2017
Interim Results

faurecia
inspiring mobility

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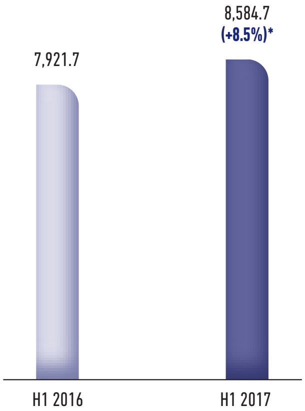
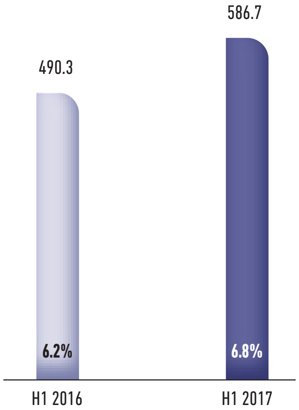
Technical perfection, automotive passion

Interim results 2017

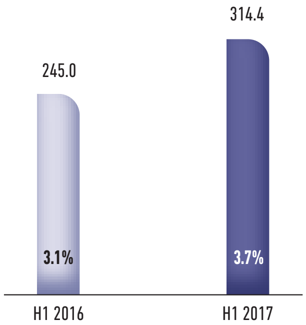
Key figures



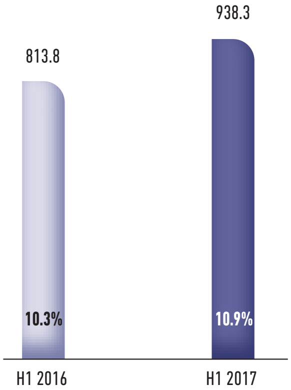
Value Added Sales *(in €m)*
** Organic* (1)



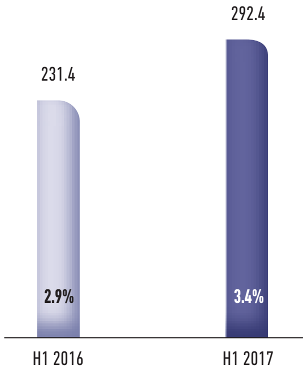
Operating Income (2)
(in €m and as a % of value added sales)



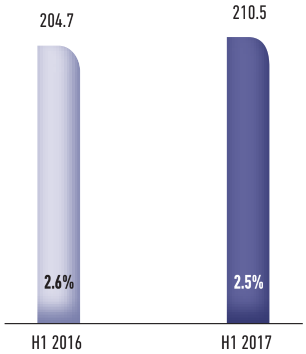
Net income/(loss) attributable to equity holders
(in €m and as a % of value added sales)



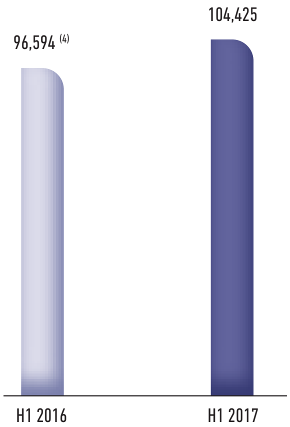
EBITDA (3)
(in €m and as a % of value added sales)



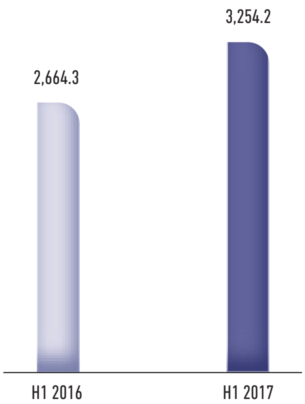
Capital expenditure
(in €m and as a % of value added sales)



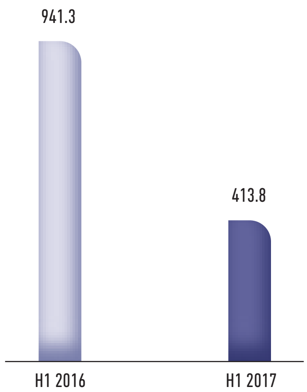
Net Cash Flow
(in €m and as a % of value added sales)



Number of employees



Total equity
(in €m)



Net debt (5)
(in €m)

(1) At constant currencies and scope, and including JVs consolidation (JVs for Changan in China and for FCA in Brazil).
(2) Defined in Note 1 to the consolidated financial statements.
(3) Operating income before provisions and amortizations of non-recurrent assets (§ 2.3 to the consolidated financial statements).
(4) Number of employees excluding the discontinued Automotive Exteriors activity.
(5) Defined in Note 18.1 to the consolidated financial statements.

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Business review

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Upon application of accounting rule IFRS 5, the assets and liabilities sold as well as net income (loss) from discontinued operations have been isolated in distinct lines in the consolidated balance sheet and in the income statement (Chapter 2 "Consolidated financial statements").

As the Automotive Exteriors business was sold on July 29, 2016, the impact of IFRS 5 application only concerns 2016.

1.1. Automotive Production

Worldwide automotive production grew by 3.0% between the first half of 2016 and the first half of 2017. It grew in all regions of the world except in North America. Production increased in Europe (including Russia) by 1.2%, in South America by 15.0% and continued to grow in Asia by 4.6% (4.9% in China). In contrast, production fell by 0.5% in North America.

All the data related to automotive production and volume evolution in the first half of 2017 are coming from IHS Automotive report dated June 2017.

1.2. Main Events

February 2017: Faurecia announced a partnership agreement with TactoTek. TactoTek is a Finnish company providing solutions for Injection Molded Structural Electronics: integrating printed circuitry and electronic components into 3D injection molded plastics. This investment made through Faurecia Venture strengthens Faurecia's capabilities for its "smart life on board" strategy, and in particular the development and production of intelligent surfaces which are necessary for the Cockpit of the Future.

March 2017: Faurecia announced that it finalized and signed its strategic partnership with Parrot Automotive, an automotive connectivity and infotainment specialist. This partnership will allow Faurecia to accelerate development of electronic solutions for the connected vehicle. In addition, this partnership could enable Faurecia to gradually take control of Parrot Automotive. Faurecia acquired a 20% share through a capital increase reserved for Faurecia based on a corporate value of €100 million for 100% ownership of Parrot Faurecia Automotive. At the same time, Faurecia subscribed to a bond issued by Parrot SA, convertible into Parrot Faurecia Automotive shares, which could increase Faurecia's stake in the company to 50.01% from 2019, in case of conversion. By 2022, Faurecia could be in possession of all Parrot Faurecia Automotive shares.

April 2017: Faurecia's Board of Directors decided to appoint Mr. Michel de Rosen, succeeding to Mr. Yann Delabrière, as Chairman of the Board of Directors. This appointment took effect after the General Meeting of May 30, 2017.

May 2017:

- Faurecia's Shareholders' Meeting in Paris has approved, based on the performance of the Group, the distribution of a gross dividend of €0.90 per share, paid in cash on June 6, 2017.
- The European Commission decided to close the case opened on March 25, 2014 involving the exhaust systems sector. Faurecia was one of the companies involved in this investigation.

June 2017: At its Investor Day held on 27 June in London, Faurecia focused on Sustainable Mobility. This is one of the Group's strategic priorities, the other one being Smart Life on Board. During this meeting Faurecia demonstrated the strong profitable growth potential of its Clean Mobility Business which will show over 7% CAGR over the next fifteen years, to reach above €10 billion of value added sales by 2030, with an operating margin of 15%.

July 2017:

- Faurecia announced its new joint-venture with Liuzhou Wuling Industry Co.Ltd. The joint venture will develop, manufacture and deliver automotive seating products to serve SGM Wuling affiliated OEM brands and other customers. Located in Liuzhou, Guangzhou province, the joint venture will manufacture and sell complete seats, frames and other seat components initially to SGM Wuling from three existing plants and one additional plant to be built. The annual sales will reach 1.8 billion RMB (€230 million) by 2022.
- Faurecia, signed a joint venture agreement for its Clean Mobility business with Dongfeng Motor Parts & Components Group CO., Ltd in Wuhan. The new company aims to provide advanced clean mobility solutions to Dongfeng affiliated OEM brands, for both passenger cars and commercial vehicles. This joint venture builds upon Faurecia's long term partnership with Dongfeng, with whom it already has a joint venture for its Automotive Interiors Business. Located in Xiangyang, the new joint venture will begin operations in 2018. The annual sales should reach 1.2 Billion RMB (€ 155 million) by 2021.

- Faurecia announced that it had taken a majority share in the Chinese company Jiangxi Coagent Electronics for a total investment of 1.45 billion RMB (193 million euros). Jiangxi Coagent Electronics is a private Chinese company specialized in infotainment and interior electronic solutions, including the integration of digital displays and HMI technologies. The company employs 1,300 people including more than 300 engineers. Jiangxi Coagent Electronics is based in Foshan for its Research and Development activities and in Jiangxi Province for its industrial production. The company is a supplier to leading Chinese automotive manufacturers and is seeing a strong growth in sales, which reached 148 million euros in 2016 and will rise to 270 million euros by 2019.

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

1.3. Value Added Sales

Starting 2018 January 1st, upon application of IFRS 15, Faurecia will communicate only on "value added sales".

A reconciliation between the value added sales and total sales is available on § 1.4.

(in € millions)	**H1 2016 Reported**	**Currencies**	**Scope (1)**	**Organic (2)**	**H1 2017 Reported**
Product Sales	7,294.7	96.8	(113.9)	533.4	7,811.0
Var. in %		1.3%	-1.6%	7.3%	7.1%
Development, Tooling, Prototypes and Other Services	627.0	12.4	(3.3)	137.6	773.7
Var. in %		2.0%	-0.5%	21.9%	23.4%
VALUE ADDED SALES	**7,921.7**	**109.2**	**(117.2)**	**671.0**	**8,584.7**
VAR. IN %		**1.4%**	**-1.5%**	**8.5%**	**8.4%**

(1) Divestment of the Fountain Inn (USA) plant.
(2) At constant currencies and scope, and including JVs consolidation for €190.7m or 2.4%.

Sales of products (parts and components delivered to manufacturers) reached €7,811.0 million compared to €7,294.7 million in the first half of 2016. This represented an increase in product sales of 7.1% on a reported basis and an organic growth of 7.3%.

