
South America	363.4	388.1	-6.4%	17.0%	10.7%
Asia	1,542.8	1,374.9	12.2%	17.0%	2.8%
Rest of the World	123.0	120.7	1.9%	10.1%	3.7%
TOTAL	**8,991.3**	**8,545.2**	**5.2%**	**10.9%**	**1.8%**

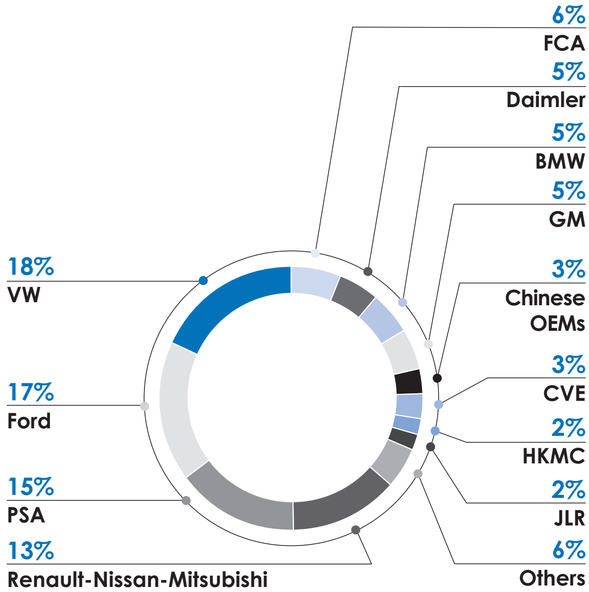
* *Including Bolt-Ons representing €143.9m or 1.7%: €18.8m for Hug in Europe, €125.1m mainly for Wuling and Coagent in Asia.*



Sales by region in the first half of 2018 grew as follows:

- in Europe, sales totaled €4,730.1 million (53% of total sales), compared to €4,310.3 million in the first half of 2017. Sales were up 9.7% on a reported basis and up 10.9% at constant currencies. Over the same period, car manufacturers increased their production in Europe by 2.2%;
- in North America, sales reached €2,232.0 million (25% of total sales), versus €2,351.2 million in the first half of 2017. Due to the exchange rate, the sales decreased by 5.1% on a reported basis whereas they grew by 6.2% at constant currencies. This is to be compared to a 2.9% downturn in production market in North America;
- in South America, sales totaled €363.4 million (4% of the total sales), compared to €388.1 million in the first half of 2017. Sales decreased by 6.4% on a reported basis. However, they were up 17.0% at constant currencies. In the first half of 2018, the automotive production in the region increased by 10.7%;
- in Asia, sales were up by 12.2% on a reported basis to reach €1,542.8 million (17% of total sales) and to be compared to €1,374.9 million in the first half of 2017. This represents a growth of 17.0% at constant currencies. Sales in China went up 10.6% on a reported basis, and up 14.6% at constant currencies. Over the same period, the automotive production increased by 2.8% in Asia and by 3.4% in China;
- in the rest of the world (South Africa and Iran), sales amounted to €123.0 million, a 1.9% increase on a reported basis and a 10.1% increase at constant currencies.

1.3.2. **By customer**



In the first half of 2018, sales to four main customers (VW, Ford, PSA, Renault-Nissan-Mitsubishi) amounted to € 5675.9 million or 63.1% of sales. They were as follows:

Sales to the VW group totaled €1,646.1 million. They accounted for 18.3% of Faurecia's total sales. Compared to the first half of 2017, they increased by 6.9% on a reported basis and by 9.8% at constant currencies.

Sales to the Ford group accounted for 16.9% of Faurecia's total sales, totaling €1,520.5 million. Compared to the first half of 2017, sales to Ford group decreased by 5.9% on a reported basis but increased by 3.7% at constant currencies.

Sales to the PSA Group totaled €1,352.7 million. They were up 26.2% on a reported basis and up 16.4% at constant currencies. They accounted for 15.0% of Faurecia's total sales.

Sales to the Renault-Nissan-Mistubishi group represented €1,156.5 million or 12.9% of Faurecia's total sales. They were down 8.3% on a reported basis and down 2.8% at constant currencies compared to the same period in 2017.

Sales to the FCA group reached €558.1 million (6.2% of total sales). This represented a growth of 15.5% on a reported basis and of 27.5% at constant currencies compared to the same period in 2017.

Sales to the Daimler group totaled €470.4 million (5.2% of total sales). They were down 11.0% on a reported basis and down 6.9% at constant currencies.

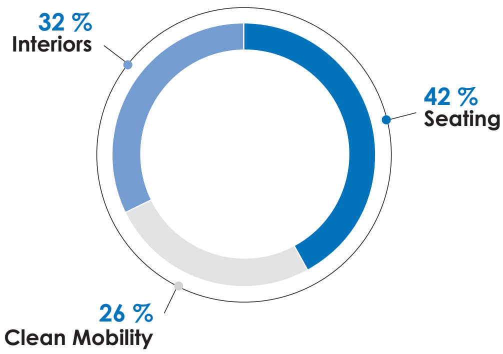
Sales to BMW represented €457.8 million or 5.1% of total sales. They increased by 9.3% on a reported basis and by 10.8% at constant currencies compared to the same period in 2017.

Sales to the GM group decreased to €437.9 million (4.9% of total sales). They declined by 14.7% on a reported basis and by 14.1% at constant currencies compared to the first half of 2017.

1.3.3. By Business Group

(in € millions)	H1 2018	H1 2017	Reported	At constant currencies*
Sales				
Seating	3,781.5	3,636.7	4.0%	8.8%
Interiors	2,849.5	2,625.7	8.5%	14.7%
Clean Mobility	2,360.3	2,282.8	3.4%	9.7%
TOTAL	**8,991.3**	**8,545.2**	**5.2%**	**10.9%**

* *Including Bolt-Ons representing €143.9m or 1.7%: €50.1m for Wuling on Seating, €75.0m mainly for Wuling and Coagent on Interiors and €18.8m for Hug on Clean Mobility.*



In the first half of 2018, the three business groups contributed to the sales growth:

- the Seating business reached €3,781.5 million sales, up 4.0% on a reported basis and up 8.8% at constant currencies compared to the same period in 2017;
- the Interiors business totaled €2,849.5 million sales. This represented a 8.5% increase on a reported basis and a 14.7% increase at constant currencies;
- the Clean Mobility business generated €2,360.3 million sales, up 3.4% on a reported basis and up 9.7% at constant currencies compared to the first half 2017.

1.4. Operating Income

In the first half of 2018:

- operating income before amortization of acquired intangible assets reached €647.2 million (7.2% of sales), compared to €582.7 million (6.8% of sales) in the first half of 2017;
- gross expenditures for R&D totaled €558.3 million, or 6.2% of sales, compared to €583.9 million, or 6.8% of sales in the first half of 2017. The portion of R&D expenditure capitalised amounted to €404.9 million, compared to €437.2 million in the first half of 2017. The R&D capitalization ratio represented 72.5% of total R&D expenditure, whereas it represented 74.9% over the same period in 2017;
- the net R&D expenses reached €153.4 million compared to €146.7million in the first half of 2017, stable at 1.7% of sales;
- selling and administrative expenses were contained to €362.4 million (4.0% of sales), compared to €364.7 million (4.3% of sales) in the first half of 2017;
- EBITDA – which represents operating income before depreciation, amortisation and provisions for impairment of property, plant and equipment and capitalised R&D expenditures – rose to €1,060.8 million (11.8% of sales), to be compared to €971.1 million (11.4% of sales) in the first half of 2017.

1.4.1. By region

	H1 2018			H1 2017		
(in € millions)	Sales	Operating Income *	%	Sales	Operating Income *	%
Europe	4,730.1	305.3	6.5%	4,310.3	270.6	6.3%
North America	2,232.0	135.4	6.1%	2,351.2	133.1	5.7%
South America	363.4	11.8	3.3%	388.1	6.0	1.5%
Asia	1,542.8	179.7	11.6%	1,374.9	159.3	11.6%
Rest of the World	123.0	15.0	12.2%	120.7	13.7	11.3%
TOTAL	**8,991.3**	**647.2**	**7.2%**	**8,545.2**	**582.7**	**6.8%**

* *Before amortization of acquired intangible assets.*

The operating income in the first half of 2018 compared to the same period in 2017 increased by €64.5 million:

- in Europe, the operating income was up by €34.7 million, to reach €305.3 million or 6.5% of sales. This is to be compared to €270.6 million or 6.3% in the first half of 2017;
- in North America, the operating income increased by €2.3 million to €135.4 million. The operating income reached 6.1% of sales, compared to 5.7% in the first half of 2017;
- in South America, the operating income increased by €5.8milion and almost doubled in value to €11.8 million. The operating margin in the region represented 3.3% of sales compared to 1.5% of sales in the first half of 2017;
- in Asia, the operating income increased by €20.4 million to reach €179.7 million or 11.6% of sales. The operating income in percentage of sales successfully remained at the same level than the first half of 2017;
- in the rest of the world (South Africa and Iran), the operating income continued to grow at 12.2% of sales and increased by €1.3 million.

1.4.2. By Business Group

(in € millions)	H1 2018 Sales	H1 2018 Operating Income *	H1 2018 %	H1 2017 Sales	H1 2017 Operating Income *	H1 2017 %
Seating	3,781.5	221.5	5.9%	3,636.7	199.9	5.5%
Interiors	2,849.5	170.4	6.0%	2,625.7	151.6	5.8%
Clean Mobility	2,360.3	255.3	10.8%	2,282.8	231.2	10.1%
TOTAL	**8,991.3**	**647.2**	**7.2%**	**8,545.2**	**582.7**	**6.8%**

* *Before amortization of acquired intangible assets.*

The three Business Groups contributed to the rise of the total operating income in the first half of 2018:

- the Seating Business operating income amounted to €221.5 million (5.9% of sales) compared to €199.9 million in the first half of 2017 (5.5% of sales),
- the Interiors Business operating income reached €170.4 million (6.0% of sales) compared to €151.6 million in the first half of 2017 (5.8% of sales),
- the Clean Mobility Business operating income was up €24.1million at €255.3 million (10.8% of sales) compared to €231.2 million in the first half of 2017 (10.1% of sales).

1.5. Net income

The net income group share reached €342.0 million, or 3.8% of sales in the first half of 2018. This is to be compared to €310.4 million or 3.6% of sales over the same period in 2017. It represented an increase of €31.6 million.

In the first half of 2018:

- the amortization of intangible assets acquired in business combinations related mainly to Coagent and Hug businesses represented an expense of €5.4 million;
- the "other non-recurring operating income and expenses" represented an expense of €63.8 million, compared to an expense of €32.3 million in the first half of 2017. This item included €27.8 million in restructuring charges compared to €29.3 million in the first half of 2017 implemented to bring costs in line with new market realities. This item also included the €17.2 million impairment of all assets related to business with Iran. Indeed, following the United-States decision of May 8, 2018 and related restrictions imposed on business with Iran, the 51% interest held by Faurecia in Faurecia Azin Pars is in the process of being sold;
- financial income amounted to €5.2 million, compared to €6.1 million in the first half of 2017. Financial costs totaled €63.6 million, versus €60.6 million in the first half of 2017;
- other financial income and expense represented an expense of €10.0 million; stable compared to the first half of 2017. This expense included €3.3 million from discounting pension benefit liabilities, €2.8 million commitment fees on credit facilities and €4.8 million linked to the amortization of debt issuance costs;
- the tax expense reached €136.0 million, compared to €144.3 million in the first half of 2017. This represented an average tax rate of 26.7% compared to an average rate of 29.7% over the same period in 2017;
- the share of net income of associates totaled €16.8 million, compared to €18.4 million in the first half of 2017;
- net income attributable to minority interests totaled €48.5 million. It consists of net income accruing to investors in companies in which Faurecia is not the sole shareholder, mainly in China.

Basic earnings per share on continued operations amounted to €2.49 (diluted net earnings per share on continued operations at €2.47) compared to €2.28 in the first half of 2017 (diluted on continued operations at €2.25).

