Technical perfection, automotive passion

faurecia

A global automotive leader

Registration document 2010

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It may only be used in connection with a financial transaction if it is accompanied by a memorandum approved by the AMF. This document has been prepared by the issuer under the responsibility of its signatories.

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Introduction to Faurecia

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Board of Directors, Executive Committee and Auditors

Board of Directors at April 14, 2011

Yann Delabrière

Chairman and Chief Executive Officer

Directors

Eric Bourdais de Charbonnière
Jean-Pierre Clamadieu
Frank Esser
Lee Gardner
Jean-Claude Hanus
Hans-Georg Härter
Ross McInnes
Thierry Peugeot
Robert Peugeot
Frédéric Saint-Geours
Philippe Varin

Statutory Auditors of the Compagnie Régionale de Versailles

Ernst & Young Audit
Represented by Denis Thibon
Tour Ernst & Young
11, allée de l'Arche
92037 Paris La Défense Cedex

PricewaterhouseCoopers Audit
Represented by Dominique Ménard
63, rue de Villiers
92208 Neuilly-sur-Seine

Executive Committee at April 14, 2011

Yann Delabrière
Chairman and Chief Executive Officer

Jean-Marc Hannequin
Executive Vice-President, Faurecia Emissions Control Technologies

Frank Imbert
Chief Financial Officer

Patrick Koller
Executive Vice-President, Faurecia Automotive Seating

Thierry Lemâne
Executive Vice-President, Group Communications

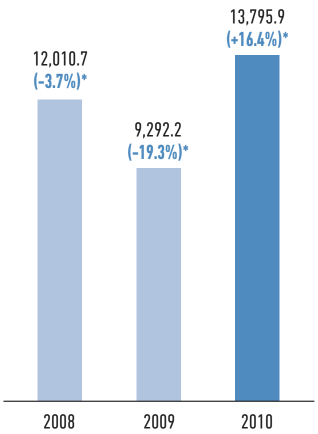
Jacques Mauge
Executive Vice-President, Faurecia Automotive Exteriors

Bruno Montmerle
Executive Vice-President, Group Strategy

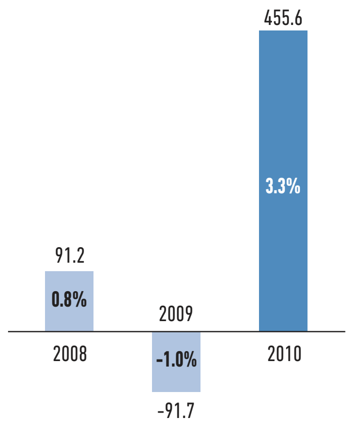
Christophe Schmitt
Executive Vice-President, Faurecia Interior Systems

Jean-Pierre Sounillac
Executive Vice-President, Group Human Resources

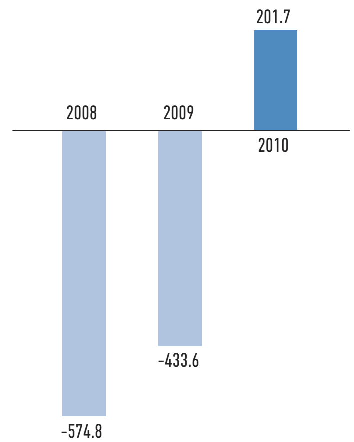
Key figures



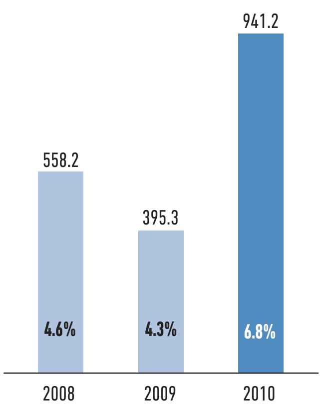
Sales *(in €m)*
** Change on a like-for-like-basis excluding sales of catalytic converters monoliths on a like-for-like basis*



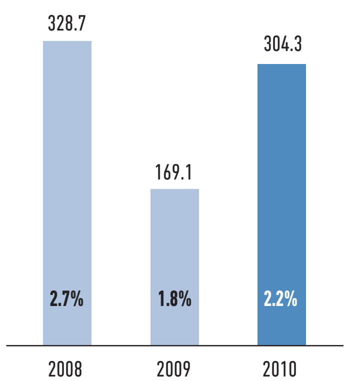
Operating income (1)
(in €m and as a % of sales)



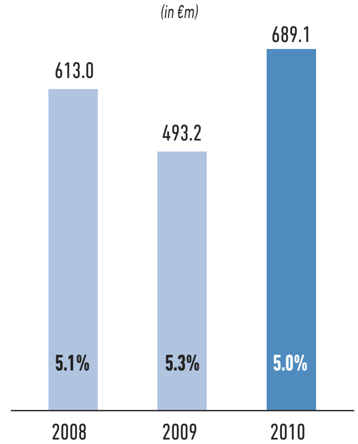
Net income/(loss) attributable to equity holders
(in €m)



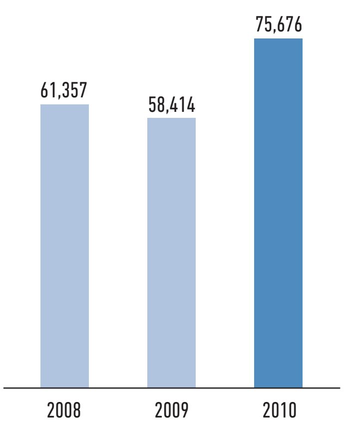
EBITDA (2)
(in €m and as a % of sales)



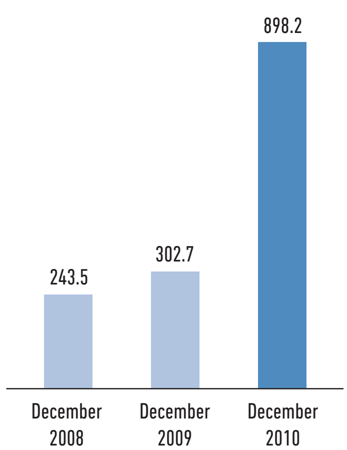
Capital expenditure
(in €m and as a % of sales)



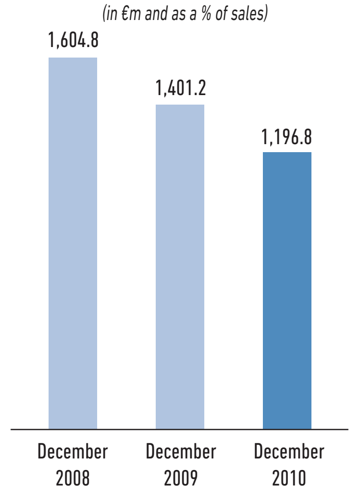
Gross R&D expenditure (3)
(in €m and as a % of sales)



Number of employees



Total equity
(in €m)



Net debt (4)
(in €m)

(1) Definition in Note 1.15 to the consolidated financial statements.
(2) Operating income plus depreciation, amortization and provisions for impairment in value of property, plant and equipment and intangible assets (Note 5.5).
(3) Before capitalized development costs and amounts billed to customers (Note 5.4).
(4) Definition in Note 26.1 to the consolidated financial statements.

2 Business review 2010

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In accordance with Article 28 of European Commission Regulation 809/2004, the following information is incorporated by reference in this Registration Document:

- the consolidated financial statements, the parent company financial statements, the corresponding Statutory Auditors' reports, the comments on the consolidated financial statements and significant events of the year by business, set out respectively on pages 93 to 157, 166 to 189, 158 to 159, 190 to 191 and 8 to 20 of the 2009 Registration Document filed with the AMF on April 28, 2010 under number D. 10-0334;
- the consolidated financial statements, the parent company financial statements, the corresponding Statutory Auditors' reports, the comments on the consolidated financial statements and significant events of the year by business, set out respectively on pages 79 to 139, 147 to 168, 140 to 141, 169 to 170 and 6 to 18 of the 2008 Registration Document filed with the AMF on April 6, 2009 under number D. 09-0200.

2.1. The Faurecia Group

In the first half of 2009, worldwide automobile production fell sharply, then saw a gradual recovery in the second half of the year. This recovery continued in 2010. Annual growth in automobile production in 2010 versus 2009 (in units produced) is estimated at 25% at global level, with figures of 39% for North America, 28% for Asia, and 15% for Europe (source CSM January 2011).

Against this backdrop, Faurecia's consolidated sales totaled €13,795.9 million in 2010, up from €9,292.2 million in 2009. The 2010 figure includes the sales of Emcon Technologies, consolidated from January 1, 2010 (€2,416.1 million), and Plastal Germany and Plastal Spain, consolidated from April 1, 2010 and October 1, 2010 respectively (€386.5 million combined).

The year-on-year growth rate for Faurecia's consolidated sales in 2010 was 48.5% on a reported basis. On a like-for-like basis (2009 figures have been restated to include the sales of Emcon Technologies; 2010 figures exclude Plastal's sales), consolidated sales growth was 17.9% in 2010 versus 2009 (26.9% in the first half; 10.0% in the second).

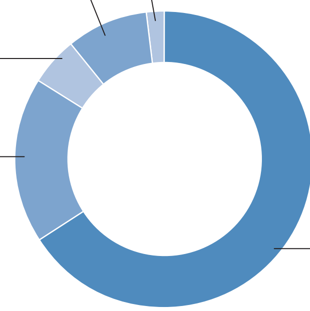
Product sales (deliveries of parts and components to automakers) amounted to €10,695.8 million, up from €7,590.3 million in 2009, an increase of 40.9% on a reported basis. On a like-for-like basis, sales increased by 19.1% (+33.2% in the first half; +7.2% in the second).

Sales of tooling, R&D and prototypes totaled €795.4 million, up 5.8% on a reported basis. On a like-for-like basis, however, these sales were down 10.2% year-on-year. This figure should be seen in the context of an exceptionally high level of invoicing of US automakers in the first half of 2009 before they filed for bankruptcy protection. Thus, after a decline of 30.1% on a like-for-like basis in the first half of 2010, sales of tooling, R&D and prototypes grew by 17.1% in the second half of the year, compared with the same period of 2009.

Sales of catalytic converter monoliths totaled €2,168.1 million, versus €828.4 million in 2009, representing an increase of 161.7% on a reported basis, and 26.7% on a like-for-like basis (30.4% in the first half; 23.3% in the second).

Excluding catalytic converter monoliths, total sales for 2010 came to €11,627.8 million, up by 37.4% on a reported basis from €8,463.9 in 2009 (+16.4% like-for-like).

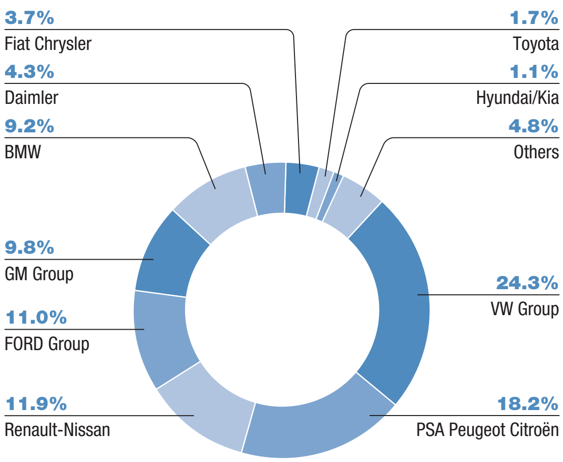
Product sales in 2010 break down as follows by geographic region



- Europe: €7,042.9 million (65.8% of total product sales) versus €5,787.3 million in 2009, up by 21.7% on a reported basis and 9.4% like-for-like. After a surge of 20.5% in the first half of 2010, there was a slight decline in the second six months of the year of 0.7% on a like-for like-basis;
- North America: €1,944.7 million (18.2% of total product sales) versus €921.9 million in 2009, up by 110.9% on a reported basis and 49.2% like-for-like (88.5% in the first half; 22.6% in the second);
- South America: €556.7 million (5.2% of total product sales) versus €281.6 million in 2009, up by 97.7% on a reported basis and 23.2% like-for-like (29.6% in the first half; 18.4% in the second);
- Asia: €967.7 million (9.0% of total product sales) versus €537.3 million in 2009, up by 80.1% on a reported basis and 50.6% like-for-like. In China, sales advanced by 70.9% on a reported basis, and 46.5% like-for-like, to €789.3 million. In South Korea, sales jumped by 92.9% on a reported basis and 66.7% like-for-like, to €121.5 million. In the second half of the year, sales in China were up 62.1% on a reported basis (€428.9 million) and 32.6% like-for-like. Second-half sales in South Korea rose by 79.5% on a reported basis (€64.5 million) and 57.0% like-for-like;

- in other countries, product sales totaled €183.9 million, an increase of 195.7% on a reported basis, and 44.2% like-for-like. These sales were mainly recorded in South Africa.

PRODUCT SALES IN 2010 BY CUSTOMER (%)



Product sales to the Volkswagen Group rose by 20.5% in 2010 to €2,595.7 million on a like-for-like basis, and represented 24.3% of Faurecia's total product sales. In Europe, the rise was 15.5%, thanks mainly to the VW Tiguan and the launch of the new Audi A1 and A8. Growth in North America was 27.0%, and in South America, 20.4%. In Asia, product sales climbed 57.3% compared with 2009, boosted by the success of the Golf and Tiguan platforms.

Product sales to the PSA Peugeot Citroën Group rose by 10.4% in 2010 to €1,950.2 million on a like-for-like basis, and represented 18.2% of Faurecia's total product sales. These sales were driven by growth in Asia (+59.6%, primarily in relation to the Citroën C4) and South America (+55.5%, mainly in relation to the Peugeot 207 and Berlingo/Partner utility vehicles). In Europe, growth was 5.7%.

Product sales to the Renault-Nissan Group represented 11.9% of Faurecia's total product sales. On a like-for-like basis, these sales increased by 19.1% compared with 2009, to €1,274.7 million. They rose 12.4% in Europe and 27.2% in South America (Renault Logan/Sandero). In Asia product sales rose 63.2%, benefiting from the first full year of the L43 program (Samsung SM5/Renault Latitude) and the success of the Nissan Teana in China.

Product sales to the BMW Group came to €982.0 million (9.2% of Faurecia's total product sales). This represented an 8.2% increase on a like-for-like basis. The increase mainly related to North America (+17.8% on the back of the recovery in X5 volumes), while growth in Europe was 3.3%.

Product sales to the Ford Group were €1,179.5 million in 2010, representing 11.0% of Faurecia's total product sales (excluding Volvo, which was sold during the year to Chinese automaker Geely). On a like-for-like basis, sales went up by 14.6%, thanks to the strong recovery in North America (+39.9%).

Product sales to General Motors rose by 44.0% in 2010 on a like-for-like basis to €1,053.2 million (9.8% of Faurecia's total product sales). Despite a considerable fall in Europe (-10.2%), sales also benefited from the recovery in North America (+61.9%), and to a lesser extent, from growth in South America and Asia.

Product sales to Daimler came to €456.6 million (4.3% of Faurecia's total product sales), an increase of 38.8% on a like-for-like basis. The increase was mainly attributable to higher sales in Europe (+38.0%), mainly in relation to the Mercedes S-Class.

In 2010, like-for-like product sales to Fiat/Chrysler and Hyundai/Kia went up 55.0% and 25.6% respectively. Product sales to Toyota fell by 12.0%.

(in € millions)	2H 2009	2H 2010	Chg.(*)	2009	2010	Chg.(*)
Total sales	4,912.1	6,970.0	7.8%	9,292.2	13,795.9	16.4%
Interior modules	3,487.2	3,784.6	4.6%	6,602.6	7,663.8	13.1%
Other modules	1,424.9	3,185.4	15.1%	2,689.6	6,132.1	24.3%
Product sales	4,106.3	5,341.4	7.2%	7,590.3	10,695.8	19.1%
Automotive seating	2,017.4	2,140.5	2.5%	3,707.0	4,343.2	14.5%
Interior systems	1,153.6	1,270.5	5.6%	2,142.6	2,635.7	19.2%
Interior modules	**3,171.0**	**3,411.0**	**3.6%**	**5,849.6**	**6,978.9**	**16.2%**
Emissions control technologies	520.7	1,275.8	21.2%	950.1	2,478.0	31.2%
Automotive exteriors	414.5	654.6	2.1%	790.5	1,239.0	13.8%
Other modules	**935.3**	**1,930.4**	**15.5%**	**1,740.6**	**3,716.9**	**25.8%**

(*) *On a like-for-like basis, excluding catalytic converter monoliths.*

2.2. Interior Modules

Overall sales for the Interior Modules segment came to €7,663.8 million in 2010, up 16.1% on a reported basis. On a like-for-like basis, these sales increased by 13.1% (22.6% in the first half; 4.6% in the second).

Product sales amounted to €6,978.9 million in 2010, up from €5,849.6 million in 2009, an increase of 19.3% on a reported basis. On a like-for-like basis, sales increased by 16.2% (31.1% in the first half; 3.6% in the second).

2.2.1 FAURECIA AUTOMOTIVE SEATING

Sales	Headcount	Sites	Country	R&D Centers
€4,571.3 million	28,587	73	26	8

Automotive Seating generated sales of €4,571.3 million in 2010, up by 14.5% year-on-year on a reported basis and 12.0% like-for-like. Product sales totaled €4,343.2 million versus €3,707.0 million in 2009, up by 17.2% on a reported basis and 14.5% like-for-like. The increase in the second half of the year was 6.1% on a reported basis, and 2.5% like-for-like.

In Europe, product sales rose by 5.3% year-on-year on a reported basis to €3,063.0 million (5.1% like-for-like).

Product sales in Asia totaled €427.3 million, a substantial increase of 71.0% year-on-year on a reported basis, with a 59.0% increase in the second half of 2010 compared with the same period of 2009. On a like-for-like basis, sales increased by 61.0% year-on-year (43.1% in the second half of the year).

In North America, product sales increased by 51.5% year-on-year to €635.8 million on a reported basis (41.7% like-for-like), with a 21.3% increase in the second half (8.9% like-for-like).

In South America, product sales amounted to €201.1 million in 2010, up by 68.2% year-on-year on a reported basis (46.7% like-for-like). In the second half of the year, the increase was 59.6% on a reported basis and 41.6% like-for-like.

The rise in product sales in the first half concerned all customers but particularly Renault-Nissan and VW, boosted by the growth in China, and GM and Chrysler, thanks to the growth of the North American market. The deceleration of the rise in Europe in the second half affected all carmakers.

During 2010, volume production started up for the Audi A1, the Peugeot 408 in China and 508 in Europe, the VW Sharan in Europe and the Amarok in Argentina, for which Faurecia supplies complete seat units. The year also saw the continuation of the worldwide rollout of front seating frame platforms developed and produced by Faurecia Automotive Seating for Nissan, General Motors, Volkswagen and PSA with new applications in Europe, North America, South America and Asia. These new generation standard frames (which are now fitted in more than 50 different models) have helped Faurecia bolster its leading position(*) in the market for international seating platforms. During the year, Faurecia managed more than 40 complete seat and seating frame programs in total and delivered over 150 million seating components and sub-assemblies, including mechanisms, front and rear frames, covers, foam components and headrests, integrated into over five million complete seat units.

Sales and marketing activities were again strong in 2010, with a record number of new program wins both for complete seat units and seating frames. Over 50% of this new business was won for new vehicles or following a bid process, which led to Faurecia capturing further market share. In North America and China the main growth drivers were VW, BMW, Daimler and Nissan, enabling the Group to spread its sales more evenly between geographic regions in the medium term. New market share was won from the competition in international frame platforms and seating mechanisms at PSA, VW, BMW and Renault-Nissan, strengthening Faurecia's position on these segments. The main contract renewals during the year concerned PSA and VW in Europe for both complete seat units and seating frames. Faurecia's Automotive Seating business now ranks number three worldwide for complete seat units and number one for frames and mechanisms(*).

(*) *Source: Faurecia*

During the year the Group continued to streamline its manufacturing base, closing five facilities in Europe. The Group had 73 factories (including 33 just-in-time sites) located in 26 countries. The process to transfer all of the mechanism production and R&D units from Flers to the new Caligny site continued and is expected to be concluded in 2011.

At the start of 2010 Faurecia Automotive Seating opened its new technical and commercial office in Seoul, enabling it to improve its service for Korean manufacturers. Several pre-development projects were launched with Hyundai-Kia and Renault-Samsung.

Innovation is still a key priority for Faurecia Automotive Seating, with a particular focus on "Premium" solutions, lighter-weight products and standardization. The acquisition of Hoerbiger's seat comfort business in the second half of the year is part of the strategy to bolster Group's portfolio of innovative technologies with high added-value. It complements the Safety and Comfort Modules product line with series production applications and new developments with the premium German manufacturers.

Reducing the weight of products remains a key requirement of automakers and has become an essential element of the product development process. Faurecia offers innovative solutions combining new materials with optimal design concepts that can lighten the weight of each seat unit by several kilograms. Lastly, during the year, Faurecia Automotive Seating pursued its policy of extending standardized solutions to all non-visible seating components – including joints, seat rails, front and back frames, and headrests – enabling development and production costs to be scaled back.

A new generation of seating mechanisms (joints, seat rails, and pump handles) weighing over 30% less has been developed and put on the market. These new mechanisms are now part of the standard range of Faurecia Automotive Seating and are incorporated into all new frame projects.

At K-Fair, the international plastics and rubber fair in Düsseldorf in October, Faurecia Automotive Seating presented its all plastic front seat innovation developed in partnership with BASF, and at the Los Angeles Motor Show in November the Group presented its new SmartFit automatic comfort control slim seat. The automobile community has taken a keen interest in these two major innovations, which aim to reduce weight and improve comfort through the use of cutting edge technologies.

Overall, the Automotive Seating business devoted 2.7% of its sales figure to research and development and 66 new inventions were filed in 2010, representing a total of 103 patents and bringing the total number of active patents to 1,890. Furthermore, some 20 events dedicated to informing customers about new solutions and concepts were organized worldwide.

2.2.2. FAURECIA INTERIOR SYSTEMS

Sales	Headcount	Sites	Country	R&D Centers
€3,092.6 million	21,008	67	21	5

Faurecia Interior Systems sales totaled €3,092.6 million in 2010, up 18.4% on a reported basis and 14.9% at constant exchange rates. Product sales in 2010 totaled €2,636 million compared with €2,142 million in 2009, up 23% (19.2% at constant exchange rates).

Product sales in Europe came to €1,804 million in 2010, up 11.3% (10.7% at constant exchange rates). After very strong growth in the first half (about 26%), the second half has shown a stabilization of sales, consistent with the upturn in the auto business in the second half of 2009.

In North America, product sales came to €479 million in 2010, up 62.6% (51.3% at constant exchange rates). In the first half, the progression was 90.1%, once again exceeding 2008's level; the second half ended with a 43.7% rise. This strong rise is not only down to the upturn in the US automobile market, it is also due to the increased momentum of the new Chevrolet Malibu and Jetta programs from General Motors and Volkswagen respectively.

In Asia, the Interior Systems business continued along the growth path, especially in China with product sales advancing 57.7% to €138 million in 2010 (46.2% at constant exchange rates).

Product sales in South America in 2010 rose to €163 million, up 49.8% (29.6% at constant exchange rates), notably with good performances from the Peugeot and General Motors accounts.

This was another particularly eventful year in terms of production launches. In Europe there were manufacturing start-ups for instrument panels for the Peugeot 508, Ford Focus, Volvo S40/ V40 S60/V50, Volkswagen New Sharan and Polo (on emerging markets) and the Mercedes Smart, door panels for the Citroën C4 and Ford Focus, and acoustic interiors for the Peugeot 408, Ford New C-Max and the Opel Meriva. North America started production of the Cadillac CTS coupé and Ford Fiesta as well as door panels for the Volkswagen Jetta. South America started production of instrument panels for the Peugeot 308 and Citroën C3. Production of the Ford Fiesta instrument panel also started in Asia during the year.

New contract wins reached a very satisfactory level in 2010, continuing the gains in market share for the Interior Systems business, which maintained its position of European and world leader on the instrument panels and door panels markets(*).

In China, on July 2, 2010 Faurecia Interior Systems concluded a strategic alliance with the Geely and Limin groups with a view to the development, production and delivery of Interior Systems to all Geely brands in China; this alliance involves the creation of several ventures which will be jointly held by Faurecia, Limin and Geely and which will supply the five new Geely plants currently under construction. In October, in Chongqing, Faurecia also signed an agreement with Guangneng, a Chinese supplier of plastic parts, for the creation of a joint-venture within the framework of the Interior Systems activity; the new company will initially concentrate on plastic injection and door panel manufacture activities, with Faurecia maintaining production of instrument panels and cockpits. Guangneng will also start gradually producing injection tools, under Faurecia's supervision. Finally, a partnership agreement was signed in June with the Xuyang group, which will help support FAW's growth in the Changchun region.

The acquisition in 2010 of Incalplast in Spain enabled Faurecia Interior Systems to consolidate its position as a manufacturer of injected plastic components. Finally, the acquisition of part of the activity of the Visteon France plant, in La Touche Tison, significantly strengthens the leading position(*) of the Interior Systems business in the Rennes region for the group's client PSA.

The Interior Systems business also pursued its rollout of the Faurecia Excellence System (FES), leading to a major shift in its manufacturing performance. This improvement has been recognized by several of the group's clients. Volkswagen awarded its 2010 Group award to Faurecia Interior Systems; Ford Motor Company confirmed Faurecia Interior Systems as one of its ABF (Aligned Business Framework) suppliers and Nissan Europe awarded its "Nissan Europe Quality Award" to our plant in Ourense, Spain.

The year was also fruitful in terms of innovation, with the business filing 108 patents in 2010. The product strategy is now structured around eight main lines of innovation: reduction of costs, surfaces, trim, weight, sustainable development, comfort, safety and service.

Finally, the SAS joint venture with Continental, which is specialized in just-in-time fitting and delivery of full cockpit modules with electronics and circuitry built into the instrument panel (and which is world leader in this activity(*)), enabled Faurecia to deliver 4 million modules - including a significant proportion of Faurecia products – to its customers in 2010. Further information on this company is provided in Note 13 to the consolidated financial statements.

(*) *Source: Faurecia*

2.3. Other modules

Overall sales for the Other Modules segment came to €6,132.1 million in 2010, up 128.0% on a reported basis. On a like-for-like basis, and excluding catalytic converter monoliths, sales in this segment increased by 24.3% (35.2% in the first half; 15.1% in the second).

Product sales amounted to €3,716.9 million in 2010, up from €1,740.6 million in 2009, an increase of 113.5% on a reported basis. On a like-for-like basis, and excluding sales of catalytic converter monoliths, sales increased by 25.8% (38.0% in the first half; 15.5% in the second).

2.3.1 FAURECIA EMISSIONS CONTROL TECHNOLOGIES

Sales	Employees	Sites	Country	Development center
€4,781.4 million	16,000	65	23	10

Emissions Control Technologies generated total sales of €4,781.4 million in 2010, up by 161.8% on a reported basis and 28.6% like-for-like. Product sales (excluding catalytic converter monoliths) totaled €2,478 million in 2010, an increase of 161% on a reported basis and 31% like-for-like. The acquisition of Emcon Technologies at the turn of the year contributed to this significant increase in sales. This acquisition increased Faurecia Emissions Control Technologies' presence on the fast-growing North American and Asian markets. It also strengthened the R&D potential in new technologies and expanded this business' customer portfolio. Moreover, Emcon Technologies allowed Faurecia Emissions Control Technologies to enter the exhaust systems for commercial vehicles market.

For the first half of the year, sales excluding catalytic converter monoliths showed a 40% increase on the previous year, totaling €1,263 million, of which €625 million was attributable to the acquisition of Emcon Technologies. Total sales (including catalytic converter monoliths) amounted to €2,318 million, of which €1,153 was attributable to Emcon Technologies, representing growth of 36% compared with the first half of 2009.

For the second half of the year, product sales excluding catalytic converter monoliths were up 30% on the previous year, coming to €1,276 million, of which €649 million was attributable to the acquisition of Emcon Technologies. Total sales including catalytic converter monoliths amounted to €2,463.7 million, of which €1,263 was attributable to Emcon Technologies, representing growth of 31% compared with the second half of 2009.

By geographic region, product sales (excluding catalytic converter monoliths) rose by 100% in Europe (19% like-for-like), by 316% in North America (53% like-for-like) and by 101% in Asia (42% like-for-like).

For Faurecia Emissions Control Technologies, 2010 was marked by the start of volume production for the Ford Mustang and the new Grand Cherokee Jeep in North America, 1.6l 16V flexfuel Citroën Air Cross in South America and launches for customers such as VW, GM, PSA and Ford in China. In addition, Faurecia developed its relationships with Chinese customers and enjoyed several successful launches this year, with Chery, Chang An and GuangZhou Auto.

On the European market, Faurecia Emissions Control Technologies demonstrated its ability to manage programs for global platforms. At Renault-Nissan, delivery of the complete system for the new premium model, marketed under the name of Renault Latitude in Europe and Samsung SM5 in Korea, is an example for which Faurecia successfully adjusted its products to the expectations of the various markets. Faurecia Emissions Control Technologies also demonstrated its expertise on global platforms thanks to a number of successful launches on the Ford B and new Volkswagen Polo platforms.

The year also saw a strong increase in acquisitions of orders and new contracts for complete systems and components. More than 50 new programs were assigned to Faurecia Emissions Control Technologies. One-third of these are located on developing markets, particularly Brazil, Russia, India and China.

Faurecia Emissions Control Technologies is present on all automotive markets worldwide, with an overall manufacturing presence covering 65 sites and 10 R&D centers. During 2010, Faurecia secured its presence in Russia, a market in which Faurecia expects strong growth over the next few years. In June, Faurecia began the production of emission control systems and complete exhaust lines in its own plant in Kaluga, intended for vehicles produced in Russia by its Volkswagen, Škoda, Citroën, Peugeot, GM and Ford customers. A new plant, in a joint venture with Metalloprodukcia, of which Faurecia is the majority shareholder, was also opened in Togliatti. Within the next two years, this new joint venture will also begin to deliver emission control systems for Renault and Nissan vehicles. In 2012, Faurecia's production capacity in Russia will allow it to equip around 500,000 vehicles per year.

In China, Faurecia Emissions Control Technologies strengthened its leading position(*) and opened a new plant in Chengdu and a "just-in-time" facility in Guangzhou.

In terms of innovation, Faurecia Emissions Control Technologies developed new technologies in the reduction of diesel emissions, energy recovery and weight reduction.

2.3.2. FAURECIA AUTOMOTIVE EXTERIORS

Sales	Employees	Sites	Country	R&D Centers
€1,350.7 million	5,494	23	12	5

Automotive Exteriors sales increased by 56.4% to €1,350.7 million in 2010. After a rise of 45.8% in the first half of the year, business grew by 14.1% in the second half. Product sales amounted to €1,239 million. Product sales rose by 56,7% over the year, 48.7% in the first half and 11.4% in the second.

The year 2010 was marked by the acquisition of Plastal GmbH in April followed by the buyout of Plastal Spain in October. This transaction, which was approved by the European Commission, was made possible thanks to the support of Faurecia's customers and has now allowed the Automotive Exteriors business to become the leader(*) in Europe, with a market share of 25%. This acquisition not only strengthens the customer portfolio - expanding it from five to nine major customers - but now provides access to premium automakers (Mercedes, BMW, Audi, and Porsche).

Moreover, this new customer portfolio allows the company to enhance its international presence. Indeed, during the second half of the year, the Automotive Exteriors business confirmed the order of bumpers for the future Audi A6 for FAW-VW in China. Within this context, a joint venture agreement was signed with the Huaxiang Group for a plant located in Changchun (China), where production will begin in early 2011.

Several launches took place in 2010, including the front end modules of the new Audi A6 and the bumpers of the VW Touran, BMW 5 series, Citroën C4 and Peugeot 508.

Innovation work in 2010 focused on a number of key areas, principally weight reduction. The research work that succeeded in bringing about series production applications focused in particular on "Torsional Welding", a new industrial assembly process developed with a view to reducing the thickness of panels without degrading the high level of perceived quality and implemented for the first time on the Audi A7; the "Magnesium – PA hybrid front end", which enabled a weight saving of 40% whilst meeting the extreme high-temperature constraints of parts under the engine hood, implemented on the Audi A6 and Audi A7; the plastic mini-tailgate, also the fruit of weight reduction work and design / simulation expertise and in production on the Ford Kuga; and, finally, for the "Motor-fan" business, the "large diameter" solution, launched in production in 2010 on the Peugeot RCZ to improve acoustic performance.

The Automotive Exteriors business now has a total of 23 plants: 21 in Europe and two in the United States. The R&D centers are located in Audincourt, France, Weissenburg and Gaimersheim, Germany, Barcelona, Spain and Auburn Hills, United States.

(*) *Source: Faurecia*

3

Results of operations and financing

CONTENTS

3.1. Results of operations

3.1.1. OPERATING INCOME

The Group reported operating income of €455.6 million (3.3% of sales) in 2010, compared with an operating loss of €91.7 million in 2009.

In the second half of 2010, operating income was €239.1 million (3.4% of sales), up from €216.5 million (3.2% of sales) in the first half of the year, representing a significant increase compared with the same period of 2009, when operating income was €95.6 million (1.9% of sales).

The increase of €144 million in operating income in the second half of 2010 compared with the same period of 2009 is chiefly attributable to four factors:

- growth in sales volumes, with the additional contribution estimated at €60 million;
- an improvement in the variable operating margin, thanks to action taken in respect of industrial and commercial productivity and the start of new contracts. The variable operating margin came to 26.3% in the second half of 2010, compared with 24.8% in the second half of 2009. The impact on the improvement in operating income is estimated at €58 million;
- the contribution to operating income of acquisitions made in 2010 was €32 million, comprising €21.4 million in relation to Emcon and €11 million in relation to Plastal Germany and Plastal Spain;
- fixed costs remained stable.

The increase of €547 million in operating income in 2010 compared with 2009 is attributable to the same factors:

- growth in sales volumes, contributing €314 million;
- an improvement in the variable operating margin, contributing €188 million;
- new acquisitions, contributing €51 million (Emcon: €32 million; Plastal: €19 million).

The variable operating margin improved by 2.1% over the year to 25.8%.

The trend for individual business segments was similar to that for the Group as a whole:

- operating income for the Interior Modules segment was €255.1 million (3.3% of sales), compared with an operating loss of €130.3 million in 2009;
- the Other Modules segment posted operating income of €200.5 million (3.3% of sales), compared with €38.6 million in 2009.

Gross R&D expenditure amounted to €689.1 million and represented 5% of sales, versus €493.2 million in 2009 (5.3% of sales). This increase came to 17% like-for-like. This expenditure originated from the development activity generated by the high number of orders placed in 2009 and 2010.

Excluding amounts billed to customers and capitalized expenses, R&D costs totaled €303.2 million, corresponding to 2.2% of sales, versus €207.9 million in 2009 (2.2% of sales).

Selling and administrative expenses amounted to €443.8 million and represented 3.2% of sales, versus €335.9 million in 2009 (3.6% of sales). Two-thirds of the increase in absolute terms relates to the integration of Plastal and Emcon.

EBITDA – which corresponds to operating income before depreciation, amortization and provisions for impairment in value of property, plant and equipment and capitalized development costs – amounted to €941.2 million (6.8% of sales) compared with €395.3 million (4.2% of sales) in 2009. The increase in EBITDA related essentially to the growth in operating income.

3.1.2. NET INCOME

The item "Other operating income" totaled €87.2 million. It comprises profit from bad will related to the acquisition of Plastal Germany and Plastal Spain of €84.3 million. Plastal Germany and Plastal Spain were acquired for the total sum of €49.9 million, whereas the fair value of these companies' net assets acquired totaled €134.2 million.

The item "Other operating expense" totaled €123.2 million in 2010, including €117.0 million relating to restructuring costs. The latter mainly relate to the restructuring of activities in France (€32.9 million), Germany (€59.3 million) and Spain (€14.1 million). These costs concern the implementation of the restructuring plans elaborated in 2009, with the aim of adapting production facilities in Europe to the new market conditions, and generating synergies from the integration of Emcon's activities. The costs also include expenses relating to the redundancy of 2,776 employees.

Cash financial income totaled €8.1 million versus €12.3 million in 2009. Finance expense totaled €98.7 million versus €135.3 million in 2009. The drop in finance costs relates to the reduction in average borrowing costs to 4.54% in 2010, from 5.41% in 2009, and to the lower average borrowings figure. The drop in average borrowing costs relates to the withdrawal of the higher rate of interest charged on the Group's main line of credit when the debt ratio exceeded the contractual limits for this credit facility in June 2009, due to the losses recorded in the first half of the year following the significant contraction in activity (Net debt/EBITDA >3.5). This ratio has improved considerably, moving from 2.14 at end-2009, to 1.75 at end-June 2010, and 1.32 at end-2010.

"Other financial income and expense" amounted to €25.6 million compared with €43.9 million in 2009. The lower net expense figure reflects a reduction in translation adjustments on borrowings, from €14.8 million in 2009 to €4.0 million in 2010, and an increase in the value of interest rate hedging instruments from -€6 million in 2009 to +€3.6 million in 2010.

The tax charge for 2010 was €89.8 million, versus €35.9 million in 2009.

After minority interest of €30.7 million, the Group reported net income for the year 2010 of €201.7 million, versus a net loss of €433.6 million in 2009.

The net earnings per share figure was €1.87, compared with a net loss per share of €6.85 in 2009.

3.2. Financial structure and net debt

The 2010 financial year was characterized by a sharp recovery in Faurecia's financial position.

Net cash flows corresponding to changes in net debt, restated for changes in sales of derecognized trade receivables and in debt related to the acquisition of the new Plastal and Emcon businesses, and excluding the impact of changes in exchange rates for debt in foreign currencies, represented a net cash inflow of €222 million, made up of €137 million in the first half of the year and €85 million in the second half, compared with a net cash outflow of €168 million in 2009 and a neutral cash flow in the second half of 2009.

The net cash flow balance of €222 million over the year is attributable to the following:

- the EBITDA came to €941 million, showing a strong increase on 2009 when it amounted to €395 million;
- a stable working capital requirement which, restated for sales of derecognized trade receivables, fell by €1 million compared with a reduction of €122 million in 2009 in a context of reduced activity;
- restructuring represented cash outflows of €109 million, compared with €166 million in 2009;
- financial expenses represented cash outflows of €98 million, compared with €136 million in 2009;
- additions to property, plant and equipment represented cash outflows of €278 million, compared with €194 million in 2009;
- capitalized development costs represented cash outflows of €154 million, compared with €104 million in 2009;
- taxes represented cash outflows of €100 million, compared with €32 million in 2009;
- finally, other cash items represented a cash inflow of €22 million, compared with outflows of €53 million in 2009.

The net cash flow balance of €85 million over the second half of 2010 is attributable to the following:

- the EBITDA came to €481 million;
- the working capital requirement, restated for changes in outstanding amounts under receivables sales programs, rose by €12 million;
- restructuring represented cash outflows of €52 million;
- finance costs represented cash outflows of €47 million;
- additions to property, plant and equipment represented cash outflows of €153 million;
- capitalized development costs represented cash outflows of €85 million;
- taxes represented cash outflows of €75 million;
- finally, other items represented a cash inflow of €28 million.

The acquisition of Emcon led to a net debt increase of €41.2 million, representing the debt taken over on the acquisition date.

The acquisition of Plastal Germany and Spain led to a net debt increase of €49.4 million, €26.4 million of which corresponds to the payment of assets and €23 million to the assumption of asset leasing debts.

These two transactions therefore represented a total net debt increase of €90.6 million.

Changes in exchange rates for debt in foreign currencies had a negative impact of €13.8 over the year. Over the second half of the year, there was a positive impact of €15 million.

Trade receivables sold and derecognized rose over the year by €87.2 million, from €290.7 million to €377.9 million. This increase was due mainly to the growth in sales. Receivables under these programs increased by €61 million over the second half of the year.

Net debt over the year fell by €204.4 million, from €1,401.2 million at the end of 2009 to €1,196.8 million at the end of 2010. Over the second half of 2010, net debt fell by €151.7 million.

The Group's shareholders' equity rose sharply owing to net income and the contribution from Emcon's business, increasing from €256.9 million at the end of 2009 to €810.5 million at the end of 2010.

3.3. Strategic development

In addition to the consolidation of Emcon and Plastal, the other main external growth transactions and strategic agreements were the following:

Two transactions were completed in China:

- on June 30, 2010, Faurecia signed an agreement with the Chinese auto parts maker Xuyang, based in Changchun (China), with a view to:
    - acquiring an 18.75% stake in Xuyang,
    - expanding the scope of the Changchun Faurecia Xuyang Automotive Seat Co, Ltd. JV to include the manufacture of complete seat units,
    - creating a new entity, the capital of which is shared by Faurecia (60%) and Xuyang (40%), specializing in the vehicle interiors business and which will take control of the plant's activity,
    - creating a new entity for acoustic modules and interior trim held by Faurecia (40%) and Xuyang (60%).

Xuyang's sales should amount to €150 million for 2010, with a target of €400 million in sales for 2015.

The joint ventures as a whole aim to generate a total of €300 million in sales in 2015.

The total investment for these transactions was €11 million in 2010.

- on July 2, Faurecia finalized a strategic alliance with Chinese automaker Geely and auto parts supplier Limin to develop, manufacture and deliver interior and exterior automotive systems for all of Geely's brands in China. The first investments made will be determined according to the progress of the customers' projects.

In the field of seating systems, on October 26 Faurecia signed an agreement to acquire Hoerbiger Automotive's seat comfort business. This company develops and manufactures pneumatic seat comfort systems for the premium brand segment. This business generated sales of €20 million in 2009. It forms part of the company's policy to strengthen the technological content of its seating systems. The acquisition was finalized on December 23, 2010, for the amount of €7 million.

In the field of Vehicle Interiors, on November 23, 2010 Faurecia signed an agreement with a view to acquiring the businesses of Angell-Demmel Europe Gmbh, the world leader in metal automotive interior trim parts. This business, which employs almost 800 people, generated sales of €55 million with the leading German automakers over the first nine months of 2010. Faurecia has thus strengthened its presence in relation to premium German customers and expanded its range of technology and products in the field of vehicle interiors. The acquisition was completed on January 17, 2011, for an acquisition price of €12 million (excluding tooling).

Finally, on January 17, 2011, Faurecia acquired a 21.2% stake in the capital of Amminex, a Danish technology company with leading edge expertise in the treatment of nitrogen oxides and the inventor of the Ammonia Storage and Delivery System (ASDS). This strategic acquisition represented an investment of €19.6 million. The contribution of this technology, associated with Faurecia's recognized development and industrial expertise, will lead to another breakthrough in diesel emissions control.

3.4. Outlook

Faurecia will continue to implement its strategy based on six priorities:

1. Concentrate on its four key businesses;
2. Continually improve operational performance;
3. Support global automakers & global programs;
4. Increase its technological leadership role;
5. Accelerate Asian development;
6. Remain attentive to possible consolidation opportunities.

Faurecia is expecting 2011 worldwide light vehicle production to grow between 6.5% and 7.0% with production in Europe expanding by 3.0% to 4.0%.

On that basis, Faurecia's objectives for 2011 are as follows:

- total sales comprised between €14.8 billion and €15.3 billion;
- operating income between €580 million and €640 million;
- net Cash Flow in excess of €200 million.

3.5. Risk factors

3.5.1. INDUSTRIAL AND ENVIRONMENTAL RISKS

3.5.1.1. Dependence on the automotive sector

Specializing in the manufacture of original equipment for its automaker customers, the activity of the Faurecia Group is directly related to the vehicle production levels of these customers in their markets. The cyclical nature that characterizes its customers' business can have a significant impact on the Group's sales and results. The level of sales and automobile output for each of Faurecia's customers depends on numerous parameters, notably the general level of consumption of goods and services in a given market; confidence levels of economic players in that market; the availability of credit for vehicle purchases; and possibly governmental aid programs (such as the recent financial support provided to the automotive sector and incentives introduced for the purchase of vehicles).

Thus, the Group's sales are directly linked to the performance of the automotive industry in the major geographic regions where Faurecia and its customers operate (see Note 4.3. to the consolidated financial statements), especially in Europe (64.8% of consolidated sales in 2010) and North America (18.1% of consolidated sales in 2010).

The main risk for Faurecia is related to the fact that its business levels depend on the commercial success of the models for which it produces components and modules, and at the end of the life cycle of a model, to the uncertainty of whether its products will be taken up again for the replacement model. In addition, the orders placed with the Group are open orders without any guarantees of minimum volumes and are generally based on the life of the vehicle model concerned.

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

3.5.1.2. Customer risk

Faurecia is exposed to credit risk, notably the risk that its automaker customers will default or go bankrupt in the event of financial difficulties.

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

The Group's exposure to customer credit risk is attenuated by the structure of its customer portfolio. In 2010, Faurecia's five largest automaker customers accounted for 75.2% of product sales as follows: Volkswagen 24.3%, PSA 18.2%, Renault-Nissan 11.9%, Ford 11%, and GM 9.8%.

As of December 31, 2010, past-due payments represented less than 0.5% of consolidated sales for the year. Additions to provisions for doubtful customer accounts totaled €7.7 million.

3.5.1.3. Supplier risk

The Group uses a large number of suppliers based in different countries for its supplies of raw materials and basic parts. In 2010, out of a total of some €6,064 million worth of production goods purchased from around 3,000 main suppliers, Faurecia's ten largest partners combined accounted for 35% of the purchased goods and 15.5% of consolidated sales.

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

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

3.5.1.4. Commodity risks

The Group's operating and net income can be adversely affected by changes in the prices of the raw materials it uses, notably steel and plastics.

To the extent that the Group's sale contracts with customers do not include price indexation clauses linked to the price of its raw materials, Faurecia endeavors to reduce its risk exposure to unfavorable fluctuations in commodity prices by continually negotiating conditions with customers and strictly managing inventories. Faurecia does not use derivatives to hedge its purchases of raw materials or energy.

The proportion of purchases of steel and plastics managed directly by the Group represented a moderate 7% of consolidated sales in 2010.

If commodity prices were to rise steeply, Faurecia could not guarantee that it would be able to pass on all of such price increases to its customers, which could have an unfavorable impact on the Group's sales, results and overall financial position.

3.5.1.5. Risks related to order volumes

As a components producer and components and systems assembler for the automotive industry and given the high volumes that its customers order, Faurecia constantly has to adapt its business activity to its customers' demands in terms of their supply chain, production operations, services and R&D. If Faurecia or one of its suppliers were to default at any stage of the manufacturing process, it could be held liable, notably for breaching its contractual obligations or for any technical problems that may arise. The Group could also be required to make certain investments, particularly in tooling and research, which may not be offset by customer order volumes. This is due to the fact that the financing of research and development costs can be paid upfront or at the end of the development period, or as the parts are delivered, with no guarantee from the customer that it will pay for the full amount of expenditure incurred.

Volume risk analyses are carried out twice a year with each customer, during which issues relating to price renegotiations and the amount of outstanding research and development costs are addressed. The relevant contracts sometimes contain clauses concerning the renegotiation of research and development financing. Any difference between forecast and actual sales figures for customers represents a direct risk for the business levels of all of the Group's production facilities.

3.5.1.6. Environmental risks

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

To date there have been no major cases of loss or damage caused to third parties as a result of accidental environmental harm. However, the related risks are covered by an insurance policy taken out with a leading insurer specialized in the area.

3.5.1.7. Risks related to the Company's external growth strategy

As part of its external growth policy, the Company has made, and plans to make, acquisitions of varying sizes, some of which have and may yet be significant in a Group-wide sense.

These acquisitions entail risks, such as:

- the hypotheses of the business plans on which valuations are made may not be verified, especially concerning synergies and assessments of commercial demand;
- Faurecia may not succeed in integrating the acquired companies, their technologies, product ranges and salaries;
- Faurecia may not be in a position to retain some employees, customers or key suppliers of the acquired companies;
- Faurecia may be forced or wish to terminate pre-existing contractual relationships with costly and/or unfavorable financial conditions; and
- Faurecia may increase its debt with a view to financing these acquisitions or refinancing the debt of the acquired companies. As a result, the benefits expected from future acquisitions or those already made may not be confirmed within the expected time frames and/or levels and, consequently, may affect the financial position of the Faurecia Group.

3.5.2. FINANCIAL RISKS

Given its level of debt, the Group is exposed to significant risks related to liquidity and changes in interest rates. It is also exposed to currency risks as its production sites are located in a large number of countries outside the euro zone. Faurecia's counterparty risk in relation to its derivatives is not significant as the majority of its derivatives are set up with leading banks with strong ratings that form part of its banking pool. The Group Finance and Treasury Department authorizes any new banking relations and the opening of accounts.

Generally, interest rate and currency risks are managed centrally for the Group as a whole by the Corporate Finance Department.

3.5.2.1 Interest Rate Risks

Before taking into account the impact of interest rate hedges, 80.1% of the Group's borrowings were at variable rates as of December 31, 2010, compared with 80.9% as of year-end 2009. Variable-rate debt mainly corresponds to the Group's €1,170 million syndicated credit facility and the €250 million loan from Peugeot SA, which were both set up on November 28, 2008. The main component of the Group's fixed-rate debt comes from the 2009 issue of OCEANE bonds convertible into and/or exchangeable for new or existing shares.

Faurecia manages the hedging of interest rate risks on a central basis. This management is handled by the Group Finance and Treasury Department, which reports to Group General Management. Hedging decisions are made by a Market Risk Management Committee that meets on a monthly basis.

The aim of the Group's interest rate hedging policy is to reduce the impact of short-term rate changes on earnings, as the majority of its borrowings are at variable rates. The hedges set up primarily comprise euro-and dollar-denominated caps and other optionbased structures as well as, to a lesser extent, swaps. These hedges cover some of the borrowings due in 2011 and 2012 against a significant rise in rates. The Group's interest rate position with respect to the different types of instruments used is presented in Note 30.2 to the consolidated financial statements.

In view of the short-term rates in 2010, despite a moderate increase in the second half of the year, a number of the Group's option-based interest rate hedges are out of the money. A rise in short-term rates would therefore have an impact on financial expense. In addition, a fluctuation in interest rates would affect "Other financial income and expense" due to the resulting change in the fair value of derivatives set up to hedge interest payable in 2011 and 2012.

The sensitivity tests performed, assuming a 100 basis point increase or decrease in average interest rates compared to the yield curve as of December 31, 2010 show that the positive or negative effect on financial expense can be estimated at €10 million, taking into account the profile of the Group's debt and derivatives in place as of December 31, 2010.

3.5.2.2. Currency Risks

Faurecia is also exposed to risks arising from fluctuations in the exchange rates of certain currencies, particularly due to the location of some of its production sites as well as the fact that certain subsidiaries purchase raw materials and other supplies or sell their products in a currency other than their functional currency.

The sensitivity of the Group's income and equity as of December 31, 2010 to changes in exchange rates of transaction currencies used by Group subsidiaries other than their functional currency (with all other variables remaining constant) are as follows:

(in millions of euros)

Currency	USD	CZK	CAD	MXN	GBP	PLN	ZAR
	1.34	**25.06**	**1.33**	**16.55**	**0.86**	**3.98**	**8.86**
Currency fluctuation scenario (depreciation of currency/EUR)	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Exchange rate after currency depreciation	**1.40**	**26.31**	**1.40**	**17.37**	**0.90**	**4.17**	**9.31**
Impact on pre-tax income	(0.21)	(0.09)	(1.80)	(0.85)	0.02	0.51	(0.88)
Impact on equity	1.07	(1.24)	0.01	0.16	(0.10)	(3.12)	0.00

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

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

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

Subsidiaries outside the euro zone are granted inter-company loans in their operating currencies. Although these loans are refinanced in euros and eliminated in consolidation, they contribute to the Group's currency risk exposure and are therefore hedged through swaps.

Details of net balance sheet positions and a breakdown of hedges by currency are provided in Note 30-1 to the consolidated financial statements.

3.5.2.3. Liquidity Risks

Since November 28, 2008, Faurecia has had access to an €1.42 billion credit facility.

Further details on the Group's debt are provided in Note 26 to the consolidated financial statements.

This facility comprises a syndicated bank loan of €1.17 billion and a €250 million loan from Peugeot SA. The two loans are correlated so that the drawdowns made by Faurecia on the Peugeot SA loan are proportionate to those made on the syndicated bank loan, based on the same rates and periods.

The overall facility is divided into a €710 million tranche expiring in November 2013; a €20 million tranche expiring in November 2011, and a €690 million tranche expiring in November 2013 following the option taken by the banks and PSA to extend a tranche originally expiring in November 2011 to November 2013.

As of December 31, 2010 the undrawn portion of this credit facility amounted to €613 million.

The contracts relating to the credit facility include covenants, notably a change of control clause relating to Peugeot SA and provisions concerning compliance with consolidated financial ratios. In addition, the contracts stipulate that any asset disposal representing over 15% of the Group's total consolidated assets requires the prior approval of banks representing two-thirds of the syndicated credit facility.

In March 2009, all the participating banks signed an addendum to the loan contract providing for temporary amendments to the financial covenants from June 30, 2009 through December 31, 2010. Faurecia obtained a similar agreement from its majority shareholder Peugeot SA providing for the same amendments to the financial covenants contained in the shareholder loan contract.

These agreements include the new ratios indicated below as well as a Faurecia's commitment to maintain total net debt below €1,800,000,000, which is a suitable amount. The ratios applicable under the amended financial covenants are as follows:

Test date	Net debt/EBITDA	EBITDA/Net financial expense
December 31, 2010	4:1	4.25:1
From June 30, 2011	3.5:1	4.5:1

The ratios as of June 30, 2011 correspond to those in force prior to signing the amendment in March 2009, i.e. net debt/EBITDA lower than 3.5 and EBITDA/net finance cost higher than 4.5.

As of December 31, 2010 the Group complied with both ratios, which stood at 1.3 and 10.4 respectively. Also, since ratios from December 31, 2009 fall within the original required ranges, borrowing conditions for the syndicated credit facility and the loan taken out with Peugeot SA have returned to their original conditions since the beginning of 2010. This enabled Faurecia to reduce its annual finance costs in 2010 by around €35 million compared to the conditions in effect in late 2009.

On November 26, 2009 Faurecia issued €211.3 million worth of OCEANE bonds convertible into new shares or exchangeable for existing shares. These bonds bear interest of 4.50% payable on January 1 of each year, beginning January 1, 2011. Each bond has a nominal value of €18.69. Faurecia may redeem the bonds in advance at any time as from January 15, 2013, at a price equal to their nominal value plus accrued interest, provided that all of the outstanding bonds are redeemed and the product of (i) the conversion/exchange ratio at the date concerned and (ii) the arithmetic mean of the opening quoted prices for the Company's shares on Euronext Paris calculated over 20 consecutive trading days, as selected by the Company from the 40 trading days preceding the date of notice of such early redemption, exceeds 130% of the nominal value of the bonds.

Faurecia also has the option of redeeming all or some of the bonds at any time by repurchasing them either on or off-market or by means of public tender or exchange offers, or all of the bonds, at nominal value plus accrued interest, if the number of outstanding bonds is less than 10% of the total number of bonds issued.

The bonds can be converted by their holders at any time as from their date of issue. The criteria relating to their compulsory early redemption are the same as those described above for the syndicated credit facility.

In accordance with IAS 39, the fair value of the OCEANE bonds is split into two components:

- a liability component calculated based on prevailing market interest rates for similar bonds with no conversion option. This component has been recognized at amortized cost in an amount of €183.7 million net of the related issue costs, based on an effective interest rate of 7.6%;
- an equity component corresponding to the conversion option, calculated based on the difference between the fair value of the OCEANE bonds and the liability component. This component has been recognized in equity in an amount of €23.3 million net of the related issue costs.

On October 5, 2005 Faurecia carried out a €300 million bond issue due in October 2010. As the bond covenants were breached as of June 30, 2009, the bondholders were entitled to request early redemption. Out of the initial amount issued, €291.5 million worth of the bonds were redeemed on August 14, 2009. The balance of €8.5 million was redeemed on the original expiration date on October 5, 2010.

This redemption was partially financed by an €205 million credit facility extended by a pool of French banks. The credit facility, which expires at the end of January 2011, is subject to the same financial ratio covenants as the above-mentioned syndicated credit facility. It was prepaid in full on August 17, 2010.

In addition to the above-described bank and bond debt, part of Faurecia's liquidity requirements is met through receivables sale programs. Proceeds received from receivables sole came to €524.5 million in 2010 (see Note 26-4 to the consolidated financial statements), including €377.9 million from receivables that were sold and derecognized (see Note 18 to the consolidated financial statements).

3.5.3 LEGAL RISKS

3.5.3.1. Litigation

At the date this Registration Document was drawn up, there were no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Group was aware) that may have, or have had in the past 12 months, a significant impact on the Group's financial position or profitability.

Faurecia believes that in view of the nature and amounts of the claims and litigation that were known or in process at the date of this Registration Document said disputes should not materially affect its consolidated financial position in the event of an unfavorable outcome (see Note 24–2 to the 2010 consolidated financial statements for a description of claims and litigation currently in process). Adequate provisions have been set up by the Group for claims and litigation, based on known facts and information available at the balance sheet date.

However, Faurecia cannot guarantee that in the future Group subsidiaries will not be involved in legal or administrative proceedings, particularly in view of the complex regulatory requirements applicable to the Group; technical failures, or breaches of contract by customers, suppliers or partners. Such a situation could have a significant unfavorable impact on the Group's operations and/or financial position.

3.5.3.2 Industrial Property Risks

The Group has not identified any risk of technological dependence in relation to its products, modules or systems. This reflects Faurecia's proactive strategy of creating its own designs and controlling the patents that are essential for its operations.

Where possible and when justified by strategic technological considerations, Faurecia registers patents to protect the intellectual property relating to industrial know-how and innovations from Group research.

Faurecia also uses third-party patents under license in the normal course of business. None of these licenses represent a major industrial or financial risk.

Faurecia considers that it either owns or may validly use all the intellectual and industrial property rights required for its business operations and that it has taken all reasonable measures to protect its rights or obtain guarantees from the owners of third-party rights. However, the Group cannot rule out the risk that its intellectual and/ or industrial property rights may be disputed by a third party on the grounds of pre-existing rights or for any other reason. Furthermore, for countries outside France the Group cannot be sure of holding or obtaining intellectual and industrial property rights offering the same level of protection as those in France.

3.5.3.3 Industrial Risk Management and Insurance

As Faurecia does not have any captive insurance entities its system for safeguarding assets is based on the implementation and ongoing adaptation of its risk prevention policy as well as its strategy of transferring its principal risks to the insurance market.

INDUSTRIAL RISK PREVENTION

Faurecia's industrial risk prevention policy aims to reduce accidents caused by fire and to encourage Group sites to achieve excellence in fire safety by obtaining the HPR (Highly Protected Risk) label from Faurecia's insurer.

The HPR policy is based on the following priorities:

- regular fire safety audits carried out by the Group's insurer. A total of 119 sites were audited in 2010 including almost all of the former Emcon sites and the former Plastal sites in Germany. Approximately 50% of the Group's sites are classified as HPR or pre-HPR. Nine new sites received HPR certification in 2010;
- incorporating fire safety factors into the early stages of any plant design or major refurbishing of existing sites, through fire partitioning and ensuring that adequate fire safety equipment is available;
- experience feedback: fire incidents are systematically analyzed and the findings circulated throughout the HSE network;
- an intranet-based fire safety management system, through which the HPR policy is relayed to the entire Group; including audit results, technical specifications, experience-based information and best practices.

No significant fires occurred in 2010. A few natural events (hail, lightning) caused limited damage. There was one major fire in 2009 – at the offices of the Neuburg R&D unit – which caused €0.4 million in damage. In 2008 a fire broke out at the Olmedo plant in Spain, which resulted in some €8 million worth of damage, and in 2007 there was a fire in the stock rooms at the Mlada-Boleslav plant in the Czech Republic which caused around €7 million worth of damage. These two incidents were covered by insurance (less the deductible). A sprinkler maintenance and inspection program has been carried out continuously since its introduction in 2008.

FIRE, PROPERTY DAMAGE AND BUSINESS INTERRUPTION INSURANCE

Faurecia has set up a fire, property damage and business interruption insurance policy with a number of leading insurers. The increased premiums due to high claims in 2007 and 2008 were wiped out with the renewal of the policy in July 2010, which brought premiums to a reasonable level. In addition, the limit of liability under the policy was increased from €275 million to €400 million. In 2010, the Group paid approximately €7.5 million for property and casualty and business interruption insurance.

The coverage for buildings and equipment is based on replacement value. Coverage is organized around a Master policy, which includes direct coverage for the freedom of services area, with local policies for subsidiaries in countries located outside this area. Special coverage has been set up to cover specific risks in certain countries.

Since July 2010, the premiums applicable to the capital at risk (direct loss and annual gross margin) are directly dependent on the HPR classification given to the site following an audit by the insurance company.

LIABILITY INSURANCE

Faurecia renewed its liability insurance policy on January 1, 2011. The new policy includes a slight increase in premiums to cover Emcon and to extend operating liability coverage to the second line. In 2010 the Group paid €4.2 million in premiums for liability coverage, including product liability insurance applicable after delivery to customers. Liability insurance covers operating liability, product liability after delivery and environmental liability. Liability insurance takes the form of a "Master" policy combined with local policies taken out in countries where Faurecia has subsidiaries.

The Group's various acquisitions in 2010 (mainly Emcon and Plastal) are now covered by the Group's insurance plans, including both property damage and business interruption insurance as well as liability insurance.

4

The Group's Human Resources Policy

CONTENTS

4.1. Safety in the Workplace

Faurecia's occupational health and safety policy hinges on two main objectives: ensuring the protection of employees' health and improving the safety of employees in the workplace. Safety in the workplace is one of the building blocks of our search for excellence embodied in the Faurecia Excellence System (FES). It forms part of the essential requirement of respecting employees, which every facility must satisfy.

Thanks to our constant commitment to enhancing occupational safety and working conditions, bolstered in 2010 by our deployment of the Breakthrough Safety Plan, we reduced the rate of work-related accidents to a record low with less than two accidents with lost time per million working hours, thus exceeding our targets for the year.

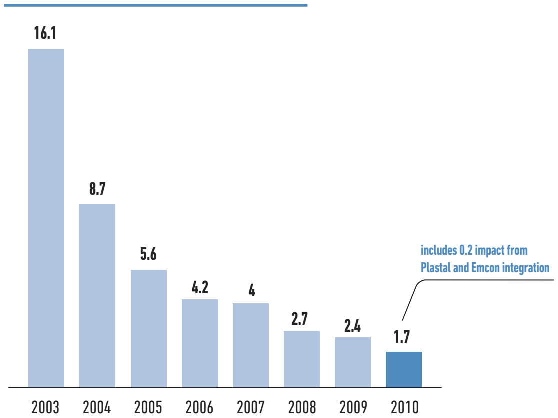
In seven years, Faurecia will have reduced its work-related accident rate ten-fold.

4.1.1 WORKPLACE SAFETY INDICATORS

Analyses of changes in the frequency rate of work-related injuries are performed in order to measure the effectiveness of actions carried out in this area. To guarantee the same level of workplace safety for all employees, temporary workers are included in these indicator calculations in the same manner as permanent staff.