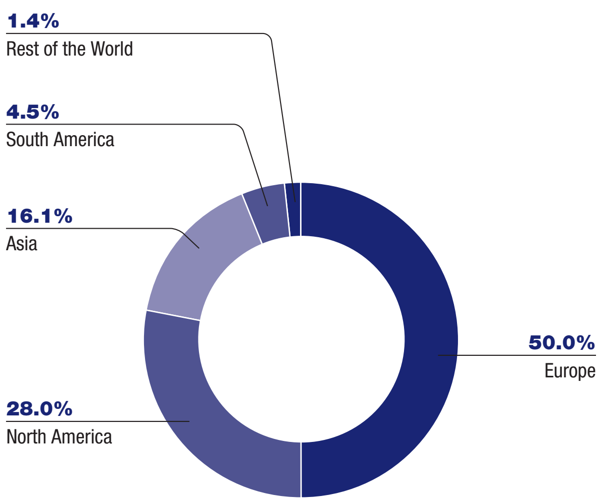
Sales of tooling, R&D, prototypes and other services in the first half of 2017 totaled €773.7 million versus €627.0 million in the first half of 2016. This represented an increase of 23.4% on a reported basis and an organic growth of 21.9%.

Value added sales were €8,584.7 million in the first half of 2017 compared to €7,921.7 million in the first half of 2016, showing an increase of 8.4% on a reported basis and 8.5% on organic growth.

1.3.1. BY REGION

(in € millions)	H1 2017	H1 2016	Reported	Organic [1]	Automotive Production
Value Added Sales					
Europe	4,295.2	4,203.4	2.2%	2.7%	1.2%
North America	2,401.1	2,225.3	7.9%	10.0%	-0.5%
South America	388.2	218.1	78.0%	56.6%	15.0%
Asia	1,377.6	1,181.3	16.6%	16.9%	4.6%
Rest of the World	122.6	93.6	31.0%	13.6%	6.6%
TOTAL	**8,584.7**	**7,921.7**	**8.4%**	**8.5%**	**3.0%**

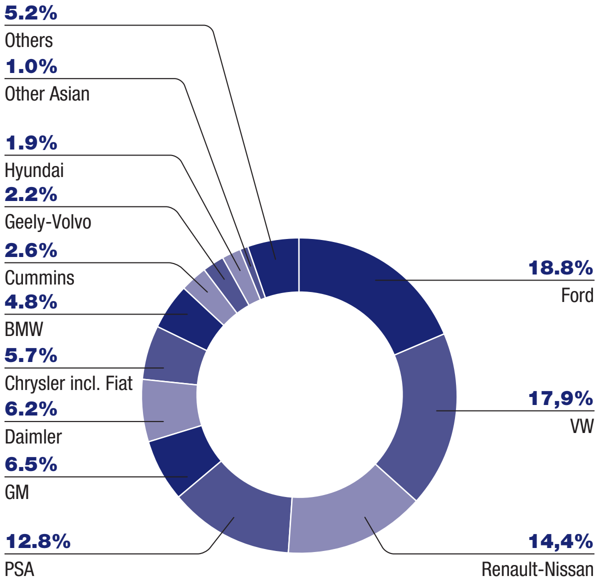
(1) At constant currencies and scope, and including JVs consolidation for €190.7m or 2.4% (€127.9m in Asia and €62.8m in South America).



Value added sales by geographic region for the first half of 2017 were as follows:

- in Europe, value added sales totaled €4,295.2 million (50.0% of total value added sales) for the first half of 2017, compared to €4,203.4 million for the first half of 2016. Value added sales were up 2.2% on a reported basis when compared to the first half of 2016 and represented an organic growth of 2.7%. Over the same period, car manufacturers increased production in Europe by 1.2% (0.5% when excluding Russia);
- in North America, value added sales increased by 7.9% on a reported basis, to €2,401.1 million (28.0% of total value added sales), versus €2,225.3 million for the first half of 2016. This generated an organic growth of 10.0% compared to a decline in production market of 0.5% in the region;
- in South America, value added sales totaled €388.2 million (4.5% of the total value added sales), compared to €218.1 million in the first half of 2016. Value added sales increased by 78.0% on a reported basis. The corresponding organic growth represented 56.6%. This can be compared to an increase by 15% of the automotive production;
- in Asia, value added sales were up to 16.6% on a reported basis to €1,377.6 million (16.1% of total value added sales), compared to €1,181.3 million in the first half of 2016 representing an organic growth of 16.9%. China showed an improvement of 19.2% on a reported basis, and 21.6% in organic growth. This is compared to an increase in production of 4.6% in Asia and of 4.9% in China;
- in the rest of the world (South Africa and Iran), value added sales amounted to €122.6 million. Value added sales were up 31.0% on a reported basis and increased by 13.6% in organic growth. This is compared to an increase in production of 6.6 % in the region.

1.3.2. BY CUSTOMER



Value added sales to Ford group accounted for 18.8% of Faurecia's total value added sales, totaling €1,612.0 million. Compared to the first half of 2016, value added sales to Ford group increased on a reported basis by 22.2% and generated a 19.6% organic growth.

Value added sales to the Volkswagen group totaled €1,539.5 million for the first half of 2017, up 2.2% when compared to the first half 2016 on a reported basis and up 2.0% in organic growth. Value added sales to Volkswagen group accounted for 17.9% of Faurecia's total value added sales.

Value added sales to the Renault-Nissan group represented €1,234.7 million or 14.4% of Faurecia's total value added sales. They were up 4.1% when compared to the first half of 2016 on a reported basis and up 2.4% in organic growth. Value added sales to Renault were up 6.0% in organic growth and value added sales to Nissan decreased by 1.6% in organic growth.

Value added sales to the PSA Peugeot Citroën group totaled €1,102.7 million during the first half of 2017, up 3.8% on a reported basis and up 3.5% in organic growth. They accounted for 12.8% of Faurecia's total value added sales.

Value added sales to General Motors group in the first half of 2017 decreased on a reported basis by 4.2% and by 6.7% in organic growth, reaching €560.1 million (6.5% of total value added sales).

Value added sales to the Daimler group totaled €533.4 million (6.2% of total value added sales). They were down 2.2% on a reported basis and by 3.6% in organic growth.

Value added sales to the Fiat-Chrysler group were €489.7 million (5.7% of total value added sales). This was a 42.2% reported growth and a 36.2% organic growth.

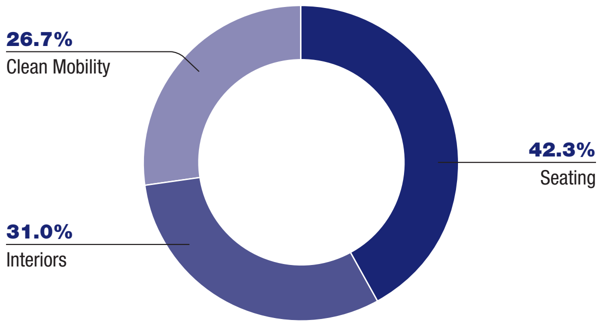
In the first half of 2017, value added sales increased by 42.8% with Geely-Volvo (43.8% organic growth). They were down 18.3% with BMW (but up +4.9% in organic growth) and up 46.9% with Cummins (43.7% of organic growth). They decreased with Hyundai/Kia by 2.3% on a reported basis and by 7.6% in organic growth.

Faurecia's four main customers represented 63.9% of value added sales: Ford 18.8%, VW 17.9%, Renault-Nissan 14.4% and PSA 12.8%.

1.3.3. BY BUSINESS GROUP

(in € millions)	H1 2017	H1 2016	Reported	Organic [1]
Value Added Sales				
Seating	3,633.0	3,299.4	10.1%	8.9%
Clean Mobility	2,287.3	2,104.4 [2]	8.7%	6.6%
Interiors	2,664.4	2,517.9 [2]	5.8%	9.5%
TOTAL	**8,584.7**	**7,921.7**	**8.4%**	**8.5%**

(1) At constant currencies and scope, and including JVs consolidation for €190.7m (all for Interiors business) or 2.4%.
(2) For H1.2016, the sales from Faurecia Composite Technologies, allocated to Interiors in the 2016 interim results, have been reallocated to Clean Mobility for 23 million euros to be comparable.



The Seating business generated €3,633.0 million in value added sales in the first half of 2017, up 10.1% when compared to the first half of 2016 on a reported basis. Sales showed an increase compared to the first half of 2016 of 8.9% in organic growth.

The Clean Mobility business generated value added sales of €2,287.3 million in the first half of 2017, up 8.7% on a reported basis and 6.6% in organic growth.

During the first half of 2017, the Interiors business generated value added sales of €2,664.4 million, showing an increase on a reported basis of 5.8% compared to first half 2016. Sales were up 9.5% in organic growth.

1.4. Total Sales

(in € millions)	H1 2016 Reported	Currencies	Scope [1]	Organic [2]	H1 2017 Reported
Value Added Sales	7,921.7	109.2	(117.2)	671.0	8,584.7
Var. in %		1.4%	-1.5%	8.5%	8.4%
Catalytic Converter Monoliths Sales	1,609.9	15.1	0.0	85.0	1,710.0
Var. in %		0.9%	0.0%	5.3%	6.2%
TOTAL SALES	**9,531.6**	**124.3**	**(117.2)**	**756.0**	**10,294.7**
VAR. IN %		**1.3%**	**-1.2%**	**7.9%**	**8.0%**

(1) Divestment of the Fountain Inn (USA) plant.
(2) At constant currencies and scope, and including JVs consolidation for €190.7m or 2.0%.

Catalytic converter monolith sales, products mandated by the customers on which Faurecia will be considered as an agent under the new IFRS 15 accounting rule, reached €1,710.0 million in the first half of 2017 versus €1,609.9 million for the first half of 2016. They were up 6.2% on a reported basis and by 5.3% in organic growth.

Total sales reached €10,294.7 million in the first half of 2017, compared to €9,531.6 million for the first half of 2016. Total sales grew by 8.0% on a reported basis between the first half of 2017 and the first half of 2016. In organic growth, sales increased by 7.9% compared to 2016.