1.6. Financial structure and net debt

1.6.1. Reconciliation between Net Cash Flow and Cash provided by operating and investing activities

(in € millions)	Notes	H1 2018	H1 2017
Net cash flow		**247.0**	**210.5**
Acquisitions / Sales of investments and business (net of cash and cash equivalents) from continued activities	2.3	(63.9)	22.6
Proceed from disposal of financial assets from continued activities	2.3	0.0	(1.0)
Other changes from continued activities	2.3	4.9	(35.4)
Cash provided by operating and investing activities	2.3	**187.9**	**196.7**

1.6.2. Net Cash Flow

The net cash inflow was €247.0 million in the first half of 2018 compared to a net cash inflow of €210.5 million over the same period in 2017. It can be explained as follows:

- the operating margin before depreciations and amortizations of non-current assets or EBITDA reached €1,060.8 million compared to €971.1 million in the first half of 2017, due to the increase in operating income for €64.5 million and the increase in depreciation and amortization by €25.2 million;
- restructuring represented cash outflows of €31.1 million compared to €56.3 million in the first half of 2017;
- net financial costs represented cash outflows of €52.4 million, versus €65.0 million in the first half of 2017;
- the change in working capital requirement, including receivables factoring, represented a negative impact of €18.7 million compared to a positive impact €40.5 million in the first half of 2017. This change consisted in part of an increase in inventories of €42.8 million, a net increase in trade receivables of €364.8 million, an increase in trade payables of €428.5 million and a negative variation of other trade receivables and payables for €39.6 million. The evolution of these balance sheet positions was impacted by exchange rate changes;
- capital expenditures on property, plant and equipment and on intangible assets represented cash outflows of €278.3 million, versus €292.4 million in the first half of 2017;
- capitalized research and development costs represented cash outflows of €305.7 million, versus €215.9 million in the first half of 2017;
- income taxes represented cash outflows of €105.7 million, compared to €117.4 million in the first half of 2017;
- finally, other cash flow items represented €21.8 million in outflows, compared to €54.1 million in outflows in the first half of 2017.

1.6.3. Net Debt

(in € millions)	June 30, 2018	Dec. 31, 2017
Net debt	**465.2**	**451.5**

Net debt stood at €465.2 million at the end of June 2018, compared to €451.5 million at year-end 2017.

(in € millions)	June 30, 2018	Dec. 31, 2017
Shareholders' equity	**3,734.8**	**3,453.9**

The Group's shareholders' equity rose from €3,453.9 million at year-end 2017 to €3,734.8 million at the end of June 2018, an increase of €280.9 million.

The main elements of long-term financial resources are:

- the syndicated credit facility for €1,200 million renegotiated in June 2018, maturing in June 2023 and which was not drawn at June 30, 2018;
- €700 million of bonds maturing in June 2023 and €700 million of bonds maturing in June 2025.

1.7. IFRS15 reconciliation

The following table is reconciliating the 2017 figures as presented in the 2017 Interim Results with the 2017 figures after IFRS15 norm application as presented in the 2018 Interim Results.

(in € millions)	H1 2017 Reported (1)	IFRS15 Impact	H1 2017 Restated (2)
Sales			
Europe	4,295.2	15.1	4,310.3
North America	2,401.1	(49.9)	2,351.2
South America	388.2	(0.1)	388.1
Asia	1,377.6	(2.7)	1,374.9
Rest of the World	122.6	(1.9)	120.7
TOTAL	**8,584.7**	**(39.5)**	**8,545.2**

(in € millions)	H1 2017 Reported (1)	IFRS15 Impact	H1 2017 Restated (2)
Operating Income			
Europe	266.0	4.6	270.6
North America	141.1	(8.0)	133.1
South America	5.9	0.1	6.0
Asia	159.8	(0.5)	159.3
Rest of the World	13.9	(0.2)	13.7
TOTAL	**586.7**	**(4.0)**	**582.7**

(in € millions)	H1 2017 Reported (1)	IFRS15 Impact	H1 2017 Restated (2)
Sales			
Seating	3,633.0	3.7	3,636.7
Interiors	2,664.4	(38.7)	2,625.7
Clean Mobility	2,287.3	(4.5)	2,282.8
TOTAL	**8,584.7**	**(39.5)**	**8,545.2**

(in € millions)	H1 2017 Reported (1)	IFRS15 Impact	H1 2017 Restated (2)
Operating Income			
Seating	202.7	(2.8)	199.9
Interiors	152.4	(0.8)	151.6
Clean Mobility	231.6	(0.4)	231.2
TOTAL	**586.7**	**(4.0)**	**582.7**

(1) As presented in 2017 Interim Results.
(2) As presented in 2018 Interim Results.

1.8. Outlook

Faurecia expects worldwide automotive production to grow by at least 2% in 2018 vs. 2017, in line with the latest IHS forecast (+2.3%, source: IHS Automotive July 2018).

Based on this assumption * and continued momentum in building profitable growth, Faurecia upgrades its financial targets for the full-year 2018:

- sales growth of at least +8% (at constant currencies) or at least 600bps above worldwide automotive production growth (vs. "at least +7% at constant currencies or at least 500bps above worldwide automotive production growth" announced in February 2018);
- operating margin of at least 7.2% of sales (vs. "above 7% of sales" announced in February 2018);
- net cash flow above €500 million (confirming target announced in February 2018);
- earnings per share above €5.00 (vs. "€5.00" announced in February 2018).

Faurecia is on track to achieve its medium-term financial targets, as announced during the recent Capital Markets Day, held in Paris on May 15:

- sales of at least €20 billion in 2020;
- operating margin of 8% in 2020;
- net cash flow of 4% of sales in 2020.

* *Main regional automotive production assumptions (PC + LV < 3.5t):*
• Europe: at least +1.5%;
• North America: below +1%;
• China: at least +2%.
2018 currency assumptions:
• USD/€ @ 1.20 on average;
• CNY/€ @ 7.75 on average.

2. Consolidated financial statements

2.1. Consolidated statement of comprehensive income

(in € millions)	Notes	First-Half 2018	First-Half 2017 restated [1]	2017 restated [1]
SALES	*4*	**8,991.3**	**8,545.2**	**16,962.1**
Cost of sales	*5*	(7,828.3)	(7,451.1)	(14,842.4)
Research and development costs	*5*	(153.4)	(146.7)	(281.7)
Selling and administrative expenses	*5*	(362.4)	(364.7)	(680.4)
OPERATING INCOME (BEFORE AMORTIZATION OF ACQUIRED INTANGIBLE ASSETS)		**647.2**	**582.7**	**1,157.6**
Amortization of intangible assets acquired in business combinations		(5.4)	0.0	(1.2)
OPERATING INCOME (AFTER AMORTIZATION OF ACQUIRED INTANGIBLE ASSETS)		**641.8**	**582.7**	**1,156.4**
Other non-recurring operating income	6	0.2	3.2	5.2
Other non-recurring operating expense	6	(64.0)	(35.5)	(101.3)
Income from loans, cash investments and marketable securities		5.3	6.1	12.6
Finance costs		(63.6)	(60.6)	(120.9)
Other financial income and expense	*7*	(10.0)	(10.1)	(23.0)
INCOME BEFORE TAX OF FULLY CONSOLIDATED COMPANIES		**509.7**	**485.8**	**929.0**
Taxes	*8*	(136.0)	(144.3)	(260.7)
of which deferred taxes	*8*	*(10.7)*	*(13.5)*	*(22.6)*
NET INCOME (LOSS) OF FULLY CONSOLIDATED COMPANIES		**373.7**	**341.5**	**668.3**
Share of net income of associates	*11*	16.8	18.4	34.6
NET INCOME FROM CONTINUED OPERATIONS		**390.5**	**359.9**	**702.9**
NET INCOME FROM DISCONTINUED OPERATIONS		**0.0**	**0.0**	**(7.4)**
CONSOLIDATED NET INCOME (LOSS)		**390.5**	**359.9**	**695.5**
Attributable to owners of the parent		**342.0**	**310.4**	**599.4**
Attributable to minority interests		48.5	49.5	96.1
Basic earnings (loss) per share *(in €)*	9	2.49	2.28	4.37
Diluted earnings (loss) per share *(in €)*	9	2.47	2.25	4.35
Basic earnings (loss) from continued operations per share *(in €)*	9	2.49	2.28	4.42
Diluted earnings (loss) from continued operations per share *(in €)*	9	2.47	2.25	4.40
Basic earnings (loss) from discontinued operations per share *(in €)*	9	0.00	0.00	(0.05)
Diluted earnings (loss) from discontinued operations per share *(in €)*	9	0.00	0.00	(0.05)

(1) Information which has been previously published for 2017 exercise has been restated of implementation of IFRS 15 as indicated in Note 1.B.

Other comprehensive income

(in € millions)	First-Half 2018	First-Half 2017 restated [(1)]	2017 restated [(1)]
CONSOLIDATED NET INCOME (LOSS)	**390.5**	**359.9**	**695.5**
Amounts to be potentially reclassified to profit or loss	**(31.6)**	**(118.0)**	**(189.4)**
Gains (losses) arising on fair value adjustments to cash flow hedges	(10.0)	12.6	9.8
of which recognized in equity	*(8.3)*	*7.9*	*5.9*
of which transferred to net income (loss) for the period	*(1.7)*	*4.7*	*3.9*
Exchange differences on translation of foreign operations	(21.6)	(130.6)	(199.2)
Amounts not to be reclassified to profit or loss	**24.2**	**18.2**	**3.1**
Actuarial gain/(loss) on post-employment benefit obligations	24.2	18.2	3.1
Other comprehensive income from dicontinued operations	**0.0**	**0.0**	**0.0**
TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD	**383.1**	**260.1**	**509.2**
Attributable to owners of the parent	335.5	224.0	429.6
Attributable to minority interests	47.6	36.1	79.6

(1) Information which has been previously published for 2017 exercise has been restated of implementation of IFRS 15 as indicated in Note 1.B.

2.2. Consolidated balance sheet

Assets

(in € millions)	*Notes*	**June 30, 2018**	**Dec. 31, 2017 restated [1]**
Goodwill	*10*	1,405.3	1,216.1
Intangible assets		1,751.7	1,541.4
Property, plant and equipment		2,713.1	2,589.4
Investments in associates	*11*	146.0	151.1
Other equity interests		53.3	239.9
Other non-current financial assets	*12*	103.1	96.8
Other non-current assets		49.7	43.1
Deferred tax assets		244.8	246.9
TOTAL NON-CURRENT ASSETS		**6,467.0**	**6,124.7**
Inventories, net		1,553.2	1,480.8
Trade accounts receivables	*13*	2,255.9	1,859.3
Other operating receivables		278.0	270.3
Other receivables		587.1	556.0
Other current financial assets		0.1	7.3
Cash and cash equivalents	*14*	1,437.5	1,563.0
TOTAL CURRENT ASSETS		**6,111.8**	**5,736.7**
Assets held for sale		0.0	0.0
TOTAL ASSETS		**12,578.8**	**11,861.4**

(1) Information which has been previously published for 2017 exercise has been restated of implementation of IFRS 15 as indicated in Note 1.B.

Liabilities

(in € millions)	Notes	June 30, 2018	Dec. 31, 2017 restated [1]
EQUITY			
Capital	15	966.3	966.3
Additional paid-in capital		632.8	632.8
Treasury stock		(38.8)	(34.2)
Retained earnings		1,441.7	969.9
Translation adjustments		23.5	44.4
Net income (loss)		342.0	599.4
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	15	**3,367.5**	**3,178.6**
Minority interests		367.3	275.3
TOTAL SHAREHOLDERS' EQUITY		**3,734.8**	**3,453.9**
Non-current provisions	17	382.3	397.2
Non-current financial liabilities	18	1,489.4	1,598.4
Other non-current liabilities		1.7	1.5
Deferred tax liabilities		42.5	18.6
TOTAL NON-CURRENT LIABILITIES		**1,915.9**	**2,015.7**
Current provisions	16	198.4	183.3
Current financial liabilities	18	413.4	423.4
Prepayments from customers		508.6	545.7
Trade payables		4,714.0	4,219.3
Accrued taxes and payroll costs		692.4	627.4
Sundry payables		401.3	392.7
TOTAL CURRENT LIABILITIES		**6,928.1**	**6,391.8**
Liabilities linked to assets held for sale		0.0	0.0
TOTAL EQUITY AND LIABILITIES		**12,578.8**	**11,861.4**

(1) Information which has been previously published for 2017 exercise has been restated of implementation of IFRS 15 as indicated in Note 1.B.