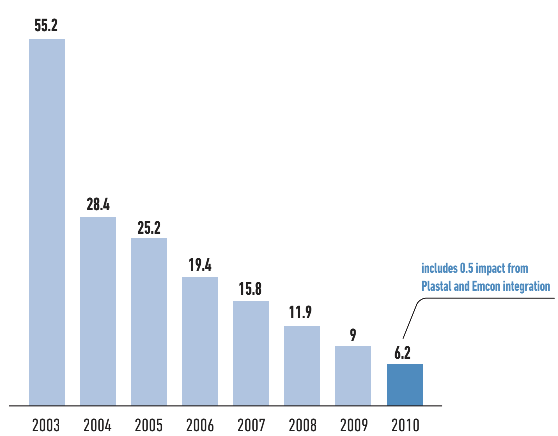
- The Group's excellence indicators are FR0t and FR1t. FR0t measures the number of work-related accidents involving a Faurecia employee or temporary worker, with lost time, per million hours worked. FR1t measures the number of work-related accidents involving a Faurecia employee or temporary worker, with or without lost time, per million hours worked. Both indicators are calculated on a rolling, six-month basis.
- First-aid processes are now monitored in all Autonomous Production Units using the QRQC (Quick Response Quality Control) standard, with a view to further increasing responsiveness and promoting production managers' responsibility for accident investigations.
- After each FR0t and FR1t accident, a QRQC 8D analysis is performed using problem solving best practices to ensure that the root causes of the accident are understood, that corrective actions have been effectively applied and that preventative measures are implemented and shared across the various sites.

FROT FREQUENCY RATE TREND



The frequency rate of work-related accidents with lost time (FR0t) for all Group activities came to 1.5 on a like-for-like basis in 2010, representing a sharp decrease of 38%. The inclusion of the former Plastal and Emcon sites brings this indicator down slightly by 0.2 points for a Group average of 1.7.

FR1T FREQUENCY RATE TREND



- The frequency rate of work-related accidents with or without lost time (FR1t) also shows significant progress, of the same order of magnitude as FR0t, dropping 37% to come in at 5.7 on a like-for-like basis. The inclusion of the former Plastal and Emcon sites brings this indicator down by 0.5 points for a Group average of 6.2.

The Faurecia Excellence System was quickly deployed at the newly acquired Plastal and Emcon, including the Breakthrough Safety Plan. These sites have already been approaching a level of security comparable to that of Faurecia's traditional sites.

Out of a total 227 internal sites, 74% of the units (including the sites acquired in 2010) did not experience an accident with lost time and, therefore have an FR0t of 0 – an 18-point improvement over 2009.

The sites with 0 FR0t are located in 24 different countries in four continents and cover all product groups.

Furthermore, almost one in two sites did not report any accident with or without lost time.

4.1.2. ERGONOMICS AND WORKING CONDITIONS

Most occupational illnesses reported by employees involve musculoskeletal disorders. To reduce this, Faurecia has taken steps for several years to take the strain caused by workstations into greater consideration and to remedy the situation as much as possible.

Ergonomic reviews of workstations form part of the Faurecia Excellence System and the Group systematically carries out audits at each of its manufacturing sites on an annual basis.

As a result of these analyses, a variety of solutions have been implemented for manufacturing workstations. The analyses are also used to prepare a list of recommendations that are systematically taken into account during the design of products and manufacturing tools. An increasing number of recommendations from professional ergonomists and Group HSE coordinators are being factored into the Program Management System (PMS).

Ergonomic reviews of workstations form part of the Faurecia Excellence System and the Group systematically carries out audits at each of its manufacturing sites on an annual basis.

All of the Group's operations managers and plant managers have been given training in ergonomics as part of the Faurecia Excellence System acceleration plan, which was launched by the Chairman during the second half of 2009 and continued in 2010. The goal of this program is to ensure that these managers play a real leadership role in the continuous improvement process, notably for ergonomics-related issues.

An "Ergonomics" memorandum is available to all Group process engineers and managers in charge of efficiency in manufacturing systems, to provide additional information on analyzing workloads and how to take into consideration the ergonomic constraints of workstations. This memorandum is aimed at providing basic training in this area for people such as members of health and safety committees, who are involved in organizing work schedules or designing workstations.

4.1.3. HSE BREAKTHROUGH PLAN

In 2010 Faurecia deployed a Breakthrough Safety Plan aiming to reduce its safety indicators by two-thirds in the space of two years, i.e. to bring FR0t to 0.8 and FR1t to 3 by the second half of 2011, and to eradicate serious HSE alerts.

This Plan was directly inspired by the Breakthrough Quality Plan launched in 2006, which enabled Faurecia to rapidly attain world-class quality levels.

It is based on the following principles:

- managerial commitment;
- a top-down approach;
- straightforward rules for managing major risks;
- systematic audits performed by the Group's Quality and HSE department for each serious alert and for each site whose results are not acceptable;
- prevention measures systematically applied across the Group for each serious alert.

In 2010, eight mandatory safety rules were defined, deployed and audited at all Faurecia sites.

Any site that is unable to demonstrate that all of these rules have been applied is automatically downgraded to level D, "unsatisfactory" and reported to the Chairman. A new audit is then scheduled within a period of two months until "satisfactory" level is achieved.

This systematic approach is designed to require sites to strictly follow the safety rules to prevent major work-related risks.

After a detailed analysis of any serious accidents that had occurred, 36 preventative measures were set out in the form of a "Group-wide Memo" to be implemented worldwide.

"FES audits" are carried out to verify that these preventative measures, as well as the mandatory safety rules, are applied at each site.

In 2011, the mandatory rules were expanded to thirteen requirements that included the additional major preventative measures identified as a result of the accidents that occurred in 2010.

4.2. Skills development

Faurecia's human resources management helps the Group stand out from the competition and is one of the keys to its success. Our strategy is based on employee empowerment and developing the potential of managers and technical experts.

4.2.1. EMPLOYEE EMPOWERMENT

Driven by the momentum established within the Group, "employee empowerment" indicators continued to show progress:

- over 80% of employees received some sort of training, with an average of 21 hours of training per employee per year;
- 90% of the Autonomous Production Units are made up of no more than 8 operators;
- 80% of foremen manage teams of less than 25 operators;
- the number of improvement ideas per employee continued to increase to 11.9.

As part of the newly launched Faurecia Excellence System Acceleration Plan, special attention was given to training and developing the skill sets of the operations managers in 2009. In 2010, these efforts were extended to plant managers and to senior FES specialists who serve as key players in industrial progress.

Based on an individual assessment of their skills in the area of production systems, these employees have been involved in a development program that includes coaching, training and on-site continuous improvement projects.

In this way, more than 400 production managers received two days of internal training on the 7 Basics of Employee Empowerment, the goal being to enable them to better understand the issues to be addressed and to identify the tools to be used to facilitate effective continuous improvement.

Furthermore, a specific training module was developed and integrated into the training program for site-specific human resources managers in early 2010 to enable these HR managers to properly support the managerial teams with regard to employee empowerment. 75 individuals benefited from this program this year.

An "employee empowerment coaching initiative" was also launched, targeting 16 human relations managers working in countries where the Group enjoys a major presence.

4.2.2. DEVELOPING THE POTENTIAL OF MANAGERS AND TECHNICAL EXPERTS

Faurecia is committed to building the skills and motivation of its teams and continually adapting its human resources to short- and medium-term requirements. Identifying these requirements is essential in order to ensure that the Group always has best-in-class teams of managers and technical experts, driven by the pursuit of excellent customer service.

In order to achieve this objective, the Group has adopted a strategy based on four key areas, described below.

4.2.2.1. Adapting to Short-Term Requirements

In 2010, Faurecia was confronted with a dual challenge:

- integrating the various businesses acquired by the Group: Emcon Technologies, Plastal Germany and Plastal Spain, and Faurecia Technology Center India PVT Ltd., an engineering firm based in India that came under Faurecia's management after the Group acquired the stake previously owned by the Tata Group. This meant that 1,523 new managerial employees had to be integrated worldwide – 42% of whom were based in Europe, 29% in North America, 3% in South America, 24% in Asia and 1% in the rest of the world;
- managing a gradual recovery from the economic crisis of 2008-2009. After a major 18-month slowdown in hiring, the Group began to rebuild its talent pools in key areas in order to equip itself with the resources that will be necessary for future growth.

In total, approximately 1,062 managers were hired in 2010, versus 338 in 2009. These new hirings focused on areas of strong growth, such as China, Mexico and Brazil. These three countries represent 35% of all hirings in 2010.

As it happens, the internal hiring rate for 2010 was 58.9%. There is a strong correlation with the growth taking place in each region (Europe: 74.3%, North America: 46.5%, South America: 64.3%, Asia: 50.8%, the rest of the world: 20%).

At any rate, internal hirings remained high for senior-level positions (70%), while external hiring focused on junior-level positions. In this regard, efforts have been made to target young graduates, who represent 14.1% of external hirings; 25% of such graduates come from a select group of target schools.

Additionally, the Group brought in 73 interns under international corporate volunteer (VIE) contracts in 2010.

It is crucial for us to leverage the experience and expertise of our managers and technical experts as we work to recover from the economic crisis. Thanks to our succession and development plans, at least one successor has been identified for over 90% of Senior Management positions and 70% of such vacancies are filled through internal promotion. Similarly, over 67.5% of plant and program manager positions are filled through internal promotions. By applying this strategy we can offer attractive career development opportunities to our managers and technical experts.

4.2.2.2. Preparing for the Medium-Term

The Group's priority is to make sure that it always has the available resources to cover its needs worldwide. To do this, it is essential to anticipate future requirements in terms of staffing, skills and expertise. This is why Faurecia's medium-term plan includes a human resources component every year.

In parallel, career managers are tasked with expanding the talent pool and ensuring that the Group will have the appropriate human resources when it needs them. They achieve this by setting up and monitoring individual career development and mobility plans.

With a view to boosting the Group's technical expertise across all of its businesses, managers and technical experts are encouraged to build their competencies in their original positions before moving on to different departments in order to gain further technical and managerial skills. In 2010, cross-function mobility represented 27% of the Group's total mobility assignments for over 425 managers and technical experts.

It is crucial for an international group to develop, encourage and promote diversity. A total of 42% of the Group's managers and technical experts worked outside Western Europe in 2010, and 78% of hirings took place outside of Western Europe. This means that Faurecia can offer its people international assignments and projects in order to boost the diversity of its teams. We also place great importance on the international dimension of our Senior Management team while taking steps to attract, develop and retain local talent across the globe. In keeping with this strategy, 46% of the Group's Senior Management team is non-French, and 41% of the managers and technical experts identified as high-potential are from non-Western European countries.

Lastly, a stable employee base is essential for safeguarding our investment in human capital. In 2010, the resignation rate was a satisfactory 5.7%; this represents an increase compared to the 2009 rate, which was particularly low due to the economic crisis. The 2010 rate was impacted by the dynamic labor market in the emerging countries and North America. It remains well below the value before the 2008 crisis.

4.2.2.3. Reinforcing our Performance Culture

The Group is committed to enhancing and rewarding the performance of its employees through global performance reviews. Employee performance appraisals are based not only on a comparison between actual results and pre-defined objectives, but also on an assessment of technical skills and whether employees have applied the Group's corporate values. The annual performance appraisal is also an opportunity to discuss career prospects, through individual career plans.

Our internal promotion policy revolves around offering career opportunities to employees who succeed and demonstrate their potential. Most promotions come with increased responsibility. In 2010, 39% of internal staffing changes were promotions.

In line with the Group's focus on expertise, Faurecia particularly rewards performance in technical and technological areas. To this end, Faurecia has set up a specific career development program for our technical experts, which has also enabled us to strengthen business-specific skills within each product line. In 2010, 33 new experts and 7 senior experts were appointed to research & development and manufacturing engineering positions, bringing Faurecia's total number of technical experts to 239 at year-end.

4.2.2.4. Training and Providing Development Opportunities to Managers and Technical Experts

In 2010, 70 training sessions were provided as part of the Faurecia University program. A total of 900 employees from 28 countries took part in these sessions, up significantly from 2009.

The key priority of the Group's training policy is developing the skill sets of future senior-level managers, based on the Global Leadership I, II and III programs. In addition, for key positions such as plant manager, program manager, foreman and Autonomous Production Unit manager, Faurecia prepares managers and experts to fully assume their role through dedicated training sessions.

Another focal point is strengthening business-specific expertise, and 2010 was marked by the deployment of two new training programs designed in 2009 to promote the adoption of Faurecia practices: "Site HR Manager" and "Plant Controller." 13 sessions were conducted in 2010 for 148 participants. They are taught mostly by Faurecia managers who have received specific training for trainers to develop their teaching skills.

As for industrial training, which serves as a basis for the Faurecia Excellence System (FES), these training programs focus on industrial tools and the Group's methodologies and are provided in-house at the site level?

4.3. Strengthening Economic and Social Dialogue

4.3.1. GRADUAL RECOVERY OF THE AUTOMOTIVE INDUSTRY

After a severe crisis that lasted 18 months, characterized by a pronounced slowdown in auto markets around the world and especially in Western Europe and the United States, 2010 marks the recovery of international automobile production.

During the year, the number of regular employees increased by 12,123, going from 52,066 people at the end of 2009 to 64,189 at year-end 2010.

Downsizing plans implemented in 2010 involved over 35 sites and affected almost 2,605 jobs in 11 countries.

In addition, the acquisitions that took place during the year had a significant impact on the number of people employed within Faurecia.

The number of regular employees increased by 9,336 (13%) as a result of these acquisitions. This includes 6,638 employees related to the acquisition of Emcon Technologies and 2,698 employees related to the acquisitions of Plastal Germany and Plastal Spain.

Change by region encompasses different factors due to the combination of restructuring and acquisitions.

For instance, Europe took full advantage of the acquisitions made in 2010 and saw its employment grow by 11.3%, as opposed to a 3.4% drop on a like-for-like basis.

The increase in employment in North America, which grew by 22.6% on a like-for-like basis and by 54.3% if acquisitions are taken into account, reflects the sharp upturn in auto production within this market since 2009.

In South America as well, the number of regular employees showed significant growth with a total increase of 73.8% and a 42.3% increase on a like-for-like basis, thereby confirming the rebound within this market and Faurecia's commitment to this region.

Faurecia continues to grow in Asia, where the number of regular employees increased by 20.2% on a like-for-like basis and by 35.6% including acquisitions. These numbers confirm the growth potential in this market.

4.3.2. GREATER SOCIAL DIALOGUE AND CONSULTATION WITH EMPLOYEE REPRESENTATIVES

The Group's continued its policy of consulting and negotiating with employee representatives and signed 245 agreements in 20 countries, including 117 in France, 57 in Germany, 10 in Mexico, 10 in Brazil, 5 in Argentina, 6 in Spain, 6 in Slovakia and 4 in Romania.

26% of these agreements were related to wages and benefits, 17% were related to mandatory and discretionary profit-sharing schemes and 29% were related to working conditions.

The European Works Council met in plenary session on May 18, 2010. The Bureau of the Council, made up of representatives from the six largest countries in terms of employment, namely France, Germany, Spain, Portugal, the Czech Republic and Poland, met three times. In order to help the representatives of the European Works Council fulfill their duties under the best possible conditions, it was agreed to launch a training program focusing on modules designed to allow Council members to better understand the challenges and constraints of the automotive industry as they pertain to Faurecia.

Originally made up of representatives from 12 countries, the Council was expanded in April 2010 to include an Italian and a Hungarian representative following the acquisition of Emcon Technologies.

A major player in the economic and social dialogue, the Council discussed, for example, the various phases related to the acquisition of Plastal Germany at the Meeting of May 18, 2010, followed by Plastal Spain at the Bureau Meeting of July 27, 2010.

4.3.3. COMPENSATION AND BENEFITS

Total payroll costs for the Group, including social security charges, increased by 25.7% in 2010 to €2,303.5 million from €1,832.8 million in 2009. Likewise, the number of regular employees increased by 23.3%, mainly through acquisitions.

Wage negotiations led to the signature of 64 agreements within the Group in 2010.

The variable compensation system – which is mainly based on collective performance targets – is applied consistently in all countries where the Group has operations. At year-end 2010, approximately 2,500 managers out of a total of 10,500 qualified for this system.

In the United States, a call for tender was issued to change retirement plan (401K) providers; the groundwork was laid during the second half of the year so that the changeover could take effect at the beginning of 2011. Meanwhile, in Germany we continued our efforts to harmonize pension schemes across our product lines. In China, a policy to retain key managers was implemented to adapt to the local market situation.

4.4. Employee Profit-Sharing and Incentive Plans

4.4.1. VOLUNTARY GAIN-SHARING PLANS (*INTÉRESSEMENT*) IN FRANCE

All of the Group's French companies are covered by a voluntary gain-sharing agreement.

These agreements establish how voluntary gain-sharing payouts are calculated, based on two sets of indicators:

- the financial indicators pertaining to each company. This represents about 40% of the total voluntary gain-sharing payout and is calculated and paid on a yearly basis;
- operational performance indicators calculated for each site and selected from among the Faurecia Excellence System indicators. This represents about 60% of the total gain-sharing payout.

Under these agreements the gain-sharing payout on fulfillment of objectives is capped at 6% of payroll, although in exceptional cases it may be raised to 8% if objectives are exceeded.

Also, these agreements stipulate that part of the gain-sharing allocation shall be proportional to salary and the other part shall be applied on a uniform basis (depending on the hours worked).

The Group paid almost of €19 million in gain-sharing payouts in 2010 (to 1,350 employees), and €1.8 million was invested in the Group Employee Savings Plan (PEG) in France.

4.4.2. MANDATORY PROFIT-SHARING PLANS (*PARTICIPATION*) IN FRANCE

The mandatory profit-sharing agreements of the various Group companies stipulate that employee profit sharing calculated in accordance with the legal formula must be allocated among employees pro rata to their compensation for the year in question, subject to compliance with regulatory limits.

The amounts allocated to the profit-sharing reserve may be held in an inaccessible special-purpose account or invested in the corporate mutual funds set up in connection with the Group Employee Savings Plan.

The Group paid €1.1 million in mandatory profit-sharing payouts in 2010, and €0.8 million was invested in the Group Employee Savings Plan in France.

4.4.3. GROUP EMPLOYEE SAVINGS PLAN IN FRANCE

The Faurecia Group Employee Savings plan set up in France in 2004 offers employees the chance to invest in a savings plan by purchasing units in a corporate mutual fund invested in either property or securities. A total of 14 investment funds are available to employees.

The Group savings plan may be funded by the payment of amounts allocated under profit-sharing plans and voluntary gain-sharing plans, as well as voluntary employee contributions.

Voluntary contributions to the "Faurecia Actionnariat" corporate mutual fund, comprised only of Faurecia shares, are supplemented by a contribution from the Company that amounted to €60,000 in 2010 and concerned 175 employees.

Total funds invested in the employee savings plan at year-end 2010 stood at nearly €25 million (9,000 employee savers), of which 14% was invested in the "Faurecia Actionnariat" corporate mutual fund (2,000 employee savers).

In addition, the corporate retirement savings scheme – funded mainly by Faurecia in the form of a defined contribution scheme – had plan assets of almost €40 million as of December 31, 2010. In 2010, this scheme was supplemented by an Inter-Company Savings Plan (PERI) for managerial employees (€100,000 paid out in 2010).

4.4.4. STOCK OPTIONS AND SHARE GRANTS SUBJECT TO PERFORMANCE REQUIREMENTS

Faurecia has set up stock option grant plans with a view to incentivizing and retaining its senior managers. These plans follow a procedure established by the Board of Directors on February 6, 2003. The Annual Shareholders' Meeting of February 8, 2010 authorized the Board of Directors to grant a maximum of 2,000,000 Faurecia shares in keeping with this procedure. Based on this authorization, the Board granted shares on two occasions: first a maximum of 860,600 shares to 232 shareholders on June 23, 2010, subject to performance requirements; then a maximum of 887,250 shares to 243 shareholders on July 21, 2010, subject to performance requirements.

As of December 31, 2010, a total of 1,523,998 stock options were outstanding.

In 2001, Faurecia granted stock options to the executives of Group companies and their majority-owned subsidiaries. As of December 31, 2010, a total of 25,740 stock options were outstanding.

4.5. Administrative Efficiency in Human Relations

During the year, Faurecia continued its efforts to streamline and outsource its human relations information systems. To date, the payroll system for 41,000 employees (64% of all regular Faurecia employees) is managed by an outside provider in France, the United States, the Czech Republic, Germany, Portugal and England.

A pilot project focusing on time management was launched in Portugal to enable production managers to directly manage their work teams' presences and absences via an intranet portal.

An automatic interface was also developed between the payroll and reporting systems to make it possible to automatically retrieve quantitative HR data and to significantly reduce the reporting workload. A second interface with the executive management system was deployed at the same time in Portugal, the Czech Republic and France. This interface allows for continuous and automatic updates to the administrative data pertaining to the managers and greatly reduces data entry.

Also of note, at year-end 2010 nearly 25,000 people were being paid from shared service centers in France, the United States and Canada. This initiative has helped to standardize and streamline the payroll process and to optimize personnel management tasks. Spain also launched a similar project in late 2010.

4.6. Other Employee-Related Data

YEAR-ON-YEAR CHANGES IN TOTAL HEADCOUNT

	2010				2009				Year-on-year change			
	Registered headcount	Temporary staff	Total headcount	Of which % CDI*	Registered headcount	Temporary staff	Total headcount	Of which % CDI*	Registered headcount	Temporary staff	Total headcount	Of which % CDI* (in points)
Europe	41,695	6,528	48,223	81.2%	37,454	4,099	41,553	85.0%	11.3%	59.3%	16.1%	-3.8
North America	10,975	1,596	12,571	75.2%	7,113	375	7,488	82.7%	54.3%	325.6%	67.9%	-7.4
South America	4,500	270	4,770	88.1%	2,589	380	2,969	81.5%	73.8%	-28.9%	60.7%	6.6
Asia	3,715	2,883	6,598	50.7%	2,740	1,349	4,089	60.0%	35.6%	113.7%	61.4%	-9.3
Other	3,304	210	3,514	61.8%	2,170	145	2,315	54.7%	52.3%	44.8%	51.8%	7.1
FAURECIA	**64,189**	**11,487**	**75,676**	**77.1%**	**52,066**	**6,348**	**58,414**	**81.6%**	**23.3%**	**81.0%**	**29.6%**	**-4.5**

(*) *Open-ended contracts (contrats à durée indéterminée).*

Total headcount

Total employees increased by 17,262, or +29.6%, in 2010. Excluding acquisitions, total employees increased by 6,300, or +10.8%.

The proportion of staff employed under open-ended contracts decreased from 81.6% to 77.1%.

The proportion of staff on fixed-term contracts was on par with 2009, increasing slightly from 7.5% to 7.7%, and the proportion of temporary staff rose from 10.9% to 15.2%.

Total employment grew in all geographic regions in 2010.

Registered headcount

The number of registered headcount increased by 12,123 in 2010 (+23.3%). This increase was particularly marked in North and South America.

This is mainly due to the acquisitions made in 2010 (Emcon Technologies, Plastal Germany, Plastal Spain).

Nearly 9,400 new employees joined the Group as a result of these acquisitions, including 5,500 in Europe, 2,250 in North America, 815 in South America and 800 in Asia and in other countries. On a like-for-like basis, the number of registered headcount increased by 2,756 (+5.4%). This reflects Faurecia's business growth, especially in North America, in Asia and in other countries.

Temporary employees

The number of temporary employees increased by 5,139 (+81.0%) in 2010. Excluding acquisitions, the number of temporary employees increased by 3,544 or +55.8%.

As of December 31, 2010, the proportion of temporary employees to total employees was 15.2%, which is comparable to pre-crisis levels.

YEAR-ON-YEAR CHANGES IN REGISTERED HEADCOUNT

	2010				2009				
	Operators & workers	Technicians, foremen & administrative staff	Managers & professionals	Total	Operators & workers	Technicians, foremen & administrative staff	Managers & professionals	Total	Year-on-year change
Europe	26,979	7,781	6,935	41,695	24,414	6,593	6,447	37,454	11.3%
North America	8,172	838	1,965	10,975	5,177	570	1,366	7,113	54.3%
South America	3,043	1,122	335	4,500	1,586	710	293	2,589	73.8%
Asia	1,801	664	1,250	3,715	1,383	410	947	2,740	35.6%
Other	2,606	440	258	3,304	1,758	227	185	2,170	52.3%
FAURECIA	**42,601**	**10,845**	**10,743**	**64,189**	**34,318**	**8,510**	**9,238**	**52,066**	**23.3%**

The registered headcount increased by 23.3% in 2010. On a like-for-like basis, the registered headcount increased by 5.4%.

- In Europe, the total registered headcount increased by +11.3%, with operators & workers increasing by 10.5%, technicians, foremen & administrative staff increasing by 18.0%, and managers & professionals increasing by 7.6%.

  This increase stems from the addition of 5,500 people who joined the Group as the result of the acquisition of Emcon Technologies, Plastal Germany, Plastal Spain and Visteon France. On a like-for-like basis, the registered headcount fell by -3.4% due to the finalization of the restructuring plans launched in this region during the crisis.

- In North America, the total registered headcount increased by 54.3%, with operators & workers increasing by 57.8%, technicians, foremen & administrative staff increasing by 47.0%, and managers & professionals increasing by 43.8%. These figures are directly impacted by the addition of 2,250 employees as a result of the acquisition of Emcon Technologies. On a like-for-like basis, the registered headcount increased by 22.7% due to increased production volumes, mainly in Mexico.
- South America experienced a 73.8% increase in employment. 815 employees joined the Group in Brazil and Argentina as a result of the acquisition of Emcon Technologies. Even on a like-for-like basis, employment growth remains high at 41.0%, driven by strong business activity in this region.
- In Asia, 421 people joined the Group as a result of the acquisitions in 2010. The registered headcount in this region thus increased by 35.6% in total and by 20.2% on a like-for-like basis, largely influenced by sustained production levels, especially in China.
- Other countries posted a 52.3% increase in the registered headcount; this includes the new employees in South Africa resulting from the acquisition of Emcon Technologies, as well as those in Russia.

YEAR-ON-YEAR CHANGES IN REGISTERED HEADCOUNT BY TYPE OF CONTRACT

	2010			2009			Year-on-year change		
	CDI [1]	CDD [2]	Total	CDI [1]	CDD [2]	Total	CDI [1]	CDD [2]	Total
Europe	39,175	2,520	41,695	35,320	2,134	37,454	10.9%	18.1%	11.3%
North America	9,459	1,516	10,975	6,192	921	7,113	52.8%	64.6%	54.3%
South America	4,204	296	4,500	2,421	168	2,589	73.6%	76.2%	73.8%
Asia	3,342	373	3,715	2,452	288	2,740	36.3%	29.5%	35.6%
Other	2,172	1,132	3,304	1,266	904	2,170	71.6%	25.2%	52.3%
FAURECIA	**58,352**	**5,837**	**64,189**	**47,651**	**4,415**	**52,066**	**22.5%**	**32.2%**	**23.3%**

[1] *Open-ended contracts (contrats à durée indéterminée).*
[2] *Fixed-term contracts (contrats à durée déterminée).*

The number of employees working under open-ended contracts increased by 10,701 (22.5%) and the number of employees working under fixed-term contracts increased by 1,422 (32.2%).

Excluding acquisitions, the number of employees working under open-ended contracts increased by 1,947 (4.1%) and the number of employees working under fixed-term contracts increased by 809 (18.3%).

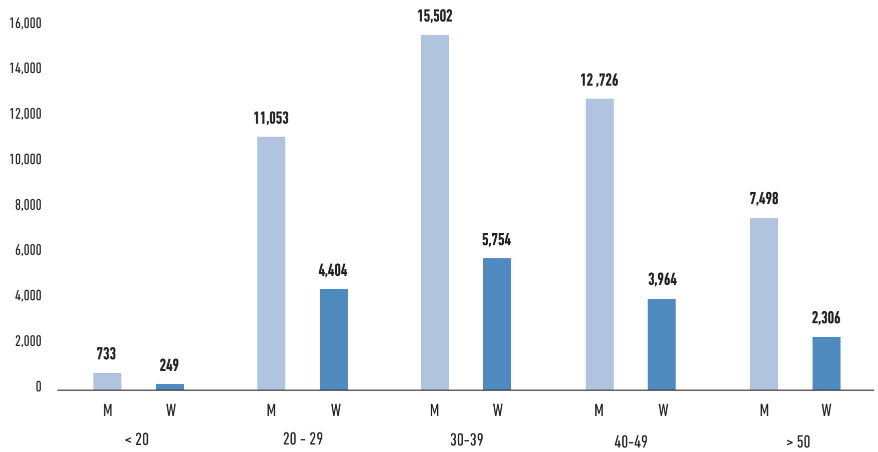
The overall proportion of employees working under open-ended vs. fixed-term contracts was more or less unchanged from one year earlier, with open-ended employment contracts representing 90.9%, versus 91.5% in 2009.

The acquisitions represent 8,754 employees under open-ended contracts, including 5,116 in Europe, 2,222 in North America, 766 in South America and 650 in Asia and in other countries. This represents 82% of the increase in this type of contract.

Excluding acquisitions, the number of employees working under open-ended contracts decreased by 1,261 in Europe, as a result of finalization of the restructuring plans launched during the crisis. Change in other regions was positive, with +1,045 open-ended contracts in North America, +1,017 in South America, +544 in Asia and +602 in the other countries, thanks to the upturn in business levels. The number of fixed-term contracts increased by 32.2%. The acquisitions represent 613 fixed-term contracts, i.e. 43.1% of the total increase in this category, primarily in Europe. On a like-for-like basis, the number of employees working under fixed-term contracts increased by 809, of which 70% are based in North America (Mexico).

AGE PYRAMID BY GENDER – 31/12/2010

	< 20		20 - 29		30 - 39		40 - 49		> 50		Total	
Registered headcount	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Operators & workers	630	156	8,249	3,060	9,647	3,801	7,587	2,859	4,900	1,712	31,013	11,588
Technicians, foremen & administrative staff	103	93	1,808	889	2,555	929	2,180	639	1,246	403	7,892	2,953
Managers & professionals	0	0	996	455	3,300	1,024	2,959	466	1,352	191	8,607	2,136
TOTAL	**733**	**249**	**11,053**	**4,404**	**15,502**	**5,754**	**12,726**	**3,964**	**7,498**	**2,306**	**47,512**	**16,677**



Women accounted for 26.0% of the Group's registered headcount, representing a year-on-year decrease of 2 percentage points.

The Group's staff is relatively young overall, with 58.7% of the registered headcount being under the age of 40 and 25.6% under 30. In 2010, the proportion of staff over the age of 50 rose by 1.8 percentage points to 15.2%, with a total of 9,804 of the registered headcount within this age bracket at year-end.

For all age brackets the breakdown by staff category remained stable year-on-year, with 66% of the registered headcount corresponding to operators & workers and 17% to technicians, foremen, administrative staff, managers & professionals.

IMPACT OF THE 2010 ACQUISITIONS ON REGISTERED HEADCOUNT

New registered headcount	CDI [1]	CDD [2]	Total	Operators & workers	Technicians, foremen & administrative staff	Managers & professionals
Europe	5,116	384	5,500	3,520	1,310	670
North America	2,222	28	2,250	1,662	157	431
South America	766	49	815	584	186	45
Asia	346	75	421	155	67	199
Other	304	77	381	284	76	21
FAURECIA	**8,754**	**613**	**9,367**	**6,205**	**1,796**	**1,366**

[1] *Open-ended contracts (contrats à durée indéterminée).*
[2] *Fixed-term contracts (contrats à durée déterminée).*

This table summarizes the impact of the acquisitions made in 2010 by contract type and by staff category. 93% of the employees added under these acquisitions work under open-ended contracts. 66% are operators & workers, 19% are technicians, foremen & administrative staff, and 15% are managers & professionals – a breakdown that is relatively similar to Faurecia's staffing situation prior to the acquisitions.

EXTERNAL HIRINGS – YEAR-ON-YEAR COMPARISON

Registered headcount	2010			2009			Year-on-year change		
	CDI [1]	CDI [2]	Total	CDI [1]	CDD [2]	Total	CDI [1]	CDD [2]	Total
Europe	1,274	2,430	3,704	658	1,913	2,571	93.6%	27.0%	44.1%
North America	1,987	3,244	5,231	2,934	1,424	4,358	-32.3%	127.8%	20.0%
South America	1,747	264	2,011	506	152	658	245.3%	73.7%	205.6%
Asia	755	410	1,165	222	340	562	240.1%	20.6%	107.3%
Other	749	721	1,470	108	848	956	593.5%	-15.0%	53.8%
FAURECIA	**6,512**	**7,069**	**13,581**	**4,428**	**4,677**	**9,105**	**47.1%**	**51.1%**	**49.2%**

[1] *Open-ended contracts (contrats à durée indéterminée).*
[2] *Fixed-term contracts (contrats à durée déterminée).*

The table above shows year-on-year changes in hiring, excluding acquisitions and excluding the impact of transfers from fixed-term to open-ended contracts.

The number of hirings as a whole increased by 49.2% from 2009, with a 47% rise in open-ended contracts and a 51% rise in fixed-term contracts.

This increase follows a drastic reduction in hiring lasting over a year in response to the major crisis in the automotive industry.

In terms of volume, the number of new hires is on par with that of 2008, when 6,592 new employees were hired under open-ended contracts and 6,960 under fixed-term contracts.

In Europe, the new employees were hired mainly in Central Europe under open-ended contracts.

In North America, hirings under fixed-term contracts were on the rise in Mexico.

South America and Asia experienced strong growth in their business levels, resulting in increased hiring, particularly under open-ended contracts, which were up three-fold compared to 2009 for these two regions.

In the other countries, and especially in Russia, the 500 hirings (all contract types included) reflects the strengthening of the Group's industrial sites and their increased workload.

YEAR-ON-YEAR CHANGES IN EXTERNAL RECRUITMENT BY STAFF CATEGORY

	2010				2009			
Registered headcount	**Operators & workers**	**Technicians, foremen & administrative staff**	**Managers & professionals**	**Total**	**Operators & workers**	**Technicians, foremen & administrative staff**	**Managers & professionals**	**Total**
Europe	2,613	759	332	3,704	2,036	457	78	2,571
North America	4,515	335	381	5,231	4,152	93	113	4,358
South America	1,487	484	40	2,011	363	268	27	658
Asia	654	243	268	1,165	408	57	97	562
Other	1,176	201	93	1,470	861	54	41	956
FAURECIA	**10,445**	**2,022**	**1,114**	**13,581**	**7,820**	**929**	**356**	**9,105**

Operators & workers represented 77% of external hires in 2010, technicians, foremen & administrative staff 15%, and managers & professionals 8%, compared with 86%, 10% and 4% respectively in 2009.

These figures do not include the 2010 acquisitions. The number of operators & workers hired increased by 34% in 2010. All regions showed an increase; however this growth is most marked in South America and in Asia due to the robust business levels in these two regions.

The number of technicians, foremen, administrative staff, managers and professionals hired, which fell sharply in 2009, more than doubled for technicians, foremen & administrative staff and more than tripled for managers & professionals in 2010. This indicator returned, roughly, to its pre-crisis level for these two groups. Here again, all regions showed strong growth.

TRANSFERS FROM FIXED-TERM TO OPEN-ENDED CONTRACTS – YEAR-ON-YEAR COMPARISON

	2010				2009			
Registered headcount	**Operators & workers**	**Technicians, foremen & administrative staff**	**Managers & professionals**	**Total**	**Operators & workers**	**Technicians, foremen & administrative staff**	**Managers & professionals**	**Total**
Europe	627	109	21	757	595	75	17	687
North America	1,043	69	71	1,183	530	43	19	592
South America	0	36	0	36	0	32	0	32
Asia	79	27	9	115	136	7	8	151
Other	252	9	1	262	104	4	2	110
FAURECIA	**2,001**	**250**	**102**	**2,353**	**1,365**	**161**	**46**	**1,572**

The number of transfers from fixed-term to open-ended contracts was up nearly 50% in 2010 compared to 2009. 47% of this increase pertains to operators & workers.

This increase was in addition to the rise in external hiring in 2010. It was particularly significant in North America and in the other countries.

DEPARTURES (BROKEN DOWN BY REASON) – YEAR-ON-YEAR COMPARISON

	2010					2009				
Registered headcount	Resignations (open-ended contracts)	Individual layoffs	Group layoffs	Other	Total	Resignations (open-ended contracts)	Individual layoffs	Group layoffs	Other	Total
Europe	913	1,180	915	1,729	4,737	1,293	2,277	2,200	1,920	7,690
North America	812	1,560	122	1,106	3,600	477	2,494	1,428	392	4,791
South America	257	519	2	147	925	117	429	35	107	688
Asia	265	172	0	239	676	211	200	154	216	781
Other	243	244	0	231	718	102	51	62	616	831
FAURECIA	**2,490**	**3,675**	**1,039**	**3,452(*)**	**10,656**	**2,200**	**5,451**	**3,879**	**3,251**	**14,781**

(*) *Including 3,155 on expiration of fixed-term contracts.*

The number of employees who left the Group in 2010 totaled 10,656, versus 14,781 the previous year, representing a decrease of almost 28%. Of these departures, 30% corresponded to the expiration of fixed-term contracts. Resignations represented 23.3%, compared to 14.9% in 2009. South America and the other countries, areas with highly dynamic labor markets, recorded the biggest increases. In Europe, on the other hand, the number of resignations fell by almost 30%. Individual and group layoffs accounted for 44.2% of total departures, down from 63.2%. The number of individual layoffs was on par with 2009, the number of collective layoffs fell by 73%, as the majority of the restructuring plans related to the crisis have now been adhered to.

TRAINING HOURS – YEAR-ON-YEAR COMPARISON

	2010		2009	
	Total training hours	Training hours per employee	Total training hours	Training hours per employee
Europe	778,596	21	789,365	22
North America	137,665	14	113,282	17
South America	54,971	15	41,271	18
Asia	106,287	32	79,849	30
Other	96,119	33	57,906	29
FAURECIA	**1,173,638**	**21**	**1,081,673**	**22**

The average number of training hours remained stable at 21 hours per employee in 2010 at the Group-wide level. The total number of training hours in 2010 increased by 8.4%. Asia and the other countries stepped up their efforts to provide training opportunities, a trend that was already apparent in 2009. In Europe, North America and South America, the substantial increase in the number of employees due to acquisitions had a negative impact on this ratio.

EXPATRIATES BY DESTINATION – YEAR-ON-YEAR COMPARISON

	2010	2009
Europe	69	61
North America	34	27
South America	17	14
Asia	54	57
Other	19	17
FAURECIA	**193**	**176**

The number of expatriates increased by 9.7% Group-wide in 2010. Having a large and internationally diverse group of expatriates goes hand-in-hand with the Group's efforts to expand internationally.

DISABLED EMPLOYEES – YEAR-ON-YEAR COMPARISON

	2010	2009
Europe	1,114	928
North America	6	4
South America	13	18
Asia	7	7
Other	15	10
FAURECIA	**1,155**	**967**

Faurecia employs over 1,100 disabled people in Europe. The criteria used to define disabled employees are those set down in the legislation of each country. In Europe – particularly France – such legislation tends to favor a more proactive approach than in other countries. The increase in the number of disabled employees in Europe in 2010 reflects the overall increase in staff numbers in this region, especially as a result of the acquisitions in Germany and Spain. The proportion of disabled employees in France was more or less unchanged from 2009, representing just over 4% of the Group's workforce in this country.

WORK SCHEDULES IN 2010

Registered headcount	Two 8-hr shifts(1)	Three 8-hr shifts(2)	Weekend(3)	Other	Total
Europe	12,355	12,129	333	16,878	41,695
North America	2,420	4,684	30	3,841	10,975
South America	852	2,352	0	1,296	4,500
Asia	1,024	666	0	2,025	3,715
Other	1,261	1,381	0	662	3,304
FAURECIA	**17,912**	**21,212**	**363**	**24,702**	**64,189**

(1) Two shifts
(2) Three shifts
(3) Reduced weekend hours

Staff work schedules within the Group are aimed at Meeting customer needs, based on production capacity at our sites. Shift work and weekend work mainly concern the production sites and together account for 61.5% of the Group's registered headcount.

PART-TIME STAFF-YEAR-ON-YEAR COMPARISON

	2010	2009
Europe	727	542
North America	0	0
South America	0	0
Asia	0	0
Other	0	0
FAURECIA	**727**	**542**

Substantially all of the Group's part-time employment contracts are in Europe, particularly France. Part-time staff accounted for 2.7% of the Group's regular employees in France in 2010, versus 2.3% in 2009. The acquisition of Plastal Germany and Plastal Spain also contributed to the increase in this personnel category in 2010.

OVERTIME-YEAR-ON-YEAR COMPARISON

	2010		2009	
	Overtime (in hours)	% hours worked	Overtime (in hours)	% hours worked
Europe	1,818,070	2.7%	1,469,309	2.3%
North America	3,077,584	14.2%	1,074,811	7.9%
South America	427,948	6.1%	212,355	5.3%
Asia	1,299,193	18.1%	911,135	15.5%
Other	418,863	6.8%	131,622	3.1%
FAURECIA	**7,041,658**	**6.4%**	**3,799,232**	**4.1%**

Overtime hours are determined in accordance with the legislation of each country. The 2.3-point year-on-year increase in overtime as a proportion of total hours worked was mainly due to the economic recovery seen in the global automotive industry, especially in North America, Asia and other countries.

ABSENTEEISM-YEAR-ON-YEAR COMPARISON

	Absenteeism rate 2010	Absenteeism rate 2009
Europe	3.2%	3.3%
North America	1.7%	1.2%
South America	2.1%	2.0%
Asia	0.5%	0.5%
Other	2.5%	2.3%
FAURECIA	**2.6%**	**2.7%**

Absenteeism reported in 2010 and 2009 was due to illness, workplace accidents and various unauthorized absences. The number of hours of employee absence fell by 15% year-on-year from an aggregate of 2.5 million to 2.9 million. At the same time, the number of hours worked increased by 18% from 92.8 million to 109.8 million. As a result, the absenteeism rate decreased by 0.1 points in 2010.

SUBCONTRACTING-YEAR-ON-YEAR COMPARISON

	2010			2009		
	One-off subcontracting projects	Ongoing subcontracting	Total	One-off subcontracting projects	Ongoing subcontracting	Total
Europe	474	1,545	2,019	311	1,196	1,507
North America	50	159	209	35	301	336
South America	62	262	324	65	140	205
Asia	36	435	471	16	209	225
Other	26	160	186	63	111	174
FAURECIA	**648**	**2,561**	**3,209**	**490**	**1,957**	**2,447**

The use of subcontractors increased by more than 31% in 2010. This variation is mainly explained by the integration of the subcontractors of our different acquisitions into the Group's scope in Europe, North America and South America. Use of subcontractors was also considerable in Asia as a result of our strong activity on the region.

WELFARE BENEFITS IN 2010

(in thousands of euros)	Accomomdation	Transport	Catering	Medical care	Supplementary health and personal risk insurance	Subsidies	Total
Europe	3,124	8,383	7,302	3,872	15,547	4,258	42,486
North America	1,340	2,371	1,007	9,065	2,624	101	16,509
South America	637	2,642	3,947	3,933	367	289	11,814
Asia	2,493	2,126	1,390	3,647	2,891	200	12,747
Other	159	664	493	192	424	44	1,975
FAURECIA	**7,753**	**16,186**	**14,139**	**20,709**	**21,853**	**4,891**	**85,531**

The total amount rose over 50% on 2010. As well as the mechanical increase in the item following our acquisitions, supplementary measures of protection (medical services, mutual and risk insurance) were established in North and South America and in Asia, in order to support the development and support of our employees in these regions.

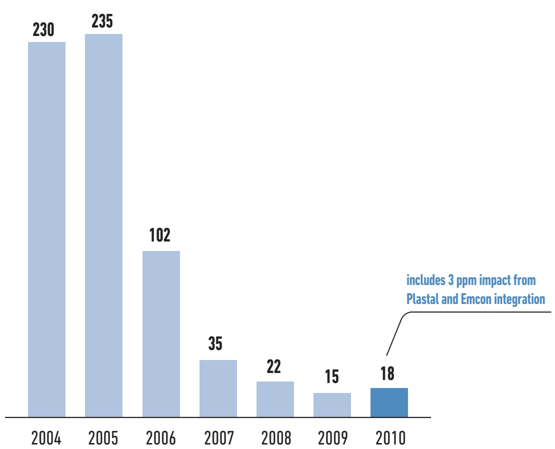
5 Quality

CONTENTS

5.1. Quality achievements

Faurecia's quality performance, measured as the average half-yearly rate of customer rejects per million parts delivered (ppm), deteriorated slightly from 15 to 18 in 2011 due to the integration of sites formerly belonging to Plastal and Emcon.

RATE OF CLIENT REJECTS IN PPM



A plan for the accelerated and exceptional rollout of the Faurecia Excellence System was implemented at the newly acquired Plastal and Emcon sites, with an emphasis on Safety and Quality.

The strict application of the methodologies laid down in the Breakthrough Quality Plan allowed these sites to match Faurecia's quality performance in the first quarter of 2011.

The Breakthrough Quality Plan, launched in 2006, has now reached maturity. Its strict rollout on new sites acquired in 2010 enabled them to align their performances with the Group average by Q1 2011.

Faurecia's major customers now acknowledge that it offers one of the highest levels of quality worldwide.

Detailed monitoring of specific performances with each customer has been introduced in order to ensure that corrective measures are taken immediately to address any quality issues at a given plant.

Every major problem is addressed by means of systematic cross-functional action at the sites in question in order to prevent any recurrence. This methodology and the coordination system have also been picked up by a major customer.

Reducing quality performance differentials between sites remains an overriding goal, with 60% of sites having already reached single-digit customer rejects (up to or equal to 9 ppm), the highest level of excellence worldwide.

The in-house parts scrappage rate stabilized in 2010, after decrease of 30% in 2009.

Faurecia's culture of quality was reinforced in 2010 via major initiatives: QRQC Competition and Faurecia Excellence System (FES) audits.

The objective of the QRQC Competition(1) 8D(2) is not only to select the best site or the best quality practice, but more importantly to train operations managers to steer the problem-solving process effectively.

The educational process is simple: each site manager submits a problem resolution to a jury of peers at the Group and regional levels, and to his or her operations manager, under a standard format. The assessment chart, which receives comments after each submission, allows the depth of analysis and the mainstreaming of corrective measures to be weighed up.

This process, which originally targeted production quality problems in 2010, has been extended, for the 2011 competition, to all problem categories: quality, environment, work safety, logistics, cost reductions, research and development. In addition, each research and development center will also submit its best subject.

The "Faurecia Excellence System" audit of plants and programs continued in 2010.

A total of 130 plants were audited by the Faurecia Group's auditors, 114 of which for the second time, using the 2009 reference framework that provides for simple and structured self-assessment on 13 points. This is aimed at making it easier for individual sites to draw up progress plans.

The A/B/C/D rating awarded after the audit is a tool used to motivate management. It resulted in a 10-point improvement in the result, with the Group average reaching "B" in 2010.

(1) Quick Response on Quality Control (QRQC) is a management approach whereby all defects must be dealt with through corrective action immediately, or within 24 hours at the latest, working from an in-depth analysis to pinpoint the root causes of the problems and determine appropriate technical solutions that can be used across all Group businesses.

(2) 8D is the automotive industry's standard problem-solving methodology. Based on the Plan-Do-Check-Act cycle (PDCA or the Deming Wheel) it involves eight steps, or "disciplines". D1 – Define the problem; D2 – Identify any other products subject to the same risk; D3 – Protect customers from the problem; D4 – Identify why the problem was not detected when it occurred; D5 – Identify the root causes of the occurence; D6 – Take corrective measures; D7 – Measure their effectiveness; D8 – Share knowledge and learning throughout the organization.

Each site that receives a “D” must submit an immediate adjustment plan to Faurecia’s Chairman.

The audit program is a component of the “Plan for the Acceleration of the Faurecia Excellence System,” which aims to significantly improve the Group’s operational performance.

In 2010, all site managers received comprehensive training on lean manufacturing tools: Quality, Safety, Involvement of Staff, Logistics and Productivity. They have the support of a network of “FES Senior Specialist” operational experts.

Management control (placement under management supervision) was strengthened and expanded in 2010 to ensure that each plant manager grasps at all times the operational priorities of the improvement plan, rolls out appropriate actions in plants, implements them and monitors their progress and results on a daily basis.

The verification of programs under development as part of the FES audit continued in 2010, with audits of 86 programs covering all phases of the program from the process of taking an order to its production.

As is the case for production sites, an A/B/C/D rating can provide management with excellent visibility and help motivate program teams as they progress, but it is most valuable in helping make the backlog more robust.

Applying rigorous and disciplined development methodologies has resulted in a significant improvement in ratings, with D-rated programs almost completely eradicated, and an average score of “B” overall, with more than 56% of programs rated “B” or “A.”

5.2. Customer awards

In 2010, Faurecia received several customer awards:

At Group level:

- Faurecia received a "Best Supplier" award from the VAG group as a whole VAG commended Faurecia's overall performance and the exemplary support of all its business groups during the automotive industry crisis;
- Faurecia received a "Global Quality Award" from PSA, which commended Faurecia's performance and the quality coordination on all its sites worldwide.

At production sites level:

- the Nanjing site (China), Interior Systems product group, received a "Best Supplier Quality" trophy from CFMA, the Changan Ford Mazda Automobiles joint venture;
- Faurecia Emissions Control in Thailand received an "Outstanding Long Service Award for J97 Supplies" from Auto Alliance (joint venture between Ford and Mazda);
- the Wuhan site (China), Seats product group, was honored by DPCA (Dong Feng Peugeot Citroën Automotive) as "Best Supplier";
- the Changchun site (China), Seats product group, received a "Best Supplier" award from VW-FAW (Volkswagen - First Auto Works);
- the Shanghai site (China), Emissions Control Technology product group, received the following trophies:
  - "Best Responsiveness Supplier" from SAIC Engine Company,
  - "Best Supplier" from SVW (Shanghai Volkswagen);
- the Wuhan site (Chine), Emissions Control Technology product group, received the following trophies:
  - "Best Supplier" from DFPV (Dong Feng Passenger Vehicles),
  - "Excellent Supplier" from DPCA (Dong Feng Peugeot Citroën Automotive),
  - "2010 Q1 Supplier" from Ford;
- the Changchun site (China), Emissions Control Technology product group, received multiple awards:
  - "2010 EXCELLENT SUPPLIER" and "2010 KEY SUPPLIER" from FAW group (First Auto Works),
  - "2010 EXCELLENT SUPPLIER" and "2010 PRODUCT DEVELOPMENT" from VW-FAW (Volkswagen - First Auto Works),
  - "2010 EXCELLENT SUPPLIER" from FAW-FCC,
  - "2010 EXCELLENT SUPPLIER" from FAW-JILIN,
  - "2010 A LEVEL SUPPLIER" from SHENYANG MITSUBISHI,
  - the Limeira site (Brazil), Emissions Control Technology product group, received a "recognition certificate" from HONDA for its quality and logistics performances in 2010.

The customer trophies received in China are consistent with the excellent progress made in the Faurecia Excellence System on these sites. In particular, our customers have organized presentations and site tours of the Wuhan and Changchun plants, holding them up as examples to their local suppliers.

5.3. Outlook 2011

Reducing external customer performance differentials between sites and improving the capability of production processes, as measured by the rate of rejects, will be the main objectives in 2011.

These objectives will be achieved by pressing forward with the rollout of the Faurecia Excellence System in all Group plants, with an upgrade of the newly acquired sites.

6

Research and Development

CONTENTS

R&D is a key strategic topic for Faurecia as it is the starting point for the Group's innovative creations of products and processes and future customer applications. R&D activities are structured around the following main engineering units:

- the Research and Innovation Unit, which covers upstream activities prior to program acquisitions. This Unit is critical to enabling the Group to provide an appealing and competitive offering, which it achieves by designing new products and processes, proposing innovative solutions and developing generic products and processes;
- the Program Engineering Unit, which covers customer-specific vehicle programs. It is a downstream unit responsible for ensuring that programs are completed within the set timeframes and in compliance with the required cost and quality levels.

R&D activities represented a gross expenditure of €689 million in 2010 after the strategic acquisitions of Emcon for emissions control systems and Plastal for automotive exterior parts, representing 5% of sales, not including the costs related to managing tooling and capital expenditures. In all, 4,500 engineers and technicians based at Faurecia's 38 R&D centers across the globe control an aggregate annual gross budget of more than €1 billion. 300 patents were filed throughout the year.

Technological development and innovation are key priorities for Faurecia. Technological development is accelerated in two ways.

First, Faurecia redeployed its internal innovation policy with a restructured innovation plan, greater involvement by the company's management through regular "Technology Sessions", and the promotion of technical experts now organized into networks throughout the Group. The first "Forum Experts", involving the Group General Management and bringing together the Group's technological experts, was held at the beginning of 2011.

Second, Faurecia decided to acquire or invest in high-tech companies, in sectors related to one of its four businesses. Three investments were made at the end of 2010 and in early 2011.

Faurecia acquired Angel Demmel Europe, based in Lindau (Germany), leader in metal interior trim parts, which has developed particularly advanced technologies for cutting metals such as aluminum to create premium trim parts.

At the end of 2010, Faurecia also acquired the pneumatic systems business of Hörbiger, based in Schongau (Germany), which developed lumbar support and massage systems for premium car seats.

Lastly, in early 2011, Faurecia acquired a 21% stake in Amminex, a Danish technology company which has developed technology for storing ammonia, the central molecule for systems for reducing nitrogen oxides (exhaust gases), the reduction of which is a key focus of future environmental regulations. This acquisition has strengthened Faurecia's technical abilities in this key sector.

6.1. Market Expectations

Automakers are swiftly adapting their future product offerings in response to the difficult market conditions experienced in 2010. They continued previous trends by proposing enhanced downsized engine power, new forms of architecture, hybrid and electric solutions, and lighter-weight vehicles, as well as by speeding up the renewal of their entry-level offering. At the same time, they continue to research new functionalities to satisfy customers' increasing expectations, particularly in terms of comfort and perceived quality. Against this backdrop, Faurecia reaffirmed its competitiveness by creating new products to help lighten the weight of vehicles and reduce emissions as well as increasingly incorporating natural materials. The new demands of the Group's automaker customers have not only affected the products themselves but also production technologies and the efficiency and duration of the development processes. Consequently, R&D has taken on even greater importance for the Group, as it enables us to offer new products that are more competitive in terms of cost, weight and performance.

In 2010, Faurecia focused on the following key priorities:

- a competitive product offering, especially for entry-level vehicles or for the basic versions of more sophisticated models. This involves not only the products themselves but also production process such as lean manufacturing, which Faurecia applies through the Faurecia Excellence System;
- higher environmental performance, which has led to improved vehicle usage costs through reduced fuel consumption, lower emissions, better use of the energy consumed, lighter-weight parts, use of natural materials and new forms of engine such as hybrid and electric, which require changes to vehicle architecture;
- increased technological content in its premium vehicles, through the integration of new features, improvements to existing features or the use of different finishes;
- innovation and value creation as ways to enhance the product offering. This involves anticipating market demands and playing an active role in major societal and technological developments. Faurecia plays a part by developing and integrating new technologies and by drawing on its pool of experts, which was strengthened in 2010;
- achieving economies of scale to offset the investments needed to develop new products, as required by current economic constraints. These economies are realized through the development of modular international seating platforms and through product and process standardization for automobile seating frames;
- increasingly robust product/process design, which represents a main objective for auto parts suppliers. This robustness, achieved through greater control over design and variability regardless of the sources of supply or production zone, is necessary to extend warranty coverage. Faurecia has structured its organization in line with this objective and was one of the first to apply the "pilot line" in its various business lines.

The combination of these factors has led to tough market demands on equipment supplier performance. Faurecia nevertheless regards these trends as a major opportunity to boost value in its markets and strengthen its long-term competitive standing. Few of its competitors can meet these intensifying demands, and Faurecia considers that it has the leading technology among the major market players. In order to meet these challenges while complying with tightly imposed budgets and deadlines, Faurecia has stepped up the pace of its product innovation plan and increased its engineering capacity.

6.2. Research and Innovation

Faurecia's innovation drive in 2010 revolved around products and technologies that boost the Group's lead in two major areas: environmental performance and value creation.

6.2.1. THE GROUP APPROACHES THE ISSUE OF ENVIRONMENTAL PROTECTION FROM MANY DIFFERENT, YET COMPLEMENTARY, ANGLES

Weight reduction

A multi-criteria approach is required to reach weight reduction targets, simultaneously addressing the performance of materials used, functional integration of products and the system in which they operate.

By combining different materials such as very high tensile strength steel and lightweight alloys or even composite plastics, hybrid seats can be developed that are both lighter in weight and safer.

A combination of aluminum and fiberglass materials applied to front-end modules gives a gain of 15% over previous technologies. This technology is now used in volume production of the new Audi A6.

Microcellular plastics using Microject technology (injection combining resin and an inflating agent or gas) make it possible to reduce the density of molded parts without affecting performance. When applied to door panel, central console or instrument panel parts, the weight of the parts is reduced by 20% compared with the traditional injection system.

In addition, Lignolight technology (Faurecia patent) applied to door panels improves density by 40% compared to traditional components.

Considerable gains are also achieved thanks to technologies using steel. The Ultima seat track made from ultra high strength steel (Dual Phase 1000) is a first. Durability is improved by 20% and weight is reduced by 15%. The weight of the recliner mechanisms has also been reduced by approximately 30% by combining higher performance materials and different forming and assembling technologies (e.g. laser welding).

Over and above these material and product gains, the only way to achieve new weight reduction thresholds is to apply a systemic approach. Traditionally, noise levels inside vehicles are reduced by layering heterogeneous materials which reflect or absorb sound vibrations and waves. Research into the nature of sound vibrations and waves and the ways in which they propagate has led to development of a range of materials combining acoustic insulation and absorption properties. By carrying out a three-dimensional simulation of a vehicle's acoustic and vibration signature, it is possible to define an optimal distribution of acoustic insulation material. This two-pronged approach makes it possible to reduce the weight of soundproofing materials by more than one third, a potential gain of over 10kg per vehicle.

We apply these weight-reduction strategies to all of our products so that we can surpass market objectives and offer products that provide a weight savings of about 70kg out of an average of 200kg.

Size reduction

Reducing product size maximizes passenger room and helps reduce vehicle size. The goal is to provide the users of a certain vehicle class with the interior space of the next highest line.

Development of new, lighter and more compact seat mechanisms and of composite backrests increases capacity by 15 to 20mm.

Pollution reduction

Faurecia develops all technologies for reducing nitrogen-oxide and particulate emissions for off- and on-road passenger cars and commercial vehicles; these technologies either use systems for recirculating exhaust gas back to the engine intake or autonomous systems, in particular selective catalysis. In partnership with Amminex, Faurecia develops and industrializes the ASDS (Ammonia Storage and Delivery System) process which stores ammonia in a compact gaseous form, giving improved performance over a traditional liquid-form storage system. The first projects to use this technology have begun at a number of automakers.

Increased energy efficiency

Faurecia develops technologies for recycling the thermal energy available in exhaust systems, either directly to heat the vehicle's interior, for example, or by transforming the thermal energy into electricity to power accessories. Two technologies are considered for the latter application: thermoelectricity, which uses a semiconducting material crossed by a heat flow to generate electricity; or the generation of mechanical energy from the Rankine cycle, which uses fluid transformed into steam to power a turbine. This mechanical energy is then converted into electricity. These two principles reduce CO_2 emissions by 4 to 6 grams.

6.2.2. THANKS TO THE HIGH LEVEL OF INTEGRATION IN ALL ITS PRODUCT LINES, FAURECIA IMPLEMENTS A SYSTEM APPROACH WHICH MAKES IT POSSIBLE TO CREATE VALUE WHILE MEETING THE DEMANDS OF DIFFERENT MARKETS

Standardization

Equipment suppliers must standardize for individual automakers and between several automakers in order to reduce development time and investment, ensure high levels of robustness at start of production, and increase competitiveness. However, this must not have a negative impact on the diversity of the product offer or on the performance of individual applications.

Faurecia has played a pioneering role in this field and the approaches that it proposes for each module are adapted to the needs of its customers.

When applied to seat frames, the Apollo concept defines those elements of assembly which remain unchanged for the various parts. As these key areas are cross-cutting, the automaker has freedom when it comes to product design, standardizing assembly technology and adapting the level of automation to the cost structure of the production country. This leads to a massive reduction in investment, a reduction in development time and costs, and the ability to supply a reliable, high-performance product under the best economic conditions.

Similarly, the front-end carrier is at the heart of a modular concept which makes it possible to supply a wide range of products just in time. This part both ensures that the front end of the vehicle is rigid and integrates all the cooling and lighting components. These restricting parameters are taken into account both in terms of the part's design, which must adapt to the diversity of the components, and in terms of the production system able to create the desired composition in the time given. In Audi's case, this gives five different vehicles offering five million different module combinations delivered at an average rate of 1,700 units per day.

Customization

Decoration is a key element of customization. For Faurecia, it is a strategic focal point. The product offering for vehicle interior parts breaks down into two large families: add-on trim such as painted, filmed, aluminum or wood inserts, and integrated decoration such as DecoSkin (trim integrated into the surface of a part), DecoStitch (stylish sewing lines) applied to series production on the Laguna 3.

Other processes can be used to enhance surfaces, i.e. dual-colored, metallic or mother-of-pearl instrument panels.

The same approach is applied to automotive exterior parts, through specific painting of some elements and add-on films or parts.

Customization cannot be fully applied to the detriment of standardization. For this reason, Faurecia systematically searches for the best balance between these two aspects by optimizing product and process architectures and thereby reducing the diversity of components.

Faurecia has also developed a seat concept called SmartFitTM which makes it possible to customize automatic adjustment for each occupant in line with their measurements. The seat can also adapt to driving conditions (town, highway, sport, etc.) or provide additional wellbeing functions such as massage.

Linked to the seat's electronic system, SmartFitTM's Bluetooth interface simplifies seat commands and optimizes the occupant's comfort and security.

6.2.3. PRODUCT OPTIMIZATION AND CONSTANT EFFORTS TO IMPROVE MANUFACTURING PERFORMANCE WITH A VIEW TO INCREASING COMPETITIVENESS REQUIRE OPTIMIZATION OF THE USE OF MATERIALS AND IMPLEMENTATION PROCESSES

Materials development

The development of specific plastic formulas leads to new materials that better address market needs and expectations.

The search for metallic materials which meet increasingly advanced requirements and optimize weight is also a focal point for development of new products.

Control and innovation in manufacturing processes

In addition to processing methods for plastic materials, Faurecia focuses on forming processes for metallic materials, such as hydroforming, cold forging or assembly processes such as laser welding which it pioneered, and brazing technologies.

A new concept for exterior-part painting lines (New Tech) was unveiled in March 2011 in Audincourt (France). This new concept gives a significant reduction on the order of 95% in volatile organic compound emissions, a reduction on the order of 25% in energy consumption and increased flexibility, making it possible to adapt investment as closely as possible to automakers' budgets, particularly in emerging markets. This new concept will be widely used for the international expansion of Faurecia Automotive Exteriors.

6.2.4. MAINTAINING FAURECIA'S LEADERSHIP POSITION IN THE FIELD OF INNOVATION REQUIRES FAST AND RELIABLE INTEGRATION INTO CUSTOMER DEVELOPMENT PROGRAMS. RIGOROUS PROJECT MANAGEMENT, ENCOMPASSING ALL PROJECT PHASES, IS KEY TO THIS ENDEAVOR

Market

Marketing teams are in close communication with automakers beginning from the advanced stages in any vehicle development project to ensure that Faurecia's product offering is consistent with trends in the auto industry.