1.5. Operating Income

Operating income for the first half of 2017 was €586.7 million (6.8% of value added sales), compared to €490.3 million for the first half of 2016 (6.2% of value added sales).

Gross expenditures for R&D in the first half of 2017 were €583.9 million, or 6.8% of value added sales, versus €522.5 million, or 6.6% of value added sales in the first half of 2016. The portion of R&D expenditure capitalised under IFRS in the first half of 2017 totaled €215.9 million, compared to €179.8 million for the first half of 2016. This represented 37.0% of total R&D expenditure in the first half of 2017, versus 34.4% in the first half of 2016.

These items resulted in a net R&D expenses for the first half of 2017 of €137.4 million, down from €145.6 million in the first half of 2016.

Selling and administrative expenses amounted to €364.7 million (4.2% of value added sales), versus €364.6 million (4.6% of value added sales) for the first half of 2016.

EBITDA – which represents operating income before depreciation, amortisation and provisions for impairment of property, plant and equipment and capitalised R&D expenditures – stood at €938.3 million (10.9% of value added sales) in the first half of 2017, compared to €813.8 million (10.3% of value added sales) in the first half of 2016.

1.5.1 BY REGION

	H1 2017			H1 2016		
(in € millions)	**Value Added Sales**	**Operating Income**	**%**	**Value Added Sales**	**Operating Income**	**%**
Europe	4,295.2	266.0	6.2%	4,203.4	254.1	6.0%
North America	2,401.1	141.1	5.9%	2,225.3	119.9	5.4%
South America	388.2	5.9	1.5%	218.1	(16.2)	-7.4%
Asia	1,377.6	159.8	11.6%	1,181.3	139.5	11.8%
Rest of the World	122.6	13.9	11.3%	93.6	5.4	5.8%
IFRS 5 adjustment [(1)]		0.0			(12.4)	
TOTAL	**8,584.7**	**586.7**	**6.8%**	**7,921.7**	**490.3**	**6.2%**

(1) The IFRS 5 adjustment has been isolated for a homogeneous comparison.

The €96.4 million improvement in operating income over the first half of the year compared to H1 2016 breaks down as follows:

- in Europe, the operating income increased by €11.9 million, bringing operating income to 6.2% of value added sales or €266.0 million. This compares to 6.0% or €254.1 million for the first half of 2016;
- in North America the operating income increased by €21.2 million to €141.1 million. Operating income stood at 5.9% of value added sales, compared to 5.4% in the first half of 2016;
- in South America the operating income increased by €22.1 million to €5.9 million compared to an operating loss of €16.2 million in the first half of 2016;
- in Asia, the operating income increased by €20.3 million to reach €159.8 million. Operating income reached at to 11.6% of value added sales compared to the first half of 2016 figures 11.8% of value added sales (€139.5 million);
- in the rest of the world (South Africa and Iran), the operating income increase by €8.5 million in operating income;
- upon application of accounting rule IFRS 5, the exclusion of the recharge of selling and administrative expenses to discontinued operations generated a non-recurring charge of €12,4 million in 2016. There is no impact in the first half of 2017.

1.5.2. BY BUSINESS GROUP

	H1 2017			H1 2016		
(in € millions)	**Value Added Sales**	**Operating Income**	**%**	**Value Added Sales**	**Operating Income**	**%**
Seating	3,633.0	202.7	5.6%	3,299.4	175.6	5.3%
Clean Mobility	2,287.3	231.6	10.1%	2,104.4 (2)	198.4(2)	9.4%
Interiors	2,664.4	152.4	5.7%	2,517.9 (2)	128.7(2)	5.1%
IFRS 5 adjustment (1)	0.0	0.0		0,0	(12,4)	
TOTAL	**8,584.7**	**586.7**	**6.8%**	**7,921.7**	**490.3**	**6.2%**

(1) The IFRS 5 adjustment has been isolated for a homogeneous comparison.
(2) For H1.2016, the sales and operating margin from Faurecia Composite Technologies, allocated to Interiors in the 2016 interim results, have been reallocated to Clean Mobility for respectively 23 million euros and -2 million euros to be comparable.

The business Group's operating income improved as follows:

- operating income for Seating in the first half of 2017 was €202.7 million (5.6% of value added sales) compared to €175.6 million for the first half of 2016 (5.3% of value added sales);
- operating income for Clean Mobility for the first half of 2017 was €231.6 million (10.1% of value added sales) compared to €198.4 million for the first half of 2016 (9.4% of value added sales);
- for the first half of 2017, Interiors gave an operating income of €152.4 million (5.7% of value added sales) versus €128.7 million (5.1% of value added sales) for the first half of 2016.

1.6. Net Income

Net income for the first half of the year 2017 stood at €314.4 million, or 3.7% of value added sales compared to €245.0 million in the first half of 2016 or 3.1% of value added sales. This is an increase of €69.4 million.

The "other non recurring operating income and expenses" item represented an expense of €32.3 million, compared to an expense of €65.8 million in the first half of 2016. This item included €29.3 million in restructuring charges compared to €58.2 million in 2016. These charges stemmed from restructuring plans implemented with a view to bringing costs in line with new market realities.

Financial income totaled €6.1 million, versus €6.7 million in the first half of 2016. Finance costs totaled €60.6 million, versus €97.5 million in the first half of 2016.

Other financial income and expenses represented an expense of €10.1 million, versus €15.2 million in the first half of 2016. This item includes €3.4 million from present discounting pension liabilities, €3.0 million commitment fees on credit facilities and €2.8 million linked to the amortization of borrowing costs.

The tax expense for the year was €144.3 million, versus €94.8 million in the first half of 2016, representing an average tax rate of 29.5% in the first half of 2017 compared to an average rate of 29.8% in the first half of 2016.

The income from discontinued operations and capital gains on disposals amounted to €47.6 million in the first half of 2016. In the first half of 2017, there is no impact on this item.

The share of net income of associates totaled €18.4 million, versus €13.2 million in the first half of 2016.

Net of net income attributable to minority interests (totaling €49.5 million in the first half of 2017 and consisting of net income accruing to investors in companies in which Faurecia is not the sole shareholder, mainly in China), net income for the first half 2017 year totaled €314.4 million, compared to €245.0 million in the first half of 2016.

Basic earnings per share on continued operations were €2.31 in H1.2017 (diluted net earnings per share at €2.28) compared to €1.79 in H1.2016 (diluted net earnings also at €1.79).

1.7. Financial Structure and Net Debt

(in € millions)	§	H1 2017	H1 2016
Net cash flow		**210.5**	**204.7**
Acquisitions / Sales of investments and business (net of cash and cash equivalents)	*2.3*	22.6	(25.8)
Proceeds from disposal of financial assets	*2.3*	(1.0)	0.0
Acquisitions of treasury stocks	*2.3*	(40.0)	(24.0)
Other changes from continued activities	*2.3*	(35.4)	0.4
Cash provided (used) by operating and investing activities	***2.3***	**156.7**	**155.3**

The net cash inflow was €210.5 million over the first half of the year compared to a net cash inflow of €204.7 million in the first half of 2016. It can be explained as follows:

- the operating margin before depreciations and amortizations of non-current assets or EBITDA reached €938.3 million compared to €813.8 million in the first half 2016, due to the increase in operating income for €96.4 million and the increase in depreciation and amortization for €28.1 million;
- restructuring represented cash outflows of €56.3 million compared to €24.5 million in the first half of 2016;
- net financial costs represented cash outflows of €65.0 million, versus €83.1 million in the first half of 2016;
- the change in working capital requirement, including receivables factoring, represented a positive impact of €73.3 million compared to €75.4 million in the first half of 2016. This change consisted in part of an increase in inventories of €172.0 million, a net increase in trade receivables of €198.6 million, an increase in trade payables of €441.7 million and a positive variation of other trade receivables and payables for €2.2 million. The evolution of these balance sheet positions was impacted by exchange rate changes;
- capital expenditures on property, plant and equipment and on intangible assets represented cash outflows of €292.4 million, versus €231.6 million in the first half of 2016;
- capitalized research and development costs represented cash outflows of €215.9 million, versus €185.3 million in the first half of 2016;
- income taxes represented cash outflows of €117.4 million, compared to €104.8 million in the first half of 2016;
- finally, other cash flow items represented €54.1 million in outflows, compared to €55.2 million in outflows in the first half 2016.

Net debt stood at €413.8 million at the end of june 2017, versus €341.5 million at year-end 2016.

The Group's shareholders' equity rose from €3,157.1 million at year-end 2016 to €3 254.2 million at the end of June 2017, an increase of €97.1 million mainly driven by the net income for the year.

The main elements of long-term financial resources are the syndicated credit facility for €1,200 million, signed in December 2014 and renegotiated in June 2016, maturing in June 2021, and which was not drawn at June 30, 2017, of €700 million of bonds maturing in June 2022 and €700 million of bonds maturing in June 2023.