2.3. Consolidated cash flow statement

(in € millions)	First-Half 2018	First-Half 2017 restated [1]	2017 restated [1]
I- OPERATING ACTIVITIES			
Operating Income (loss) (before amortization of acquired intangible assets)	647.2	582.7	1,157.6
Depreciations and amortizations of assets	413.6	388.4	793.3
EBITDA	**1,060.8**	**971.1**	**1,950.9**
Operating current and non-current provisions	4.0	5.0	(6.7)
Capital (gains) losses on disposals of operating assets	1.7	1.9	2.1
Paid restructuring	(31.1)	(56.3)	(88.3)
Paid finance costs net of income	(52.4)	(65.0)	(124.5)
Other non-recurring operating income and expenses paid	(24.4)	(3.4)	(2.4)
Paid taxes	(105.7)	(117.4)	(286.5)
Dividends from associates	22.9	10.2	16.6
Change in working capital requirement	**(18.7)**	**40.5**	**151.4**
Change in inventories	(42.8)	(244.2)	(247.1)
Change in trade accounts receivables	(364.8)	(204.7)	(106.7)
Change in trade payables	428.5	441.7	595.2
Change in other operating receivables and payables	29.7	79.1	(14.6)
Change in other receivables and payables (excl. Tax)	(69.3)	(31.4)	(75.4)
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES	**857.1**	**786.6**	**1,612.6**
II- INVESTING ACTIVITIES			
Additional property, plant and equipment	(278.1)	(292.4)	(738.2)
Additional intangible assets	(0.2)	0.0	(0.4)
Capitalized development costs	(305.7)	(215.9)	(468.9)
Acquisitions/Sales of investments and business (net of cash and cash equivalents)	(63.9)	22.6	(218.0)
Proceeds from disposal of property, plant and equipment	14.4	0.8	23.9
Proceed from disposal of financial assets	0.0	(1.0)	0.0
Change in investment-related receivables and payables	(40.6)	(57.4)	6.3
Other changes	4.9	(46.6)	(52.9)
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES	**(669.2)**	**(589.9)**	**(1,448.2)**
CASH PROVIDED (USED) BY OPERATING AND INVESTING ACTIVITIES (I)+(II)	**187.9**	**196.7**	**164.4**
III- FINANCING ACTIVITIES			
Shares issued by Faurecia and fully consolidated companies (net of costs)	11.7	6.7	24.3
Dividends paid to owners of the parent company	(150.9)	(122.6)	(122.6)
Dividends paid to minority interests in consolidated subsidiaries	(13.0)	(21.3)	(63.4)
Acquisitions of treasury stocks	(4.6)	(40.0)	(40.1)
Other financial assets and liabilities	0.0	0.0	0.0
Debt securities issued and increase in other financial liabilities	9.6	116.0	194.9
Repayment of debt and other financial liabilities	(157.3)	(104.1)	(108.6)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	**(304.5)**	**(165.3)**	**(115.5)**
IV- OTHER CHANGES IN CASH AND CASH EQUIVALENTS			
Impact of exchange rate changes on cash and cash equivalents	(8.9)	(33.2)	(48.1)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(125.5)**	**(1.9)**	**0.8**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	**1,563.0**	**1,562.2**	**1,562.2**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**1,437.5**	**1,560.3**	**1,563.0**

(1) Information which has been previously published for 2017 exercise has been restated of implementation of IFRS 15 as indicated in Note 1.B.

2.4. Consolidated statement of changes in equity

(in € millions)	Number of shares [(1)]	Capital stock	Additional paid-in capital	Treasury Stock	Retained earnings and net income (loss) for the period	Valuation adjustments: Translation adjustments	Valuation adjustments: Cash flow hedges	Valuation adjustments: Actuarial gain/(loss) on post employment benefit obligations	Equity attributable to owners of the parent	Minority interests	Total
Shareholders' equity as of Dec. 31, 2016 before appropriation of net income (loss)	**138,035,801**	**966.3**	**632.8**	**(25.7)**	**1,252.9**	**230.8**	**(6.6)**	**(108.5)**	**2,942.0**	**215.1**	**3,157.1**
Impact of IFRS 15 restatements					(45.3)	(1.0)	0.0	0.0	(46.3)	1.6	(44.7)
Net income (loss) restated					310.4				310.4	49.5	359.9
Other comprehensive income						(117.2)	12.6	18.2	(86.4)	(13.4)	(99.8)
Comprehensive income restated					***310.4***	***(117.2)***	***12.6***	***18.2***	***224.0***	***36.1***	***260.1***
Capital increase											
2016 dividends					(122.6)				(122.6)	(40.5)	(163.1)
Measurement of stock options and shares grant					11.0				11.0		11.0
Purchases and sales of treasury stock				(40.0)					(40.0)		(40.0)
Changes in scope of consolidation and other					(3.2)	(1.0)			(4.2)	30.3	26.1
Shareholders' equity as of Jun. 30, 2017 before appropriation of net income (loss) restated	**138,035,801**	**966.3**	**632.8**	**(65.7)**	**1,403.2**	**111.6**	**6.0**	**(90.3)**	**2,963.9**	**242.6**	**3,206.5**
Net income (loss) restated					289.0				289.0	46.6	335.6
Other comprehensive income						(65.5)	(2.8)	(15.1)	(83.4)	(3.1)	(86.5)
Comprehensive income restated					***289.0***	***(65.5)***	***(2.8)***	***(15.1)***	***205.6***	***43.5***	***249.1***
Capital increase										16.9	16.9
2016 dividends										(25.3)	(25.3)
Measurement of stock options and shares grant					(21.4)				(21.4)		(21.4)
Purchases and sales of treasury stock				31.5					31.5		31.5
Changes in scope of consolidation and other					0.7	(1.7)			(1.0)	(2.4)	(3.4)
Shareholders' equity as of Dec. 31, 2017 before appropriation of net income (loss) restated	**138,035,801**	**966.3**	**632.8**	**(34.2)**	**1,671.5**	**44.4**	**3.2**	**(105.4)**	**3,178.6**	**275.3**	**3,453.9**
Net income (loss)					342.0				342.0	48.5	390.5
Other comprehensive income						(20.7)	(10.0)	24.2	(6.5)	(0.9)	(7.4)
Comprehensive income					***342.0***	***(20.7)***	***(10.0)***	***24.2***	***335.5***	***47.6***	***383.1***
Capital increase									0.0	25.0	25.0
2017 dividends					(150.9)				(150.9)	(37.6)	(188.5)
Measurement of stock options and shares grant					11.6				11.6		11.6
Purchases and sales of treasury stock				(4.6)					(4.6)		(4.6)
Changes in scope of consolidation and other					(2.5)	(0.2)			(2.7)	57.0	54.3
Shareholders' equity as of Jun. 30, 2018 before appropriation of net income (loss)	**138,035,801**	**966.3**	**632.8**	**(38.8)**	**1 871.7**	**23.5**	**(6.8)**	**(81.2)**	**3,367.5**	**367.3**	**3,734.8**

(1) Of which 814,320 treasury stock as of 12/31/2017 and 881,820 as of 06/30/2018 – See Note 9.

2.5. Notes to the consolidated financial statements

Contents

Faurecia S.A. and its subsidiaries ("Faurecia") form one of the world's leading automotive equipment suppliers in three vehicle businesses: Seating, Interior Systems and Clean Mobility.

Faurecia's registered office is located in Nanterre, in the Hauts-de-Seine department of France. The Company is quoted on the Eurolist market of Euronext Paris.

The consolidated financial statements were approved by Faurecia's Board of Directors on July 19, 2018.

The accounts were prepared on a going concern basis.

Note 1 Summary of significant accounting policies

1.A Consolidation principles

The consolidated financial statements of the Faurecia have been prepared in accordance with International Financial Reporting Standards (IFRS) published by the IASB, as adopted by the European Union and available on the European Commission website.

These standards include International Financial Reporting Standards and International Accounting Standards (IAS), as well as the related International Financial Reporting Interpretations Committee (IFRIC) interpretations.

The interim consolidated financial statements comply with IAS 34, Interim Financial Reporting, which permits entities to present condensed information. They should therefore be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2017.

The standards used to prepare the interim consolidated financial statements for the six months ended June 30, 2018 and comparative data for 2017 are those published in the Official Journal of the European Union (OJEU) as of June 30, 2018, whose application was mandatory at that date.

Faurecia has more specifically applied the new standard IFRS 15 on revenue recognition from January 1, 2018 (see Note 1B). All other new standards, amendments and revisions to the existing standards, including IFRS 9, whose application is mandatory from January 1, 2018, have no significant impact on the Group semester consolidated financial statements.

Moreover, Faurecia has not undertaken any early application of the new standards, amendments or interpretations whose application is mandatory after June 30, 2018, irrespective of whether or not they are adopted by the European Union. As regards IFRS 16, relating to leases, analysis are in progress to identify the impact of the standard.

The principal accounting policies considered have been applied consistently to all presented periods. Specifically, the Operating margin (before amortization of intangible assets acquired) is the Faurecia group's principal performance indicator. It corresponds to net income of the fully consolidated companies before:

- the amortization of intangible assets acquired in business combinations (customer relationship…);
- other non-recurring operating income and expenses, corresponding to material, unusual and non-recurring items including reorganization costs and early retirement costs, the impact of exceptional events such as the discontinuation of a business, the closure or sale of an industrial site, disposals of non-operating buildings, impairment losses and reversals recorded for property, plant and equipment or intangible assets, as well as other material and unusual losses;
- income on loans, cash investments and marketable securities;
- finance costs;
- other financial income and expenses, which include the impact of discounting the pension benefit obligation and the return on related plan assets, the ineffective portion of interest rate and currency hedges, changes in value of interest rate and currency instruments for which the hedging relationship does not satisfy the criteria set forth in IFRS 9, and gains and losses on sales of shares in subsidiaries;
- taxes.

1.B Modifications to the previously published consolidated financial statements

IMPLEMENTATION OF IFRS 15

Since January 1, 2018 Faurecia has applied the new standard IFRS 15 on revenue recognition. As this application is retrospective the published consolidated financial statements as of December 31, 2017 have been restated consequently. The corresponding impacts are presented in the following tables; they were also indicated for the major part in the Note 4 of the consolidated financial statements as of December 31, 2017.

The in-depth analysis conducted on contracts and sales transactions has enabled to identify and assess the changes to the presentation of the sales figure and the rules for recognition over time described below.

Faurecia operates as an agent for monoliths sales, these sales are then recorded at net value in the income and total sales are therefore only added-value sales, as previously reported by Faurecia. Indeed, these components are used in catalyst and their technical specifications are directly settled between final customer and monoliths producer. They are bought by Faurecia to be integrated to emission control systems sold to final customers without direct added value.

For development contracts or the sale of tooling, sales were recognized when the technical stages were validated by the customer. If no such technical stages were provided for in the contract, sales were recognized when the related study was completed or the tooling delivered. From now on, revenue on tooling is generally recognized at the transfer of control of these toolings to the customer, usually shortly before serial production starts and development costs are generally recognized as set up costs for the serial parts production and capitalized, they are then not considered as a revenue distinct from product sales, except specific cases depending on the contract with the customer.

The impacts of changes due to IFRS 15 on tooling sales to the customers recognition as well as development costs are not significant for the Group.

Restated consolidated statement of comprehensive income

As of June 30, 2017

(in € millions)	First-half 2017 published	IFRS 15 Impact	First-half 2017 restated
SALES	**10,294.7**	**(1,749.5)** (1)	**8,545.2**
Cost of sales	(9,205.9)	1,754.8 (2)	(7,451.1)
Research and development costs	(137.4)	(9.3)	(146.7)
Selling and administrative expenses	(364.7)	0.0	(364.7)
OPERATING INCOME (BEFORE AMORTIZATION OF ACQUIRED INTANGIBLE ASSETS)	**586.7**	**(4.0)**	**582.7**
Amortization of intangible assets acquired in business combinations	0.0	0.0	0.0
OPERATING INCOME (AFTER AMORTIZATION OF ACQUIRED INTANGIBLE ASSETS)	**586.7**	**(4.0)**	**582.7**
Other non-recurring operating income	3.2	0.0	3.2
Other non-recurring operating expense	(35.5)	0.0	(35.5)
Income from loans, cash investments and marketable securities	6.1	0.0	6.1
Finance costs	(60.6)	0.0	(60.6)
Other financial income and expense	(10.1)	0.0	(10.1)
INCOME (LOSS) BEFORE TAX OF FULLY CONSOLIDATED COMPANIES	**489.8**	**(4.0)**	**485.8**
Taxes	(144.3)	0.0	(144.3)
of which deferred taxes	*(13.5)*	*0.0*	*(13.5)*
NET INCOME (LOSS) OF FULLY CONSOLIDATED COMPANIES	**345.5**	**(4.0)**	**341.5**
Share of net income of associates	18.4	0.0	18.4
Net income of continued operations	**363.9**	**(4.0)**	**359.9**
Net income of discontinued operations	**0.0**	**0.0**	**0.0**
CONSOLIDATED NET INCOME (LOSS)	**363.9**	**(4.0)**	**359.9**
Attributable to owners of the parent	**314.4**	**(4.0)**	**310.4**
Attributable to minority interests	49.5	0.0	49.5
Basic earnings (loss) per share *(in €)*	2.31	(0.03)	2.28
Diluted earnings (loss) per share *(in €)*	2.28	(0.03)	2.25
Basic earnings (loss) from continued operations per share *(in €)*	2.31	(0.03)	2.28
Diluted earnings (loss) from continued operations per share *(in €)*	2.28	(0.03)	2.25
Basic earnings (loss) from discontinued operations per share *(in €)*	0.00	0.00	0.00
Diluted earnings (loss) from discontinued operations per share *(in €)*	0.00	0.00	0.00

(1) Of which monolith's impact of €-1,710.1 million.
(2) Of which monolith's impact of €1,710.1 million.