Expertise

The product/process Pole of competence are involved beginning from the initial development stages. This in-depth collaboration makes it possible to determine the impact of new technologies early on, to validate these developments in real time and to deploy these advances across all of the Group's entities.

Moreover, experts collaborate worldwide through a dedicated interactive network. This platform simultaneously serves as a knowledge base and a collaborative space that pools resources and optimizes turnaround times.

Management

Innovation projects are subject to multi-phase, standardized validation process phases from the moment the idea is conceived up to industrial validation.

This process ensures that each project is in line with market expectations and consolidates priorities and the allocation of resources.

Collaboration

To expand and enhance its expertise, Faurecia is constantly forming new partnership with suppliers as well as research institutes. This approach, which is particularly evident in the field of plastics and metals, makes it possible to achieve lighter-weight designs at the best possible cost.

Specific cooperative actions are also implemented for innovation projects that require technologies related to Faurecia's core business. For example, incorporating mobile electronics as part of the man-machine interface has led to collaboration with industry players in the fields of connectors, switches and electronics.

Globalization

Innovation projects, which are managed on a global scale, are handled by different R&D centers, depending on their specific expertise and proximity to the target markets. For instance, the customizable comfort systems for seats are managed by the R&D center located in Germany, nearby the premium automakers.

Investment

In 2010, the Group's continuous innovation work resulted in over 300 new patents. On par with previous years, this number demonstrates Faurecia's commitment to innovation, despite heavy economic constraints.

It should also be noted that these patents pertain to products, materials, and manufacturing processes, demonstrating the efforts made by Faurecia to optimize the entire product value chain.

In 2010, the Group's commitment to innovation was embodied by:

- the opening of the Worldwide Emissions Control Technology R&D and Innovation Center. This site, located in Bavans, France since April 2010, houses the innovation, research and development functions. A satellite site, to be opened in China in April 2011, will handle projects specific to the Chinese market;
- the Caligny site (also in France), which focuses on seating mechanisms, opened its school of applied industrial mechanical engineering for metals and polymers less than a year after its own founding.

6.3. Engineering and Program Management

Carrying out vehicle innovation and application projects calls for an engineering organization and program that are highly reliable and effective. Faurecia is organized in a way that meets both these requirements.

Engineering

As of today Faurecia operates 38 R&D Centers around the world. Each Business Group's R&D is spread among our three main geographic areas—Europe, America and Asia. It is run as a separate entity and possesses all the resources necessary to carry out the projects which it is assigned. Since it is structured as a network, it can run worldwide programs—committing as much of its resources as are needed, through its worldwide workforce, and just the right resources, through its roster of experts, particularly for vehicle innovation or application projects.

Project Management

Vehicle application programs follow a unique process, bringing together all the participants needed to develop and launch a new, mass-produced product. This process, known as PMS (Program Management System), describes all the deliverables to be produced at each phase of the program. Every program is given periodic interim reviews, first by specialists and then at the close of each phase by management, so that its progress can be seen. The PMS includes five phases: obtain and validate customer needs, develop the product, test the product and develop the manufacturing process, plan and validate productive machinery, and increase line speeds and launch mass production.

To track performance throughout the development process and steer it towards excellence, Faurecia has introduced the idea of program management excellence. This new approach involves the foregoing elements plus:

- system audits of the program deliverables to vet the consistency of applications;
- and performance indicators, reviewed monthly, to signal future risks.

These various tools have made it possible to significantly improve such programs' performance financially and in terms of quality, schedule and mass production launch.

Over 400 programs run by 280 Program Managers are currently being applied. Some are of global scale, from first drawings to final manufacture.

7

Faurecia and the Environment

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Structured around environmental excellence centers and networks, Faurecia's teams make every effort to reduce environmental impact throughout the product life cycle.

While the regulations currently and soon to be in force have a direct impact on existing designs, automakers also sometimes strive to exceed these standards and set even more ambitious goals in terms of emissions reduction, the use of "green" materials (recycled or renewable materials) and automotive waste recovery. In such cases, suppliers have no choice but to go the extra mile and meet these objectives.

Faurecia continued to follow the course it set in 2009, devoting a significant portion of its R&D budget to reducing the environmental footprint of the auto industry.

7.1. Faurecia's Products and the Environment

Depending on the type of engine, decreasing the total weight of today's average vehicle by 100kg reduces emissions by 8-10g of CO_2 per kilometer driven. Since Faurecia's products can account for up to 20% of a vehicle's total weight, we play a key role in making vehicles lighter and more fuel efficient, thereby reducing greenhouse gas emissions. Through its Emissions Control Technologies Business, Faurecia also makes a significant contribution to lowering CO_2 emissions and reducing noise pollution.

This mission represents a major objective for all parties affected by the Group, including:

- customers, i.e., the automakers who rely on Faurecia to help differentiate their brands, by supplying products to make lighter vehicles with lower emissions that enable them to meet their objectives in this area;
- consumers, who reap the rewards of Faurecia's efforts to make products safer, more comfortable, reliable and attractive and who are able to consume less;
- citizens, who depend on manufacturers to shrink their products' environmental footprint through emissions reduction, noise reduction, energy management and reduced consumption of non-renewable raw materials.

In order to grow and to make lighter, cleaner, safer, more spacious vehicles, Faurecia takes environmental factors into account at all stages in the product life cycle, from product design to the environmental impact of its production sites, from supplier collaboration to product end-of-life.

7.1.1. PRODUCT DESIGN

Faurecia's approach focuses on six key areas starting from the product design phase and including the technical expertise we provide to automakers:

- reducing the weight of components;
- reducing the space taken up by products, which helps to reduce vehicle size without affecting vehicle performance or capacity (or to increase capacity without affecting vehicle size);
- lowering emissions of greenhouse and other polluting gases;
- recycling, including anticipation of the end-of-life phase, optimization of production waste recovery and the use of recycled materials;
- increasing the use of natural materials;
- reviewing and enhancing environmental performance based on life cycle analysis and assessment.

7.1.2. REDUCING PRODUCT WEIGHT

A number of countries, representing a considerable portion of the global automotive market, have regulatory frameworks for controlling carbon emissions. In order to reduce fuel consumption and consequently carbon emissions, reducing vehicle weight is a major imperative for automakers and is viewed as a significant means for automotive suppliers to stand out from the competition.

Faurecia is in a leading position to help automakers achieve this new objective, thanks to the diversity and size of the products that it supplies as well as its high level of vertical integration.

Obtaining optimal component weight is a complex balancing act requiring a broad spectrum of skills and approaches to support a wide variety of technological solutions. These approaches include:

- a continuous improvement strategy for existing components, which can achieve weight savings of 5% to 10% and can be applied to most Faurecia products using conventional materials. Designing components in accordance with lean production principles forms part of this strategy;
- using rheological and mechanical calculation systems to optimize the design of parts such as by leveraging the positioning of ribbing and different thicknesses or by more closely monitoring the direction of glass fibers in thermoplastic matrices. By fine-tuning the design process and using specific materials the Group has been able to reduce the thickness of certain components and offer more lightweight front-end modules with weight savings of up to 10%;
- using new materials such as high-elastic-limit steel in order to achieve weight savings of around 10% on seating frames, or expanded polypropylene for rear seat cushions generating around a 40% reduction in weight;
- integrating new technologies for the shaping of parts (variable thickness panels, variable diameter tubing) which can achieve weight savings of around 15% for cross-car beams compared with traditional structures;
- developing a new manufacturing process for exhaust system parts to reduce the thickness of the steel tube;
- developing new high-performance composite materials such as "sandwich" frames and structural foam which can achieve weight savings of between 5% and 30% depending on the application concerned;
- developing new production processes to reduce the weight of current design elements by creating cavities in structural or semi-structural parts or by using micro-fillers for semi-structural parts and parts used in the finish of a vehicle;
- developing new assembly processes that make is possible to reduce part thicknesses without affecting overall performance (through the use of laser welding or bonding) or to combine different types of materials (multi-material assemblies).

Some examples of potential applications in four major vehicle systems are provided below:

- **Automotive seating:** Composite backrests, developed jointly by Faurecia and BASF, that give automotive designers greater flexibility in the medium term and reduce weight by up to 15% in high-end vehicles, thanks to greater use of optimized, multi-material seating frames.
- **Emissions control technologies:** Targeted reduction of wall thickness in exhaust lines, without impairing the useful life of these systems.
- **Interior systems:** A low-weight covering premium (LOCOP) instrument panel skin that offers the soft-touch feel of polyurethane yet is much lighter in weight and more easily recycled than the traditional fabric. The development of a polymer material reinforced by natural fibers for a weight savings of 25% for interior applications.
- **Automotive exteriors:** Lightweight approaches and natural materials that bring "green" benefits to the entire vehicle, from trim to tailgate. For example, the development of a rear liftgate module made of thermoplastic provides a weight saving of 30%.

7.1.3. EMISSIONS REDUCTION INITIATIVES

The majority of industrialized countries regulate the pollution generated by the exhaust emissions of private and commercial vehicles to some degree, although the scope and stringency of these regulations varies from country to country. Following the widespread introduction of catalytic converters for gasoline-powered vehicles, it is now diesel vehicles and utility vehicles that is increasingly subject to regulatory constraints.

Europe is the leading worldwide market for diesel-run vehicles and has established strict regulations on two major pollutants – NOx and particulate matter (PM). Emissions are currently governed by the Euro 5 standard and will be governed by the Euro 6 standard beginning in 2014. The PM emissions threshold under the Euro 5 standard – which came into force in September 2009 – is five times lower than in Euro 4, which means that diesel vehicles need to use particulate filters. Beginning in September 2010, all diesel vehicles sold must be equipped with such a filter. Within the space of five years, the majority of the world's vehicle producing countries will have adopted comparable standards. South Korea was the first in 2010, and it will be followed by India in 2012 and then China in 2014. For Faurecia, this requirement for particulate filters means an increase in the average value of the lines delivered to customers. In 2014, the Euro 6 standard will cut the limit for nitrogen oxide emissions (NOx) to a third of its current value (0.08g/km).

New regulations relative to NOx and PM, applicable to utility vehicles, have required that emissions be reduced by more than 90% over the last decade in Europe, the United States and Japan. Brazil, China and India will soon follow the same path. Beginning in 2011, similar standards will apply to "off-highway" vehicles.

These emissions standards will require the development of new post-treatment solutions for the exhaust line that are able to reduce NOx emissions. Several technologies are under development:

1. selective catalytic reduction (SCR) using an external tank that contains AdBlue® to reduce emissions;
2. low pressure exhaust gas recirculation (LP-EGR), which requires the exhaust line to be fitted with an electric valve;
3. The Lean NOx Trap (LNT).

These technologies are already being used in European and North American utility vehicles. Particulate filters and SCR are required in commercial vehicles that operate in areas subject to strict regulations. In addition, some applications require innovations like the Thermal Regenerator™. These NOx treatment technologies have already been incorporated into Faurecia's product offering and are already included in several models that are looking ahead to the Euro 6 standard or similar regulations. Such vehicles include the BMW 5 Series 5 3.0l, which offers LNT as an option; the Audi Q7; the VW Touareg 3.0l V6 TDI; or the new Mercedes S350 V6, each equipped with its own type of SCR system.

Faurecia's latest developments and newest concepts include:

- exhaust-heat recovery technology for conventional and hybrid vehicles that extracts heat from the exhaust gases to reduce the amount of time that engines must run to warm up and sufficiently heat the cabin of the car;
- a thermoelectric generator which converts the exhaust gas heat into electric energy supplied to the on-board electronics;
- the rankine system converts the exhaust thermal energy into mechanical or electrical energy.

This trend towards stricter emissions standards requires exhaust systems to be fitted with highly specific equipment, and as such represents a significant growth opportunity for the Group in all of its markets.

7.1.4. RECYCLING INITIATIVES

7.1.4.1. Preparing for the End-of-Life Phase

In view of the increasingly strict regulations in this area, automakers are making ever more stringent demands on their equipment suppliers in terms of recycling end-of-life products. All of Faurecia's businesses are affected by these obligations and, depending on the characteristics of the component in question, have implemented plans and solutions to ensure that end-of-life products will be processed as efficiently as possible in the future.

The Automotive Seating Business, for instance, conducted a product/process LCA (life cycle analysis) on an innovative front seat, comparing it to the current model, with a view to improve its performance and to reduce its environmental footprint. The initial results of this study indicate a potential reduction in CO_2 equivalent emissions of approximately 10% for some of the key components of this seat.

In 2009, the Interior Systems Business kicked off a project, in conjunction with the French government's Energy and Environmental Agency (ADEME), promoting the recycling of complex interior components with a heterogeneous chemical makeup (instrument panels, door panels, etc.) by dismantling, crushing and separating the materials. Recyclability studies and tests have also been launched with certain car shredding establishments in relation to current products and materials being developed.

In a similar vein, in 2009 the Automotive Exteriors Business is finalizing a project launched in 2008 in conjunction with the ADEME to optimize the treatment of materials from end-of-life vehicles and produce cradle-to-cradle designs. Specific extrusion processes and chemical treatments have been developed in order to enhance the quality of materials and thereby optimize their performance.

The outcome of the Group's work in this area should enable us to draw up financial and technical models tailored to Faurecia's business operations. We are studying all possibilities for recovering materials at the end-of-life phase with a view to integrating best-in-class solutions right from the design stage; reducing the environmental impact of our products, and taking into account all stages of the vehicle's life cycle. We also use life cycle analyses to "eco-design" our products, integrating all of the above criteria as early as possible into the innovation and development processes.

7.1.4.2. Use of Recycled Materials

Faurecia proposes an increasing number of recycled plastic parts.

In the Automotive Seating Business, depending on the type and category of vehicle, various components are now partly made of recycled polypropylene. Taking all these components together, recycled plastics can now account for 15-20% of the materials comprising the seats manufactured by Faurecia.

In the Interior Systems Business, various tests and projects are currently underway in collaboration with industrial partners in the European automotive recycling industry.

In addition, Faurecia maximizes the incorporation of recycled natural fibers (mainly cotton) in its vehicle soundproofing systems.

The Automotive Exteriors Business offers a wide range of applications that can use recycled plastics, particularly non-visible applications such as energy absorbers and bumper frames or spoilers. Thanks to recent research work we can now offer the option of incorporating recycled materials into decorative parts, such as bumper surfaces, for upcoming vehicle models. Lastly, we are also looking into new sources of materials from end-of-life products in order to enlarge the range of available second-life materials.

Life cycle analyses show that the use of recycled materials can reduce the environmental impact of manufactured products. Faurecia, like its automaker customers, has considerably extended its panel of suppliers of recycled materials with a view to integrating recycled parts into increasingly technical applications.

7.1.5. USE OF NATURAL MATERIALS

Bio-based materials and natural fiber composites are forming an ever-larger part of new car models. Faurecia offers customers a wide array of lower cost alternatives to petroleum-based products, a market in which it has a high degree of involvement and one it has pioneered.

7.1.5.1. Natural fibers and composites

In particular, Faurecia Interior Systems designs and manufactures door panels using composite materials that combine wood fibers and resins. Natural fibers account for between 50% and 88% of the materials developed for this application. We also manufacture instrument panels that combine a polypropylene matrix with linen fibers, comprising between 40% and 60% fibers, depending on the mechanical properties required.

We have also developed a number of injection-based applications which we are currently proposing to customers for future projects. These composite materials made from natural fibers can be used to replace current materials and are 25% lighter.

The Automotive Exteriors business has approved the use of compounds based on polyolefin and fibers such as hemp and sisal for making semi-structural parts to replace glass fibers in order to offer customers solutions that are competitive in terms of weight and cost. Natural fibers used as reinforcement in plastic parts generate weight savings of up to 20%.

The use of these materials also makes the Group less dependent on oil prices and allows it to reduce its overall environmental footprint. Wood, linen, hemp and sisal are entirely renewable materials, are locally available, and require much less start-up energy than traditional solutions such as glass fibers.

Faurecia has developed all these materials to enhance processing methods by increasing resistance and improving technical performance and esthetic appeal. The materials are used in both premium vehicles such as the Audi A4, Volvo C70 Coupé and Citroën C6 and volume-production models including the Citroën C4, Toyota Corolla and Avensis, Ford C-Max and Nissan Qashqai (wood fibers), and the Opel Astra and Zafira and the SmartForTwo (linen).

7.1.5.2. Biomaterials

In 2007, Faurecia Interior Systems launched a research project called Biomat aimed at replacing fossil-based materials with materials derived from fully renewable resources.

Faurecia's objective is to develop a biopolymer for vehicle interior applications. These are technical materials, which meet the strict requirements of the automotive industry in terms of safety, regulatory compliance, heat resistance, dynamic fatigue, odors, VOC (volatile organic compound) emissions, etc. They can be processed using traditional, low-investment processes, and the price per kilogram is competitive compared to more conventional materials used for vehicle interiors. This research should eventually result in an industrial application with high volumes of materials derived from renewable and non-food resources.

At the same time, the Automotive Exteriors business is in the process of testing biopolymer compounds for semi-structural applications, and the Seating and Acoustics businesses have joined forces to carry out a research project with the aim of being able to use plant-based polyols in foam for seating and acoustic components by 2011. Biomass would make up around 5% of this foam.

7.1.6. LIFE CYCLE ANALYSES

Faurecia is increasingly using life cycle analyses at various levels to steer its strategic decisions and those of automakers. These analyses are carried out on its products, on the entire vehicle, from the extraction of materials to delivery to automakers, and to the entire life cycle of the car (including customer use and recycling).

Framed by international standards SO 14040 and ISO 14044, this methodology consists of assessing the environmental impact of products designed and manufactured by Faurecia for use in automobiles. It involves the fullest possible impact assessment, including global warming (including CO_2), the consumption of non-renewable resources (oil and coal) and eutrophication.

These life cycle analyses allow both Faurecia and automakers to:

- make the right design choices for current vehicles (with gasoline or diesel internal combustion engines) and for those of the future using alternative fuels and with more environmentally-friendly emission control systems;
- assess and avoid impact transfer by focusing on alternative solutions (e.g. by developing a lighter but non-recyclable product).

7.1.7. SUPPLIER MANAGEMENT

Faurecia's components purchasing policy factors in environmental protection at every step in the product supply chain. Since July 1, 2007, the Group has asked its main suppliers to comply with its corporate social responsibility and environmental requirements. These requirements mainly concern compliance with various regulations, including those on occupational health and safety, certification of the environmental management system (e.g., ISO 14001), the development of eco-friendly products and not using prohibited products and substances. It is a request that follows on from the initiative started in 2006, concerning ISO 14001 certification for the Group's 400 largest external suppliers in terms of revenues.

Specific measures have also been undertaken with all of Faurecia's suppliers with respect to implementing the REACH directive on the production and use of chemical substances. In accordance with the recommendations of the various automotive industry committees and working groups of which it is a member, Faurecia ensures that suppliers are aware of and comply with the Directive's requirements in terms of registration, evaluation and authorization of chemical substances for the European market, and, where applicable, take steps to initiate the withdrawal of certain substances from the market.

7.2. Faurecia's manufacturing sites and the environment

7.2.1. ENVIRONMENTAL PROTECTION IMPROVEMENT INITIATIVES

Faurecia is constantly seeking to limit the impact of its industrial activities on the natural habitat surrounding its sites, particularly in terms of the emission of hazardous substances into the air and water, energy consumption, the generation of greenhouse gas emissions and waste generation. With this aim in mind, in 2010 the Group continued its strategy of putting in place pollution abatement equipment at the end of its manufacturing processes or modifying processes to limit the quantity and harmful effects of their emissions and waste. The Group's sites invested a total of €12.855 million in environmental protection measures in 2010 (three times as much as in 2009). Investments dedicated exclusively to environmental protection alone accounted for €2.480 million in 2010 (twice as much as in 2009). These investments – some of which were necessary due to regulatory changes and compliance requirements – form part of the Group's overall capital expenditure plan which is reviewed on a six-monthly basis.

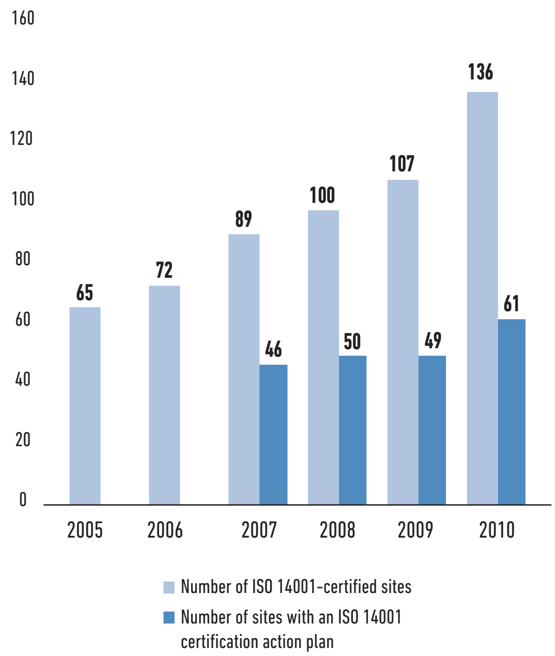
7.2.2. CERTIFICATION AND TRAINING

In line with the Group's environmental policy, Faurecia's sites are gradually implementing environmental management systems based on the ISO 14001 standard within the overall framework of the Faurecia Excellence System (FES). ISO 14001 certification is often required by the Group's customers.

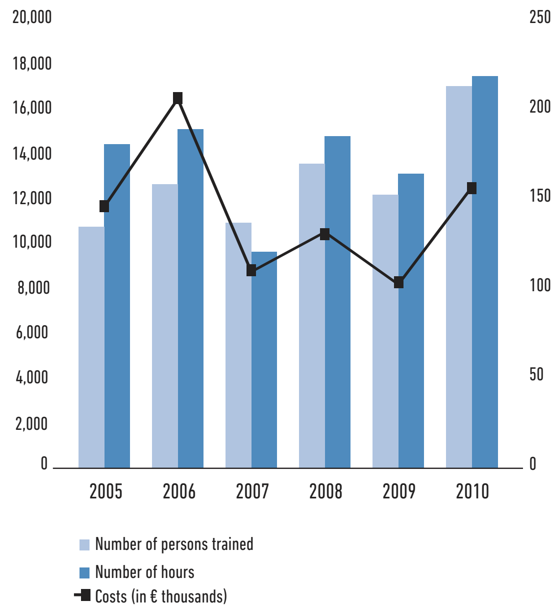
The number of ISO 14001-certified sites rose once again in 2010, reaching 136 by the year-end. Moreover, 61 sites currently have an action plan to set up a certified management system. New or recently consolidated sites with more than 50 employees are required to obtain this certification within three years.

As well as implementing ISO 14001 management systems, Faurecia organizes environmental training and awareness-raising sessions for its employees. In 2010, over 17,400 environmental training hours were provided to 16,974 Group employees. This 53% rise on 2009 reflects Faurecia's willingness to place environmental issues at the heart of the everyday practices of all employees.

NUMBER OF ISO 14001-CERTIFIED SITES AND SITES WITH AN ISO 14001 CERTIFICATION PLAN OF ACTION



NUMBER OF PERSONS TRAINED IN ENVIRONMENTAL ISSUES – NUMBER OF HOURS AND ASSOCIATED COSTS



7.2.3. ENVIRONMENTAL INDICATORS

Water consumption and wastewater discharges

The Group's estimated total water consumption for 2010 was 2.89 million cubic meters, representing a year-on-year rise of 9%. This rise was mainly due to the increased number of sites (28 additional sites compared to 2009, i.e. a 15% rise in the number of sites) and to the stepping up of output in a number of sites. Group-wide, the number of hours worked rose 34% year-on-year.

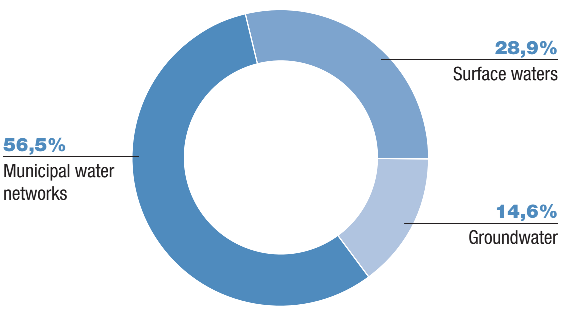
It should be noted that of the 173 sites in operation in 2009, total water consumption fell 6% between 2009 and 2010, a drop of 154,617 cubic meters, despite the increase in output over all sites. Thus, on the relevant sites, water consumption per number of hours worked fell 19% year-on-year, falling from 30.7 to 24.7 liters per hour worked. The drop in this indicator was even more significant on ISO 14001 certified sites (down 26%).

The sources of water used by the Group's plants break down as follows: 56.5% was drawn from municipal water networks, 28.9% from surface water and 14.6% from groundwater. The proportion of water taken directly from the natural environment (surface water and groundwater) fell significantly, by 43.5% compared to 57% in 2009. This trend was due in particular to improved performance in sites that use the most water.

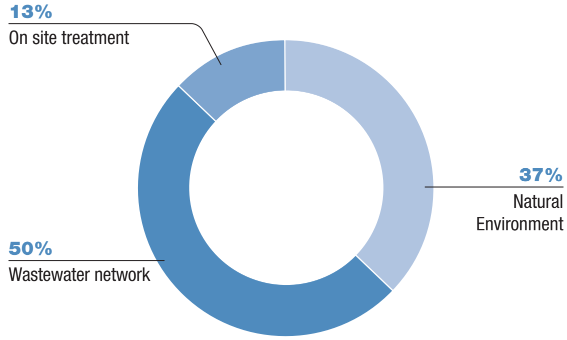
This water is mainly used for cooling purposes. Some 50% of the water used can be released directly into the natural environment (of which 13% require on-site treatment), while the remainder is discharged to wastewater networks.

Of the Group's 217 sites surveyed, 111 are required to report self-monitoring data to the local authorities on the quality of their wastewater discharges. Soil and groundwater pollution checks are also regularly carried out on most sites and when sites are purchased or disposed of, as part of environmental due diligence audits.

SOURCE OF WATER CONSUMPTION IN 2010



WASTEWATER DISCHARGED IN 2010



Energy consumption and atmospheric emissions

Total energy consumption for 2010 was estimated at 1.98 million MWh, up 39% year-on-year. This trend is mostly due to Faurecia' purchase of new sites in 2010 (28 additional sites compared to 2009, a 15% rise in the number of sites) and to increased output over a number of sites. Group-wide, the number of hours worked rose 34% year-on-year.

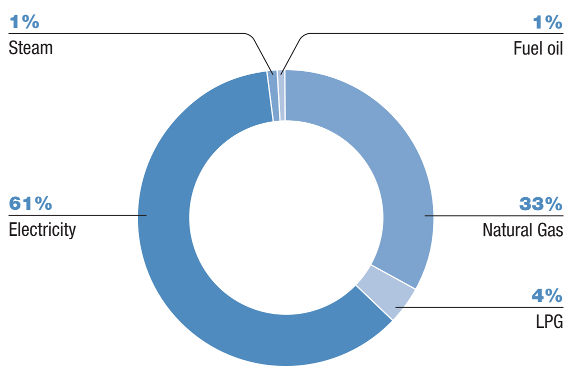
On a like-for-like basis, taking only the 173 sites already in operation in 2009 into account, energy consumption rose just 13% between 2009 and 2010, up 175,680 MWh. Moreover, in terms of hours worked, this energy consumption fell 3% year-on-year, with most of the fall coming from ISO 14001 certified sites (down 7%). It should also be noted that the overall rise in energy consumption related mostly to electricity (up 13% or 105,472 MWh) and natural gas (up 11% or 48,684 MWh).

In conclusion, 61% of energy consumed in 2010 was electricity, 33% natural gas, 4% liquefied petroleum gas (LPG), 1% fuel oils and 1% steam.

Atmospheric emissions from Faurecia sites result mainly from natural gas, liquefied petroleum gas and fuel oils. These 3 sources generated about 158,000 tons of CO_2 in 2010, while the electricity consumption of Faurecia sites in 2010 represented about 444,000 tons of CO_2. On a like-for-like basis, CO_2 emissions rose by about 13% between 2009 and 2010, in line with the rise in energy consumption (see opposite).

Of the Group's 217 sites surveyed, 154 are required to report self-monitoring data to the local authorities on the quality of their atmospheric emissions.

BREAKDOWN OF ENERGY CONSUMPTION IN 2010



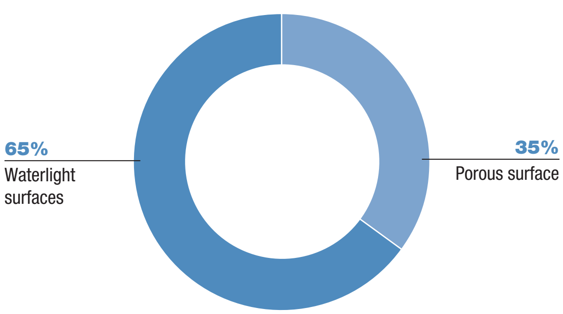
SOURCES OF ATMOSPHERIC EMISSIONS IN 2010

	CO_2 (t)	N_2O (t)	CH_4 (t)	SO_2 (t)	NO_2 (t)
Natural gas	133,455	5.84	9.34	1.30	140.24
Liquefied petroleum gas	18,443	0.72	0.29	0.63	17.29
Heavy industrial fuel oil (sulfur content ≈ 4%)	10	0	0	0.25	0.02
Low-sulfur industrial fuel oil (sulfur content ≈ 2%)	181	0.02	0.01	2.32	0.39
Very low-sulfur industrial fuel oil (sulfur content ≈ 1%)	951	0.02	0.04	6.10	2.07
Light fuel oil (sulfur content ≈ 0.3%)	4,915	0.10	0.10	6.26	6.57
TOTAL IN TONS	**157,955**	**6.70**	**9.78**	**16.85**	**166.59**

Use of ground surfaces (watertight surfaces and total surfaces)

Faurecia sites occupy a total surface area of 883.86 hectares worldwide, over 21% more than in 2009 following Faurecia's purchase of new sites in 2010. 65% of this is sealed against rainwater (compared to 67% in 2009).

BREAKDOWN OF SURFACES IN 2010



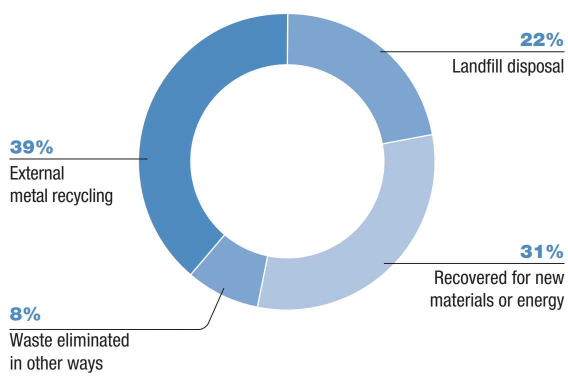
Waste generation

The Group generated 178,570 metric tons of waste in 2010 (including hazardous and non-hazardous waste and metals waste not recycled internally). Total waste rose almost 30% year-on-year, due mainly to the inclusion of new sites (28 additional sites compared to 2009) and to increased output in 2010 following relatively significant falls in some sites in 2009. Group-wide, the number of hours worked rose 34% year-on-year.

On a like-for-like basis, taking only the 173 sites already in operation in 2009 into consideration, total waste rose just 9.7% between 2009 and 2010, up 12,300 tons. In terms of hours worked, the amount of waste produced by these sites also fell by 6% to 1.420kg per hour worked (compared to 1.510kg per hour worked in 2009). The drop in this indicator was even more significant on ISO 14001 certified sites (down 9%).

A large portion of this waste consisted of metals (69,547 metric tons), which are released into the metals recycling circuit. The amount of landfilled waste fell significantly, to 22% in 2010 compared to 28% in 2009. As regards other waste, 31% was recovered externally, for energy or raw materials, 8% was eliminated in other ways (incineration without energy recovery or physico-chemical or biological treatment). Finally, 22,786 tons of byproducts in 2010 were directly reused internally as raw materials, representing a rise in tonnage by a 2.5 multiple on 2009.

WASTE ELIMINATION PHASES IN 2010



Other environmental indicators

ENVIRONMENTAL PENALTIES AND DISPUTES

Pursuing its regulatory compliance policy, the number of Group sites that received notices of violation or other notices of non-compliance fell, with 14 sites receiving 17 notices of violation or non-compliance (compared to 27 last year), including 7 relating to the environment and 10 relating to working conditions and health and safety. Environment-related notices issued by the authorities mostly concerned non-compliance with thresholds for volatile organic compounds (VOCs), waste management or odor pollution. Health and safety notices related to issues such as the absence of protective equipment or workplace accident files. A number of sites were ordered to pay penalties totaling €12,630 exclusively for health and safety issues.

Five disputed cases are still pending worldwide on issues relating to the environment 14 fourteen concerning health and safety and working conditions.

8

Corporate governance

CONTENTS

Sections 8.1, 8.4 and 10.3.2.1 of this chapter in this Registration Document constitute the Chairman's report to the Meeting as provided for in Article L. 225-37 of the French Commercial Code. This report was approved by Faurecia's Board of Directors at its February 7, 2011 meeting and was sent to the AMF at the same time as this registration document. It can be viewed on Faurecia's website: http://www.faurecia.com.

It was prepared in accordance with French Act no. 2008-649 of July 3, 2008 which amended various provisions of French corporate law to align them with European Community law and the consolidated version of the AFEP-MEDEF Corporate Governance Code of April 2010 applicable to listed companies which the Board of Directors has adopted as its reference framework for defining and implementing the Group's corporate governance rules (hereinafter referred to as the "Corporate Governance Code"). The English language version of this Code can be viewed on the website of the European Corporate Governance Institute at http://www.ecgi.org/codes/documents/afep_medef_code_dec2008_en.pdf.

8.1. Board of Directors

8.1.1. MEMBERS, ROLES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

8.1.1.1. Members and role of the Board of Directors

A. MEMBERS OF THE BOARD OF DIRECTORS

According to the applicable legal and regulatory requirements and the company's bylaws, the Board of Directors comprises at least three and no more than fifteen members elected at the Annual Shareholders' Meeting for a six-year term.

In 2010 the number of members on the Board of Directors rose from 9 to 12. Following the purchase of Emcon Technologies, the Annual Shareholders' Meeting of February 8, 2010 appointed Lee Gardner as a director of Faurecia. At the same meeting, Éric Bourdais de Charbonnière was appointed a director of Faurecia. Finally, Hans-Georg Härter was appointed as a director at the Annual Shareholders' Meeting of May 26, 2010.

Since the changes brought about at these meetings and at the date this Registration Document was drawn up, the Board of Directors now has 12 members:

Mr. Yann Delabrière	Director, Chairman and Chief Executive Officer
Mr. Éric Bourdais de Charbonnière	Director
Mr. Jean-Pierre Clamadieu	Director
Mr. Frank Esser	Director
Mr. Lee Gardner	Director
Mr. Jean-Claude Hanus	Director
Mr. Hans-Georg Härter	Director
Mr. Ross McInnes	Director
Mr. Robert Peugeot	Director
Mr. Thierry Peugeot	Director
Mr. Frédéric Saint-Geours	Director
Mr. Philippe Varin	Director

Six of these members are considered to be independent within the meaning of the Corporate Governance Code. They are Mr. Éric Bourdais de Charbonnière, Mr. Jean-Pierre Clamadieu, Mr. Frank Esser, Mr. Lee Gardner, Mr. Hans-Georg Härter and Mr. Ross Mc Innes.

Five directors – Messrs. Jean-Claude Hanus, Robert Peugeot, Thierry Peugeot, Frédéric Saint-Geours and Philippe Varin – hold executive management or supervisory positions within the PSA Peugeot Citroën Group, Faurecia's majority shareholder which owns 57.43% of the company's capital.

Lastly, Mr. Yann Delabrière has been Faurecia's Chairman and Chief Executive Officer since February 16, 2007.

The Board considers that its membership adequately reflects the proportionate ownership interest of its major shareholders.

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

Apart from the Chairman and Chief Executive Officer, no member of the Board of Directors holds an executive management or salaried position within a Group company.

In accordance with the applicable legal and regulatory requirements and the company's bylaws, the term of office of directors is currently six years. This term of office, which is longer than recommended by the Corporate Governance Code, is considered more appropriate because it more closely reflects the average production and marketing cycles for automakers' vehicle ranges. However, in order to reconcile the Corporate Governance Code and the requirements of the automobile sector, the board intends to submit a resolution to the Shareholders' Meeting to change the term of office to five years.

Further information on each director and details of directorships and other positions held by them are provided in section 8.1.2 of this registration document.

B. RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Directors is responsible for determining the overall business, financial and economic strategies of the company and the Faurecia group, and oversees their implementation.

Except for the powers directly vested in shareholders and within the scope of the corporate purpose, at the Chairman's initiative the Board deals with all matters concerning the efficient running of the company and are responsible for making all related decisions, particularly for strategic issues concerning the company and the Group.

The internal rules of the Board of Directors – which may be consulted by shareholders at the company's headquarters or on Faurecia's corporate website at www.faurecia.com – govern how the work of the Board is organized.

They describe the Board's modus operandi and its role in the management of the company and the Group as carried out in accordance with the law and the company's bylaws. They also specify the rights and responsibilities of Board members, particularly regarding the prevention of conflicts of interest, the holding of multiple directorships and the need for strict confidentiality as well as diligence in taking part in the Board's work. In addition they set out rules governing transactions involving Faurecia's shares, as recommended by the Autorité des Marchés Financiers.

In order for it to be able to properly exercise its functions the Board of Directors has included the following requirements in its internal rules:

- the Chairman, assisted by the Board Secretary, shall be responsible for sending any useful information to the other Board members;
- where items on the agenda at a Board or Committee meeting require specific analysis or review, information and/or documentation on the issues concerned shall be provided on a timely basis prior to the meeting;
- the Board shall be regularly informed of any significant events affecting the company's affairs;
- at its meetings on February 2 and March 9, 2009 the Board of Directors amended its internal rules in order to authorize directors to participate in Board meetings by video-or teleconference on an exceptional basis, provided that at least four directors – including the Chairman – attend the meeting in person at the venue specified in the notice of meeting. The reasoning behind this amendment was to facilitate attendance at meetings as well as the decision-making process.

The Board of Directors decides which type of management structure the company applies. The company's management may be placed under the responsibility of either the Chairman of the Board of Directors or another person appointed by the Board who holds the title of Chief Executive Officer. Since the Board meeting of September 8, 2006, the positions of Chairman and Chief Executive Officer have been combined. The Board of Directors confirmed this management structure at its meeting of February 16, 2007.

8.1.1.2. Organization and report on the Board's work in 2010

The Board of Directors is convened by its Chairman, who sets the agenda for each meeting. To prepare as best as possible the decisions falling under its responsibilities, Faurecia's Board of Directors has set up three committees:

- the Audit Committee;
- the Strategy Committee;
- the Appointments and Compensation Committee.

A. REPORT ON THE BOARD'S WORK

The Board of Directors met six times in 2010 with an average attendance rate of 94.20%.

At each of its meetings in 2009, the Board was informed of the Group's operating results and sales and earnings outlook. The budgets for 2010 (as revised at the end of the first-half) and 2011 were presented at the Board meetings of July 21, 2010 and December 16, 2010 respectively. The Board examined and approved the 2009 parent company and consolidated financial statements, at its meeting of February 8, 2010; and the 2010 consolidated interim financial statements, at its July 21, 2010 meeting. One of the Board's priorities in 2009 was the Group's financing structure and strategy. Both of these subjects were regularly reviewed during Board meetings. The February 8, 2010 meeting discussed changes to be made to its bylaws after the purchase of Emcon. It also reviewed the finalization of the purchase of Plastal Germany's assets.

The April 14, 2010 meeting examined the Emcon integration process and studied the principles of a share grant plan. It also determined directors' remuneration.

It also adopted proposed changes to its internal rules for the purpose of:

- setting out situations where directors could encounter conflicts of interest and restating the confidentiality and discretion incumbent on them with regard to information not in the public domain acquired during the course of their duties;
- setting up closed periods during which administrators would be required to refrain from transactions involving Faurecia shares, in particular periods during which interim or annual results or quarterly turnover are published;
- setting up an ethical officer position to facilitate the handling of securities transactions and sensitive information discussed by the Board.

The Board meeting of April 14, 2010 adopted the Registration Document and convened an Ordinary and Extraordinary Shareholders' Meeting for May 26, 2010.

The Board meeting of June 23, 2010 examined the 2010-2014 medium-term business plan and decided to grant shares (plan no. 1).

The Board meeting of July 21, 2010 approved Faurecia's consolidated financial statements dated June 30, 2010 and the interim management report. It also discussed the Group's financing plan. Finally, it satisfied itself that the consolidation of Plastal Germany and Plastal Spain was being properly implemented and decided on a second share grant (plan 2).

The Board meeting of October 26, 2010 examined the updated budget for the second half of 2010. It reviewed the state of progress of the strategic plan and turned its attention to directors' terms of office and renewal thereof. Finally, the Board decided to launch a process to assess its work and to entrust this process to an external consultant.

Finally, the Board meeting of December 16, 2010 adopted the 2011 budget. It took stock of the state of progress of the Group's strategic plan and satisfied itself that operations to consolidate recent acquisitions were being properly implemented.

B. THE AUDIT COMMITTEE

Members

The Audit Committee is governed by its internal rules which provide that committee members are all directors and that these may not use proxies. The term of office of committee members is the same as that of their directorships.

All committee members must be members of the company's Board of Directors, excluding those in executive management positions.

Committee members must show evidence of specific skills in the area of finance or accounting and must be independent as defined in the Corporate Governance Code.

The Audit Committee currently has three members, Éric Bourdais de Charbonnière, Ross McInnes and Fréderic Saint-Geours.

It is chaired by Ross McInnes.

The Committee includes two independent directors, one of whom is its Chairman. The number of independent directors is therefore two-thirds of the Committee members as recommended in the Corporate Governance Code.

Responsibilities

The general remit of the Audit Committee to assist the Board of Directors in monitoring issues relating to the preparation and verification of accounting and financial information.

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

In particular, the Committee is responsible for preparing the Board Meetings held to review the interim and annual financial statements and for informing the Board on these subjects. To that end, it reviews the financial statements before they are submitted to the Board and issues an opinion on:

- the application and relevance of the accounting policies and methods used, as well as its review of material risks;
- the appointment, fees and audit program of the Statutory Auditors and issues relating to their independence.

As part of its review of the company's parent company and consolidated financial statements, the Committee ensures that Senior Management and the statutory auditors formally approve accounting policies that have a significant impact on the presentation of the financial statements and that these accounting policies are presented to the Board of Directors; Senior Management explains and substantiates to the Board the main accounting options that are selected and that the statutory auditors review these options; and the statutory auditors have access to all the information they require for performing their duties and are given the means to relay any significant observations.

As part of its internal control remit, the Audit Committee also monitors the effectiveness of internal control systems and is given a presentation by the Head of Internal Audit once a year on this issue.

Organization and activity report

The Audit Committee meets at least twice a year, prior to the closing of the annual and interim financial statements. In 2010, it met four times with an average attendance rate of 90.9%.

The main aims of the Audit Committee meeting held on February 8, 2010 were to (i) prepare and examine the 2009 parent company and consolidated financial statements, and (ii) review the Group's cash position and bank covenants included in the Group's main bank credit facilities.

The April 14, 2010 Committee meeting was devoted to a presentation of the work carried out by the Internal Audit department, as well as discussing the implementation of the Group's ERP system and the organizational structure of the shared accounting Services Centers.

In its July 20, 2010 meeting, the Committee examined the interim financial statements and the Group's bank covenants and financing plan.

Lastly, the December 15, 2010 Audit Committee meeting focused on the accounting options used for the 2010 financial statements and a presentation given by the statutory auditors on their work carried out during the year.

At each of its meetings the Committee members reviewed the Group's cash position, financing and liquidity.

During its various meetings, the Audit Committee was also given presentations by the Group's Chief Financial Officer, the heads of the Accounting and Tax departments, and the statutory auditors, who gave the Committee members their observations.

The Chairman of the Committee submitted reports on the Committee's work to the Board of Directors on February 8, April 14, July 21 and December 16, 2010.

C. THE STRATEGY COMMITTEE

Following Faurecia's announcement on November 2, 2009 concerning the acquisition of Emcon Technologies, the Board decided to set up a Strategy Committee on October 15, 2009. The internal rules of this new Committee were adopted by the Board on December 17, 2009.

Members

Committee members are all directors. The term of office of committee members is the same as that of their directorships.

The internal rules of the Strategy Committee stipulate a minimum of three members. The Chairman of the Board of Directors is automatically a member of the Strategy Committee as is the Chief Executive Officer, provided he is a director.

The Board of Directors appoints a Committee Chairman from among its members for a term identical to that of his directorship.

Finally, at least one Committee member must be independent as defined in the Corporate Governance Code.

The Strategy Committee currently has four members, Messrs. Yann Delabrière, Lee Gardner, Hans-Georg Härter and Philippe Varin. It is chaired by Mr. Philippe Varin. The Strategy Committee therefore includes two independent directors. The number of independent directors is therefore in line with the threshold recommended in the Corporate Governance Code.

Responsibilities

As part of its general remit to analyze the Group's overall strategic vision, the Strategy Committee prepares the matters to be discussed by the Board of Directors. To this end, it issues proposals, opinions and recommendations on:

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

To fulfill its remit, the Strategy Committee may call on external auditors or any other experts internal or external to the Group and on the Chairman of Faurecia's Audit Committee to report on any issue relating to investments, risks and the impact on the Group's financing in relation to projects submitted to it.

Activity report

The Committee meets at least twice a year. In 2010, it met four times with an average attendance rate of 90.9%.

During its meetings, the Strategy Committee analyzed the Group's strategic position, both as regards each of the Group's four business lines on their respective markets and the Group's overall position, and in particular its financing strategy. As part of this process, it examined planned acquisitions, including the acquisition of Plastal.

D. THE APPOINTMENTS AND COMPENSATION COMMITTEE

Members

The members of the Appointments and Compensation Committee are all members of Faurecia's Board of Directors. They are appointed in a personal capacity and may not use proxies. They are appointed for the term of their directorships.

The composition of the Committee may be changed at any time as decided by the Board.

Since February 8, 2010, the Appointments and Compensation Committee has three members, Messrs. Jean-Pierre Clamadieu, Chairman, Jean-Claude Hanus and Frank Esser It therefore includes two independent directors, one of whom is its Chairman.

Responsibilities

The role of the Appointments and Compensation Committee is to prepare matters for the Board's discussion, notably regarding:

- the selection and appointment of new directors;
- corporate officers' compensation;
- setting the terms and performance conditions applicable to stock option and share grant plans for corporate officers;
- the periodic review of directors' compensation.

Organization of work

The Appointments and Compensation Committee meets at least twice a year. In 2010, it met four times with an average attendance rate of 83.3%.

At its meeting held on January 27, 2010 the Committee examined the compensation payable to the Chairman and Chief Executive Officer, together with the factors taken into account to determine the variable portion of his compensation; assessed the membership structure and the operating procedures of the Board, and reviewed whether any stock options or shares should be granted during the year.

The Committee meetings of April 07, 2010 and July 19, 2010 notably focused on a share grant plan for executives and key managers, on the Group's medium-term performance and on a review of the Group's Senior Management.

Finally, at its October 15, 2010 meeting, the Appointments and Compensation Committee examined the issue of the assessment of the work of the Board of Directors as recommended by the Corporate Governance Code. It suggested that the Board call on external experts. The Appointments and Compensation Committee also examined the issue of the reappointment of members of the Board of Directors whose terms of office expire at the next Annual Shareholders' Meeting and the duration of such terms of office.

8.1.1.3. Committee assessment

The work of Faurecia's Board of Directors has already been self-assessed through a questionnaire completed by each member. On October 26, 2010, based on a recommendation by the Appointments and Compensation Committee, the Board of Directors decided that an assessment of its work in 2010 should be carried out with the assistance of an external consultant.

On February 7, 2011, the Board of Directors was informed of this assessment carried out for the first time by KPMG consultants. This assessment approved the work carried out within the Board and the quality of the discussions held during meetings. The balance between Board members representing the majority shareholder and independent directors was found to be fair. The composition, organization and operation of the Board enable it to fulfill its roles effectively.

8.1.2. MEMBERS OF FAURECIA'S BOARD OF DIRECTORS

8.1.2.1. Information on Board members

The company has no employee-elected or non-voting directors.

Each Board member must hold at least 20 Faurecia shares throughout his or her term of office.

Apart from the Chairman and Chief Executive Officer, no member of the Board of Directors holds an executive management or other salaried position within Faurecia or a company that is directly or indirectly controlled by Faurecia.

The only directors with a family connection were Messrs. Thierry Peugeot and Robert Peugeot. There is no other family relationships between Faurecia's other corporate officers.

In the past five years no director has been convicted of any fraudulent offence; managed a company that has filed for bankruptcy or gone into receivership or liquidation; received an official public incrimination or sanction by statutory or regulatory authorities; been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer, or from acting in the management or conduct of the affairs of an issuer.

CIVIL STATUS AND TERM OF OFFICE

Directors	Directorships/Positions
Yann DELABRIÈRE Mr. Yann Delabrière, has been Chairman and Chief Executive Officer of Faurecia since February 16, 2007. His term of office will expire at the Annual Shareholders' Meeting to be held in 2013. Aged 60, Mr. Yann Delabrière has been a director of Faurecia since November 18, 1996. He occupied various positions within the Finance departments of major manufacturing groups before joining the PSA Peugeot Citroën Group in 1990 where he held the position of Chief Financial Officer and member of the Executive Committee from 1998 to 2007. As of December 31, 2010, Mr. Yann Delabrière held 6,294 Faurecia shares. Business address: FAURECIA 2, rue Hennape 92735 Nanterre cedex	**Within the company** Chairman and Chief Executive Officer of Faurecia **Outside the company** As of December 31, 2010, Mr. Yann Delabrière also held the following directorship: • Director of Capgemini Over the last five years, Mr. Yann Delabrière has also held the following directorships and positions, which he no longer holds: • Chief Financial Officer of Peugeot SA • Chairman and Chief Executive Officer of Banque PSA Finance • Chairman and Chief Executive Officer of Compagnie Générale de Crédit aux Particuliers – Credipar • Director of Peugeot Citroën Automobiles SA • Director of Automobiles Citroën • Director of Gefco • Chairman of Pergolese Investissements • Chief Executive Officer of Grande Armée Participations • Chairman of the Supervisory Board of SIT • Permanent representative of Peugeot SA on the Board of Directors of Automobiles Peugeot • Legal Manager of PSA Services SrL (Italy) • Chairman of the Board of Directors of Peugeot Citroën Argentina SA (Argentina) • Chairman of the Supervisory Board of Peugeot Finance International (Netherlands) • Vice-Chairman and Director of PSA International SA (Switzerland)
Éric BOURDAIS DE CHARBONNIÈRE Mr. Éric Bourdais de Charbonnière, has been a director of Faurecia since February 8, 2010. His term of office will expire at the Annual Shareholders' Meeting to be held in 2016. Aged 71, Mr. Éric Bourdais de Charbonnière joined JP Morgan in 1965 and went on to hold various positions in the bank. From 1987 to *1990 he was the Executive Vice-President,* Head of Europe. In 1990, he joined Michelin as Chief Financial Officer, then later became member of the Group Executive Council. He has been Chairman of the Supervisory Board since September 2000. Mr. Éric Bourdais de Charbonnière holds 100 Faurecia shares. Business address: MICHELIN 46, Avenue de Breteuil 75324 Paris cedex 07	**Within the company** • Director of Faurecia **Outside the company** As of December 31, 2010, Mr. Éric Bourdais de Charbonnière also held the following directorships and positions: • Chairman of the Supervisory Board of Michelin • Member of the Supervisory Board of ODDO Over the last five years, Mr. Éric Bourdais de Charbonnière has also held the following positions, which he no longer holds: • Member of the Supervisory Board of ING Group • Member of the Board of Directors of Thomson SA

Directors	Directorships/Positions
Jean-Pierre CLAMADIEU Mr. Jean-Pierre Clamadieu, has been a director of Faurecia since May 29, 2007. Aged 52, Mr. Jean-Pierre Clamadieu was appointed Chief Executive Officer of Rhodia in October 2003 and has been Chairman and Chief Executive Officer since March 2008, having previously held various divisional executive positions. His term of office will expire at the Annual Shareholders' Meeting to be held in 2013. At December 31, 2010 Mr. Jean-Pierre Clamadieu held 364 Faurecia shares. Business address: RHODIA Immeuble Cœur Défense tour A, 110 Esplanade Charles de Gaulle La Défense 4 92931 La Défense cedex	**Within the company** • Director of Faurecia **Outside the company** As of December 31, 2010, Mr. Jean-Pierre Clamadieu also held the following directorships and positions: • Chairman and Chief Executive Officer of Rhodia • Director of the SNCF
Frank ESSER Mr. Frank Esser, has been a director of Faurecia since May 23, 2005. His term of office will expire at the Annual Shareholders' Meeting to be held in 2011. Mr. Frank Esser, 52, joined SFR as Chief Executive Officer in September 2000 and was appointed Chairman and Chief Executive Officer of SFR in 2002. As of December 31, 2010, Mr. Frank Esser held 2,020 Faurecia shares. Business address: SFR – Tour Séquoia 1, place Carpeaux 92915 Paris La Défense	**Within the company** • Director of Faurecia **Outside the company** As of December 31, 2010, Mr. Frank Esser also held the following directorships and positions: • Chairman and Chief Executive Officer of SFR • Member of the Management Board of Vivendi • Chairman of the Fédération Française des Télécoms et des communications électroniques • Permanent representative of SFR on the Board of Directors of Ltb-R • Member of the Supervisory Board of Vodafone D2 GmbH (Germany) • Member of the Supervisory Board of Société Financière de Communication et du Multimédia • Director of Vivendi Telecom International • Member of Supervisory Board of ARCOR Over the last five years, Mr. Frank Esser has also held the following directorships and positions, which he no longer holds: • Chairman of the Supervisory Board of Neuf Cegetel • Member of Supervisory Board of Maroc Telecom • Chairman of the Board of Directors of Vizzavi France • Chairman and Chief Executive Officer of SHD

Directors	Directorships/Positions
Lee GARDNER Mr. Lee Gardner, has been a director of Faurecia since February 8, 2010. His term of office will expire at the Annual Shareholders' Meeting to be held in 2016. Aged 64, Mr. Lee Gardner joined One Equity *Partners as a* Partner. In 2008, he became Chairman and Chief Executive Officer of Emcon Technologies. He is currently a director of Precision Gear. As of December 31, 2010, Mr. Lee Gardner held 27,310 Faurecia shares. Business address: One Equity Partners *Suite 170* 100 Bloomfield Hills Parkway Bloomfield Hills Michigan 48304 USA	**Within the company** • Director of Faurecia **Outside the company** As of December 31, 2010 Mr. Lee Gardner is also: • Director of Precision Gear. Over the last five years, Mr. Lee Gardner has also held the following directorships and positions, which he no longer holds: • Director of OEP Precision Holdings LLC • Director of Polaroid Inc. • Director of Mauser–Werke GmbH • Director of Progress Rail
Jean-Claude HANUS Mr. Jean-Claude Hanus, has been a director of Faurecia since February 21, 2000. His term of office will expire at the Annual Shareholders' Meeting to be held in 2011. Aged 64, Mr. Jean-Claude Hanus has spent his entire career with the PSA Peugeot Citroën Group and is currently Director of Legal Affairs, Institutional Relations and Internal Audit of Peugeot SA. As of December 31, 2010, Mr. Jean-Claude Hanus held 100 Faurecia shares. Business address: PEUGEOT SA 75, avenue de la Grande-Armée 75116 Paris	**Within the company** • Director of Faurecia **Outside the company** As of December 31, 2010, Mr. Jean-Claude Hanus also held the following directorships and positions: • Director of Automobiles Peugeot • Director of Compagnie Générale de Crédit aux Particuliers – Credipar • Permanent representative of Peugeot SA on the Board of Directors of Banque PSA Finance • Permanent representative of Peugeot SA on the Board of Directors of Gefco SA • Chairman of DJ6 • Chairman of Grande Armée Participations • Director of Peugeot Citroën Automobiles España SA • Director of PCMA Holding BV • Permanent representative of Peugeot SA on the Board of Directors of Automobiles Citroën • Director of Comité des Constructeurs Français Automobiles Over the last five years, Mr. Jean-Claude Hanus has also held the following directorships and positions, which he no longer holds: • Chairman of the Board of Directors of Faurecia • Chairman of the Board of Directors of Automobiles Citroën • Permanent representative of – SOFIB on the Board of Directors of Beaujon immobilier–Chairman and Chief Executive Officer of Beaujon Immobilier • Chairman and Chief Executive Officer of Beaujon Immobilier • Director of Association Auxiliaire de l'Automobile

Directors	Directorships/Positions
Hans-Georg HÄRTER Mr. Hans-Georg Härter is a director. Aged 65, Mr. Hans-Georg Härter has been a director of Faurecia since May 26, 2010. Hans-Georg Härter has spent his entire career with the ZF Group which he joined in 1973. He was appointed Chairman of the Managing Board of ZF Friedrichshafen AG in January 2007. As of 12/31/2010 Mr. Hans-Georg Härter held 720 Faurecia shares. Business address: ZF Friedrichshafen AG 88038 Friedrichshafen Germany	**Within the Company** • Director of Faurecia **Outside the Company** As of December 31, 2010, Mr. Jean-Claude Hanus also held the following directorships and positions: • Chief Executive Officer de ZF Friedrichshafen AG • Member of the Supervisory Board of ZF Getriebe GmbH, Saarbrücken • Member of the Supervisory Board of ZF Lemförder GmbH, Lemförde • Member of the Supervisory Board of ZF Passau GmbH, Passau • Member of the Supervisory Board of ZF Sachs AG, Schweinfurt • Member of the Supervisory Board of ZF Lenksysteme GmbH Schwäbisch Gmünd • Member of the Supervisory Board of Flughafen Friedrichshafen GmbH • Member of the Supervisory Board of Klingelnberg AG • Member of the Advisory Committee of Landesbank Baden-Württemberg • Member of the Advisory Committee of Zeppelin Luftschifftechnik • Member of the Advisory Committee of Allianz Global Corporate & Specialty AG • Member of the Advisory Committee of VDA Herstellergruppe III, Teile und Zubehör • Member of VDA Rohstoffausschuss • Member of the Supervisory Board of LVI, Landesverband der Baden-Württembergischen Industrie e.V. • Member of the Stiftungsrat of Zeppelin University Friedrichshafen • Member of Stifterverband Deutsche Wissenschaft e.V. • Member of Stiftung Deutsche Sporthilfe • Member of Max-Planck-Gesellschaft • Member of Institut Deutsche Wissenschaft Over the last five years, Mr. H-G. Härter has also held the following directorships and positions, which he no longer holds: • Director of Sachs Automotive of America • Director of ZF Sachs suspension France SAS • Director of ZF Sachs Espana S.A. • Director of ZF Sachs Gisserei GmbH • Director of Saurer AG • Director of Tacke AG • Member of the Supervisory Board of Automobilindustrie (VDA)

Directors	Directorships/Positions
Frédéric SAINT-GEOURS Mr. Frédéric Saint-Geours has been a director of Faurecia since July 20, 2009. His term of office will expire at the Annual Shareholders' Meeting to be held in 2013. Aged 60, Mr. Frédéric Saint-Geours has held various positions within the PSA Peugeot Citroën Group, including Group Finance Director and Senior Vice-President of Automobiles Peugeot. From July 1998 to the end of December 2007 he was Chief Executive Officer of Automobiles Peugeot and a member of the Managing Board. Following this, he has been Adviser to the Chairman and a member of the Managing Board of the PSA Peugeot Citroën Group. As of December 31, 2010, Mr. Frédéric Saint-Geours held 100 Faurecia shares. Business address: Peugeot SA 75, avenue de la Grande-Armée 75116 Paris	**Within the company** • Director of Faurecia **Outside the company** As of December 31, 2010, Frédéric Saint-Geours also held the following directorships and positions: • Member of the Managing Board of Peugeot SA • Executive Vice-President, Finance and Strategic Development of the PSA Peugeot Citroën Group • Chairman and Chief Executive Officer of Banque PSA Finance • Director of Gefco • Director of Peugeot Citroën Automobiles SA • Vice-Chairman of Dongfeng Peugeot Citröen Automobiles Company Ltd. • Director of PCMA Holding BV • Chairman of the Supervisory Board of Peugeot Finance International NV • Vice-Chairman and Chief Executive Officer of PSA International SA • Director of Casino Guichard-Perrachon • Chairman of the Union des Industries et Métiers de la Métallurgie • Director of Automobiles Citroën • Permanent representative of Peugeot SA on the Board of Directors of Automobiles Peugeot Over the last five years, Frédéric Saint-Geours has also held the following directorships and positions, which he no longer holds: • Member of the Supervisory Board of Peugeot Deutschland GmbH • Director of Peugeot España SA • Director of Automobiles Peugeot • Chief Executive Officer of Automobiles Peugeot • Permanent representative of Automobiles Peugeot on the Board of Directors of Gefco • Permanent representative of Automobiles Peugeot on the Board of Directors of Banque PSA Finance

Directors	Directorships/Positions
Ross McINNES Mr. Ross McInnes has been a director of Faurecia since May 29, 2007. His term of office will expire at the Annual Shareholders' Meeting to be held in 2013. Aged 57, Mr. Ross McInnes held the position of Chief Financial Officer of Eridania Beghin-Say from 1991 to 2000, and became a director in 1999, and became a director in 1999. He joined Thomson-CSF (Thales) in 2000 as Senior Vice-President and Chief Financial Officer before joining the PPR group in 2005 as Senior Vice-President Finance and Strategy. From 2007 to 2009 he held the position of Vice Chairman of Macquarie Capital Europe. Mr. Ross McInnes has been the Executive Vice-President responsible for Economic and Financial Affairs of Safran group since May 28, 2009 and has been a member of its Managing Board since July 29, 2009. As of 12/31/2010, Mr. Ross McInnes held 100 Faurecia shares. Business address: SAFRAN, 2, boulevard du Général Martial Valin 75015 PARIS	**Within the company** • Director of Faurecia **Outside the company** As of December 31, 2010, Mr. Ross McInnes also held the following directorships: • Executive Vice-President, Economic and Financial Affairs at Safran • Member of the Executive Board of Safran • Director of Vallaroche Conseil • Permanent representative of Safran on the Board of Directors of Établissements Vallaroche • Director of Messier-Dowty SA • Permanent representative of Établissements Vallaroche on the Board of Directors of Soreval (Luxembourg) • Director of Aircelle (SA, France) • Director of Messier-Bugatti (SA, France) • Director of Morpho SA • Director of Snecma (SA, France) • Director of Turbomeca (SA, France) • Director of Safran USA, Inc. (United States) • Non-voting Director of Générale de Santé SA • Director of Financière du Planier SA Over the last five years, Mr. Ross McInnes has also held the following directorships and positions, which he no longer holds: • Chairman of the Management Board of Générale de Santé S.A. • Chairman of Chartreuse & Mont-Blanc SAS • Vice-Chairman of Macquarie Capital Europe Ltd. (UK) • Director of Santé SA (Luxembourg) • Director of Macquarie Autoroutes de France SAS • Director of Eiffarie SAS • Director of Autoroutes Paris-Rhin-Rhône • Director of AREA and Adelac SAS • Director of Chartreuse & Mont-Blanc Global Holdings SCA (Luxembourg), Chartreuse & Mont-Blanc GP SARL (Luxembourg) and Chartreuse & Mont-Blanc Holdings Sarl (Luxembourg) • Director of Bienfaisance Holding • Director of Electro Banque • Member of the Supervisory Board of Générale de Santé S.A • Member of the Supervisory Board of Pisto SAS • Permanent representative of Etablissements Vallaroche on the Board of Directors of La Financière de Brienne • Permanent representative of Santé Sarl on the Supervisory Board of Générale de Santé S.A.

