

Half-year Results

2014



Technical perfection, automotive passion

faurecia

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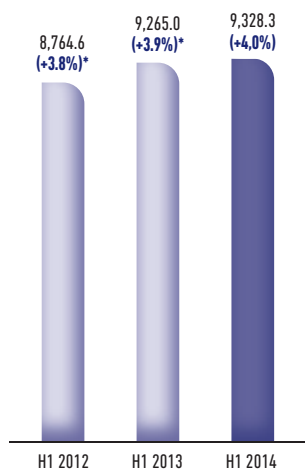
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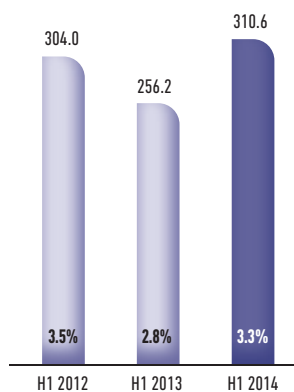
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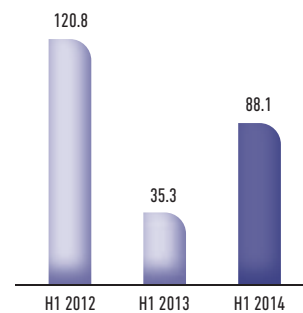
Key figures



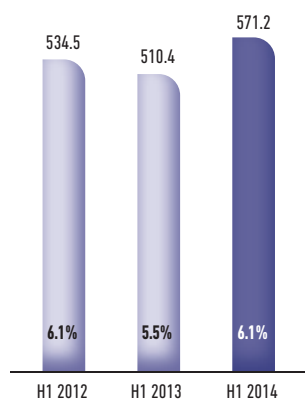
Sales (in €m)
* Variation on a like-for-like basis.



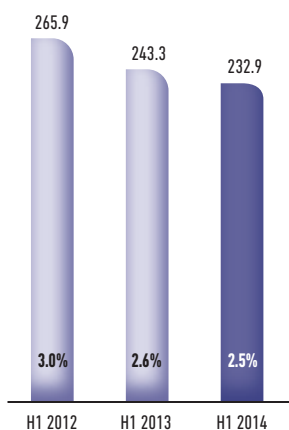
Operating income ⁽¹⁾
(in €m and as a % of sales)



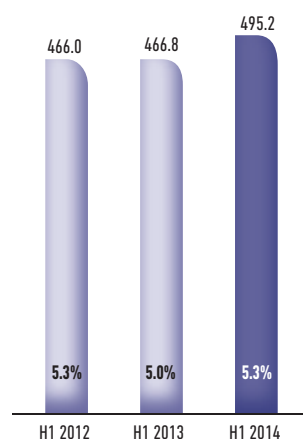
Net income/(loss) attributable to equity holders
(in €m)



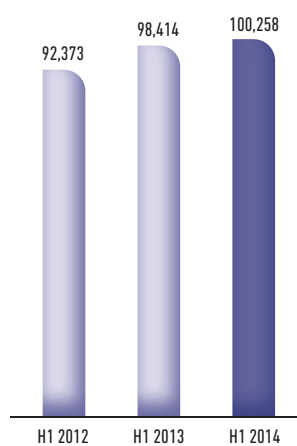
EBITDA ⁽²⁾
(in €m and as a % of sales)



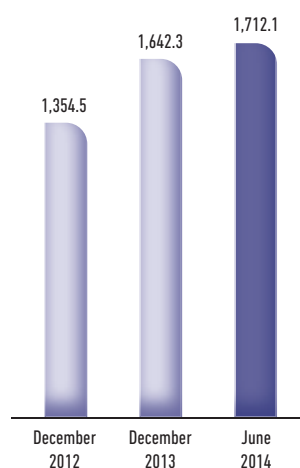
Capital expenditure
(in €m and as a % of sales)



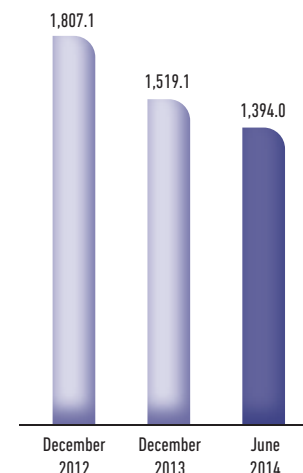
Gross R&D expenditure ⁽³⁾
(in €m and as a % of sales)



Number of employees



Total equity
(in €m)



Net debt ⁽⁴⁾
(in €m)

(1) Defined in Note 1.15 to 2013 consolidated financial statements of the 2013 Registration document.

(2) Operating income + depreciation, amortization and provisions for impairment in value of property, plant and equipment and intangible assets (see Note 5.4).

(3) Before capitalized development costs and amounts billed to customers (See Note 5.3).

(4) Defined in Note 26.1 to the 2013 consolidated financial statements of the 2013 Registration document.





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Half year results 2014

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1.1. Business review

1.1.1. THE FAURECIA GROUP

The increase in global automotive production between the first half 2014 & the first half 2013, estimated at 3.8% worldwide, shows growth in all regions of the world with the exception of South America. Thus, business grew in Europe (5.0%) and remained buoyant in North America (4.2%) and in Asia, where production increased by 5.3%. In contrast, production fell -16.7% on South America (source IHS Automotive July 2014).

In this context, Faurecia's half year consolidated sales totaled €9,328.3 million, compared to €9,265.0 million for the first half of 2013.

Faurecia's consolidated sales grew 0.7% on a reported basis between the first half of 2014 and the first half of 2013. On a like-for-like basis, sales increased 4.0% compared to the first half of 2013.

Sales of products (parts and components delivered to manufacturers) were €7,089.5 million compared to €7,137.7 million in the first half of 2013. This represented a slight fall in product sales of -0.7% on a reported basis but on a like-for-like basis product sales increased 2.9%.

Sales of tooling, R&D, prototypes and other services totaled €716.8 million versus €740.0 million during the first half of 2013. This represented a fall of -3.1% on a reported basis. On a like-for-like basis, sales were slightly up 0.3%.

Catalytic converter monolith sales reached €1,522.1 million during the first half of 2014 versus €1,387.4 million for the same period of 2013. They were up 9.7% on a reported basis and increased by 12.3% on a like-for-like basis.

Total sales excluding monoliths were €7,806.2 million, showing a slight drop of -0.9% compared to the first half of 2013. On a like-for-like basis, total sales excluding monoliths were up 2.5% compared to the first half of 2013.

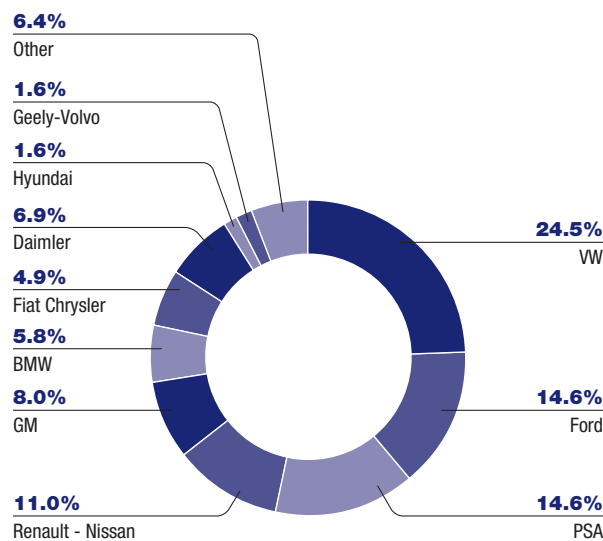
Breakdown of total sales <i>(in € millions)</i>	Product Sales	Catalytic Converter Monolith Sales	Development, Tooling, Prototypes and Other Services	Total Sales
Automotive Seating	2,466.6		164.0	2,630.6
Emissions Control Technologies	1,715.1	1,522.1	91.5	3,328.7
Interior Systems	2,021.0		347.0	2,368.0
Automotive Exteriors	886.8		114.3	1,001.1
TOTAL	7,089.5	1,522.1	716.8	9,328.3

Product sales by geographic region in the first half of 2014 were as follows:

- in Europe, product sales totaled €4,117.4 million (58.1% of total product sales), compared to €3,884.2 million for the first half of 2013. Product sales were up 6.0% on a reported basis when compared to the first half of 2013 and increased 6.7% on a like-for-like basis. In this same period, car manufacturers increased production in Europe by 5.0% (source IHS Automotive July 2014);
- in North America, product sales fell -14.7% on a reported basis, to €1,702.0 million (24.0% of total product sales), versus €1,995.5 million for the first half of 2013. On a like-for-like basis, product sales fell -9.5% due to a fall in product sales to BMW (due in part to the loss of the X5 seating programme), from a drop in sales to Chrysler (delayed launch of UF programme) and from a drop in sales to Ford, despite higher than prior period sales to GM. This is compared to an increase in production of 4.2% (source IHS Automotive July 2014);

- in South America, product sales totaled €270.8 million (3.8% of the total product sales), compared to €370.7 million in the first half of 2013. Product sales here fell -27.0% on a reported basis but on a like-for-like basis, the drop in product sales was -7.9%, due mainly from a fall in sales to PSA (-24.2%) and Ford (-10.1%) despite strong growth of product sales to VW (+14.9%). This is compared to a fall in production levels of -16.7% (source IHS Automotive July 2014);
- in Asia, product sales rose 16.8% on a reported basis to €933.4 million (13.2% of total product sales), compared to €799.2 million in the first half of 2013. On a like-for-like basis, product sales gained 22.2%, and showed an increase of 23.5% in China – with first half 2014 product sales of €768.6 million – and 0.7% in Korea with first half product sales at €97.7 million, compared to an increase in production of 5.3% (source IHS Automotive July 2014);
- in other countries, product sales amounted to €65.9 million. Product sales were hence down -25.2% on a reported basis and down -9.4% on a like-for-like basis. Product sales in other countries are primarily from South Africa.

Product sales in H1 2014 by customer (%)



Product sales to the Volkswagen group totaled €1,735.2 million during the first half of 2014, up 1.8% when compared to the first half of 2013 on a reported basis and up 3.7% on a like-for-like basis. Product sales to Volkswagen group accounted for 24.5% of Faurecia's total product sales.