As of December 31, 2017

(in € millions)	Full-year 2017 published	IFRS 15 Impact	Full-year 2017 restated
SALES	**20,181.7**	**(3,219.6)** [(1)]	**16,962.1**
Cost of sales	(18,066.0)	3,223.6 [(2)]	(14,842.4)
Research and development costs	(265.0)	(16.7)	(281.7)
Selling and administrative expenses	(680.4)	0.0	(680.4)
OPERATING INCOME (BEFORE AMORTIZATION OF ACQUIRED INTANGIBLE ASSETS)	**1,170.3**	**(12.7)**	**1,157.6**
Amortization of intangible assets acquired in business combinations	(1.2)	0.0	(1.2)
OPERATING INCOME (AFTER AMORTIZATION OF ACQUIRED INTANGIBLE ASSETS)	**1,169.1**	**(12.7)**	**1,156.4**
Other non-recurring income	5.2	0.0	5.2
Other non-recurring expense	(101.3)	0.0	(101.3)
Income from loans, cash investments and marketable securities	12.6	0.0	12.6
Finance costs	(120.9)	0.0	(120.9)
Other financial income and expense	(23.0)	0.0	(23.0)
INCOME (LOSS) BEFORE TAX OF FULLY CONSOLIDATED COMPANIES	**941.7**	**(12.7)**	**929.0**
Current taxes	(261.8)	1.1	(260.7)
Deferred taxes	*(23.7)*	*1.1*	*(22.6)*
NET INCOME (LOSS) OF FULLY CONSOLIDATED COMPANIES	**679.9**	**(11.6)**	**668.3**
Share of net income of associates	34.6	0.0	34.6
Net income of continued operations	**714.5**	**(11.6)**	**702.9**
Net income of discontinued operations	**(7.4)**	**0.0**	**(7.4)**
CONSOLIDATED NET INCOME (LOSS)	**707.1**	**(11.6)**	**695.5**
Attributable to owners of the parent	**610.2**	**(10.8)**	**599.4**
Attributable to minority interests	96.9	(0.8)	96.1
Basic earnings (loss) per share *(in €)*	4.45	(0.08)	4.37
Diluted earnings (loss) per share *(in €)*	4.42	(0.08)	4.35
Basic earnings (loss) from continued operations per share *(in €)*	4.50	(0.08)	4.42
Diluted earnings (loss) from continued operations per share *(in €)*	4.48	(0.08)	4.40
Basic earnings (loss) from discontinued operations per share *(in €)*	(0.05)	0.00	(0.05)
Diluted earnings (loss) from discontinued operations per share *(in €)*	(0.05)	0.00	(0.05)

(1) Of which monolith's impact of €-3,219.4 million.
(2) Of which monolith's impact of €3,219.4 million.

Restated consolidated balance sheet

As of December 31, 2017:

Assets

(in € millions)	2017 published	IFRS 15 Impact	2017 restated
Goodwill	1,216.1	0.0	1,216.1
Intangible assets	1,281.3	260.1	1,541.4
Property, plant and equipment	2,649.7	(60.3)	2,589.4
Investments in associates	151.1	0.0	151.1
Other equity interests	239.9	0.0	239.9
Other non-current financial assets	96.8	0.0	96.8
Other non-current assets	43.1	0.0	43.1
Deferred tax assets	232.6	14.3	246.9
TOTAL NON-CURRENT ASSETS	**5,910.6**	**214.1**	**6,124.7**
Inventories, net	1,419.2	61.6	1,480.8
Trade accounts receivables	1,766.1	93.2	1,859.3
Other operating receivables	270.3	0.0	270.3
Other receivables	556.0	0.0	556.0
Other current financial assets	7.3	0.0	7.3
Cash and cash equivalents	1,563.0	0.0	1,563.0
TOTAL CURRENT ASSETS	**5,581.9**	**154.8**	**5,736.7**
Assets held for sale	0.0	0.0	0.0
TOTAL ASSETS	**11,492.5**	**368.9**	**11,861.4**

Liabilities

(in € millions)	2017 published	IFRS 15 Impact	2017 restated
EQUITY			
Capital	966.3	0.0	966.3
Additional paid-in capital	632.8	0.0	632.8
Treasury stock	(34.2)	0.0	(34.2)
Retained earnings	1,014.9	(45.0)	969.9
Translation adjustments	43.6	0.8	44.4
Net income (loss)	610.2	(10.8)	599.4
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENTS	**3,233.6**	**(55.0)**	**3,178.6**
Minority interests	274.7	0.6	275.3
TOTAL SHAREHOLDERS' EQUITY	**3,508.3**	**(54.4)**	**3,453.9**
Non-current provisions	397.2	0.0	397.2
Non-current financial liabilities	1,598.4	0.0	1,598.4
Other non-current liabilities	1.5	0.0	1.5
Deferred tax liabilities	18.6	0.0	18.6
TOTAL NON-CURRENT LIABILITIES	**2,015.7**	**0.0**	**2,015.7**
Current provisions	178.0	5.3	183.3
Current financial liabilities	423.4	0.0	423.4
Prepayments from customers	127.7	418.0	545.7
Trade payables	4,219.3	0.0	4,219.3
Accrued taxes and payroll costs	627.4	0.0	627.4
Sundry payables	392.7	0.0	392.7
TOTAL CURRENT LIABILITIES	**5,968.5**	**423.3**	**6,391.8**
Liabilities linked to assets held for sale	0.0	0.0	0.0
TOTAL EQUITY AND LIABILITIES	**11,492.5**	**368.9**	**11,861.4**

Restated consolidated cash flow statement

As of June 30, 2017

(in € millions)	First-half 2017 published	IFRS 15 Impact	First-half 2017 restated
I- OPERATING ACTIVITIES			
Operating Income (loss) (before amortization of acquired intangible assets)	586.7	(4.0)	582.7
Depreciations and amortizations of assets	351.6	36.8	388.4
EBITDA	**938.3**	**32.8**	**971.1**
Operating current and non-current provisions	5.0	0.0	5.0
Capital (gains) losses on disposals of operating assets	1.9	0.0	1.9
Paid restructuring	(56.3)	0.0	(56.3)
Paid finance costs net of income	(65.0)	0.0	(65.0)
Other non-recurring operating income and expenses paid	(3.4)	0.0	(3.4)
Paid taxes	(117.4)	0.0	(117.4)
Dividends from associates	10.2	0.0	10.2
Change in working capital requirement	**73.3**	**(32.8)**	**40.5**
Change in inventories	(172.0)	(72.2)	(244.2)
Change in trade accounts receivables	(198.6)	(6.1)	(204.7)
Change in trade payables	441.7	0.0	441.7
Change in other operating receivables and payables	33.6	45.5	79.1
Change in other receivables and payables (excl. Tax)	(31.4)	0.0	(31.4)
Operating cash flows from discontinued activities	**0.0**	**0.0**	**0.0**
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES	**786.6**	**0.0**	**786.6**
II- INVESTING ACTIVITIES			
Additional property, plant and equipment	(292.4)	0.0	(292.4)
Additional intangible assets	0.0	0.0	0.0
Capitalized development costs	(215.9)	0.0	(215.9)
Acquisitions/Sales of investments and business (net of cash and cash equivalents)	22.6	0.0	22.6
Proceeds from disposal of property, plant and equipment	0.8	0.0	0.8
Proceed from disposal of financial assets	(1.0)	0.0	(1.0)
Change in investment-related receivables and payables	(57.4)	0.0	(57.4)
Other changes	(46.6)	0.0	(46.6)
Investing cash flows from discontinued operations	**0.0**	**0.0**	**0.0**
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES	**(589.9)**	**0.0**	**(589.9)**
CASH PROVIDED (USED) BY OPERATING AND INVESTING ACTIVITIES (I)+(II)	**196.7**	**0.0**	**196.7**
III- FINANCING ACTIVITIES			
Shares issued by Faurecia and fully consolidated companies (net of costs)	6.7	0.0	6.7
Dividends paid to owners of the parent company	(122.6)	0.0	(122.6)
Dividends paid to minority interests in consolidated subsidiaries	(21.3)	0.0	(21.3)
Acquisitions of treasury stocks	(40.0)	0.0	(40.0)
Other financial assets and liabilities	0.0	0.0	0.0
Debt securities issued and increase in other financial liabilities	116.0	0.0	116.0
Repayment of debt and other financial liabilities	(104.1)	0.0	(104.1)
Financing cash flows from discontinued activities	**0.0**	**0.0**	**0.0**
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	**(165.3)**	**0.0**	**(165.3)**
IV- OTHER CHANGES IN CASH AND CASH EQUIVALENTS			
Impact of exchange rate changes on cash and cash equivalents	(33.2)	0.0	(33.2)
Net cash flows from discontinued operations	**0.0**	**0.0**	**0.0**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(1.9)**	**0.0**	**(1.9)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	**1,562.2**	**0.0**	**1,562.2**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**1,560.3**	**0.0**	**1,560.3**

As of December 31, 2017

(in € millions)	2017 published	IFRS 15 Impact	2017 restated
I- OPERATING ACTIVITIES			
Operating Income (loss) (before amortization of acquired intangible assets)	1,170.3	(12.7)	1,157.6
Depreciations and amortizations of assets	719.0	74.3	793.3
EBITDA	**1,889.3**	**61.6**	**1,950.9**
Operating current and non-current provisions	(6.7)	0.0	(6.7)
Capital (gains) losses on disposals of operating assets	2.1	0.0	2.1
Paid restructuring	(88.3)	0.0	(88.3)
Paid finance costs net of income	(124.5)	0.0	(124.5)
Other non-recurring operating income and expenses paid	(2.4)	0.0	(2.4)
Paid taxes	(286.5)	0.0	(286.5)
Dividends from associates	16.6	0.0	16.6
Change in working capital requirement	**213.0**	**(61.6)**	**151.4**
Change in inventories	(185.3)	(61.8)	(247.1)
Change in trade accounts receivables	(103.9)	(2.8)	(106.7)
Change in trade payables	595.2	0.0	595.2
Change in other operating receivables and payables	(17.6)	3.0	(14.6)
Change in other receivables and payables (excl. Tax)	(75.4)	0.0	(75.4)
Operating cash flows from discontinued activities	**0.0**	**0.0**	**0.0**
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES	**1,612.6**	**0.0**	**1,612.6**
II- INVESTING ACTIVITIES			
Additional property, plant and equipment	(738.2)	0.0	(738.2)
Additional intangible assets	(0.4)	0.0	(0.4)
Capitalized development costs	(468.9)	0.0	(468.9)
Acquisitions/Sales of investments and business (net of cash and cash equivalents)	(218.0)	0.0	(218.0)
Proceeds from disposal of property, plant and equipment	23.9	0.0	23.9
Proceed from disposal of financial assets	0.0	0.0	0.0
Change in investment-related receivables and payables	6.3	0.0	6.3
Other changes	(52.9)	0.0	(52.9)
Investing cash flows from discontinued operations	**0.0**	**0.0**	**0.0**
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES	**(1,448.2)**	**0.0**	**(1,448.2)**
CASH PROVIDED (USED) BY OPERATING AND INVESTING ACTIVITIES (I)+(II)	**164.4**	**0.0**	**164.4**
III- FINANCING ACTIVITIES			
Shares issued by Faurecia and fully consolidated companies (net of costs)	24.3	0.0	24.3
Dividends paid to owners of the parent company	(122.6)	0.0	(122.6)
Dividends paid to minority interests in consolidated subsidiaries	(63.4)	0.0	(63.4)
Acquisitions of treasury stocks	(40.1)	0.0	(40.1)
Other financial assets and liabilities	0.0	0.0	0.0
Debt securities issued and increase in other financial liabilities	194.9	0.0	194.9
Repayment of debt and other financial liabilities	(108.6)	0.0	(108.6)
Financing cash flows from discontinued activities	**0.0**	**0.0**	**0.0**
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	**(115.5)**	**0.0**	**(115.5)**
IV- OTHER CHANGES IN CASH AND CASH EQUIVALENTS			
Impact of exchange rate changes on cash and cash equivalents	(48.1)	0.0	(48.1)
Net cash flows from discontinued operations	**0.0**	**0.0**	**0.0**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**0.8**	**0.0**	**0.8**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	**1,562.2**	**0.0**	**1,562.2**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**1,563.0**	**0.0**	**1,563.0**

Note 2 Change in scope of consolidation

2.1 Change in scope of consolidation in 2018

Within the Seating consolidation scope, the company Tianjin Faurecia Xuyang Automotive Seat Co, Ltd has been acquired at 70% and is fully consolidated since March 2018. Following the United States decision of May 8th 2018 and related restrictions imposed on business with Iran, the 51% interest held by Faurecia in Faurecia Azin Pars is in the process of being sold. All related assets have been impaired (see note 6).