1.8. Outlook

UPGRADED GUIDANCE* FOR FULL-YEAR 2017

Based on Faurecia's strong performance in H1 2017 and outlook for H2 2017, and assuming a worldwide automotive production growth of around 2% during the year, the FY 2017 guidance that was indicated on February 9, 2017 is now upgraded as follows:

- **FY 2017 value-added sales growth: +7% (at constant currencies), around 500bps above worldwide automotive production growth** *(previous guidance dated Feb. 9 was: "+6% (at constant currencies) or 400 bps above worldwide automotive production growth");*
- **FY 2017 operating margin between 6.6% and 7.0% of value-added sales** *(previous guidance dated Feb. 9 was: "between 6.4% and 6.8% of value-added sales");*
- **FY 2017 net cash flow above €350m** *(unchanged vs. guidance dated Feb. 9);*
- **FY 2017 earnings per share above €4.00** *(previous guidance dated Feb. 9 was: "around €4.00").*

Faurecia is fully on track to achieve its 2018 ambitions:

- **CAGR 2016-2018 value-added sales growth: +6% or 400 bps above automotive production growth;**
- **FY 2018 operating margin of 7% on value-added sales;**
- **FY 2018 net cash flow above 500 million euros;**
- **FY 2018 earnings per share of €5.00.**

** Main assumptions*

LV vehicle (PC + LV<3.5t) production estimated to grow globally by around 2%:

- *Europe: at least +2%*
- *North America: -3% to -1%*
- *China: +1 million vehicles per year*

Currencies: *USD/€ at 1.10 and CNY/€ at 7.52*

2

Consolidated financial statements

CONTENTS

2.1 Consolidated statement of comprehensive income

(in € millions)	*Notes*	First-half 2017	First-half 2016	2016
SALES	4	**10,294.7**	**9,531.6**	**18,710.5**
Cost of sales	5	(9,205.9)	(8,531.1)	(16,784.6)
Research and development costs	5	(137.4)	(145.6)	(289.5)
Selling and administrative expenses	5	(364.7)	(364.6)	(666.2)
OPERATING INCOME		**586.7**	**490.3**	**970.2**
Other non-recurring operating income	6	3.2	3.4	7.0
Other non-recurring operating expenses	6	(35.5)	(69.1)	(112.8)
Income on loans, cash investments and marketable securities		6.1	6.7	11.4
Finance costs		(60.6)	(97.5)	(150.5)
Other financial income and expenses	7	(10.1)	(15.2)	(23.3)
INCOME BEFORE TAX OF FULLY CONSOLIDATED COMPANIES		**489.8**	**318.6**	**702.0**
Taxes	8	(144.3)	(94.8)	(189.2)
of which deferred taxes	8	(13.5)	18.3	32.6
NET INCOME (LOSS) OF FULLY CONSOLIDATED COMPANIES		**345.5**	**223.8**	**512.8**
Share of net income of associates	11	18.4	13.2	19.7
NET INCOME FROM CONTINUED OPERATIONS		**363.9**	**237.0**	**532.5**
NET INCOME FROM DISCONTINUED OPERATIONS		**0.0**	**47.6**	**188.3**
CONSOLIDATED NET INCOME (LOSS)		**363.9**	**284.6**	**720.8**
Attributable to owners of the parent		**314.4**	**245.0**	**637.8**
Attributable to minority interests		49.5	39.6	83.0
Basic earnings (loss) per share *(in €)*	9	2.31	1.79	4.65
Diluted earnings (loss) per share *(in €)*	9	2.28	1.79	4.65
Basic earnings (loss) from continued operations per share *(in €)*	9	2.31	1.44	3.28
Diluted earnings (loss) from continued operations per share *(in €)*	9	2.28	1.44	3.28
Basic earnings (loss) from discontinued operations per share *(in €)*	9	0.0	0.35	1.37
Diluted earnings (loss) from discontinued operations per share *(in €)*	9	0.0	0.35	1.37

OTHER COMPREHENSIVE INCOME

(in € millions)	First-half 2017	First-half 2016	2016
CONSOLIDATED NET INCOME (LOSS)	**363.9**	**284.6**	**720.8**
Amounts to be potentially reclassified to profit or loss	**(119.1)**	**(10.2)**	**34.0**
Gains (losses) arising on fair value adjustments to cash flow hedges	12.6	(1.6)	(0.9)
of which recognized in equity	*7.9*	*5.2*	*1.7*
of which transferred to net income (loss) for the period	*4.7*	*(6.8)*	*(2.6)*
Exchange differences on translation of foreign operations	(131.7)	(8.6)	34.9
Amounts not to be reclassified to profit or loss	**18.3**	**(48.9)**	**(27.5)**
Actuarial gains/(losses) on post-employment benefit obligations	18.3	(48.9)	(27.5)
Other comprehensive income from discontinued operations	**0.0**	**(7.8)**	**(8.3)**
TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD	**263.1**	**217.7**	**719.0**
Attributable to owners of the parent	226.7	183.3	638.5
Attributable to minority interests	36,4	34.4	80.5

2.2 Consolidated balance sheet

ASSETS

(in € millions)	*Notes*	June 30, 2017	Dec. 31, 2016
Goodwill	*10*	1,222.2	1,217.7
Intangible assets		1,173.1	1,107.7
Property, plant and equipment		2,534.2	2,468.2
Investments in associates	*11*	110.4	130.7
Other equity interests		72.5	67.1
Other non-current financial assets	*12*	100.7	66.7
Other non-current assets		43.3	43.0
Deferred tax assets		246.9	266.2
TOTAL NON-CURRENT ASSETS		**5,503.3**	**5,367.3**
Inventories, net		1,433.4	1,264.0
Trade accounts receivables	*13*	1,872.7	1,652.1
Other operating receivables		290.9	269.8
Other receivables		447.4	426.8
Other current financial assets		6.9	2.2
Cash and cash equivalents	*14*	1,560.3	1,562.2
TOTAL CURRENT ASSETS		**5,611.6**	**5,177.1**
Assets held for sale		0.0	0.0
TOTAL ASSETS		**11,114.9**	**10,544.4**

LIABILITIES

(in € millions)	*Notes*	June 30, 2017	Dec. 31, 2016
EQUITY			
Capital	*15*	966.3	966.3
Additional paid-in capital		632.8	632.8
Treasury stock		(65.7)	(25.7)
Retained earnings		1,053.8	500.0
Translation adjustments		111.3	230.8
Net income (loss)		314.4	637.8
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENTS	*15*	**3,012.9**	**2,942.0**
Minority interests		241.3	215.1
TOTAL SHAREHOLDERS' EQUITY		**3,254.2**	**3,157.1**
Non-current provisions	*17*	382.6	399.7
Non-current financial liabilities	*18*	1,608.6	1,594.0
Other non-current liabilities		1.6	1.7
Deferred tax liabilities		12.5	14.2
TOTAL NON-CURRENT LIABILITIES		**2,005.3**	**2,009.6**
Current provisions	*16*	186.8	221.1
Current financial liabilities	*18*	372.4	311.9
Prepayments from customers		174.8	155.1
Trade payables		4,136.6	3,733.3
Accrued taxes and payroll costs		628.2	579.1
Sundry payables		356.6	377.2
TOTAL CURRENT LIABILITIES		**5,855.4**	**5,377.7**
Liabilities linked to assets held for sale		0.0	0.0
TOTAL EQUITY AND LIABILITIES		**11,114.9**	**10,544.4**

2.3 Consolidated cash flow statement

(in € millions)	First-half 2017	First-half 2016	2016
I – OPERATING ACTIVITIES			
Operating income (loss)	586.7	490.3	970.2
Depreciations and amortizations of non-current assets	351.6	323.5	669.1
EBITDA	**938.3**	**813.8**	**1,639.3**
Operating current and non-current provisions	5.0	19.8	25.5
Capital (gains) losses on disposals of operating assets	1.9	8.1	10.3
Paid restructuring	(56.3)	(24.5)	(63.5)
Paid finance costs net of income	(65.0)	(83.1)	(132.0)
Other non-recurring operating income and expenses paid	(3.4)	(19.4)	15.7
Paid taxes	(117.4)	(104.8)	(257.7)
Dividends from associates	10.2	16.5	18.1
Change in working capital requirement	**73.3**	**75.4**	**162.5**
Change in inventories	(172.0)	(114.1)	(151.0)
Change in trade accounts receivables	(198.6)	(71.1)	6.5
Change in trade payables	441.7	169.4	268.6
Change in other operating receivables and payables	33.6	76.4	68.3
Change in other receivables and payables (excl.Tax)	(31.4)	14.8	(29.9)
Operating cash flows from discontinued operations	**0.0**	**(34.0)**	**(121.5)**
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES	**786.6**	**667.8**	**1,296.7**
II – INVESTING ACTIVITIES			
Additional property, plant and equipment	(292.4)	(231.4)	(637.6)
Additional intangible assets	0.0	(0.2)	(0.4)
Capitalized development costs	(215.9)	(185.3)	(406.9)
Acquisitions/Sales of investments and business (net of cash and cash equivalents) *	22.6	(25.8)	532.5
Proceeds from disposal of property, plant and equipment	0.8	33.5	27.0
Proceeds from disposal of financial assets	(1.0)	0.0	0.0
Change in investment-related receivables and payables	(57.4)	(34.0)	55.9
Acquisitions of treasury stocks	(40.0)	(24.0)	(24.0)
Other changes	(46.6)	0.4	23.1
Investing cash flows from discontinued operations	**0.0**	**(45.7)**	**(53.5)**
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES	**(629.9)**	**(512.5)**	**(483.9)**
CASH PROVIDED (USED) BY OPERATING AND INVESTING ACTIVITIES (I)+(II)	**156.7**	**155.3**	**812.8**
III – FINANCING ACTIVITIES			
Shares issued by Faurecia and fully consolidated companies (net of costs)	6.7	1.4	3.2
Option component of convertible bonds	0.0	0.0	0.0
Dividends paid to owners of the parent company	(122.6)	(88.8)	(88.8)
Dividends paid to minority interests in consolidated subsidiaries	(21.3)	(33.4)	(76.2)
Other financial assets and liabilities	0.0	0.0	0.0
Debt securities issued and increase in other financial liabilities	116.0	736.3	710.2
Repayment of debt and other financial liabilities	(104.1)	(559.9)	(720.7)
Financing cash flows from discontinued operations	**0.0**	**(24.2)**	**(8.6)**
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	**(125.3)**	**31.4**	**(180.9)**
IV – OTHER CHANGES IN CASH AND CASH EQUIVALENTS			
Impact of exchange rate changes on cash and cash equivalents	(33.2)	(17.1)	(4.8)
Net cash flows from discontinued operations	**0.0**	**(4.6)**	**2.6**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(1.9)**	**165.0**	**629.7**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**1,562.2**	**932.5**	**932.5**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**1,560.3**	**1,097.5**	**1,562.2**