Product sales to the Ford group accounted for 14.6% of Faurecia's product sales, totalling €1,037.3 million. Compared to the first half of 2013, product sales fell on a reported basis by -2.4% but were up 4.9% on a like-for-like basis.

Product sales to the PSA Peugeot Citroën group totaled €1,034.8 million during the first half of 2014, up 1.8% on a reported basis and up 4.0% on a like-for-like basis. They accounted for 14.6% of Faurecia's total product sales.

Product sales to the Renault-Nissan group represented 11.0% of Faurecia's total product sales. Product sales were up 3.1% when compared to the first half of 2013 on a reported basis and grew 7.4% on a like-for-like basis, to total €778,9 million. Product sales to Renault were down -1.1% on a like-for-like basis whereas product sales to Nissan increased 24.0% like-for-like, with strong growth in Europe (88.6%) and in Asia (37.8%).

Product sales to General Motors in the first half of 2014 grew on a reported basis by 7.8% and grew by 13.4% on a like-for-like basis, reaching €569.6 million (8.0% of total product sales).

Product sales to the BMW group were €414.7 million (5.8% of total product sales). This was down -28.0% on a reported basis and down -27.0% on a like-for-like basis.

Product sales to the Daimler group totaled €492.0 million (6.9% of Faurecia Group's total product sales). They were up 19.6% on a reported basis and grew by 21.3% on a like-for-like basis.

In the first half of 2014, product sales increased 0.2% with Hyundai/Kia (2.1% like-for-like) and by 5.5% with Geely-Volvo (5.7% like-for-like). They were down -23.6% with Fiat-Chrysler (-20.5% like-for-like) and down -11.7% with Toyota (-1.4% like-for-like).

Faurecia's five main customers represented 72.7% of product sales: VW 24.5%, Ford 14.6%, PSA 14.6%, Renault-Nissan 11.0% and GM 8.0%.



1.1.2. SALES BY BUSINESS

Automotive Seating

The Automotive Seating business generated €2,630.6 million in sales in the first half of 2014, down -3.2% when compared to the first half of 2013 on a reported basis. Sales showed a slight drop compared to the first half of 2013 of -0.2% on a like-for-like basis.

Product sales totaled €2,466.6 million compared to €2,591.6 million in the first half of 2013, a fall of -4.8% on a reported basis and a decrease of -1.9% like-for-like.

In Europe, product sales were at €1,426.2 million, demonstrating a slight increase of 0.3% on the first half on a reported basis (0.7% like-for-like).

In North America, sales totaled €561.4 million, a fall of -18.8% compared to the first half of 2013. The fall in sales on a like-for-like basis was -14.4%.

In South America, product sales fell -24.2% versus first half 2013 on a reported basis (-4.6% like-for-like) to €93.8 million.

In Asia, product sales totaled €385.1 million, up 12.9% on the first half on a reported basis (17.8% like-for-like).

Emissions Control Technologies

The Emissions Control Technologies business generated total sales of €3,328.6 million in the first half of 2014, up 4.0% on a reported basis and up 3.8% like-for-like, and excluding monolith sales.

Product sales excluding catalytic converter monoliths reached €1,715.1 million in the first half of 2014, an increase on a reported basis of 0.9% and an increase of 6.1% like-for-like.

Geographically, product sales excluding monoliths were down -2.0% in North America to €572.0 million (but up 2.3% like-for-like) and they were down -28.9% in South America to €82.1 million (-10.5% like-for-like). However, product sales excluding monoliths showed an increase in Europe of 2.9% to €584.3 million (3.1% like-for-like). In Asia, product sales excluding monoliths increased 13.0% (17.1% like-for-like) to €431.0 million.

Interior Systems

During the first half of 2014, the Interior Systems business generated sales of €2,368.0 million, showing an increase on a reported basis of 0.3% compared to the first half 2013. Sales were up 4.6% on a like-for-like basis.

Product sales totaled €2,021.0 million versus €1,985.1 million for first half 2013, an increase of 1.8% on a reported basis and of 6.2% like-for-like.

In Europe, product sales totaled €1,267.5 million, up 15.1% versus the first half 2013 on a reported basis (16.2% like-for-like).

In North America, product sales were €534.2 million, down -18.9% on a reported basis when compared to the first half of 2013 and down -12.5% like-for-like.

In South America, product sales totaled €82.2 million for first half 2014 and show a sharp decrease of -35.3% when compared to first half 2013 on a reported basis (-18.9% like-for-like).

In Asia, Interior Systems generated product sales of €116.9 million, an increase of 52.8% on a reported basis and an increase of 62.4% like-for-like.

Automotive Exteriors

The Automotive Exteriors business generated product sales of €1,001.1 million in the first half of 2014, an increase of 1.6% on a reported basis and an increase of 2.4% like-for-like.

Product sales totaled €886.8 million. They were up 3.1%. On a like-for-like basis, product sales rose 3.7% compared to first half 2013.

<i>(in € millions)</i>	S1 2014	S1 2013	Var. (%) published	Var. (%) *
Sales	9,328.3	9,265.0	0.7%	4.0%
Automotive Seating	2,630.6	2,718.6	-3.2%	-0.2%
Emissions Control Technologies	3,328.6	3,200.0	4.0%	7.5%
Interior Systems	2,368.0	2,361.3	0.3%	4.6%
Automotive Exteriors	1,001.1	985.1	1.6%	2.4%
Product Sales	7,089.5	7,137.7	-0.7%	2.9%
Automotive Seating	2,466.6	2,591.6	-4.8%	-1.9%
Emissions Control Technologies	1,715.1	1,700.6	0.9%	6.1%
Interior Systems	2,021.0	1,985.1	1.8%	6.2%
Automotive Exteriors	886.8	860.3	3.1%	3.7%

* Change on a like-for-like basis.

1.2. Results of operations

1.2.1. OPERATING INCOME

Operating income for the first half of 2014 was €310.6 million (3.3% of total sales), compared to €256.2 million for the first half of 2013 (2.8% of total sales).

The €54.4 million improvement in operating income in the first half of 2014 as compared to the same period of 2013 is best understood on a regional basis:

- in Europe, the increased sales and better cost control allowed for an improvement in operating income of €56.4 million;
- in North America, the drop in sales lead to a fall in operating income of -€22.3 million;
- with a fall in sales of -7.9% like-for-like, South America finished with a decrease of -€16.6 million in operating income;
- in Asia, operating income continued to increase with the increase in activity which contributed to an additional €31.2 million;
- other countries, primarily South Africa, showed an increase of €5.7 million in operating income.

The trend for individual business segments was as follows:

- operating income for Automotive Seating in H1 2014 was €106.9 million (4.1% of total sales) compared to €105.4 million for the same period of 2013 (3.9% of total sales);
- operating income for Emissions Control Technologies for H1 2014 was €122.0 million (3.7% of total sales) compared to €76.4 million for H1 2013 (2.4% of total sales);



- for H1 2014, Interior Systems gave an operating income of €63.4 million (2.7% of total sales) versus €59.0 million (2.5% of total sales) for H1 2013;
- operating income for Automotive Exteriors was €18.3 million (1.8% of total sales) versus €15.4 million for H1 2013 (1.6% of total sales).

Gross expenditures for R&D in H1 2014 were €495.2 million, or 5.3% of total sales, versus €466.8 million, or 5.0% of total sales in H1 2013, an increase of 6.1% compared to H1 2013 on a reported basis and an increase of 8.9% like-for-like. The portion of R&D expenditure capitalised under IFRS totalled €167.3 million, compared to €120.9 million for H1 2013. This represented 33.8% of total R&D expenditure, versus 25.9% in H1 2013. For the first half 2014, sales which were previously billed as product sales in 2013 have now been integrated as sales of R&D in the first half of 2014 for an amount of €14.9 million, this amount hence reduces the net R&D cost.

Taken together, these items resulted in a net R&D cost of €114.8 millions, down from €146.4 million in H1 2013.

Selling and administrative expenses amounted to €331.6 million (3.6% of total sales), versus €303.0 million (3.3% of total sales) for H1 2013.

EBITDA – which represents operating income before depreciation, amortisation and provisions for impairment of property, plant and equipment and capitalised R&D expenditures – stood at €571.2 million (6.1% of total sales), compared to €510.4 million (5.5% of total sales) in the first half of 2013.

(in € millions)	H1 2014			H1 2013		
	Sales	Operating Income	%	Sales	Operating Income	%
Europe	5,275.5	178.5	3.4%	5,034.6	122.1	2.4%
North America	2,219.8	40.0	1.8%	2,461.4	62.2	2.5%
South America	331.4	(30.0)	-9.1%	450.7	(13.4)	-3.0%
Asia	1,387.5	118.4	8.5%	1,177.1	87.2	7.4%
Rest of World	114.2	3.8	3.3%	141.2	(1.9)	-1.3%
TOTAL	9,328.3	310.6	3.3%	9,265.0	256.2	2.8%

1.2.2. NET INCOME (LOSS)

The “other income and expenses” item totaled €44.7 million. This item included €36.7 million in restructuring charges. These costs mainly pertained to the restructuring of operations in Germany (€10.7 million), in France (€9.0 million), in Spain (€4.3 million), in North America (€7.6 million), in South America (€2.8 million) and in other countries for €2.3 million. These charges stemmed from restructuring plans implemented with a view to bringing costs in Europe in line with new market realities. These costs include expenses relating to the downsizing of 924 employees.

Financial income totaled €3.9 million compared to €4.7 million in the first half of 2013. Finance costs totalled €86.0 million versus €101.8 million in H1 2013, mainly due to the conversion at the end of 2013 of the 2009 convertible bond.

The weighted average interest rate on financial liabilities fell from 6.33% in the first half of 2013 to 5.44% in H1 2014.

Other financial income and expenses totaled €21.8 million, compared to €17.3 million in H1 2013. This item includes €4.7 million from present discounting pension liabilities, €6.0 million of fees for syndicated debt, €5.2 million linked to the amortisation of borrowing costs and €6.0 million of translation differences on borrowings.

The tax expense for H1 2014 was €44.5 million.

The share of net income of associates gave a loss of €1.0 million compared to a gain of €5.2 million in H1 2013. The difference comes largely from the performance of SAS Automotive, a joint-venture with the Continental group, specialising in cockpit assembly.