Within Interior Systems, in China, Faurecia consolidates since January 1st, 2018, using the full consolidation method, Coagent of which the main company is Faurecia Coagent Electronics S&T Co., Ltd, held at 50.1%. Moreover, in China, the companies Faurecia (Liuzhou Automotive Interior Systems Co. Ltd and Faurecia (Hangzhou) Automotive Systems Co, Ltd have been created in February 2018, and are held respectively at 50% and 100%. These companies are fully consolidated.

Within the Clean Mobility perimeter, Faurecia has acquired 100% of the company Hug Engineering AG, based in Switzerland, and its commercial subsidiaries. This company is fully consolidated since March 1st, 2018. Moreover, Faurecia has created the company Hongtai Faurecia Composite (Wuhan) Co, Ltd, held at 50% and consolidated by equity method since April 1st, 2018.

2.2 Change in scope of consolidation in 2017

Within the Seating consolidation scope, the companies Tianjin Faurecia Xuyang Automotive Seat Co., Ltd and Faurecia (Changshu) Automotive System Company Co., Ltd have been created in China, they are held respectively at 60% and at 100% and fully consolidated since May and August 2017. The company Faurecia Liuzhou Automotive Seating Co., Ltd has been created in China, held at 50%, and is fully consolidated since December 2017.

Within Interior Systems, in China, the company Chongqing Faurecia Changpeng Automotive Parts Company Ltd, held at 80% since October 2016, is fully consolidated since January 2017, in addition, the company CSM Faurecia Automotive Systems Company, held at 50% is fully consolidated since January 2017; these two companies are serving their customer Changan group; Faurecia has acquired 16% of FMM Pernambuco Componentes Automotivos Ltda in Brazil, serving FCA as customer, previously consolidated by equity method and which is now held at 51% and fully consolidated since February 2017. The company Faurecia Shing Sun Co. Ltd in South Korea, previously held at 60%, has been sold in March 2017. Faurecia has acquired on March 31st, 2017 20% of Parrot Faurecia Automotive which is consolidated by equity method. Faurecia Automotive Industries Morocco Sarl has been created in Morocco and is fully consolidated. In India, the companies Basis Mold India Private Limited and PFP Acoustic and Soft Trims India Private Limited have been created, respectively held at 38% and100%, the first one is consolidated by equity method and the second one is fully integrated. Faurecia Coagent Electronics S&T Co., Ltd has been acquired in November 2017 in China at 50.1%; its integration is in progress as at December 31st, 2017 and will be fully consolidated starting in 2018.

Within the Clean Mobility perimeter, in China, the companies Faurecia (Tianjin) Emissions Control Technologies Co., Ltd, Faurecia Yinlun Emissions Control Technologies (Weifang) Co., Ltd and Dongfeng Faurecia Emissions Control Technologies Co., Ltd have been created; respectively held at 51%, 52% and 50%, they are fully consolidated; the company Dongfeng Faurecia (Xiangyang) Emissions Systems Co., Ltd has been created, held at 50%, and is consolidated by equity method.

2.3 Recent events

As a result of the decision of the United States President on May 8th, 2018, the Iran related sanctions that were suspended as part of the JCPOA (Joint Comprehensive Plan of Action) will be re-imposed following specified wind-down periods. The wind-down period applicable to activities involving Iran's automotive sector is 90-days, concluding on August 6, 2018. Faurecia will unwind all its activities in Iran by this date in order to comply with the consequences of the United States decision.

Note 3 Post-balance sheet events

No significant post-balance sheet events have occurred.

Note 4 Information by operating segment

The Group is structured into three business units based on the nature of the products and services offered:

- Seating (design and manufacture of complete vehicle seats, seating frames and adjustment mechanisms);
- Interior Systems (design and manufacture of instrument panels, complete cockpits, door panels and modules, and acoustic systems);
- Clean Mobility (design and manufacture of exhaust systems).

These business units are managed by the Group on an independent basis in terms of reviewing their individual performance and allocating resources. The tables below show reconciliation between the indicators used to measure the performance of each segment – notably operating income – and the consolidated financial statements. Borrowings, other operating income and expense, financial income and expenses, and taxes are monitored at the Group level and are not allocated to the various segments.

4.1 Key figures by operating segment

First-Half 2018

(in € millions)	Seating	Interior Systems	Clean Mobility	Other	Total
TOTAL SALES	3,810.3	2,858.2	2,360.9	54.4	9,083.8
Inter-segment eliminations	(28.8)	(8.7)	(0.6)	(54.4)	(92.5)
Consolidated sales	**3,781.5**	**2,849.5**	**2,360.3**	**0.0**	**8,991.3**
Operating income (before amortization of acquired intangible assets)	**221.5**	**170.4**	**255.3**	**(0.0)**	**647.2**
Amortization of intangible assets acquired in business combinations					(5.4)
Operating income (after amortization of acquired intangible assets)					**641.8**
Other non recurring operating income					0.2
Other non recurring operating expenses					(64.0)
Finance costs, net					(58.3)
Other financial income and expenses					(10.0)
Corporate income tax					(136.0)
Share of net income of associates					16.8
Net income from continued operations					**390.5**
Net income from discontinued operations					**0.0**
NET INCOME (LOSS)					390.5
Segment assets	**3,730.4**	**3,079.5**	**3,380.6**	**182.9**	**10,373.4**
Net property, plant and equipment	757.9	976.7	926.4	52.1	2,713.1
Other segment assets	2,972.5	2,102.8	2,454.2	130.8	7,660.3
Investments in associates					146.0
Other equity interests					53.3
Short and long-term financial assets					1,569.5
Tax assets (current and deferred)					436.6
Assets held for sale					0.0
TOTAL ASSETS					12,578.8
Segment liabilities	**2,212.6**	**1,879.2**	**2,500.7**	**248.3**	**6,840.8**
Borrowings					1,902.8
Tax liabilities (current and deferred)					100.4
Liabilities linked to assets held for sale					0.0
Equity and minority interests					3,734.8
TOTAL LIABILITIES					12,578.8
Capital expenditure	83.6	97.5	90.5	6.5	278.1
Depreciation of property, plant and equipment	(63.5)	(77.1)	(67.0)	(3.0)	(210.6)
Impairment of property, plant and equipment	0.0	0.6	0.0	0.0	0.6
Headcounts	46,758	41,061	25,200	2,667	115,686

First-Half 2017 restated

(in € millions)	Seating	Interior Systems	Clean Mobility	Other	Total
TOTAL SALES	3,648.2	2,639.5	2,286.5	233.0	8,807.2
Inter-segment eliminations	(11.5)	(13.8)	(3.7)	(233.0)	(262.0)
Consolidated sales	**3,636.7**	**2,625.7**	**2,282.8**	**0.0**	**8,545.2**
Operating income (before amortization of acquired intangible assets)	**199.9**	**151.6**	**231.2**	**(0.0)**	**582.7**
Amortization of intangible assets acquired in business combinations					0.0
Operating income (after amortization of acquired intangible assets)					**582.7**
Other non recurring operating income					3.2
Other non recurring operating expenses					(35.5)
Finance costs, net					(54.5)
Other financial income and expenses					(10.1)
Corporate income tax					(144.3)
Share of net income of associates					18.4
Net income from continued operations					**359.9**
Net income from discontinued operations					**0.0**
NET INCOME (LOSS)					359.9
Segment assets	**3,421.8**	**2,699.9**	**2,955.1**	**182.4**	**9,259.2**
Net property, plant and equipment	669.3	907.3	832.9	61.1	2,470.6
Other segment assets	2,752.5	1,792.6	2,122.2	121.3	6,788.6
Investments in associates					110.4
Other equity interests					72.5
Short and long-term financial assets					1,698.5
Tax assets (current and deferred)					394.9
Assets held for sale					0.0
TOTAL ASSETS					11,535.5
Segment liabilities	**1,951.1**	**1,900.9**	**2,226.9**	**200.7**	**6,279.6**
Borrowings					1,981.0
Tax liabilities (current and deferred)					68.4
Liabilities linked to assets held for sale					0.0
Equity and minority interests					3,206.5
TOTAL LIABILITIES					11,535.5
Capital expenditure	86.7	114.3	99.1	10.2	310.3
Depreciation of property, plant and equipment	(61.6)	(81.1)	(68.3)	(3.6)	(214.5)
Impairment of property, plant and equipment	(0.0)	0.3	(1.3)	0.0	(1.0)
Headcounts	42,702	37,008	22,175	2,540	104,425

2017 restated

(in € millions)	Seating	Interior Systems	Clean Mobility	Other	Total
TOTAL SALES	**7,164.1**	**5,389.6**	**4,472.1**	**514.2**	**17,540.0**
Inter-segment eliminations	(35.0)	(22.2)	(6.5)	(514.2)	(577.9)
Consolidated sales	**7,129.1**	**5,367.4**	**4,465.6**	**0.0**	**16,962.1**
Operating income (before amortization of acquired intangible assets)	**404.4**	**299.8**	**453.4**	**0.0**	**1,157.6**
Amortization of intangible assets acquired in business combinations					(1.2)
Operating income (after amortization of acquired intangible assets)					**1,156.4**
Other non recurring operating income					5.2
Other non recurring operating expenses					(101.3)
Finance costs, net					(108.3)
Other financial income and expenses					(23.0)
Corporate income tax					(260.7)
Share of net income of associates					34.6
Net income from continued operations					**702.9**
Net income from discontinued operations					**(7.4)**
NET INCOME (LOSS)					**695.5**
Segment assets	**3,469.6**	**2,642.3**	**3,007.2**	**199.5**	**9,318.6**
Net property, plant and equipment	725.4	929.1	878.7	56.2	2,589.4
Other segment assets	2,744.2	1,713.2	2,128.5	143.3	6,729.2
Investments in associates					151.1
Other equity interests					239.9
Short and long-term financial assets					1,696.0
Tax assets (current and deferred)					455.8
Assets held for sale					0.0
TOTAL ASSETS					**11,861.4**
Segment liabilities	**1,986.9**	**1,807.7**	**2,239.4**	**275.1**	**6,309.1**
Borrowings					2,021.8
Tax liabilities (current and deferred)					76.6
Liabilities linked to assets held for sale					0.0
Equity and minority interests					3,453.9
TOTAL LIABILITIES					**11,861.4**
Capital expenditure	219.5	262.3	240.4	21.6	743.8
Depreciation of property, plant and equipment	(123.9)	(162.1)	(137.5)	(9.2)	(432.7)
Impairment of property, plant and equipment	0.2	(0.3)	(2.0)	0.0	(2.1)
Headcounts	44,794	39,120	22,799	2,562	109,275

4.2 Sales by operating segment

Sales by operating segment break down as follows:

	First-Half 2018		First-Half 2017 restated		Full-year 2017 restated	
(in € millions)	Total Sales	%	Total Sales	%	Total Sales	%
Seating	3,781.5	42	3,636.7	43	7,129.1	42
Interior Systems	2,849.5	32	2,625.7	30	5,367.4	32
Clean Mobility	2,360.3	26	2,282.8	27	4,465.6	26
TOTAL	**8,991.3**	**100**	**8,545.2**	**100**	**16,962.1**	**100**

4.3 Sales by major customer

Sales [1] by major customer break down as follows:

	First-Half 2018		First-Half 2017 restated		Full-year 2017 restated	
(in € millions)	Total Sales	%	Total Sales	%	Total Sales	%
Ford group	1,334.7	15	1,435.0	17	2,780.8	16
VW group	1,285.4	14	1,209.2	14	2,338.6	14
PSA Peugeot Citroën	1,208.7	13	1,009.9	12	2,078.2	12
Renault-Nissan	893.4	10	985.3	12	1,858.4	11
GM	407.3	5	505.4	6	942.1	6
Daimler	440.2	5	489.4	6	963.5	6
BMW	373.7	4	359.1	4	738.9	4
Autres	3,047.9	34	2,551.9	29	5,261.6	31
TOTAL	**8,991.3**	**100**	**8,545.2**	**100**	**16,962.1**	**100**

(1) The presentation of sales invoiced may differ from that of sales by end customer when products are transferred to intermediary assembly companies.