* *of which mainly sale of Faurecia Automotive Exteriors in 2016.*

2.4 Consolidated statement of changes in equity

(in € millions)	Number of shares [1]	Capital stock	Additional paid-in capital	Treasury stock	Retained earnings and net income (loss) for the period	Valuation adjustments: Translation adjustments	Valuation adjustments: Cash flow hedges	Valuation adjustments: Actuarial gains/ (losses) on post employment benefit obligations	Equity attributable to owners of the parent	Mino-rity inte-rests	Total
Shareholders' equity as of Dec. 31,2015 before appropriation of net income (loss)	**137,192,778**	**960.4**	**621.9**	**(1.1)**	**698.2**	**203.4**	**(5.7)**	**(79.5)**	**2,397.6**	**211.9**	**2,609.5**
Net income (loss)					245.0				245.0	39.6	284.6
Other comprehensive income						(11.3)	(1.6)	(48.9)	(61.8)	(5.2)	(67.0)
Comprehensive income					***245.0***	***(11.3)***	***(1.6)***	***(48.9)***	***183.2***	***34.4***	***217.6***
Capital increase [2]	843,023	5.9	10.9						16.8		16.8
2015 dividends					(88.8)				(88.8)	(70.3)	(159.1)
Measurement of stock options and shares grant					0.0				0.0		0.0
Purchases and sales of treasury stock				(24.6)	8.4				(16.2)		(16.2)
Changes in scope of consolidation and other					1.8	(4.2)			(2.4)	(1.9)	(4.3)
Shareholders' equity as of June 30, 2016 before appropriation of net income (loss)	**138,035,801**	**966.3**	**632.8**	**(25.7)**	**864.6**	**187.9**	**(7.3)**	**(128.4)**	**2,490.2**	**174.1**	**2,664.3**
Net income (loss)					392.8				392.8	43.4	436.2
Other comprehensive income						41.9	0.7	19.9	62.5	2.7	65.2
Comprehensive income					***392.8***	***41.9***	***0.7***	***19.9***	***455.3***	***46.1***	***501.4***
Capital increase										1.8	1.8
2015 dividends										(9.7)	(9.7)
Measurement of stock options and shares grant					17.8				17.8		17.8
Purchases and sales of treasury stock					(8.5)				(8.5)		(8.5)
Changes in scope of consolidation and other					(13.8)	1.0			(12.8)	2.8	(10.0)
Shareholders' equity as of Dec. 31, 2016 before appropriation of net income (loss)	**138,035,801**	**966.3**	**632.8**	**(25.7)**	**1,252.9**	**230.8**	**(6.6)**	**(108.5)**	**2,942.0**	**215.1**	**3,157.1**
Net income (loss)					314.4				314.4	49.5	363.9
Other comprehensive income						(118.5)	12.6	18.2	(87.7)	(13.1)	(100.8)
Comprehensive income					***314.4***	***(118.5)***	***12.6***	***18.2***	***226.7***	***36.4***	***263.1***
Capital increase											
2016 dividends					(122.6)				(122.6)	(40.5)	(163.1)
Measurement of stock options and shares grant					11.0				11.0		11.0
Purchases and sales of treasury stock				(40.0)					(40.0)		(40.0)
Changes in scope of consolidation and other					(3.2)	(1.0)			(4.2)	30.3	26.1
Shareholders' equity as of June 30, 2017 before appropriation of net income (loss)	**138,035,801**	**966.3**	**632.8**	**(65.7)**	**1,452.5**	**111.3**	**6.0**	**(90.3)**	**3,012.9**	**241.3**	**3,254.2**

(1) Of which 807,216 treasury stock as of 12/31/2016 and 1 761 370 as of 06/30/2017 - See note 9.
(2) Capital increase arising mainly from the conversion bonds for the equity attributable to owners of the parent.

2.5 Notes to the consolidated financial statements

CONTENTS

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

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

The consolidated financial statements were approved by Faurecia's Board of Directors on July 20, 2017.

The accounts were prepared on a going concern basis.

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) published by the IASB, 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, 2016.

The standards used to prepare the interim consolidated financial statements for the six months ended June 30, 2017 and comparative data for 2016 are those published in the Official Journal of the European Union (OJEU) as of June 30, 2017, whose application was mandatory at that date.

The principal accounting policies considered have been applied consistently to all presented periods. Specifically, the Operating margin is the Faurecia group's principal performance indicator.

It corresponds to net income of the fully consolidated companies before:

- other non-recurring operating income and expenses, corresponding to material, unusual and non-recurring items including reorganization costs and early retirement costs, the impact of exceptional events such as the discontinuation of a business, the closure or sale of an industrial site, disposals of non-operating buildings, impairment losses and reversals recorded for property, plant and equipment or intangible assets, as well as other material and unusual losses;
- income on loans, cash investments and marketable securities;
- finance costs;
- other financial income and expenses, which include the impact of discounting the pension benefit obligation and the return on related plan assets, the ineffective portion of interest rate and currency hedges, changes in value of interest rate and currency instruments for which the hedging relationship does not satisfy the criteria set forth in IAS 39, and gains and losses on sales of shares in subsidiaries;
- taxes.

Value added sales represent total sales excluding monoliths. Monoliths are precious metals and ceramics used in emission control systems.

All new standards, amendments and revisions to the existing standards, whose application is mandatory from January 1st, 2017 have no significant impact on the Group semester consolidated financial statements.

Moreover, Faurecia has not undertaken any early application of the new standards, amendments or interpretations whose application is mandatory after June 30, 2017, irrespective of whether or not they are adopted by the European Union. The impact analysis of these standards and amendments is in progress.

In particular, as regards IFRS 15, Faurecia carries out an in depth analysis of contracts and sales transactions in order to identify and assess any change to the presentation of the sales figure and the rules for recognition over time. These analyses have confirmed in a first step that Faurecia will operate as an agent for monoliths sales, these sales will then be recorded at net value in the income and total sales would be only added-value sales, as defined by Faurecia. This impact on sales is presented in the note 4.

As regards IFRS 16 and IFRS 9, analyses are in progress to identify the impact of the standards, no significant impact being expected on IFRS 9.

NOTE 2 CHANGE IN SCOPE OF CONSOLIDATION AND RECENT EVENTS

2.1 Change in scope of consolidation in 2017

Within the Automotive Seating consolidation scope, the company Tianjin Faurecia Xuyang Automotive Seat Co., Ltd has been created and is fully consolidated since May 2017.

Within Interior Systems, Faurecia has acquired 16% of FMM Pernambuco Componentes Automotivos Ltda in Brazil , serving FCA as customer, previously consolidated by equity method and which is now held at 51% and fully consolidated since February 2017. In China, the company Chongqing Faurecia Changpeng Automotive Parts Company Ltd, held at 80% since October 2016, is fully consolidated since January 2017; in addition, the company CSM Faurecia Automotive Systems Company, held at 50% is fully consolidated since January 2017; these two companies are serving the Changan group as a customer. The company Faurecia Shing Sun Co Ltd in South Korea, previously held at 60%, has been sold in March 2017. Faurecia has acquired on March 31, 2017 20% of Parrot Faurecia Automotive. This investment meets the criteria of significant influence and will be consolidated by equity method in the second semester.

Within the Clean Mobility perimeter, the companies Faurecia (Tianjin) Emissions Control Technologies Co., Ltd and Faurecia Yinlun Emissions Control Technologies (Weifang) Co., Ltd have been created in China ; respectively held at 100% and 52%, they are fully consolidated.

2.2 Change in scope of consolidation in 2016

On July 29, 2016, Faurecia completed the sale to Plastic Omnium of its Automotive Exteriors branch for €665 million (enterprise value).

The divestiture commitment made by Plastic Omnium towards the European Commission did not have any impact on the sale of the business by Faurecia nor on the price of the transaction.

In accordance with the sale and purchase agreement, a procedure for determining any potential price adjustment based on the FAE accounts at closing date is ongoing and is subject to a contradictory expertise initiated by Plastic Omnium still on going as of June 30, 2017.

As at 31 December 2016, the capital gain net of tax had been recorded within “Net profit from discontinued operations”.

Within the Automotive Seating consolidation scope, the company Faurecia Automotive Systems Technologies based in Morocco, has been fully consolidated since March 2016, as well as Faurecia (Tianjin) Automotive Systems (China) since July 2016.

The entity Faurecia Automotive Seating Canada merged in Faurecia Emissions Control Technologies Canada in December 2016.

Beijing WKW-FAD Automotive Parts Company Limited, part of the Interior Systems business was created in China and the entity Ligneos was created in Italy. Both are held at 50% by Faurecia and consolidated by equity method.

Within the Clean Mobility consolidation scope, the entities Faurecia Emissions Control Technologies, Novaferra GmbH and Faurecia Emissions Control Technologies, Finnentrop GmbH have been merged into Faurecia Emissions Control Technologies, Germany GmbH.

Faurecia Exhaust Systems Qingpu and Faurecia (Jimo) Emissions Control Technologies were created and are held at 100% by Faurecia. Faurecia also acquired shares of OOO Faurecia ADP in Russia and holds 100% of the company.

Faurecia Automotive Seating Korea (Seating), Faurecia Jit And Sequencing Korean (Clean Mobility) and Faurecia Trim Korea (Interior systems) have been merged into Clean Mobility Faurecia Emissions Control Systems Korea in December 2016.

Changchun Huaxiang Faurecia Automotive Plastic Components has been sold in August. The company was consolidated by equity method.

Fountain Inn activities for BMW have been sold to Yanfeng Automotive Interiors on June 30, 2016. The plant sales were 226 million euros in 2015 and 115 million euros in 2016.

2.3 Recent events

ON GOING ENQUIRIES

On April 28, 2017, the European Commission decided to close the case opened on March 25, 2014 covering certain suppliers of emission control systems on the basis for suspicions of anti-competitive practices in this market. Faurecia was one of the companies covered by this enquiry.

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

NOTE 3 POST-BALANCE SHEET EVENTS

No significant post-balance sheet events have occurred.