Directors	Directorships/Positions
Robert PEUGEOT Mr. Robert Peugeot has been a director of Faurecia since May 29, 2007. His term of office will expire at the Annual Shareholders' Meeting to be held in 2013. Aged 60, Mr. Robert Peugeot is a member of the Supervisory Board of Peugeot SA. He has held a number of executive positions, primarily in the PSA Peugeot Citroën Group. He was previously a member of the Executive Committee of PSA Peugeot Citroën and held the position of Vice-President, Innovation and Quality between 1998 and 2007. He has also been Chairman and Chief Executive Officer of Société Foncière, Financière et de Participations (F.F.P.) since 2002. As of 12/31/2010, Mr. Robert Peugeot held 100 Faurecia shares. Business address: F.F.P. 75, avenue de la Grande-Armée 75116 PARIS	**Within the Company** • Director of Faurecia **Outside the Company** As of December 31, 2010, Mr. Robert Peugeot also held the following directorships and positions: • Member of the Supervisory Board of Peugeot S.A. • Chairman and Chief Executive Officer of Société Foncière, Financière et de Participations F.F.P. • Member of the Supervisory Board of Hermès International • Member of the Supervisory Board of IDI Emerging Markets • Permanent representative of F.P.P. on the Supervisory Board of Zodiac Aerospace • Chairman and Chief Executive Officer of Simante SL • Director of Fomento de Construcciones y Contratas SA (FCC) • Director of Sanef • Director of Imerys • Director of Holding Reinier • Director of Etablissements Peugeot Frères • Director of Sofina • Director of DKSH • Permanent representative of F.F.P., the Chairman of Financière Guiraud SAS • Manager of SCI Rodom • Manager of SCI CHP Gestion Over the last five years, Mr. Robert Peugeot has also held the following directorships and positions, which he no longer holds: • Director of LFPF (La Française de Participations Financières) • Director of Aviva Participations • Member of the Supervisory Board of Aviva France • Member of the Supervisory Board of the Tattinger Group • Director of GIE de recherche et d'études PSA Renault • Director of Immeubles et Participations de l'Est • Director of Société du Louvre • Director of Alpine Holding • Director of WRG Group Ltd • Director of B-1998-SL • Director of FCC Construction SA • Member of the Supervisory Board of Citroën Deutschland AG • Director of Citroën Denmark A/S • Director of Citroën UK Ltd

Directors	Directorships/Positions
Thierry PEUGEOT Mr. Thierry Peugeot has been a director of Faurecia since April 17, 2003. His term of office will expire at the Annual Shareholders' Meeting to be held in 2011. Mr. Thierry Peugeot has been Chairman of the Supervisory Board of Peugeot S.A. since the end of 2002. He previously held executive positions within the PSA Peugeot Citroën Group in Europe and South America. As of 12/31/2010, Mr. Thierry Peugeot held 293 Faurecia shares. Business address: PEUGEOT SA 75, avenue de la Grande-Armée 75116 Paris	**Within the company** • Director of Faurecia **Outside the company** As of December 31, 2010, Mr. Thierry Peugeot also held the following directorships and positions: • Chairman of the Supervisory Board of Peugeot S.A. • Vice-Chairman and Chief Operating Officer of Établissements Peugeot Frères • Director of Société Anonyme de Participations (SAPAR) • Director of Air Liquide • Director of Compagnie Industrielle de Delle (CID) • Permanent representative of CID on the Board of Directors of LISI • Member of the Compensation Committee of ISI • Director and member of the Holding Committee of Sociétés foncières Financières de Participation - F.F.P. Over the last five years, Mr. Thierry Peugeot has also held the following directorships and positions, which he no longer holds: • Director of Française de Participation Financière • Director of AMC Promotion • Manager of SCI du Doubs • Director of Immeubles et Participation de l'Est
Philippe VARIN Mr. Philippe Varin has been a director of Faurecia since April 9, 2009. His term of office will expire at the Annual Shareholders' Meeting to be held in 2011. Aged 58, Mr. Philippe Varin held different positions of responsibility within Pechiney group prior to his appointment as Director of the Rhenalu Division in 1995 and then as Director of the Aluminium Sector and member of the Executive Board in 1999. He was appointed as Chief Executive of the Anglo-Dutch steel group Corus in 2003. He has been the Chairman of the Managing Board of Peugeot SA since June 1, 2009. As of December 31, 2010, Mr. Philippe Varin held 20 Faurecia shares. Business address: PEUGEOT SA 75, avenue de la Grande-Armée 75116 Paris	**Within the company** • Director of Faurecia **Outside the company** • As of December 31, 2010 Mr. Philippe Varin also held the following directorships and positions: • Chairman of the Managing Board of Peugeot SA. • Director of Banque PSA Finance • Director of Gefco • Director of Peugeot Citroën Automobiles SA • Director of PCMA Holding BV • Non-executive director of BG Group PLC Over the last five years, Mr. Philippe Varin has also held the following directorships, which he no longer holds: • Director of Tata Steel Europe Ltd. • Director of Tata Steel Ltd. • Director of Tata Steel UK Ltd.

Conflicts of interest

As provided for in the Board of Directors' internal rules, each director must disclose to the Board any conflicts of interest (including any potential conflicts of interest) relating to issues on the agendas of Board meetings and must refrain from taking part in the vote on the matters in question. No such situations arose in 2010.

Aside from regulated agreements which are the subject of a report to the Shareholders' Meeting no service agreement has been entered into between a member of the Board of Directors and Faurecia or any of its subsidiaries.

The Board strengthened its rules relating to conflicts of interest by adopting a procedure regarding the use of insider information. This procedure provides that no transactions may be carried out involving the company's shares until the related information has been made public. Directors and certain categories of personnel, who are all included in a regularly updated list, must disclose any trades they carry out in Faurecia's shares to the company which then informs the markets.

More specifically, on April 14, 2010, the Board of Directors adopted proposed changes to its internal rules for the purpose of:

- setting out situations where directors could encounter conflicts of interest and restating the confidentiality and discretion incumbent on directors with regard to information not in the public domain acquired during the course of their duties;
- setting up closed periods during which administrators would be required to refrain from transactions involving Faurecia shares, in particular periods during which interim or annual results or quarterly turnover are published;
- this means that directors must refrain from transactions involving Faurecia securities including derivatives and the exercising of stock options during the following periods:
    - from the date of the annual December meeting of Faurecia's Board of Directors up to and including the third day following the announcement of Faurecia's annual results,
    - within fifteen calendar days prior to the announcement of interim results and up to and including the third day following this announcement,
    - within fifteen calendar days prior to the publication of quarterly turnover and up to and including the third day following this announcement,
    - throughout the period between the dates on which the company (acting through its management) becomes aware of information which if it became public would be likely to have significant impact on the share price of Faurecia, or the price of related financial instruments, and the date on which this information is made public. In the case of doubt on the nature of the information in its possession, each director may refer to the Group Chief Financial Officer who has 24 hours to issue an opinion on the planned transaction in his capacity as ethics officer,
    - setting up an ethical officer position to facilitate the handling of securities transactions and sensitive information discussed by the Board.

INDEPENDENCE

Independent directors who are members of Faurecia's Board of Directors are independent as defined by the Corporate Governance Code.

Six of them are considered to be independent within the meaning of the Code. These are Messrs. Éric Bourdais de Charbonnière, Jean-Pierre Clamadieu, Frank Esser, Hans-Georg Härter, Ross Mc Innes and Lee Gardner. Mr. Lee Garder, appointed to the Board after the acquisition of the Emcon Group and who holds positions in One Equity Partners (JP Morgan Chase group), a major shareholder of Faurecia up to October 20, 2010, only became an independent director once the Board had noted that he no longer had relations with the company or a shareholder that were likely call his independence into question after the disposal by One Equity Partner, of its 13% holding in Faurecia's capital.

Therefore, as recommended by the Corporate Governance Code, over one third of Faurecia's Board of Directors is made up of independent directors.

DIRECTORS' COMPENSATION

Directors' compensation is paid in the form of attendance fees freely allocated by the Board of Directors. Total attendance fees were decided by the Ordinary Shareholders' Meeting of May 27, 2003 and are shared out among Board members.

At its April 14, 2010 meeting, the Board decided that as of January 1, 2010:

- directors receive a fixed portion of attendance fees amounting to €12,000 in recognition of their directorship position, and a variable portion representing a maximum of €2,000 based on the number of Board meetings attended;
- Committee members receive a fixed portion of attendance fees amounting to €7,000 and a variable portion of €1,500 per relevant committee meeting;
- the Chairman and Chief Executive Officer waives all attendance fees for his participation in Board or Committee meetings;
- members of the Board of Directors holding executive management or associate positions in a company that is a shareholder of the Group do not receive any attendance fees in respect of their position on Faurecia's Board of Directors.

At the meeting, Mr. Thierry Peugeot indicated that he would waive attendance fees for Faurecia.

Members of the Board of Directors in office on December 31, 2010 received the following gross attendance fees set out in the table below:

Attendance fees

TABLE NO. 3 (Numbering in line with the amf recommendation of December 22, 2008)

(in €) Directors	Amount of attendance fees paid in 2010	Including the variable portion paid in 2010	Amount of attendance fees paid in 2009	Including the variable portion paid in 2009
Éric BOURDAIS DE CHARBONNIÈRE	33,500	14,500	0	0
Mr. Jean-Pierre CLAMADIEU	35,500	16,500	21,000	6,000
Mr. Yann DELABRIÈRE	0	0	13,000	6,000
Mr. Frank ESSER	34,000	15,000	12,250	5,250
Mr. Hans-Georg HÄRTER	26,000	7,000	0	0
Mr. Jean-Claude HANUS	0	0	21,000	6,000
Mr. Lee GARDNER	24,500	5,500	0	0
Mr. Ross McINNES	35,000	16,000	18,750	3,750
Mr. Frédéric SAINT-GEOURS	0	0	16,500	1,500
Mr. Thierry PEUGEOT	0	0	13,000	6,000
Mr. Robert PEUGEOT	24,000	12,000	11,500	4,500
Mr. Philippe VARIN	0	0	18,000	3,000
TOTAL	**212,500**	**86,500**	**232,750**	**54,750**

Directors are not entitled to any termination benefits or deferred compensation for loss of their corporate office.

In 2009, the controlling company, Peugeot SA paid fixed and variable compensation as well as benefits in kind to a number of officers who also hold a corporate office within Faurecia.

In his capacity as Chairman of the Managing Board of Peugeot SA as from June 1, 2009, Mr. Philippe Varin received €3,251,000 for 2010.

Mr. Frédéric Saint-Geours received €1,263,300 in his capacity as member of the Peugeot SA Managing Board in 2010. In his capacity as Chairman of the Supervisory Board of Peugeot SA, Thierry Peugeot received €470,000 in 2010. In his capacity as member of the Supervisory Board of Peugeot SA, Robert Peugeot received €65,000 in 2010. Faurecia does not have any information concerning the compensation of people who hold a corporate office within Faurecia but not within Peugeot SA. Faurecia specifies that no compensation other than the attendance fees mentioned above was paid in 2010 to any of its directors by the company or its subsidiaries.

8.1.2.2. Information on corporate officers

Mr. Yann Delabrière has been Faurecia's Chairman and Chief Executive Officer since February 16, 2007. He is the only corporate officer of the company.

RESTRICTIONS PLACED BY THE BOARD ON THE POWERS OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Board of Directors has entrusted its Chairman with responsibility for the company's general management. The Board's internal rules, which are available (in French only) on the company's website at www.faurecia.fr, specify the terms and conditions of performance of the Board's own responsibilities as well as the duties of the Chairman. These rules also state that the Board should be consulted on all company and Group strategic decisions at the Chairman's initiative. At its meeting of July 21, 2010, the Board of Directors authorized the Chairman and Chief Executive Officer to give endorsements or guarantees subject to an overall ceiling of €50 million, with a limit of €10 million per transaction. If the Group is required to provide advance payment guarantees or performance bonds for contracts with successive performance commitments, the Chief Executive Officer is authorized to provide guarantees representing a maximum of €5 million per transaction, subject to the same overall ceiling. Through its internal rules and within the scope of the applicable laws governing its activities, the Board has the powers to deal with all matters required for the efficient running of the company.

At its meeting of December 17, 2009 the Board amended its internal rules to include the express requirement that the Chairman must obtain approval from the Board before carrying out any acquisition, disposal or joint venture project representing a total asset value of over €100 million and/or revenue in excess of €300 million.

COMPENSATION OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Faurecia is in line with the Corporate Governance Code as regards the compensation of corporate officers of listed companies.

In 2010, Mr. Yann Delabrière, Faurecia's Chairman and Chief Executive Officer, received €610,000 in fixed compensation. This amount was set by the Board of Directors on February 8, 2010 based on a recommendation by the Appointments and Compensation Committee on January 27, 2010. On February 8, 2010 the Board of Directors also decided that the variable portion of the Chairman's compensation would, in principle represent 100% of his fixed compensation and decided that for 2010 it would be subject to the achievement of targets relating to operating results, net Group cash flow, the success of the Emcom and Plastal incorporation and the quality of strategic decision-making.

On the recommendation of the Appointments and Compensation Committee, and taking into account the Company's excellent performance in 2010, with results far exceeding targets set, at its February 7, 2011 meeting, the Board of Directors set Mr. Yann Delabrière's variable compensation at €700,000 for 2010. The Board also determined Mr. Delabrière's fixed compensation for 2011. Lastly, it decided which portion of his variable compensation for this same year would be based on operating results, cash flow and the implementation of the Group's strategic policy.

Having waived any compensation in his capacity as member of the Board of Directors and member of the Strategy Committee, Mr. Yann Delabrière received no attendance fees for 2010.

Mr. Yann Delabrière did not receive or exercise any company stock options in 2010.

At its December 17, 2009 meeting the Board reviewed its share grant plans and decided that any shares granted to the Chairman will henceforth be subject to the same performance conditions as share grants for other members of Faurecia's Senior Management. Therefore, on June 23 and July 21, 2010, the Board of Directors decided to make the share grant plans 1 and 2 subject to performance conditions related to net income before tax and before the recognition of asset disposals and changes in scope of consolidation on 12/31/2011 and 12/31/2012 respectively. The Board also decided that the Chairman and Chief Executive Officer should keep 30% of his allocation until the expiry of his term of office, regardless of the number of times it is renewed. If the performance conditions set out in plans 1 and 2 are achieved by the end of 2011 and 2012, Mr. Yann Delabrière will be allocated a maximum of 37,050 shares per plan.

The benefits in kind granted to Mr. Yann Delabrière correspond to a company car for business use as well as the services of a chauffeur.

Mr. Yann Delabrière is a member of the supplementary pension scheme set up for all Faurecia's managerial employees in France, which comprises:

- a defined contribution plan relating to salary tranches A and B with total contributions representing 1% on tranche A and 6% on tranche B of the compensation without the beneficiary's participation;
- a defined benefit plan relating to salary tranche C whose contribution rate corresponds to 1% of salary tranche C multiplied by the beneficiary's years of seniority within Faurecia. Further information on the supplementary pension scheme can be found in Note 25-F to the consolidated financial statements.

The Chairman and Chief Executive Officer is not entitled to any deferred compensation in the event that he loses his corporate office. The Chairman and Chief Executive Officer does not receive any other form of compensation from Faurecia.

The tables below provide an analysis of Mr. Yann Delabrière's compensation.

Only applicable tables are shown.

Compensation, stock options and performance shares granted to Mr. Yann Delabrière

TABLE NO. 1 (Numbering in line with the AMF recommendation of December 22, 2008)

(in €)	2009	2010
Compensation due for the year (see Table no. 2)	926,771	
Value of stock options granted during the year (see Table no. 4)	-	-
Value of performance shares granted during the year	-	688,613
TOTAL	**926,771**	

Breakdown of compensation received by Mr. Yann Delabrière

TABLE NO. 2 (Numbering in line with the AMF recommendation of December 22, 2008)

	2009		2010	
(gross in €)	**Amount due**	**Amount paid**	**Amount due**	**Amount paid**
Fixed compensation	566,500	568,071	610,000	612,496
Variable compensation	339,900	226,600	700,000	339,900
Exceptional bonus	0	0	0	0
Attendance fees	13,000	13,000	-	-
Benefits in kind	7,371	7,371	7,371	7,371
TOTAL	**926,771**	**815,042**	**1,317,371**	**959,767**

Stock options granted to Yann Delabrière during prior years by Faurecia and other group companies

TABLE NO. 4 (Numbering per AMF recommendation of December 22, 2008)

Mr. Yann DELABRIÈRE	Plan number and date	Type of options (purchase or subscription)	Value of options based on the method used in the consolidated financial statements	Number of options granted (adjusted)	Adjusted exercise price(*)	Exercise period
	No. 17 – April 16, 2007	Subscription	911,090	48,000	44.69	4/16/2011 – 4/16/2017
	No. 18 – April 10, 2008	Subscription	603,624	60,000	28.38	4/10/2012 – 4/10/2016
TOTAL	**-**	**-**	**1,514,714**	**108,000**	**-**	**-**

As far as the company is aware:
there are no hedges on the company's stock subscription options.

TABLE NO. 5: NOT APPLICABLE

Performance shares granted to each senior executive and director

TABLE NO. 6 (Numbering in line with the AMF recommendation of December 22, 2008)

Mr. Yann DELABRIÈRE	Number and date of the plan	Max. number of shares granted during the period	Valuation of stock by the method used for the consolidated financial statements	Acquisition date	Vesting date	Performance conditions
Plan n°1	Plan n°1 of the June 23, 2010	37,050	383,468	6/23/2012	6/23/2014	Pretax net income of the Group at December 31, 2011 before gains on asset disposals and change in the scope of consolidation
Plan n°2	Plan n°2 of the July 21, 2010	37,050	399,514	7/21/2013	7/21/2015	Pretax net income of the Group at December 31, 2012 before gains on asset disposals and change in the scope of consolidation
TOTAL	**-**	**74,100**	**782,982**		**-**	**-**

TABLE NO. 7: NOT APPLICABLE

Record of purchase or subscription options granted to Mr. Delabrière

TABLE NO. 8: (Numbering per AMF recommendation of December 22, 2008)

Disclosures regarding stock purchase or subscription options	Plan no. 17	Plan no. 18
Date of ASM/Board Meeting authorizing stock option grants	Shareholders Mtg of May 23, 2005 Board meeting of April 16, 2007	Shareholders Mtg of May 29, 2007 Board meeting of April 10, 2008
Number of shares to be issued on exercise of options	48,000	60,000
Start of exercise period	4/16/2011	4/10/2012
Expiration date	4/16/2017	4/10/2016
Adjusted exercise price	44.69	28.38
Exercise conditions (where the plan includes more than one tranche)	-	-
Number of shares purchased on exercise of stock options at April 14, 2010	0	0
Total stock options canceled or forfeited	0	0
Stock options outstanding at the year-end	48,000	60,000

No other corporate officer received stock options.

TABLE NO. 9: NOT APPLICABLE

TABLE NO. 10 (Numbering per AMF recommendation of December 22, 2008)

Yann Delabrière	Employment Contract		Supplementary pension plan		Compensation or benefits due or potentially due because of leaving or changing office		Compensation due under a non-competition clause	
	YES	NO	YES	NO	YES	NO	YES	NO
Position: Chairman and Chief Executive Officer Start of term: February 16, 2007 End of term: 2013 Annual Meeting		X	(*) X			X		X

(*) *Supplementary pension plan applicable to all of Faurecia's managerial employees (see section 8.1.2.2).*

8.2. Executive Committee

8.2.1. EXECUTIVE COMMITTEE MEMBERS

Faurecia's executive management function is performed under the responsibility of the Chairman and Chief Executive Officer by the Group Executive Committee that meets every month to review the Group's results and consider general matters concerning the Group.

Its members as of April 14, 2011 were as follows:

Name	Position
Yann DELABRIÈRE	Chairman of the Board of Directors and Chief Executive Officer
Jean-Marc HANNEQUIN	Executive Vice-President, Emissions Control Technologies
Frank IMBERT	Chief Financial Officer
Patrick KOLLER	Executive Vice-President, Automotive Seating
Thierry LEMÂNE	Executive Vice-President, Group Communications
Jacques MAUGE	Executive Vice-President, Automotive Exteriors
Bruno MONTMERLE	Executive Vice-President, Group Strategy
Christophe SCHMITT	Executive Vice-President, Interior Systems
Jean-Pierre SOUNILLAC	Executive Vice-President, Group Human Resources

8.2.2. MISSION AND STRUCTURE

The Faurecia Group is organized into Business Groups dedicated to managing and developing Faurecia's activities worldwide.

They are responsible for the operating results of their individual businesses, as well as investments and the management of operating cash flow.

Faurecia comprises four Business Groups:

- Faurecia Automotive Seating, which is responsible for the management and development of the complete seat unit business and all aspects of the design and production of seats such as metal frames, mechanisms, comfort and safety submodules, foams and covers;
- Faurecia Emissions Control Technologies, which is responsible for the management and development of complete exhaust systems and exhaust components covering both the hot end of the exhaust system such as particulate and exhaust fume treatments as well as the cold end;
- Faurecia Interior Systems, which is responsible for the management and development of the main parts making up vehicle interiors such as instrument panels, cockpits, center consoles, door panels, door modules, sound insulation solutions, soft trim and acoustic modules;
- Faurecia Automotive Exteriors, which is responsible for front-end modules and exterior equipment operations.

The corporate staff departments include:

- the Finance and Human Resources departments, which are responsible for the management of their respective areas of expertise. They are structured around country-based divisions and shared service centers in charge of providing financial and administrative services (cash management, accounting, tax, law) and human resources management services to the Faurecia Group as a whole;
- the Strategy department, which drives the Group's strategic direction and medium-term planning, and coordinates the Business Groups' innovation and R&D activities as well as Faurecia's expansion in emerging markets;
- the Communications department, which conducts the Group's internal and external communications.

8.2.3. COMPENSATION OF THE EXECUTIVE COMMITTEE

The total compensation paid or allocated to members of the Executive Committee for 2010 amounted to €6,080,592.

The compensation of the Executive Committee includes a variable bonus. Performing on target can result in a bonus worth between 35% or 45% of the base salary. Should objectives be exceeded, this percentage can rise to 70% or 90%, respectively, of base salary. 80% of the bonus depends on collective objectives for operating income and cash generation within the scope of responsibility, and 20% on the same objectives measured group-wide.

If the employment contract of an Executive Committee member is terminated, he or she may receive contractual severance pay of up to 12 months' compensation, depending on their position. This amount is not payable in the event of gross or willful misconduct.

Details on the number of stock options and shares of restricted stock granted to Executive Committee members are provided in section 10.3.2.2 of this Registration Document.

8.3. Senior Management

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

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

Senior Management at Faurecia consists of all the aforementioned management teams along with the Executive Committee and the key headquarters managers of the manufacturing and quality staff, the Human Relations department and the Financial departments.

Faurecia Senior Management at December 31, 2010 included 246 members. This is Faurecia's operational management, responsible for the company's operations, growth and performance. As such, the members of this team are linked with short term results through a system of variable bonuses based 80% on operating income and cash generation within their direct scope of authority and 20% on the scope immediately above them.

The members of this team also benefit from a restricted stock plan instituted by the Board of Directors, which voted two initial rounds of awards at its meetings of June 23, 2010 and July 21, 2010 (see section 4.4.4 of this Registration Document).

8.4. Internal control

8.4.1. INTERNAL CONTROL: DEFINITION AND OBJECTIVES

Internal control comprises a set of resources, patterns of conduct, procedures and actions adapted to the individual characteristics of each company which:

- contributes to the control over its activities, to the efficiency of its operations and to the efficient utilization of its resources; and
- enables it to take into consideration, in an appropriate manner, all major risks, be they operational, financial or compliance.

The underlying aim of internal control is to ensure:

- compliance with legislation and regulations;
- that the instructions and directional guidelines fixed by the Board of Directors are applied;
- that the company's internal processes are functioning correctly, particularly those implicating the security of its assets;
- that financial information is reliable.

Nevertheless, internal controls cannot give an absolute guarantee that the company's objectives shall be achieved. Any internal control system has inherent limitations. These limitations are due to several factors, notably the uncertainties in the outside world, the exercise of people's judgment or the cost/benefit relationship of setting up new controls.

In its capacity as the Group's parent company, Faurecia SA verifies that internal control procedures have been set up within its subsidiaries. These procedures are adapted to the specific characteristics of the subsidiaries and to relations between the parent company and the companies included in the scope of consolidation.

8.4.2. REFERENCE FRAMEWORK USED BY FAURECIA

The Faurecia Group continues to develop its internal control system by making use of the AMF Reference Framework and its Application Guide, as updated to July 22, 2010. This system applies to processes relating to the preparation of accounting and financial information intended for publication and the general organization of the Group's operating divisions and the risk management procedures set up by the company.

The Group's internal control system is implemented with regard both to its operations and to its legal structure.

It affects all the Group's fully consolidated subsidiaries.

The summarized information provided in this report on Faurecia's internal control procedures is focused on the main areas that could have an impact on the financial and accounting information published by the Group.

8.4.3. RISK ANALYSIS AND RISK MANAGEMENT PROCEDURES

The Group's objectives are set by the Board of Directors. They relate not only to financial performance but also to areas in which the Group aims to achieve a particular level of excellence, such as human resources management, quality, innovation, working conditions and environmental performance.

The Group also carefully tracks that its operating risks are properly managed. These risks are classified into ten main categories: personal safety, quality, program management, financial risks, information systems, purchasing, asset protection (fire risks), reliability of financial information, fraud, and the environment.

Operations managers are responsible for identifying and controlling the risks of their entity.

The company has undertaken a risk review and considers that it is not exposed to any material risks other than those described in section 3.5 of this Registration Document.

8.4.4. INTERNAL CONTROL PROCEDURES: PARTICIPANTS AND ORGANIZATION

Internal control processes are implemented by both Senior Management and all of the Group's other employees on a daily basis.

The main participants in the internal control system are as follows:

- the Board of Directors, which is responsible for determining Faurecia's overall strategic vision and the strategy of its core businesses, and for overseeing their implementation;
- the Audit Committee, described earlier in this report, whose responsibilities are set by the Board of Directors and which plays a vital role, particularly in the monitoring of:
  - the process by which financial data are developed,
  - the effectiveness of internal control and risk management systems,
  - legal audits of parent company and consolidated financial statements by statutory auditors;
- the Group Executive Committee, which orchestrates the Group's strategy, allocates the resources required to implement this strategy, sets the objectives for all Group entities and verifies that these objectives are met;
- monthly operations committee meetings are held between Group Senior Management and the executive team of each business in order to review management indicators. This Committee particularly focuses on the various key aspects of development programs relating to quality, financial performance and respecting deadlines;
- the Financing and Treasury department, the Financial Control department, the Quality department, the Legal Affairs department and the Country Financial departments, which all play a specific role in the internal control process on account of their cross-functional skills;
- the Internal Audit department which reviews the internal control system and any changes to the related processes; ensures that the Group's procedures comply with the applicable legislation and market recommendations; verifies that the system as a whole is complete, consistent and relevant; sets up and monitors tests and checks; ensures that action plans are properly implemented; and reports on the system's effectiveness;
- the Internal Audit department reports directly to the Group's Finance department. While centralized at Group headquarters,

it has remote offices in the United States and Germany. Its work is approved and supervised by the Chairman of the Board and the Audit Committee. The role of the Internal Audit department is to ensure continuous improvement in the effectiveness of all systems of internal financial control, by applying a systematic and methodical approach. It is authorized to take action where required in relation to any Group process throughout the world. It conducts its assignments in a wholly objective manner and systematically supports its findings with precise facts and figures that have been duly verified. All of the Internal Audit department's work is made available to Group Senior Management, to which it reports regularly on the progress of its assignments and the measures taken to reach its objectives. Tracking the recommendations sent by the internal audit to the audited sites is accomplished by:

  - an analysis by questionnaire, three, six and twelve months after the final report,
  - monitoring by the Operations Committee,
  - a post-audit on site if that is deemed necessary.

- it also presents its audit plan, as well as the reports it has drawn up – including a self-assessment of its performance – to the Group Executive Committee twice a year, and to the Audit Committee once a year.

In 2004, the department drew up an Internal Audit Charter which defines its roles and remit, as well as the purpose and methods of its assignments.

The work of the Group's internal departments is rounded out by the actions of external parties, including:

- the statutory Auditors. The latter are not directly involved, through their statutory duty, in the internal control or risk management systems. They are aware of them, make use of the internal audit reports to improve their understanding of the company and give a wholly independent opinion as to their usefulness. They perform an audit of the Group every year within the scope of their statutory audit engagement on the Group's consolidated financial statements and other audit engagements regarding the financial statements of Group entities. In accordance with French company law, the financial statements of the company and the Group are certified by two audit firms which undertake a joint review of the full accounts and the procedures used for preparing them and also examine certain Group internal control processes concerning the preparation of accounting and financial information. Backed by members of their networks in each of the Group's host countries, these two audit firms perform statutory or contractual audit engagements for all of the Group's fully consolidated companies. The statutory auditors present their comments on the Chairman's report with respect to those internal control procedures which have to do with preparing and processing financial and accounting data, and certify that other disclosures required by law have been made;
- third-party organizations which carry out the following certification processes for the whole Group over a three-year cycle:
  - environment (ISO 14001),
  - quality (ISO/TS);
- engineers from fire and property & casualty insurance companies which conduct a two-yearly audit at each of Faurecia's sites with the aim of:
  - assessing fire risks and any potential impact on production and customers,
  - assessing whether the prevention and protection measures in place are adequate,
  - issuing recommendations on reducing risks.

8.4.5. DESCRIPTION OF INTERNAL CONTROL PROCEDURES

The Group's internal control system is underpinned by a set of procedures that can be accessed by all employees via the intranet. These procedures form part of the Faurecia Excellence System (FES) which defines the way in which the Group's employees work across the globe and structures the Group's identity.

The related FES Core Procedures (FCP) is organized around the following six processes:

- leadership, which sets a common framework for all Group entities in relation to issues such as financial control, setting objectives, drawing up strategic plans, quality policies, communication and health and safety;
- development, which includes the applicable procedures for defining the Group's product offering, innovation strategy and program control measures;
- production, corresponding to the various production process stages within the Group's plants: preparing for the start-up of new programs or units; planning and controlling the production process; and managing flows;
- customer relations, which details the process for building up customer relations and ensuring customer satisfaction through competitively priced high-quality products and services;
- supplier relations, covering processes set up with the Group's suppliers with a view to building a sustainable relationship based on excellence;
- employee empowerment, encompassing human resource policies.

These procedures are developed by each Group function while respecting a common general framework, and apply to all Faurecia entities throughout the world. They are regularly updated and enhanced. In late September 2009, the Group launched an FES intranet portal which continues to be extremely well received by users.

An annual audit is carried out by the Group at each plant to ensure that the FES is correctly implemented. Following these audits each site is given a rating of Insufficient, Acceptable, Excellent or Benchmark. Where a site is rated Insufficient it is required to prepare a remedial action plan, which is presented directly to Faurecia's Chairman, with a view to reaching an Acceptable level within a maximum period of three months.

Program control measures are subject to specific procedures in light of the Group's core business of designing and manufacturing parts, sub-assemblies and modules for the automotive industry. Each contract signed with a customer represents a program and corresponds to a project which:

- responds to a specific request from an automaker ("Request for Quotation" or RFQ) for the supply of complex automotive equipment;
- meets set objectives concerning quality, cost and lead times;
- meets the Group's profitability criteria.

The life of a program can stretch to ten years, from the beginning of the development phase (including the order-placing phase and start-up of industrial production) to the end of series life (production).

Every program is subject to control procedures and tools throughout its life. The program management system (PMS) lays out a strict succession of steps for the entire duration of a program. Each program involves various milestones from the bid processing stage to the end of product life. As part of this control system, program reviews are carried out once a month by the Business Group concerned. Formal reports of these reviews are required and a certain number of documents must be submitted, including the Business Plan. This process is designed to identify program risks on an ongoing basis, in order to draw up and implement the necessary action plans.

Right from its inception – i.e. during the filing of the bid – each program is subject to a forward-looking financial analysis in the form of a Business Plan (BP). BPs are prepared in accordance with a standard method developed and monitored by Group management. The BP is regularly updated as assumptions are changed. Therefore, it contains all the information required to assess a program at every stage, from the preparation of the quotation, through contract negotiations, to the development phase.

To improve program effectiveness, an excellence plan for program management has been put in place. It covers methodology, quality, profitability and the program manager's individual development The aim of this plan is ensure that development procedures are strictly applied and that deadlines are met, right from the business acquisition phase through to series production. As part of the plan the Group monitors progress indicators on a monthly basis. An audit process has been set up to ensure the plan is complied with and to identify and standardize best practices for program teams.

Code of Ethics

The Faurecia Group is deeply committed to respecting the fundamental principles of accountability, integrity and ethical conduct. The Group's Code of Ethics form an integral part of the FCPs. It defines the general rules on ethical behavior applicable on a day-to-day basis to all of Faurecia's employees in their relations both inside and outside the Group, as well as to the Group's partners. The Code also describes how the Group seeks to implement its core values of respecting customers, shareholders, the people it works with and the environment. In addition to strengthening the measures already in place, the Code introduced a whistle-blowing procedure enabling employees to notify Faurecia, in confidence, of any breaches of the law or Group procedures. A reinforced warning procedure, restricted to matters that relate to serious risks to the company in terms of its accounting, financial auditing and anti-corruption measures, has been established and allows Faurecia to refer to an outside organization which gathers and initially processes the alert procedures. If circumstances warrant, the organization contacts the Faurecia Group through its Chairman and CEO, who can ask the Group's Internal Audit department to carry out the necessary investigation. The Code of Ethics has been widely relayed throughout the Group – notably via intranet – so that all employees can access it and comply with it at all times and in all circumstances. At the same time, it is aimed at developing a sense of accountability and involvement among the Group's staff.

8.4.6. INTERNAL CONTROL PROCEDURES RELATING TO QUALITY RISK MANAGEMENT

Quality risks are measured based on precise indicators and are detailed in both monthly reports and continuous improvement plans. A specific Group-wide monitoring system has been put in place to trigger warnings if any safety or regulatory requirements are breached and corrective measures are subsequently taken. Each safety warning is systematically followed up by a quality audit in the subsequent month. The objective for 2011 is once again to ensure that there are no safety or regulatory warnings triggered with an impact on customers.

The Breakthrough Quality Plan launched in October 2006 has enabled the Group to significantly improve its management of quality and program risks. The plan is based on seven straightforward practical rules, including QRQC (Quick Response on Quality Control) – an approach designed to correct development and production problems rapidly and which must be carefully and strictly applied by each employee.

The risk prevention and protection system is based on:

- daily on-site reviews as well as audits conducted by the Quality department. quality audits designed to cover all Group sites and programs on a rotating basis. recommendations from the audits are systematically monitored Priority action is taken for sites and programs that are deemed to be critical;
- a highly practical quality validation review system for critical program phases;
- a training plan for all participants involved in the program development phase;
- the measurement of programs for the first six months following the start of series production, based on precise criteria and leading to immediate corrective action where required;
- a structured process for reporting information up to management as well as a management support system;
- quality audits designed to cover all Group sites and programs on a rotating basis.

8.4.7. INTERNAL CONTROL PROCEDURES FOR THE PREPARATION AND PROCESSING OF ACCOUNTING AND FINANCIAL INFORMATION

Principles applied to the preparation of financial statements

The Board of Directors is collectively responsible for publishing reliable financial and accounting information.

The Audit Committee is expected to study and prepare certain of the Board's deliberations. It issues proposals, opinions and recommendations within its sphere of competence. The committee has a consultative role only and acts under the authority of the Board, to whom it reports whenever necessary.

It is the Audit Committee's assignment to review the yearly and half-yearly parent company financial statements of the Faurecia Group.

It may hear from outside auditors, without the Financial department necessarily being present, as well as from the Group Chief Financial Officer, who may be supported by any employee he or she chooses.

Group Senior Management relies on input from the Accounting, Consolidation, Financial Control and Financial Communications departments.

The Accounting Department prepares monthly consolidated financial statements and the interim and annual financial information that is issued publicly. It ensures that local financial managers properly prepare the subsidiaries' financial statements and that they do so in compliance with local regulations. It defines the Group's accounting principles in accordance with IFRS norms and sees that all subsidiaries follow them. It also prepares the financial statements of Faurecia SA

The internal control procedures necessary to produced reliable accounting data are implemented at the local level. These include, among others, physical inventorying, a separation of tasks and reconciliations with independent sources of information.

The following principles are implemented across the Group regarding the preparation of financial statements:

- ensuring that information about transactions is complete;
- ensuring that transactions comply with the applicable accounting principles;
- periodically reviewing the value of assets.

Ensuring consistency between financial reporting tools and the Group's operating systems is vital for the preparation of reliable financial and accounting information. The volume of information involved, the quality and integrity required to process the information and ever-tighter financial reporting deadlines – enabling management to respond quickly and to efficiently control operations – require the use of effective information systems. The major systems upgrade program that began in July 2008 at sites in France was rolled out to Europe, Asia and South America in 2010. It will continue to be gradually implemented across the Group's various sites.

The Group's financial statements are prepared using information provided by each subsidiary and integrated into the Magnitude reporting and consolidation system. The accounting data submitted by each subsidiary are prepared in accordance with the Group's accounting policies, which since 2004 comply with IFRS as adopted by the European Union. An IFRS accounting manual is included in the FES Core Procedures system, which can be accessed via the intranet.

Each subsidiary's accounting information comprises income statements prepared by nature and by function, as well as a breakdown by business segment, an analysis of current and deferred taxes, a balance sheet, a cash flow statement, and a statement of commitments and contingent liabilities.

Inter-company transactions are entered monthly using the ICS software.

The Finance Department also uses (i) short- and medium-term forecasts to verify the value of cash-generating units; actuarial reports to assess pension and other employee benefit obligations; and fair-value measurements of derivatives confirmed by the Group's banking counterparties.

In each subsidiary, the head of accounting and the financial controller have access to all the information they require in order to draw up accurate financial statements in compliance with local GAAP for the statutory accounts and with the Group's accounting policies for reporting purposes.

At every interim and annual close the heads of all subsidiaries are required to prepare an IFRS/local GAAP reconciliation for equity and income and expenses.

Every month instructions are sent to the accountants and financial controllers specifying the closing procedures to be followed. In addition, training sessions on the BO Finance systems are regularly provided to newly recruited accounting and financial staff.

The preparation of monthly reporting packages requires each entity to ensure it has the appropriate resources to draw up quality information.

Off-balance sheet commitments

Off-balance sheet commitments are handled in accordance with a specific identification and valuation process.

Each commitment is tracked by nature. Currency and interest-rate risks, as well as inter-company financing in foreign currencies, are managed at Group level under the supervision of the Group Finance department. Foreign currency hedges are set up where required. Any sureties or guarantees granted by Faurecia SA are issued and monitored at Group level.

Identification and analysis of risks impacting accounting and financial information

The preparation of full monthly financial statements greatly reduces risks at interim and annual closes, particularly regarding meeting financial reporting deadlines. Any problems are anticipated, inter-company accounts are reconciled each month, specific transactions are accounted for without waiting for the yearly close, and tax calculations are regularly substantiated.

By preparing and reviewing monthly financial statements and reconciling them with the budget each entity can detect any anomalies in the accounts, such as in relation to inventories or cash flows. Implemented in tandem with specific procedures, this process is intended to reduce the risk of errors and fraud.

"Hard close" procedure

A hard close is carried out on October 31 each year aimed at anticipating, evaluating and validating the main accounting options for the yearly close. Similarly a hard close is carried out in May for the interim financial statements as of June 30.

Accounting and financial control tools

The Group has drawn up procedures for preparing and processing financial and accounting information. These procedures comply with applicable accounting principles and standards and, like all the other internal control procedures, are available on the company's intranet. The following figure among the most important Group procedures:

- a capital expenditure authorization procedure, aimed at determining capital spending criteria and designating authorized signatories who can commit the company for amounts up to pre-defined thresholds;
- an authorization procedure for capital increases, capital injections, acquisitions of shareholdings and inter-company loans;
- a procedure for drafting Program Business Plans;
- a procedure relating to the acquisition of new programs;
- a procedure for consolidating the financial statements.

Since 2008 the Group has been gradually reorganizing its financial services with the overall aim of segregating "accounting" functions from "financial control" functions and creating shared accounting services centers for each country, with these centers reporting to the Finance Director of the country concerned. Under this new organizational structure the Group Finance Department is responsible for drawing up accounting and financial rules and procedures as well as for consolidation processes, audits and managing the Group's cash position and financing.

This new organization makes it possible to handle the variety of businesses within the Group, to enhance the applicability and consistency of the Group's procedures and therefore the effectiveness of the internal control system. The underlying aim is to gradually strengthen the roles and responsibilities of the accounting function and enhance reporting processes, as well as to increase the effectiveness of information systems and reinforce financial controls relating to programs. In addition, it is intended to help build the skill sets of the employees involved and boost their motivation as their tasks will be more interesting and rewarding than previously.

Financial reporting processes

The Group's financial reporting processes are aimed at providing systems for informing and steering the Group and ensuring maximum responsiveness to any risks that may arise. A "reporting glossary" describes the content of all reporting data and procedures explain how reporting should be carried out.

Since 2004, the Group has used the BO Finance consolidation system for its monthly reporting process. This tool provides for the reporting of both financial information (income statement and balance sheet data) and non-financial information (such as indicators relating to quality, production, purchasing, safety and human resources).

The level of control over the process for consolidating results at Group level has been reinforced by applying blocking controls upstream in reporting schedules, and intermediate controls for the reporting system.

Monthly reporting data include estimated sales and operating profit for each business unit within three days of the month-end, and definitive data five days after the month-end prepared in accordance with the Group's accounting policies. Every month, the Operations Committee reviews the operating performance and action plans of each Group business.

Medium-term plan and the budget

Faurecia's budget is drawn up on an annual basis and updated half-yearly.

The Group Finance Department provides the economic and financial assumptions to be used in the budget, and sets specific objectives for each operating unit. The budget is then tailored to each plant, R&D center and administrative center. Finally, it is converted to monthly periods using standard schedules, and then consolidated.

In order to effectively anticipate short-term changes and improve responsiveness, the monthly reporting package includes a rolling three-month forecast (current and subsequent quarters) for the income statement and cash flow statement.

As Faurecia's contracts span several years, the Group needs a medium-term overview of its financial position in order to effectively manage risks. To this end, the Group draws up a five-year plan (known as the medium-term plan) each year in which the program-related dimension plays an essential part. This plan makes it possible to clarify the Group's outlook in terms of profitability and required resources. It is consolidated on the same basis as the monthly reporting process, by applying the same stringent procedures, and is used to define the targets set in the budget.

Financial press releases, annual report and Registration Document

The Group's Finance and Communications departments are responsible for drawing up and relaying all of the Group's financial information to the financial markets. Financial communication is transmitted through two main vehicles:

- the Annual Report/Registration Document; and
- financial press releases.

Preparation of the Annual Report/Registration Document is coordinated by the Legal Affairs department. A wide number of people who are experts in their field contribute to the process, ensuring that the document contains in-depth, high-quality and broad-ranging information. The Registration Document is then reviewed and approved by the Board of Directors before it is published.

Financial press releases are systematically reviewed by the Finance department, and annual and half-yearly earnings announcements are also approved by the Board of Directors.

8.4.8. KEY TRENDS

During the year the Group continued to improve its internal control procedures:

- we continued to implement the standards and procedures of the Faurecia Excellence System, particularly by regularly updating the procedures and self-assessment questionnaires that enable each site to appraise whether it complies with these standards;
- we defined and disseminated the 11 basic principles of internal control throughout the Group's sites. The Internal Audit department made special audits to ensure that the sites observed these basic principles. The compliance of each site visited was rated on a scale of 4, from inadequate to satisfactory. Where a site is rated Insufficient it is required to prepare a remedial action plan, which is presented directly to Faurecia's Chairman, with a view to reaching an acceptable level within a maximum period of three months;
- the Faurecia Group has for several years undertaken a program to reform its management information systems. Based on Faurecia Core Procedures, the Faurecia Core System makes use of management software published by the German company SAP.

The objective of this project is for The Faurecia Group to employ best practices in accounting and administrative management, together with uniform tools and processes for approving and monitoring management's actions, from requisition to payment of the supplier, from order received to final payment from the customer.

Throughout the project an emphasis is placed on consistency and uniformity of financial information. All the control processes and quality checks of financial data, from their creation to their publication in the monthly or yearly consolidated statements, receive particular attention.

The FCS project has been an opportunity to clarify the roles and responsibilities of those involved in the management process: accounting management centers, controllers of profit centers, purchasing and sales administration offices.

Another outcome has been the development of shared services for accounting, sales and purchasing as a way of optimizing support staff and improving the quality of teams by recombining skill sets.

At the close of 2010 some one hundred Faurecia sites had seen implementation of both the data processing software and the operation to improve management processes. The majority of worldwide shared service centers and all of the product development centers, save Brazil, are also involved.

The plan is to continue the implementation of the project on approximately 60 additional sites in 2011.

To check the quality of what has been accomplished, the Group has performed audits.

Finally, with regard to managing the authorizations to access the data processing tools, Faurecia has developed and implemented a policy of managing user account profiles and having these profiles validated by the managers to whom employees report, using an IAM (identity access management) application. These profiles employ a strict definition of roles and responsibilities and a strict separation of tasks in order to comply with the company's rules of internal control.

These procedures are also audited by independent outside parties.

8.4.9. STATUTORY AUDITORS' REPORT, PREPARED IN ACCORDANCE WITH ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE (CODE DE COMMERCE) ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS OF FAURECIA

This is a free translation into English of a report issued in French and it 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 standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Faurecia, and in accordance with article L. 225 235 of the French Commercial Code (Code de commerce), we hereby report on the report prepared by the Chairman of your company in accordance with article L. 225-37 of the French Commercial Code (Code de commerce) for the year ended December 31, 2010.

It is the Chairman's responsibility to prepare and submit for the Board of Directors' approval a report on internal control and risk management procedures implemented by the company and to provide the other information required by article L. 225-37 of the French Commercial Code (Code de commerce) relating to matters such as corporate governance.

Our role is to:

- report on any matters as to the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information; and
- confirm that the report also includes the other information required by article L. 225-37 of the French Commercial Code (Code de commerce). It should be noted that our role is not to verify the fairness of this other information.

We conducted our work in accordance with professional standards applicable in France.

Information on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consist mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and of the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our work are properly disclosed in the Chairman's report.

On the basis of our work, we have no matters to report on the information relating to the company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the Chairman of the Board of Directors in accordance with article L. 225-37 of the French Commercial Code (Code de commerce).

Other information

We confirm that the report prepared by the the Chairman of the Board of Directors also contains the other information required by article L. 225-37 of the French Commercial Code (Code de commerce).

Neuilly-sur-Seine and Paris–La Défense, April 14, 2011

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit	Ernst & Young Audit
Dominique Ménard	Denis Thibon

9 Consolidated financial statements

CONTENTS

9.1. Consolidated statement of comprehensive income

(in € millions)	*Notes*	2010	2009	2008
SALES	*4*	**13,795.9**	**9,292.2**	**12,010.7**
Cost of sales	*5*	(12,593.3)	(8,840.1)	(11,296.8)
Research and development costs	*5*	(303.2)	(207.9)	(269.9)
Selling and administrative expenses	*5*	(443.8)	(335.9)	(352.8)
OPERATING INCOME		**455.6**	**(91.7)**	**91.2**
Other non-operating income	*6*	87.2	6.9	0.1
Other non-operating expenses	*6*	(123.2)	(141.0)	(444.4)
Income on loans, cash investments and marketable securities		8.1	12.3	14.5
Finance costs		(98.7)	(135.3)	(110.8)
Other financial income and expenses	*7*	(25.6)	(43.9)	(98.9)
INCOME (LOSS) OF FULLY CONSOLIDATED COMPANIES		**303.4**	**(392.7)**	**(548.3)**
Current taxes	*8*	(85.9)	(42.2)	(34.1)
Deferred taxes	*8*	(3.9)	6.3	5.4
NET INCOME (LOSS) OF FULLY CONSOLIDATED COMPANIES		**213.6**	**(428.6)**	**(577.0)**
Share of net income of associates	*13*			
Before tax		*26.7*	*14.8*	*15.4*
After tax		18.8	11.3	7.7
CONSOLIDATED NET INCOME (LOSS)		**232.4**	**(417.3)**	**(569.3)**
Attributable to owners of the parent		**201.7**	**(433.6)**	**(574.8)**
Attributable to minority interests		30.7	16.3	5.5
Basic earnings (loss) per share *(in €)*	*9*	1.87	(6.85)	(23.83)
Diluted earnings (loss) per share *(in €)*	*9*	1.79	(6.85)	(23.83)

OTHER COMPREHENSIVE INCOME

(in € millions)	2010	2009	2008
CONSOLIDATED NET INCOME (LOSS)	**232.4**	**(417.3)**	**(569.3)**
Gains (losses) arising on fair value adjustments to cash flow hedges	(1.3)	4.2	(22.4)
Of which recognized in equity	*(0.8)*	*1.9*	*(13.7)*
Of which recycled to income	*(0.5)*	*2.3*	*(8.7)*
Exchange differences on translation of foreign operations	53.8	8.6	(2.4)
TOTAL INCOME (EXPENSE) RECOGNIZED IN EQUITY	**284.9**	**(404.5)**	**(594.1)**
Attributable to owners of the parent	250.3	(419.0)	(602.7)
Attributable to minority interests	34.6	14.5	8.6

9.2. Balance sheet consolidated

ASSETS

(in € millions)	Notes	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Goodwill	*10*	1,230.8	1,039.9	1,040.2
Intangible assets	*11*	435.2	396.9	469.8
Property, plant and equipment	*12*	1,575.5	1,224.6	1,360.8
Investments in associates	*13*	43.6	31.0	40.1
Other equity interests	*14*	15.3	11.2	1.6
Other non-current financial assets[(*)]	*15*	27.8	23.5	26.5
Other non-current assets	*16*	14.5	18.9	8.5
Deferred tax assets	*8*	86.2	72.0	91.4
TOTAL NON-CURRENT ASSETS		**3,428.9**	**2,818.0**	**3,038.9**
Inventories, net	*17*	734.0	438.6	526.1
Trade accounts receivables	*18*	1,387.7	1,025.9	954.0
Other operating receivables	*19*	223.3	171.0	197.3
Other receivables	*20*	100.7	79.9	79.8
Other current financial assets[(*)]	*30*	0.0	1.7	6.0
Cash and cash equivalents	*21*	605.8	357.8	425.7
TOTAL CURRENT ASSETS		**3,051.5**	**2,074.9**	**2,188.9**
TOTAL ASSETS		**6,480.4**	**4,892.9**	**5,227.8**

(*) In accordance with IAS 1, currency and interest rate derivatives that were recognized in other financial assets have been reclassified to other non-current financial assets for fiscal year 2008.

LIABILITIES

(in € millions)	*Notes*	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
SHAREHOLDERS' EQUITY				
Capital	*22*	772.6	626.1	170.8
Additional paid-in capital		282.4	130.1	198.9
Treasury stock		(10.4)	(10.4)	(11.5)
Retained earnings		(529.8)	(99.4)	385.8
Translation adjustments		94.0	44.1	33.7
Net income (loss)		201.7	(433.6)	(574.8)
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	*22*	**810.5**	**256.9**	**202.9**
Minority interests	*23*	87.7	45.8	40.6
TOTAL SHAREHOLDERS' EQUITY		**898.2**	**302.7**	**243.5**
Long-term provisions	*24*	214.5	193.9	193.6
Non-current financial liabilities(*)	*26*	1,114.9	1,232.2	1,491.7
Other non-current liabilities		1.3	2.3	1.9
Deferred tax liabilities	*8*	29.2	7.1	38.2
TOTAL NON-CURRENT LIABILITIES		**1,359.9**	**1,435.5**	**1,725.4**
Short-term provisions	*24*	416.6	320.3	317.3
Current financial liabilities(*)	*26*	687.7	528.1	546.2
Prepayments from customers		87.8	80.8	118.8
Trade payables		2,419.9	1,730.6	1,695.2
Accrued taxes and payroll costs	*27*	452.8	371.7	366.1
Sundry payables	*28*	157.5	123.2	215.3
TOTAL CURRENT LIABILITIES		**4,222.3**	**3,154.7**	**3,258.9**
TOTAL LIABILITIES		**6,480.4**	**4,892.9**	**5,227.8**

(*) *In accordance with IAS 1, currency and interest rate derivatives that were recognized in current financial liabilities have been reclassified to non-current financial liabilities for fiscal year 2008.*

9.3. Consolidated cash flow statement

(in € millions)	*Notes*	Year 2010	Year 2009	Year 2008
I- OPERATING ACTIVITIES				
Consolidated net income (loss)		232.5	(417.3)	(569.3)
Depreciation and amortization		497.8	496.6	734.4
Deferred tax (benefits) charges		3.9	(6.3)	(5.4)
Increase (decrease) in long-term provisions		(5.9)	(1.4)	(12.1)
Share of net income of associates net of dividends received		(3.8)	13.7	12.3
Capital (gains) losses on disposals of non-current assets		(0.4)	(2.4)	(0.6)
Other(*)		(86.4)	15.9	15.5
CASH FLOW FROM OPERATIONS		**637.7**	**98.8**	**174.8**
Increase (decrease) in current provisions		(35.3)	(5.1)	21.2
Change in inventories		(80.7)	100.2	38.5
Change in trade accounts receivable		(33.6)	(66.8)	668.6
Change in trade payables		298.6	18.7	(423.5)
Change in other operating receivables and payables		(47.8)	(14.2)	(83.6)
Changes in other receivables and payables		(14.8)	(44.2)	52.6
(Increase) decrease in working capital requirements		**86.4**	**(11.4)**	**273.8**
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		**724.1**	**87.4**	**448.6**
II- INVESTING ACTIVITIES				
Additions to property, plant and equipment	*12*	(304.3)	(169.1)	(328.7)
Capitalized development costs		(154.3)	(104.4)	(144.7)
Acquisitions of investments (net of cash and cash equivalents)		30.2	(12.0)	(6.6)
Proceeds from disposal of property, plant and equipment		17.3	20.1	19.3
Proceeds from disposal of financial assets		31.0		
Change in investment-related receivables and payables		25.9	(24.8)	0.9
Other changes		(39.8)	(19.0)	(13.3)
CASH FLOW PROVIDED BY INVESTING ACTIVITIES		**(394.0)**	**(309.2)**	**(473.1)**
NET CASH (USED) PROVIDED BY OPERATING AND INVESTING ACTIVITIES (I)+(II)		**330.1**	**(221.8)**	**(24.5)**
III- FINANCING ACTIVITIES				
Issuance of shares by Faurecia and fully-consolidated companies (net of costs)		4.2	446.1	
Option component of convertible bonds			23.3	
Dividends paid to shareholders of the parent company				
Dividends paid to minority interests in consolidated subsidiaries		(6.0)	(9.3)	(12.3)
Issue of debt and new financial liabilities		77.6	214.4	1,142.3
Repayment of debt and other financial liabilities		(188.0)	(502.7)	(1,209.6)
CASH FLOW PROVIDED BY (USED IN) FINANCING ACTIVITIES		**(112.2)**	**171.8**	**(79.6)**
IV- OTHER CHANGES IN CASH AND CASH EQUIVALENTS				
Impact of exchange rate changes on cash and cash equivalents		30.1	(17.9)	(13.7)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**248.0**	**(67.9)**	**(117.8)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**357.8**	**425.7**	**543.5**
CASH AND CASH EQUIVALENTS AT END OF YEAR	*26*	**605.8**	**357.8**	**425.7**

(*) *O/W badwill from Plastal Germany and Plastal Spain acquisition €84.3 million (see Note10A).*

9.4. 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 year	Evaluation adjustments: Translation adjustments	Evaluation adjustments: Cash flow hedges	Equity attributable to equity owners of the parent	Minority interests	Total
SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2007 BEFORE APPROPRIATION OF NET INCOME (LOSS)	**24,395,048**	**170.8**	**198.9**	**(11.5)**	**395.9**	**39.2**	**8.7**	**802.0**	**44.3**	**846.3**
Net income (loss)					(574.8)			(574.8)	5.5	(569.3)
Translation adjustments						(5.5)		(5.5)	3.1	(2.4)
Changes in fair value of hedging instruments							(22.4)	(22.4)		(22.4)
TOTAL INCOME (EXPENSE) RECOGNIZED IN EQUITY					***(574.8)***	***(5.5)***	***(22.4)***	***(602.7)***	***8.6***	***(594.1)***
Capital increase								0.0		0.0
2007 dividend								0.0	(12.3)	(12.3)
Measurement of stock options					3.6			3.6		3.6
Purchases and sales of treasury stock								0.0		0.0
Changes in scope of consolidation								0.0		0.0
Recognition of 2007 losses of the parent company								0.0		0.0
SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2008 BEFORE APPROPRIATION OF NET INCOME (LOSS)	**24,395,048**	**170.8**	**198.9**	**(11.5)**	**(175.3)**	**33.7**	**(13.7)**	**202.9**	**40.6**	**243.5**
Net income (loss)					(433.6)			(433.6)	16.3	(417.3)
Translation adjustments						10.4		10.4	(1.8)	8.6
Changes in fair value of hedging instruments							4.2	4.2		4.2
TOTAL INCOME (EXPENSE) RECOGNIZED IN EQUITY					***(433.6)***	***10.4***	***4.2***	***(419.0)***	***14.5***	***(404.5)***
Capital increase	65,053,456	455.3	(9.3)					446.1		446.1
2008 dividend								0.0	(9.3)	(9.3)
Measurement of stock options					3.4			3.4		3.4
Purchases and sales of treasury stock				1.1	(0.9)			0.2		0.2
Option component of convertible bonds					23.3			23.3		23.3
Changes in scope of consolidation								0.0		0.0
Recognition of 2008 losses of the parent company			(59.5)		59.5			0.0		0.0
SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2009 BEFORE APPROPRIATION OF NET INCOME (LOSS)	**89,448,504**	**626.1**	**130.1**	**(10.4)**	**(523.6)**	**44.1**	**(9.5)**	**256.9**	**45.8**	**302.7**
Net income (loss)					201.7			201.7	30.7	232.4
Translation adjustments						49.9		49.9	3.9	53.8
Changes in fair value of hedging instruments							(1.3)	(1.3)		(1.3)
TOTAL INCOME (EXPENSE) RECOGNIZED IN EQUITY					***201.7***	***49.9***	***(1.3)***	***250.3***	***34.6***	***284.9***
Capital increase	20,918,224	146.4	152.3					298.7	4.2	302.9
2009 dividend								0.0	(6.0)	(6.0)
Measurement of stock options					4.6			4.6		4.6
Purchases and sales of treasury stock								0.0		0.0
Option component of convertible bonds								0.0		0.0
Changes in scope of consolidation								0.0	9.1	9.1
SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2010 BEFORE APPROPRIATION OF NET INCOME (LOSS)	**110,366,728**	**772.5**	**282.4**	**(10.4)**	**(317.3)**	**94.0**	**(10.8)**	**810.5**	**87.7**	**898.2**

(1) Including 270,814 treasury shares as of Dec. 31, 2008, Dec 31, 2009 and Dec 31, 2010 (see Note 22.3).

9.5. Notes to the consolidated financial statements

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

They can be viewed on the European Commission's website at http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission

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

The standards used to prepare the 2010 consolidated financial statements and comparative data for 2009 and 2008 are those published in the Official Journal of the European Union (OJEU) as of December 31, 2010, whose application was mandatory at that date.

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all of the years presented.

Faurecia has applied the following new standards and amendments to existing standards since January 1, 2010:

- Revised IFRS 3 Business Combinations. Business combinations carried out as from January 1, 2010 are recognized as follows:
  - the identifiable assets acquired and liabilities assumed are measured at fair value as of the acquisition date,
  - any non-controlling interest in the acquiree (i.e. minority interest) is measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. This choice of measurement method is made on an acquisition-by-acquisition basis,
  - acquisition-related costs are accounted for as expenses in the periods in which they are incurred and are included on the line "Other operating expense" on the consolidated statement of comprehensive income,
  - any contingent price adjustments arising from a business combination is recognized at its acquisition date fair value. After the acquisition date, contingent consideration is measured at fair value at the end of each subsequent reporting period. Any changes in the fair value of contingent consideration arising more than one year after the acquisition date (the measurement period) are recognized in income. Changes in fair value with one year of the acquisition date are recognized in income if they clearly result from events after the acquisition date. Other changes are recognized as an adjustment to goodwill.

  The Group applied the revised version of IFRS 3 in accounting for its acquisitions in 2010 and in particuler its acquisitions of Emcon and Plastal Germany and Spain. See Note 10 for further information;
- IAS 27: Changes in scope of consolidation

  The revised version of IAS 27 specifies (i) the circumstances in which an entity must present consolidated financial statements of another entity and (ii) the accounting for changes in the level of ownership interests in a subsidiary. Application of this standard did not have any impact on the consolidated financial statements;
- IFRS 5: amendments to this standard require the reclassification of assets and liabilities of a subsidiary in the event of a disposal resulting in a loss of control of said subsidiary. Application of this standard did not have any impact on the consolidated financial statements;
- IAS 39: eligible hedged items

  The amendments adopted provide additional guidance on applying hedge accounting. They did not affect the presentation of the consolidated financial statements;
- IAS 17: the amendments to this standard – which concern the classification of the land element of leases as an operating or finance lease – did not have any impact on the interim consolidated financial statements.

The other standards, interpretations and amendments whose application was required beginning in 2010 had no material impact on the accounts as from December 31, 2010.

1-1 Consolidation principles

Companies which are at least 20%-owned are consolidated where one or more of the following criteria are met: annual sales of over €20 million, total assets of over €20 million, and/or debt of over €5 million.

Non-consolidated companies are not material, either individually or in the aggregate.

Subsidiaries controlled by the Group are fully consolidated. Control is presumed to exist where the Group holds more than 50% of a company's voting rights, and may also arise as a result of shareholders' agreements.

Subsidiaries are fully consolidated as of the date on which control is transferred to the Group. They are deconsolidated as of the date that control ceases.

Companies over which the Group exercises significant influence but not control -generally through a shareholding representing between 20% and 50% of the voting rights are accounted for by the equity method.

The Faurecia Group's financial statements are presented in euros.

The functional currency of foreign subsidiaries is generally their local currency. The assets and liabilities of these companies are translated into euros at the year-end exchange rate and income statement items are translated at the average exchange rate for the year. The resulting currency translation adjustments are recorded in equity.

Certain companies located outside the eurozone which carry out the majority of their transactions in euros may, however, use euros as their functional currency.

All material intercompany transactions are eliminated in consolidation, including intercompany gains.

The accounting policies of subsidiaries and companies accounted for by the equity method are not significantly different from those applied by the Group.

1-2 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired entity as of the date of acquisition.