Note 5 Analysis of operating expenses

5.1 Analysis of operating expenses by function

(in € millions)	First-Half 2018	First-Half 2017 restated	Full-year 2017 restated
Cost of sales	(7,828.3)	(7,451.1)	(14,842.4)
Research and development costs	(153.4)	(146.7)	(281.7)
Selling and administrative expenses	(362.4)	(364.7)	(680.4)
TOTAL	**(8,344.1)**	**(7,962.5)**	**(15,804.5)**

5.2 Analysis of operating expenses by nature

(in € millions)	First-Half 2018	First-Half 2017 restated	Full-year 2017 restated
Purchases consumed	(5,347.3)	(5,160.5)	(10,230.5)
External costs	(981.2)	(976.0)	(1,972.8)
Personnel costs	(1,926.2)	(1,818.7)	(3,548.6)
Taxes other than on income	(29.3)	(34.9)	(54.4)
Other income and expenses (1)	358.5	416.7	786.2
Depreciation, amortization and provisions for impairment in value of non-current assets	(413.6)	(388.4)	(793.3)
Charges to and reversals of provisions	(5.0)	(0.7)	8.9
TOTAL	**(8,344.1)**	**(7,962.5)**	**(15,804.5)**
(1) Including production taken into inventory or capitalized.	*311.2*	*379.1*	*673.7*

The CICE (tax credit for competitiveness and employment) is allocated to personnel costs; it amounted to €6,7 million for the first semester 2018 (€7.6 million for the first half-year 2017 and €14.9 million for the full year 2017).

5.3 Research and development costs

(in € millions)	First-Half 2018	First-Half 2017 restated	Full-year 2017 restated
Research and development costs, gross	(558.3)	(583.9)	(1,005.8)
Capitalized development costs	404.9	437.2	724.1
TOTAL	**(153.4)**	**(146.7)**	**(281.7)**

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

(in € millions)	First-Half 2018	First-Half 2017 restated	Full-year 2017 restated
Amortization of capitalized development costs	(184.3)	(168.8)	(353.1)
Amortization of other intangible assets	(16.4)	(13.0)	(29.2)
Depreciation and impairment of property, plant and equipment	(210.4)	(205.0)	(412.1)
Provisions for impairment of capitalized development costs	(2.5)	(1.6)	1.1
TOTAL	**(413.6)**	**(388.4)**	**(793.3)**

This table does not include allowances and reversals of provision for non recurring items.

Note 6 Other non recurring operating income and expenses

Other non recurring operating income and expenses are analyzed as follows:

OTHER NON RECURRING OPERATING INCOME

(in € millions)	First-Half 2018	First-Half 2017 restated	Full-year 2017 restated
Release of provision for impairment of assets	0.0	0.0	1.4
Losses on disposals of assets	0.0	0.3	0.0
Others	0.2	2.9	3.8
TOTAL	**0.2**	**3.2**	**5.2**

OTHER NON RECURRING OPERATING EXPENSES

(in € millions)	First-Half 2018	First-Half 2017 restated	Full-year 2017 restated
Other provisions for impaiment of assets	0.0	0.0	0.0
Reorganization expenses [(1)]	(27.8)	(29.3)	(85.0)
Losses on disposal of assets	(1.0)	0.0	(0.7)
Others [(2)]	(35.2)	(6.2)	(15.6)
TOTAL	**(64.0)**	**(35.5)**	**(101.3)**

(1) As of June 30, 2018, this item includes restructuring costs in the amount of € 27.4 million and provisions for impairment in value of non-current assets in the amount of € 0.4 million, versus respectively, €79.2 million and € 5.8 million as of December 2017 and €28.2 million and €1.1 million as of June 2017.

(2) Of which €17.2 million relating to the end of business with Iran (see Notes 2.1 & 2.3) as of June 30, 2018.

Note 7 Other financial income and expenses

(in € millions)	First-Half 2018	First-Half 2017 restated	Full-year 2017 restated
Impact of discounting pension benefit obligations	(3.3)	(3.4)	(6.8)
Changes in the ineffective portion of currency hedges	0.0	(0.6)	(0.2)
Changes in fair value of currency hedged relating to debt	(4.8)	5.3	4.0
Foreign exchange gains and losses on borrowings	3.6	(6.0)	(7.7)
Others [(1)]	(5.5)	(5.4)	(12.3)
TOTAL	**(10.0)**	**(10.1)**	**(23.0)**

(1) As of June 30, 2018, this item includes mainly amortization of costs related to bonds and other long-term debts and commissions for non-use of the credit facility.

Note 8 Corporate income tax

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

(in € millions)	First-Half 2018	First-Half 2017 restated	Full-year 2017 restated
Pre-tax income of consolidated companies	509.7	485.8	929.0
Theoretical Tax (34.43%)	*(175.5)*	*(167.3)*	*(319.9)*
Effect of rate changes on deferred taxes recognized on the balance sheet	(1.5)	(0.1)	(1.6)
Effect of local rate differences [(1)]	51.6	39.9	67.3
Tax credits	14.0	2.6	12.5
Change in unrecognized deferred tax	(6.5)	(7.3)	(0.4)
Permanent differences & others [(2)]	(18.1)	(12.1)	(18.6)
Corporate tax recognized	**(136.0)**	**(144.3)**	**(260.7)**

(1) The impact of local rate differences mainly relates to Chinese entities.
(2) Mainly due to withholding tax on gains or losses of disposal.

Deferred tax assets are not recognized for tax losses carried forwards that are not certain of being utilized. As of June 30, 2018, these assets amounted to € 667.4 million, compared with € 671.7 million as of December 31, 2017.

Note 9 Earnings per share

Basic earnings per share are calculated by dividing net income attributable to owners of the parent by the weighted average number of shares outstanding during the year, excluding treasury stock. For the purpose of calculating diluted earnings per share, the Group adjusts net income attributable to owners of the parent and the weighted average number of shares outstanding for the effects of all dilutive potential ordinary shares (including stock options, free shares and convertible bonds).

	First-Half 2018	First-Half 2017 restated	Full-year 2017 restated
Number of shares outstanding at year-end [(1)]	**138,035,801**	**138,035,801**	**138,035,801**
Adjustments:			
■ treasury stock	(881,820)	(1,761,370)	(814,320)
■ weighted impact of share issue prorated	0	0	0
Weighted average number of shares before dilution	**137,153,981**	**136,274,431**	**137,221,481**
Weighted impact of dilutive instruments:			
■ stock options [(2)]	0	0	0
■ free shares attributed	1,362,406	1,714,830	761,865
■ bonds with conversion option	0	0	0
Weighted average number of shares after dilution	**138,516,387**	**137,989,261**	**137,983,346**

(1) Changes in the number of shares outstanding as of June 30, 2018, are analyzed as follows:

As of December 31, 2017: number of Faurecia shares outstanding	**138,035,801**
Exercise of stock options	*0*
As of June 30, 2018: number of Faurecia shares outstanding	**138,035,801**

(2) As of June 30, 2018, no stock options were still outstanding.

The dilutive impact of the bonds was calculated using the treasury stock method.

In relation to stock options, this method consists of comparing the number of shares that would have been issued if all outstanding stock options had been exercised to the number of shares that could have been acquired at fair value.

The potentially dilutive impact of free shares is taken into account considering the number of shares to be distributed for the plans of which the realization of the performance conditions has already been stated.

Earnings per share

Earnings per share break down as follows:

	First-Half 2018	First-Half 2017 restated	Full-Year 2017 restated
Net Income (loss) *(in € millions)*	**342.0**	**310.4**	**599.4**
Basic earnings (loss) per share	2.49	2.28	4.37
After dilution	2.47	2.25	4.35
Net Income (loss) from continued operations *(in € millions)*	**342.0**	**310.4**	**606.7**
Basic earnings (loss) per share	2.49	2.28	4.42
After dilution	2.47	2.25	4.40
Net Income (loss) from discontinued operations *(in € millions)*	**0.0**	**0,0**	**(7.4)**
Basic earnings (loss) per share	0.0	0.00	(0.05)
After dilution	0.0	0.00	(0.05)

Note 10 Goodwill

(in € millions)	Gross	Impairment	Net
Amount as of January 1, 2017	**1,728.6**	**(510.9)**	**1,217.7**
Acquisitions	19.6	0.0	19.6
Translation adjustments and other movements	(21.3)	0.1	(21.2)
Amount as of December 31, 2017	**1,726.9**	**(510.8)**	**1,216.1**
Acquisitions	186.0	0.0	186.0
Translation adjustments and other movements	3.1	0.1	3.2
Amount as of December 31, 2018	**1,916.0**	**(510.7)**	**1,405.3**

Breakdown of the net amount of goodwill by operating segment:

(in € millions)	June 30, 2018	Dec. 31, 2017 restated
Seating	837.0	793.6
Interior Systems	197.6	66.9
Clean Mobility	370.7	355.6
TOTAL	**1,405.3**	**1,216.1**

As of June 30, 2018 the management has not identified any triggering event for a potential impairment.

Note 11 Investments in associates

Investment in associates for continued operations:

As of June 30, 2018

(in € millions)	% interest (1)	Group share of equity (2)	Dividends received by the Group	Group share of sales	Group share of total assets
Teknik Malzeme	50	6.5	0.0	17.9	16.9
Parrot Faurecia Automotive	20	24.5	0.0	5.3	29.9
Changchun Xuyang Faurecia Acoustics & Soft Trim Co. Ltd.	40	3.6	0.0	9.9	18.9
Dongfeng Faurecia Automotive Exterior Systems Co. Ltd.	50	12.8	0.0	12.9	47.7
Detroit Manufacturing Systems LLC	45	6.6	(2.6)	180.5	76.5
DMS leverage lender (LLC)	45	3.2	0.0	0.0	15.1
Faurecia Japon NHK Co. Ltd.	50	0.0	0.0	91.1	34.5
Others		33.1	(5.3)	111.1	95.4
SUB TOTAL		**90.3**	**(7.9)**	**428.7**	**334.9**
SAS Group	50	55.7	(15.0)	945.4	350.0
TOTAL		**146.0**	**(22.9)**	**1,374.1**	**684.9**

(1) Percent of interest held by the Company that owns the shares.
(2) As the Group share of some company's net equity is negative, it is recorded under liabilities as a provision for contingencies and charges.

There is no joint operation in the sense of IFRS 11 within the companies consolidated by equity method.

11.1 Change in investments in associates

(in € millions)	First-Half 2018	First-Half 2017 restated	Full-Year 2017 restated
Group share of equity at beginning of period	**151.1**	**130.7**	**130.7**
Dividends	(22.9)	(10.2)	(16.6)
Share of net income of associates	16.8	18.4	34.6
Change in scope of consolidation	(0.5)	(24.1)	7.2
Capital increase	1.7	0.0	1.9
Currency translation adjustments	(0.2)	(4.4)	(6.7)
Group share of equity at end of period	**146.0**	**110.4**	**151.1**

Note 12 Other non-current financial assets

Loans and other financial assets are initially stated at fair value and then at amortized cost, calculated using the effective interest method.

Provisions are booked on a case-by-case basis where there is a risk of non-recovery.