NOTE 4 INFORMATION BY OPERATING SEGMENT

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

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

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

4.1 Key figures by operating segment

FIRST HALF 2017

(in € millions)	Automotive Seating	Clean Mobility	Interior Systems	Others	Total
VALUE ADDED SALES	**3,644.5**	**2,291.0**	**2,678.2**	**233.0**	**8,846.7**
MONOLITH SALES	**0.0**	**1,710.0**	**0.0**	**0.0**	**1,710.0**
TOTAL SALES	**3,644.5**	**4,001.0**	**2,678.2**	**233.0**	**10,556.7**
Inter-segment eliminations	(11.5)	(3.7)	(13.8)	(233.0)	(262.0)
Consolidated sales	**3,633.0**	**3,997.3**	**2,664.4**	**0.0**	**10,294.7**
Operating income	**202.7**	**231.6**	**152.4**	**0.0**	**586.7**
Other non recurring operating income					3.2
Other non recurring operating expenses					(35.5)
Finance costs, net					(54.5)
Other financial income and expenses					(10.1)
Corporate income tax					(144.3)
Share of net income of associates					18.4
Net income from continued operations					**363.9**
Net income from discontinued operations					**0.0**
NET INCOME (LOSS)					**363.9**
Segment assets	**3,339.0**	**2,878.3**	**2,452.1**	**182.6**	**8,852.0**
Net property, plant and equipment	692.5	838.4	942.1	61.2	2,534.2
Other segment assets	2,646.5	2,039.9	1,510.0	121.4	6,317.8
Investments in associates					110.4
Other equity interests					72.5
Short and long-term financial assets					1,698.5
Tax assets (current and deferred)					381.5
Assets held for sale					0.0
TOTAL ASSETS					**11,114.9**
Segment liabilities	**1,846.3**	**2,141.2**	**1,623.2**	**200.6**	**5,811.3**
Borrowings					1,981.0
Tax liabilities (current and deferred)					68.4
Liabilities linked to assets held for sale					0.0
Equity and minority interests					3,254.2
TOTAL LIABILITIES					**11,114.9**
Capital expenditure	86.7	99.1	114.3	10.2	310.3
Depreciation of property, plant and equipment	(61.6)	(68.3)	(81.1)	(3.5)	(214.5)
Impairment of property, plant and equipment	0.0	(1.3)	0.3	0.0	(1.0)
Headcounts	42,702	22,175	37,008	2,540	104,425

FIRST HALF 2016

(in € millions)	Automotive Seating	Clean Mobility	Interior Systems	Others	Total
VALUE ADDED SALES	**3,303.8**	**2,106.4**	**2,539.3**	**236.8**	**8,186.3**
MONOLITH SALES	**0.0**	**1,609.9**	**0.0**	**0.0**	**1,609.9**
TOTAL SALES	**3,303.8**	**3,716.3**	**2,539.3**	**236.8**	**9,796.2**
Inter-segment eliminations	(4.4)	(2.0)	(21.4)	(236.8)	(264.6)
Consolidated sales	**3,299.4**	**3,714.3**	**2,517.9**	**0.0**	**9,531.6**
Operating income	**175.6**	**198.4**	**128.7**	**(12.4)**	**490.3**
Other non recurring operating income					3.4
Other non recurring operating expenses					(64.4)
Finance costs, net					(90.8)
Other financial income and expenses					(19.9)
Corporate income tax					(94.8)
Share of net income of associates					13.2
Net income from continued operations					**237.0**
Net income from discontinued operations					**47.6**
NET INCOME (LOSS)					**284.6**
Segment assets	**3,170.6**	**2,497.5**	**2,043.8**	**139.3**	**7,851.2**
Net property, plant and equipment	636.8	748.2	781.4	61.8	2,228.2
Other segment assets	2,533.8	1,749.3	1,262.4	77.5	5,623.0
Investments in associates					126.7
Other equity interests					18.1
Short and long-term financial assets					1,186.0
Tax assets (current and deferred)					363.9
Assets held for sale					816.5
TOTAL ASSETS					**10,362.4**
Segment liabilities	**1,733.6**	**1,885.5**	**1,351.7**	**206.9**	**5,177.7**
Borrowings					2,039.2
Tax liabilities (current and deferred)					60.5
Liabilities linked to assets held for sale					420.7
Equity and minority interests					2,664.3
TOTAL LIABILITIES					**10,362.4**
Capital expenditure	61.9	78.0	73.5	19.7	233.1
Depreciation of property, plant and equipment	(57.2)	(58.0)	(75.9)	(2.7)	(193.8)
Impairment of property, plant and equipment	(0.1)	(0.5)	(4.4)	0.0	(5.0)
Headcounts	39,157	21,422	33,633	2,382	96,594

FULL YEAR 2016

(in € millions)	Automotive Seating	Clean Mobility	Interior Systems	Others	Total
VALUE ADDED SALES	**6,621.5**	**4,203.2**	**4,840.5**	**511.1**	**16,176.3**
MONOLITH SALES	**0.0**	**3,096.9**	**0.0**	**0.0**	**3,096.9**
TOTAL SALES	**6,621.5**	**7,300.1**	**4,840.5**	**511.1**	**19,273.2**
Inter-segment eliminations	(14.1)	(7.9)	(29.6)	(511.1)	(562.7)
Consolidated sales	**6,607.4**	**7,292.2**	**4,810.9**	**0.0**	**18,710.5**
Operating income	**343.7**	**393.8**	**247.9**	**(15.2)**	**970.2**
Other non recurring operating income					7.0
Other non recurring operating expenses					(112.8)
Finance costs, net					(139.1)
Other financial income and expenses					(23.3)
Corporate income tax					(189.2)
Share of net income of associates					19.7
Net income from continued operations					**532.5**
Net income from discontinued operations					**188.3**
NET INCOME (LOSS)					**720.8**
Segment assets	**3,241.7**	**2,734.1**	**2,105.9**	**185.4**	**8,267.1**
Net property, plant and equipment	695.4	846.5	859.3	67.0	2,468.2
Other segment assets	2,546.3	1,887.6	1,246.6	118.4	5,798.9
Investments in associates					130.7
Other equity interests					67.1
Short and long-term financial assets					1,654.9
Tax assets (current and deferred)					424.6
Assets held for sale					0.0
TOTAL ASSETS					**10,544.4**
Segment liabilities	**1,767.6**	**1,986.8**	**1,350.2**	**304.4**	**5,409.0**
Borrowings					1,905.9
Tax liabilities (current and deferred)					72.4
Liabilities linked to assets held for sale					0.0
Equity and minority interests					3,157.1
TOTAL LIABILITIES					**10,544.4**
Capital expenditure	179.1	215.9	224.0	49.6	668.6
Depreciation of property, plant and equipment	(116.4)	(124.4)	(145.2)	(6.0)	(392.0)
Impairment of property, plant and equipment	(1.7)	(0.5)	(5.3)	0.0	(7.5)
Headcounts	42,123	21,651	32,401	2,433	98,608

4.2 Sales by operating segment

Sales by operating segment break down as follows:

	First half 2017				First half 2016				Full-year 2016			
(in € millions)	value added sales	%	total sales	%	value added sales	%	total sales	%	value added sales	%	total sales	%
Automotive Seating	3,633.0	42	3,633.0	35	3,299.4	42	3,299.4	35	6,607.4	42	6,607.4	35
Clean Mobility	2,287.3	27	3,997.3	39	2,104.4	26	3,714.3	39	4,195.3	27	7,292.2	39
Interior Systems	2,664.4	31	2,664.4	26	2,517.9	32	2,517.9	26	4,810.9	31	4,810.9	26
TOTAL	**8,584.7**	**100**	**10,294.7**	**100**	**7,921.7**	**100**	**9,531.6**	**100**	**15,613.6**	**100**	**18,710.5**	**100**

4.3 Sales by major customer

Sales* by major customer break down as follows:

	First half 2017				First half 2016				Full-year 2016			
(en millions d'euros)	value added sales	%	total sales	%	value added sales	%	total sales	%	value added sales	%	total sales	%
Ford Group	1,431.3	17	1,569.5	15	1,155.2	15	1,295.6	14	2,351.9	15	2,619.9	14
VW Group	1,209.0	14	1,440.3	14	1,221.6	15	1,456.9	15	2,324.8	15	2,776.3	15
Renault-Nissan	978.1	11	1,169.2	11	945.8	12	1,085.2	11	1,897.5	12	2,165.0	12
PSA Peugeot Citroën	1,024.8	12	1,157.5	11	1,001.7	13	1,143.7	12	1,843.9	12	2,108.8	11
GM	503.3	6	756.9	7	501.5	6	760.9	8	1, 024.2	7	1,530.6	8
Daimler	494.4	6	571.7	6	503.2	6	614.5	6	991.8	6	1,182.6	6
BMW	355.8	4	373.6	4	461.1	6	480.1	5	804.1	5	838.6	5
Others	2,588.0	30	3,255.9	32	2,131.6	27	2,694.7	29	4,375.4	28	5,488.7	28
TOTAL	**8,584.7**	**100**	**10,294.7**	**100**	**7,921.7**	**100**	**9,531.6**	**100**	**15,613.6**	**100**	**18,710.5**	**100**

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

NOTE 5 ANALYSIS OF OPERATING EXPENSES

5.1 Analysis of operating expenses by function

(in € millions)	First-half 2017	First-half 2016	Full-year 2016
Cost of sales	(9,205.9)	(8,531.1)	(16,784.6)
Research and development costs	(137.4)	(145.6)	(289.5)
Selling and administrative expenses	(364.7)	(364.6)	(666.2)
TOTAL	**(9,708.0)**	**(9,041.3)**	**(17,740.3)**

5.2 Analysis of operating expenses by nature

(in € millions)	First-half 2017	First-half 2016	Full-year 2016
Purchases consumed	(6,919.3)	(6,389.4)	(12,518.3)
External costs	(976.0)	(880.7)	(1,785.1)
Personnel costs	(1,818.7)	(1,715.2)	(3,360.1)
Taxes other than on income	(34.9)	(31.1)	(53.5)
Other income and expenses*	393.3	311.3	641.0
Depreciation, amortization and provisions for impairment in value of non-current assets	(351.7)	(318.8)	(660.2)
Charges to and reversals of provisions	(0.7)	(17.4)	(4.1)
TOTAL	**(9,708.0)**	**(9,041.3)**	**(17,740.3)**
* *Including production taken into inventory or capitalized.*	*355.6*	*295.0*	*576.3*

The CICE (tax credit for competitiveness and employment) is allocated to personnel costs; it amounted to €7.6 million for the first semester 2017 (€6.5 million for the first half-year 2016 and €12.7 million for the full year 2016).