In accordance with IAS 36, goodwill is not amortized but is tested for impairment at least once a year and more often if there is an indication that it may be impaired. For the purpose of impairment testing, goodwill is allocated to cash-generating units (CGUs). A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The CGU to which goodwill is allocated represents the lowest level within the business segment at which goodwill is monitored for internal management purposes. The Group has identified the following CGUs:

- Automotive Seating;
- Emissions Control Technologies;
- Automotive Exteriors;
- Interior Systems.

The carrying amount of an asset thus grouped is compared to the higher of its market value and value in use, which is equal to the present value of the net future cash flows expected, and their net market value including costs of disposal.

1-3 Intangible assets

A - RESEARCH AND DEVELOPMENT EXPENDITURE

The Faurecia Group incurs certain development costs in connection with producing and delivering modules for specific customer orders which are either a) not sold to the customer, or b) paid for by the customer on delivery of each part, without the customer guaranteeing full financing of the costs incurred. In accordance with IAS 38, these development costs are recorded as an intangible asset where the company concerned can demonstrate:

- its intention to complete the project as well as the availability of adequate technical and financial resources to do so;
- how the customer contract will generate probable future economic benefits and the company's ability to measure these reliably;
- its ability to measurewliably the expenditure attributable to the contracts concerned (costs to completion).

These capitalized costs are amortized to match the quantities of parts delivered to the customer, over a period not exceeding five years except under exceptional circumstances.

Research costs, and development costs that do not meet the above criteria, are expensed as incurred.

B - OTHER INTANGIBLE ASSETS

Other intangible assets include development and purchase costs relating to software used within the Group – which are amortized on a straight-line basis over a period of between one and three years – as well as patents and licenses.

1-4 Property, plant and equipment

Property, plant and equipment are stated at acquisition cost, or production cost in the case of assets produced by the Group for its own use, less accumulated depreciation.

Maintenance and repair costs are expensed as incurred, except when they increase productivity or prolong the useful life of an asset, in which case they are capitalized.

In accordance with the amended version of IAS 23, borrowing costs on qualifying assets arising subsequent to January 1, 2009 are included in the cost of the assets concerned.

Property, plant and equipment are depreciated by the straight-line method over the estimated useful lives of the assets, as follows:

Buildings	20 to 30 years
Leasehold improvements, fixtures and fittings	10 to 20 years
Machinery, tooling and furniture	3 to 10 years

Certain tooling is produced or purchased specifically for the purpose of manufacturing parts or modules for customer orders, which are either a) not sold to the customer, or b) paid for by the customer on delivery of each part, without the customer guaranteeing full financing of the costs incurred. In accordance with IAS 16, this tooling is recognized as property, plant and equipment.

It is depreciated to match the quantities of parts delivered to the customer over a maximum of three years, in line with the rate at which models are replaced.

Investment grants are recorded as a deduction from the assets that they were used to finance.

Property, plant and equipment acquired under finance leases which transfer substantially all the risks and rewards incidental to ownership of the asset to the lessee are recorded under assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The recognized assets are subsequently depreciated as described above. An obligation of the same amount is recorded as a liability.

1-5 Cash generating units and impairment tests

Impairment tests are carried out whenever there is an indication that an asset may be impaired. Impairment testing consists of comparing the carrying amount of an asset, or group of assets, with the higher of its market value and value in use. Value in use is defined as the present value of the net future cash flows expected to be derived from an asset or group of assets.

The assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash Generating Units, or CGUs).

Impairment tests are performed on each group of intangible assets (development costs) and property, plant and equipment attributable to a customer contract. This is done by comparing the aggregate carrying amount of the group of assets concerned with the present value of the expected net future cash flows to be derived from the contract.

An impairment loss is recorded when the assets' carrying amount is higher than the present value of the expected net future cash flows. A provision is also recorded for losses to completion on loss-making contracts.

Impairment testing is also carried out on general and corporate assets grouped primarily by type of product and geographic area.

The cash inflows generated by the assets allocated to these CGUs are largely interdependent due to the high overlap among the various manufacturing flows, the optimization of capacity utilization, and the centralization of research and development activities.

Manufacturing assets whose closure is planned are tested independently for impairment.

1-6 Financial assets and liabilities (excluding derivatives)

A - DEFINITIONS

In accordance with IAS 39, the Group classifies its financial assets in the following categories: loans and receivables, available-for-sale financial assets, and financial assets at fair value through profit or loss. They are recorded on the following balance sheet items: "Other equity interests" (Note 14), "Other non-current financial assets" (Note 15), "Trade account receivables" (Note 18), "Other operating receivables" (Note 19), "Other receivables excluding taxes" (Note 20) and "Cash and cash equivalents" (Note 21).

The Group does not use the IAS 39 categories of "Held-to-maturity investments" or "Financial assets held for trading".

The Group's financial liabilities fall within the IAS 39 categories of (i) financial liabilities at fair value through profit or loss, and (ii) other financial liabilities measured at amortized cost.

They are recorded on the following balance sheet items: "Short-term debt" and "long-term debt" (Note 26), "Accrued taxes and payroll costs" (Note 27) and "Other payables" (Note 28).

Financial assets and liabilities are broken down into current and non-current components for maturities at the balance sheet date: under or over a year.

B – RECOGNITION AND MEASUREMENT OF FINANCIAL ASSETS

Equity interests

Equity interests correspond to the Group's interests in the capital of non-consolidated companies. They are carried on the balance sheet at cost. This value is subject to impairment testing based on the most appropriate financial analysis criteria. An impairment loss is recognized where appropriate. The criteria generally applied are the Group's equity in the underlying net assets and the earnings outlook of the company concerned.

Loans and other financial assets

Loans and other financial assets are stated at nominal value which corresponds to amortized cost, calculated using the effective interest method.

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

Cash and cash equivalents

Cash and cash equivalents include current account balances and units in money market funds that are readily convertible to a known amount of cash and are not subject to a significant risk of impairment in the event of changes in interest rates. They are measured at fair value

C – RECOGNITION AND MEASUREMENT OF FINANCIAL LIABILITIES

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

1-7 Inventories and work-in-progress

Inventories of raw materials and supplies are stated at cost, determined by the FIFO method (First-In, First-Out).

Finished and semi-finished products, as well as work-in-progress, are stated at production cost, determined by the FIFO method. Production cost includes the cost of materials and supplies as well as direct and indirect production costs, excluding overhead not linked to production and borrowing costs.

Work-in-progress includes the costs of internally-manufactured specific tooling or development work which is sold to customers, i.e. where the related risks and rewards are transferred. These costs are recognized in the income statement over the period in which the corresponding sales are made, as each technical stage is validated by the customer, or when the tooling is delivered if the contract does not provide for specific technical stages.

Provisions are booked for inventories for which the probable realizable value is lower than cost.

1-8 Foreign currency transactions

Transactions in foreign currency are converted at the exchange rate prevailing on the transaction date. Receivables and payables are converted at the year-end exchange rate. resulting gain or loss is recorded in the income statement as operating income or expenses for operating receivables and payables, and under "Other financial income and expense" for other receivables and payables.

1-9 Derivatives

Faurecia uses derivative instruments traded on organized markets or purchased over-the-counter from first-rate counterparties to hedge currency and interest rate risks.

They are recorded at fair value in the balance sheet.

CURRENCY HEDGES

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

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

The portion of the change in fair value of these hedges that is ineffective (time value of the hedges) is recorded under "Other financial income and expense" together with changes in the fair value of instruments used to hedge other receivables and payables.

INTEREST RATE HEDGES

Changes in the fair value of interest rate hedges are recorded directly in "Other financial income and expense" when the hedging relationship cannot be demonstrated under IAS 39, or where the the Group has elected not to apply hedge accounting principles.

1-10 Minority interests

This item corresponds to minority shareholders' interests in the equity of consolidated subsidiaries.

1-11 Provisions for pensions and other post-employment benefits

The Group's liability for pensions and other employee benefits is determined on an actuarial basis using the projected unit credit method. The valuation takes into account the probability of employees staying with the Group up to retirement age and expected future salary levels. Benefit obligations are partially funded by contributions to external funds. In cases where the funds are permanently allocated to the benefit plan concerned, their value is deducted from the related liability.

Actuarial gains and losses are recognized according to the corridor method over the expected average remaining working lives of the employees participating in the plans.

Periodic pension and other employee benefit costs are recognized as operating expenses over the benefit vesting period, except for the interest cost, which is recorded under "Other financial income and expense" in accordance with the alternative method under IAS 19. The impact of changes in the present value of external funds is also recorded under this item.

1-12 Stock option, share grant and free shares plans

Stock options and share grant plans for managers of Group companies. Options granted after November 7, 2002 that had not vested as of January 1, 2005 are measured at fair value as of the grant date using the Black & Scholes option pricing model. The fair value of stock options is recognized in payroll costs on a straight-line basis over the vesting period (the period between the grant date and the vesting date), with a corresponding adjustment to equity.

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

1-13 Restructuring and reorganization provisions

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

1-14 Recognition sales

Sales are recognized when the risks and rewards incidental to ownership of the modules or parts produced are transferred. This generally corresponds to when the goods are shipped.

For development contracts or the sale of tooling, sales are recognized when the technical stages are validated by the customer. If no such technical stages are provided for in the contract, sales are recognized when the related study is completed or the tooling is delivered.

1-15 Operating income

Operating income is the Faurecia Group's principal performance indicator.

It corresponds to net income of fully consolidated companies before:

- other operating income and expense, corresponding to material, unusual and non-recurring items including reorganization expenses and early retirement costs, the impact of exceptional events such as the discontinuation of a business, the closure or sale of an industrial site, disposals of non-operating buildings, impairment losses recorded for property, plant and equipment or intangible assets, as well as other material and unusual losses;
- income on loans, cash investments and marketable securities;
- finance costs;
- other financial income and expense, which includes the impact of discounting the pension benefit obligation and the return on related plan assets, the ineffective portion of interest rate and currency hedges, changes in value of interest rate and currency instruments for which the hedging relationship does not satisfy the criteria set forth in relationship cannot be demonstrated under IAS 39, and gains and losses on sales of shares in subsidiaries;
- taxes.

1-16 Deferred tax

Deferred taxes are recognized using the liability method for temporary differences arising between the tax bases for assets and liabilities and their carrying amounts on the consolidated financial statements. Temporary differences mainly arise from tax loss carryforwards and consolidation adjustments to subsidiaries' accounts.

Deferred taxes are measured using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available in the short or medium term against which the temporary differences can be utilized.

Where appropriate, an accrual is booked to cover taxes payable on the distribution of retained earnings of subsidiaries and associates which are not considered as having been permanently reinvested.

1-17 Use of estimates

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions when measuring certain assets, liabilities, income, expenses and obligations. These estimates and assumptions are primarily used when calculating the impairment of property, plant and equipment, intangible assets and goodwill, as well as for measuring pension and other employee benefit obligations. They are based on historical experience and other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and assumptions.

The results of the sensitivity tests carried out on the carrying amounts of goodwill, property, plant and equipment and provisions for pensions and other employee benefits are provided in Notes 10, 12 and 25, respectively. In addition, Note 11 "Intangible Assets" describes the main assumptions used for measuring intangible assets.

1-18 Earnings per share

Basic earnings per share are calculated by dividing net income attributable to owners of the parent by the weighted average number of shares outstanding during the year, excluding treasury stock.

Diluted earnings per share are calculated by the treasury stock method, which consists of multiplying the number of outstanding stock options by the ratio of the average exercise price for outstanding stock options and the average share price for the year. For the purpose of calculating diluted earnings per share, the Group adjusts net income attributable to owners of the parent and the weighted average number of shares outstanding for the effects of all dilutive potential ordinary shares (including stock options, free shares and convertible bonds).

NOTE 2 CHANGES IN SCOPE OF CONSOLIDATION

2-1 Change in scope of consolidation in 2010

The entities of the Emcon Group were integrated as part of Faurecia's Emissions Control Technology business following the transfer of all of the shares in the Emcon Technologies Group to Faurecia by Emcon Holdings. This transaction was approved by Faurecia's shareholders at an Extraordinary General Meeting held on February 8, 2010. Faurecia's 50% ownership interest in Arvin Sango held since the Emcon acquisition was sold in June 2010.

On March 31, 2010 and September 30, 2010, respectively, Faurecia acquired the German and Spanish operations of Plastal, a leading supplier of plastic exterior parts for the automotive industry. They were consolidated as of the acquisition date.

Faurecia also acquired, as part of the Interior Systems business, part of the operations of the Rennes Visteon France plant on December 17, 2010 and the company Incalplas in August 2010; and, as part of the Automotive Seating business, the seating comfort operations of Hoerbiger Automotive Komfortsysteme on December 23, 2010.

In addition, Faurecia consolidated the following companies as from January 1, 2010: South Korea-based Faurecia Shin Sung, established in 2007, as part of the Interior Systems business, Russia-based Faurecia Metalloprodukcia and France-based Faurecia Metalloprodukcia Holding, as part of the Emissions Control Technologies business, and Faurecia Informatique Tunisie, established in 2009. The Turkey-based company Orcia, which was acquired in 2008, is consolidated by the equity method as from January 1, 2010. Faurecia sold 40% of Faurecia ADP Holding during the first half of 2010.

2-2 Reminder of change in scope of consolidation introduced in 2009

Faurecia JIT and Sequencing in Korea (Emissions Control Technologies) and Faurecia Automotive Development in Russia (Interior Systems), both incorporated in 2008, have been fully consolidated in the Group's 2009 financial statements.

2-3 Impact on consolidated data of changes in scope of consolidation.

The impact related to Emcon and Plastal acquisitions are described in Note 10a.

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

NOTE 3 EVENTS AFTER THE BALANCE SHEET DATE

Faurecia acquired the assets of Angell-Demmel Europe GmbH on January 17, 2011, after it received authorisation to do so by the German and Austrian antitrust authorities. Faurecia acquired a 21.2% share of the company Aminex A/S on January 17, 2011.

NOTE 4 INFORMATION BY OPERATING SEGMENT

For internal reporting purposes the Group is structured into the following four business units based on the type of products and services provided:

- Automotive Seating (design of vehicle seats, manufacture of seating frames and adjustment mechanisms, and assembly of complete seating units);
- Emissions Control Technologies (design and manufacture of exhaust systems);
- Interior Systems (design and manufacture of instrument panels, door panels and modules, and acoustic components);
- Automotive Exteriors (design and manufacture of front ends and safety modules).

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

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

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

4-1 Key figures by operating segment

2010

(in € millions)	Interior Modules	Other modules	Other	Total
Sales	**7,708.0**	**6,153.7**	**239.0**	**14,100.7**
Inter-segment eliminations	(44.2)	(21.6)	(239.0)	(304.8)
Consolidated sales	**7,663.8**	**6,132.1**	**0.0**	**13,795.9**
Operating income (loss) before allocation of costs	284.2	216.7	(45.3)	455.6
Allocation of costs	(29.1)	(16.2)	45.3	0.0
Operating income (loss)	**255.1**	**200.5**	**0.0**	**455.6**
Other operating income				87.2
Other operating expenses				(123.2)
Financial costs net				(90.6)
Other financial income and expenses				(25.6)
Corporate income tax				(89.8)
Share of net income of associates				18.8
NET INCOME (LOSS)				**232.4**
Segment assets				
Net property, plant and equipment	947.3	620.1	8.1	1,575.5
Other segment assets	2,460.6	1,582.8	33.1	4,076.5
Total segment assets	**3,407.9**	**2,202.9**	**41.2**	**5,652.0**
Investments in associates				43.6
Equity interests				15.3
Short- and long-term financial assets				648.1
Tax assets (current and deferred)				121.4
TOTAL ASSETS				**6,480.4**
Segment liabilities	**2,153.7**	**1,464.3**	**100.5**	**3,718.5**
Borrowings				1,802.6
Tax liabilities (current and deferred)				61.1
Equity and minority interests				898.2
TOTAL LIABILITIES				**6,480.4**
Capital expenditure	172.5	124.4	7.4	304.3
Depreciation of items of property plant and equipment	(208.0)	(96.2)	(3.3)	(307.6)
Impairment of property, plant and equipment	(6.7)	(2.0)		(8.7)
Headcount	51.385	22.868	1.423	75.676

2009

(in € millions)	Interior Modules	Other modules	Other	Total
Sales	**6,649.3**	**2,712.4**	**205.4**	**9,567.1**
Inter-segment eliminations	(46.7)	(22.8)	(205.4)	(274.9)
Consolidated sales	**6,602.6**	**2,689.6**	**0.0**	**9,292.2**
Operating income (loss) before allocation of costs	(91.6)	50.0	(50.1)	(91.7)
Allocation of costs	(38.7)	(11.4)	50.1	0.0
Operating income (loss)	**(130.3)**	**38.6**	**0.0**	**(91.7)**
Other operating income				6.9
Other operating expenses				(141.0)
Financial costs, net				(123.0)
Other financial income and expenses				(43.9)
Corporate income tax				(35.9)
Share of net income of associates				11.3
NET INCOME (LOSS)				**(417.3)**
Segment assets				
Net property, plant and equipment	951.2	261.8	11.6	1,224.6
Other segment assets	2,374.1	726.1	37.5	3,137.7
Total segment assets	**3,325.3**	**987.9**	**49.1**	**4,362.3**
Investments in associates	31.0			31.0
Equity interests				11.2
Short- and long-term financial assets				401.9
Tax assets (current and deferred)				86.5
TOTAL ASSETS				**4,892.9**
Segment liabilities	**2,039.4**	**667.0**	**89.3**	**2,795.7**
Borrowings				1,760.3
Tax liabilities (current and deferred)				34.2
Equity and minority interests				302.7
TOTAL LIABILITIES				**4,892.9**
Capital expenditure	114.6	45.9	8.6	169.1
Depreciation of items of property, plant and equipment	(230.7)	(61.6)	(3.4)	(295.7)
Impairment of property, plant and equipment	(9.8)	(1.2)		(11.0)
Headcount	47.407	9.877	1.130	58,414

2008

(in € millions)	Interior Modules	Other modules	Other	Total
Sales	**8,332.6**	**3,718.5**	**219.6**	**12,270.7**
Inter-segment eliminations	(23.6)	(16.8)	(219.6)	(260.0)
Consolidated sales	**8,309.0**	**3,701.7**	**0.0**	**12,010.7**
Operating income (loss) before allocation of costs	3.7	124.1	(36.6)	91.2
Allocation of costs	(28.3)	(8.3)	36.6	
Operating income (loss)	**(24.6)**	**115.8**	**0.0**	**91.2**
Other income and expenses				(444.3)
Financial costs net				(96.3)
Other financial income and expenses				(98.9)
Corporate income tax				(28.7)
Share of net income of associates				7.7
NET INCOME (LOSS)				**(569.3)**
Segment assets				
Net property, plant and equipment	1,058.1	278.3	24.4	1,360.8
Other segment assets	2,517.7	699.0	20.8	3,237.5
Total segment assets	**3,575.8**	**977.3**	**45.2**	**4,598.3**
Investments in associates	40.1	0.0	0.0	40.1
Equity interests				1.6
Short- and long-term financial assets				466.8
Tax assets (current and deferred)				121.0
TOTAL ASSETS				**5,227.8**
Segment liabilities	**2,166.2**	**678.9**	**(11.5)**	**2,833.6**
Borrowings				2,079.6
Tax liabilities (current and deferred)				71.1
Equity and minority interests				243.5
TOTAL LIABILITIES				**5,227.8**
Capital expenditure	253.7	63.1	11.9	328.7
Depreciation of items of property, plant and equipment	(236.4)	(63.7)	(3.3)	(303.4)
Impairment of property, plant and equipment	(10.5)			(10.5)
Headcount	50.720	9.787	850	61.357

Sales by operating segment break down as follows:

SALES BY OPERATING SEGMENT

(in € millions)	2010	%	2009	%	2008	%
Interior Modules						
- Automotive Seating	4,571.2	33	3,990.9	43	5,004.3	42
- Interior systems	3,092.6	23	2,611.7	28	3,304.7	27
	7,663.8	56	6,602.6	71	8,309.0	69
Other modules						
- Emissions Control Technologies	4,781.4	34	1,826.1	20	2,755.4	23
- Automotive Exteriors	1,350.7	10	863.5	9	946.3	8
	6,132.1	44	2,689.6	29	3,701.7	31
TOTAL	**13,795.9**	**100**	**9,292.2**	**100**	**12,010.7**	**100**

4-2 Sales by major customer

Sales by major customer break down as follows:

SALES BY MAJOR CUSTOMER(*)

(in € millions)	2010	%	2009	%	2008	%
VW Group	2,767.7	20	1,824.7	20	2,156.9	18
PSA Peugeot Citroën	2,300.9	17	2,049.4	22	2,733.9	23
Ford Group	1,487.7	11	875.1	9	1,114.1	9
Renault-Nissan	1,442.1	10	1,164.3	13	1,273.9	11
GM	1,231.9	9	506.1	5	820.8	7
BMW	1,037.0	8	857.8	9	1,070.4	9
Other	3,528.6	25	2,014.8	22	2,840.7	23
TOTAL	**13,795.9**	**100**	**9,292.2**	**100**	**12,010.7**	**100**

(*) *Sales invoiced.*

Sales invoiced may differ from sales by end customer when products are transferred to intermediary assembly companies.

4-3 Key figures by geographic region

Sales are broken down by destination region. Other items are presented by the region where the companies involved operate.

2010

(in € millions)	France	Germany	Other European countries	North America	South America	Asia	Other countries	Total
Sales	2,214.5	3,294.1	3,426.8	2,496.9	636.6	1,407.7	319.3	13,795.9
Net property, plant and equipment	322.9	233.5	488.3	284.8	67.5	125.4	53.0	1,575.4
Capital expenditure	63.2	27.1	52.6	72.4	23.2	42.6	23.3	304.4
Number of employees as of December 31	14.663	11.283	24.021	12.571	4.770	6.598	1.770	75.676

2009

(in € millions)	France	Germany	Other European countries	North America	South America	Asia	Other countries	Total
Sales	2,059.0	2,334.4	2,413.1	1,077.7	335.1	827.0	245.9	9,292.2
Net property, plant and equipment	359.6	104.6	443.8	173.2	43.4	73.5	26.5	1,224.6
Capital expenditure	68.7	18.0	43.4	23.2	10.0	15.6	11.2	190.1
Number of employees as of December 31	15.530	7.410	18.613	7.488	2.969	4.185	2.219	58.414

2008

(in € millions)	France	Germany	Other European countries	North America	South America	Asia	Other countries	Total
Sales	2,745.2	3,055.4	3,015.6	1,774.3	329.1	733.0	358.1	12,010.7
Net property, plant and equipment	419.0	121.1	482.4	149.9	84.1	83.2	21.1	1,360.8
Capital expenditure	102.9	15.7	97.3	32.0	32.4	39.5	10.4	330.2
Number of employees as of December 31	16.489	8.215	20.658	7.801	2.679	3.654	1.861	61.357

NOTE 5 ANALYSIS OF OPERATING EXPENSES

5-1 Analysis of operating expenses by function

(in € millions)	2010	2009	2008
Cost of sales	(12,593.3)	(8,840.1)	(11,296.8)
Research and development costs	(303.2)	(207.9)	(269.9)
Selling and administrative expenses	(443.8)	(335.9)	(352.8)
TOTAL	**(13,340.3)**	**(9,383.9)**	**(11 919.5)**

5-2 Analysis of operating expenses by nature

(in € millions)	2010	2009	2008
Purchases consumed	(9,339.0)	(6,049.0)	(8,196.8)
External costs	(1,212.6)	(834.5)	(1,075.8)
Personnel costs	(2,467.7)	(1,922.3)	(2,257.5)
Taxes other than on income	(46.0)	(48.7)	(52.4)
Other operating income and expenses [1]	171.1	10.6	101.5
Depreciation, amortization and provisions for impairment in value of non-current assets	(485.6)	(487.0)	(467.1)
Charges to and reversals of provisions	39.5	(53.1)	28.6
TOTAL	**(13,340.3)**	**(9,383.9)**	**(11,919.5)**
(1) Including inventoried and capitalized production	208.9	78.7	126.3

5-3 Personnel costs

(in € millions)	2010	2009	2008
Wages and salaries[*]	(1,952.8)	(1,496.5)	(1,784.5)
Payroll taxes	(514.9)	(425.8)	(473.0)
TOTAL	**(2,467.7)**	**(1,922.3)**	**(2,257.5)**
(*) Of which temporary employee costs	(164.4)	(89.5)	(198.2)

Details of expenses relating to the Group's stock option plans and pension costs are provided in Notes 22.2 and 25, respectively.

5-4 Research and development costs

(in € millions)	2010	2009	2008
Gross research and development costs	(689.1)	(493.2)	(613.0)
amounts billed to customers and changes in inventories	393.5	361.6	362.5
capitalized development costs	154.3	104.4	144.7
amortization of capitalized development costs	(175.5)	(161.1)	(168.8)
charges to and reversals of provisions for impairment of capitalized development costs	13.6	(19.6)	4.7
NET EXPENSE	**(303.2)**	**(207.9)**	**(269,9)**

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

(in € millions)	2010	2009	2008
Amortization of capitalized development costs	(175.5)	(161.1)	(168.8)
Depreciation of items of property, plant and equipment	(19.5)	(12.1)	(9.3)
Depreciation of specific tooling	(11.5)	(12.9)	(13.9)
Depreciation and impairment of other items of property, plant and equipment items	(292.7)	(281.3)	(279.8)
Provisions for impairment of capitalized development costs	13.6	(19.6)	4.7
TOTAL	**(485.6)**	**(487.0)**	**(467,1)**

NOTE 6 OTHER INCOME AND EXPENSE

Other non-operating income and expense are analyzed as follows:

OTHER NON-OPERATING INCOME

(in € millions)	2010	2009	2008
Provisions for contingencies	0.4	0.0	0.0
Badwill from the acquisition of Plastal Germany and Plastal Spain	84.3	0.0	0.0
Losses on disposals of assets	2.5	6.9	0.0
Other	0.0	0.0	0.1
TOTAL	**87.2**	**6.9**	**0,1**

OTHER NON-OPERATING EXPENSES

(in € millions)	2010	2009	2008
Provisions for contingencies	0.0	0.0	(2.5)
Provisions for impairment of goodwill (Vehicle Interiors)	0.0	0.0	(247.9)
Provisions for impairment of assets (Vehicle Interiors)	0.0	0.0	(16.3)
Other provisions for impairment of assets	0.0	0.0	(4.0)
Reorganization expenses(*)	(117.0)	(129.5)	(165.3)
Losses on disposals of assets	0.0	0.0	(8.2)
Other(**)	(6.2)	(11.5)	(0.2)
TOTAL	**(123.2)**	**(141.0)**	**(444.4)**

(*) *As of December 31, 2010, this item included restructuring costs in the amount of €104.7 million and in the amount of €12.3 million, versus, respectively, €119.8 million and €9.7 million in 2009 and €162.2 million and €3.0 million in 2008.*

(**) *This item includes the cost of acquisition of Emcon and Plastal principally in the amount of € 7.6 million in 2009 and € 5.3 million in 2010*

RESTRUCTURING

Reorganization costs (€117.0 million) include redundancy and site relocation payments for 2,776 people and breakdown by country as follows:

	in € millions	Employees
France	32.9	771
Germany	59.3	977
Spain	14.1	688
Great Britain	7.6	93
Other	3.1	247
TOTAL	**117.0**	**2,776**

NOTE 7 OTHER FINANCIAL INCOME AND EXPENSE

(in € millions)	Year 2010	Year 2009	Year 2008
Impact of discounting the pension benefit obligation	(9.6)	(10.5)	(9.8)
Changes in the ineffective portion of currency hedges (1)	(0.4)	(2.9)	(37.5)
Changes in the value of currency hedges relating to debt	0.0	(1.7)	1.4
Changes in the value of interest rate hedges (2)	3.6	(6.0)	(23.7)
Translation differences on borrowings	(4.0)	(14.8)	(20.9)
Gains on sales of securities	0.0	0.0	0.1
Other	(15.2)	(8.0)	(8.5)
TOTAL	**(25.6)**	**(43.9)**	**(98.9)**

(1) The expense recorded in 2008 includes an expense of €22 million in changes in the intrinsic value of instruments used as economic hedges of currency risks on forecast transactions which do not qualify for hedge accounting under IAS 39. Consequently, this unrealized loss was recorded on the income statement in 2008 as it could not be recognized in equity.
The instruments concerned correspond to options and if they are exercised at maturity any realized loss would result in a symmetrical gain recorded on the realized transactions.

(2) The decrease in the fair value of interest rate instruments relates primarily to changes in the intrinsic value of instruments used as economic hedges of interest rate risks which did not qualify for hedge accounting under IAS 39 as of December 31, 2007. In 2008, a corresponding €20.0 million gain on changes in interest rates was recorded under financial income.

NOTE 8 CORPORATE INCOME TAX

Corporate income tax can be analyzed as follows:

(in € millions)	2010	2009	2008
Current taxes			
Current corporate income tax	(85.9)	(42.2)	(34.1)
Taxes on intra-group distributions, tax reassessments, carry back			
	(85.9)	(42.2)	(34.1)
Deferred taxes			
Deferred taxes for the period	(3.9)	6.3	20.7
Impairment of deferred tax assets previously recorded			(15.3)
Deferred taxes	(3.9)	6.3	5.4
TOTAL	**(89.8)**	**(35.9)**	**(28.7)**

New tax regulations in France applicable as from January 1, 2010:

The 2010 Finance Law passed in December 2009 introduced a "territorial economic contribution" (CET) to replace the business tax (TP). The CET has two components: the corporate real estate tax (CFE) and the corporate value added tax (CVAE). The CFE is calculated on the lease price of the assets subject to the real estate tax. The CVAE is assessed at 1.5% of the value added. The CET is assessed at 3% of the value added.

The overall amount of the CET (i.e. the sum of the value added contribution and the land tax levy) is capped at 3% of the company's value added. The value added generated by the Group's French operations is much higher than their taxable earnings because the French tax group has reported tax losses for the past several years whereas the value added figure is positive. Consequently the Group has classified the CET as an operating expense rather than a component of corporate income tax and the CET due as from 2010 will be included in the operating income line, in the same way as the local business tax levied until 2009.

8-1 Analysis of the tax charge

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

(in € millions)	2010	2009	2008
Pre-tax income of consolidated companies	303.4	(392.7)	(548.3)
Tax at 34.43%	*(104.5)*	*135.2*	*188.8*
Effect of rate changes on deferred taxes recognized on the balance sheet	0.0	(2.0)	0.2
Effect of local rate differences	31.5	(1.4)	2.3
Tax credits	20.4	10.1	21.8
Use of non-capitalized loss carryforwards	26.2	6.6	18.2
Non-capitalized tax losses	(103.7)	(183.9)	(154.2)
Impairment of tax asset carryforwards	0.0		(15.3)
Permanent differences	40.3	(0.5)	(90.5)
Corporate tax recognized	**(89.8)**	**(35.9)**	**(28.7)**

8-2 Analysis of tax assets and liabilities

(in € millions)	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Current taxes			
Assets	35.2	14.5	29.6
Liabilities	(31.9)	(27.1)	(32.9)
	3.3	**(12.6)**	**(3.3)**
Deferred taxes			
Assets(*)	86.2	72.0	91.4
Liabilities	(29.2)	(7.1)	(38.2)
	57.0	**64.9**	**53.2**
(*) *Of which tax assets on tax losses*	40.0	45.1	40,4

Changes in deferred taxes recorded on the balance sheet break down as follows:

(in € millions)	2010	2009	2008
Net amount at the beginning of the year	**64.9**	**53.2**	**46.0**
Deferred taxes for the period carried to income	(3.9)	6.3	20.7
Deferred taxes recognized directly in equity	*0.0*		
Effect of currency fluctuations and other movements	*(4.0)*	*5.4*	*1.8*
Impairment of tax asset carryforwards	0.0		(15.3)
Net amount at the end of the year	**57.0**	**64.9**	**53,2**

8-3 Impairment of tax asset carryforwards

(in € millions)	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
N+1	32.6	5.3	18.1
N+2	7.0	4.6	3.1
N+3	9.5	6.7	2.8
N+4	28.1	12.6	3.7
N+5 and above	220.3	207.9	197.5
Unlimited	505.8	461.2	411.6
TOTAL	**803.3**	**698.3**	**636,8**

NOTE 9 EARNINGS PER SHARE

(in € millions)	2010	2009	2008
Number of shares outstanding at year end (1)	**110,366,728**	**89,448,504**	**24,395,048**
Adjustments:			
treasury stock	(270,814)	(270,814)	(270,814)
weighted impact of share issues prorated	(2,235,098)	(25,843,154)	
Weighted average number of shares before dilution	**107,860,816**	**63,334,536**	**24,124,234**
Weighted impact of dilutive instruments			
stock options (2)	0		4,195
free shares attributed (3)	1,344,500		
Bonds with conversion option (4)	3,408,805	11,306,058	
Weighted average number of shares after dilution	**112,614,121**	**74,640,594**	**24,128,429**

(1) Changes in the number of shares outstanding as of December 31 are analyzed as follows:

As of December 31, 2008: number of Faurecia shares outstanding	*24,395,048*
Capital increase	*65,053,456*
As of December 31, 2009: number of Faurecia shares outstanding	*89,448,504*
Capital increase	*20,918,224*
As of December 31, 2010: number of Faurecia shares outstanding	*110,366,728*

(2) As of December 31, 2010 1,523,998 stock options were outstanding and exercisable, compared with 1,594,223 as of December 31, 2009 and 1,435,183 as of December 31, 2008. Taking into account the average Faurecia share price for 2010, none of the stock options have a dilutive impact.

(3) The number of free shares to be granted as of December 31, 2010 subject to attendance and performance requirements was 1,344,500 (see Note 22.2 c).

(4) Bonds with conversion option have a dilutive effect when the net interest per share deriving from the conversion is less than the basic earnings per share.

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

In relation to stock options, this method consists of comparing the number of shares that would have been issued if all outstanding stock options had been exercised to the number of shares that could have been acquired at fair value (in this case the average Faurecia share price for the year was €15.922 in 2010).

EARNINGS PER SHARE

Earnings per share break down as follows:

(in € millions)	Year 2010	Year 2009	Year 2008
Net income (loss)	**201.7**	**(433.6)**	**(574.8)**
Basic earnings (loss) per share	1.87	(6.85)	(23.83)
After dilution	1.79	(6.85)	(23.83)

NOTE 10A BUSINESS COMBINATIONS

Emcon Technologies

On October 30, 2009 Faurecia signed an agreement to acquire the Emcon Technologies group – a leading player at that time in emissions control technologies (formerly Arvin Industries) – from One Equity Partners LP11 (OEP), the private equity arm of JPMorgan Chase & Co. The transaction was cleared by the relevant antitrust authorities, notably in Europe and the United States, in early 2010.

The acquisition involved Emcon Holdings transferring to Faurecia all of the shares in the Emcon Technologies group. As consideration for this transfer, Faurecia issued 20,918,224 shares to Emcon Holdings, representing 18.95% of Faurecia's capital and 16.41% of its voting rights. As part of the deal, Faurecia also assumed US$22.3 million (€15.8 million) worth of Emcon Holdings' liabilities.

The deal was approved by Faurecia's shareholders at an Extraordinary General Meeting held on February 8, 2010.

The main advantages that Faurecia expects to gain from this transaction are as follows:

- enhanced worldwide and regional positioning within the emissions control industry;
- additional research and innovation capacities in new technologies for emissions reduction;
- entry into the commercial and off-road vehicles markets; and
- broader customer base.

Out of the initial purchase price of €314.5 million (excluding acquisition related costs recorded as expenses) €142.2 million has been allocated to the net assets acquired and €172.3 million to goodwill, taking into account the following fair value adjustments:

- €24.6 million for technologies and customer relationships, based on a valuation by an independent expert;
- €11.1 million for estimated additional contingent liabilities related to provisions for claims and litigation;
- €32.9 million and €21.8 million, respectively, for property, plant and equipment and other current assets;
- €28.1 million for deferred tax assets and liabilities.

The goodwill recognized on the acquisition mainly corresponds to human capital and the synergies expected to be generated in terms of revenue and cost reductions.

Acquisition-related costs have been recognized as expenses in an aggregate amount of €9 million of which €6.6 million were recorded in 2009 and the balance in 2010.

The table below shows a breakdown of Emcon Technologies' net assets acquired by Faurecia.

(in € millions)	IFRS historical values	Fair value adjustments	Fair value
Intangible assets	7.8	24.6	32.4
Property, plant and equipment	143.2	32.9	176.1
Other non-current assets	48.2	1.7	49.9
TOTAL NON-CURRENT ASSETS	**199.3**	**59.1**	**258.4**
Inventories, net	125.6		125.6
Trade accounts receivables	253.1		253.1
Other current assets	36.1	21.8	57.9
Cash and cash equivalents	60.6		60.6
TOTAL CURRENT ASSETS	**475.4**	**21.8**	**497.2**
TOTAL ASSETS	**674.6**	**81.0**	**755.6**
Provision and non-current liabilities	117.2	40.9	158.1
Non-current financial liabilities	0.8		0.8
TOTAL NON-CURRENT LIABILITIES	**118.0**	**40.9**	**158.9**
Trade payables	282.3		282.3
Other current liabilities	87.0		87.0
Current financial liabilities	85.2		85.2
TOTAL CURRENT LIABILITIES	**454.5**	**0.0**	**454.5**
TOTAL LIABILITIES	**572.5**	**40.9**	**613.4**
Net assets acquired			**142.2**
Goodwill			172.3
Consideration			**314,5**

As the business combination did not have a material impact on Faurecia's consolidated financial statements between January 1, 2010 and February 8, 2010, Emcon's accounts have been included in the consolidated financial statements since January 1, 2010. Emcon's total contribution to Faurecia's consolidated revenue and operating income was €2,416.1 million and €32 million respectively in 2010.

Plastal Germany and Plastal Spain

On February 3, 2010 Faurecia signed an agreement with a view to acquiring the German operations of Plastal, a first-rate supplier of exterior plastic parts; it included an option to acquire the operations of Plastal Spain and an option to acquire the operations of Plastal France, both subsidiaries of Plastal Germany. The acquisition of the German operations was completed on March 31, 2010, and that of the Spanish operations on September 30, 2010 upon approval by the corresponding antitrust authorities. The option to acquire Plastal France has not been exercised.

The main advantages that Faurecia expects to gain from this transaction are as follows:

- enhanced positioning within the European market for automotive exterior parts;
- stronger positioning, primarily with German automakers.

The acquisition of Plastal Germany's operations took the form of a asset deal, while that of the Spanish operations was a share purchase. These two acquisitions are considered a business combination under the revised IFRS 3. The German and Spanish Plastal operations have been acquired for a net consideration of €49.9 million net (excluding acquisition related costs recognized as expenses) including the option to buy the Plastal Spain shares valued as of the acquisition of the German assets. This consideration was allocated to net assets acquired and liabilities assumed. Plastal's unique situation (Plastal Germany had been in reorganization proceedings since June 2009) explains the bargain terms obtained for these acquisitions, resulting in the recognition of an €84.3 million gain carried to the line other income (see Note 6), taking into account the following fair value adjustments:

- €6.5 million to fair value for customer relationships, based on a valuation by an independent expert;
- €(17) million restatement to fair value of property, plant and equipment;
- option to buy the Plastal Spain and Plastal France shares for €4.1 million;
- €1.8 million for deferred tax assets and liabilities.

The business combination was accounted for provisionally as the fair values assigned to the assets acquired and liabilities assumed may be amended within the one-year period following the March 31, 2010 acquisition date for Plastal Germany and September 30, 2010 for Plastal Spain.

Acquisition-related costs have been recognized as expenses in an aggregate amount of €3.8 million of which €1 million were recorded in 2009 and the balance in 2010.

The table below shows a breakdown of Plastal Germany and Plastal Spain net assets acquired by Faurecia.

(in € millions)	**IFRS historical values**	**Fair value adjustments**	**Fair value**
Intangible assets	3.7	6.5	10.2
Property, plant and equipment	156.3	(17.0)	139.3
Other non-current assets	3.9	1.8	5.7
TOTAL NON-CURRENT ASSETS	**163.9**	**(8.7)**	**155.2**
Current assets	75.4	4.1	79.5
Cash and cash equivalents	18.5	0.0	18.5
TOTAL CURRENT ASSETS	**93.9**	**4.1**	**98.0**
TOTAL ASSETS	**257.8**	**(4.6)**	**253.2**
Non-current liabilities	35.9	0.0	35.9
Non-current financial liabilities	18.6	0.0	18.6
TOTAL NON-CURRENT LIABILITIES	**54.5**	**0.0**	**54.5**
Current liabilities	56.5	0.0	56.5
Current financial liabilities	7.9	0.0	7.9
TOTAL CURRENT LIABILITIES	**64.5**	**0.0**	**64.5**
TOTAL LIABILITIES	**119.0**	**0.0**	**119.0**
Net assets acquired			**134.2**
Badwill			(84.3)
Consideration			**49,9**

Plastal's total contribution to Faurecia's consolidated sales and operating income, respectively, was €386.5 million and €19 million for the period from April 1, 2010 to December 31, 2010.

NOTE 10B GOODWILL

(in € millions)	Gross amount	Impairment	Net amount
Net carrying amount as of December 31, 2007	**1,552.0**	**(263.4)**	**1,288.6**
Acquisitions and minority interest buyouts	1.3		1.3
Impairment of Vehicle Interiors goodwill		(247.9)	(247.9)
Translation adjustments and other movements	(2.5)	0.7	(1.8)
Net carrying amount as of December 31, 2008	**1,550.8**	**(510.6)**	**1,040.2**
Acquisitions and minority interest buyouts	1.6		1.6
Impairment of Vehicle Interiors goodwill			0.0
Translation adjustments and other movements	(1.8)	(0.1)	(1.9)
Net carrying amount as of December 31, 2009	**1,550.6**	**(510.7)**	**1,039.9**
Acquisitions and minority interest buyouts	178.7		178.7
Impairment of Vehicle Interiors goodwill			0.0
Translation adjustments and other movements	12.6	(0.4)	12.2
Net carrying amount as of December 31, 2010	**1,741.9**	**(511.1)**	**1,230.8**

Breakdown of the net amount of goodwill by operating segment:

(in € millions)	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Automotive Seating	792.4	792.6	792.6
Emissions Control Technologies	335.8	151.2	151.5
Interior Systems	6.5	0.0	0.0
Automotive Exteriors	96.1	96.1	96.1
TOTAL	**1,230.8**	**1,039.9**	**1,040.2**

In accordance with the accounting policies described in Notes 1.2 and 1.5, the carrying amount of each CGU to which goodwill has been allocated has been compared to the higher of the CGU's value in use and its market value net of selling costs. Value in use corresponds to the present value of net future cash flows expected to be derived from the CGU's in question.

The cash flow forecasts used to calculate value in use were based on the Group's 2011-2014 medium-term business plan which was drafted in mid-2010 and adjusted at the end of the year based on the latest assumptions in the 2011 budget. The volume assumptions used in the 2011-2014 medium-term plan are based on external information sources.

The main assumption affecting value in use is the level of operating income used to calculate future cash flows and particularly the terminal value. The operating margin assumption for 2014 is 5.5% for the Group as a whole.

Projected cash flows for the last year of the medium-term business plan (2014) have been projected to infinity by applying a growth rate determined based on analysts' trend forecasts for the automotive market. The growth rate applied for the year-end 2010, 2009 and 2008 tests was 1.5%.

Faurecia called on an independent expert to calculate the weighted average cost of capital used to discount future cash flows. The market parameters used in the expert's calculation were based on a sample of 10 companies operating in the automotive supplier sector (seven in Europe and three in the United States). Taking into account these parameters and a market risk premium of 5.25% to 5.75%, the weighted average cost of capital used to discount future cash flows was set at 9.0% (on the basis of a range of values provided by the independent expert) in 2010 (9% in 2009). This rate was applied for the impairment tests carried out on all of the Group's CGU's. They all bear the same specific risks relating to the automotive supplier sector and the CGU'S multinational operation does not justify using geographically different discount rates.

The decrease in the value in use of the Interior Systems business at the end of 2008 resulted in the Group fully writing down the €247.9 million in residual goodwill on the business.

This write-down was the direct consequence of the contraction in both the European and US automotive markets, which Faurecia believed would affect automakers' orders and lead to lower income than originally forecast.

The tests performed at year-end 2010 did not show any indication of further impairment in goodwill.

The table below shows the sensitivity of the impairment test results to changes in the assumptions used as of December 31, 2010 to determine the value in use of the CGU's to which the Group's goodwill is allocated:

Sensitivity *(in € millions)*	**Test income (value in use - net carrying value)**	**Cash flow discount rate + 0.5 pt**	**Growth rate to infinity -0.5 pt**	**Operating income for a terminal value of -0.5 pt**
Automotive Seating	1,420.0	(165.0)	(135.0)	(172.0)
Emissions Control Technologies	1,296.0	(138.0)	(115.0)	(201.0)
Interior Systems	1,326.0	(119.0)	(97.0)	(119.0)
Automotive Exteriors	519.0	(45.0)	(36.0)	(58.0)

NOTE 11 INTANGIBLE ASSETS

Intangible assets break down as follows:

(in € millions)	**Development costs**	**Software and other**	**Total**
NET AS OF JANUARY 1, 2008	**494.1**	**17.3**	**511.4**
Additions	144.7	9.8	154.5
Funding of amortization provisions	(168.8)	(9.3)	(178.1)
Funding of provisions	1.8	0.0	1.8
Translation adjustments and other	(22.3)	2.5	(19.8)
NET AS OF DECEMBER 31, 2008	**449.5**	**20.3**	**469.8**
Additions	104.2	2.6	106.8
Funding of amortization provisions	(161.1)	(12.1)	(173.2)
Funding of provisions	(19.6)	0.0	(19.6)
Translation adjustments and other	(3.6)	16.7	13.1
NET AS OF DECEMBER 31, 2009	**369.4**	**27.5**	**396.9**
Additions	154.6	4.8	159.4
Funding of amortization provisions	(175.5)	(19.5)	(195.0)
Funding of provisions	13.6	0.0	13.6
Translation adjustments and other(*)	15.1	45.2	60.3
NET AS OF DECEMBER 31, 2010	**377.2**	**58.0**	**435.2**

(*) *See Note 10A.*

The carrying amount of development costs allocated to a customer contract as well as the associated specific tooling is compared to the present value of the expected net future cash flows to be derived from the contract based on the best possible estimate of future sales. The volumes taken into account in Faurecia's business plans are the best estimates by the Group's marketing department based on automakers' forecasts where available.

NOTE 12 PROPERTY, PLANT AND EQUIPMENT

(in € millions)	Land	Buildings	Plant, tooling and equipment	Specific tooling	Other property, plant and equipment and property, plant and equipment in progress	Total
NET AS OF JANUARY 1, 2008	**57.6**	**348.7**	**718.0**	**27.2**	**257.4**	**1,408.9**
Additions (including own work capitalized) [(1)]	2.2	29.5	128.6	9.4	159.0	328.7
Disposals	(1.3)	(42.2)	(175.8)	(8.7)	(41.1)	(269.1)
Funding of depreciation, amortization and impairment provisions	(0.3)	(49.3)	(205.5)	(13.8)	(24.8)	(293.7)
Non-recurring impairment losses	0.1	(5.1)	(14.9)	(0.3)	(0.3)	(20.5)
Depreciation written off on disposals	1.1	38.5	168.2	8.2	38.8	254.8
Currency translation adjustments	(2.1)	(12.2)	(26.5)	(0.1)	(2.7)	(43.6)
Entry into scope of consolidation & other movements	0.8	35.2	110.9	2.0	(153.6)	(4.7)
NET AS OF DECEMBER 31, 2008	**58.1**	**343.1**	**703.0**	**23.9**	**232.7**	**1,360.8**
Additions (including own work capitalized) [(1)]	1.0	20.8	78.1	15.4	74.8	190.1
Disposals	(1.7)	(45.2)	(171.7)	(1.9)	(23.4)	(243.9)
Funding of depreciation, amortization and impairment provisions	(0.5)	(49.4)	(216.6)	(13.0)	(16.2)	(295.7)
Non-recurring impairment losses	(1.2)	(2.3)	(6.9)	(0.2)	(0.4)	(11.0)
Depreciation written off on disposals	0.3	41.9	166.6	1.3	21.5	231.6
Currency translation adjustments	0.4	4.4	5.2	0.2	1.4	11.6
Entry into scope of consolidation & other movements	1.1	52.5	95.6	(1.0)	(167.1)	(18.9)
NET AS OF DECEMBER 31, 2009	**57.5**	**365.8**	**653.3**	**24.7**	**123.3**	**1,224.6**
Additions (including own work capitalized) [(1)]	4.3	21.0	117.1	8.0	153.9	304.3
Disposals	(2.6)	(22.5)	(110.7)	(6.4)	(22.1)	(164.3)
Funding of depreciation, amortization and impairment provisions	(0.2)	(49.3)	(232.6)	(10.8)	(21.2)	(314.1)
Non-recurring impairment losses	0.0	(1.8)	(7.6)	(0.7)	(3.2)	(13.3)
Depreciation written off on disposals	1.7	19.7	112.6	6.4	22.0	162.4
Currency translation adjustments	1.9	13.2	31.2	0.3	6.7	53.3
Entry into scope of consolidation & other movements[(*)]	24.5	66.9	284.5	1.1	(54.4)	322.6
NET AS OF DECEMBER 31, 2010	**87.1**	**413.0**	**847.8**	**22.6**	**205.0**	**1,575.5**

(*) See Note 10A.

(1) Including assets held under finance leases

in 2008	*0.1*
in 2009	*21.3*
in 2010	*4.0*

(in € millions)	Dec. 31, 2010 Gross	Dec. 31, 2010 Depreciation	Dec. 31, 2010 Net	Dec. 31, 2009 Gross	Dec. 31, 2009 Net	Dec. 31, 2008 Net
Land	95.7	(8.6)	87.1	64.5	57.5	58.1
Buildings	1,018.5	(605.5)	413.0	945.9	365.8	343.1
Plant, tooling and technical equipment	3,123.1	(2,275.3)	847.8	2,654.7	653.3	703.0
Specific tooling	129.4	(106.8)	22.6	123.6	24.7	23.9
Other property, plant and equipment and property, plant and equipment in progress	499.0	(294.0)	205.0	406.7	123.3	232.7
TOTAL	**4,865.7**	**(3,290.2)**	**1,575.5**	**4,195.4**	**1,224.6**	**1,360.8**
Including assets subject to lease financing	135.4	(67.2)	68.2	94.2	44.8	31.8

Property, plant and equipment are often specific and dedicated to client programs. Their utilization rates are primarily dependent on the level of activity, with very few exceptions. The utilization rates for equipment are not monitored centrally or systematically.

NOTE 13 INVESTMENTS IN ASSOCIATES

AS OF DECEMBER 31, 2010

(in € millions)	% of share capital held(*)	Faurecia's share of equity	Dividends received by the Group	Faurecia's share of sales	Faurecia's share of equity
Vanpro Assentos Lda (1)	50%	0.0	0.0	44.6	12.5
Teknik Malzeme	50%	6.5	0.0	40.0	27.0
Orcia (1)	50%	0.0	0.0	4.3	5.2
Copo Ibérica Sa	50%	2.7	0.0	16.8	6.6
Componentes de Vehiculos de Galicia SA	50%	2.7	0.0	6.7	4.7
Faurecia Japon NHK Co. Ltd (1)	50%	0.0	0.0	185.8	56.7
Arsed d.o.o.	50%	0.7	0.0	18.9	6.9
Kwang Jin Faurecia Co. Ltd	50%	1.2	0.0	22.2	8.6
AD tech Co. Ltd	50%	1.1	0.0	3.0	4.5
TOTAL	**-**	**14.9**	**0.0**	**342.3**	**132.7**
SAS Group	50%	28.7	(15.0)	1,579.9	337.9
TOTAL		**43.6**	**(15.0)**	**1,922.2**	**470.6**

(*) Interest held by the company holding the shares.
(1) As the Group's share of this company's net equity is negative it is recorded under liabilities as a provision for contingencies and charges.

SAS is a joint venture with Continental Automotive Gmbh which manufactures full cockpit modules with electronics and circuitry built into the instrument panels.

In order to meet the Faurecia Group's publication deadlines, the consolidated financial statements were prepared using SAS Group's accounts for the twelve months ended September 30. Specific accounts drawn up for the SAS Group as of December 31 would not give rise to any material difference.

13-1 Change in investments in associates

(in € millions)	2010	2009	2008
Group share of equity at beginning of period	31.0	40.1	44.8
Dividends	(15.0)	(25.0)	(20.0)
Share of net income of associates	18.8	11.3	7.7
Change in scope of consolidation	4.8	3.9	6.6
Capital increase	0.9	0.7	2.2
Currency translation adjustments	3.1	0.0	(1.2)
Group share of equity at end of period	**43.6**	**31.0**	**40,1**

13-2 Group share of financial items of associates

(in € millions)	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Fixed assets	39.7	32.0	31.4
Current assets	388.0	331.1	330.8
Cash and cash equivalents	42.9	33.0	40.0
TOTAL ASSETS	**470.6**	**396.1**	**402.2**
Equity	35.1	27.1	40.1
Borrowings	18.9	18.1	21.4
Other non-current liabilities	33.7	24.9	24.1
Non-current financial liabilities	382.9	326.0	316.6
TOTAL LIABILITIES	**470.6**	**396.1**	**402,2**

NOTE 14 OTHER EQUITY INTERESTS

		Dec. 31, 2010		Dec. 31, 2009	Dec. 31, 2008
(in € millions)	% of share capital	Gross	Net	Gross	Net
SCI Messei	100	0.4	0.1	0.1	0.1
Faurecia Technology Center India Ltd	100	3.6	3.6	3.6	0.4
Changchun Xuyang Industrial Group	19	11.0	11.0		
Faurecia Shin Sung(*)				4.3	0.0
Faurecia Metalloprodukcia(*)				2.4	
Other	-	2.9	0.6	0.8	1.1
TOTAL		**17.9**	**15.3**	**11.2**	**1.6**

(*) *Companies consolidated as of 1/01/2010.*

NOTE 15 OTHER NON CURRENT FINANCIAL ASSETS

(in € millions)	Dec. 31, 2010 Gross	Dec. 31, 2010 Provisions	Dec. 31, 2010 Net	Dec. 31, 2009 Net	Dec. 31, 2008 Net
Loans with maturity longer than one year	26.4	(7.0)	19.4	17.7	19.3
Interest rate derivatives	0.0	0.0	0.0	0.1	1.4
Other	9.4	(1.0)	8.4	5.6	5.8
TOTAL	**35.8**	**(8.0)**	**27.8**	**23.4**	**26.5**

NOTE 16 OTHER NON CURRENT ASSETS

This line includes:

(in € millions)	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Pension plan surpluses	0.2	0.0	0.0
Guarantee deposits and other	14.3	18.9	8.5
TOTAL	**14.5**	**18.9**	**8.5**

NOTE 17 INVENTORIES AND WORK IN PROGRESS

(in € millions)	Dec. 31, 2010 Gross	Dec. 31, 2010 Provisions	Dec. 31, 2010 Net	Dec. 31, 2009 Net	Dec. 31, 2008 Net
Raw materials and supplies	312.3	(34.9)	277.4	157.6	210.6
Work-in-progress	316.9	(24.8)	292.1	183.0	190.3
Semi-finished and finished products	194.4	(29.9)	164.5	98.0	125.2
TOTAL	**823.6**	**(89.6)**	**734.0**	**438.6**	**526.1**

NOTE 18 TRADE ACCOUNTS RECEIVABLE

Under an annually renewable trade receivables sale program set up in May 2007, the Group can sell a portion of the receivables of a number of its French subsidiaries to a group of financial institutions, transferring substantially all of the risks and rewards relating to the receivables sold to the financial institutions concerned.

Other receivables sale agreements are in force between certain of the Group's European subsidiaries and a number of their banks, providing for the transfer of substantially all of the risks and rewards of the receivables sold.

The following table shows the amount of receivables sold with maturities beyond December 31, 2010, for which substantially all the risks and rewards have been transferred, and which have therefore been derecognized:

(in € millions)	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Receivables sold and derecognized	377.9	290.7	388.5

Individually impaired trade receivables are as follows:

(in € millions)	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Gross total trade receivables	1,409.6	1,047.0	972.9
Provision for impairment of receivables	(21.9)	(21.1)	(19.0)
TOTAL TRADE ACCOUNTS RECEIVABLE, NET	**1,387.7**	**1,025.9**	**953.9**

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

Late payments as of December 31, 2010 were €64.5 million, breaking down as follows:

- €35.4 million less than one month past due;
- €7.6 million one to two months past due;
- €4.3 million two to three months past due;
- €7.5 million three to six months past due;
- €9.7 million more than six months past due.

NOTE 19 OTHER OPERATING RECEIVABLES

(in € millions)	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Down payments	61.6	39.5	41.9
Other receivables (1)	161.7	131.5	155.4
TOTAL	**223.3**	**171.0**	**197.3**
(1) Including the following amounts for VAT and other tax receivables	*154.9*	*127.0*	*149.4*

NOTE 20 OTHER RECEIVABLES

(in € millions)	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Short-term portion of loans	3.5	0.1	0.1
Prepaid expenses	14.6	4.6	17.0
Current taxes	35.3	14.5	29.6
Other sundry payables	47.3	60.7	33.1
TOTAL	**100.7**	**79.9**	**79,8**

NOTE 21 CASH AND CASH EQUIVALENTS

As of December 31, 2010, cash and cash equivalents included current account balances in the amount of €532.5 million (versus €292.2 million as of December 31, 2009 and €374.9 million as of December 31, 2008) and short-term investments in the amount of €73.3 million (versus €65.6 million as of December 31, 2009 and €50.8 million as of December 31, 2008).

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

NOTE 22 SHAREHOLDERS' EQUITY

22-1 Capital

Following the capital increase resulting from the issue at par of 20,918,224 new shares, as of December 31, 2010, Faurecia's capital stock totaled €772,567,096 divided into 110,366,728 fully paid-in shares with a par value of €7 each.

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

As of December 31, 2010, Peugeot SA held 57.43% of Faurecia's capital and 63.26% of the voting rights.

22-2 Employee stock options and share grants

A – STOCK SUBSCRIPTION OPTIONS

Faurecia has a policy of issuing stock options to the executives of Group companies.

As of December 31, 2010, a total of 1,523,998 stock options were outstanding.

The exercise of these options would result in increasing:

- the capital stock by €10.7 million;
- additional paid-in capital by €54.4 million.

Details of the stock subscription option plans as of December 31, 2010 are set out in the table below:

Date of Shareholders' Meeting	Date of Board Meetings / Adjusted exercise price (in €)	Number of options granted (adjusted)	Including granted to senior executive management	Start of exercise period / Last exercise date	Options exercised	Options cancelled	Adjusted number of options outstanding as of Dec. 31, 2010
	September 12, 1996			September 13, 2001			
May 3, 1995	22.92	133,750	42,800	September 11, 2011	97,905	10,700	25,145
	June 26, 1997			June 27, 2002			
May 31, 1994	34.40	63,180	17,550	June 25, 2012	36,855	19,305	7,020
June 5, 1997	February 22, 2002			February 23, 2006			
June 1, 2001	47.01	411,489	81,315	February 22, 2012	32,994	133,029	245,466
June 1, 2001	November 28, 2002			November 29, 2006			
May 14, 2002	35.65	315,315	118,170	November 27, 2012	106,583	133,520	75,212
	April 14, 2004			April 14, 2008			
May 14, 2002	49.73	313,560	127,530	April 13, 2014	-	139,230	174,330
	April 19, 2005			April 18, 2009			
May 25, 2004	54.45	321,750	142,740	April 18, 2015	-	119,925	201,825
	April 13, 2006			April 12, 2010			
May 23, 2005	45.20	340,800	168,000	April 12, 2016	-	133,200	207,600
	April 16, 2007			April 17, 2011			
May 23, 2005	44.69	346,200	172,800	April 17, 2017	-	84,000	262,200
	June 10, 2008			April 10, 2012			
May 29, 2007	28.38	357,000	174,000	April 10, 2016	-	31,800	325,200
TOTAL							**1,523,998**

Movements in the aggregate number of options under all of the plans in force were as follows:

(in € millions)	2010	2009	2008
TOTAL AT BEGINNING OF THE PERIOD	**1,594,223**	**1,435,183**	**1,258,303**
adjustment related to the capital increase	0	256,093	
Options granted	0	0	297,500
Options exercised	0	0	
Options cancelled and expired	(70,225)	(97,053)	(120,620)
TOTAL AT THE END OF THE YEAR	**1,523,998**	**1,594,223**	**1,435,183**

In accordance with IFRS 2, the six plans issued since November 7, 2002 have been measured at fair value as of the grant date. The measurement was performed using the Black & Scholes option pricing model based on the following assumptions:

	November 28, 2002 plan	April 14, 2004 plan	April 19, 2005 plan	April 13, 2006 plan	April 16, /2007 plan	April 10, 2008 plan
Option exercise price (as of the grant date) (in €)(*)	€35.65	€49.73	€54.45	€45.20	€44.69	€28.38
Share price as of the grant date (in €)	€41.82	€58.45	€62.05	€53.15	€56.15	€33.10
Option vesting period	4 years	4 years	4 years	4 years	4 years	4 years
Expected share dividend	2%	2%	2%	1.5%	0.00%	0.00%
Zero coupon rate	3.57%	3.33%	2.93%	3.50%	4.41%	3.86%
Expected share price volatility	40%	40%	40%	30%	30%	30%

(*) *Adjusted following the capital increase.*

The fair value of the option is amortized over the vesting period, with a corresponding adjustment to equity. The related expense in 2010 totaled €2 million, compared with €3.4 million in 2009.

B – STOCK PURCHASE OPTIONS

From 1999 to 2001, Faurecia granted stock options to executives of Group companies and their over 50%-owned subsidiaries.

As of December 31, 2010, a total of 25,740 stock options were outstanding.

Details of the share grant plans as of December 31, 2010 are set out in the table below:

Date of Shareholders' Meeting	Date of Board Meetings / Adjusted exercise price (in €)	Number of options awarded	including granted to senior executive management	Start of exercise period / Last exercise date	Options exercised	Options cancelled	Number of options outstanding as of Dec. 31, 2010
	April 26, 2001			April 26, 2005			
May 22, 2000	46.59	50,895	-	April 25, 2011	19,305	5,850	25,740
TOTAL							**25,740**

C – FREE SHARES ATTRIBUTED

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

The fair value of this plan has been measured by reference to the market price of Faurecia's shares at the grant date, less an amount corresponding to the expected dividends due on the shares but not paid during the vesting period and an amount reflecting the cost of the shares being subject to a lock-up period. The corresponding expense will be deferred and recognized over the share vesting period. The amount recognized in expenses for the period is €2.6 million.

Details of the share grant plans as of December 31, 2010 are set out in the table below:

		Maximum number of free shares that can be granted for		
Date of Shareholders' Meeting	**Date of Board Meetings**	**reaching the objective**	**exceeding the objective**	**Performance conditions**
	June 23, 2010	662,000	860,600	2011 target for pretax income
February 8, 2010	July 21, 2010	682,500	887,250	2012 target for pretax income

22-3 Treasury stock

As of December 31, 2010, Faurecia held 270,814 shares of treasury stock, reflecting the following transactions:

- 200,000 shares contributed by ECTRA in 1999;
- 19,613 shares purchased in 2000 for €0.8 million;
- 96,361 shares purchased in 2001 for €4.2 million;
- 96,860 shares purchased in 2002 for €3.8 million;
- 32,745 shares purchased in 2004 for €1.0 million;
- 74,285 shares purchased in 2005 for €2.3 million;
- 30,000 shares purchased in 2005 for €1.8 million;
- 33,650 shares purchased in 2006 for €1.3 million;
- 31,340 shares purchased in 2007 for €1.0 million.