	June 30, 2018			Dec. 31, 2017 restated
(in € millions)	Gross	Provisions	Net	Net
Loans with maturity longer than one year	44.4	(16.6)	27.8	27.2
Others	84.9	(9.6)	75.3	69.6
TOTAL	**129.3**	**(26.2)**	**103.1**	**96.8**

Note 13 Trade accounts receivables

Under trade receivables sale programs, the Group can sell a portion of the receivables of a number of its French, German, North America and other subsidiaries to a group of financial institutions, transferring substantially all of the risks and rewards relating to the receivables sold to the financial institutions concerned.

The following table shows the amount of receivables sold with maturities beyond June 30, 2018, for which substantially all the risks and rewards have been transferred, and which have therefore been derecognized, as well as the financing under these programs which corresponds to the cash received as consideration for the receivables sold:

(in € millions)	June 30, 2018	Dec. 31, 2017 restated
Financing	1,143.3	1,146.5
Guarantee reserve deducted from borrowings	(38.8)	(39.4)
Cash received as consideration for receivables sold	1,104.4	1,107.1
Receivables sold and derecognized	(1,067.1)	(1,038.7)

Individually impaired trade receivables are as follows:

(in € millions)	June 30, 2018	Dec. 31, 2017 restated
Gross total trade receivables	2,272.6	1,875.0
Provision for impairment of receivables	(16.7)	(15.7)
TOTAL	**2,255.9**	**1,859.3**

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

Late payments as of June 30, 2018 were €186.2 million, breaking down as follows:

- €102.9 million less than one month past due;
- €17.5 million between one and two months past due;
- €9.5 million between two and three months past due;
- €18.6 million between three and six months past due;
- €37.7 million more than six months past due.

Note 14 Cash and cash equivalents

Cash and cash equivalents include current account balances in the amount of €1,357.3 million (compared to €868.1 million as of December 31, 2017) and short-term investments in the amount of €80.2 million (compared to €694.9 million as of December 31, 2017), or a total of €1,437.5 million as of June 30, 2018.

These components include current account balances and units in money market funds that are readily convertible to a known amount of cash and are not subject to a significant risk of impairment in the event of changes in interest rates. They are measured at fair value and variances are booked through P&L.

The carrying amount of marketable securities is almost identical to market value as they are held on a very short term basis.

Note 15 Shareholders' equity

15.1 Capital

As of June 30, 2018, Faurecia's capital stock totaled €966,250,607 divided into 138,035,801 fully paid-up shares with a par value of €7 each.

The Group's capital is not subject to any external restrictions. Shares which have been registered in the name of the same holder for at least two years carry double voting rights.

As of June 30, 2018, Peugeot S.A. held 46.34% of the capital stock and 63.10% of the voting rights.

The capital and additional paid-in capital variance on the period can be analyzed as follows:

	Number of shares	Capital *(in € millions)*	Additional paid-in capital *(in € millions)*
Amount as of January 1, 2018	**138,035,801**	**966.3**	**604.0**
Exercise of stock-options	-	-	-
Amount as of June 30, 2018	**138,035,801**	**966.3**	**604.0**

15.2 Share-based payment

FREE SHARE GRANT

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

Free shares are measured at fair value by reference to the market price of Faurecia's shares at the grant date, less (i) an amount corresponding to the expected dividends due on the shares but not paid during the vesting period and (ii) an amount reflecting the cost of the shares being subject to a lock-up period. The fair value is recognized in payroll costs on a straight-line basis over the vesting period, with a corresponding adjustment to equity.

The amount recognized for the period is an expense of €11.6 million, compared to €11 million in the first semester 2017.

Details of the share grant plans as of June 30, 2018 are set out in the table below:

Date of Annual Shareholders' Meeting	Date of Board meeting	Maximum number of free shares that can be granted [(1)] for: reaching the objective	exceeding the objective	Performance condition	Share market value at grant date *(in €)*	Adjustments: Dividend rate	Non-transferrability discount	Acquisition date	Sales date (from)
5/27/2016	7/25/2016	655,161	852,325	2018 after tax income target as stated in strategic plan when granted and Faurecia earning per share growth compared to a reference group of companies.	32.875	1.25%	NA	7/25/2020	7/25/2020
5/27/2016	7/20/2017	593,778	771,870	2019 after tax income target as stated in strategic plan when granted and Faurecia earning per share growth compared to a reference group of companies.	48.46	1.75%	NA	7/20/2021	7/20/2021

(1) Net of free shares granted cancelled.

The performance conditions for the plan attributed by the Board of July 28, 2014 have been met, the corresponding shares, i.e. 738,660 will be definitely distributed in July 2018. The performance conditions for the plan attributed by the Board of July 23, 2015 have been met, the corresponding shares, i.e. 623,746 will be definitely distributed in July 2019.

Note 16 Current provisions and contingent liabilities

16.1 Current provisions

A provision is recorded when Group Executive Management has decided to streamline the organization structure and announced the program to the employees affected by it or their representatives, when relevant.

(in € millions)	June 30, 2018	Dec. 31, 2017 restated
Restructuring	69.1	72.5
Risks on contracts and customer warranties	51.6	53.7
Litigation	19.2	17.6
Other provisions	58.5	39.5
TOTAL	**198.4**	**183.3**

16.2 Contingent liabilities

LITIGATION

As a reminder, on March 25, 2014, the European Commission and the United States Department of Justice and on November 27, 2014, the Competition Commission of South Africa, initiated an inquiry covering certain suppliers of emission control systems on the basis for suspicions of anti-competitive practices in this market. Faurecia is one of the companies covered by these inquiries. As communicated by Faurecia on May 2, 2017, the European Commission has announced to close the case. The other inquiries are still ongoing.

On May 19, 2017, the Brazilian competition authority (the CADE) initiated an inquiry covering Faurecia Emissions Control Technologies do Brazil and some of its former employees, alleging anticompetitive practices in regard to the exhaust systems market in Brazil.

The Group has reached agreements with the plaintiffs to settle all three pending class actions which were filed in the United States District Court for the Eastern District of Michigan against several suppliers of emissions control systems, including group affiliates, alleging anticompetitive practices in regard to Exhaust Systems. When finalized with the court, these settlements, for non-significant amounts in line with potential defence costs, will put an end to these class actions.

Two class actions for similar allegations have also been filed in Canada but are at a very preliminary stage.

In the event anti-competitive practices are proven, possible sanctions include fines, civil damages or criminal charges. The Group is at present unable to predict the consequences of such inquiries and class actions, including the level of fines or sanctions that could be imposed: therefore, no accruals were accounted for as of June 30, 2018.

There are no other claims or litigation in progress or pending that are likely to have a material impact on the Group's consolidated financial position.

Note 17 Non-current provisions and provisions for pensions and other post-employment benefits

(in € millions)	June 30, 2018	Dec. 31, 2017 restated
Provisions for pensions and other employee obligations	**382.3**	**397.2**
■ Pension plan benefit obligations	210.5	224.0
■ Post-retirement benefit obligations	126.9	128.2
■ Long-service awards	26.2	26.2
■ Healthcare costs	18.7	18.8
Provisions for early retirement costs	**0.0**	**0.0**
TOTAL	**382.3**	**397.2**

Assumptions used

The Group's obligations under these plans are determined on an actuarial basis, using the following assumptions:

- retirement age between 62 and 65 for employees in France;
- staff turnover assumptions based on the economic conditions specific to each country and/or Group company;
- mortality assumptions specific to each country;
- estimated future salary levels until retirement age, based on inflation assumptions and forecasts of individual salary increases for each country;
- the expected long-term return on external funds;
- discount and inflation rates (or differential) based on local conditions.

The main actuarial assumptions used in the past two years to measure the pension liability are as follows:

(in %)	Eurozone	United Kingdom	USA
DISCOUNT RATE			
June 30, 2018	1.85%	2.90%	3.91%
Dec. 31, 2017	1.50%	2.60%	3.40%
June 30, 2017	1.90%	2.75%	3.49%
INFLATION RATE			
June 30, 2018	1.80%	3.10%	N/A
Dec. 31, 2017	1.80%	3.20%	N/A
June 30, 2017	1.80%	3.25%	N/A

Note: the iboxx AA rate has been used as reference to determine the discount rate of the euro zone.

The variation of discount rates generated actuarial gains and losses which have been recorded in *Other comprehensive income* according to IAS 19R.

In the United States, the pension benefit obligations (closed to new participants) are not sensitive to inflation rate.

Note 18 Net debt

The Group's financial liabilities are generally measured at amortized cost using the effective interest rate method.

18.1 Analysis of net debt

(in € millions)	June 30, 2018	Dec. 31, 2017 restated
Bonds	1,369.0	1,387.7
Bank borrowings	106.5	195.7
Other borrowings	1.2	0.9
Obligations under finance lease	12.7	14.1
Non-current derivatives	0.0	0.0
SUB-TOTAL NON-CURRENT FINANCIAL LIABILITIES	**1,489.4**	**1,598.4**
Current portion of long term debt	47.6	56.0
Short-term borrowings [1]	365.4	365.3
Current derivatives	0.4	2.1
SUB-TOTAL CURRENT FINANCIAL LIABILITIES	**413.4**	**423.4**
TOTAL FINANCIAL LIABILITIES	**1,902.8**	**2,021.8**
Derivatives classified under non-current and current assets	(0.1)	(7.3)
Cash and cash equivalents	(1,437.5)	(1,563.0)
NET DEBT	**465.2**	**451.5**
Net cash and cash equivalent	1,437.5	1,563.0
(1) Including bank overdrafts	*24.7*	*62.7*

18.2 Financing

The main components of Faurecia financing are described below:

2023 BONDS

On April 1, 2016, Faurecia issued bonds for an amount of €700 million due June 15, 2023, carrying annual interest of 3.625%, payable on June 15 and December 15 each year, as from June 15, 2016.

They are listed on the Irish Stock Exchange (Global Exchange Market). The costs related to the bond issue are expensed in P&L over the life time of the bonds.

These bonds include a covenant restricting the additional indebtedness if the EBITDA [1] after certain adjustments is lower than twice times the gross interest costs, and restrictions on the debt similar to those of the syndicated credit loan.

2025 BONDS

On March 8, 2018, Faurecia issued bonds for an amount of €700 million due June 15, 2025, carrying annual interest of 2.625%, payable on June 15 and December 15 each year, as from June 15, 2018.

These bonds benefit from the same restrictions as the 2023 bonds and do not benefit from guarantees issued by subsidiaries.

The proceeds of these bonds has been used to redeem the € 700 million bonds due June 15, 2022, carrying annual interest of 3.125%, issued in March and April 2015.

This has been done through a tender offer through which 2022 bond holders could exchange their bonds against new 2025 bonds. The rate of exchange has reached over 77%. The bonds that were not tendered in this offer have been redeemed ("make-whole") in accordance with the offering memorandum. The settlement of these two operations has taken place on March 8, 2018.

(1) Operating income plus depreciation, amortization and funding of provisions for impairment of property, plant and equipment and intangible assets, corresponding to the past 12 months.

The bond premium for bonds tendered in the offer is amortized over the duration of the new 2025 bonds; the bond premium for bonds redeemd by anticipation has been expensed. Costs related to the bond issue are expensed in P&L over the life time of the bonds.

The bonds are listed on the Irish Stock Exchange (Global Exchange Market). The costs related to the bond issue are expensed in P&L over the life time of the bonds.

SYNDICATED CREDIT FACILITY

On December 15, 2014, Faurecia signed a syndicated credit facility, with a five-year maturity, for an amount of €1,200 million. This credit facility was renegotiated on June 24, 2016, in order to extend the maturity to five years from that date, or June 24, 2021 and improve its terms and conditions.

On June 15, 2018, Faurecia signed with participating banks a second agreement to extend again the maturity to five years from that date, or June 15, 2023, with two optional one-year extensions that can be exercised in June 2019 and June 2020, subject to agreement of participating banks, and that would extend the maturity respectively to June 2024 and June 2025. This agreement has improved again its terms and conditions and strengthens the Group's financial structure.

In accordance with the credit documentation, all guarantees issued by some Group subsidiaries in favor of banks participating in this credit facility were eliminated when the bonds due in December 2016 were fully redeemed on April 12, 2016.

As of June 30, 2018, this credit facility was not drawn.

This credit facility includes only one covenant, related to consolidated financial ratios: Net debt [(1)]/EBITDA [(2)] must be lower than 2.50. Compliance with this ratio is a condition affecting the availability of this credit facility. As of June 30, 2018, the Group complied with this ratio.