5.3 Research and development costs

(in € millions)	First-half 2017	First-half 2016	Full-year 2016
Research and development costs, gross	(583.9)	(522.5)	(1,021.5)
• amounts billed to customers and changes in inventories	355.0	310.6	587.5
• capitalized development costs	215.9	179.8	389.1
• amortization of capitalized development costs	(122.8)	(111.7)	(239.3)
• allowances to and reversals of provisions for impairment of capitalized development costs	(1.6)	(1.8)	(5.3)
NET EXPENSE	**(137.4)**	**(145.6)**	**(289.5)**

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

(in € millions)	First-half 2017	First-half 2016	Full-year 2016
Amortization of capitalized development costs	(122.8)	(111.7)	(239.3)
Amortization of other intangible assets	(13.0)	(12.1)	(25.0)
Depreciation of specific tooling	(5.4)	(7.6)	(13.8)
Depreciation and impairment of other property, plant and equipment	(208.9)	(185.6)	(376.8)
Provisions for impairment of capitalized development costs	(1.6)	(1.8)	(5.3)
TOTAL	**(351.7)**	**(318.8)**	**(660.2)**

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

NOTE 6 OTHER NON RECURRING OPERATING INCOME AND EXPENSES

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

OTHER NON RECURRING OPERATING INCOME

(in € millions)	First-half 2017	First-half 2016	Full-year 2016
Release of provision for impairment of assets	0.0	0.0	0.0
Losses on disposal of assets	0.3	2.6	1.9
Others	2.9	0.8	5.1
TOTAL	**3.2**	**3.4**	**7.0**

OTHER NON RECURRING OPERATING EXPENSES

(in € millions)	First-half 2017	First-half 2016	Full-year 2016
Other provisions for impairment of assets	0.0	0.0	(8.8)
Reorganization costs*	(29.3)	(58.2)	(86.3)
Losses on disposal of assets	0.0	0.0	0.0
Others	(6.2)	(10.9)	(17.7)
TOTAL	**(35.5)**	**(69.1)**	**(112.8)**

* *As of June 30, 2017, this item includes restructuring costs in the amount of € 28.2 million and provisions for impairment in value of non-current assets in the amount of € 1.1 million, versus respectively, €84.2 million and € 2.1 million as of December 2016 and €57.2 million and € 1.0 million as of June 2016.*

NOTE 7 OTHER FINANCIAL INCOME AND EXPENSES

(in € millions)	First2017	First2016	Full2016
Impact of discounting pension benefit obligations	(3.4)	(3.9)	(7.5)
Changes in the ineffective portion of currency hedges	(0.6)	0.7	0.8
Changes in fair value of currency hedged relating to debt	5.3	(5.5)	(2.4)
Foreign exchange gains and losses on borrowings	(6.0)	2.5	(3.5)
Others*	(5.4)	(9.0)	(10.7)
TOTAL	**(10.1)**	**(15.2)**	**(23.3)**

* *As of June 30, 2017 this item includes mainly amortization of costs related to long-term debts and commissions for non-use of the credit facility.*

NOTE 8 CORPORATE INCOME TAX

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

(in € millions)	First-half 2017	First-half 2016	Full-year 2016
Pre-tax income of consolidated companies	489.8	318.6	702.0
Theoretical Tax (34.43%)	*(168.6)*	*(109.7)*	*(241.7)*
Effect of rate changes on deferred taxes recognized on the balance sheet	(0.1)	0.4	(4.6)
Effect of local rate differences*	40.6	33.2	70.0
Tax credits	2.6	10.5	11.3
Change in unrecognized deferred tax	(6.6)	(2.1)	15.4
Permanent differences & others**	(12.1)	(27.1)	(39.6)
Corporate tax recognized	**(144.3)**	**(94.8)**	**(189.2)**

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

Under the 2017 Finance Act, the decrease of the tax rate has been voted in France at 28.92% from 2020. This decrease has not had any significant impact on long term deferred tax assets as of June 30, 2017.

Deferred tax assets are not recognized for tax losses carried forwards that are not certain of being utilized. As of June 30, 2017, these assets amounted to € 716.4 million, compared with € 722.8 million as of December 31, 2016.

NOTE 9 EARNINGS PER SHARE

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

	First-half 2017	First-half 2016	Full-year 2016
Number of shares outstanding at year-end (1)	**138,035,801**	**138,035,801**	**138,035,801**
Adjustments:			
• treasury stock	(1,761,370)	(807,216)	(807,216)
• weighted impact of share issue prorated	0	(111,945)	(55,666)
Weighted average number of shares before dilution	**136,274,431**	**137,116,640**	**137,172,919**
Weighted impact of dilutive instruments:			
• stock options (2)	0	48,990	6,982
• free shares attributed	1,714,803	0	0
• bonds with conversion option	0	0	0
Weighted average number of shares after dilution	**137,989,261**	**137,165,630**	**137,179,901**

(1) *Changes in the number of shares outstanding as of December 31 are analyzed as follows:*

As of December 31, 2016: Number of Faurecia shares outstanding	***138,035,801***
Exercise of stock options	*0*
As of June 30, 2017: Number of Faurecia shares outstanding	***138,035,801***

(2) *As of June 30, 2017, no stock options were still outstanding.*

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

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

Starting in 2017, the potentially dilutive impact of free shares is taken into account considering the number of shares to be distributed for the plans of which the realization of the performance conditions has already been stated. This impact was not material on the computation of the earnings per share after dilution on previous periods.

Earnings per share

Earnings per share break down as follows:

	First-half 2017	First-half 2016	Full-year 2016
Net income (loss) *(in € millions)*	**314.4**	**245.0**	**637.8**
Basic earnings (loss) per share	2.31	1.79	4.65
After dilution	2.28	1.79	4.65
Net income (loss) from continued operations *(in € millions)*	**314.4**	**197.4**	**449.5**
Basic earnings (loss) per share	2.31	1.44	3.28
After dilution	2.28	1.44	3.28
Net income (loss) from discontinued operations *(in € millions)*	**0.0**	**47.5**	**188.3**
Basic earnings (loss) per share	0.0	0.35	1.37
After dilution	0.0	0.35	1.37

NOTE 10 GOODWILL

(in € millions)	Gross	Impairment	Net
Amount as of January 1, 2016	**1,719.5**	**(509.7)**	**1,209.8**
Acquisitions	0.0	0.0	0.0
Translation adjustments and other movements	9.1	(1.2)	7.9
Amount as of December 31, 2016	**1,728.6**	**(510.9)**	**1,217.7**
Acquisitions	18.2	0.0	18.2
Translation adjustments and other movements	(13.8)	0.1	(13.7)
Amount as of June 30, 2017	**1,733.0**	**(510.8)**	**1,222.2**

Breakdown of the net amount of goodwill by operating segment:

(in € millions)	June 30, 2017	Dec. 31, 2016
Automotive Seating	793.7	793.9
Clean Mobility	362.4	375.9
Interior Systems	66.1	47.9
TOTAL	**1,222.2**	**1,217.7**

As of June 30, 2017 the management has not identified any triggering event for a potential impairment.

NOTE 11 INVESTMENTS IN ASSOCIATES

Investment in associates for continued operations:

(in € millions)	% interest*	Group share of equity**	Dividends received by the Group	Group share of sales	Group share of total assets
Teknik Malzeme	50	5.8		18.1	19.2
Changchun Xuyang Faurecia Acoustics & Soft Trim Co. Ltd.	40	3.3		10.1	16.2
Detroit Manufacturing Systems LLC	45	7.6		232.5	90.9
DMS Leverage Lender (LLC)	45	3.2		0.0	15.3
Faurecia Japon NHK Co. Ltd.	50	0.0		108.9	39.0
Others	-	36.7	(0.2)	87.1	105.5
SUB TOTAL		**56.6**		**456.7**	**286.1**
SAS Groupe	50	53.8	(10.0)	825.7	296.1
TOTAL		**110.4**	**(10.2)**	**1,282.4**	**582.2**

* *Percentage of interest held by the Company that owns the shares.*

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

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

11.1 Change in investments in associates

(in € millions)	First-half 2017	First-half 2016	Full-year 2016
Group share of equity at beginning of period	**130.7**	**111.5**	**111.5**
Dividends	(10.2)	(16.5)	(18.2)
Share of net income of associates	18.4	13.2	19.7
Change in scope of consolidation	(24.1)	0.0	(1.8)
Capital increase	0.0	20.2	21.7
IFRS 5 reclassifications	0.0	0.0	0.2
Currency translation adjustments	(4.4)	(1.7)	(2.4)
Group share of equity at end of period	**110.4**	**126.7**	**130.7**

NOTE 12 OTHER NON-CURRENT FINANCIAL ASSETS

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

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

	June 30, 2017			Dec. 31, 2016
(in € millions)	Gross	Provisions	Net	Net
Loans with maturity longer than one year	43.1	(16.8)	26.3	24.6
Others	81.8	(7.4)	74.4	42.1
TOTAL	**124.9**	**(24.2)**	**100.7**	**66.7**

NOTE 13 TRADE ACCOUNTS RECEIVABLES

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

The following table shows the amount of receivables sold with maturities beyond June 30, 2017, for which substantially all the risks and rewards have been transferred, and which have therefore been derecognized, as well as the financing under these programs which corresponds to the cash received as consideration for the receivables sold:

(in € millions)	June 30, 2017	Dec. 31, 2016
Financing	1,131.4	1,083.6
Guarantee reserve deducted from borrowings	(34.1)	(36.1)
Cash received as consideration for receivables sold	1,097.3	1,047.5
Receivables sold and derecognized	(1,059.7)	(1,045.9)

Individually impaired trade receivables are as follows:

(in € millions)	June 30, 2017	Dec. 31, 2016
Gross total trade receivables	1,882.2	1,670.1
Provision for impairment of receivables	(15.5)	(18.0)
TOTAL	**1,872.7**	**1,652.1**

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

Late payments as of June 30, 2017 were €116 million, breaking down as follows:

- €55.5 million less than one month past due;
- €12.0 million between one and two months past due;
- €10.2 million between two and three months past due;
- €16.2 million between three and six months past due;
- €22.2 million more than six months past due.