Net of income attributable to minority interests (totaling €28.4 million for first half 2014 and mainly consisting of net income accruing to investors in Chinese companies in which Faurecia is not the sole shareholder), net income for the first half of 2014 totaled €88.1 million compared to €35.3 million for H1 2013.

Basic earnings per share on continuing operations was €0.72 (diluted €0.71) compared to €0.32 (diluted €0.32) in the half year 2013.

1.3. Financial structure and net debt

Net cash flow corresponding to cash provided by operating and investing activities restated for the acquisitions of investments and business (€9.8 million), gave a net positive balance of €177 million compared to €141 million for the first half of 2013, taking into consideration the variation of factoring.

The €177 million of net cash inflow, before translation effects, for the first half 2014 was attributable to the following:

- EBITDA totaled €571.2 million compared to €510.4 million for H1 2013;
- the change in net working capital, including receivables factoring, gave a positive cash flow of €194.1 million. This change consisted in part of an increase in production inventory of €35.5 million, mainly due to the increase in activity, and an increase in unbilled engineering and tooling of €50.7 million, a net increase in trade receivables of €207.0 million –including an increase of factoring of €187.3 million) due to a higher volume of sales compared to year-end 2013 and to an increase in trade payables of €382.8 million;
- restructuring represented cash outflows of €48.3 million compared to €61.3 million for the first half of 2013;
- financial costs represented cash outflows of €84.8 million compared to €86.4 million for the first half of 2013;
- capital expenditures and increases in intangible assets represented cash outflows of €232.9 million compared to €243.3 million for H1 2013;
- capitalised development costs represented cash outflows of €169.8 million compared to €124.2 million for H1 2013. The percentage of total R&D expenditure capitalised reached 33.8% compared to an average of 28.2% for the first half of 2013;
- income taxes represented cash outflows of €64.6 million compared to €57.1 million for H1 2013;
- finally, other cash flow items represented €12.4 million of inflows for the first half of 2014.

For the first half 2014, the other items contributing to the change in net debt besides net restated cash flows were as follows:

- dividends paid to minority shareholders represented €18.1 million in cash outflows;
- whereas the majority of shareholders chose to receive the dividend in shares not in cash (80% of the dividend was paid in shares), dividends paid in cash to Faurecia shareholders represented €7.2 million in cash outflows;
- the other factors consist of negative variation of €26.5 million of which a negative translation effect in the amount of €11 million.

Net debt thus stood at €1,394.0 million as of end June 2014 versus €1,519.1 million as of end 2013.

The Group's shareholder equity rose from €1,501.8 million as of end 2013 to €1,560.9 million as of end June 2014.


Free cash flow vs cash provided by operating & investing activities

Free cash flow	177
Acquisition of investments and of business	0
Proceeds from disposal of financial assets	0
Other changes	(10)
Cash provided by operating & investing activities	167

1.4. Outlook

For 2014, automotive markets should continue to grow with the exception of South America:

- in Europe, automotive volumes, on the increase since mid-2013, have continued to increase throughout the first half of 2014, showing growth of 5%;
- in North America, the market remained dynamic, due not only to economic growth in the United States but also due to the high average age of cars owned privately (over 11 years). Growth in automotive production is estimated at +4.2% in the first half of 2014;
- production in China continued at a high rate, showing an increase of 10% in the first half of 2014;
- in contrast, in South America, the increase in interest rates combined with economic uncertainty lead to a contraction in automotive production in the first half of 2014 of 16.7%, with a drop of 24% in the second quarter.

In this context, Faurecia forecasts full year world-wide growth of around 3% in automotive production and estimates growth in Europe of between 3% and 4%, growth in North American markets of approximately 5%, growth of between 8% and 9% in China but a continued downturn in South American volumes higher than 10%.

The plan to adjust costs in Europe, the standardisation of procedures, the development of new technologies for the platforms as well as improvement in industrial operations was beneficial throughout the first half of 2014 with an improvement in operating margin of 50 base points to 3.3% of total sales. In the second half of 2014, Faurecia should continue to improve operating margin and hence restates the improvement in operating margin to between 30 and 60 base points, or 3.3% to 3.6% of total sales (compared to a prior estimation of between 20 to 50 base points).

Since end 2012, Faurecia has given priority to cash generation through an improvement of working capital and profitability, and a stabilisation in investment and in capitalised development costs. As such, Faurecia generated positive cash flow of €177 million in the first half of 2014 and predicts positive cash flow also for 2014.



2

Consolidated financial statements

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2.1. Statement of comprehensive income

<i>(in € millions)</i>	<i>Notes</i>	First-half 2014	First-half 2013	Full-year 2013
SALES	4	9,328.3	9,265.0	18,028.6
Cost of sales	5	(8,571.3)	(8,559.4)	(16,636.1)
Research and development costs		(114.8)	(146.4)	(254.0)
Selling and administrative expenses		(331.6)	(303.0)	(600.2)
OPERATING INCOME (LOSS)		310.6	256.2	538.3
Other non operating income	6	1.6	0.4	4.8
Other non operating expense	6	(46.3)	(41.6)	(111.6)
Income from loans, cash investments and marketable securities		3.9	4.7	9.0
Finance costs		(86.0)	(101.8)	(196.9)
Other financial income and expense	7	(21.8)	(17.3)	(46.4)
INCOME (LOSS) BEFORE TAX OF FULLY CONSOLIDATED COMPANIES		162.0	100.6	197.2
Current taxes	8	(70.3)	(62.8)	(132.0)
Deferred taxes		25.8	18.9	67.3
NET INCOME (LOSS) OF FULLY CONSOLIDATED COMPANIES		117.5	56.7	132.5
Share of net income of associates:	11	(1.0)	5.2	14.0
Net income of continued operations		116.5	61.9	146.5
Net income of discontinued operations		0.0	(1.8)	(3.1)
CONSOLIDATED NET INCOME (LOSS)		116.5	60.1	143.4
Attributable to owners of the parent		88.1	35.3	87.6
Attributable to minority interests		28.4	24.8	55.8
Basic earnings (loss) per share <i>(in €)</i>	9	0.72	0.32	0.79
Diluted earnings (loss) per share <i>(in €)</i>	9	0.71	0.32	0.79
Basic earnings (loss) of continued operations per share <i>(in €)</i>	9	0.72	0.34	0.82
Diluted earnings (loss) of continued operations per share <i>(in €)</i>	9	0.71	0.33	0.82

Other comprehensive income

<i>(in € millions)</i>	First-half 2014	First-half 2013	Full-year 2013
CONSOLIDATED NET INCOME (LOSS)	116.5	60.1	143.4
Amounts to be potentially reclassified to profit or loss	2.2	5.1	(40.5)
Gains (losses) arising on fair value adjustments to cash flow hedges	(0.2)	(1.5)	5.2
<i>of which recognized in equity</i>	<i>6.6</i>	<i>(4.2)</i>	<i>(5.1)</i>
<i>of which transferred to net income (loss) for the period</i>	<i>(6.8)</i>	<i>2.7</i>	<i>10.3</i>
Exchange differences on translation of foreign operations	2.4	6.6	(45.7)
Amounts not to be reclassified to profit or loss	(20.7)	12.0	18.9
Actuarial gain/(loss) on post employment benefit obligations	(20.7)	12.0	18.9
TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD	98.0	77.2	121.8
Attributable to owners of the parent	70.5	50.3	68.3
Attributable to minority interests	27.5	26.9	53.5



2.2. Consolidated balance sheet

Assets

<i>(in € millions)</i>	<i>Notes</i>	June 30, 2014	Dec. 31, 2013
Goodwill	10	1,299.8	1,297.1
Intangible assets		775.7	686.2
Property, plant and equipment		2,087.1	2,027.9
Investments in associates	11	74.8	88.7
Other equity interests		13.2	13.9
Other non-current financial assets	13	57.4	49.4
Other non-current assets		22.6	18.9
Deferred tax assets		180.6	161.8
TOTAL NON-CURRENT ASSETS		4,511.2	4,343.9
Inventories, net		1,204.5	1,123.4
Trade accounts receivables	12	1,889.3	1,680.7
Other operating receivables		269.0	288.1
Other receivables		174.0	184.2
Other current financial assets		1.0	8.7
Cash and cash equivalents	16	1,014.2	701.8
TOTAL CURRENT ASSETS		4,552.0	3,986.9
Assets held for sale		0.0	0.0
TOTAL ASSETS		9,063.2	8,330.8

Liabilities

<i>(in € millions)</i>	<i>Notes</i>	June 30, 2014	Dec. 31, 2013
EQUITY			
Capital	14	867.5	858.1
Additional paid-in capital		430.9	410.4
Treasury stock		(2.3)	(1.4)
Retained earnings		144.0	118.3
Translation adjustments		32.7	28.8
Net income (loss) for the period attributable to owners of the parent		88.1	87.6
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENTS	14	1,560.9	1,501.8
Minority interests		151.2	140.5
TOTAL SHAREHOLDERS' EQUITY		1,712.1	1,642.3
Long-term provisions	15	311.6	283.5
Non-current financial liabilities	16	1,315.0	1,308.8
Other non-current liabilities		1.1	0.6
Deferred tax liabilities		11.4	19.6
TOTAL NON-CURRENT LIABILITIES		1,639.1	1,612.5
Short-term provisions	15	220.8	223.2
Current financial liabilities	16	1,094.2	920.8
Prepayments from customers		152.8	169.4
Trade payables		3,440.7	3,053.1
Accrued taxes and payroll costs		638.1	517.2
Sundry payables		165.4	192.3
TOTAL CURRENT LIABILITIES		5,712.0	5,076.0
Liabilities linked to assets held for sale		0.0	0.0
TOTAL LIABILITIES		9,063.2	8,330.8