The cost of the shares held in treasury stock as of December 31, 2010 totaled €10.4 million, representing an average cost of €38.43 per share.

These shares are held to cover the exercise of stock options granted to Group company executives resolved upon by Board of Directors on April 26, 2001. The number of remaining exercisable stock options on December 31, 2010 covered 25,740 shares (see Note 22.2b).

NOTE 23 MINORITY INTERESTS

Changes in minority interests were as follows:

(in € millions)	**2010**	**2009**	**2008**
Balance as of January 1	45.8	40.6	44.3
Increase in minority shareholder interests	4.2	0.0	
Other changes in scope of consolidation	9.1	0.0	
Minority interests in net income for the year	30.7	16.3	5.5
Dividends paid to minority interests	(6.0)	(9.3)	(12.3)
Translation adjustments	3.9	(1.8)	3.1
BALANCE AS OF DECEMBER 31	**87.7**	**45.8**	**40.6**

NOTE 24 LONG AND SHORT TERM PROVISIONS

24-1 Long-term provisions

LONG-TERM PROVISIONS

(in € millions)	2010	2009	2008
Provisions for pension and other post-employment obligations			
Pension obligations	157.3	143.2	139.6
Long-service awards	20.9	19.2	19.5
Healthcare costs	33.1	26.3	27.5
	211.3	**188.7**	**186.6**
Provisions for early retirement costs	3.2	5.2	7.0
TOTAL	**214.5**	**193.9**	**193.6**

CHANGES IN LONG-TERM PROVISIONS

(in € millions)	2010	2009	2008
Balance of provisions at beginning of year	**193.9**	**193.6**	**209.3**
Changes in scope of consolidation	25.8	0.0	0.0
Other movements	4.4	1.8	(0.8)
Funding (or reversals) of provisions	26.2	22.1	13.3
Expenses charged to the provision	(19.5)	(15.4)	(18.3)
Payments to external funds	(16.3)	(8.2)	(9.9)
BALANCE OF PROVISIONS AT END OF YEAR	**214.5**	**193.9**	**193.6**

24.2 Short-term provisions

SHORT-TERM PROVISIONS

(in € millions)	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Restructuring	169.2	157.8	200.4
Risks on contracts and customer warranties	123.5	56.7	48.9
Litigation	43.9	47.4	25.4
Other provisions	80.0	58.4	42.6
TOTAL PROVISIONS	**416.6**	**320.3**	**317.3**

Changes in these provisions in 2010 were as follows:

(in € millions)	Balance as of Dec. 31, 2009	Additions	Expenses charged	Reversals(*)	Change in scope of consolidation and other changes	Balance as of Dec. 31, 2010
Restructuring	157.8	132.1	(128.2)	(6.0)	13.5	169.2
Risks on contracts and customer warranties	56.7	29.9	(56.5)	0.0	93.4	123.5
Litigation	47.4	19.0	(26.4)	(3.0)	6.9	43.9
Other provisions	58.4	25.0	(19.9)	(0.5)	17.0	80.0
TOTAL	**320.3**	**206.0**	**(231.0)**	**(9.5)**	**130.8**	**416.6**

(*) *Surplus provisions.*

LITIGATION

In the normal course of business, the Group may be involved in disputes with its customers, suppliers, tax authorities in France or abroad, or other third parties.

Faurecia Systèmes d'Échappement, which has long-standing expertise in conventional impregnated ceramic-based filtration technology, is subject to a claim concerning electrostatic filtration that has been brought before the courts following its unsuccessful cooperation with a service provider. This case is continuing before the Paris District Court (Tribunal de Grande Instance) and the Paris Court of Appeal (Cour d'Appel). The Group considers that the residual risks and impact of these proceedings are not material. Provisions have also been funded for a claim concerning the repair of Blackpool (formerly Emcon) buildings at end of lease. The Group has also received a claim from Suzuki that is the subject of a request for arbitration. This claim is provisioned according to the below franchise level costs not covered by insurance.

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

NOTE 25 PROVISIONS FOR PENSIONS AND OTHER POST EMPLOYMENT BENEFITS

25-1 Benefit obligations

(in € millions)	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Present value of projected obligations			
Pension benefit obligations	270.3	222.9	226.1
Long-service awards	20.9	19.2	19.5
Healthcare costs	48.4	36.5	34.8
TOTAL	**339.6**	**278.6**	**280.4**
Value of plan assets :			
Provisions booked in the accounts	211.3	188.7	186.6
External funds (market value)	101.6	83.6	75.2
Plan surpluses (1)	(0.2)	0.0	0.0
Actuarial gains and losses	26.9	6.3	18.6
TOTAL	**339.6**	**278.6**	**280.4**

(1) Pension plan surpluses are included in "Other non-current assets".

25-2 Pension benefit obligations

A – DESCRIPTION OF THE PLANS

In addition to the pension benefits provided under local legislation in the various countries where Group companies are located, Group employees are entitled to supplementary pension benefits and retirement bonuses.

B – ASSUMPTIONS USED

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

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

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

(in %)	Euro Zone	United Kingdom	United States
DISCOUNT RATE			
2010	4.15%	5.54%	5.35%
2009	5.00%	5.83%	5.75%
2008	5.50%	5.93%	6.70%
INFLATION RATE			
2010	2.00%	3.45%	1.50%
2009	2.00%	3.50%	2.70%
2008	2.00%	3.00%	0.09%
EXPECTED RETURN ON PLAN ASSETS			
2010	3.09%	6.85%	7.50%
2009	3.20%	7.76%	7.50%
2008	2.79%	7.35%	7,61%

C – INFORMATION ON EXTERNAL FUNDS

External funds are invested as follows:

	2010		2009		2008	
(In %)	Equities	Bonds	Equities	Bonds	Equities	Bonds
France	15%	85%	11%	89%	15%	85%
United Kingdom	62%	38%	69%	31%	67%	33%
United States	64%	36%	63%	37%	59%	41%

D – PROVISIONS FOR PENSION LIABILITIES RECOGNIZED ON THE BALANCE SHEET

	2010			2009			2008		
(in € millions)	France	Abroad(*)	TOTAL	France	Abroad	TOTAL	France	Abroad	TOTAL
Balance of provisions at beginning of year	**77.0**	**66.2**	**143.2**	**71.0**	**68.6**	**139.6**	**78.9**	**76.4**	**155.3**
Effect of changes in scope of consolidation (provision net of plan surpluses)	0.2	17.4	17.6	0.0	0.0	0.0	0.0	0.0	0.0
Additions	7.7	8.7	16.4	9.8	5.9	15.7	2.4	3.9	6.3
Expenses charged to the provision	(1.7)	(7.2)	(8.9)	(1.7)	(3.1)	(4.8)	(4.4)	(4.2)	(8.6)
Payments to external funds	(6.5)	(6.7)	(13.2)	(2.1)	(6.1)	(8.2)	(5.9)	(3.9)	(9.8)
Other movements	0.0	2.0	2.0	0.0	0.9	0.9	0.0	(3.6)	(3.6)
BALANCE OF PROVISIONS AT END OF YEAR	**76.7**	**80.4**	**157.1**	**77.0**	**66.2**	**143.2**	**71.0**	**68.6**	**139.6**

(*) *The provision for €80.4 million on Dec. 31, 2010 relates mainly to Germany (€70.4 million).*

E – CHANGES IN PENSION LIABILITIES

	Dec. 31, 2010			Dec. 31, 2009			Dec. 31, 2008		
(in € millions)	France	Abroad	Total	France	Abroad	Total	France	Abroad	Total
PROJECTED BENEFIT OBLIGATION									
At beginning of the period	**80.4**	**142.5**	**222.9**	**97.1**	**129.0**	**226.1**	**114.4**	**146.1**	**260.5**
Service cost	4.5	4.0	8.5	6.7	2.2	8.9	8.5	3.0	11.5
Annual restatement	4.2	8.5	12.7	5.7	7.5	13.2	6.4	7.7	14.1
Benefits paid	(5.2)	(11.3)	(16.5)	(8.4)	(6.4)	(14.8)	(13.9)	(7.3)	(21.2)
Restatement differences	5.2	10.9	16.1	(18.3)	8.6	(9.7)	(11.2)	(10.7)	(21.9)
Other movements (including translation adjustment)	0.2	27.0	27.2	0.0	1.6	1.6	0.0	(9.4)	(9.4)
Curtailments and settlements	(0.6)	0.0	(0.6)	(2.4)	0.0	(2.4)	(11.7)	(0.4)	(12.1)
Effect of closures and plan amendments						0.0	4.6		4.6
AT END OF THE PERIOD	**88.7**	**181.6**	**270.3**	**80.4**	**142.5**	**222.9**	**97.1**	**129.0**	**226.1**
VALUE OF PLAN ASSETS									
At beginning of the period	**12.6**	**71.0**	**83.6**	**17.1**	**58.1**	**75.2**	**20.2**	**81.0**	**101.2**
Expected return on plan assets	0.3	5.1	5.4	0.6	3.9	4.5	0.6	5.5	6.1
Restatement differences	0.0	0.8	0.8	(0.6)	4.9	4.3	(0.1)	(21.9)	(22.0)
Other movements (including translation adjustment)	0.0	6.1	6.1	0.0	1.3	1.3	0.0	(7.0)	(7.0)
Employer contributions	6.5	6.7	13.2	2.1	6.1	8.2	5.9	4.0	9.9
Benefits paid	(3.5)	(4.1)	(7.6)	(6.6)	(3.3)	(9.9)	(9.5)	(3.0)	(12.5)
Curtailments and settlements	0.0	0.0	0.0					(0.5)	(0.5)
Effect of closures and plan amendments									0.0
AT END OF THE PERIOD	**15.9**	**85.6**	**101.5**	**12.6**	**71.0**	**83.6**	**17.1**	**58.1**	**75.2**
DEFERRED ITEMS									
At beginning of the period	**(9.2)**	**5.3**	**(3.9)**	**9.0**	**2.3**	**11.3**	**15.2**	**(11.3)**	**3.9**
New deferred items	5.2	10.1	15.3	(17.8)	3.6	(14.2)	(11.1)	11.2	0.1
Amortization of deferred items	(0.4)	(1.4)	(1.8)	(0.2)	(0.1)	(0.3)	(0.6)	1.3	0.7
Other movements (including translation adjustment)	0.0	1.5	1.5		(0.5)	(0.5)		1.1	1.1
Curtailments and settlements	0.5	0.1	0.6	(0.2)		(0.2)	0.9		0.9
Effect of closures and plan amendments							4.6		4.6
AT END OF THE PERIOD	**(3.9)**	**15.6**	**11.7**	**(9.2)**	**5.3**	**(3.9)**	**9.0**	**2.3**	**11.3**
BALANCE OF PROVISIONS AT END OF YEAR	**76.7**	**80.4**	**157.1**	**77.0**	**66.2**	**143.2**	**71.0**	**68.6**	**139.6**

F – PERIODIC PENSION COST

Periodic pension cost is recognized:

- in operating income for the portion relating to service cost and amortization of deferred items;
- in "Other financial income and expense" for restatement of vested rights and the expected return on external funds.

Periodic pension cost break down as follows:

	2010			2009			2008		
(in € millions)	**France**	**Abroad**	**Total**	**France**	**Abroad**	**Total**	**France**	**Abroad**	**Total**
Service cost	(4.5)	(4.0)	(8.5)	(6.7)	(2.2)	(8.9)	(8.5)	(3.0)	(11.5)
Restatement of projected benefits	(4.2)	(8.5)	(12.7)	(5.7)	(7.5)	(13.2)	(6.4)	(7.7)	(14.1)
Change in top-up scheme									
Expected return on plan assets	0.3	5.1	5.4	0.6	3.9	4.5	0.6	5.5	6.1
Curtailments and settlements	1.1	0.1	1.2	2.2	0.0	2.2	12.5	0.0	12.5
Amortization of deferred differences	(0.4)	(1.4)	(1.8)	(0.2)	(0.1)	(0.3)	(0.6)	1.3	0.7
TOTAL	**(7.7)**	**(8.7)**	**(16.4)**	**(9.8)**	**(5.9)**	**(15.7)**	**(2.4)**	**(3.9)**	**(6.3)**

a) The supplementary pension scheme for all managerial employees in France comprises:
   - a defined contribution plan financed entirely by Faurecia whose contribution rate varies depending on salary tranches A or B applies;
   - a defined benefit plan relating to salary tranche C.

b) In France, as from January 1, 2011, that is, when calculating its pension liability as of December 31, 2010, the Group used only voluntary retirement assumptions beginning at 62 years of age for non-management employees and at 65 years of age for management.

c) In France, pension liability increased by €8.1 million at year-end compared to 2009. This increase breaks down as follows:
   - + €8.7 million relating to service cost and interest cost for 2010;
   - - €5.2 million relating to lump-sum retirement bonuses and rights to capital for supplementary pension schemes;
   - - €0.6 million relating to headcount reduction plans in 2010;
   - + €9.1 million relating to increased lump-sum retirement bonuses according to the rates in the metallurgical collective labor agreement;
   - - €3.9 million resulting from actuarial gains and losses, including a €6.8 million increase relating to the discount rate,
   - a €10.0 million decrease relating to experience and a €0.8 million decrease for other assumptions.

G - RETIREMENT PENSION LIABILITIES IN FRANCE: SENSITIVITY TO CHANGES IN THE DISCOUNT RATE

The impact of a 0.25 percentage point increase in the discount rate for:

- total service cost for the period would be a 3.34% decrease;
- the projected benefit obligation would be a 2.71% decrease.

25-3 Long-service awards

The Group evaluates its liability for the payment of long-service awards, given to employees based on certain seniority requirements. The Group calculates its liability for the payment of long-service awards using the same method and assumptions as for its pension liability. Provisions for long-service awards have been set uside as follows:

(in € millions)	As of Dec. 31, 2010	As Dec. 31, 2009	As Dec. 31, 2008
French companies	6.9	8.5	9.0
Foreign companies	14.0	10.7	10.5
TOTAL	**20.9**	**19.2**	**19.5**

25-4 Healthcare costs

In addition to pension plans, some Group companies – mainly in the United States – cover the healthcare costs of their employees.

The related liability can be analyzed as follows:

(in € millions)	As of Dec. 31, 2010	As Dec. 31, 2009	As Dec. 31, 2008
Foreign companies	33.1	26.3	27.5
TOTAL	**33.1**	**26.3**	**27.5**

The impact of a one percentage point increase in medical cost trend rates would be:

- a 10.00% rise in total service cost for the period and financial expenses;
- a 9.00% rise in the projected benefit obligation.

The impact of a one percentage point decrease in medical cost trend rates would be:

1) a 8.00% rise in total service cost for the period and financial expenses;
2) a 9.00% rise in the projected benefit obligation.

Expenses recognized in connection with this liability break down as follows:

EXPENSES RECOGNIZED

(in € millions)	As of Dec. 31, 2010	As Dec. 31, 2009	As Dec. 31, 2008
Service cost	(3.1)	(2.5)	(3.1)
Interest cost(*)	(2.4)	(1.9)	(1.7)
Curtailment	0.0	(0.3)	0.4
Amortization of deferred differences	(1.0)	0.3	(0.7)
TOTAL	**(6.5)**	**(4.4)**	**(5.1)**

(*) *Interest cost is recorded under "Other financial income and expense".*

NOTE 26 NET DEBT

26-1 Detailed breakdown

(in € millions)	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Bonds	191.8	183.7	300.0
Bank borrowings	726.1	869.1	956.4
PSA loan	142.0	128.0	194.0
Other borrowings	5.7	6.3	8.5
Obligations under finance leases	37.0	29.4	17.0
Non-current derivatives	12.3	15.7	15.8
SUBTOTAL – NON-CURRENT FINANCIAL LIABILITIES	**1,114.9**	**1,232.2**	**1,491.7**
Current portion of long-term debt	78.7	36.2	31.4
Short-term borrowings (1)	608.0	486.6	509.9
Payments issued (2) (a)	0.4		0.0
Current derivatives	0.6	5.4	4.9
SUBTOTAL – CURRENT FINANCIAL LIABILITIES	**687.7**	**528.2**	**546.2**
TOTAL	**1,802.6**	**1,760.4**	**2,037.9**
Derivatives classified under non-current and current assets	0.0	(1.4)	(7.4)
Cash and cash equivalents (b)	(605.8)	(357.8)	(425.7)
NET DEBT	**1,196.8**	**1,401.2**	**1,604.8**
Net cash and cash equivalents (b) – (a)	**605.4**	**357.8**	**425.7**
(1) Including bank accounts	162.7	128.0	112.5

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

26-2 Maturities of long-tem debt

(in € millions)	2012	2013	2014	2015	2016 and beyond	Total
Oceane bond issue	0.0	0.0	0.0	191.8	0.0	191.8
Bank borrowings	24.9	667.6	4.5	2.6	26.5	726.1
PSA loan	0.0	142.0	0.0	0.0	0.0	142.0
Other borrowings	1.2	2.3	1.4	0.8	0.0	5.7
Obligations under finance leases	26.5	4.6	1.7	1.4	2.8	37.0
TOTAL AS OF DEC. 31, 2010	**52.6**	**816.5**	**7.6**	**196.6**	**29.3**	**1,102.6**

26-3 Oceane bond, Eurobond and syndicated credit facility

Since November 28, 2008, Faurecia has had access to an €1.42 billion credit facility.

This facility comprises a syndicated bank loan of €1.17 billion and a €250 million loan from Faurecia's majority shareholder, PSA Peugeot Citroën. The two loans are correlated so that the drawdowns made by Faurecia on the PSA Peugeot Citroën loan are proportionate to those made on the syndicated bank loan, based on the same rates and periods.

The overall facility is divided into an €20 million tranche expiring in November 2011, an €690 million expiring in November 2013 following the exercise by the banks and PSA of an option to extend the expiration, and an €710 million expiring in November 2013.

As of December 31, 2010 the undrawn portion of this credit facility was €613 million.

The contracts relating to this credit facility include covenants, notably a change of control clause relating to PSA and provisions concerning compliance with consolidated financial ratios. As of Dec. 31, 2010, the Group complied with all of these ratios, of which the amounts are presented below:

- a net debt ceiling of €1.8 billion was set for December 31, 2010;
- the other financial ratios with which the Group is required to comply are as follows:

	Adjusted net debt(*)/EBITDA(**) Ceiling	EBITDA(**)/net interest Floor
December 31, 2010	4 : 1	4.25 : 1
June 30, 2011 and subsequent six-month periods	3.5 : 1	4.50 : 1

(*) *Adjusted net debt = consolidated net debt + adjustments for certain obligations undertaken, based on definitions provided in the credit facility agreement (e.g. mortgages or collateralized liabilities).*

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

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

On November 26, 2009 Faurecia issued €211.3 million worth of OCEANE bonds convertible into or exchangeable for new or existing shares, due January 1, 2015. The bonds mature on January 1, 2015 and bear annual interest of 4.50% payable on January 1 each year, as from January 1, 2011.

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

In conformity with IAS 39, the fair value of Oceane is calculated based on two components, a liability component, calculated based on prevailing market interest rates for similar bonds with no conversion option, and a conversion option component, calculated based on the difference between the fair value of the Oceane [bonds] and the liability component. Upon issue these two components were €184.3 million and €23.3 million, respectively. As of December 31, 2010 the liability component was €189.2 million, before hedging.

On October 5, 2005 Faurecia carried out an €300 million bond issue due in October 2010. As the bond covenants were breached as of June 30, 2009, the bondholders were entitled to require their early redemption. Out of the intial amount issued, €291.5 million worth of the bonds were redemmed on August 14, 2009, the balance was covered on the expiry date on October 5, 2010. The early redemption in August 2009 was partially financed by an €205 million credit facility extended by a pool of French banks. The credit facility, which was to expire at end-January 2011, was subject to the same financial ratio covenants as the syndicated credit facility, and it was prepaid in full on August 17, 2010.

The Group's global contractual maturity schedule as of December 31, 2010 breaks down as follows:

	Carrying Amount			Remaining contractual maturities				
(in € millions)	**Assets**	**Liabilities**	**Total**	**0-3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**> 5 years**
Other non-current financial assets	27.8		27.8				27.8	
Loans and receivables	14.5		14.5				14.5	
Other current financial assets	0.0		0.0					
Trade accounts receivables	1,387.7		1,387.7	1,384.5	2.0	1.2		
Cash and cash equivalents	605.8		605.8	605.8				
Interest on other long-term borrowings								
Syndicated credit facility		*(0.2)*	*(34.1)*	*(3.0)*	*(3.0)*	*(6.0)*	*(22.1)*	
PSA loan		*(0.1)*	*(7.4)*	*(0.6)*	*(0.6)*	*(1.2)*	*(5.0)*	
2009 Oceane		*(10.4)*	*(48.6)*	*(10.4)*	*0.0*		*(38.2)*	
Other		*(1.9)*	*(2.4)*	*(0.8)*	*(0.8)*	*(0.8)*		
Obligations under finance leases (ST portion)		(14.1)	(14.1)	(11.9)	(0.8)	(1.4)		
Other current financial liabilities		(640.6)	(640.6)	(632.7)	(7.0)	(0.9)		
Trade accounts payable		(2,419.9)	(2,419.9)	(2,387.6)	(18.0)	(14.3)		
Bonds (excluding interest)								
2009 Oceane		(191.8)	(211.3)				(211.3)	0.0
Bank borrowings								
Syndicated credit facility		*(665.0)*	*(665.0)*			*(20.0)*	*(645.0)*	
Other		*(81.1)*	*(81.1)*				*(54.7)*	*(26.4)*
PSA loan		(142.0)	(142.0)	0.0	0.0	0.0	(142.0)	0.0
Other borrowings		(5.7)	(5.7)				(5.7)	
Obligations under finance leases (LT portion)		(37.0)	(37.0)				(34.2)	(2.8)
Interest rate derivatives	**0.0**	**(12.8)**	**(14.2)**	**(2.6)**	**(2.3)**	**(4.4)**	**(4.9)**	**0.0**
• o/w cash flow hedges	0.0	(8.4)	(9.6)	(1.6)	(1.5)	(3.0)	(3.5)	
• o/w derivatives not qualifying for hedge accounting under IFRS	0.0	(4.4)	(4.6)	(1.0)	(0.8)	(1.4)	(1.4)	
Currency hedges	**0.0**	**(1.9)**	**(1.9)**	**(0.9)**	**(0.9)**	**(0.1)**	**0.0**	**0.0**
• o/w fair value hedges		(0.2)	(0.2)	(0.2)				
• o/w cash flow hedges		(1.7)	(1.7)	(0.7)	(0.9)	(0.1)		
TOTAL	**2,035.8**	**(4,224.5)**	**(2,289.5)**	**(1,060.2)**	**(31.4)**	**(47.9)**	**(1,120.8)**	**(29.2)**

26-4 Securitization and factoring programs

Part of Faurecia's financing requirements are met through receivables sale programs (see Note 18).

In December 2010, financing under these programs – corresponding to the cash received as consideration for the receivables sold – totaled €524.5 million, versus €440.8 million as of December 31, 2009.

(in € millions)	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Financing	566.8	481.5	626.6
Guarantee reserve deducted from borrowings	(42.3)	(40.7)	(22.1)
Cash received as consideration for receivables sold	524.5	440.8	604.5
Receivables sold and derecognized	(377.9)	(290.7)	(388.5)

26-5 Analysis of borrowings

As of December 31, 2010, the floating rate portion was 80.1% of borrowings before taking into account the impact of hedging.

Derivatives have been set up to partially hedge interest payable on variable rate borrowings against increases in interest rates (see Note 30.2).

(in € millions)	Dec. 31, 2010	
Variable rate borrowings	1,443.5	80.1%
Fixed rate borrowings	359.1	19.9%
TOTAL	**1,802.6**	**100.0%**

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

(in € millions)	Dec. 31, 2010		Dec. 31, 2009		Dec. 31, 2008	
Euros	1,472.7	81.7%	1,233.2	72.9%	1,533.6	75.5%
US Dollar	279.6	15.5%	242.6	14.3%	239.2	11.8%
Other currencies	50.3	2.8%	215.8	12.8%	257.6	12.7%
TOTAL	**1,802.6**		**1,691.6**		**2,030.5**	

In 2010, the weighted average interest rate on outstanding borrowings was 4.54%.

NOTE 27 ACCRUED TAXES AND PAYROLL COSTS

(in € millions)	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Accrued payroll costs	226.2	181.7	174.5
Payroll taxes	121.9	106.2	111.7
Employee profit-sharing	2.4	1.2	2.4
Other accrued taxes and payroll costs	102.3	82.6	77.5
TOTAL	**452.8**	**371.7**	**366.1**

NOTE 28 SUNDRY PAYABLES

(in € millions)	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Due to suppliers of non-current assets	54.0	19.2	44.0
Prepaid income	47.4	47.2	54.1
Current taxes	32.0	27.1	32.9
Other	22.3	29.7	44.3
Currency derivatives for operations	1.8	0.0	40.0
TOTAL	**157.5**	**123.2**	**215.3**

NOTE 29 FINANCIAL INSTRUMENTS

29-1 Financial instruments recorded in the balance sheet

FINANCIAL INSTRUMENTS RECORDED IN THE BALANCE SHEET

	Dec. 31, 2010		Breakdown by category of instrument (1)				
(in € millions)	Carrying amount	Fair value	Financial assets/ liabilities at fair value through profit or loss(2)	Financial assets/ liabilities at fair value through equity(2)	Available-for-sale assets	Loans and receivables	Financial liabilities measured at amortized cost
Other equity interests	15.3	15.3			15.3		
Other non-current financial assets	27.8	27.8				27.8	
Trade accounts receivables	1,387.7	1,387.7				1,387.7	
Other operating receivables	223.3	223.3				223.3	
Other receivables and prepaid expenses	100.7	100.7				100.7	
Currency derivatives	0.0	0.0				0.0	
Interest rate derivatives	0.0	0.0		0.0			
Cash and cash equivalents	605.8	605.8	605.8				
FINANCIAL ASSETS	**2,360.6**	**2,360.6**	**605.8**	**0.0**	**15.3**	**1,739.5**	**0.0**
Long-term debt(*)	1,102.5	1,102.5					1,102.5
Short-term debt	687.1	687.1					687.1
Prepayments from customers	87.8	87.8				87.8	
Trade payables	2,419.9	2,419.9				2,419.9	
Accrued taxes and payroll costs	452.8	452.8				452.8	
Sundry payables	155.7	155.7				155.7	
Currency derivatives	1.9	1.9		1.3			0.6
Interest rate derivatives	12.8	12.8	3.3	9.5			
FINANCIAL LIABILITIES	**4,920.5**	**4,920.5**	**3.3**	**10.8**	**0.0**	**3,116.2**	**1,790.2**

(1) No financial instruments were transferred between categories in 2010 or 2009 or 2008.

(2) All of the instruments in this category are financial assets or liabilities designated as measured at fair value through profit or loss on initial recognition, in accordance with the criteria set out in Note 1-6.

(*) The market value of Oceane was established on the base of the end of year valuation (Dec. 31, 2010) of €24.2, at €273.6 million. In the balance sheet, Oceane is recorded, on the one hand, as an amount of the component for bonds with no conversion option and, on the other, as a registered component of Shareholder's equity that represents the value of the conversion option.

FINANCIAL INSTRUMENTS RECORDED IN THE BALANCE SHEET

	Dec. 31, 2009		Breakdown by category of instrument (1)				
(in € millions)	Carrying amount	Fair value	Financial assets/ liabilities at fair value through profit or loss(2)	Financial assets/ liabilities at fair value through equity(2)	Available-for-sale assets	Loans and receivables	Financial liabilities measured at amortized cost
Other equity interests	11.2	11.2			11.2		
Other non-current financial assets	23.3	23.3				23.3	
Trade accounts receivables	1,025.9	1,025.9				1,025.9	
Other operating receivables	171.0	171.0				171.0	
Other receivables and prepaid expenses	79.9	79.9				79.9	
Currency derivatives	1.7	1.7	1.2	0.5		0.0	
Interest rate derivatives	0.2	0.2	0.2	0.0			
Cash and cash equivalents	357.8	357.8	357.8				
FINANCIAL ASSETS	**1,671.0**	**1,671.0**	**359.2**	**0.5**	**11.2**	**1,300.1**	**0.0**
Long-term debt(*)	1,216.5	1,216.5					1,216.5
Short-term debt	528.7	528.7					528.7
Prepayments from customers	80.8	80.8				80.8	
Trade payables	1,730.6	1,730.6				1730.6	
Accrued taxes and payroll costs	371.7	371.7				371.7	
Sundry payables	123.2	123.2				123.2	
Currency derivatives	0.0	0.0				0.0	0.0
Interest rate derivatives	17.7	17.7	7.6	10.1			
FINANCIAL LIABILITIES	**4,069.2**	**4,069.2**	**7.6**	**10.1**	**0.0**	**2,306.3**	**1,745.2**

(1) No financial instruments were transferred between categories in 2010 or 2009 or 2008.

(2) All of the instruments in this category are financial assets or liabilities designated as measured at fair value through profit or loss on initial recognition, in accordance with the criteria set out in Note 1–6.

(*) The market value of Oceane was established on the base of the end of year valuation (12.31.09) of €18.95, at €214.25 million. In the balance sheet, Oceane is recorded, on the one hand, as an amount of the component for bonds with no conversion option and, on the other, as a registered component of Shareholder's equity that represents the value of the conversion option.

FINANCIAL INSTRUMENTS RECORDED IN THE BALANCE SHEET

	Dec. 31, 2008		Breakdown by category of instrument (1)				
(in € millions)	Carrying amount	Fair value	Financial assets/ liabilities at fair value through profit or loss(2)	Financial assets/ liabilities at fair value through equity(2)	Available-for-sale assets	Loans and receivables	Financial liabilities measured at amortized cost
Other equity interests	1.6	1.6			1.6		
Other non-current financial assets	25.1	25.1				25.1	
Trade accounts receivables	954.0	954.0				954.0	
Other operating receivables	197.3	197.3				197.3	
Other receivables and prepaid expenses	79.8	79.8				79.8	
Currency derivatives	4.8	4.8	4.8				
Interest rate derivatives	2.6	2.6	2.6				
Cash and cash equivalents	425.7	425.7	425.7				
FINANCIAL ASSETS	**1,690.9**	**1,690.9**	**433.1**	**0.0**	**1.6**	**1,256.2**	**0.0**
Long-term debt	1,475.9	1,475.9					1,475.9
Short-term debt	541.2	541.2					541.2
Prepayments from customers	118.8	118.8				118.8	
Trade payables	1,695.2	1,695.2				1,695.2	
Accrued taxes and payroll costs	366.1	366.1				366.1	
Sundry payables	175.3	175.3				175.3	
Currency derivatives	40.0	40.0	37.7	2.3			
Interest rate derivatives	20.7	20.7	9.2	11.5			
FINANCIAL LIABILITIES	**4,433.2**	**4,433.2**	**46.9**	**13.8**	**0.0**	**2,355.4**	**2,017.1**

(1) No financial instruments were transferred between categories in 2010 or 2009 or 2008.
(2) All of the instruments in this category are financial assets or liabilities designated as measured at fair value through profit or loss on initial recognition, in accordance with the criteria set out in Note 1–6.

The main measurement methods applied are as follows:

- items accounted for at fair value through profit or loss, as well as hedging instruments, are measured using a valuation technique based on rates quoted on the interbank market, such as Euribor; and exchange rates set daily by the European Central Bank;
- financial assets are primarily recognized at amortized cost calculated using the effective interest rate method;
- the fair value of trade receivables and payables related to manufacturing and sales operations corresponds to their carrying value in view of their very short maturities.

The impact of financial instruments on income:

	2010	Breakdown by category of instrument				
(in € millions)	**Impact Income**	**Fair value through income**	**Financial assets available for sale**	**Loans and receivables**	**Payables at cost amortized**	**Instruments derivatives**
Translation differences on commercial transactions	0.3			(0.1)		0.4
Income on loans, cash investments and marketable securities	8.1	8.1				
Finance costs	(98.7)				(98.7)	
Other financial income and expenses	(25.6)			(28.9)		3.3
Net income (expense)	**(115.9)**	**8.1**	**0.0**	**(29.0)**	**(98.7)**	**3.7**

	2009	Breakdown by category of instrument				
(in € millions)	**Impact Income**	**Fair value through income**	**Financial assets available for sale**	**Loans and receivables**	**Payables at cost amortized**	**Instruments derivatives**
Translation differences on commercial transactions	0.1			2.4		(2.3)
Income on loans, cash investments and marketable securities	12.3	12.3				
Finance costs	(135.3)				(135.3)	
Other financial income and expenses	(10.2)			0.4		(10.6)
Net income (expense)	**(133.1)**	**12.3**	**0.0**	**2.8**	**(135.3)**	**(12.9)**

	2008	Breakdown by category of instrument				
(in € millions)	**Impact Income**	**Fair value through income**	**Financial assets available for sale**	**Loans and receivables**	**Payables at cost amortized**	**Instruments derivatives**
Translation differences on commercial transactions						
Income on loans, cash investments and marketable securities	34.0	34.0				
Finance costs	(130.3)				(130.3)	
Other financial income and expenses	(63.3)			(3.5)		(59.8)
Net income (expense)	**(159.6)**	**34.0**	**0.0**	**(3.5)**	**(130.3)**	**(59.8)**

As of December 31, 2010, movements in provisions for impairment break down as follows by category of financial asset:

(in € millions)	Balance as of Dec. 31, 2009	Additions	Utilizations	Reversals (surplus provisions)	Change in scope of consolidation and other changes	Balance as of Dec. 31, 10
Doubtful accounts	(21.1)	(7.7)	11.5	0.0	(4.6)	(21.9)
Shares in non-consolidated companies	(2.6)	0.0	0.0	0.0	0.0	(2.6)
Non-current financial assets	(6.2)	(1.6)	0.6	0.0	(0.8)	(8.0)
Other receivables	(1.2)	0.0	0.2	0.0	(0.5)	(1.5)
TOTAL	**(31.1)**	**(9.3)**	**12.3**	**0.0**	**(5.9)**	**(34.0)**

29-2 Financial instruments – fair value hierarchy

The Group's financial instruments that are measured at fair value break down as follows by level of fair value measurement: Level 1 (prices quoted in active markets) for short-term cash investments and Level 2 (measured based on observable market data) for currency and interest rate instruments.

NOTE 30 HEDGING OF CURRENCY AND INTEREST RATE RISKS

30-1 Hedging of currency risks

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

Currency risks on forecast transactions are hedged on the basis of estimated cash flows determined in forecasts validated by General Management; these forecasts are updated on a regular basis. The related derivatives are classified as cash flow hedges when there is a hedging relationship that satisfies the IAS 39 criteria.

Subsidiaries outside the euro zone are granted inter-company loans in their operating currencies Although these loans are refinanced in euros and eliminated in consolidation, they contribute to the Group's currency risk exposure and are therefore hedged through swaps.

AS OF DECEMBER 31, 2010

Currency exposure *(in € millions)*	USD	CZK	CAD	MXN	GBP	PLN	ZAR
Trade receivables (net of payables)	0.0	0.0	0.0	16.2	1.4	(10.3)	18.3
Financial assets (net of liabilities)(*)	279.6	1.0	35.2	17.5	(39.8)	0.0	36.3
Forecast transactions(**)	28.1	(39.0)	(8.2)	(25.5)	(9.6)	(72.1)	(42.6)
Net position before hedging	**307.7**	**(38.0)**	**27.0**	**8.2**	**(48.0)**	**(82.4)**	**12.0**
Currency hedges	(311.9)	27.0	(24.4)	(40.4)	42.0	66.3	(39.1)
Net position after hedging	(4.2)	(11.0)	2.6	(32.2)	(6.0)	(16.1)	(27.1)

(*) *Including inter-company financing.*
(**) *Commercial exposure anticipated over the next 6 months.*

AS OF DECEMBER 31, 2009

Currency exposure *(in € millions)*	USD	CZK	CAD	MXN	GBP	PLN	ZAR
Trade receivables (net of payables)	13.4	(3.4)	(8.4)	(2.3)	5.4	(4.1)	(3.2)
Financial assets (net of liabilities)(*)	242.6	89.0	22.2	17.2	58.1	0.0	14.8
Forecast transactions(**)	6.9	(14.6)	(11.6)	(14.9)	(23.7)	(63.9)	3.6
Net position before hedging	**262.9**	**71.0**	**2.2**	**0.0**	**39.8**	**(68.0)**	**15.2**
Currency hedges	(256.1)	(78.4)	(11.9)	5.4	(43.3)	45.7	(15.7)
Net position after hedging	6.8	(7.4)	(9.7)	5.4	(3.5)	(22.3)	(0.5)

(*) *Including inter-company financing.*
(**) *Commercial exposure anticipated over the next 6 months.*

AS OF DECEMBER 31, 2008

Currency exposure *(in € millions)*	USD	CZK	CAD	MXN	GBP	PLN	ZAR
Trade receivables (net of payables)	(9.1)	(7.5)	0.2	(4.2)	5.8	(28.2)	(1.8)
Financial assets (net of liabilities)(*)	233.1	28.1	46.5	14.7	43.9	112.1	0.0
Forecast transactions	51.5	(86.0)	(39.5)	(15.5)	(3.0)	(145.0)	0.0
Net position before hedging	**275.5**	**(65.4)**	**7.2**	**(5.0)**	**46.7**	**(61.1)**	**(1.8)**
Currency hedges(**)	(278.4)	37.7	32.3	15.5	(40.9)	(1.4)	1.8
Net position after hedging	(2.9)	(27.7)	39.5	10.5	5.8	(62.5)	0.0

(*) *Including inter-company financing.*
(**) *Including tunnels.*

Hedging instruments are recognized in the balance sheet at fair value. Said value is determined based on measurements confirmed by banking counterparties.

Information on hedged notional amounts

As of December 31, 2010 *(in € millions)*	Carrying amount: Assets	Carrying amount: Liabilities	Carrying amount: Notional amount(*)	Maturities: < 1 years	Maturities: 1 to 5 years	Maturities: > 5 years
Fair value hedges						
- forward currency contracts	0.0	(0.1)	3.0	3.0	0.0	0.0
- inter-company loans in foreign currencies swapped for euros	3.7	(3.7)	727.8	727.8	0.0	0.0
Cash flow hedges						
- forward currency contracts	1.0	(2.7)	217.2	217.2	0.0	0.0
Not eligible for hedge accounting	0.1	0.0	8.9	8.9		
	4.8	**(6.5)**				

(*) *Notional amounts based on absolute values.*

As of December 31, 2009 *(in € millions)*	Carrying amount: Assets	Carrying amount: Liabilities	Carrying amount: Notional amount(*)	Maturities: < 1 years	Maturities: 1 to 5 years	Maturities: > 5 years
Fair value hedges						
- forward currency contracts	0.1	(0.1)	4.0	4.0	0.0	
- currency options	0.0	0.0	0.0	0.0	0.0	
- inter-company loans in foreign currencies swapped for euros	2.2	(1.0)	523.7	523.7	0.0	
Cash flow hedges						
- forward currency contracts	1.1	(0.6)	114.2	114.2	0.0	
- currency options	0.0	0.0	0.0	0.0	0.0	
Not eligible for hedge accounting	0.0	0.0	0.0	0.0	0.0	
	3.5	**(1.7)**				

(*) *Notional amounts based on absolute values.*

As of December 31, 2008 *(in € millions)*	Carrying amount: Assets	Carrying amount: Liabilities	Carrying amount: Notional amount(*)	Maturities: < 1 years	Maturities: 1 to 5 years	Maturities: > 5 years
Fair value hedges						
- forward currency contracts		(1.7)	37.6	37.6		
- currency options						
- inter-company loans in foreign currencies swapped for euros	4.8		421.0	421.0		
Cash flow hedges						
- forward currency contracts						
- currency options		(2.5)	280.0	280.0		
Not eligible for hedge accounting		44.2	50.0	50.0		
	4.8	**40.0**				
of which currency hedges for operations		40.0				
of which currency hedges for operations	4.8					

(*) *Notional amounts based on absolute values.*

The sensitivity of Group income and equity as of December 31, 2010 to a fluctuation in exchange rates against the euro is as follows for the main currencies to which the Group is exposed:

(in € millions)

Risk Currency	USD	CZK	CAD	MXN	GBP	PLN	ZAR
As of Dec. 31,2010	1.34	25.06	1.33	16.55	0.86	3.98	8.86
Currency fluctuation scenario (depreciation of currency/EUR)	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Exchange rate after currency depreciation	**1.40**	**26.31**	**1.40**	**17.37**	**0.90**	**4.17**	**9.31**
Impact on pre-tax income	(0.21)	(0.09)	(1.80)	(0.85)	0.02	0.51	(0.88)
Impact on equity	1.07	(1.24)	0.01	0.16	(0.10)	(3.12)	0.0

These impacts reflect (i) the effect on the income statement of currency fluctuations on the year-end valuation of assets and liabilities recognized on the balance sheet, net of the impact of the change in the intrinsic value of hedging instruments (both those qualifying and not qualifying as fair value hedges) and (ii) the effect on equity of the change in the intrinsic value of hedging instruments for derivatives qualifying as cash flow hedges.

30-2 Interest-rate hedges

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

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

	Under 1 year		1 to 2 years		2 to 5 years		More than 5 years		Total	
(in € millions) **Dec. 31, 2010**	**Fixed Rate**	**Variable Rate**	**Fixed Rate**	**Variable Rate**	**Fixed Rate**	**Variable Rate**	**Fixed Rate**	**Variable Rate**	**Fixed Rate**	**Variable Rate**
Financial assets	0.0	606.0							0.0	606.0
Financial liabilities	0.0	(656.6)	(169.0)	(787.1)	(190.1)	0.0	0.0	0.0	(359.1)	(1,443.7)
Net position before hedging	**0.0**	**(50.6)**	**(169.0)**	**(787.1)**	**(190.1)**	**0.0**	**0.0**	**0.0**	**(359.1)**	**(837.7)**
Interest rate hedges	(157.2)	157.2	(278.5)	278.5	0.0	0.0	0.0	0.0	(435.7)	435.7
Net position after hedging	**(157.2)**	**106.6**	**(447.5)**	**(508.6)**	**(190.1)**	**0.0**	**0.0**	**0.0**	**(794.8)**	**(402.0)**

	Under 1 year		1 to 2 years		2 to 5 years		More than 5 years		Total	
(in € millions) **Dec. 31, 2009**	**Fixed Rate**	**Variable Rate**	**Fixed Rate**	**Variable Rate**	**Fixed Rate**	**Variable Rate**	**Fixed Rate**	**Variable Rate**	**Fixed Rate**	**Variable Rate**
Financial assets		286.0							0.0	286.0
Financial liabilities	(8.5)	(428.7)	(129.7)	(624.0)	(184.7)	(311.0)	0.0	0.0	(322.9)	(1,363.7)
Net position before hedging	**(8.5)**	**(142.7)**	**(129.7)**	**(624.0)**	**(184.7)**	**(311.0)**	**0.0**	**0.0**	**(322.9)**	**(1,077.7)**
Interest rate hedges	(34.7)	34.7	(297.8)	297.8	67.5	(67.5)	0.0	0.0	(265.0)	265.0
Net position after hedging	**(43.2)**	**(108.0)**	**(427.6)**	**(326.2)**	**(117.2)**	**(378.5)**	**0.0**	**0.0**	**(587.9)**	**(812.7)**

(in € millions) Dec. 31, 2008	Under 1 year Fixed Rate	Variable Rate	1 to 2 years Fixed Rate	Variable Rate	2 to 5 years Fixed Rate	Variable Rate	More than 5 years Fixed Rate	Variable Rate	Total Fixed Rate	Variable Rate
Financial assets		321.3							0.0	321.3
Financial liabilities	0.0	(426.0)	(401.0)	(585.0)	0.0	(515.0)	0.0	0.0	(401.0)	(1,526.0)
Net position before hedging	**0.0**	**(104.7)**	**(401.0)**	**(585.0)**	**0.0**	**(515.0)**	**0.0**	**0.0**	**(401.0)**	**(1,204.7)**
Interest rate hedges	0.0	0.0	(186.8)	186.8	(87.6)	87.6	0.0	0.0	(274.4)	274.4
Net position after hedging	**0.0**	**(104.7)**	**(587.8)**	**(398.2)**	**(87.6)**	**(427.4)**	**0.0**	**0.0**	**(675.4)**	**(930.3)**

The aim of the Group's interest rate hedging policy is to reduce the impact on earnings of changes in short-term rates as the majority of its borrowings are at variable rates. The hedges arranged comprise euro- and dollar-denominated interest rate swaps, caps and other option-based structures. These hedges cover some of the borrowings due in 2011, 2012 and to a lesser extent in 2013, against a significant rise in rates.

Since 2008, certain of the Group's derivatives have qualified for hedge accounting under IAS39. The other derivatives purchased by the Group constitute economic hedges of interest rate risks on borrowings but do not qualify for hedge accounting under IAS 39. As a result, changes in the fair value of these instruments are recognized directly in income under "Other financial income and expense".

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

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

	Carrying amount		Notional amounts by maturity		
As of Dec. 31, 2010 *(in € millions)*	**Assets**	**Liabilities**	**< 1 years**	**1 to 5 years**	**> 5 years**
Interest rate options	0.0		1,600	150	-
Variable-rate rate/fixed rate swaps		(12.3)	157	279	-
Floor			0	0	-
Accrued premiums payable		(0.5)			
	0.0	**(12.8)**	**1,757**	**429**	**-**

	Carrying amount		Notional amounts by maturity		
As of Dec. 31, 2009 *(in € millions)*	**Assets**	**Liabilities**	**Assets**	**Liabilities**	**Assets**
Interest rate options	0.2		1,600	150	-
Variable-rate rate/fixed rate swaps		(17.7)	570	843	-
Floor	0.0				-
Accrued premiums payable		(3.5)			
	0.2	**(21.2)**	**2,170**	**993**	**-**

As of Dec. 31, 2008 *(in € millions)*	Carrying amount		Notional amounts by maturity		
	Assets	Liabilities	< 1 years	1 to 5 years	> 5 years
Interest rate options	1.4		1,915	1,750	-
Variable-rate rate/fixed rate swaps		(14.3)	301	865	-
Floor	1.2	0.0	36		-
Accrued premiums payable		(6.4)			
TOTAL	**2.6**	**(20.7)**	**2,252**	**2,615**	**-**

In view of the short-term rates in 2010, despite a moderate increase in the second half of the year, a number of the Group's option-based interest rate hedges are out of the money. A rise in short-term rates would therefore have an impact on financial expense.

In addition, a fluctuation in interest rates would affect "Other financial income and expense" due to the resulting change in the fair value of derivatives arranged to hedge interest due in from 2011 to 2013.

The sensitivity tests performed, assuming a 100 bp increase or decrease in average interest rates compared to the rate curve as of December 13, 2010 show that the positive or negative effect on financial expense can be estimated at €10 million, taking into account the profile of the Group's borrowings and derivatives in place as of Dec. 31, 2010.

Counterparty risk in connection to its derivatives:

Faurecia's counterparty risk connection with its derivatives is not significant as the majority of its derivatives are arranged with banks with strong ratings that form part of its banking pool.

NOTE 31 COMMITMENTS GIVEN AND CONTINGENT LIABILITIES

31-1 Commitments given

(in € millions)	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Future minimum lease payments under operating leases	232.6	104.6	109.7
Debt collateral:			
- mortgages	15.9	12.3	11.6
Other debt guarantees	55.0	27.5	20.1
Firm orders for property, plant and equipment and intangible assets	79.5	83.5	108.3
Other	1.3	0.6	1.7
TOTAL	**384.3**	**228.5**	**251.4**

Future minimum lease payments under operating leases break down as follows:

(in € millions)	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
N+1	51.2	26.3	29.8
N+2	40.7	20.4	22.7
N+3	32.2	15.0	14.5
N+4	24.9	11.5	11.8
N+5 and above	83.6	31.4	30.9
TOTAL	**232.6**	**104.6**	**109.7**

Expiry dates of mortgages and guarantees:

(in € millions)	Dec. 31, 2010
Less than a year	29.5
1 to 5 years	18.3
Over five years	23.1
TOTAL	**70.9**

31-2 Contingent liabilities

INDIVIDUAL TRAINING ENTITLEMENT

In accordance with the provisions of French Act no. 2004-391 dated May 4, 2004 on professional training, employees of the Group's French companies are entitled to at least twenty hours of training per calendar year, which may be carried forward for up to six years. If all or part of the entitlement is not used within six years, it is capped at 120 hours.

In 2010, the average utilization rate of this entitlement was 6.5%.

The number of unused training hours accumulated at year-end totaled 1,607,901. No provision was recorded in the financial statements for these individual training entitlements as the Group does not have sufficiently reliable historical data to accurately estimate the related contingent liability. The potential impact is not, however, considered to be material.

NOTE 32 RELATED PARTY TRANSACTIONS

32-1 Transactions with PSA Peugeot Citroën

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

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

(in € millions)	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Sales	2,300.9	2,049.4	2,733.9
Purchases of products, services and materials	10.2	10.6	20.9
Receivables(*)	457.6	447.7	488.6
Payables(**)	170.1	154.5	265.5
(*) *after no-recourse sales of receivables in the amounting to:*	*197.2*	*192.4*	*300.9*
(**) *o/w borrowings amounting to:*	*142.0*	*128.0*	*194.0*

32-2 Management compensation

Total compensation for 2010 awarded to the members of the Board of Directors and the Group Executive Committee serving in this capacity at Friday, December 31, 2010 amounted to €6,293,092, including directors' fees of €212,500, compared with the year-earlier figures of €5,246,942 and €232,750 respectively.

No Faurecia stock subscription options were awarded to management in 2010.

NOTE 33 FEES PAID TO THE STATUTORY AUDITORS

	PricewaterhouseCoopers				Ernst & Young			
	Amount (excl. VAT)		%		Amount (excl. VAT)		%	
(in € millions)	2010	2009	2010	2009	2010	2009	2010	2009
AUDIT								
Statutory and contractual audits	2.7	1.6	100.0%	100.0%	3.6	3.2	94.7%	100.0%
Issuer	0.6	0.3	22.2%	18.8%	0.3	0.3	7.9%	9.4%
Fully consolidated companies	2.1	1.3	77.8%	81.3%	3.3	2.9	86.8%	90.6%
Other services relating directly to the auditor's duties	0.0	0.0	0.0%	0.0%	0.2	0.0	5.3%	0.0%
Issuer	0.0	0.0	0.0%	0.0%	0.0	0.0	0.0%	0.0%
Fully consolidated companies	0.0	0.0	0.0%	0.0%	0.2	0.0	5.3%	0.0%
SUB-TOTAL	**2.7**	**1.6**	**100.0%**	**100.0%**	**3.8**	**3.2**	**100.0%**	**100.0%**
OTHER SERVICES PROVIDED BY THE NETWORK TO FULLY CONSOLIDATED COMPANIES	**0.0**	**0.0**	**0.0%**	**0.0%**	**0.0**	**0.0**	**0.0%**	**0.0%**
Legal and tax advisory services								
Fully consolidated companies	0.0	0.0	0.0%	0.0%	0.0	0.0	0.0%	0.0%
Other (disclosure required where > 10% of audit fees)	0.0	0.0	0.0%	0.0%	0.0	0.0	0.0%	0.0%
SUB-TOTAL	**0.0**	**0.0**	**0.0%**	**0.0%**	**0.0**	**0.0**	**0.0%**	**0.0%**
TOTAL	**2.7**	**1.6**	**100.0%**	**100.0%**	**3.8**	**3.2**	**100.0%**	**100.0%**

NOTE 34 INFORMATION ON THE CONSOLIDATING COMPANY

The consolidated accounts of the Faurecia Group are included in the consolidated financial statements of its parent, the PSA Peugeot Citroën Group, 75 avenue de la Grande Armée, 75116 Paris, France.

As of December 31, 2010, Peugeot SA held 57.43% of the capital and 63.26% of the voting rights of Faurecia SA.

NOTE 35 DIVIDENDS

The Board of Directors has decided to propose at the next shareolders' Meeting a dividend of €0.25 per share.

9.6. Consolidated Companies as of Dec. 31, 2010

	Country	Interest of the parent company (in %)	Stake (in %) [1]
I – FULLY CONSOLIDATED COMPANIES			
Faurecia	France	parent company	parent company
Financière Faurecia	France	100	100
SFEA - Société Foncière pour l'Equipement Automobile	France	100	100
Faurecia Investments	France	100	100
Faurecia Services Groupe	France	100	100
Faurecia Exhaust International	France	100	100
Faurecia Netherlands Holding BV	Netherlands	100	100
United Parts Exhaust Systems AB	Sweden	100	100
Société Internationale de Participations	Belgium	100	100
Faurecia USA Holdings, Inc.	USA	100	100
Faurecia (China) Holding Co. Ltd	China	100	100
Faurecia Informatique Tunisie	Tunisia	100	100
INTERIOR MODULES			
Faurecia Automotive Seating	France	100	100
Faurecia Industries	France	100	100
Faurecia Automotive Holdings	France	100	100
EAK - Composants pour l'Automobile (EAK SAS)	France	51	51
EAK - Composants pour l'Automobile (EAK SNC)	France	51	51
Trecia	France	100	100
Siebret	France	100	100
Siemar	France	100	100
Sienor	France	100	100
Sieto	France	100	100
Sotexo	France	100	100
Siedoubs	France	100	100
Sielest	France	100	100
ECSA - Études et Construction de Sièges pour l'Automobile	France	100	100
Faurecia Intérieur Industrie	France	100	100
Faurecia Automotive Industrie	France	100	100
Automotive Sandouville	France	100	100
Société Automobile du Cuir de Vesoul	France	100	100
Faurecia ADP Holding	France	60	60
Faurecia JIT Plastique	France	100	100
Faurecia Autositze GmbH	Germany	100	100
Faurecia Automotive GmbH	Germany	100	100
Faurecia Innenraum Systeme GmbH	Germany	100	100
Faurecia Industrie NV	Belgium	100	100
Faurecia Asientos Para Automovil España, SA	Spain	100	100

(1) Total interest of fully-consolidated companies.

	Country	Interest of the parent company (in %)	Stake (in %) [1]
Asientos de Castilla Leon, SA	Spain	100	100
Asientos del Norte, SA	Spain	100	100
Industrias Cousin Freres, SL	Spain	50	50
Tecnoconfort	Spain	50	50
Faurecia Automotive España, SL	Spain	100	100
Faurecia Interior Systems España, SA	Spain	100	100
Faurecia Interior Systems Salc España, SL	Spain	100	100
Cartera e Inversiones Enrich, SA	Spain	100	100
Asientos de Galicia, SL	Spain	100	100
Valencia Modulos de Puerta, SL	Spain	100	100
Incalplas, SL	Spain	100	100
Faurecia AST Luxembourg SA (ex: SAI Automotive Silux SA)	Luxemburg	100	100
Faurecia Automotive Seating BV	Netherlands	100	100
Faurecia - Assentos de Automovel, Limitada	Portugal	100	100
Sasal	Portugal	100	100
Faurecia Sistemas de Interior de Portugal. Componentes para Automoveis S.A. (ex: SAI Portugal)	Portugal	100	100
EDA - Estofagem De Assentos, Lda	Portugal	100	100
Faurecia Automotive Seating UK Limited	United Kingdom	100	100
Faurecia Midlands Limited	United Kingdom	100	100
SAI Automotive Fradley Ltd	United Kingdom	100	100
SAI Automotive Washington Limited	United Kingdom	100	100
Faurecia Interior Systems Sweden AB	Sweden	100	100
Faurecia Fotele Samochodowe Sp.Zo.o	Poland	100	100
Faurecia Walbrzych Sp.Zo.o	Poland	100	100
Faurecia Legnica Sp.Zo.o	Poland	100	100
Faurecia Grojec R&D Center Sp.Zo.o	Poland	100	100
Faurecia Gorzow Sp.Zo.o	Poland	100	100
Faurecia Interior Systems Bohemia s.r.o.	Czech Rep.	100	100
Faurecia Components Pisek s.r.o.	Czech Rep.	100	100
Faurecia Seating Talmaciu SRL	Romania	100	100
Euro Auto Plastic Systems SRL	Romania	50	50
Faurecia Slovakia s.r.o.	Slovakia	100	100
Faurecia Polifleks Otomotiv Sanayi Ve Ticaret Anonim Sirketi	Turkey	100	100
Faurecia Azin Pars Company	Iran	51	51
Faurecia Interior Systems South Africa (PTY) Ltd	South Africa	100	100
AI Manufacturers (PTY) Ltd	South Africa	100	100
Societe Tunisienne d'Equipements D'automobile	Tunisia	100	100
Faurecia Automotive Seating Canada Ltd	Canada	100	100

(1) Total interest of fully-consolidated companies.

	Country	Interest of the parent company (in %)	Stake (in %) (1)
Faurecia Automotive Seating, Inc.	USA	100	100
Faurecia Interior Systems, Inc.	USA	100	100
Faurecia Automotive del Uruguay	Uruguay	100	100
Faurecia Argentina SA	Argentina	100	100
Faurecia Automotive do Brasil Ltda	Brazil	100	100
Faurecia Sistemas Automotrices De Mexico, SA de CV (ex: Faurecia Duroplast Mexico, SA DE CV)	Mexico	100	100
Servicios Corporativos de Personal Especializado, SA DE CV	Mexico	100	100
Faurecia Interior Systems Mexico, SA DE CV	Mexico	100	100
Changchun Faurecia Xuyang Automotive Seat Co., Ltd (CFXAS)	China	60	60
Faurecia (Changchun) Automotive Systems Co., Ltd	China	100	100
Faurecia- Gsk (Wuhan) Automotive Seating Co., Ltd	China	51	51
Faurecia (Wuxi) Seating Components Co., Ltd	China	100	100
Faurecia (Shanghai) Management Company, Ltd	China	100	100
Faurecia (Shanghai) Automotive Systems Co., Ltd	China	100	100
Faurecia (Wuhan) Automotive Seating Co., Ltd	China	100	100
Faurecia (Guangzhou) Automotive Systems Co., Ltd	China	100	100
Faurecia (Nanjing) Automotive Systems Co., Ltd	China	100	100
Faurecia (Shenyang) Automotive Systems Co., Ltd	China	100	100
Faurecia (Wuhan) Automotive Components Systems Co., Ltd	China	100	100
Changchun Faurecia Xuang Interior Systems Company Limited	China	60	60
Faurecia Trim Korea Ltd	South Korea	100	100
Faurecia Automotive Seating India Private Limited	India	100	100
Faurecia Japan K.K.	Japan	100	100
Faurecia Equipements Automobiles Maroc	Morocco	100	100
OOO Faurecia ADP	Russia	60	60
OOO Faurecia Automotive Development	Russia	100	100
Faurecia Shin Sung Co. Ltd	South Korea	60	60
OTHER MODULES			
Faurecia Systèmes d'Echappement	France	100	100
Faurecia Bloc Avant	France	100	100
Emcon Technologies France SAS	France	100	100
Faurecia-Metalloprodukcia Holding	France	60	60
Faurecia Abgastechnik GmbH	Germany	100	100
Faurecia Kunststoffe Automobilsysteme GmbH	Germany	100	100
Leistritz Abgastechnik Stollberg GmbH	Germany	100	100
Faurecia Emissions Control Technologies, Germany GmbH	Germany	100	100
Faurecia Emissions Control Technologies, Novaferra GmbH	Germany	100	100
Faurecia Emissions Control Technologies, Finnentrop GmbH	Germany	100	100
Faurecia Exteriors GmbH	Germany	100	100

(1) Total interest of fully-consolidated companies.

	Country	Interest of the parent company (in %)	Stake (in %) [1]
Faurecia Sistemas de Escape España, SA	Spain	100	100
Faurecia Emissions Control Technologies, Pampelona, SL	Spain	100	100
Faurecia Automotive Exteriors Espana, SA (ex: Plastal Spain SA)	Spain	100	100
Faurecia - Sistemas De Escape Portugal, Lda	Portugal	100	100
Faurecia Exhaust Systems AB	Sweden	100	100
Faurecia Magyarorszag Kipufogo-rendszer Kft	Hungary	100	100
Faurecia Exhaust Systems S.R.O.	Czech Rep.	100	100
Faurecia Automotive Czech Republic, s.r.o.	Czech Rep.	100	100
Faurecia Emissions Control Technologies, Mlada Boleslav, s.r.o	Czech Rep.	100	100
Faurecia Emissions Control Technologies UK Limited	United Kingdom	100	100
Faurecia Exhaust Systems South Africa LTD	South Africa	100	100
Emission Control Technologies Holdings SA (Pty) Ltd	South Africa	100	100
Emission Control Technologies S.A. (Ga-Rankuwa) (Pty) Ltd	South Africa	100	100
Emission Control Technologies S.A. (CapeTown) (Pty) Ltd	South Africa	100	100
Faurecia Exhaust Systems, Inc.	USA	100	100
Faurecia Emissions Control Technologies, USA, LLC	USA	100	100
Faurecia Emissions Control Technologies, Spartanburg, Inc.	USA	100	100
Emcon Thailand LLC	USA	100	100
Faurecia Sistemas de Escape Argentina S.A.	Argentina	100	100
Faurecia Emissions Control Technologies, Cordoba	Argentina	100	100
Faurecia Sistemas de Escapamento do Brasil Ltda	Brazil	100	100
Faurecia Emissions Control Technologies, Limeira	Brazil	100	100
Faurecia Exhaust Mexicana, SA de CV	Mexico	100	100
Exhaust Services Mexicana, SA de CV	Mexico	100	100
ET Mexico Holdings I, S. de RLde CV	Mexico	100	100
ET Mexico Holdings II, S. de RLde CV	Mexico	100	100
Faurecia Honghu Exhaust Systems Shanghai, Co. Ltd (ex: SHEESC)	China	51	51
Faurecia Tongda Exhaust System (Wuhan) Co., Ltd	China	50	50
Faurecia Exhaust Systems Changchun Co., Ltd	China	51	51
Faurecia Emissions Control Technologies Development (Shanghai) Company Ltd	China	100	100
Faurecia (Qingdao) Exhaust Systems Co., Ltd	China	100	100
Faurecia (Wuhu) Exhaust Systems Co., Ltd	China	100	100
Faurecia Emissions Control Technologies Consulting (Shanghai) Co., Ltd	China	100	100
Faurecia Emissions Control Technologies (Shanghai) Co., Ltd	China	100	100
Faurecia Emissions Control Technologies (Chongqing) Co., Ltd	China	100	100
Faurecia Emissions Control Technologies (Yantai) Co., Ltd	China	100	100

(1) Total interest of fully-consolidated companies.