This credit facility includes some restrictive clauses on asset disposals (disposal representing over 25% of the Group's total consolidated assets requires the prior approval of banks representing two-thirds of the syndicate) and on the debt level of some subsidiaries.

Finally, during the first semester of 2018, Faurecia regularly issued commercial papers with a maturity up to one year for investors located mainly in France.

Faurecia is rated Ba1 by Moody's with stable outlook and BB+ with a stable outlook by Fitch Ratings (increase of these two ratings on February 20, 2018). On January 31, 2018, Standard & Poor's assigned to Faurecia a BB+ long-term corporate credit ratings, with a stable outlook.

18.3 Analysis of borrowings

As of June 30, 2018, the floating rate portion was 21.7% of borrowings before taking into account the impact of hedging.

Derivatives have been set up to partially hedge interest payable on variable rate borrowings against increases in interest rates (see Note 19.2).

(in € millions)	June 30, 2018	%
Variable rate borrowings	412.0	21.7%
Fixed rate borrowings	1,490.8	78.3%
TOTAL	**1,902.8**	**100.0%**

Borrowings, taking into account foreign exchange swaps, break down by repayment currency as follows:

(in € millions)	June 30, 2018	%	Dec. 31, 2017 restated	%
Euros	1,710.0	89.9%	1,297.6	64.2%
US Dollars	3.5	0.2%	504.4	24.9%
Other currencies	189.3	9.9%	219.8	10.9%
TOTAL	**1,902.8**	**100.0%**	**2,021.8**	**100.0%**

In the first half of 2018, the weighted average interest rate on gross outstanding borrowings was 3.68% versus 4.21% for the first half of 2017.

(1) Consolidated net debt.

(2) Operating income plus depreciation, amortization and funding of provisions for impairment of property, plant and equipment and intangible assets, corresponding to the past 12 months.

18.4 Financial instruments recorded in the balance sheet

(in € millions)	June 30, 2018		Breakdown by category of instrument (1)			
	Balance Sheet Carrying amount	Carrying amount not defined as financial instruments	Financial assets/ liabilities at fair value through profit or loss (2)	Financial assets/ liabilities at fair value through equity (2)	Assets and liabilities at amortized cost	Financial instruments measured at fair value
Other equity interests	53.3	53.3				0.0
Other non-current financial assets	103.1				103.1	103.1
Trade accounts receivables	2,255.9				2,255.9	2,255.9
Other operating receivables	278.0		0.8	1.7	275.5	278.0
Other receivables and prepaid expenses	587.1	83.8			503.3	503.3
Currency derivatives	0.1		0.1			0.1
Interest rate derivatives	0.0					0.0
Cash and cash equivalents	1,437.5		1.437.5			1,437.5
FINANCIAL ASSETS	**4,715.0**	**137.1**	**1.438.4**	**1.7**	**3,137.8**	**4,577.9**
Long-term debt *	1,489.4	1.2			1,488.2	1 557.5
Short-term debt	413.4		0.4		413.0	413.4
Prepayments from customers	508.6				508.6	508.6
Trade payables	4,714.0				4,714.0	4,714.0
Accrued taxes and payroll costs	692.4				692.4	692.4
Sundry payables	401.3	97.1		11.9	292.3	304.2
Of which						
Currency derivatives	*11.9*			*11.9*		*11.9*
Interest rate derivatives	*0.0*					0.0
FINANCIAL LIABILITIES	**8,219.1**	**98.3**	**0.4**	**11.9**	**8,108.5**	**8,190.1**

(1) No financial instruments were transferred between categories in 2018.
(2) All of the instruments in this category are financial assets or liabilities designated as measured on initial recognition.

* *The fair value of the bonds, excluding accrued interest, was established on the basis of the year-end market value (June.30, 2018) : for the 2023 bonds quoted 104.2475% of par, at €729.7million and for the 2025 bonds quoted 101.213% of par, at €708.5 million.*

(in € millions)	Dec. 31, 2017 restated Balance Sheet Carrying amount	Carrying amount not defined as financial instruments	Breakdown by category of instrument (1) Financial assets/ liabilities at fair value through profit or loss (2)	Financial assets/ liabilities at fair value through equity (2)	Assets and liabilities at amortized cost	Financial instruments measured at fair value
Other equity interests	239.9	239.9				0.0
Other non-current financial assets	96.8				96.8	96.8
Trade accounts receivables	1,859.3				1,859.3	1,859.3
Other operating receivables	270.3		0.2	3.7	266.4	270.3
Other receivables and prepaid expenses	556.0	99.1			456.9	456.9
Currency derivatives	7.3		7.3			7.3
Interest rate derivatives	0.0					0.0
Cash and cash equivalents	1,563.0		1,563.0			1,563.0
FINANCIAL ASSETS	**4,592.6**	**339.0**	**1,570.5**	**3.7**	**2,679.4**	**4,253.6**
Long-term debt *	1,598.4	0.9			1,597.5	1,671.4
Short-term debt	423.4				423.4	423.4
Prepayments from customers	545.7				545.7	545.7
Trade payables	4,219.3				4,219.3	4,219.3
Accrued taxes and payroll costs	627.4				627.4	627.4
Sundry payables	392.7	91.7	1.7	0.6	298.7	301.0
Of which						
Currency derivatives	*1.9*		*1.7*	*0.2*		1.9
Interest rate derivatives	*0.4*			*0.4*		*0.4*
FINANCIAL LIABILITIES	**7,806.9**	**92.6**	**1.7**	**0.6**	**7,712.0**	**7,788.2**

(1) No financial instruments were transferred between categories in 2017 restated.
(2) All of the instruments in this category are financial assets or liabilities designated as measured on initial recognition.

* *The fair value of the bonds, excluding accrued interest, was established on the basis of the year-end market value (December 31, 2017 restated): for the 2022 bonds quoted 102.958% of par, at €720.7 million and for the 2023 bonds quoted 105.695% of par, at €739.9 million.*

Note 19 Hedging of currency and interest rate risks

19.1 Hedging of currency risks

Currency risks relating to the commercial transactions of the Group's subsidiaries are managed centrally by Faurecia using forward purchase and sale contracts and options as well as foreign currency financing. Faurecia manages the hedging of currency risks on a central basis, through the Group Finance and Treasury department, which reports to the Executive Management. Hedging decisions are made by a Market Risk Management Committee that meets on a monthly basis.

Currency risks on forecasted transactions are hedged on the basis of estimated cash flows determined when budgets are prepared, validated by Executive 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 IFRS 9 criteria.

Subsidiaries with a functional currency different from the euro are granted inter-company loans in their operating currencies. Although these loans are refinanced in euros and eliminated in consolidation, they contribute to the Group's currency risk exposure and are therefore hedged through foreign exchange swaps or financing in the concerned currency.

The effective portion of changes in the fair value of instruments used to hedge future revenues is recorded in equity and taken to operating income when the hedged revenues are received.

Changes in the fair value of instruments used to hedge trade receivables and payables are recorded as operating income or expense.

The portion of the change in fair value of these hedges that is ineffective (time value of the hedges) is recorded under "Other financial income and expenses" together with changes in the fair value of instruments used to hedge other receivables and payables except for the changes in the fair value of cash flow hedges which are recorded in amounts to be potentially reclassified to profit or loss.

INFORMATION ON HEDGED NOTIONAL AMOUNTS

(in € millions)	Carrying amount			Maturities		
June 30, 2018	**Assets**	**Liabilities**	**Notional amount ***	**< 1 year**	**1 to 5 years**	**> 5 years**
Fair value hedges						
■ forward currency contracts	0.8	0.0	54.3	43.9	10.4	0.0
■ inter-company loans in foreign currencies swapped for euros	0.1	(0.4)	280.4	280.4	0.0	0.0
■ cross-currency swaps						
Cash flow hedges						
■ forward currency contracts	1.6	(11.9)	525.4	525.4	0.0	0.0
Not eligible for hedge accounting	0.1	0.0	12.8	12.8	0.0	0.0
	2.6	**(12.3)**				

* *Notional amounts based on absolute values.*

(in € millions)	Carrying amount			Maturities		
Dec. 31, 2017 restated	**Assets**	**Liabilities**	**Notional amount ***	**< 1 year**	**1 to 5 years**	**> 5 years**
Fair value hedges						
■ forward currency contracts	0.1	0.0	11.6	11.6	0.0	0.0
■ inter-company loans in foreign currencies swapped for euros	7.3	(1.7)	795.8	795.8	0.0	0.0
■ cross-currency swaps	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow hedges						
■ forward currency contracts	3.7	(0.2)	259.2	259.2	0.0	0.0
Not eligible for hedge accounting	0.1	0.0	29.0	29.0	0.0	0.0
	11.2	**(1.9)**				

* *Notional amounts based on absolute values.*

19.2 Interest-rate hedges

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

Changes in the fair value of interest rate hedges are recorded directly in "Other financial income and expenses" when the hedging relationship cannot be demonstrated under IFRS 9, or where the Group has elected not to apply hedge accounting principles.

The table below shows the Group's interest rate position, with assets, liabilities and derivatives broken down into fixed or variable rates. Financial assets include cash and cash equivalents and interest rate hedges include interest rate swaps as well as in-the-money options.

There were no interest-rate hedges on June 30, 2018.

(in € millions)	Carrying amount		Notional amounts by maturity		
June 30, 2018	**Assets**	**Liabilities**	**< 1 year**	**1 to 5 years**	**> 5 years**
Interest rate options	0.0	0.0	0.0	0.0	0.0
Variable rate/fixed rate swaps	0.0	0.0	0.0	0.0	0.0
Accrued premiums payable	0.0	0.0	0.0	0.0	0.0
	0.0	**0.0**	**0.0**	**0.0**	**0.0**

(in € millions)	Carrying amount		Notional amounts by maturity		
Dec. 31, 2017 restated	**Assets**	**Liabilities**	**< 1 year**	**1 to 5 years**	**> 5 years**
Interest rate options	0.0	0.0	0.0	0.0	0.0
Variable rate/fixed rate swaps	0.0	(0.4)	400.0	0.0	0.0
Accrued premiums payable	0.0	0.0	0.0	0.0	0.0
	0.0	**(0.4)**	**400.0**	**0.0**	**0.0**

The valuation of the credit risk in the derivatives fair value has no material impact on the Group financial statements as of June 30, 2018.

Note 20 Commitments given

Commitments given

(in € millions)	**June 30, 2018**	**Dec. 31, 2017 restated**
Future minimum lease payments under operating leases	618.4	648.2
Debt collateral:		
■ mortgages	2.3	2.0
Other debt guarantees	52.4	59.3
Firm orders for property, plant and equipment and intangible assets	127.9	132.0
Other	1.3	1.3
TOTAL	**802.3**	**842.8**

Note 21 Related party transactions

Transactions with PSA group

The Faurecia group is managed independently and transactions with the PSA group are conducted at arm's length terms.

Transactions with consolidated entities are eliminated by the consolidation process. Faurecia's business relations with non consolidated or Equity consolidated entities are considered as non significant.

These transactions (including with companies accounted for by the equity method by the PSA group) are recognized as follows in the Group's consolidated financial statements:

(in € millions)	**June 30, 2018**	**Dec. 31, 2017 restated**
Sales of continued activities	1,208.7	2,078.2
Purchases of products, services and materials	9.0	17.8
Receivables of continued activities*	578.0	522.2
Trade payables of continued activities	97.6	107.0
* *Before no-recourse sales of receivables amounting to:*	*276.9*	*273.7*

3.

Statement by the person responsible for the 2018 half year financial report

Statement by the person responsible for the 2018 half year financial report

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

July 19, 2018

Patrick Koller

Chief Executive Officer

4. Statutory Auditors' review report on the interim financial information

Statutory Auditors' review report on the interim financial information

This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code *(Code monétaire et financier)*, we hereby report to you on:

- the review of the accompanying condensed interim consolidated financial statements of Faurecia for the six months ended June 30, 2018;
- the verification of the information contained in the interim management report.

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

I - Conclusion on the financial statements

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

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements have not been prepared, in all material respects, in accordance with IAS 34 – «Interim Financial Reporting», as adopted by the European Union.

Without qualifying our conclusion, we draw your attention to the matter set out in Note 1B "Modifications to the previously published consolidated financial statements" to the condensed interim consolidated financial statements, regarding the first application of IFRS 15 standard – Revenue from contracts with customers.

II - Specific verification

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

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

Neuilly-sur-Seine and Paris La Défense, July 19, 2018

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG AUDIT
Dominique Ménard	Jean-Roch Varon

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