2.3. Consolidated statement of cash flows

<i>(in € millions)</i>	First-half 2014	First-half 2013	Full Year 2013
I- OPERATING ACTIVITIES			
Operating Income (Loss)	310.6	256.2	538.3
Depreciations and amortizations of assets	260.6	254.2	532.0
EBITDA	571.2	510.4	1,070.3
Operating short -term and long term provisions	20.9	(19.4)	(47.2)
Capital (gains) losses on disposals of operating assets	1.7	1.9	2.7
Paid restructuring	(48.3)	(61.3)	(122.6)
Paid finance costs net of income	(84.8)	(86.8)	(187.5)
Other income and expenses paid	(26.2)	(19.5)	(38.6)
Paid taxes	(64.6)	(57.1)	(134.3)
Dividends from associates	15.0	20.0	20.2
Change in working capital requirement	194.1	226.2	364.4
Change in inventories	(86.3)	(85.3)	(79.4)
Change in trade accounts receivables	(207.0)	(324.3)	(44.0)
Change in trade payables	382.8	536.9	395.8
Change in other operating receivables and payables	116.1	87.4	74.4
Change in other receivables and payables (excl. Tax)	(11.5)	11.5	17.6
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	579.0	514.4	927.4
II- INVESTING ACTIVITIES			
Additional to property, plant and equipment	(232.9)	(243.3)	(518.0)
Additional intangible assets	(0.6)	(2.6)	(4.6)
Capitalized development costs	(169.8)	(124.2)	(265.0)
Acquisitions of investments and business (net of cash and cash equivalents)	0.0	0.2	(12.3)
Proceeds from disposal of property, plant and equipment	10.4	3.5	5.9
Proceed from disposal of financial assets	0.0	2.3	0.0
Change in investment-related receivables and payables	(9.1)	(11.4)	(2.1)
Other changes	(9.7)	(7.4)	(26.8)
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES	(411.7)	(382.9)	(822.9)
CASH PROVIDED (USED) BY OPERATING AND INVESTING ACTIVITIES (I)+(II)	167.3	131.5	104.5
III- FINANCING ACTIVITIES			
Issuance of shares by Faurecia and fully-consolidated companies (net of costs)	2.8	0.0	11.0
Dividends paid to owners of the parent company	(7.2)	0.0	0.0
Dividends paid to minority interests in consolidated subsidiaries	(18.1)	(25.1)	(47.9)
Other financial assets and liabilities	0.0	0.0	0.0
Issuance of debt securities and increase in other financial liabilities	242.4	172.2	473.0
Repayment of debt and other financial liabilities	(73.6)	(36.0)	(398.4)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	146.3	111.1	37.7
IV- OTHER CHANGES IN CASH AND CASH EQUIVALENTS			
Impact of exchange rate changes on cash and cash equivalents	(1.2)	0.3	(27.7)
Net flows from discontinued operations	0.0	(28.9)	(40.7)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	312.4	214.0	73.8
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	701.8	628.0	628.0
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,014.2	842.0	701.8

2.4. Consolidated statement of changes in equity

(in € millions)	Number of shares	Capital stock	Additional paid-in capital	Treasury Stock	Retained earnings and net income (loss) for the period	valuation adjustments			Equity attributable to owners of the parent	Minority interests	Total
						Trans-lation adjust-ments	Cash flow hedges	Actuarial gain/(loss) on post employment benefit obligations			
Shareholders' equity as of Dec. 31, 2012 before appropriation of net income (loss)											
	110,833,745	775.9	279.1	(1.6)	173.3	72.1	(6.3)	(70.6)	1,221.9	132.6	1,354.5
Net income (loss)					35.3				35.3	24.8	60.1
Other comprehensive income						4.5	(1.5)	12.0	15.0	2.1	17.1
Total income (expense) recognized in equity					35.3	4.5	(1.5)	12.0	50.3	26.9	77.2
Capital increase	5,200								0.0	2.9	2.9
2012 dividends									0.0	(29.5)	(29.5)
Measurement of stock options					0.5				0.5		0.5
Purchases and sales of treasury stock									0.0		0.0
Option component of convertible bonds											
Changes in scope of consolidation and other					0.9				0.9	(0.5)	0.4
Shareholders' equity as of June 30, 2013 before appropriation of net income (loss)											
	110,838,945	775.9	279.1	(1.6)	210.0	76.7	(7.8)	(58.6)	1,273.6	132.4	1,406.0
Net income (loss)					52.3				52.3	31.0	83.3
Other comprehensive income						(47.9)	6.7	6.9	(34.3)	(4.4)	(38.7)
Total income (expense) recognized in equity					52.3	(47.9)	6.7	6.9	18.0	26.6	44.6
Capital increase ⁽¹⁾	11,749,190	82.2	131.3						213.5	7.4	220.9
2012 dividends									0.0	(19.4)	(19.4)
Measurement of stock options and shares grant					1.6				1.6	0.0	1.6
Purchases and sales of treasury stock				0.2					0.2	0.0	0.2
Option component of convertible bonds									0.0	0.0	0.0
Changes in scope of consolidation and other					(5.1)				(5.1)	(6.5)	(11.6)
Shareholders' equity as of Dec. 31, 2013 before appropriation of net income (loss)											
	122,588,135	858.1	410.4	(1.4)	258.8	28.7	(1.1)	(51.7)	1,501.8	140.5	1,642.3
Net income (loss)					88.1				88.1	28.4	116.5
Other comprehensive income						3.3	(0.2)	(20.7)	(17.6)	(0.9)	(18.5)
Total income (expense) recognized in equity					88.1	3.3	(0.2)	(20.7)	70.5	27.5	98.0
Capital increase ⁽²⁾	1,337,075	9.4	20.5						29.9	2.5	32.4
2013 dividends					(36.8)				(36.8)	(22.5)	(59.3)
Measurement of stock options and shares grant					2.4				2.4		2.4
Purchases and sales of treasury stock				(0.9)					(0.9)		(0.9)
Option component of convertible bonds									0.0		0.0
Changes in scope of consolidation and other					(6.7)	0.7			(6.0)	3.2	(2.8)
Shareholders' equity as of June 30, 2014 before appropriation of net income (loss)											
	123,925,210	867.5	430.9	(2.3)	305.8	32.7	(1.3)	(72.4)	1,560.9	151.2	1,712.1

(1) Capital increase arising from the conversion of bonds for the Group part.

(2) Capital increase mainly arising from the payment of dividends in shares for the Group part.



2.5. Notes to the interim consolidated financial statements

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Faurecia S.A. and its subsidiaries ("Faurecia") form one of the world's leading automotive equipment suppliers in four major vehicle businesses: Automotive Seating, Emissions Control Technologies, Interior Systems and Automotive Exteriors.

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

The interim consolidated financial statements were approved by Faurecia's Board of Directors on July 28, 2014.

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The interim consolidated financial statements of the Faurecia Group have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, and available on the European Commission website: http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm

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

The interim consolidated financial statements comply with IAS 34, Interim Financial Reporting, which permits entities to present condensed information. They should therefore be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2013.

The standards used to prepare the interim consolidated financial statements for the six months ended June 30, 2014 and comparative data for 2013 are those published in the *Official Journal of the European Union* (OJEU) as of June 30, 2014, and whose application was mandatory as of that date.

Since January 1, 2014 Faurecia has applied the standards IFRS 10, IFRS 11, IFRS 12 and the amendments to the existing standards IAS 27, IAS 28, IAS 32, IAS 36 and IAS 39, which have had no impact on the consolidated financial statements. Moreover, Faurecia has not applied by anticipation the standards, amendments or interpretations:

- adopted by the European Union but which application is due for yearly statements opened after January 1st, 2014 (IFRIC 21);
- not yet adopted by the European Union as of June 30, 2014 (IFRS 15 and amendments to IFRS 11, IAS 16, IAS 19, IAS 24, IAS 38, IAS 40, IFRS 1, IFRS 2, IFRS 3, IFRS 8 and IFRS 13).

Moreover, the accounting policies used for the preparation of these interim financial statements are similar to the ones used for the consolidated financial statements as of December 31st, 2013.

The application of IFRIC 21 is due as of January 1st, 2015; its anticipated application as of January 1st, 2014 would have had generated a transfer of €8,4 million from the second half year 2014 to the first half year:

<i>(in € millions)</i>	First-half 2014	IFRIC 21 impact	First-half 2014 pro forma	First-half 2013	IFRIC 21 impact	First-half 2013 pro forma
Operating income	310.6	(8.4)	302.2	256.2	(8.5)	247.7
<i>in % of sales</i>	3.3%		3.2%	2.8%		2.7%

NOTE 2

CHANGES IN SCOPE OF CONSOLIDATION & RECENT EVENTS

2.1 First-half 2014

In the Automotive Seating business, Shanghai Faurecia Automotive Seating Company Limited, held at 55% by Faurecia, has been created in China and is consolidated since April 2014.

2.2 Reminder of change in scope of consolidation introduced in 2013

In the Interior Systems business, Faurecia Summit Interior Systems, held at 50% by Faurecia, has been created in Thailand and is fully consolidated since March 2013. Foshan Faurecia Xuyang Interior Systems Company Limited, held at 60% by Faurecia, has been created in China and is fully consolidated since June 2013. CSM Faurecia Automotive Parts Company Limited, held at 50% by Faurecia, has been created in China and is consolidated by equity method from July 2013.

In the Automotive Seating business, Changchun Faurecia Xuyang Automotive Components Technologies R&D Company Limited, held at 45% by Faurecia, has been created in China and is consolidated by equity method since June 2013. Faurecia Azin Pars, held at 51% by Faurecia, was producing seats in Iran for the Renault group. Considering the restrictions on export to Iran, imposed by the US authorities, the production has been stopped and no operating margin has been recognized during the second semester of 2013.



In the Emissions Control Technologies business, Faurecia Emissions Control Technologies (Foshan) Company Limited, held at 51% by Faurecia, has been created in China and is consolidated since August 2013. Faurecia Emissions Control Technologies Ningbo Hangzhou Bay, held at 66% by Faurecia, has been created in China and is consolidated since December 2013.

2.3 Impact on consolidated data of changes in scope of consolidation

The changes in scope of consolidation during the period did not have a material impact on the presentation of the Group's interim consolidated financial statements.

2.4 Recent events

The European Commission and the US Department of Justice anti-trust authorities have launched on March 25, 2014 investigations into certain suppliers of emissions control systems. Faurecia is one of the companies being investigated. Faurecia is cooperating with the investigators. At present, the company has no information justifying the creation of reserves on that matter.

NOTE 3

SEASONAL FLUCTUATIONS IN BUSINESS LEVELS

Business levels in the automotive industry are traditionally slightly higher in the first half of the year than in the second half due to summer vacations in the north hemisphere.