	Country	Interest of the parent company (in %)	Stake (in %) [1]
Faurecia Emission Control Technologies Chengdu	China	100	100
Faurecia Emissions Control Systems Korea (ex-Daeki)	South Korea	100	100
Faurecia Jit And Sequencing Korea	South Korea	100	100
Faurecia Interior Systems Thailand Co., Ltd.	Thailand	100	100
Faurecia Emissions Control Technologies, Thailand Co., Ltd	Thailand	100	100
Et (Barbados) Holdings SRL	Barbados	100	100
Emcon Technologies Canada ULC	Canada	100	100
Emcon Technologies Hungary Holdings Kft	Hungary	100	100
Emcon Technologies Kft	Hungary	100	100
Faurecia Emissions Control Technologies, India Private Limited	India	74	74
Faurecia Emissions Control Technologies, Italy SRL	Italy	100	100
ET Dutch Holdings Cooperatie UA	Netherlands	100	100
ET Dutch Holding BV	Netherlands	100	100
ET Dutch Holding II BV	Netherlands	100	100
Faurecia Emissions Control Technologies Netherlands BV	Netherlands	100	100
OOO Faurecia Metalloprodukcia Exhaust Systems	Russia	60	60
II – COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD			
INTERIOR MODULES			
Componentes De Vehiculos De Galicia, SA	Spain	50	50
Copo Iberica, SA	Spain	50	50
Vanpro Assentos Limitada	Portugal	50	50
Arsed, Podjetje Za Proizvodnjo in Trzenje Kovinske Opreme (ARSED Doo)	Slovenia	50	50
Teknik Malzeme Ticaret Ve Sanayi AS	Turkey	50	50
Orcia Otomotiv Yan Sanayi Ve Ticaret Anonim Sirketi	Turkey	50	50
Kwang Jin Faurecia Co. Limited	Korea	50	50
Faurecia-Nhk Co., Ltd	Japan	50	50
SAS GROUP			
SAS Automotive France	France	50	50
Cockpit Automotive Systems Douai SNC	France	50	50
SAS Autosystemtechnik Verwaltungs GmbH	Germany	50	50
SAS Autosystemtechnik GmbH und Co. KG	Germany	50	50
SAS Automotive NV	Belgium	50	50
SAS Autosystemstechnick, SA	Spain	50	50
SAS Autosystemtechnik de Portugal, Unipessoal, Lda.	Portugal	50	50
SAS Automotive Limited	United Kingdom	50	50
SAS Autosystemtechnik s.r.o.	Czech Rep.	50	50
SAS Automotive s.r.o	Slovakia	50	50
SAS Automotive RSA (Pty) Ltd	South Africa	50	50
SAS Automotive Do Brasil Ltda	Brazil	50	50

(1) Total interest of fully-consolidated companies.

	Country	Interest of the parent company (in %)	Stake (in %) [1]
SAS Automotive Systems S.A. de C.V.	Mexico	50	50
SAS Automotive Systems & Services, SA DE CV	Mexico	50	50
SAS Automotive USA, Inc.	USA	50	50
SAS Automotriz Argentina SA (dormant company)	Argentina	50	50
OTHER MODULES			
AD Tech Co. Ltd	South Korea	50	50

(1) Total interest of fully-consolidated companies.

9.7. Statutory Auditors' report on the consolidated financial statements

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual Shareholders' Meeting, we hereby report to you, for the year ended December 31, 2010, on:

- the audit of the accompanying consolidated financial statements of Faurecia;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at December 31, 2010 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to Note 1 «Accounting policies» to the consolidated financial statements which describes the new standards and amendments to existing standards applied by the Group since January 1, 2010, in particular IFRS 3 (revised) – Business Combinations.

II. Justification of our assessments

In accordance with the requirements of Article L.823-9 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

- The Company performs impairment tests on goodwill at each reporting date and also assesses whether fixed assets show any indication of impairment, based on the methods described in Notes 1-2, 1-5, 10b, 11 and 12 to the consolidated financial statements. We have reviewed the methods used to carry out these impairment tests as well as the corresponding assumptions applied by the Group.
- Note 1-16 to the consolidated financial statements concerning deferred taxes specifies that deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which they can be utilized. Our work consisted in verifying that this method had been correctly applied and reviewing the assumptions supporting the probability of recovery for these deferred tax assets.

- As part of our assessment of the accounting principles used by the Group, we verified the methods used to capitalize and amortize development costs. We also verified the recoverable amount of these assets and the appropriateness of the disclosures provided in Notes 1-3 and 1-5 to the consolidated financial statements.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verification

As required by law and in accordance with professional standards applicable in France, we have also verified in the information presented in the Group's management report.

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

Neuilly-sur-Seine and Paris-La Défense, February 8, 2011

The Statutory Auditors

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Dominique Ménard	Denis Thibon

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Legal and financial information

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10.1. Parent company financial statements

10.1.1. MANAGEMENT REPORT OF THE PARENT COMPANY

The parent company, Faurecia SA, is a holding company which directly and indirectly provides financial, accounting, information systems, general management and administrative services to companies in the Group.

Sales rose sharply in 2010, to €140.6 million compared with €63.3 million the year before 2009, due to changes in the re-invoicing of costs implemented this year. The parent company now acts as a pivot for all re-invoices of work done for Group entities.

In addition to providing services to Group subsidiaries, since 2006 Faurecia has invoiced trademark royalties to certain French subsidiaries, calculated as a proportion of the subsidiaries' sales. Because of the increased sales at French subsidiaries in 2010, the amounts collected were greater than in 2009. They amounted to €19.3 million in 2010 compared with €12.8 million in 2009.

Results of operations

The company ended 2010 with an operating profit of €3.6 million, compared with an operating loss of €5.5 million in 2009. The improvement in earnings derived largely from the increase in royalties collected.

The company reported net financial income of €548.3 million versus net financial expense of €176.9 million in 2009. This change is primarily attributable to movements in provisions for impairment of investments. It includes:

- a €537.8 million net reversal of provisions in 2010 for impairment of and liabilities from investments in subsidiaries compared with a net €183.8 million reversal of these provisions in 2009. The relevant provision reversals were recognized following the revaluation of certain subsidiaries based on their updated forecast in the 2010-2014 medium-term business plan and the company's most recent budget assumptions. These primarily involve French and German subsidiaries of the Interior Systems business group, which entailed a provision reversal of €469.2 million on stock in Faurecia Automotive Holdings and of €82.2 million on stock in Faurecia Automotive GmbH. These two subsidiaries had already had equity investment provisions partially reversed in 2009;
- dividends received from subsidiaries amounting to €40.5 million, down €3.2 million from 2009. The major dividends received came from Faurecia Systèmes d'Échappement (exhaust systems) and Financière Faurecia;
- net borrowing costs of €30 million compared with €50.7 million in 2009. The decline in financing cost stems primarily from lower spreads being applied by the banks as a result of a return to the ratios of the initial covenants.

Net non-recurring expense for the financial year was €3.3 million. This net expense primarily reflects a payment for terminating a contract plus the income from reclassifying the Ecia South Africa subsidiary within the Group.

Tax income amounted to €8 million. This refers to the tax income recognized from the positive earnings of French subsidiaries that are part of the consolidated tax group and compares with €18.1 million in 2009, to which was added the refund due on a €2.8 million carryback.

The net result for the 2010 financial year showed a profit of €556.5 million. This compares with a profit of €233.2 million in 2009.

Financial structure and net debt

Faurecia's financial structure continued to strengthen in 2010, especially with the €305.1 million addition to equity made to pay for the transfer of Emcom Technologies in February 2010.

The company extended the average maturity of its loans in order to improve liquidity and make its financing more secure.

At December 31, 2010 the Shareholders' Equity in the company before distribution of the period's earnings amounted to €1,877 million versus €1,015.4 million at the close of 2009. It thus increased by €861.6 million.

Net debt at December 31, 2010 was unchanged from the close of 2009. Net debt – borrowings net of cash, marketable securities, net inter-company cash advances and loans to subsidiaries – amounted to €720.9 million at December 31, 2010, compared with €714.9 million at year-end the year before. At the close of 2010, 82.7% of the company's debt was at floating rates. The company hedges its exposure to changes in interest rates on this debt through interest rate derivatives.

The company's sources of financing comprise the following:

- €211.3 million of January 1, 2015 OCEANE bonds convertible into new shares and/or exchangeable for existing shares, issued November 26, 2009. These bonds bear annual interest of 4.50% payable on January 1 of each year, starting January 1, 2011. Each bond has a face value of €18.69;

- a syndicated bank loan of €1.17 billion and a €250 million loan from Faurecia's majority shareholder, PSA Peugeot Citroën. The two loans are correlated so that the drawdowns made by Faurecia on the PSA Peugeot Citroën loan are proportionate to those made on the syndicated bank loan, based on the same rates and periods. The total facility is divided into a €710 million tranche expiring in November 2013, a €20 million tranche expiring in November 2011, and a €690 million tranche expiring in November 2013 following the option by the banks and PSA to extend a tranche expiring in November 2011 by an additional year. At December 31, 2010 the unused portion of these lines amounted to €613 million;
- a commercial paper program issued on the French domestic market for a total amount of €850 million, of which €252 million had been used at December 31, 2010. The liquidity of this program is guaranteed by the syndicated bank loan.

The syndicated bank loan and the loan from PSA Peugeot Citroën contain restrictive clauses, specifically in the event of a change of control by PSA Peugeot Citroën and with respect to consolidated financial ratios. These clauses were all observed at December 31, 2010 (see Note 26–3 to the consolidated financial statements and Note 16 to the separate financial statements). Similarly, the convertible bond issue carried out in November 2009 stipulates that in the event of a change of control the bondholders may request early redemption of all or part of their bonds.

The €205 million bank loan taken out in 2009 was repaid early in August 2010 and the remaining balance of the bonds issued in October 2005 was repaid at maturity in October 2010.

Further details of the company's debt are provided in Note 16 to the parent company financial statements.

Trade accounts payable equaling €17.8 million do not include invoices past due; these break down as follows:

(in € millions)	Dec. 31, 2010	Dec. 31, 2009
Provision for invoices not yet received	2.9	3.0
Invoices not yet due	14.9	12.9
Invoices between 1 and 30 days past due		
Invoices between 31 and 60 days past due		
Invoices between 61 and 90 days past due		
Invoices more than 90 days past due		
TOTAL	**17.8**	**15.9**

Cash flows for the year generated net cash inflow of €10.2 million. The total of €39.4 million in equity subscribed in company subsidiaries was covered by funds from operations.

The carrying amount of investments in subsidiaries and affiliates recognized in the balance sheet at December 31, 2010 came to €2,599 million, compared with €1,719 million one year earlier.

Business review relating to the company's subsidiaries

The operations and results of the company's subsidiaries are analyzed in detail in the review of the consolidated financial statements.

There was no significant legal reorganization done in 2010. The Group's continued corporate development has led to the creation of new subsidiaries, notably in China and Uruguay.

In addition, several acquisitions and strategic alliances were carried out in the course of the 2010 financial year:

On February 8, 2010 the Emcom Technologies Group, made up of 36 companies, was transferred to Faurecia by One Equity Partners, a private equity arm of JP Morgan Chase & Co. This transaction was paid for by issuing 20,918,224 new shares of company stock.

On March 31, 2010 Faurecia consolidated the German operations of Plastal, a leading supplier of exterior plastic parts for the automotive industry. With this transaction, the Group broadened its customer base, deepened its product line and acquired additional expertise beyond its core business in auto bumpers. Also, it added to its industrial plant and R&D capability in Germany.

The acquisition of Plastal Spain, on top of the Plastal Germany acquisition, on September 30, 2010 enabled the Faurecia Automotive Exteriors business group to round out its European industrial base and consolidate its position of marker leader(*).

On June 30, 2010 Faurecia took an 18.75% ownership position in the Xuyang Group, this becoming the strategic investor in this manufacturer, which is one of the major suppliers to the FAW Group, China's leading automaker, and its international subsidiaries, including FAW-VW (Audi and Volkswagen).

On July 2, 2010 Faurecia entered into a strategic alliance with the Geely and Limin Groups for the purpose of developing, producing and delivering interior and exterior automobile systems to all the Geely brands in China. This alliance includes creating several co-ventures which will be jointly owned by Faurecia, Limin and Geely and will supply the five new Geely factories now under construction in China.

On November 23, 2010 Faurecia signed an agreement with a view to acquiring the assets of Angell-Demmel Europe Gmbh, the leader(*) in metal automotive interior trim parts. Once the transaction has been finalized, this acquisition will reinforce Faurecia's technological leadership in complete solutions for auto interiors.

(*) Source Faurecia.

Lastly, on January 17, 2011 Faurecia became a strategic investor in Amminex A/S, a Danish company with advanced expertise in the treatment of nitrogen oxides and the inventor of the Ammonia Storage and Delivery System (ASDS), by acquiring 21.2% of its stock. Faurecia also signed a technological cooperation agreement with Amminex for the development and worldwide industrialization of this technology for diesel engines.

This management report concerning Faurecia SA is presented in the form of an AMF Registration Document. It should be read in conjunction with the various sections of that document.

The risks to which the company is exposed are analyzed in the Board of Directors' report on the consolidated financial statements in section 3.5 above.

Research & development activities are detailed in section 6 of this Registration Document.

The company's capital stock underwent changes during the reporting period and these are described in section 10.2.2 of the Registration Document. The number of treasury shares held by the company is also mentioned in section 10.2.2 of the Registration Document.

Information on employees' interests in the company's capital is provided in section 10.3.2.2. Details relating to the fixed, variable and exceptional compensation and benefits in kind paid to Faurecia's Chairman and other corporate officers as well as the fees paid to the Statutory Auditors are provided in sections 8.1.2.1, 8.1.2.2 and 10.3.2.4 of this Registration Document. Provisions recognized by Group companies for pensions and other employee benefits are analyzed in Note 24-1 to the consolidated financial statements.

A list of the directorships and other positions held in 2010 by each member of the Board of Directors is provided in section 8.1.2.1.

Details of the stock options and free shares granted by the company during the year, the principal beneficiaries thereof and the number of shares purchased on exercise of options during the year, are provided in a special report. Information on stock options is also given in section 10.

The operating procedures of the Board of Directors and its Committees, as well as key data concerning the Group's internal control system, are described in the report of the Chairman of the Board of Directors on internal control.

The draft resolutions presented in Chapter 11, including the disclosure of the amount of dividends paid over the last three years, are an integral part of this report and supplement the information provided to shareholders.

With respect to the Extraordinary Shareholders' Meeting:

- resolution 1 proposes amending the bylaws to shorten the terms of corporate officers to five years from the current six, in order to comply with the recommendations of the AFEP MEDEF Code in this regard and the requirements of the automotive sector.
- resolution 2 concerns authorization given to the Board of Directors to grant restricted stock to senior executives and/or corporate officers. The Faurecia Group plans to continue setting up medium-term performance incentive plans for Faurecia Group executive managers. This authorization is given for a period of 29 months from the date of this Meeting. The total number of free shares granted under this resolution may not exceed 2,000,000 at the time the Board of Directors votes. This authorization cancels and replaces, with respect to the unused balance of shares under the previous resolution voted by the Shareholders' Meeting on February 08, 2010.

In the ordinary resolutions (resolutions 4 to 13), the company's shareholders are asked to approve the parent company and consolidated financial statements, as well as to appropriate the parent company's net income for 2009. It is also proposed that a dividend be paid in the amount of €0.25 per share, or a total of €27,591,682. This dividend would be payable as of Friday June 3, 2011.

Resolutions 8 through 11 in the ordinary portion of this meeting deal with the membership of the Board of Directors. In this connection, you are asked to appoint Ms Linda Hasenfratz Newton as Director, for a term of five years. You are also asked to vote on the proposed renewal the terms of Mssrs. Philippe Varin, Thierry Peugeot and Jean-Claude Hanus for a term of five years.

Lastly, in resolution 12 the Board of Directors is seeking an eighteen-month authorization to trade in the company's shares with the maximum number of shares that may be bought back not to exceed the legal ceiling of 10% of the company's capital stock. Under this authorization shares may be bought back for a number of reasons, including maintaining a liquid market for the company's shares and for allocation to employees and/or corporate officers in connection with stock option or share grant plans.

10.1.2. INCOME STATEMENT

(in € thousands)	*Notes*	2010	2009	2008
Services sold		140,575	63,260	75,142
Sales		**140,575**	**63,260**	**75,142**
Capitalized production		0	0	(228)
External services		(142,941)	(71,989)	(76,673)
Taxes other than on income		(1,711)	(1,950)	(1,228)
Wages and salaries		(10,215)	(8,500)	(11,505)
Payroll taxes		(4,234)	(3,286)	(5,445)
Depreciation and provisions for impairment (net of reversals) and expense transfers	*3*	(6,616)	4,314	7,172
Other income and expenses, net		28,731	12,611	17,235
Total operating expenses		**(136,986)**	**(68,800)**	**(70,672)**
OPERATING INCOME (LOSS)		**3,589**	**(5,540)**	**4,470**
Financial income	*4*	638,449	315,543	158,121
Interest and other financial expenses	*4*	(90,142)	(138,597)	(324,792)
NET FINANCIAL INCOME (EXPENSE)	*4*	**548,307**	**176,946**	**(166,671)**
OPERATING INCOME (LOSS) AFTER NET FINANCIAL INCOME (EXPENSE)		**551,896**	**171,406**	**(162,201)**
Non-recurring income	*5*	1,812	44,141	195
Non-recurring expense	*5*	(5,157)	(3,334)	(1,186)
NET NON-RECURRING INCOME (EXPENSE)	*5*	**(3,345)**	**40,807**	**(991)**
Employee profit-sharing				
Corporate income tax	*6*	7,988	20,950	26,683
NET INCOME (LOSS)		**556,539**	**233,163**	**(136,509)**

10.1.3. BALANCE SHEET AT DECEMBER 31

ASSETS *(in € thousands)*	**Notes**	**Dec. 31, 2010**			**Dec. 31, 2009**	**Dec. 31, 2008**
		Gross amounts	**Depreciation and provisions**	**Net amounts**	**Net amounts**	**Net amounts**
Intangible assets	*7*	9,357	9,203	154	195	1,967
Property, plant and equipment	*8*	10,493	9,270	1,223	2,068	2,994
Investments	*9*	2,995,179	394,918	2,600,261	1,720,641	1,456,523
TOTAL FIXED ASSETS		**3,015,029**	**413,391**	**2,601,638**	**1,722,904**	**1,461,484**
Trade receivables		1,186		1,186	1,850	44,730
Other receivables	*10*	748,329	849	747,480	825,022	805,755
Marketable securities and equivalent receivables	*11*	10,429	4,548	5,881	4,263	2,676
Cash at bank and in hand		12,748		12,748	23,215	3,218
TOTAL CURRENT ASSETS		**772,692**	**5,397**	**767,295**	**854,350**	**856,379**
Prepaid expenses	*12*	1,781		1,781	5,512	9,265
Conversion losses		5		5	14	24
Deferred charges	*13*	11,137		11,137	17,875	9,367
TOTAL ASSETS		**3,800,644**	**418,788**	**3,381,856**	**2,600,655**	**2,336,519**

EQUITY AND LIABILITIES *(in € thousands)*	**Notes**	**Dec. 31, 2010**	**Dec. 31, 2009**	**Dec. 31, 2008**
Capital		772,567	626,139	170,765
Additional paid-in capital		288,756	130,043	198,846
Legal reserve		28,734	17,077	17,077
Untaxed reserves		8,939	8,939	8,939
Other reserves				
Retained earnings		221,505		77,026
Net income for the year		556,539	233,163	(136,509)
Untaxed provisions				
TOTAL SHAREHOLDERS' EQUITY	*14*	**1,877,040**	**1,015,361**	**336,144**
Provisions for contingencies and charges	*15*	**5,580**	**16,527**	**3,943**
TOTAL DEBT	*16*	**1,281,390**	**1,355,878**	**1,552,884**
Operating payables	*17*	24,373	20,563	25,058
Sundry payables	*17*	193,334	192,088	418,043
TOTAL PAYABLES		**217,707**	**212,651**	**443,101**
Prepaid income		107	238	398
Conversion gains		32		49
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**3,381,856**	**2,600,655**	**2,336,519**

10.1.4. CASH FLOW STATEMENT

(in € millions)	2010	2009	2008
I – OPERATING ACTIVITIES			
Net income (loss)	556.5	233.2	(136.5)
Depreciation and amortization	9.3	6.9	3.1
Increase (decrease) in provisions and other long-term liabilities	(538.7)	(181.2)	188.1
Capital (gains) losses on disposals of fixed assets	(1.1)	(41.7)	
Cash flow from operations	**26.0**	**17.2**	**54.7**
(Increase) decrease in working capital requirements	22.5	10.1	9.5
NET CASH PROVIDED BY OPERATING ACTIVITIES	**48.5**	**27.3**	**64.2**
II – INVESTING ACTIVITIES			
Acquisitions of intangible assets and property, plant and equipment		(0.2)	(0.8)
Acquisitions of investments in subsidiaries and affiliates	(39.4)	(84.3)	(14.8)
Acquisitions of other investments		(0.1)	
Disposals of intangible assets and property, plant and equipment		1.3	
Disposals of investments	1.1	42.8	0.1
Disposals of other financial assets		1.1	
Other reductions in property, plant and equipment			0.2
NET CASH (USED) PROVIDED BY INVESTING ACTIVITIES	**(38.3)**	**(39.4)**	**(15.3)**
NET CASH (USED) PROVIDED BY OPERATING AND INVESTING ACTIVITIES (I)+(II)	**10.2**	**(12.1)**	**48.9**
III – FINANCING ACTIVITIES			
Issuance of shares paid up in cash		455.4	
Charges posted to additional paid-in capital	(9.0)	(9.3)	
Dividends paid			
Issuance of debt securities and increase in borrowings	139.1	469.9	1,101.8
Repayments of borrowings	(213.6)	(667.0)	(1,160.4)
Changes in inter-company borrowings	62.8	(216.9)	6.2
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	**(20.7)**	**32.1**	**(52.4)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(10.5)**	**20.0**	**(3.5)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**23.2**	**3.2**	**6.7**
CASH AND CASH EQUIVALENTS AT END OF YEAR	**12.7**	**23.2**	**3.2**

10.1.5. NOTES TO THE 2010 PARENT COMPANY FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The parent company financial statements have been prepared in accordance with French generally accepted accounting principles. The main policies applied are as follows:

1-1 Property, plant and equipment

Property, plant and equipment are stated at acquisition or production cost. Depreciation is calculated by the straight-line method over the estimated useful life of the assets, as follows:

- buildings: 25 to 30 years;
- leasehold improvements, fixtures and fittings: 7 to 10 years;
- other fixtures and fittings: 10 years;
- office equipment and computers: 3 to 5 years;
- software: 1 to 3 years;
- furniture: 10 years.

1-2 Investments

Gross value is equal to contribution value or cost. A provision is made if the value in use of a security is lower than its entry value. Value in use is based on the subsidiary's revalued net assets, profitability and future outlook.

For investments intended to be sold, value-in-use estimates also take into account prices at which prior transactions were carried out, if any.

1-3 Marketable securities

Marketable securities are stated at the lower of cost and market value.

1-4 Foreign currency transactions

Unhedged payables and receivables in foreign currency are translated at the exchange rate prevailing on the transaction date. At the year-end, they are translated at the year-end exchange rate and the resulting gain or loss is recorded in the balance sheet under "Conversion losses" or "Conversion gains".

Hedged payables and receivables are translated at the hedging rate.

1-5 Provisions for pensions and other post-employment benefits

The vested rights of employees under supplementary pension and retirement bonus plans are determined on an actuarial basis using the projected unit credit method. The valuation takes into account the probability of employees staying with the company up to retirement age and expected future salary levels. Benefit obligations are partially funded by contributions to external funds. In cases where the funds are permanently allocated to the benefit plan concerned, their value is deducted from the related liability.

1-6 Non-recurring items

Unusual or non-recurring items are included under "Non-recurring income" and "Non-recurring expense".

1-7 Financial instruments

Interest-rate risks are hedged, where appropriate, using financial instruments traded on organized or over-the-counter markets.

Hedging gains and losses are recognized on a symmetrical basis with the loss or gain on the hedged item.

NOTE 2 SUBSEQUENT EVENTS

No significant post-balance sheet events have occurred since the end of the year.

NOTE 3 DEPRECIATION, AMORTIZATION AND PROVISIONS (NET OF REVERSALS) AND EXPENSE TRANSFERS

(in € thousands)	2010	2009	2008
Provision reversals	1,674	341	2,280
Expense transfers (1)	1,695	13,801	9,598
Depreciation and amortization	(9,310)	(6,894)	(3,109)
Provisions for impairment of current assets			
Provisions for contingencies and charges	(675)	(2,934)	(1,597)
TOTAL	**(6,616)**	**4,314**	**7,172**

(1) Including:			
Transfer of fees included in "External services" relating to:			
- Syndicated credit facility	*1,695*	*7,891*	*9,598*
- Convertible bond loan		*3,706*	

NOTE 4 NET FINANCIAL INCOME (EXPENSE)

Net financial income (expense) breaks down as follows:

(in € thousands)	2010	2009	2008
Financial income			
Income from investments in subsidiaries and affiliates [1]	40,531	43,712	58,974
Interest income	32,827	64,798	89,506
Net gains from sales of marketable securities			
Provision reversals [2]	565,091	207,033	9,641
TOTAL	**638,449**	**315,543**	**158,121**
Interest and other financial expenses			
Interest expense	62,802	115,369	126,342
Charges to provisions for impairment of investments [3]	27,328	13,205	179,449
Charges to other provisions and other financial expenses	12	10,023	19,001
TOTAL	**90,142**	**138,597**	**324,792**
NET FINANCIAL INCOME (EXPENSE)	**548,307**	**176,946**	**(166,671)**

(1) This item corresponds to dividends received from subsidiaries and affiliates:
It includes:
- *in 2010: dividends received from Faurecia Systèmes d'Échappement and Financière Faurecia amounting to €10,168 thousand and €24,816 thousand respectively;*
- *in 2009: dividends received from Faurecia Systèmes d'Échappement and Faurecia Automotive GmbH amounting to €20,053 thousand and €12,906 thousand respectively;*
- *in 2008: a dividend received from Faurecia Investments amounting to €40,352 thousand.*

	2010	2009	2008
(2) Including:			
- reversals of provisions for impairment of Trécia shares	*1,956*		*6,600*
- reversals of provisions for Faurecia Automotive Holdings shares	*469,200*	*121,800*	
- reversals of provisions for Faurecia Automotive GmbH shares	*82,234*	*73,300*	
- reversals of provisions for financial contingencies and charges	*11,701*	*11,933*	*2,841*
(3) Including:			
- Faurecia Automotive Holding shares			*107,700*
- Faurecia Industries shares			*42,153*
- Faurecia USA Holdings Inc shares			*25,000*
- Faurecia Sistemas de Escape Argentina shares	*7,328*		
- Eak SAS shares		*2,420*	
- Eak SNC shares		*785*	
- Sté Internationale de Participation (SIP) shares	*20,000*	*10,000*	*4,596*

The net charges to provisions for impairment of investments recorded in the parent company financial statements do not correspond to the asset impairment losses recorded in the consolidated financial statements due to the application of different accounting policies.

NOTE 5 NET NON-RECURRING INCOME (EXPENSE)

Net non-recurring income (expense) breaks down as follows:

(in € thousands)	2010	2009	2008
Non-recurring income			
From management transactions [1]	667	0	120
Proceeds from disposals of fixed assets [2]	1,145	44,141	75
Provision reversals			
TOTAL	**1,812**	**44,141**	**195**
Non-recurring expense			
On management transactions [3]	5,071	34	1,185
Carrying amount of fixed and financial assets sold [4]	86	3,300	1
Depreciation, amortization and charges to provisions			
TOTAL	**5,157**	**3,334**	**1,186**
NET NON-RECURRING INCOME (EXPENSE)	**(3,345)**	**40,807**	**(991)**

(1) Including:			
Compensation for contract termination	*667*		
(2) Including:	*1,145*	*42,772*	
- Proceeds from the sale of investments in subsidiaries and affiliates: (Shares of Ecia South Africa sold to Faurecia Exhaust Systems South Africa for 1,121 in 2010) (Shares of Faurecia Exhaust Systems South Africa sold to Faurecia Interior Systems South Africa for 42,772 in 2009)			
(3) Including:			
Restructuring costs			*365*
Compensation for contract termination	*4,741*		*820*
Tax arrears other than IT	*276*		
(4) - Carrying amount of shares of investments in subsidiaries and affiliates sold or transferred (including shanes of Faurecia Exhaust Systems South Africa for 1,073 in 2009)		*1,073*	
- Carrying amount of fixed assets sold to Faurecia Sièges d'Automobile in 2009		*1325*	
- Carrying amount of pre-emptive subscription rights sold in 2009		*889*	

NOTE 6 CORPORATE INCOME TAX

Faurecia has elected to file a consolidated tax return. The resulting tax group includes the parent company and its main French subsidiaries. This system allows Faurecia to obtain group relief by offsetting any tax losses recorded by the company and certain of its subsidiaries against the taxable income of other subsidiaries in the tax group:

(in € thousands)	2010	2009	2008
Tax benefit arising from group relief	7,988	18,100	11,221
Repayment of a carry back credit		2,850	15,432
Other tax income (expense) – tax audit		0	30
TOTAL	**7,988**	**20,950**	**26,683**

NOTE 7 INTANGIBLE ASSETS

These may be broken down as follows:

(in € thousands)	Patents and licenses	Other intangible assets	Intangible assets in progress	Total
As of January 1, 2008	**344**	**393**	**1,347**	**2,084**
Additions (including own work capitalized)		1,855		1,855
Disposals				0
Funding of depreciation, amortization and impairment provisions	(188)	(437)		(625)
Depreciation written off on disposals				0
Other movements			(1,347)	(1,347)
Net as of December 31, 2008	**156**	**1,811**	**0**	**1,967**
Additions (including own work capitalized)		205		205
Disposals	(5,191)	(2,411)		(7,602)
Funding of depreciation, amortization and impairment provisions	(76)	(618)		(694)
Depreciation written off on disposals	5,191	1,128		6,319
Other movements				
Net as of December 31, 2009	**80**	**115**	**0**	**195**
Additions (including own work capitalized)		22		22
Disposals				0
Funding of depreciation, amortization and impairment provisions		(63)		(63)
Depreciation written off on disposals				0
Other movements				
Net as of December 31, 2010	**80**	**74**	**0**	**154**

NOTE 8 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment can be broken down as follows:

(in € thousands)	Dec. 31, 2010 Gross	Dec. 31, 2010 Net	Dec. 31, 2009 Net	Dec. 31, 2008 Net
Land	53	53	53	53
Buildings	272	0	0	0
Other property, plant and equipment	10,168	1,170	2,015	2,941
TOTAL	**10,493**	**1,223**	**2,068**	**2,994**

(in € thousands)	Land	Buildings	Other property, plant and equipment	Property, plant and equipment in progress	Total
As of January 1, 2008	**54**	**0**	**3,872**	**0**	**3,926**
Additions (including own work capitalized)			63		63
Disposals	(1)	(10)			(11)
Funding of depreciation, amortization and impairment provisions			(994)		(994)
Depreciation written off on disposals		10			10
Net as of December 31, 2008	**53**	**0**	**2,941**	**0**	**2,994**
Additions (including own work capitalized)			22		22
Disposals		(3)	(336)		(339)
Funding of depreciation, amortization and impairment provisions			(906)		(906)
Depreciation written off on disposals		3	294		297
Net as of December 31, 2009	**53**	**0**	**2,015**	**0**	**2,068**
Additions (including own work capitalized)			14		14
Disposals			(280)		(280)
Funding of depreciation, amortization and impairment provisions			(813)		(813)
Depreciation written off on disposals			234		234
Net as of December 31, 2010	**53**	**0**	**1,170**	**0**	**1,223**

NOTE 9 INVESTMENTS

(in € thousands)	Dec. 31, 2010 Gross	Provisions	Net	Dec. 31, 2009 Net	Dec. 31, 2008 Net
Investments in subsidiaries and affiliates	2,993,996	394,918	2,599,078	1,719,550	1,454,949
Loans to subsidiaries and affiliates	1,149		1,149	1,091	2,029
Other long-term investments	34		34	0	0
TOTAL	**2,995,179**	**394,918**	**2,600,261**	**1,720,641**	**1,456,523**

Movements in investments in subsidiaries and affiliates break down as follows:

(in € thousands)	Gross	Provisions	Net
As of January 1, 2008	**2,542,603**	**930,226**	**1,612,377**
Capital increases	14,766		14,766
Charges to and reversals of provisions		172,649	(172,649)
Net as of December 31, 2008	**2,557,369**	**1,102,875**	**1,454,494**
Capital increases	84,324		84,324
Charges to and reversals of provisions		(181,895)	181,895
Sale of shares	(1,163)		(1,163)
Net as of December 31, 2009	**2,640,530**	**920,980**	**1,719,550**
Acquisitions	330,000		330,000
Capital increases	23,507		23,507
Charges to and reversals of provisions		(526,062)	526,062
Sale of shares	(41)		(41)
Net as of December 31, 2010	**2,993,996**	**394,918**	**2,599,078**

Loans to subsidiaries and affiliates are due in more than one year.

NOTE 10 RECEIVABLES

(in € thousands)	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Cash advances	732,782	795,316	795,863
Provisions against cash advances	(849)	(842)	(10,150)
Tax due by subsidiaries in the tax group	175	10,939	1,622
Prepaid and recoverable corporate income tax	11,502	8,127	14,577
Securitization deposit			
Recoverable VAT	3,039	2,963	924
Sundry receivables	782	1,889	2,665
Other	49	6,630	254
TOTAL	**747,480**	**825,022**	**805,755**

All of the company's receivables are due within one year.

NOTE 11 MARKETABLE SECURITIES

As of December 31, 2010, marketable securities corresponded mainly to 270,814 Faurecia shares with a carrying amount of €5.9 million (compared with the same number of shares with a carrying amount of €4.3 million as of December 31, 2009), reflecting the following transactions:

- 200,000 shares contributed by Ectra in 1999;
- 19,613 shares purchased in 2000;
- 96,361 shares purchased in 2001;
- 96,860 shares purchased in 2002;
- 32,745 shares sold in 2004;
- 74,285 shares sold in 2005;
- 30,000 shares purchased in 2005;
- 33,650 shares sold in 2006;
- 31,340 shares sold in 2007.

The carrying amount of this item as of December 31, 2010 is presented net of a provision for impairment amounting to €4.5 million (versus €6.2 million as of December 31, 2009.)

The above shares are being held for allocation on exercise of stock options granted to executives and managers of the Group.

At its Meetings held on September 4, 2000 and April 26, 2001, the Board of Directors decided to grant, respectively, 297,180 stock options with an exercise price of €34.19 each and 50,895 stock options with an exercise price of €46.59 each (N.B.: the number of options and their exercise price have been adjusted following the rights issue carried out in May 2009.)

NOTE 12 PREPAID EXPENSES

Prepaid expenses mainly comprise:

(in € thousands)	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Premiums on currency and interest-rate instruments	419	3,692	7,806
Commissions and bank charges	94	61	459
Interest on commercial paper	364	401	
Rent	864	1,254	934
Other	40	104	66
TOTAL	**1,781**	**5,512**	**9,265**

NOTE 13 DEFERRED CHARGES

As of December 31, 2010 deferred charges included the following:

- €8,231 thousand in fees relating to the arrangement of the company's new syndicated loan;
- €2,905 thousand in fees relating to the arrangement of the company's bond loan.

NOTE 14 SHAREHOLDERS' EQUITY

14-1 Movements in shareholders' equity

(in € thousands)	Balance at Dec. 31, 2009	Distribution decision at the AGM of May 26, 2010	Increase in capital stock	Result for the year	Balance at Dec. 31, 2010
Capital	626,139		146,428		772,567
Additional paid-in capital	130,043		158,713 (1)		288,756
Legal reserve	17,077	11,658			28,735
Untaxed reserves	8,939				8,939
Other reserves	0				0
Retained earnings	0	221,505			221,505
Net income for the year	233,163	(233,163)		556,538	556,538
Untaxed provisions	0				0
TOTAL	**1,015,361**	**0**	**305,141**	**556,538**	**1,877,040**

(1) After inclusion of contribution costs totaling €9,025 thousand.

14-2 Capital stock and additional paid-in capital

- As of December 31, 2010, the company's capital stock amounted to €772,567,096, divided into 110,366,728 fully paid-up common shares with a par value of €7 each. Shares that have been registered in the name of the same shareholder for at least two years carry double voting rights (17,411,307 shares as of December 31, 2010).
- The exercise of all the stock options granted to executives and other employees that were outstanding as of December 31, 2010, i.e., 1,523,998 options exercisable at an average price of €42.67, would result in:
  - capital stock being increased by €10.67 million, corresponding to 1,523,998 shares with a par value of €7 each,
  - additional paid-in capital being increased by €54.36 million.

NOTE 15 PROVISIONS FOR CONTINGENCIES AND CHARGES

(in € thousands)	As of Dec. 31, 2010	As of Dec. 31, 2009	As of Dec. 31, 2008
Provisions for contingencies			
Foreign exchange losses	5	14	24
Other	2,251	13,646	2,528
SUB-TOTAL	**2,256**	**13,660**	**2,552**
Provisions for charges			
Provisions for pensions and other post employment benefits	3,321	2,757	1,269
Other provisions for charges	3	110	122
SUB-TOTAL	**3,324**	**2,867**	**1,391**
TOTAL	**5,580**	**16,527**	**3,943**

(1) Provisions for pensions and other post-employment benefits cover the following costs payable by the company on retirement of employees:
- statutory lump-sum bonuses;
- supplementary pension benefits for certain employees.
For the latter, it is freed of its commitments by a capital deduction that covers the annuity for the insurance company, which is responsible for the service; the deduction is made from a fund established to cover pension benefits which are not yet fully acquired. Consequently, the company has no further pension commitments towards former employees.
The benefit obligation has been estimated by independent actuaries, using a discount rate of 4.15% and an inflation rate of 2%.

(in € thousands)	2010	2009	2008
Projected benefit obligation	5,611	5,500	6,241
Hedging of obligations	(1,395)	(1,715)	(1,636)
Deferred items	(895)	(1,028)	(3,336)
PROVISION	**3,321**	**2,757**	**1,269**

(in € thousands)	2010	2009	2008
Service cost	(335)	(402)	(561)
Restatement of projected benefits	(292)	(366)	(399)
Return on plan assets	64	74	(4)
Curtailments and settlements			308
Amortization of deferred differences	(62)	(794)	(613)
Other changes			
TOTAL	**(625)**	**(1,488)**	**(1,269)**

(in € thousands)	Balance as of Dec. 31, 2009	Additions	Expenses charged	Reversals (surplus provisions)	Payments to retirement funds	Balance as of Dec. 31, 2010
Provisions for contingencies	13,660	56		(11,460)		2,256
Provisions for pension and other post-employment obligations	2,757	625	(61)			3,321
Other provisions for charges	110			(107)		3
TOTAL	**16,527**	**681**	**(61)**	**(11,567)**	**0**	**5,580**

NOTE 16 DEBT

(in € thousands)	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Bonds		8,500	300,000
Convertible bonds	211,310	211,310	
Borrowings from banks	917,037	1,004,354	1,053,842
Borrowings from PSA	142,000	128,000	194,000
Other	11,043	3,714	5,042
TOTAL	**1,281,390**	**1,355,878**	**1,552,884**

As of December 31, 2010, 82.7% of the company's debt was at floating rates. This debt is hedged through caps as described in Note 20-1.

As of December 31, 2010, the company's debt breaks down as follows by maturity:

(in € thousands)	As of Dec. 31, 2010
Maturing in 2011	282,789
Maturing in 2012	58
Maturing in 2013	787,112
Maturing in 2014	56
Maturing in 2015	211,375
TOTAL	**1,281,390**

Since November 28, 2008, Faurecia has had access to a €1.42 billion credit facility.

This facility comprises a syndicated bank loan of €1.17 billion and a €250 million loan from Faurecia's majority shareholder, PSA Peugeot Citroën. The two loans are correlated so that the drawdowns made by Faurecia on the PSA Peugeot Citroën loan are proportionate to those made on the syndicated bank loan, based on the same rates and periods.

The overall facility is divided into a €20 million tranche expiring in November 2011, a €690 million tranche expiring in November 2013 following the exercise by the banks and PSA of an option to extend the expiration, and a €710 million tranche expiring in November 2013.

As of December 31, 2010 the undrawn portion of this credit facility was €613 million.

The contracts relating to this credit facility include covenants, notably a change of control clause relating to PSA and provisions concerning compliance with consolidated financial ratios. As of December 31, 2010, the Group complied with all of these ratios, of which the amounts are presented below:

- a net debt ceiling of €1.8 billion was set for December 31, 2010;
- the other financial ratios with which the Group is required to comply are as follows:

	Adjusted net debt(*)/ EBITDA(**) Ceiling	EBITDA(**)/net interest Floor
December 31, 2010	4:1	4.25:1
June 30, 2011 and subsequent six-month periods	3.5:1	4.50:1

(*) Adjusted net debt = consolidated net debt + adjustments for certain obligations undertaken, based on definitions provided in the credit facility agreement (e.g. mortgages or collateralized liabilities).

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

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

On November 26, 2009 Faurecia issued €211.3 million worth of OCEANE bonds convertible into new shares or exchangeable for existing shares and maturing on January 1, 2015. These bonds bear annual interest of 4.50% and are payable on January 1 each year, as from January 1, 2011. The nominal amount is €18.69 per bond.

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

On October 5, 2005 Faurecia carried out a €300 million bond issue due in October 2010. As the bond covenants were breached as of June 30, 2009, the bondholders were entitled to require their early redemption. Out of the initial amount issued, €291.5 million worth of the bonds were redeemed on August 14, 2009, the balance was covered on the expiry date on October 5, 2010. The early redemption in August 2009 was partially financed by a €205 million credit facility extended by a pool of French banks. The credit facility, which was to expire at end-January 2011, was subject to the same financial ratio covenants as the syndicated credit facility, and it was prepaid in full on August 17, 2010.

NOTE 17 OPERATING PAYABLES AND OTHER PAYABLES

(in € thousands)	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Trade payables	17,774	15,956	21,166
Other operating payables	6,599	4,607	3,892
SUB-TOTAL OPERATING PAYABLES	**24,373**	**20,563**	**25,058**
Cash advances from subsidiaries	190,883	182,112	407,513
Other	2,451	9,976	10,530
SUB-TOTAL OTHER PAYABLES	**193,334**	**192,088**	**418,043**
TOTAL	**217,707**	**212,651**	**443,101**

NOTE 18 DEFERRED TAXES

Deferred taxes relate to:

- temporary differences between the recognition of income and expenses for financial reporting and tax purposes;
- tax loss carry forwards of the tax group;
- tax savings arising from the use of tax losses of subsidiaries in the tax group which will have to be restored to them if and when they return to profit.

Deferred taxes are computed based on the tax rate for the year in which they are expected to reverse (i.e. 34.43% for 2010 and beyond.)

Deferred taxes can be analyzed as follows:

(in € thousands)	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Deferred tax liabilities on temporary differences			
Deferred tax liabilities corresponding to tax savings arising from the use of the tax losses of companies in the tax group	(481,653)	(449,212)	(380,830)
SUB-TOTAL DEFERRED TAX LIABILITIES	**(481,653)**	**(449,212)**	**(380,830)**
Tax paid on taxable income that is not yet recognized	1,212	1,018	506
Charges recognized that are deductible for tax purposes in future years	2,203	3,286	6,906
Future tax savings on tax loss carry forwards of the tax group	402,740	365,064	300,338
SUB-TOTAL DEFERRED TAX ASSETS	**406,155**	**369,368**	**307,750**
NET DEFERRED TAX (LIABILITIES) ASSETS	**(75,498)**	**(79,844)**	**(73,080)**

NOTE 19 FINANCIAL COMMITMENTS

As of December 31, 2010 this item included €21.6 million in guarantees given on behalf of direct and indirect subsidiaries and affiliates (versus €13.7 million in 2009, and €9.2 million at December 31, 2008.)

NOTE 20 FINANCIAL INSTRUMENTS USED TO HEDGE MARKET RISKS

20-1 Interest-rate hedges

Caps, swaps and other options in euros and US dollars have been set up to hedge interest-rate risk on the interest payable on borrowings between January 2010 and December 2013.

Positions for 2011 to 2013 can be analyzed as follows by type of financial instrument:

	Notional amounts by maturity		
As of December 31, 2010 *(in € millions)*	**< 1 year**	**1 to 5 years**	**> 5 years**
Interest rate options	1,600	150	-
Variable-rate/fixed-rate swaps	157	279	-
Floor			-
• Accrued premiums payable			
TOTAL	**1,757**	**429**	**-**

Premiums reported under assets as of December 31, 2009 amounted to €416,000 and will be paid in installments between 2011 and 2012.

20-2 Currency hedges

Currency risk on inter-company loans to subsidiaries outside the eurozone that are denominated in the subsidiaries' functional currency but referenced in euros is hedged through swaps.

As of December 31, 2010 currency swaps in place concerned MXN 170 million, USD 385.9 million, RUB 234 million and ZAR 188 million.

NOTE 21 AVERAGE NUMBER OF EMPLOYEES

	2010	**2009**	**2008**
Management	40	42	44
Other	1	1	1
TOTAL	**41**	**43**	**45**

NOTE 22 DIRECTORS' COMPENSATION

In 2010, total attendance fees paid to directors amounted to €212,510 compared with €232,750 in 2009.

NOTE 23 RELATED-PARTY TRANSACTIONS

(in € thousands)	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
In the income statement			
• Services invoiced to subsidiaries	159,363	75,540	91,996
• Income from subsidiaries and affiliates	54,263	69,373	86,761
• Interest income	11,747	19,969	10,612
• Services invoiced by subsidiaries	(124,670)	(39,744)	(49,514)
• Interest expense	(3,522)	(3,860)	(20,262)
In the balance sheet			
• Loans to subsidiaries and affiliates	1,149	1,090	1,118
• Trade and other receivables	733,890	808,679	839,244
• Trade and other payables	204,787	192,823	424,290

Related companies: Related companies are companies that are fully consolidated in the Faurecia Group consolidated financial statements.

NOTE 24 INFORMATION ON THE CONSOLIDATING ENTITY

Peugeot SA, 75, avenue de la Grande-Armée – 75116 Paris, France.

10.1.6 FIVE-YEAR FINANCIAL SUMMARY

	2010 (in €)	2009 (in €)	2008 (in €)	2007 (in €)	2006 (in €)
1 - Capital stock at year-end					
a) Capital stock	772,567,096	626,139,528	170,765,336	170,765,336	169,814,652
b) Number of ordinary shares outstanding	110,366,728	89,448,504	24,395,048	24,395,048	24,259,236
c) Maximum number of shares to be issued: on exercise of stock options	1,523,998	1,594,223	1,435,183	1,258,303	1,265,715
2 – Operations and results					
a) Net sales	140,574,549	63,259,930	75,141,626	73,123,665	87,107,622
b) Income before tax, employee profit-sharing and depreciation, amortization and provisions for impairment	19,110,764	37,896,293	28,051,012	81,680,821	213,707,224
c) Corporate income tax (1)	(7,988,370)	(20,949,860)	(26,683,576)	(24,197,058)	(10,521,688)
d) Employee profit-sharing	0	0	0	0	0
e) Income after tax, employee profit-sharing and depreciation, amortization and provisions for impairment	556,538,732	233,163,289	(136,508,655)	77,154,196	(165,255,090)
f) Total dividend (2) (3)	27,591,682				
3 – Per-share data					
a) Income after tax and employee profit-sharing but before depreciation, amortization and provisions for impairment	0.25	0.66	2.24	4.34	9.24
b) Income after tax, employee profit-sharing and depreciation, amortization and provisions for impairment	5.04	2.61	(5.60)	3.16	(6.81)
c) Dividend per share	0.25				
4 – Employee data					
a) Average number of employees	41	43	45	45	48
b) Total payroll	10,214,816	8,500,376	11,504,857	13,553,151	9,784,935
c) Total benefits paid during the year (social security, employee benefit, etc.)	4,234,177	3,285,738	5,444,637	7,356,994	3,840,829

(1) The amounts in brackets represent tax benefits arising from group relief.
(2) The 2010 net dividend is pending approval by the AGM of profit distribution for the year.
(3) That part of the 2010 dividend corresponding to shares that the company holds on its own behalf at the payment date will be allocated to "Retained earnings".

10.1.7 APPROPRIATION OF INCOME

(in €)	
Net income for the year	556,538,732
Recommended appropriation:	
1 – Source	
Retained earnings carried forward from prior years	221,505,125
Net income for the year	556,538,732
	778,043,857
2 – Appropriation	
Legal reserve	27,826,937
Dividend (1)	27,591,682
Additional paid-in capital	
Retained earnings	722,625,238
	778,043,857

(1) That part of the 2010 dividend corresponding to shares that the company holds on its own behalf at the payment date will be allocated to "Retained earnings".

Dividends for the last three years were as follows:

Year	**Number of shares** *(in €)*	**Dividend paid out** *(in €)*
2007	24,395,048	-
2008	24,395,048	-
2009	89,448,504	-
Recommended for 2010 (1)	**110,366,728**	**0.25**

(1) Including treasury stock.

10.1.8 SECURITIES PORTFOLIO AT DECEMBER 31, 2010

	Number	Type and nominal amount	Net *(in € thousands)*
1. Main securities			
a) Investments in subsidiaries and affiliates			
Faurecia Systèmes d'Échappements	5,648,700	Shares – €15	110,316
Faurecia Investments	5,043,998	Shares – €15	452,488
Faurecia Industries	539,200	Shares – €8.45	53,531
Faurecia USA Holdings Inc.	3,600	Shares – USD 0.001	310,299
Faurecia Emissions Control Technologies USA, LLC.	1	Equities	125,400
Sté Internationale de Participations (SIP)	9,999,999	Equities	0
Faurecia Automotive España S.L.	126,859	Shares – €6	76,449
SFEA Société Foncière pour l'Équipement Automobile	642,499	Shares – €15	9,947
Financière Faurecia	2,200,000	Shares – €15	53,841
Trécia	6,762	Shares – €15	8,556
Faurecia Exhaust Systems sro.	1	Shares	19,759
Faurecia Magyarorszag Kipufogo-Rendszer Kft	24,900,000	Shares – HUF 1	0
Faurecia Systemy Kierownicze SpZoo	20	Shares – PLN 500	3
Faurecia Sistemas de Escape Argentina SA	1,802,379	Shares – Peso 1	0
EAK – Composants pour l'Industrie Automobile SAS	158,722	Shares – €15	0
Faurecia Tongda Exhaust System (Wuhan) Co., Ltd	1	Shares	2,217
EAK – Composants pour l'Industrie Automobile SNC	51,510	Shares – €15	0
Faurecia Honghu Exhaust Systems Shanghai Co, Ltd	1	Shares	1,212
Faurecia Automotive Holdings	23,422,554	Shares – €1	918,260
Faurecia Automotive GmbH (formerly SAI Automotive AG)	1	Shares	225,020
Faurecia Services Groupe	2,500	Shares – €16	0
Faurecia Exhaust International	1,932,750	Shares – €15	27,051
Faurecia Sistemas de Escape Portugal Lda	1	Shares	1
Flamant bleu	2,500	Shares – €16	40
Toucan participations SA	2,494	Shares – €16	40
Toucan investissements SA	2,494	Shares – €16	40
Faurecia Exhaust Systems Moravia Sro	200,000	Shares – CZK 1	8
ET Dutch Holdings Cooperatie UA		Contribution of €204,600 thousand	204,600
SUB-TOTAL			**2,599,078**
2. Marketable securities			
Faurecia	270,814	Shares – €7	5,881

TOTAL	**2,604,959**

10.1.9 FAURECIA SUBSIDIARIES AND AFFILIATES AT DECEMBER 31, 2010

(in € thousands)	Capital	Reserves and retained earnings before appropriation of income	% interest	Gross value of investment
1. Detailed information				
A. Subsidiaires (at least 50% owned)				
Faurecia investments (ex Bertrand Faure SP)	75,660	53,869	100	452,488
Faurecia Emissions Control Technologies, USA, LLC	5,090	15,113	100	125,400
Financière Faurecia	33,000	43,210	100	53,841
Sté Internationale de Participations "SIP"	10,000	(5,191)	100	60,196
Faurecia USA Holdings Inc.	125	612,853	83	475,299
Eak SAS	4,668	3,247	51	2,420
ET Dutch Holdings Cooperatie UA	87,543	(6,280)	100	204,600
Faurecia Sistemas de Escape Argentina	352	195	98	25,975
Faurecia Industries	4,556	(4,929)	100	191,683
Faurecia Systèmes d' Échappements	84,731	39,753	100	110,316
SFEA Société Foncière pour l'Equipement Automobile	9,638	664	100	9,947
Faurecia Exhaust Systems SRO (Tchéquie)	21,168	(8,732)	100	19,759
Faurecia Automotive Holdings	23,423	222,768	100	918,260
Faurecia Exhaust International	28,991	(1,831)	100	29,302
B. Affiliates (10% to 50% owned)				
Faurecia Automotive Espana SL	7,138	337,459	11	76,449
Faurecia Automotive GmbH (ex SAI Automotive AG)	196,420	136,985	26	225,020
FaureciaTongda Exhaust System (Wuhan) Co., Ltd (ex TEEC)	2,584	26,011	50	2,217
Trecia	203	11,202	50	8,556
2. Aggregate information about other companies				
Subsidiaries and affiliates not included in section A				2,264
Subsidiaries and affiliates not included in section B				3
TOTAL				**2,993,996**

	Carrying amount of investment	Outstanding loans and advances granted by the Company	Guarantees given by the Company	Last published sales	Last published net income (loss)	Dividends received or to be received by the Company	Exchange rate used for non-French subsidiaries and affiliates
	452,488				(8,704)		
	125,400				(1,673)		1 euro = 1.3362 USD
	53,841	395,445			13,237	24,816	
	0	0	0	0	(5,856)	0	
	310,299	233,311	0	31,804	4,218	0	1 euro = 1.3362 USD
	0	0	0	403	317	0	
	204,600	0	0	0	1,329	0	
	0	6,661	0	32,775	(78)	0	1 euro = 5.2305 ARS
	53,531	0	0	71,059	(685)	0	
	110,316	0	0	502,097	(14,300)	0	
	9,947	0	0	0	73	96	
	19,759	0	0	145,210	(954)	0	1 euro = 25.061 CZK
	918,260	0	0	126,665	12,749	0	
	27,052	0	0	0	1,504	0	
	76,449	0	0	240,674	41,179	0	
	225,020	0	0	4,811	373	0	
	2,217	0	0	109,895	20,580	4,558	1 euro = 8.822 CNY
	8,556	0	0	62,775	2,394	0	
	1,339	796				866	
	3					0	
	2,599,077	**636,211**				**30,432**	

10.1.10. STATUTORY AUDITORS' REPORTS ON THE FINANCIAL STATEMENTS

Year ended December 31, 2010

This is a free translation into English of the Statutory Auditors' report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to the shareholders.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2010, on:

- the audit of the accompanying financial statements of Faurecia;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the company as at December 31, 2010 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. Justification of our assessments

In accordance with the requirements of Article L. 823-9 of the French commercial code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- Note 1.2 to the financial statements presents the rules and methods applied to investments. A provision for impairment is set aside if the value in use of an investment falls below its gross value. Value in use is based on the subsidiary's revaluated net assets, profitability and future outlook. As part of our assessment of the accounting principles and methods applied by your company, we have verified the appropriateness of the above-mentioned accounting methods and examined the application methods and the assumptions used by your company.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of Article L. 225-102-1 of the French commercial code (*Code de commerce*) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information. We draw your attention to the reasons presented in the management report explaining that your company does not have any information on compensation and benefits granted by the controlling entity to corporate officers of the company who are not corporate officers of the controlling entity.

In accordance with French law, we have verified that the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Neuilly-sur-Seine and Paris-La Défense, April 14, 2011

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit	Ernst & Young Audit
Dominique Ménard	Denis Thibon

10.1.11. REPORT OF THE STATUTORY AUDITORS ON CERTAIN RELATED PARTY AGREEMENTS AND COMMITMENTS

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users.

This report should be read in conjunction with and construed in accordance with French law and professional standards applicable in France.

To the Shareholders,

In our capacity as statutory auditors of your company, we hereby report on certain related party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with Article R. 225-31 of the French commercial code (Code de commerce), to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with Article R. 225-31 of the French commercial code (Code de commerce) concerning the implementation, during the year, of the agreements and commitments already approved by the General Meeting of Shareholders.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body (Compagnie nationale des commissaires aux comptes) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

Agreements and commitments submitted for approval by the General Meeting of Shareholders

AGREEMENTS AND COMMITMENTS AUTHORIZED DURING THE YEAR

We hereby inform you that we have not been advised of any agreements or commitments authorized in the course of the year to be submitted to the General Meeting of Shareholders for approval in accordance with Article L. 225-38 of the French commercial code (Code de commerce).

Agreements and commitments already approved by the General Meeting of Shareholders

AGREEMENTS AND COMMITMENTS APPROVED IN PRIOR YEARS WHOSE IMPLEMENTATION CONTINUED DURING THE YEAR

In accordance with Article R. 225-30 of the French commercial code (Code de commerce), we have been advised that the implementation of the following agreements and commitments which were approved by the General Meeting of Shareholders in prior years continued during the year.

1. With the company Faurecia Sièges d'Automobile

Nature and purpose

Your Company issued a counter-guarantee to BNP Paribas at the time Faurecia Sièges d'Automobile took over the Caligny site lease.

Conditions

The terms and conditions of the Caligny lease provide that Flers Invest, the lessor, should receive from BNP Paribas a bank guarantee covering the payment of two years' rent excluding VAT (i.e. € 4,784,000). This guarantee will be updated on a regular basis. BNP Paribas requested that this bank guarantee be counter-guaranteed by your company.

In accordance with the authorization granted by the Board of Directors of March 2, 2009, in 2010 your company cross charged its subsidiary Faurecia Sièges d'Automobiles for the costs relating to the counter-guarantee.

2. With the company Peugeot S.A.

Nature and purpose

On November 26, 2008, in accordance with the authorization granted by the Board of Directors of October 16, 2008, your Company signed a loan agreement with its parent company Peugeot S.A. by wich Peugeot S.A. makes available to your Company a credit line of M€ 250, concurrently with a renewal of the syndicated bank loan for a global amount of M€ 1,170.

Conditions

The two loans are correlated so that the drawdowns made on Peugeot S.A. loan are proportionate to those made on the syndicated bank loan, based on the same rates and periods.

At December 31, 2010, M€ 142 of this loan had been used and the related financial interests recorded for 2010 amount to M€ 2,5.

Neuilly-sur-Seine and Paris-La Défense, April 14, 2011

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit	Ernst & Young Audit
Dominique Ménard	Denis Thibon

10.1.12. STATUTORY AUDITORS' SPECIAL REPORT ON THE FREE GRANTING OF EXISTING SHARES OR SHARES TO BE ISSUED TO EMPLOYEES AND CORPORATE OFFICERS OF THE COMPANY

Shareholder's Meeting of May 26th, 2011

Second resolution

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

To the Shareholders,

In our capacity as Statutory Auditors of your company and in compliance with Article L. 225-197-1 of the French Commercial Code (*Code de commerce*), we hereby report on the proposed free allocation of existing shares or shares to be issued, reserved for employees, and/or directors, of the company Faurecia and group companies, within the meaning of Article L. 225-197-2 of the French Commercial Code (*Code de commerce*).

Your Board of Directors proposes that it be authorised to allocate, for free, existing shares or shares to be issued. It is the responsibility of the Board of Directors to prepare a report on the proposed operation. Our role is to report on any matters relating to the information regarding the proposed operation.

We have performed those procedures which we considered necessary to comply with the professional guidance issued by the French national auditing body (Compagnie Nationale des Commissaires aux Comptes) for this type of engagement. These procedures consisted mainly in verifying that the proposed methods described in the Board of Directors's report comply with the legal provisions governing such operations.

We have no matters to report as to the information provided in the Board of Directors's report relating to the proposed free allocation of shares.

Neuilly-sur-Seine and Paris-La Défense, April 14 2011

The Statutory Auditors

PricewaterhouseCoopers Audit	Ernst & Young Audit
Dominique Ménard	Denis Thibon

10.2. Capital and share performance

10.2.1. FAURECIA AND ITS SHAREHOLDERS

All of Faurecia's shareholders are given full, clear and transparent information which is tailored to their specific needs and provides them with an objective view of the Group's growth strategy and earnings performance. This financial communication policy is aimed at ensuring that all shareholders have access to the information required in accordance with customary market practice.

A broad range of documents covering Faurecia's operations, strategy and financial performance including: regulatory information, registration documents, interim financial reports, shareholders' newsletters, the company's bylaws and the Board's internal rules. All these documents are available in the Shareholders & Investors section of the Group's website at www.faurecia.com under the heading Finance, in French and English, or can be obtained on request from the Investor Relations department. Shareholders can also automatically receive documents such as the annual report, corporate brochures and press releases, through a free subscription service by e-mailing shareholders@faurecia.com.

Faurecia regularly publishes the disclosures required by listed companies in the French legal gazette, the BALO (*Bulletin des Annonces Légales Obligatoires*). This information is rounded out by press releases for both the financial community and the general public regarding matters that are of major importance in understanding the company's strategy. In addition, periodic meetings are held on an interactive basis with financial analysts and business journalists in order to give updates on the Group's goals, products and results.

In 2010, Faurecia organized more than 100 events and meetings, which facilitated direct dialogue with three hundred institutional investors and financial analysts. Themed presentations were also organized for analysts, investors and asset managers.

In addition, employee shareholders have access to a dedicated space on Faurecia's Intranet that provides information on the Group employee savings plan.

Annual reports presented and filed as registration documents with the Autorité des Marchés Financiers (AMF) and interim financial reports are broadly circulated within the financial community.

2011 FINANCIAL CALENDAR

February 8, 2011	8:00 a.m.	Second-half 2010 and full-year 2010 results announcement
April 19, 2011	8:00 a.m.	First-quarter 2011 sales release
May 26, 2011	10:00 a.m.	Annual Shareholders' Meeting
July 26, 2011	8:00 a.m.	First-half 2011 results announcement
October 25, 2011	8:00 a.m.	Third-quarter 2011 sales release

10.2.2. FAURECIA'S CAPITAL

No shares have been issued that do not represent the company's capital. As of December 31, 2010, the company's capital amounted to €772,567,096, divided into 110.366,728 fully paid-up shares with a par value of 7 euros, all in the same class. These shares represent 127,507,221 voting rights.

Based on information taken from shareholder accounts, Faurecia's ownership structure and voting rights as of December 31, 2010 were as follows:

Shareholder	Shares	(%)	Double voting rights	Single voting rights	Total	(%)
Peugeot SA	63,380,509	57.43	17,285,197	46,095,312	80,665,706	63.26
Faurecia Actionnariat corporate mutual fund	167,920	0.15	73,565	94,355	241,485	0.19
Treasury stock	270,814	0.24	0	0	0	0
Other	46,547,485	42.18	52,545	46,494,940	46,600,030	36.55
TOTAL	**110,366,728**	**100**	**17,411,307**	**92,684,607**	**127,507,221**	**100**

Changes in ownership structure over the last three years are presented in section 10.3.2.2.

According to the information disclosed to the company and/or the market, as of December 31, 2010:

- no other shareholder held over 5% of the company's capital or voting rights;
- 4,695,000 registered shares, i.e. 4.25% of Faurecia's capital, were pledged with Société Financière de Banque (SOFIB).

Peugeot SA is the only holder of registered shares which reported pledges on the company's shares.

The company has not been notified of any shareholders' agreements.