NOTE 4

INFORMATION BY OPERATING SEGMENT

4.1 Key figures 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.

First half 2014

<i>(in € millions)</i>	Automotive Seating	Emissions Control Technologies	Interior Systems	Automotive Exterior	Other	Total
Sales	2,636.5	3,330.0	2,383.3	1,004.8	162.3	9,516.9
Inter-segment eliminations	(5.9)	(1.4)	(15.3)	(3.7)	(162.3)	(188.6)
Consolidated sales	2,630.6	3,328.6	2,368.0	1,001.1	0.0	9,328.3
Operating income (loss) before allocation of costs	110.5	125.3	67.5	19.9	(12.6)	310.6
Allocation of costs	(3.6)	(3.3)	(4.1)	(1.6)	12.6	0.0
Operating income	106.9	122.0	63.4	18.3	0.0	310.6
Other non-operating income						1.6
Other non-operating expense						(46.3)
Finance costs, net						(82.1)
Other financial income and expense						(21.8)
Corporate income tax						(44.5)
Share of net income of associates						(1.0)
Net income of continued operations						116.5
Net income of discontinued operations						0.0
NET INCOME (LOSS)						116.5
Segment assets						
Property, plant and equipment, net	500.7	596.1	716.3	256.1	17.9	2,087.1
Other segment assets	2,216.2	1,623.1	1,199.4	557.7	(39.7)	5,556.7
Total segment assets	2,716.9	2,219.2	1,915.7	813.8	(21.8)	7,643.8
Investments in associates						74.8
Other equity interests						13.2
Short and long-term financial assets						1,093.2
Tax assets (current and deferred)						238.2
Assets held for sale						0.0
TOTAL ASSETS						9,063.2
Segment liabilities	1,538.6	1,489.8	1,274.6	471.1	120.0	4,894.1
Borrowings						2,409.2
Tax liabilities (current and deferred)						47.8
Liabilities linked to assets held for sale						0.0
Equity and minority interests						1,712.1
TOTAL LIABILITIES						9,063.2
Capital expenditure	66.6	65.9	72.9	18.1	9.4	232.9
Depreciation of items of property, plant and equipment	(47.5)	(41.6)	(61.9)	(20.8)	(1.6)	(173.4)
Impairment of property, plant and equipment	(3.6)	(0.1)	0.0	(0.3)	0.0	(4.0)
Headcounts	34,556	21,396	33,920	8,288	2,098	100,258



First half 2013

<i>(in € millions)</i>	Automotive Seating	Emissions Control Technologies	Interior Systems	Automotive Exterior	Other	Total
Sales	2,723.7	3,200.5	2,378.3	988.8	159.0	9,450.3
Inter-segment eliminations	(5.1)	(0.5)	(17.0)	(3.7)	(159.0)	(185.3)
Consolidated sales	2,718.6	3,200.0	2,361.3	985.1	0.0	9,265.0
Operating income (loss) before allocation of costs	106.2	77.1	59.9	15.7	(2.7)	256.2
Allocation of costs	(0.8)	(0.7)	(0.9)	(0.3)	2.7	(0.0)
Operating income	105.4	76.4	59.0	15.4	(0.0)	256.2
Other non-operating income						0.4
Other non-operating expense						(41.6)
Finance costs, net						(97.1)
Other financial income and expense						(17.3)
Corporate income tax						(43.9)
Share of net income of associates						5.2
Net income of continued operations						61.9
Net income of discontinued operations						(1.8)
NET INCOME (LOSS)						60.1
Segment assets						
Property, plant and equipment, net	481.1	568.7	674.5	268.1	20.5	2,012.9
Other segment assets	2,090.4	1,641.8	1,383.8	503.1	(20.1)	5,599.0
Total segment assets	2,571.5	2,210.5	2,058.3	771.2	0.4	7,611.9
Investments in associates						72.3
Other equity interests						14.2
Short and long-term financial assets						923.8
Tax assets (current and deferred)						159.2
Assets held for sale						5.6
TOTAL ASSETS						8,787.0
Segment liabilities	1,501.1	1,423.7	1,224.5	471.7	140.7	4,761.7
Borrowings						2,556.4
Tax liabilities (current and deferred)						48.6
Liabilities linked to assets held for sale						14.3
Equity and minority interests						1,406.0
TOTAL LIABILITIES						8,787.0
Capital expenditure	53.1	66.1	82.8	33.0	8.3	243.3
Depreciation of items of property, plant and equipment	(47.1)	(39.7)	(58.4)	(20.0)	(1.3)	(166.5)
Impairment of property, plant and equipment	(2.1)	0.0	(0.0)	(0.7)	0.0	(2.8)
Headcounts	34,575	21,095	32,827	8,007	1,910	98,414

Full year 2013

<i>(in € millions)</i>	Automotive Seating	Emissions Control Technologies	Interior Systems	Automotive Exterior	Other	Total
Sales	5,231.0	6,351.4	4,593.2	1,904.8	314.2	18,394.6
Inter-segment eliminations	(12.1)	(0.9)	(33.2)	(5.6)	(314.2)	(366.0)
Consolidated sales	5,218.9	6,350.5	4,560.0	1,899.2	0.0	18,028.6
Operating income (loss) before allocation of costs	218.5	200.0	85.2	38.4	(3.8)	538.3
Allocation of costs	(1.1)	(1.0)	(1.2)	(0.5)	3.8	0.0
Operating income	217.4	199.0	84.0	37.9	0.0	538.3
Other non-operating income						4.8
Other non-operating expense						(111.6)
Finance costs, net						(187.9)
Other financial income and expense						(46.4)
Corporate income tax						(64.7)
Share of net income of associates						14.0
Net income of continued operations						146.5
Net income of discontinued operations						(3.1)
NET INCOME (LOSS)						143.4
Segment assets						
Property, plant and equipment, net	482.4	568.4	702.6	258.6	15.9	2,027.9
Other segment assets	2,059.2	1,523.4	1,148.3	489.7	(31.0)	5,189.6
Total segment assets	2,541.6	2,091.8	1,850.9	748.3	(15.1)	7,217.5
Investments in associates						88.7
Other equity interests						13.9
Short and long-term financial assets						780.4
Tax assets (current and deferred)						230.3
Assets held for sale						0.0
TOTAL ASSETS						8,330.8
Segment liabilities	1,393.2	1,353.3	1,097.4	424.0	126.9	4,394.8
Borrowings						2,229.6
Tax liabilities (current and deferred)						64.1
Liabilities linked to assets held for sale						0.0
Equity and minority interests						1,642.3
TOTAL LIABILITIES						8,330.8
Capital expenditure	117.9	126.4	187.1	60.9	25.7	518.0
Depreciation of items of property, plant and equipment	(95.3)	(80.1)	(121.5)	(41.8)	(3.1)	(341.8)
Impairment of property, plant and equipment	(6.2)	0.0	(1.6)	(0.7)	0.0	(8.5)
Headcounts	33,565	21,124	32,831	7,927	1,972	97,419



4.2 Sales by operating segment

(in € millions)	First-half 2014	%	First-half 2013	%	Full-year 2013	%
- Automotive Seating	2,630.6	28	2,718.6	29	5,218.9	29
- Emissions Control Technologies	3,328.6	36	3,200.0	35	6,350.5	35
- Interior Systems	2,368.0	25	2,361.3	25	4,560.0	25
- Automotive Exteriors	1,001.1	11	985.1	11	1,899.2	11
TOTAL	9,328.3	100	9,265.0	100	18,028.6	100

4.3 Sales by major customer

Sales by major customer * breakdown as follows:

(in € millions)	First-half 2014	%	First-half 2013	%	Full-year 2013	%
VW group	1,806.6	19	1,802.4	20	3,556.7	20
Ford group	1,215.0	13	1,218.5	13	2,352.4	13
PSA Peugeot Citroën	1,200.0	13	1,202.0	13	2,263.4	13
Renault-Nissan	778.8	8	768.6	8	1,470.4	8
GM	687.4	7	625.6	7	1,309.4	7
Daimler	692.0	7	590.6	6	1,070.8	6
Others	2,948.5	33	3,057.3	33	6,005.5	33
TOTAL	9,328.3	100	9,265.0	100	18,028.6	100

* Invoiced sales. The presentation of the sales invoiced may differ from sales by end customer when products are sold to intermediary assemblers.

NOTE 5

OPERATING COSTS

5.1 Analysis by function

(in € millions)	First-half 2014	First-half 2013	Full-year 2013
Cost of sales	(8,571.3)	(8,559.4)	(16,636.1)
Research and development costs	(114.8)	(146.4)	(254.0)
Selling and administrative expenses	(331.6)	(303.0)	(600.2)
TOTAL	(9,017.7)	(9,008.8)	(17,490.3)

5.2 Analysis by nature

<i>(in € millions)</i>	First-half 2014	First-half 2013	Full-year 2013
Purchases consumed	(6,412.4)	(6,403.3)	(12,383.6)
External costs	(889.8)	(855.5)	(1,682.9)
Personnel costs	(1,707.1)	(1,682.9)	(3,239.8)
Taxes other than on income	(25.3)	(25.2)	(48.7)
Other income and expenses *	298.4	190.9	353.7
Depreciation, amortization and provisions for impairment in value of non-current assets	(260.6)	(254.2)	(532.0)
Charges to and reversals of provisions	(20.9)	21.4	43.0
TOTAL	(9,017.7)	(9,008.8)	(17,490.3)
* Including production taken into inventory or capitalized	273.0	191.3	319.2

5.3 Research and development costs

<i>(in € millions)</i>	First-half 2014	First-half 2013	Full-year 2013
Research and development costs, gross	(495.2)	(466.8)	(916.5)
- Amounts billed to customers and changes in inventories *	291.6	278.2	575.3
- Capitalized development costs	167.3	120.9	258.4
- Amortization of capitalized development costs	(77.2)	(79.0)	(171.5)
- Charges to and reversals of provisions for impairment of capitalized development costs	(1.3)	0.3	0.3
NET EXPENSE	(114.8)	(146.4)	(254.0)

* For the first half 2014, some amounts billed to customers, which were classified as product sales in 2013, have been integrated as R&D sales for €14.9 millions.

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

<i>(in € millions)</i>	First-half 2014	First-half 2013	Full-year 2013
Amortization of capitalized development costs	(77.2)	(79.0)	(171.5)
Amortization of other intangible assets	(12.0)	(11.1)	(24.2)
Depreciation of specific tooling	1.7	1.0	0.5
Depreciation and impairment of other items of property, plant and equipment	(171.8)	(165.4)	(337.1)
Provisions for impairment of capitalized development costs	(1.3)	0.3	0.3
TOTAL	(260.6)	(254.2)	(532.0)



NOTE 6

OTHER NON OPERATING INCOME AND EXPENSE

Other non-operating income and expense can be analyzed as follows:

OTHER NON-OPERATING INCOME

<i>(in € millions)</i>	First-half 2014	First-half 2013	Full-year 2013
Provision for contingencies	0.0	0.1	0.0
Losses on disposals of assets	0.9	0.0	0.0
Other	0.7	0.3	4.8
TOTAL	1.6	0.4	4.8

OTHER NON-OPERATING EXPENSE

<i>(in € millions)</i>	First-half 2014	First-half 2013	Full-year 2013
Reorganization expenses *	(36.7)	(39.2)	(91.3)
Losses on disposal of assets	0.0	(0.1)	(0.1)
Other	(9.6)	(2.3)	(20.2)
TOTAL	(46.3)	(41.6)	(111.6)

* As of June 30, 2014 this item includes restructuring costs in the amount of €32,7 million and provisions for impairment in value of non-current assets in the amount of €4 million versus respectively, €84,3 million and €7 million for full year 2013, and €37,1 million and €2,1 million as of June 30, 2013.

NOTE 7

OTHER FINANCIAL INCOME AND EXPENSE

<i>(in € millions)</i>	First-half 2014	First-half 2013	Full-year 2013
Impact of discounting pension benefit obligations	(4.7)	(4.3)	(8.6)
Changes in the ineffective portion of currency hedges	0.0	(0.1)	(0.2)
Changes in fair value of currency hedged relating to debt	(6.6)	2.9	10.1
Changes in fair value of interest rate hedges	(0.1)	0.2	0.2
Translation differences on borrowings	0.4	(3.8)	(25.3)
Gains on sales of securities	0.0	0.0	0.0
Other	(10.8)	(12.2)	(22.6)
TOTAL	(21.8)	(17.3)	(46.4)

NOTE 8 CORPORATE INCOME TAX

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

<i>(in € millions)</i>	First-half 2014	First-half 2013	Full-year 2013
Pre-tax income of consolidated companies	162.0	100.6	197.2
Tax rate at 38% (1 st half 2014 and 2013) and 36.1% (1 st half 2013)	(61.6)	(36.3)	(74.9)
Effect of rate changes on deferred taxes recognized on the balance sheet	(0.9)	(6.1)	(10.4)
Effect of local rate differences *	29.8	14.6	37.3
Tax credits	6.3	2.8	8.5
Change in unrecognized deferred tax	6.5	(16.6)	(33.4)
Permanent differences & others	(24.6)	(2.3)	8.2
Corporate tax recognized	(44.5)	(43.9)	(64.7)

* The effect of local rate differences mainly comes from the Chinese entities.

The 1st semester 2014 tax charge includes the recognition of deferred income tax assets in the USA and Mexico for a total amount of €26.6 millions.

Deferred tax assets are not recognized for tax loss carried forwards that are not certain of being utilized. As of June 30, 2014, these assets amounted to €796.6 million, compared with €789.2 million as of December 31, 2013.

NOTE 9 EARNINGS PER SHARE

	First-half 2014	First-half 2013	Full-year 2013
Number of shares outstanding at end of period	123,925,210	110,838,945	122,588,135
Adjustments:			
- treasury stock	(72,618)	(47,345)	(44,162)
- weighted impact of share issue prorated	(1,292,752)	(2,413)	(11,713,275)
Weighted average number of shares before dilution	122,559,840	110,789,187	110,830,698
Weighted impact of dilutive instruments			
- Stock options	18,751	0	0
- Free shares attributed	0	262,600	241,800
- Bonds with conversion option	1,161,061		
Weighted average number of shares after dilution	123,739,652	111,051,787	111,072,498



Basic and diluted earnings per share (in €)

	First-half 2014	First-half 2013	Full-year 2013
Net income (Loss) (in € millions)	88.1	35.3	87.6
Basic earnings (loss) per share	0.72	0.32	0.79
After dilution	0.71	0.32	0.79
Net Income (Loss) of continued operations (in € millions)	88.1	37.1	90.7
Basic earnings (loss) per share	0.72	0.34	0.82
After dilution	0.71	0.33	0.82

Basic earnings per share are calculated by dividing net income by the weighted average number of shares outstanding during the period, excluding treasury stock.

NOTE 10

GOODWILL

(in € millions)	Gross	Impairment	Net
Net carrying amount as of January 1, 2013	1,810.5	(510.5)	1,300.0
Acquisitions and minority interest buyouts	4.1	0.0	4.1
Translation adjustments and other movements	(7.7)	0.7	(7.0)
Net carrying amount as of December 31, 2013	1,806.9	(509.8)	1,297.1
Acquisitions and minority interest buyouts	0.0	0.0	0.0
Translation adjustments and other movements	2.7	0.0	2.7
Net carrying amount as of June 30, 2014	1,809.6	(509.8)	1,299.8

Net goodwill breaks down as follows by business:

(in € millions)	June 30, 2014	Dec. 31, 2013
Automotive Seating	793.5	793.5
Emissions Control Technologies	335.3	332.6
Interior Systems	45.6	45.6
Automotive Exteriors	125.4	125.4
TOTAL	1,299.8	1,297.1

There was no indication that any goodwill was to be impaired at June 30, 2014.

NOTE 11 INVESTMENTS IN ASSOCIATES

<i>(in € millions)</i>	% interest *	Group share of equity **	Dividends received by the Group	Group share of sales	Group share of total assets
Teknik Malzeme	50	4.8	0.0	18.5	28.7
Amminex Emissions Systems ApS	42	8.1	0.0	0.0	11.3
Changchun Huaxiang Faurecia Automotive Plastic Components Co. Ltd	50	1.9	0.0	19.6	28.9
Changchun Xuyang Faurecia Acoustics & Soft Trim Co., Ltd	40	5.0	0.0	4.5	11.3
Detroit Manufacturing Systems LLC	45	0.0	0.0	129.3	31.2
CSM Faurecia Automotive Parts Company Ltd	50	4.6	0.0	2.9	12.6
Other **	-	11.5	0.0	104.8	103.8
TOTAL	-	35.9	0.0	279.6	227.8
SAS group	50	38.9	(15.0)	846.0	317.1
TOTAL	-	74.8	(15.0)	1,125.6	544.9

* Percent interest held by the company that owns the shares.

**As the Group's share of some company's net equity is negative it is recorded under liabilities as a provision for contingencies and charges.

11.1 Movements in investments in associates

<i>(in € millions)</i>	First-half 2014	First-half 2013	Full-year 2013
Group share of equity at beginning of period	88.7	85.2	85.2
Dividends	(15.0)	(20.0)	(20.3)
Share of net income of associates	(1.0)	5.2	14.0
Change in scope of consolidation	3.0	1.1	(1.0)
Capital increase	0.0	0.0	11.6
Currency translation adjustments	(0.9)	0.8	(0.8)
Group share of equity at end of period	74.8	72.3	88.7



11.2 Group share of assets and liabilities of associates

<i>(in € millions)</i>	June 30, 2014	Dec. 31, 2013
Fixed assets	104.2	95.8
Current assets	375.5	283.5
Cash and cash equivalents	65.2	76.9
TOTAL ASSETS	544.9	456.2
Equity	67.2	83.7
Borrowings	26.0	41.2
Other non-current liabilities	44.6	14.5
Non-current financial liabilities	407.1	316.8
TOTAL EQUITY AND LIABILITIES	544.9	456.2

NOTE 12

TRADE ACCOUNTS RECEIVABLE

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

The following table shows the amount of sold receivables with maturities beyond June 30, 2014 for which substantially all the risks and rewards have been transferred, and which have therefore been derecognized as well as the financing under these programs, corresponding to the cash received as consideration for the receivables sold.

<i>(in € millions)</i>	June 30, 2014	Dec. 31, 2013
Financing	762.4	565.5
Guarantee reserve deducted from borrowings	(28.1)	(16.0)
Cash received as consideration for receivables sold	734.3	549.5
Receivables sold and derecognized	(575.0)	(385.4)

Individually impaired trade receivables are as follows:

<i>(in € millions)</i>	June 30, 2014	Dec. 31, 2013
Gross total trade receivables	1,913.8	1,702.5
Provision for impairment of receivables	(24.5)	(21.8)
TOTAL TRADE ACCOUNTS RECEIVABLE, NET	1,889.3	1,680.7

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

As of June 30, 2014, past due trade accounts receivable represented €112,6 million, breaking down as follows:

- €59,9 million less than one month past due;
- €13,1 million between one and two months past due;
- €4,4 million between two and three months past due;
- €15,4 million between three and six months past due;
- €19,8 million more than six months past due.

NOTE 13 OTHER NON-CURRENT FINANCIAL ASSETS

<i>(in € millions)</i>	June 30, 2014			Dec. 31, 2013
	Gross	Provisions	Net	Net
Loans with maturity longer than one year	43.5	(12.3)	31.2	29.0
Other	35.0	(8.8)	26.2	20.4
TOTAL	78.5	(21.1)	57.4	49.4

NOTE 14 EQUITY**14.1 Capital stock and additional paid-in capital**

As of June 30, 2014 the Company's capital stock totalled €867,476,470 divided into 123,925,210 fully paid-up common shares with a par value of €7 each. Shares which have been registered in the name of the same holder for at least two years carry double voting rights.

14.2 Employee stock options and share grants**A – STOCK SUBSCRIPTION OPTIONS**

The Company has a policy of issuing stock options to the managers of Group companies and their over 50%-owned subsidiaries allowing them to subscribe for newly-issued Faurecia shares.

As of June 30, 2014, a total of 934,025 stock subscription options were outstanding.

Exercising these options would result in:

- capital stock being increased by €6.5 million;
- additional paid-in capital being increased by €32.3 million.