One Equity Partners, which acquired a stake in Faurecia following the acquisition of Emcon Technologies on February 8, 2010, announced the sale on March 9, 2010 of 4,865,641 Faurecia shares, representing 4.4% of the company's share capital. On October 20, 2010, One Equity Partners sold its stake in Faurecia through an equity placement with institutional investors. Prior to this operation, Faurecia agreed to waive the lock-up agreement entered into by One Equity Partners in the acquisition agreement for Emcon Technologies. Following this disposal (and as of this date), One Equity Partners holds no Faurecia shares.

The company's Directors hold approximately 0.04% of the company's capital and voting rights.

10.2.3. CHANGES IN FAURECIA'S SHARE PRICE

Faurecia shares are traded on Euronext Paris (compartment A) of NYSE Euronext.

In 2010, Faurecia's share price rose by 40.5%. At the end of 2010 it stood at €21.63 compared with €15.40 at the end of 2009.

The average price of Faurecia shares during 2010 was €15.92, with a high of €22.30 on December 23, 2010 and a low of €11.09 on May 25, 2010.

Average monthly trading volumes for 2009 as a whole corresponded to 8,975,007 shares or €142.95 million.

10.2.3.1. Share price and trading volumes (source: Euronext)

	Price *(in €)*				Trading volume	
Share price and trading volumes	**High**	**Average**	**Low**	**Close**	**Number of shares**	**Amount** *(in € thousands)*
2009						
September	15.49	12.30	8.71	14.83	13.967,635	174,850
October	17.77	15.29	12.62	13.21	13,947,323	212,340
November	15.84	14.42	12.90	14.00	8,393,034	120,773
December	15.95	15.08	14.06	15.40	5,680,806	85,871

Share price and trading volumes	Price *(in €)* High	Average	Low	Close	Trading volume Number of shares	Amount *(in € thousands)*
2010						
January	18.20	16.39	14.91	15.31	7,671,357	125,840
February	16.22	13.55	11.83	12.79	10,431,518	140,200
March	15.56	14.38	12.56	14.88	12,421,473	177,910
April	16.90	15.91	14.42	15.27	8,852,366	141,010
May	15.47	13.16	11.04	12.65	9,844,714	129,010
June	15.39	13.80	11.87	13.22	9,520,539	130,150
July	15.94	14.78	12.84	15.07	7,485,120	111,490
August	15.42	14.18	12.90	13.70	4,057,059	57,060
September	17.45	15.82	13.54	17.20	7,526,878	119,250
October	20.28	18.50	16.56	19.36	13,285,282	248,830
November	19.64	18.91	17.89	18.27	7,160,581	135,450
December	22.49	21.32	18.47	21.63	9,443,192	199,250

Share price and trading volumes	Price *(in €)* High	Average	Low	Close	Trading volume Number of shares	Amount *(in € thousands)*
2011						
January	26.45	24.48	21.72	25.34	16,516,284	405,470
February	30.25	27.53	23.93	28.18	15,748,774	433,660
March	28.65	26.10	23.84	25.80	11,854,733	308,710

10.2.3.2. Stock market data

	12/31/2010	12/31/2009	12/31/2008
Stock market capitalization at year-end *(in € millions)*	2,403.3	1,377.5	241.05
Share price *(in €)*			
• High	22.30	17.77	48.16
• Low	11.09	5.56	7.80
Share price at year-end *(in €)*	21.63	15.40	9.88
Shareholders' equity per share *(in €)*	7.3	2.87	8.32

10.2.3.3. Dividends

FAURECIA SHARES

Year	Number of shares carrying dividend rights	Dividends paid
2008	24,395,048	-
2009	89,448,504	-
2010	110,366,728	0.25 cents per share

10.2.3.4. Dividend payment policy

The company pays dividends in line with the practices of other similar companies, based on the Group's results for the year.

10.2.3.5. Per share data

(in €)	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Diluted earnings (loss) per share	1.79	(6.85)	(23.83)
Cash flow per share	6.1	1.32	7.25

The method used to calculate the weighted average number of shares after dilution to determine per share data is explained in Note 9 to the consolidated financial statements.

10.3. Additional information on Faurecia SA

10.3.1. HISTORY AND DEVELOPMENT

Roots

1891. The first automobiles, in the modern sense, are made, powered by gasoline engines. The first steel tubes follow, patented by Peugeot. They are produced mainly at Audincourt, in the Doubs region of eastern France.

1914. Bertrand Faure opens his first workshop, making seats for Paris trams and underground trains, at Levallois-Perret.

1929. Bertrand Faure acquires the license for the Epeda process enabling the company to fine-tune its seats for the automotive industry and develop a new product, the spring mattress. Both businesses take off significantly after the Second World War. Bertrand Faure clients include Renault, Peugeot, Citroën, Talbot, Panhard-Levassor, Berliet and Simca.

1950. Bernard Deconinck, son-in-law of Joseph Allibert, who had founded the Allibert Company in Isère in eastern France in 1910, decides to invest in a huge injection press, imported from the United States: this permits the molding of large plastic parts in a single piece. He then turns from refrigerator manufacturers to automotive industry customers.

1955. The Frères Peugeot company, one of whose subsidiaries is Peugeot et Cie, starts production of automotive equipment. Over the years, the companies diversifies into making seats, exhaust systems, and steering columns, extends operations outside France, dropping some products to concentrate on new production lines.

1972. François Sommer, grandson of Alfred Sommer, merges his automotive floor coverings company with that of Bernard Deconinck's company, Allibert, to found the Sommer Allibert Group, combining know-how in textiles and plastics.

In the early 1980s, Sommer Allibert invests heavily to meet the needs of the automotive industry and becomes a leading specialist in interior vehicle fittings for all of the major automakers. International expansion follows, with the acquisition of Spain-based Lignotock, and an extended presence in Germany from 1993.

1987. Cycles Peugeot merges with Aciers & Outillages Peugeot to form Ecia (Équipements et Composants pour l'Industrie Automobile), the PSA Peugeot Citroën Group's specialist automotive equipment subsidiary. Ecia then undergoes ten years of intense industrial and geographical development.

1990. Epeda Bertrand Faure draws on its experience in manufacturing seating for transport vehicles: cars, trains, trams, etc. to diversify gradually into other business segments. It first branches out into bedding through the Epeda and Mérinos brands, then, in 1982, luggage with Delsey and finally the aeronautics sector through Ratier-Figeac in 1987. Automotive seating components remain, nevertheless, its core business and the French market still accounts for a significant portion of revenues. After carrying out acquisitions in Portugal, Spain and Canada as from 1977, and gaining a modest foothold in Germany, the company's international expansion takes off, with the acquisition in 1990 of Germany-based Rentrop. Epeda Bertrand Faure then becomes European leader in the automotive seating business. Throughout the 1990s until 1998, the company concentrates on its automotive equipment expertise, selling off its other businesses in bedding (Epeda and Mérinos), aeronautics (Ratier-Figeac) and luggage (Delsey).

1992. Ecia sells its cycle business, followed by its tooling business in 1993, and makes significant acquisitions of exhaust systems specialists - Tubauto and Eli Échappement in France, Leistritz Abgastechnik in Germany and Silenciadores PCG in Spain. Ecia becomes the leading European manufacturer of exhaust systems. Its Seating division joins forces with the Spanish automotive equipment supplier Irausa to form Ardasa. Clients for exhaust systems, seats, interior fittings and front ends include Volkswagen, Renault, Daimler Chrysler, Opel, Honda and Mitsubishi.

December 11, 1997. Ecia launches a friendly bid for Bertrand Faure, bringing its direct and indirect stake in the group to 99%. The acquisition leads to the formation of the Faurecia Group in 1998 with the underlying aim of focusing on the automotive equipment business. At the same time as Bertrand Faure sells its luggage business (Delsey) and aeronautics business (Ratier-Figeac), Ecia sells its motorcycles business (Peugeot Motocycles) to the PSA Peugeot Citroën Group in 1998.

June 1999. Ecia and Bertrand Faure merge, resulting in the PSA Peugeot Citroën Group holding a 52.6% stake in Faurecia by the end of 1999. Faurecia reports sales of over €4 billion, with a workforce of 32,000. As well as boosting its size and helping it gain a worldwide position in automotive seating, Bertrand Faure gives Ecia a broader geographical and commercial reach, especially in Germany, where the company has strong links with manufacturers such as Volkswagen and BMW.

End of 1999. The Faurecia Group extends its exhaust systems coverage in North America with the acquisition of the US company AP Automotive Systems.

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

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

2002. The Faurecia Group acquires 49% of the South Korean catalytic converter maker Daeki Industrial, number two in its market. The same year, Faurecia forms a joint venture with the Taiwanese automotive equipment company GSK, with a view to making seats at Wuhan, in China.

2003. Faurecia follows up these acquisitions by buying the South Korean exhaust systems company Chang Heung Précision, which holds market share of over 20%. This gives Faurecia's Exhaust Systems business a manufacturing presence in all continents. In Europe, the Group finalizes an agreement with Siemens-VDO on strengthening and extending their joint venture (SAS), assembling cockpits for BMW, Daimler Chrysler, the Ford group, Renault-Nissan and the Volkswagen group.

2005. To step up Korean operations, Faurecia raises its stake in Daeki (specializing in exhaust systems for Hyundai) to 100%, and sets up a joint venture with the South Korean company Kwang Jin Sang Gong, to produce door modules for Hyundai Motors and Kia Motors.

2007. Faurecia takes over the bumper operations of Cadence Innovation France, enabling the Group to strengthen its market positioning in this sector in France.

2009. Faurecia acquires Emcon Technologies (formerly Arvin Industries), becoming the world leader in the exhaust systems market. This business combination strengthens Faurecia's position with automakers in Germany (as Arvin Industries acquired Zeuna Stärker in 1998), the USA (particularly Ford), South America, India and Thailand. It also enables Faurecia to enter the commercial vehicles market (trucks and off road). With this all-equity acquisition, One Equity Partners, (JP Morgan Chase & Co's private equity arm) holds a 17.3% stake in Faurecia and PSA Peugeot Citroën's interest is reduced to 57.4%.

Faurecia buys out joint venture partner Tata to become the sole owner of Taco Faurecia Design Center. The company is renamed Faurecia Automotive Engineering India and becomes Faurecia's development center in India.

2010. Faurecia becomes the European leader in automotive exterior parts by acquiring the German activities of Plastal, and subsequently Plastal Espagne SA. Through these operations, Faurecia Automotive Exteriors widens its client base, especially with Ford and the four "premium" German brands, enhances its product offer and strengthens its industrial implantation as well as its research and development capabilities. This acquisition gives it the capacity to develop internationally, put into practice by the setting up of a joint company in China with Huaxiang, supplier of exterior parts to Faw-Volkswagen.

Acquiring an 18.75% stake in Xuyang Group in China, enables the Faurecia Group to widen the range of products and services it provides in the following strategic segments: whole seating systems, vehicle interior systems, acoustic modules and interior upholstery. A strategic alliance with the Geely and Limin groups marks a significant new development stage for Faurecia Systèmes d'Intérieur and Faurecia Extérieurs d'Automobile in China.

To diversify its technological offer in seating systems, Faurecia Automotive Seating acquired the "seat comfort technology" of the German company Hoerbiger Automotive Komfortsysteme GmbH in the fourth quarter of 2010.

Finally, to strengthen the technological prowess of Faurecia Interior Systems, the Faurecia Group acquired Angell-Demmel Europe GmbH, the world leader in decorative metal parts for automobile interiors.

10.3.2. LEGAL INFORMATION ABOUT THE COMPANY

10.3.2.1. General information about the company

COMPANY NAME AND HEADQUARTERS

- Company name: Faurecia
- Headquarters: 2, rue Hennape – 92000 Nanterre – France
- Tel.: 33 (0) 1 72 36 70 00
- Fax: 33 (0) 1 72 36 70 07
- www.faurecia.fr

LEGAL FORM

Faurecia is a *société anonyme* (joint-stock corporation) listed on NYSE Euronext Paris governed by the French Commercial Code and the related implementing regulations. It complies with generally accepted corporate governance principles for companies in France, notably the AFEP-MEDEF Corporate Governance Code of Listed Corporations.

Faurecia abides by the legal and regulatory provisions that apply to the governing bodies of listed companies and reports in this Registration Document on the application of the recommendations made in relation to said Code.

STATUTORY AUDITORS

The company's accounts are audited by two Statutory Auditors, appointed in accordance with Article L. 225-228 of the French Commercial Code.

DATE OF INCORPORATION AND TERM

Incorporated on: July 1, 1929.

Term expires on: December 31, 2027.

INCORPORATION DETAILS

The company is registered with the Nanterre Trade and Companies Registry under number: 542 005 376.

APE (Business Identifier Code) is: 7010Z (company administration).

CONSULTATION OF CORPORATE DOCUMENTS

During the period of validity of this Registration Document, the following documents (or copies thereof) can be consulted at the company's headquarters:

a. the company's articles of incorporation and bylaws;

b. Financial information on Faurecia SA and its subsidiaries for each of the two fiscal years prior to publication of the Registration Document.

CONTACT

Faurecia

Philippe McAllister

Director of Legal Affairs

2, rue Hennape – 92000 Nanterre – France

Or

The above documents can also be viewed on the company's website at www.faurecia.fr.

CORPORATE PURPOSE

The company's purpose, as set out in Article 3 of the bylaws, is summarized below:

- to establish, acquire, operate directly or indirectly or invest in any and all industrial, trading or service companies in France or abroad;
- to provide administrative, financial and technical assistance to subsidiaries and affiliates;
- to manufacture and sell any and all products, accessories or equipment for the automotive and other industries, and generally to conduct any and all related commercial, industrial, real estate and other transactions.

THE COMPANY'S ROLE IN RELATION TO ITS SUBSIDIARIES

Faurecia is a holding company, whose assets are primarily made up of investments in subsidiaries and affiliates. The Group's industrial assets are held by the operating subsidiaries.

Faurecia provides direct and indirect financial, accounting, management, administrative and other services to Group companies.

A list of consolidated companies as of December 31, 2010 is provided in section 9 and a simplified organization chart of the Group's operating companies is set out in section 10.3.2.3 of this Registration Document.

Group subsidiaries are financed on a centralized basis, primarily through Faurecia and Financière Faurecia, which performs a cash pooling role. This way of functioning enables the subsidiaries to benefit from the favorable market conditions obtained from lenders by Faurecia and compensates for the borrowing and lending positions of the different entities.

As of December 31, 2010, the company's net debt, corresponding to borrowings less cash and cash equivalents, securities investments and net intercompany cash advances, amounted to €720.9 million, compared with €1,196.8 million in consolidated net debt for the Group as a whole.

FISCAL YEAR

The company's fiscal year covers the 12 month period from January 1 to December 31.

INCOME APPROPRIATION

Income available for distribution corresponds to net income for the year, less any losses carried forward from prior years and any amounts appropriated to reserves in compliance with the law or the bylaws, plus any retained earnings.

Out of this income, the Shareholders' Meeting determines the portion attributed to shareholders in the form of dividends and deducts the amounts it considers appropriate to allocate to any reserve funds or to carry forward.

However, except in the case of a capital reduction, no distributions may be made to shareholders if the company's shareholders' equity represents – or would represent after the planned distribution – less than its capital stock plus any reserves which, according to the law or the bylaws, are not available for distribution.

The Shareholders' Meeting may also decide to distribute amounts deducted from optional reserves in order to pay or increase a dividend or pay a special dividend.

The company's bylaws provide that the Ordinary Shareholders' Meeting approving the financial statements for the year may also decide to offer each shareholder the option between the payment of the dividend or the interim dividend in cash or in shares.

DIVIDENDS – STATUTE OF LIMITATIONS

Dividends not collected within five years of the payment date will be time-barred and paid over to the French Treasury.

REGISTRAR AND PAYING AGENT

The registrar and paying agent for Faurecia shares is Crédit Agricole – Caisse d'Épargne Investor Services (CACEIS), 14, rue Rouget de Lisle, 92862 Issy-les-Moulineaux Cedex 9, France.

STOCK MARKET DATA

Faurecia shares are listed on Euronext Paris (compartment A) of NYSE Euronext: ISIN Code FR 0000121147.

They are included in the SBF 80, MID & SMALL 190 and NEXT 150 indexes.

They are eligible for inclusion in personal equity plans (PEA) and the deferred settlement service (SRD).

SHAREHOLDERS' MEETINGS

The particular rules governing the participation of shareholders in the general meetings are described in Articles 17 and 18 of the company's bylaws, and may be consulted on our website (www.faurecia.fr).

Shareholders' Meetings are held at the company's headquarters or at any other venue specified in the notice of Meeting.

Holders of registered shares are notified by mail; the other shareholders are notified via the relevant banks and brokers through the financial notices provided for by the applicable regulations.

A continually updated schedule of all of the Group's financial events, including the date of the Shareholders' Meeting, is available on Faurecia's website at www.faurecia.com.

To be entitled to attend Shareholders' Meetings in person or to be represented by proxy, holders of registered shares must have their shares recorded in the registered share account kept by the company and holders of bearer shares must have their shares recorded in a share account kept by their bank or broker at least three (3) days prior to the date of the Meeting. The person who issues the notice of Meeting may, however, reduce this period if he or she sees fit.

The rights of shareholders, which may only be amended in accordance with the conditions laid down by French law, are not affected by any other provision of the bylaws.

VOTING RIGHTS

The company's bylaws do not provide for any restrictions on voting rights. Voting rights at Ordinary, Extraordinary and Special Shareholders' Meetings are exercisable by the beneficial owner of the shares.

DOUBLE VOTING RIGHTS

All fully paid-up shares that have been registered in the name of the same holder for at least two (2) years carry double voting rights. In the case of a bonus share issue paid up by capitalizing retained earnings, income or additional paid-in capital, the bonus shares allotted in respect of registered shares carrying double voting rights will also carry double voting rights as from the date of issue. This double voting right may be cancelled following a decision of the Extraordinary Shareholders' Meeting and after having informed a Special Meeting of the beneficiary shareholders.

Shares that are transferred or converted to bearer form are stripped of double voting rights. However, double voting rights are not lost and the above-mentioned two-year period continues to run when shares are transferred following the liquidation of a marital estate, or by way of an inheritance or in the form of an inter vivos gift to a spouse or a relative in the direct line of succession.

DISCLOSURE THRESHOLDS (ARTICLE 24 OF THE BYLAWS)

When an individual or corporate shareholder, acting alone or in concert within the meaning of Article L. 233-10 of the French Commercial Code, raises their interest to above 2% of the company's voting rights, said shareholder must inform the company of the total number of shares and voting rights held by the shareholder, within five trading days of the threshold being crossed, by registered letter with return receipt requested. This 2% disclosure threshold applies in addition to the 5% threshold provided for in Article L. 233-7 of the French Commercial Code.

The shareholder must also inform the Autorité des Marchés Financiers within the same timeframe, so that the latter can disclose this information to the public, in accordance with its General Regulations.

In the case of failure to comply with these disclosure rules, at the request of one or several shareholders present or represented at the Meeting with combined holdings representing at least 2% of the capital or voting rights, the undisclosed shares will be stripped of voting rights. Said request must be recorded in the minutes of the Shareholders' Meeting.

This procedure is in addition to the legal requirements concerning disclosure thresholds set out in Article L. 233-7 of the French Commercial Code.

The rights of shareholders, which may only be amended in accordance with the conditions laid down by French law, are not affected by any other provision of the bylaws.

ARRANGEMENTS WHOSE OPERATION COULD RESULT IN A CHANGE IN CONTROL OF THE COMPANY OR WHICH COULD POSTPONE OR PREVENT A CHANGE IN CONTROL

To the best of the company's knowledge there are no arrangements in place whose operation could result in a change in control of the company at a future date.

There are currently no deeds, bylaws, charters, regulations or contractual provisions in place that could postpone or prevent a change in control of the company.

ARRANGEMENTS ENTERED INTO BY THE COMPANY WHICH WOULD BE AMENDED OR TERMINATED IN THE EVENT OF A CHANGE IN CONTROL OF THE COMPANY

The syndicated loan agreement entered into by the company on November 27, 2008 includes an acceleration clause under which – subject to certain conditions – each bank may require immediate payment of outstanding sums in the event of a change in control of the company.

Furthermore, the bond issue carried out on November 26, 2009 stipulates that bondholders may request the early redemption of all or part of their bonds, under the conditions of the memorandum issued on November 18, 2009 having been approved by the AMF under no. 09–337.

MEASURES TAKEN BY THE COMPANY TO ENSURE THAT CONTROL IS NOT EXERCISED IN AN ABUSIVE MANNER

The measures taken by the company to ensure that control is not exercised in an abusive manner are described in the following sections of this Registration Document:

- section 8: report by the Chairman of the Board of Directors on internal control;
- section 8.1.1: relating to the presence of independent directors on the Board of Directors and Board Committees;
- section 8.1.2.1: paragraph on conflicts of interest.

MATERIAL CONTRACTS

To date, Faurecia has not entered into any material contracts that would entail a significant obligation or commitment for the Group, other than those that fall within the ordinary course of business.

DEPENDENCE

Faurecia is not currently dependent on any patents or manufacturing processes owned by third parties or on any specific supply contracts to conduct its business.

In the automotive industry sector in which Faurecia operates subcontractors do not generally define the technical specifications for subcontracted parts. When on rare occasions subcontractors are in a position to do this, the Group's policy is to contractually arrange for the subcontractor concerned to transfer the relevant design work in order for it to be used in conjunction with other services.

MATERIAL PROPERTY, PLANT AND EQUIPMENT

The Group's 238 manufacturing sites and 38 research and development centers spanning 33 countries enable it to maximize its local presence and implement its just-in-time delivery strategy. None of its manufacturing equipment taken on an individual basis represents a material value in relation to the property, plant and equipment of the Group as a whole. They are mostly dedicated to client programs. As a result, utilization rates are largely dependent on business levels. With very few exceptions, utilization rates for equipment and facilities are not monitored centrally or systematically.

Note 12 to the consolidated financial statements provides further information on the Group's property, plant and equipment.

FACTORS THAT MAY IMPACT A PUBLIC TENDER OFFER

Information required under Article L. 225-100-3 is set out in sections 8.1.1.2 (appointment/renewal of directors), 8.1.2.1 to 8.1.2.2, 8.4, 10.2.2, 10.3.2, 10.3.2.2 of this Registration Document.

10.3.2.2. Additional information on the company's capital

As of December 31, 2010 the company's capital amounted to €772,567,096, divided into 110,366,728 fully paid-up shares with a par value of 7 euros each, all of the same class. These shares represent 127,507,221 voting rights. No shares have been issued that do not represent the company's capital.

AUTHORIZED, UNISSUED CAPITAL

It is recalled that according to the terms and the exercise of authority given by the Shareholders' Meeting of April 23, 2009 to the Board of Directors to issue shares and/or securities giving right to shares, either with or without pre-emptive subscription rights for existing shareholders, in case of over-allocation of options, the Board of Directors meeting of October 15, 2009 decided to set up a public issue, without pre-emptive subscription rights for existing shareholders or a priority subscription period, of OCEANE's convertible/exchangeable bonds for a maximum normal amount of €265 million (including any additional bonds issued on the exercise of a greenshoe option by the financial institutions underwriting the issue) and the maximum amount of any capital increases arising on conversion of the OCEANE's bonds was set at €150 million. On November 24, 2009, the amount of the OCEANE issue was increased to €211.3 million, representing 11,306,058 bonds.

As of December 31, 2010, no bonds had been converted into shares.

- At the Ordinary and Extraordinary Shareholders' Meeting of May 26, 2010, the Board of Directors was given a 26 month authorization to issue shares and/or securities carrying rights to shares, with pre-emptive subscription rights for existing shareholders. The maximum amount of any capital increases carried out under this authorization was set at €300,000,000 and the nominal amount of debt securities issued not to exceed €1,000,000,000.

This authorization cancels and replaces that given in the eight resolution of the Ordinary and Extraordinary Shareholders' Meeting of April 23, 2009.

At the Ordinary and Extraordinary Shareholders' Meeting of May 26, 2010, the Board of Directors was given a 26 month authorization to issue shares and/or securities carrying rights to shares, without pre-emptive subscription rights for existing shareholders. The maximum amount of any capital increase carried out under this authorization was set at €110,000,000 and the nominal amount of debt securities issued not to exceed €1,000,000,000.

This authorization cancels and replaces that given in the ninth resolution of the Ordinary and Extraordinary Shareholders' Meeting of April 23, 2009.

The company did not use these authorizations during the 2010 fiscal year.

Date of Shareholders' Meeting	Term	Authorized amount	Amount used (1)	Date of Board Meeting and Chairman's decisions
May 26, 2010	26 months	€300,000,000	€0	-
May 26, 2010	26 months	€110,000,000	€0	-

(1) As of April 14, 2011.

POTENTIAL SHARES

As of December 31, 2010, a total of 1,523,998 employee stock options were outstanding.

Please see the table below and also Note 22.2 of the consolidated financial statements for details of the stock option plans approved as of December 31, 2010.

On November 24, 2009, Faurecia issued 11,306,058 OCEANE bonds. As of December 31, 2010, none of these bonds had been converted into shares.

Following the authorization given by the Shareholders' Meeting of February 8, 2010, to the Board of Directors to grant free shares:

- the Board of Directors at its meeting on June 23, 2010 adopted the rules for the granting of plan number 1 for the granting of free shares and decided on the list of 232 beneficiaries eligible to receive, subject to achieving the plan's performance targets, a maximum of 860,600 Faurecia shares;
- the Board of Directors at its meeting of July 21, 2010, adopted the rules of plan number 2 for the granting of free shares and decided on the list of 243 beneficiaries eligible to receive, subject to achieving the plan's performance targets, a maximum of 887,250 Faurecia shares.

TABLE SHOWING PLANS FOR FREE GRANT OF SHARES OF DURING 2010

Plan number and date	Date of Shareholders'/ Board of Directors Meeting	Maximum number of shares granted in 2010	Acquisition date	Date available	Performance criteria
Plan no. 1 of June 23, 2010	• SM of February 8, 2010 • Board of Directors of June 23, 2010	860,600	06/23/2012	06/23/2014	Pre-tax income of the Group at December 31, 2010 before taking account of gains on asset sales and changes in perimeter
Plan no. 2 of July 21, 2010	• SM of February 8, 2010 • Board of Directors of July 21, 2010	887,250	07/21/2013	07/21/2015	Pre-tax income of the Group at December 31, 2012 before taking account of gains on asset sales and changes in perimeter

TREASURY STOCK (EXCLUDING THE LIQUIDITY AGREEMENT)

As of December 31, 2010 the company held 270,814 shares in treasury (see Note 11 to the parent company financial statements).

LIQUIDITY AGREEMENT

Since April 27, 2009, Faurecia has set up a liquidity agreement that complies with the AMAFI Code of Ethics. This agreement is valid for one year and is automatically renewable. Share buybacks are used for a number of reasons, including to maintain a liquid market for the company's shares and to purchase shares for allocation to employees or corporate officers, notably under stock option or share grant plans.

The maximum amount that may be invested by the company in a share buyback program may not exceed 10% of the company's capital. The maximum authorized per-share purchase price is 30 euros.

In accordance with the law, when treasury shares are purchased in order to maintain a liquid market, the calculation of the above-mentioned 10% ceiling is based on the number of shares purchased less the number of shares sold during the term of the buyback program.

In compliance with Article L. 225-210 of the French Commercial Code, the value of all of the treasury shares owned by the company does not exceed the amount of available reserves, other than the legal reserve, as recorded in the parent company financial statements for the year ended December 31, 2010.

During 2010, in connection with the liquidity agreement the company purchased a total of 699,963 shares, representing 0.63% of the Faurecia's capital for €11,149,710.66 and sold an aggregate 705,194 shares for €11,236,410.77.

As of December 31, 2010, the following amounts figured in the liquidity account: 1,319 Faurecia shares, €28,529.97. Gains recorded in relating to the liquidity agreement in 2010 totaled €14,388.94. Management fees came to €40,000 (excluding VAT).

BONDS CONVERTIBLE INTO NEW SHARES AND/OR EXCHANGEABLE FOR NEW OR EXISTING SHARES

It is recalled that on November 24, 2009, Faurecia issued 11,306,058 bonds totaling €211.3 million gross, payable on January 1, 2015.

Each bond has a nominal value of €18.69. The bonds bear annual interest of 4.50% (i.e. €0.841 per bond) payable on January 1 each year, as from January 1, 2011.

The bonds will be reimbursed in full on January 1, 2015.

They are convertible into and/or exchangeable for new or existing Faurecia shares on a one-for-one basis, subject to future modifications. Faurecia may redeem the bonds in advance, provided certain conditions are met.

None of these bonds had been converted or redeemed as of December 31, 2010.

CHANGES IN FAURECIA'S CAPITAL OVER THE LAST FIVE YEARS

Year and type of transaction	Amount of capital increase/ reduction *(in €)* Par value	Premium	New capital stock *(in €)*	New additional paid-in capital *(in €)*	New number of shares
February 2005 Capital increase following the exercise of stock options leading to the issue of 6,500 shares	45,500	187,600	169,519,357	736,129,579.57	24,217.051.
April 2005 Capital increase following the exercise of stock options leading to the issue of 5,950 shares	41,650	151,144	169,561,007	736,280,723.57	24,233,001.
July 2005 Capital increase following the exercise of stock options leading to the issue of 7,600 shares	53,200	328,210	169,614,207	736,608,933.57	24,230,601.
October 2005 Capital increase following the exercise of stock options leading to the issue of 3,000 shares	21,000	51,620	169,635,207	736,660,553.57	24,233,601
January 2006 Capital increase following the exercise of stock options leading to the issue of 1,000 shares	7,000	35,380	169,642,207	736,712,173.57	24,234,601
December 2006 Capital increase following the exercise of stock options leading to the issue of 24,635 shares	172,445	852,981.30	169,814,652	737,565,154.87	24,259,236
April 2007 Capital increase following the exercise of stock options leading to the issue of 1,000 shares	240,800	1,191,084.50	170,055,452	738,756,239.37	24,293,636
October 2007 Capital increase following the exercise of stock options leading to the issue of 24,635 shares	693,224	3,231,303.27	170,748,676	741,987,542.64	24,392,668
February 2008 Capital increase following the exercise of stock options leading to the issue of 2,380 shares	16,660	82,609.80	170,765,336	742,070,152.44	24,395,048
May 2009 Capital increase representing a gross amount of €455,374,192, through the issue of 65,053,456 new shares	455,374,192	-	626,139,528	742,080,152.44	89,448,504
February 2010 Capital increase representing a gross amount of €146,427,568, through the issue of 20,918,224 new shares	146,427,568		772,567,096	742,080,152.44	110,366,728
February 2011 Capital increase following the conversion of bonds leading to the creation of 69 new shares	69	806.61	772,567,579	742,080,959.1	110,366,797
April 2011 Capital increase following the conversion of bonds leading to the creation of 1,006 new shares	1006	11,760.14	772,574,621	742,092,719.2	110,367,803

CHANGES IN OWNERSHIP STRUCTURE OVER THE LAST THREE YEARS

	Dec. 31, 2010			Dec. 31, 2009			Dec. 31, 2009		
Shareholder	**Number of shares**	**% capital**	**% voting rights**	**Number of shares**	**% capital**	**% voting rights**	**Number of shares**	**% capital**	**% voting rights**
Peugeot SA	63,380,509	57.43	63.26	63,380,509	70.86	75.69	17,285,197	70.85	83.25
Faurecia Actionnariat corporate mutual fund	167,920	0.15	0.19	127,689	0.14	0.18	73,969	0.31	0.34
Treasury stock	270,814	0.24	0	270,814	0.30	-	270,814	1.11	-
Other	46,547,485	42.18	36.55	25,669,492	28.70	24.13	6,765,068	27.73	16.41
TOTAL	**110,366,728**	**100**	**100**	**89,448,504**	**100**	**100**	**24,395,048**	**100**	**100**

MAJORITY SHAREHOLDER

At April 14, 2011, Peugeot SA holds 57.43% of Faurecia's share capital. Peugeot SA, a company that forms part of an international automotive group present in 150 countries and which has three main sub-groups: Banque PSA Finance, dedicated to automobile financing: Faurecia, an automotive equipment supplier; and Gefco, a transport and logistics business.

IDENTIFICATION OF SHAREHOLDERS

The company is entitled to obtain from the organization responsible for clearing securities transactions the names of holders of shares carrying voting rights at Shareholders' Meetings and of securities convertible, redeemable, exchangeable or otherwise exercisable for shares with voting rights, as well as the number of securities held by each such person or entity and details of any restrictions applicable to the securities. Such information requests may be made at any time.

STOCK OPTIONS

It is recalled that following the rights issue carried out in April/May 2009, the exercise price and number of shares under option were adjusted for the company's stock option plans set up between October 20, 1994 and April 10, 2008, in order to preserve the rights of the option holders. These adjustments were calculated in accordance with Articles L. 228-99 and R. 228-91 of the French Commercial Code.

Details of outstanding options exercisable for newly-issued shares (stock subscription options) are set out in the table below:

As of December 31, 2010:

Date of Shareholders' Meeting	Date of Board Meeting/ adjusted exercise price (in €)	Number of options granted (adjusted)	Of which granted to senior executive management/ Executive Committee members	Start of exercise Expiry of exercise period	Options exercised	Options forfeited	Number of options outstanding as of Dec. 31, 2010
March 5, 1995	September 12, 1996 22.92	133,750	42,800	September 13, 2001 September 11, 2011	97,905	10,700	25,145
May 31, 1994	June 26, 1997 34.40	63,180	17,550	June 27, 2002 June 25, 2012	36,855	19,305	7,020
June 5, 1997 June 1, 2001	February 22, 2002 47.01	411,489	81,315	February 23, 2006 February 22, 2012	32,994	133,029	245,466
June 1, 2001 May 14, 2002	November 28, 2002 35.65	315,315	118,170	November 29, 2006 November 27, 2012	106,583	133,520	75,212
May 14, 2002	April 14, 2004 49.73	313,560	127,530	April 14, 2008 April 13, 2014	0	139,230	174,330
May 25, 2004	April 19, 2005 54.45	321,750	142,740	April 18, 2009 April 18, 2015	0	119,925	201,825
May 23, 2005	April 13, 2006 45.20	340,800	168,000	April 14, 2010 April 14, 2016	0	133,200	207,600
May 23, 2005	April 16, 2007 44.69	346,200	172,800	April 17, 2011 April 17, 2017	0	84,000	262,200
May 29, 2007	April 10, 2008 28.38	357,000	174,000	April 10, 2012 April 10, 2016	0	31,800	325,200
TOTAL							**1,523,998**

No stock subscription options were granted in 2010.

Details of outstanding options to purchase existing shares (stock purchase options) are listed in the table below:

As of December 31, 2010:

Date of Shareholders' Meeting	Date of Board Meeting/ adjusted purchase price *(in €)*	Number of options granted (adjusted)	Of which granted to senior executive management/ Executive Committee members	Start of exercise period/expiry of exercise period	Options exercised	Options forfeited	Number of options outstanding as of Dec. 31, 2009
May 22, 2000	April 26, 2001 46.59	50,895	46,800	April 26, 2005 April 25, 2011	19,305	5,850	25,740
Total							**25,740**

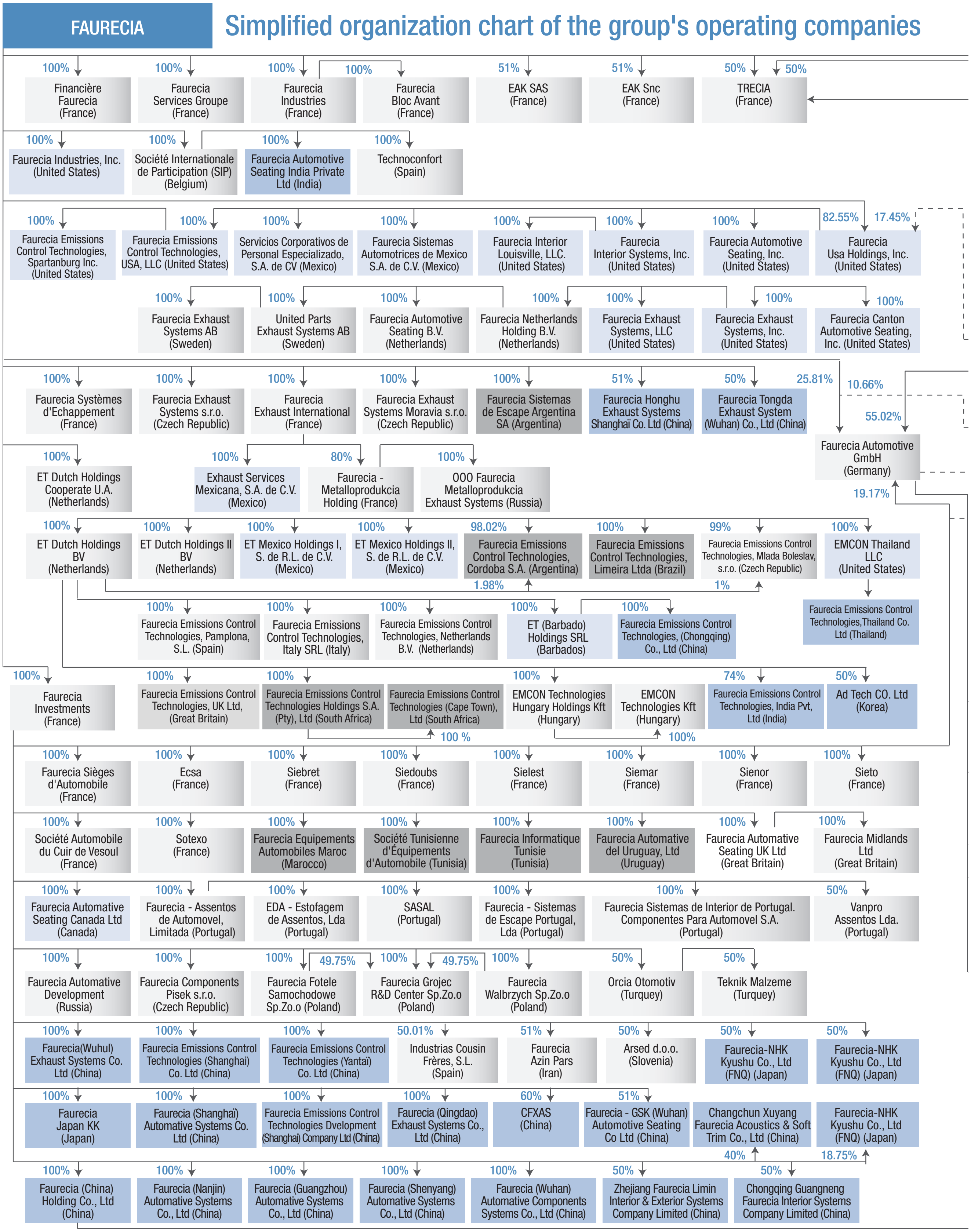
Stock options granted or exercised

TABLE NO. 9 (NUMBERING IN LINE WITH THE AMF RECOMMENDATIONS OF DECEMBER 22, 2008)

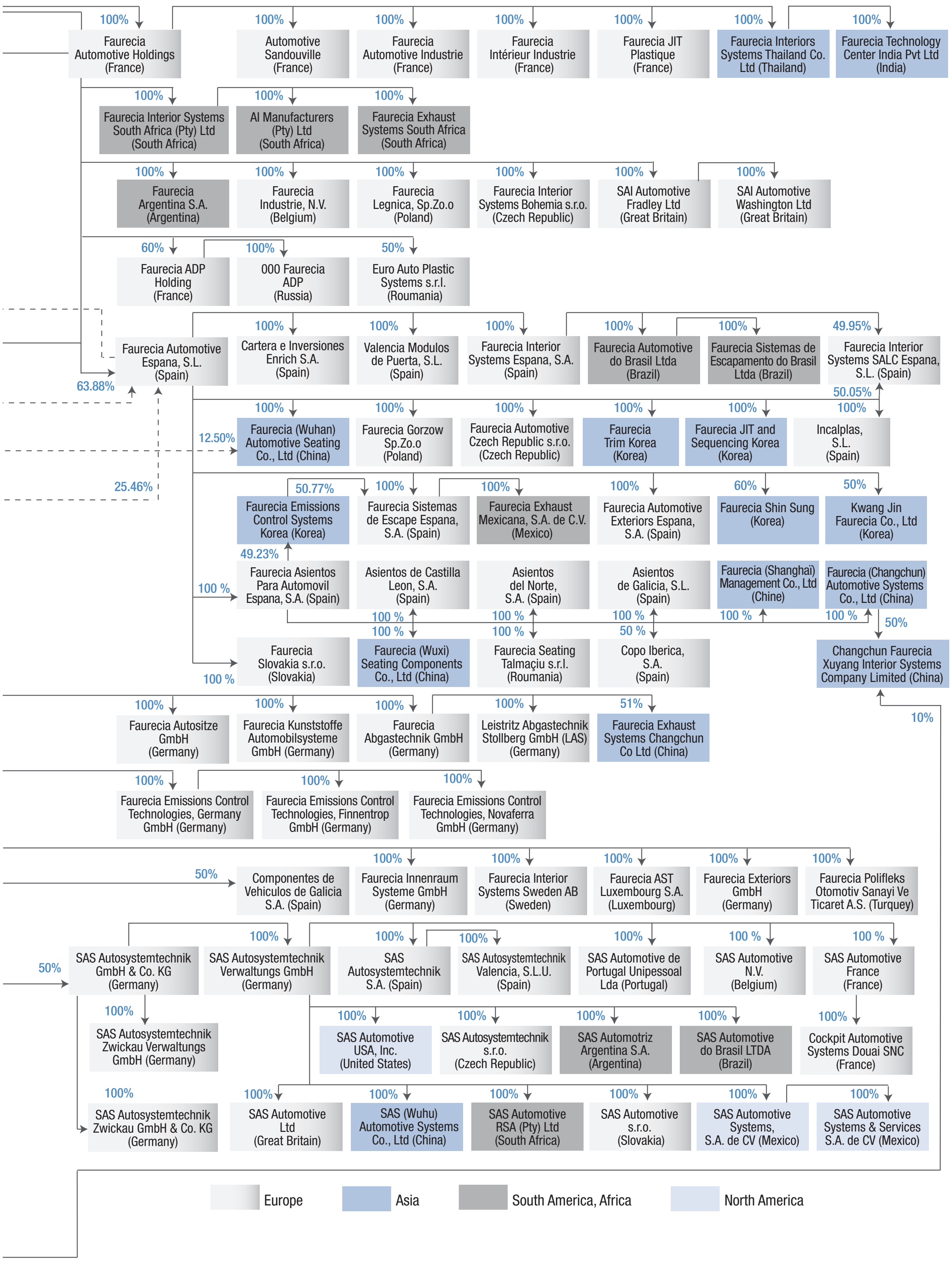
Stock options granted to/exercised by the ten employees who received the highest number of options	Total number of options granted/exercised	Weighted average price *(in €)*
Options granted to the top ten employee grantees during the year, by the company and other Group companies entitled to grant options. *(Total)*	0	0
Options exercised during the year by the top ten employee grantees of the company and other Group companies entitled to grant options. *(Total)*	0	0

No stock subscription options were granted in 2010.

10.3.2.3. Organizational chart of Faurecia Group companies



as of December 31, 2010 (directly or indirectly controlled)



10.3.2.4. Additional information on the audit of the financial statements

A. AUDIT OF THE FINANCIAL STATEMENTS

In accordance with French company law, Faurecia's Statutory Auditors certify the parent company and Group financial statements and review the situation of its fully consolidated subsidiaries through members of their networks.

The Statutory Auditors are appointed by shareholders in a General Meeting. At the Shareholders' Meeting of May 29, 2007 the terms of office of Ernst & Young Audit and PricewaterhouseCoopers Audit were renewed for a six-year period.

The engagement of Ernst & Young Audit, which was first appointed at the Shareholders' Meeting of June 17, 1983, and that of PricewaterhouseCoopers Audit, which was first appointed at the Shareholders' Meeting of May 27, 2003, will expire at the Ordinary Shareholders' Meeting to be held in 2013.

In 2010, Ernst & Young Audit and PricewaterhouseCoopers received €3.8 million and €2.7 million respectively for their audit assignments.

A breakdown of the total fees paid in 2010 by Faurecia and its fully consolidated subsidiaries to its Statutory Auditors is provided in Note 33 to the consolidated financial statements.

B. STATUTORY AUDITORS

	Date of first appointment	Expiry of current term
AUDITORS		
Ernst & Young Audit represented by Denis Thibon member of the Compagnie Régionale de Versailles 11, allée de l'Arche – 92037 Paris La Défense Cedex – France	June 17, 1983	2013 AGM
PricewaterhouseCoopers Audit represented by Dominique Ménard member of the Compagnie Régionale de Versailles 63, rue de Villiers – 92208 Neuilly-sur-Seine – France	May 27, 2003	2013 AGM
ALTERNATES		
Auditex	May 27, 2003	2013 AGM
Étienne Boris	May 23, 2005	2013 AGM

The terms of office of the Statutory and Alternate Auditors were renewed for a period of six years at the Shareholders' Meeting of May 29, 2007.

10.3.3. INFORMATION PUBLISHED ABOUT THE COMPANY

LIST OF INFORMATION CONCERNING FAURECIA AND ITS STOCK PUBLISHED UP UNTIL APRIL 27, 2011

Date	Type of information	Publication
January 7, 2010	Faurecia opens its seating mechanisms R&D center in Caligny (Orne, France)	2010 press release
January 20, 2010	Formal notice of Ordinary and Extraordinary Shareholders' Meeting	2010 press release
January 22, 2010	Formal notice of Shareholders' Meeting	Bulletin des annonces légales obligatoires ("BALO no. 10")
January 22, 2010	Formal notice of Shareholders' Meeting	La Tribune
February 3, 2010	Faurecia acquires the German business of Plastal and becomes European number one in exterior automobile parts	2010 press release
February 8, 2010	Ordinary and Extraordinary Shareholders' Meeting: Transfer of all shares of Emcon Technologies to Faurecia and new governance for Faurecia	2010 press release
February 9, 2010	2009 annual results	2010 press release
February 10, 2010	Increase in the number of shares in issue	NYSE Euronext
February 12, 2010	Voting rights	Bulletin des annonces légales obligatoires ("BALO no. 19")
March 9, 2010	One Equity Partners and Mr. Lee Gardner announce their disposal of its 4.8% holding of Faurecia's capital	2010 press release
April 1, 2010	Faurecia integrates Plastal into its operating organization	2010 press release
April 2, 2010	Faurecia inaugurates its worldwide exhaust systems R&D innovation center in Bavans, France	2010 press release
April 6, 2010	Eric-Alain Michelis appointed Vice-President of Investor Relations of Faurecia	2010 press release
April 19, 2010	First-quarter 2010 results	2010 press release
April 19, 2010	Notice of Annual Shareholders' Meeting	Bulletin des annonces légales obligatoires ("BALO no. 47")
April 28, 2010	Sielest launches the "Mobilité – Emplois" project	2010 press release
April 29, 2010	Notice of website publication of Chairman's report on internal control and related Statutory Auditors' Report	La Tribune
May 5, 2010	Ordinary and Extraordinary Shareholder's Meeting of May 26, 2010	2010 press release
May 7, 2010	Formal notice of Shareholder's Meeting of May 26, 2010	Bulletin des annonces légales obligatoires ("BALO no. 55")

Date	Type of information	Publication
May 27, 2010	Faurecia's Annual Shareholders' Meeting: Hans-Georg Harter, Chairman of the ZF Managing Board, Friedrichshafen AG, appointed director	2010 press release
June 9, 2010	Approval of the financial statements at the 2010 Annual Shareholders' Meeting	Bulletin des annonces légales obligatoires ("BALO N° 69")
June 9, 2010	Voting rights	Bulletin des annonces légales obligatoires ("BALO N° 69")
June 14, 2010	Faurecia aims for sales totaling €16 billion in 2014	2010 press release
June 14, 2010	Faurecia aims for sales totaling €16 billion and an operating margin rate of 5% to 6% in 2014	2010 press release
June 21, 2010	Faurecia receives the "Group Award 2010" from Volkswagen Group	2010 press release
June 24, 2010	Vacation departures, adjust your seat	2010 press release
June 29, 2010	Faurecia acquires Plastal Espagne	2010 press release
June 30, 2010	Faurecia takes a 18.75% stake in Xuyang Group in China (Changchun, Jilin province)	2010 press release
July 7, 2010	Strategic alliance between Faurecia, Geely and Limin in China	2010 press release
July 22, 2010	Strong progression of half-yearly results, 2010's objectives raised	2010 press release
October 4, 2010	Faurecia integrates Plastal into its operating organization	2010 press release
October 18, 2010	Strong third-quarter growth, 2010's objectives raised	2010 press release
October 19, 2010	Launch of placement of Faurecia shares held by One Equity Partners	2010 press release
October 20, 2010	Sale of Faurecia shares held by One Equity Partners Significant increase in Faurecia free float	2010 press release
October 26, 2010	Acquisition of HOERBIGER Automotive Komfortsysteme GmbH's "seat comfort technologies" business	2010 press release
November 8, 2010	Faurecia strengthens its Bains-sur-Oust site and creates 60 new jobs	2010 press release
November 17, 2010	New Faurecia products unveiled at the 2010 Los Angeles Automobile Salon, "Clean cars become a reality"	2010 press release
November 23, 2010	Faurecia acquires Angell-Demmel Europe GmbH	2010 press release

Date	Type of information	Publication
December 2, 2010	Faurecia strengthens its R&D center and completes its industrial transfer to Caligny	2010 press release
January 17, 2011	Faurecia strengthens its diesel emission control technologies by taking equity interests in Amminex A/S	2011 press release
January 24, 2011	Faurecia develops its activities in China with a new joint venture for automobile exteriors	2011 press release
February 8, 2011	Faurecia's 2010 annual results Net income of €202 million	2011 press release
February 22, 2011	Faurecia to Supply Extensive Content for the 2012 Volkswagen Passat	2011 press release
March 17, 2011	NewTech: a new production process for Faurecia Automotive Exteriors	2011 press release
April 12, 2011	China: new R&D center for emissions control technologies	2011 press release
April 19, 2011	Sustained growth in first quarter 2011	2011 press release
April 19, 2011	Faurecia at the Shanghai Auto Show	2011 press release
April 20, 2011	Combined Shareholders' Meeting on May 26, 2011	2011 press release
April 20, 2011	Formal notice of Shareholders' Meeting	Bulletin des annonces légales obligatoires ("BALO no. 47")

11

Extraordinary and Ordinary Shareholders' Meeting of May 26, 2011

CONTENTS

11.1. Agenda

RESOLUTIONS PRESENTED TO THE EXTRAORDINARY SHAREHOLDERS' MEETING

1. Amendment of the length of Directors' terms of office – amendment of the company's bylaws;
2. Authorization to be given to the Board of Directors to grant free shares;
3. Powers to carry out formalities.

RESOLUTIONS PRESENTED TO THE ORDINARY SHAREHOLDERS' MEETING

4. Approval of the parent company and consolidated financial statements and of the Board of Directors' and the Statutory Auditors' reports;
5. Appropriation of income;
6. Dividend payment;
7. Approval of the Statutory Auditors' special report on regulated agreements;
8. Election of a new Director and renewal of Directors' terms of office;
9. Authorization for the Board of Directors to trade in company's shares;
10. Powers to carry out formalities.

11.2. Draft resolutions

I - RESOLUTIONS PRESENTED TO THE EXTRAORDINARY AND ORDINARY SHAREHOLDERS' MEETING

First resolution

Changes to the length of Directors' terms of office – changes to bylaws

The shareholders authorize the Board of Directors to change the length of Directors' terms of office to five years.

Article 11 of the company's bylaws is hereby amended:

"The company is run by a Board of Directors composed of at least three members and a maximum of 15 members.

Each of the directors must hold at least 20 (twenty) shares for the whole of his or her term of office.

The Directors' term of office is five years. They are eligible for re-election.

The number of Directors or permanent representatives of corporations aged over 70 may not exceed one-third of the total number of Directors, this limit being noted and taking effect during each Ordinary Shareholders' Meeting.

When this limit has been reached, the oldest Director is considered to have resigned his or her office at the end of the Ordinary Shareholder's Meeting at which the limit occurred."

Second resolution

Authorization to be given to the Board of Directors to grant free shares

The Shareholders' Meeting, having reached the quorum and majority required for an Extraordinary Shareholders' Meeting, having considered the Board of Directors' report and the special report of the Statutory Auditors, and in accordance with Articles L. 225-197-1 et seq. of the French Commercial Code:

I. authorizes the Board of Directors to grant, on one or more occasions, free existing company shares or to issue shares, for the beneficiaries it so chooses, in compliance with current legal and regulatory rules, among (i) the employees, or certain categories of employees, of the company and/or the companies or entities which are linked directly or indirectly to the company in accordance with the conditions set out in Article L. 225-197-2 of the French Commercial Code; or among (ii) the Chairman-Chief Executive Officer of the company and/or eligible corporate officers of companies or entities which are linked directly or indirectly to the company in accordance with the conditions set out in Article L. 225-197-1 of the French Commercial Code and in accordance with the conditions stipulated by Article L. 225-197-1 of the French Commercial Code;

II. resolves that the definitive attribution of shares granted under the terms of this resolution will be subject to the achievement of one or several performance criteria, and resolves that the Board of Directors should determine the identity of the beneficiaries of the grants as well as the conditions and, where necessary, the criteria for the granting of shares;

III resolves that the total number of shares to be freely granted under this resolution may not exceed two million (2,000,000) on the≈date of the Board of Directors' decision;

IV. resolves that the attribution of shares to beneficiaries will take effect: either (i) following an acquisition period which may not be shorter than two years, the minimum period for shareholders to hold shares may not be, in this case, less than two years; or (ii) at the end of an acquisition period which may not be less than four years, in this case the obligation to retain shares may be reduced or removed by the Board, on the understanding that the Board of Directors will be able to choose between these two possibilities and to use them alternatively or concurrently. However, in the event the disability of the beneficiary who fulfils the conditions as set out in Article L. 225-197-1 of the French Commercial Code, the definitive granting of the shares shall take place before the acquisition period ends;

V. takes note that where new shares are granted, this authorization will result, progressively, as said shares are definitively granted, in an increase in capital by incorporation of reserves, profits or premiums for the benefit of beneficiaries of said shares and in a correlated renunciation by shareholders of their preferential rights to subscription over said shares in favor of the beneficiaries of these shares and to the portion of the reserves that will serve to liberate the shares issued.

This authorization is given for a period of 29 months as from the date of this Meeting. It cancels and replaces the authorization given for the same purpose by the Ordinary and Extraordinary Shareholders’ Meeting of February 8, 2010 in the seventh resolution.

The shareholders delegate all powers to the Board of Directors, which may be subdelegated under the conditions set out by the law and in the company’s bylaws, in order to implement this authorization. The Board of Directors shall have full powers, notably to determine the identity of beneficiaries, or the category or categories of beneficiaries, the attribution of shares and the number of shares granted to each of them; to set the conditions and, where necessary, the criteria for granting shares and suspending provisionally the granting rights under the applicable laws and regulations; to name the dates of final grants and the dates by which the shares may be freely disposed; to register the shares freely granted in an account with the name of their owner, mentioning, where necessary, the non-availability period and its duration, and to remove the non-availability of shares in each circumstance where allowed by this resolution or by the applicable regulations; to proceed, where it considers necessary, to an adjustment of the number of shares freely granted necessary to preserve the rights of beneficiaries, according to possible operations on the company’s capital during the acquisition period, such as set out in paragraph 2 of Article L. 225-181 of the French Commercial Code, in the conditions it shall determine; in the case of new share issues, to charge, where necessary, against the reserves, profits or issue premiums, as it chooses, the amounts necessary for the release of such shares, record the capital increases carried out pursuant to this authorization and amend the bylaws to reflect the new capital.

Third resolution

Powers to carry out formalities

Full powers are given to the bearer of a copy or an extract of the minutes of this Meeting to:

- carry out all filings, publications and other formalities;
- sign all instruments and documents and take all other necessary measures.

II - RESOLUTIONS PRESENTED TO THE ORDINARY SHAREHOLDERS’ MEETING

Fourth resolution

Approval of the parent company and consolidated financial statements and of the Board of Directors’ and the Statutory Auditors’ reports

Having considered the Board of Directors’ management report and the Statutory Auditors’ general report, the shareholders approve said reports in their entirety, as well as the parent company and consolidated financial statements for the year ended December 31, 2010, as presented.

Fifth resolution

Appropriation of income

Based on the Board of Directors' recommendation, the Annual Shareholders' Meeting decided to appropriate the Faurecia company's income for the year end December 31, 2010 as follows (in euros):

1 – Source	
Retained earnings carried forward from prior years	221,505,124.65
Net income for the year	556,538,731.62
	778,043,856.27
2 – Appropriation	
Legal reserve	27,826,936.58
Dividend (€0.25 per share)	27,591,682.00
Additional paid-in capital	
Retained earnings	722,625,237.69
	778,043,856.27

Sixth resolution

Dividend payment

In accordance with the preceding resolution, the Annual Shareholders' Meeting decides that the net dividend of €0.25 per nominal share of €7 will be paid from June 3, 2011.

The proportion of dividends corresponding to company shares held by the company, on the payment date, will be allocated to Retained Earnings.

As required by law, it is hereby noted that dividends paid over the last three years were as follows:

Year	Number of shares carrying dividend rights	Net dividend
2007	24,395,048	None
2008	89,448,504	None
2009	110,366,728	None

Seventh resolution

Approval of the Statutory Auditors' special report on regulated agreements

The Annual Shareholders' Meeting, having considered the Statutory Auditors' special report on agreements governed by Articles L. 225-38 et seq. of the French Commercial Code, takes note of this report and approves the content and conclusions therein.

Eighth resolution

Election of a new Director

The Annual Shareholders' Meeting decides it will elect Ms. Linda Newton as a Director, in place of Mr. Frank Esser whose term of office expires at this Meeting, for a five-year term, i.e. until the 2016 Ordinary Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2015.

Ninth resolution

Renewal of term of office of a Director

The Annual Shareholders' Meeting decides it will renew the term of Mr. Jean-Claude Hanus whose term of office expires at this Meeting, for a five-year term, i.e. until the 2016 Ordinary Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2015.

Tenth resolution

Renewal of a Director's term of office

The Annual Shareholders' Meeting decides it will renew the term of Mr. Thierry Peugeot whose term of office expires at this Meeting, for a five-year term, i.e. until the 2016 Ordinary Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2015.

Eleventh resolution

Renewal of a Director's term of office

The Annual Shareholders' Meeting decides it will renew the term of Mr. Philippe Varin whose term of office expires at this Meeting, for a five-year term, i.e. until the 2016 Ordinary Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2015.

Twelfth resolution

Authorization for the Board of Directors to trade in the company's shares

The Annual Shareholders' Meeting, having fulfilled the quorum and the required majority for an Ordinary Shareholders' Meeting, and having considered the report of the Board of Directors:

I. authorizes the Board of Directors to trade in the company's shares in accordance with Articles L. 225-209 et seq. of the French Commercial Code and European Regulation 2273/2003 of December 22, 2003;

II. this authorization is given:

a) to maintain a liquid market for the company's shares through an investment service provider acting under a liquidity agreement that complies with the AMAFI Code of Ethics recognized by the AMF,

b) to purchase shares to be held and subsequently used in connection with external growth transactions (as consideration or in exchange for shares in another company), as permitted by the AMF,

c) to purchase shares for allocation to employees and/or corporate officers (subject to the conditions and according to the methods provided for by law), notably by way of stock option, share grant and employee share ownership plans,

d) to allocate shares to holders of securities that confer a right to company shares, by any means, immediately or on maturity, upon exercise of rights attached to such securities (including any hedging transactions relating to obligations of the company with respect to such securities) and in accordance with applicable regulations;

III. the above-mentioned acquisition, sale and transfer transactions can be conducted at any time, including during a public tender, provided said offer is fully settled in cash, and by any method permitted under the applicable laws and regulations, including through block trades and the use of derivative financial instruments;

IV. the transactions can be conducted at any time, subject to any closed periods set down in the applicable laws and regulations;

V. the Annual Shareholders' Meeting sets the maximum number of shares that may be bought back under this authorization at 10% of the company's capital stock, adjusted to include transactions after the present Meeting with an impact therein, it being noted that (i) in the framework of the utilization of this authorization, the number of treasury shares held must be born in mind so that the company remains at all times within the required limit, in other words a maximum equal to 10% of capital stock; and (ii) that number of treasury shares held for subsequent use as consideration or in exchange for shares in another company in connection with a merger, demerger or asset transfer may not represent over 5% of the company's capital.

VI. the Annual Shareholders' Meeting decides that the maximum amount that may be invested in this share buyback program may not exceed 10% of the company's capital stock, adjusted to take into account the effects of any transactions carried out after the date of this Meeting, and decides that the maximum authorized per-share purchase price shall be €40;

VII. in the event of a capital increase by capitalizing additional paid-in capital, reserves, earnings or others, in the form a free share attribution during the period of validity of the present authorization, as well as in the event of a stock-split or reverse stock-split, the above-described maximum authorized purchase price will be adjusted based on the ratio between the number of shares issued and outstanding before and after the transaction;

VIII. the Annual Shareholders' Meeting grants the Board of Directors all the necessary powers, which may be delegated in accordance with the law, to:

a) implement this authorization,

b) place any and all stock market orders and enter into any and all agreements, including recording share purchases and sales, in accordance with the applicable regulations,

c) make any declarations and carry out any other formalities, and generally do whatever is necessary;

IX. the Board of Directors will be required to report to the Annual Shareholders' Meeting on all transactions carried out under this authorization;

X. this authorization is valid for a period of 18 months from the date of this Meeting. It cancels and replaces the authorization granted for the same purpose at the Annual General Shareholders' Meeting of May 26, 2010.

Thirteenth resolution

Powers to carry out formalities

Full powers are given to the bearer of a copy of extract of the minutes of this Meeting in order to:

- carry out all filings, publications and other formalities;
- sign all instruments and documents and take all other necessary measures.

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Statement by the person responsible

PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Mr. Yann Delabrière

Chairman and Chief Executive Officer

I hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in the Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I further declare that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, the financial position and the results of Faurecia and the consolidated companies making up the Group, and that the attached management report, the contents of which are shown on page 239, provides a fair view of the business, results and financial position of Faurecia and its consolidated companies, as well as a description of the main risks and uncertainties they face.

I obtained a statement from the Statutory Auditors at the end of their engagement affirming that they have read the whole of the Registration Document and examined the information about the financial position and the accounts contained therein.

The historical financial information for the year ended December 31, 2010, presented in the Registration Document, were the object of Statutory Auditors' reports. They appear on pages 172-173 and 202-203 of said document, which contains a number of observations.

The consolidated and parent company financial statements for the year ended December 31, 2008, presented in the Registration Document filed with the AMF under the visa number D.09-0200, were the object of Statutory Auditors' reports. They appear, respectively, on pages 140–141 and 169-170 of said document, which includes one observation.

Yann Delabrière

Nanterre, April 27, 2011

INFORMATION OFFICER

Mr. Frank Imbert

Chief Financial Officer

Faurecia

2, rue Hennape

92735 Nanterre cedex – France

Tel.: + 33 (1) 72 36 70 00

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Cross-reference table with the information contained in the annual financial report

For ease of reference, the following table presents the requirements for the Annual Financial Report which are included in this Registration Document in accordance with Article L. 451-1-2 of the French Monetary and Financial Code and Article 22-3 of the AMF's General Regulations.

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