Details of the stock subscription option plans as of June 30, 2014 are set out in the table below:

Date of Shareholders' Meeting	Date of Board meeting	Adjusted number of options granted	Including granted to senior executive management	Start of exercise period	Options exercised	Options cancelled	Adjusted number of options outstanding as of June 30, 2014
	Adjusted exercise price (in €)			Last exercise date			
May 25, 2004	April 19, 2005	321,750	142,740	April 18, 2009	-	131,625	190,125
	54,45			April 18, 2015			
May 23, 2005	April 13, 2006	340,800	168,000	April 12, 2010	-	144,000	196,800
	45,2			April 12, 2016			
May 23, 2005	April 16, 2007	346,200	172,800	April 17, 2011	-	94,200	252,000
	44,69			April 17, 2017			
May 29, 2007	April 10, 2008	357,000	174,000	April 10, 2012	13,300	48,600	295,100
	28,38			April 10, 2016			
TOTAL							934,025

B – SHARE GRANTS

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

The fair value of these plans 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.

Detail of the share grant plans open as of June 30, 2014 are set out in the table below:

Date of Shareholders' Meeting	Date of Board meeting	Maximum number of free shares that can be granted * for		Performance condition
		reaching the objective	exceeding the objective	
May 26, 2011	July 23, 2012	706,500	918,450	2014 pretax income target as stated in mid term plan when granted and earning per share of Faurecia compared to a reference group of companies
May 30, 2013	July 24, 2013	883,000	1,147,900	2015 pretax income target as stated in mid term plan when granted and earning per share of Faurecia compared to a reference group of companies

* Net of free shares granted cancelled.

Following the achievement of the performance condition for the first plan, 478,400 shares have been attributed in 2012 and 226,200 have been attributed in June 2014.

NOTE 15 LONG- AND SHORT-TERM PROVISIONS**15.1 Long and short term provisions****LONG-TERM PROVISIONS**

<i>(in € millions)</i>	June 30, 2014	Dec. 31, 2013
Provisions for pensions and other employee obligations		
- Pension obligations	265.3	239.8
- Long-service awards	23.4	22.9
- Healthcare costs	22.8	20.6
Sub total	311.5	283.3
Provisions for early retirement costs	0.1	0.2
TOTAL LONG-TERM PROVISIONS	311.6	283.5

SHORT-TERM PROVISIONS

<i>(in € millions)</i>	June 30, 2014	Dec. 31, 2013
Restructuring	97.7	113.1
Risks on contracts and customer warranties	67.1	55.5
Litigation	13.7	21.2
Other	42.3	33.4
TOTAL SHORT-TERM PROVISIONS	220.8	223.2

15.2 Provisions for pensions and other post employment benefits**A – ASSUMPTIONS USED**

<i>(in %)</i>	Euro zone	United Kingdom	United States
DISCOUNT RATE			
June 30, 2014	2.50%	4.25%	4.07%
Dec. 31, 2013	3.25%	4.45%	4.61%
June 30, 2013	3.20%	4.42%	4.66%
INFLATION RATE			
June 30, 2014	1.80%	3.15%	2.00%
Dec. 31, 2013	1.80%	3.15%	2.00%
June 30, 2013	1.80%	2.92%	2.00%

Nota: The iboxx AA rate has been used as reference to determine the discount rate for the euro zone.



B – RECONCILIATION OF BALANCE SHEET AS OF JUNE 30, 2014

(in € millions)	June 30, 2014		
	France	Abroad	Total
Projected benefit obligations	(144.2)	(271.6)	(415.8)
Value of plan assets	14.9	116.0	130.9
(Provisions) assets net	(129.3)	(155.6)	(284.9)
<i>of which provision for pension</i>	<i>(129.8)</i>	<i>(158.3)</i>	<i>(288.1)</i>
<i>of which assets (plan surplus)</i>	<i>0.5</i>	<i>2.7</i>	<i>3.2</i>
Impact directly booked in equity (after deferred taxes) on the period	(11.7)	(9.0)	(20.7)

NOTE 16

NET DEBT

(in € millions)	June 30, 2014	Dec. 31, 2013
Bonds	952.8	949.8
Bank borrowings	331.3	321.2
Other borrowings	2.5	3.0
Obligations under finance lease	28.4	31.1
Non-current derivatives	0.0	3.7
SUB-TOTAL NON-CURRENT FINANCIAL LIABILITIES	1,315.0	1,308.8
Current portion of long term debt	133.6	148.2
Short-term borrowings ⁽¹⁾	957.4	772.6
Current derivatives	3.2	0.0
SUB-TOTAL CURRENT FINANCIAL LIABILITIES	1,094.2	920.8
TOTAL	2,409.2	2,229.6
Derivatives classified under non-current and current assets	(1.0)	(8.7)
Cash and cash equivalents	(1,014.2)	(701.8)
NET DEBT	1,394.0	1,519.1
Net cash and cash equivalent	1,014.2	701.8
<i>(1) Including bank overdrafts</i>	<i>97.2</i>	<i>115.2</i>

16.1 Financing

The main components of Faurecia financing are described herebelow.

2016 BONDS

On November 9, 2011 Faurecia issued €350 million worth of bonds, due December 15, 2016. The bonds bear annual interest of 9.375% payable on June 15 and December 15 each year, as from June 15, 2012; they have been issued at 99.479% of the nominal value. An additional €140 million has been issued on February 21, 2012 with the same due date and same interest rate, at 107.5% of the nominal value; they are listed on the Luxembourg stock exchange. They include a covenant restricting the additional indebtedness if the EBITDA after some adjustments is lower than 2.5 times the gross interest costs, and restrictions on the debt similar to the ones of the syndicated credit loan. The costs related to the bond issue are expensed in P&L over the life time of the bonds. The 2016 bonds benefit from guarantees from some Group affiliates.

2019 BONDS

On May 3, 2012 Faurecia issued €250 million worth of bonds, due June 15, 2019. The bonds bear annual interest of 8.75% payable on June 15 and December 15 each year, as from June 15, 2012; they have been issued at 99.974% of the nominal value and are listed on the Luxembourg stock exchange. They include the same covenants as the bonds due December 2016. They do not benefit from guarantees from Group affiliates. The costs related to the bond issue are expensed in P&L over the life time of the bonds.

SYNDICATED BANK LOAN

The syndicated bank loan implemented on December 20, 2011 is divided into a €36 million tranche expiring in December 2014, a €654 million tranche now expiring in December 2016, after the exercise of the two options to extend its duration, and a €460 million tranche initially expiring in December 2016. As of June 30, 2014 the undrawn portion of this credit facility was €1,150 million.

The contracts relating to this credit facility include covenants, concerning compliance with consolidated financial ratios. The compliance with these ratios is a condition to the availability of this credit facility. As of June 30, 2014, the Group complied with all of these ratios, of which the amounts are presented below:

- Net debt */EBITDA ** <2.50;
- EBITDA **/net interests >4.50.

* Net debt = published consolidated net debt.

** 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, this credit facility includes some restrictive clauses on asset disposals (disposal representing over 15% of the Group's total consolidated assets requires the prior approval of banks representing two-thirds of the syndicate) and on the debt level of some subsidiaries. The syndicated bank loan benefits from guarantees from some Group affiliates.

OCEANE 2018

On September 18, 2012 Faurecia issued €250 million worth of OCEANE bonds convertible into or exchangeable for new or existing shares, due January 1, 2018. The bonds bear annual interest of 3.25% payable on January 1 each year, as from January 1, 2013. Each bond has a nominal value of €19.48. Subject to certain conditions, Faurecia may redeem the bonds early, at any time beginning on January 15, 2016, 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 clause of change of control, but, they do not include an ownership clause relating to PSA.

In accordance with IAS 39, the fair value of the OCEANE bonds is split into two components: (i) a liability component calculated based on prevailing market interest rates for similar bonds with no conversion option and (ii) an equity component corresponding to the conversion option, calculated based on the difference between the fair value of the OCEANE bonds and the liability component. These two components were recognized at the bond issue date in respective amounts of €198.3 million and €46.5 million. As of June 30, 2014 the liability component was €213.1 million.



16.2 Analysis of borrowings by interest rate and currency

As of June 30, 2014, 53% of the Group's borrowings were at variable rates before taking into account the impact of hedging, representing €1,280 million. Interest on variable rate borrowings has been partially hedged with a maturity within the next 2 years (see Note 17.2).

<i>(in € millions)</i>	June 30, 2014	
Variable rate borrowings	1,280.2	53.1%
Fixed rate borrowings	1,129.0	46.9%
TOTAL	2,409.2	100.0%

Borrowings (taking into account currency swaps) break down as follows by repayment currency:

<i>(in € millions)</i>	June 30, 2014		Dec. 31, 2013	
Euros	1,857.6	77.1%	1,686.3	75.6%
US Dollar	395.4	16.4%	377.9	17.0%
Other currencies	156.2	6.5%	165.4	7.4%
TOTAL	2,409.2	100.0%	2,229.6	100.0%

The weighted average interest rate on outstanding borrowings was 5.44% for the first half of 2014.

16.3 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 (quoted prices in active markets) for short-term cash investments and Level 2 (measured using a valuation technique based on rates quoted on the interbank market, such as Euribor and exchange rates set daily by the European Central Bank) for currency and interest rate instruments.

16.4 Financial instruments recorded in the balance sheet

FINANCIAL INSTRUMENTS RECORDED IN THE BALANCE SHEET

	June 30, 2014		Breakdown by category of instrument ⁽¹⁾				
	Carrying amount	Fair value	Financial assets/liabilities at fair value through profit or loss ⁽²⁾	Financial assets/liabilities at fair value through equity ⁽²⁾	Available-for-sale assets	Loans and receivables	Financial liabilities measured at amortized cost
<i>(in € millions)</i>							
Other equity interests	13.2	13.2			13.2		
Other non-current financial assets	57.4	57.4				57.4	
Trade accounts receivables	1,889.3	1,889.3				1,889.3	
Other operating receivables	269.0	269.0				269.0	
Other receivables and prepaid expenses	174.0	174.0				174.0	
Currency derivatives	2.1	2.1	1.0	1.1			
Interest rate derivatives	0.0	0.0					
Cash and cash equivalent	1,014.2	1,014.2	1,014.2				
FINANCIAL ASSETS	3,419.2	3,419.2	1,015.2	1.1	13.2	2,389.7	0.0
Long-term debt *	1,315.0	1,656.5					1,315.0
Short-term debt	1,094.2	1,094.2					1,094.2
Prepayments from customers	152.8	152.8				152.8	
Trade payables	3,440.7	3,440.7				3,440.7	
Accrued taxes and payroll costs	638.1	638.1				638.1	
Sundry payables	165.4	165.4				165.4	
Currency derivatives	1.6	1.6	0.8	0.8			
Interest rate derivatives	2.4	2.4		2.4			
FINANCIAL LIABILITIES	6,810.2	7,151.7	0.8	3.2	0.0	4,397.0	2,409.2

(1) No financial instruments were transferred between categories during the period.

(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, as defined in Note 1.6 to the consolidated financial statements of the 2013 Registration Document.

* The market value of OCEANE 2018 was established on the base of the end of period valuation (June 30, 2014) of €34, at €436,3 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 hand, as a registered component of shareholder's equity that represents the value of the conversion option.

The market value of the bonds was established on the base of the end of period valuation (June 30, 2014) before interest due respectively of 117,85% for the bond 2016, at €577,5 million and of 112,21% for the bond 2019, at €280,5 million.



	Dec. 31, 2013		Breakdown by category of instrument ⁽¹⁾				
	Carrying amount	Fair value	Financial assets/liabilities at fair value through profit or loss ⁽²⁾	Financial assets/liabilities at fair value through equity ⁽²⁾	Available-for-sale assets	Loans and receivables	Financial liabilities measured at amortized cost
<i>(in € millions)</i>							
Other equity interests	13.9	13.9			13.9		
Other non-current financial assets	49.4	49.4				49.4	
Trade accounts receivables	1,680.7	1,680.7				1,680.7	
Other operating receivables	288.1	288.1				288.1	
Other receivables and prepaid expenses	184.2	184.2				184.2	
Currency derivatives	11.9	11.9	8.7	3.2			
Interest rate derivatives	0.0	0.0					
Cash and cash equivalent	701.8	701.8	701.8				
FINANCIAL ASSETS	2,930.0	2,930.0	710.5	3.2	13.9	2,202.4	0.0
Long-term debt *	1,305.1	1,628.2					1,305.1
Short-term debt	920.8	920.8					920.8
Prepayments from customers	169.4	169.4				169.4	
Trade payables	3,053.1	3,053.1				3,053.1	
Accrued taxes and payroll costs	517.2	517.2				517.2	
Sundry payables	192.3	192.3				192.3	
Currency derivatives	1.3	1.3		1.3			
Interest rate derivatives	3.7	3.7		3.7			
FINANCIAL LIABILITIES	6,162.9	6,486.0	0.0	5.0	0.0	3,932.0	2,225.9

(1) No financial instruments were transferred between categories during the year.

(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 to the consolidated financial statements of the 2013 Registration Document.

* The fair value of the OCEANE 2018 was established on the base of the end of year valuation (Dec. 31, 2013) of €31,05 at €398,5 million.

In the balance sheet, OCEANE are recorded, on the one hand, as an amount of the component for bonds with no conversion option and, on the other hand, as a registered component of shareholder's equity that represents the value of the conversion option.

The fair value of the bonds was established on the base of the end of year valuation (Dec. 31, 2013) respectively of €119,375 for the bond 2016, at €584,9 million and of €114,825 for the bond 2019, at €287,1 million.

NOTE 17 HEDGING OF CURRENCY AND INTEREST RATE RISKS**17.1 Hedging of currency risks**

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. The Group Financing and Treasury Department – which reports to Group General Management – is responsible for managing this centralized system. Hedging decisions are made by a Market Risk Management Committee that meets on a monthly basis.

Faurecia hedges its commercial positions either through derivatives or by setting up loans denominated in the same currency as the subsidiary's related exposure. Currency risks on forecast transactions are hedged on the basis of estimated cash flows determined in forecasts validated by General Management, and the related derivatives are classified as cash flow hedges where a hedging relationship exists that meets the criteria in IAS 39.

Subsidiaries outside the eurozone 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.

Information on hedged notional amounts:

As of June 30, 2014 (in € millions)	Carrying amount		Notional amount *	Maturities		
	Assets	Liabilities		< 1 year	1 to 5 years	> 5 years
Fair value hedges						
- Forward currency contracts	0.0	0.0	2.9	2.9	0.0	0.0
- Inter-company loans in foreign currencies swapped for euros	0.9	(0.4)	663.3	663.3	0.0	0.0
- Cross-currency swaps	0.0	(0.4)	0.0	0.0	0.0	0.0
Cash flow hedges						
- Forward currency contracts	1.0	(0.8)	218.1	218.1	0.0	0.0
Not eligible for hedge accounting	0.2	0.0	0.9	0.9	0.0	0.0
TOTAL	2.1	(1.6)				

* Notional amounts based on absolute values.

As of Dec. 31, 2013 (in € millions)	Carrying amount		Notional amount *	Maturities		
	Assets	Liabilities		< 1 year	1 to 5 years	> 5 years
Fair value hedges						
- Forward currency contracts	0.0	0.0	0.7	0.7	0.0	0.0
- Inter-company loans in foreign currencies swapped For euros	5.8	0.0	664.9	664.9	0.0	0.0
- Cross-currency swap	2.9	0.0	36.3	36.3	0.0	0.0
Cash flow hedges						
- Forward currency contracts	3.1	(1.3)	229.6	229.6	0.0	0.0
Not eligible for hedge accounting	0.1	0.0	0.0	0.0	0.0	0.0
TOTAL	11.9	(1.3)				

* Notional amounts based on absolute values.



17.2 Interest rate hedges

Faurecia manages the hedging of interest rate risks on a central basis, through the Group Financing 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 main components of the fixed rate debt are:

- the bonds due December 2016 issued in November 2011 and February 2012 for a total amount of €490 millions;
- the bonds due June 2019 issued in May 2012 for a total amount of €250 millions; and
- the convertible bonds due January 2018 issued in September 2012 for a total amount of €250 millions.

Around the half of the borrowings (syndicated credit loan, short term loans, commercial paper) being at variable rates or renewable, the aim of the Group's interest rate hedging policy is to reduce the impact on earnings of changes in short-term rates. The hedges arranged comprise mainly euro denominated interest rate swaps. These hedges cover a major part of the interest on borrowings, due in 2014 and to a lesser extent in 2015, against a rise in rates.

Certain of the Group's derivatives have qualified for hedge accounting under IAS 39. 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, determined based on measurements confirmed by banking counterparties.

The notional amounts of the Group's interest rate hedges break down as follows:

As of June 30, 2014	Carrying amount		Notional amounts by maturity		
	Assets	Liabilities	< 1 year	1 to 5 years	> 5 years
Interest rate options	0.0	0.0	0.0	0.0	0.0
Variable-rate rate/fixed rate swaps	0.0	(2.4)	470.0	0.0	0.0
Accrued premiums payable	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	(2.4)	470.0	0.0	0.0

As of Dec. 31, 2013	Carrying amount		Notional amounts by maturity		
	Assets	Liabilities	< 1 year	1 to 5 years	> 5 years
Interest rate options	0.0	0.0	0.0	0.0	0.0
Variable-rate rate/fixed rate swaps	0.0	(3.7)	0.0	470.0	0.0
Accrued premiums payable	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	(3.7)	0.0	470.0	0.0

The valuation of the credit risk in the derivatives fair value has no material impact on the Group financial statements as of June 30, 2014.

NOTE 18 COMMITMENTS GIVEN

<i>(in € millions)</i>	June 30, 2014	Dec. 31, 2013
Future minimum lease payments under operating leases	372.3	351.5
Debt collateral:		
- mortgages	6.5	8.7
Other debt guarantees	40.3	47.6
Firm orders for property, plant and equipment and intangible assets	90.4	88.5
Other	2.0	1.8
TOTAL	511.5	498.1

NOTE 19 TRANSACTIONS WITH PSA PEUGEOT CITROËN

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

<i>(in € millions)</i>	June 30, 2014	Dec. 31, 2013
Sales	1,200.0	2,263.4
Purchases of products, services and materials	7.4	16.3
Receivables *	498.3	426.3
Payables	15.5	17.9
* Before no-recourse sales of receivables amounting to:	177.3	160.4

NOTE 20 EVENTS AFTER THE BALANCE SHEET DATE

No significant post-balance sheet events have occurred since June 30, 2014.





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**Statement by the person
responsible for the 2014
half year financial report**



Statement by the person responsible for the 2014 half year financial report

I hereby declare that, to the best of my knowledge, the condensed interim consolidated financial statements for the six-month period ended June 30, 2014 have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of Faurecia and the consolidated companies making up the Group. I further declare that, to the best of my knowledge, the accompanying interim management report (i) provides a true and fair view of the material events that occurred in the first six months of the financial year and their impact on the interim financial statements, as well as of the main related-party transactions, and (ii) sets out a description of the principal risks and uncertainties for the remaining six months of the year.

July 28, 2014

Yann Delabrière

Chairman and Chief Executive Officer



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Statutory Auditors' review report on the interim financial information



Statutory Auditors' review report on the interim financial information

This is a free translation into English of the statutory auditors' review report on the half-yearly consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users. This report also includes information relating to the specific verification of information given in the Group's interim management report. 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 compliance with the assignment entrusted to us by your annual shareholders' meeting and in accordance with the requirements of article L. 451-1-2 III of the French monetary and financial code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed interim consolidated financial statements of Faurecia, for the six months ended June 30, 2014;
- the verification of the information contained in the interim management report.

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

1. CONCLUSION ON THE FINANCIAL STATEMENTS

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

Based on our review, nothing has come to our attention that causes us to believe that these condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – the standard of IFRSs as adopted by the European Union applicable to interim financial information.

2. SPECIFIC VERIFICATION

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

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

Neuilly-sur-Seine and Paris-La Défense, July 28, 2014

The Statutory Auditors
French original signed by:

PricewaterhouseCoopers Audit
Eric Bertier

ERNST & YOUNG AUDIT
Denis Thibon





Technical perfection, automotive passion