NOTE 14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include current account balances in the amount of €1,460.4 million (compared to €1,315.3 million as of December 31, 2016) and short-term investments in the amount of €99.9 million (compared to €246.9 million as of December 31, 2016), or a total of €1,560.3 million as of June 30, 2017.

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

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

NOTE 15 SHAREHOLDERS' EQUITY

15.1 Capital

As of June 30, 2017, Faurecia's capital stock totaled €966,250,607 divided into 138,035,801 fully paid-up shares with a par value of €7 each.

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

As of June 30, 2017, Peugeot S.A. held 46.33% of the capital stock and 63.06% of the voting rights.

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

	Number of shares	Capital *(in € millions)*	Additional paid-in capital *(in € millions)*
Amount as of January 1, 2017	**138,035,801**	**966.3**	**604.0**
Exercise of stock options	0	0	0
Amount as of June 30, 2017	**138,035,801**	**966.3**	**604.0**

15.2 Share-based payment

A – STOCK OPTIONS

Faurecia had implemented a policy of issuing stock options to the executives of Group companies.

Options 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.

As of June 30, 2017, no stock options were still outstanding.

Details of the stock subscription option plans as of June 30, 2017 are set out in the table below:

Date of Shareholders'Meeting	Date of Board meeting / Adjusted exercise price (in €)	Adjusted number of options granted	Including granted to senior executive management	Start of exercise period / Last exercise date	Options exercised	Options cancelled	Adjusted number of options outstanding as of June 30, 2017
	04/16/2007			04/17//2011			
05/23/2005	44.69	346,200	172,800	04/17/2017	0	346,200	0
TOTAL							**0**

Movements in the aggregate number of options under all of the plans in force were as follows:

	2017	2016
Amount as at beginning of the period	**244,200**	**636,500**
Options granted	0	0
Options exercised	0	(152,900)
Options cancelled and expired	(244,200)	(239,400)
Amount as at the end of the year	**0**	**244,200**

B – FREE SHARE GRANT

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

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

The amount recognized for the period is an expense of €11 million, compared to €8.9 million in the first semester 2016.

Details of the share grant plans as of June 30, 2017 are set out in the table below:

Date of Annual Shareholders' Meeting	Date of Board meeting	Maximum number of free shares that can be granted* for: reaching the objective	exceeding the objective	Performance condition
05/27/2015	07/23/2015	587,278	763,381	2017 pretax income target as stated in the strategic plan when granted and Faurecia earning per share compared to a reference group of companies
05/27/2016	07/25/2016	715,491	930,805	2018 pretax income target as stated in the strategic plan when granted and Faurecia earning per share compared to a reference group of companies

* *Net of free shares granted cancelled.*

Following the achievement of the performance conditions for the previous plans, 478,400 shares have been granted in 2012 and 226,200 in 2014.

The performance conditions for the plan attributed by the Board of July 24, 2013 have been met, the corresponding shares, ie 947,050 will be distributed in July 2017. The performance conditions for the plan attributed by the Board of July 28, 2014 have been met, the corresponding shares, ie 767,780 will be distributed in July 2018.

NOTE 16 CURRENT PROVISIONS AND CONTINGENT LIABILITIES

16.1 Current provisions

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

(in € millions)	June 30, 2017	Dec. 31, 2016
Restructuring	55.1	83.5
Risks on contracts and customer warranties	55.3	57.0
Litigation	36.9	35.7
Other provisions	39.5	44.9
TOTAL	**186.8**	**221.1**

16.2 Contingent liabilities

LITIGATION

As mentioned in the note 2.3, on 28 April 2017, the European Commission decided to close the case opened on March 25, 2014 covering certain suppliers of emission control systems on the basis for suspicions of anti-competitive practices in this market. Faurecia was one of the companies covered by this enquiry.

Besides, as a reminder, on March 25, 2014, the Department of Justice of the United States of America and on November 27, 2014, the Competition Commission of South Africa, initiated an enquiry in the market for emission control systems. These enquiries are still ongoing.

On March 24, 2016, two class actions were filed in the United States District Court for the Eastern District of Michigan against several suppliers of emissions control systems, alleging anticompetitive practices in regard to Exhaust Systems, and seeking unspecified amounts of civil damages. Faurecia Emissions Control Technologies US, LLC, is one of the companies named as defendants. Faurecia SA, initially named as an additional defendant, was dismissed from these two class actions further to a Court decision rendered on March 21, 2017. In addition, on November 9, 2016, a third class action was filed in the same District Court.

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

In the event anti-competitive practices are proven, possible sanctions include fines, criminal charges or civil damages. The Group is at present unable to predict the consequences of such enquiries, including the level of fines or sanctions that could be imposed: therefore, no accruals were accounted for as of June 30, 2017.

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

NOTE 17 NON-CURRENT PROVISIONS AND PROVISIONS FOR PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

(in € millions)	June 30, 2017	Dec. 31, 2016
Provisions for pensions and other employee obligations	382.6	**399.7**
• Pension plan benefit obligations	216.0	228.3
• Post-retirement benefit obligations	118.7	122.2
• Long-service awards	27.3	27.1
• Healthcare costs	20.6	22.1
Provisions for early retirement costs	0.0	**0.0**
TOTAL	**382.6**	**399.7**

ASSUMPTIONS USED

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

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

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

(in %)	Eurozone	United Kingdom	USA
DISCOUNT RATE			
June 30, 2017	1.90%	2.75%	3.49%
Dec 31, 2016	1.50%	2.80%	3.74%
June 30, 2016	1.25%	2.90%	3.52%
INFLATION RATE			
June 30, 2017	1.80%	3.25%	N/A
Dec 31, 2016	1.80%	3.25%	N/A
June 30, 2016	1.80%	2.95%	N/A

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

The variation of discount rate generated actuarial gains and losses which have been recorded in *Other comprehensive income* according to IAS19R.

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

NOTE 18 NET DEBT

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

18.1 Analysis of net debt

(in € millions)	June 30, 2017	Dec. 31, 2016
Bonds	1,386.3	1,385.1
Bank borrowings	205.3	188.1
Other borrowings	1.0	1.1
Obligations under finance lease	16.0	17.9
Non-current derivatives	0.0	1.8
SUB-TOTAL NON-CURRENT FINANCIAL LIABILITIES	**1,608.6**	**1,594.0**
Current portion of long term debt	56.2	52.2
Short-term borrowings*	314.9	258.4
Current derivatives	1.3	1.3
SUB-TOTAL CURRENT FINANCIAL LIABILITIES	**372.4**	**311.9**
TOTAL FINANCIAL LIABILITIES	**1,981.0**	**1,905.9**
Derivatives classified under non-current and current assets	(6.9)	(2.2)
Cash and cash equivalents	(1,560.3)	(1,562.2)
NET DEBT	**413.8**	**341.5**
Net cash and cash equivalent	1,560.3	1,562.2
* *Including bank overdrafts.*	*60.9*	*103.0*

18.2 Financing

The main components of Faurecia financing are described below:

2022 BONDS

In 2015, Faurecia issued bonds, due June 15, 2022, carrying annual interest of 3.125%, payable on June 15 and December 15 each year, as from June 15, 2015.

A first tranche of these bonds has been issued on March 17, 2015 for €500 million. An additional €200 million bond was issued on April 9, 2015, with the same due date and same coupon, at 100.25% of the nominal value. On May 19, 2015, the bonds of this second tranche were wholly assimilated to those issued on March 17, 2015.

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

They are listed on the Irish Stock Exchange (Global Exchange Market). The costs related to the bond issue are expensed in P&L over the life time of the bonds. The bonds benefit from guarantees from some group affiliates; the entities providing these guarantees are the same as those that guarantee the bonds due December 2016. These guarantees have been eliminated with the full redemption of these 2016 bonds.

2023 BONDS

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

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

These bonds benefit from the same restrictions as the 2022 bonds and do not benefit from guarantees issued by subsidiaries.

SYNDICATED CREDIT FACILITY

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

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

As of June 30, 2017 this credit facility was not drawn.

This credit facility includes only one covenant, related to consolidated financial ratios: Net debt*/EBITDA** must be lower than 2.50. Compliance with this ratio is a condition affecting the availability of this credit facility. As of June 30, 2017, the Group complied with this ratio.

* *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 12 months.*

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

18.3 Analysis of borrowings

As of June, 30, 2017, the floating rate portion was 22.7% of borrowings before taking into account the impact of hedging.

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

(in € millions)	June 30, 2017	%
Variable rate borrowings	438.8	22.2
Fixed rate borrowings	1,542.2	77.8
TOTAL	**1,981.0**	**100**

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

(in € millions)	June 30, 2017	%	Dec. 31, 2016	%
Euro	1,723.2	87.1	1,572.2	82.5
US dollar	175.3	8.8	246.5	12.9
Other currencies	82.5	4.1	87.2	4.6
TOTAL	**1,981.0**	**100**	**1,905.9**	**100**

In the first half of 2017, the weighted average interest rate on gross outstanding borrowings was 4.21% versus 4.34% for the first half of 2016.

18.4 Financial instruments recorded in the balance sheet

	June 30, 2017		Breakdown by instrument category *					
(in € millions)	Balance Sheet Carrying amount	Carrying amount not defined as financial instruments	Financial assets/ liabilities at fair value through profit or loss **	Financial assets/ liabilities at fair value through equity **	Available for sale assets	Loans and receivables	Financial liabilities measured at amortized cost	Financial liabilities measured at fair value
Other equity interests	72.5				72.5			72.5
Other non-current financial assets	100.7					100.7		100.7
Trade accounts receivables	1,872.7					1,872.7		1,872.7
Other operating receivables	290.9			7.2		283.7		290.9
Other receivables and prepaid expenses	447.4	97.4				350.0		350.0
Currency derivatives	6.9		6.9					6.9
Interest rate derivatives	0.0							0.0
Cash and cash equivalents	1,560.3		1,560.3					1,560.3
ASSETS	**4,351.4**	**97.4**	**1,567.2**	**7.2**	**72.5**	**2,607.1**		**4,254.0**
Non-current financial liabilities***	1,608.6	1.0					1,607.6	1,686.6
Current financial liabilities	372.4						372.4	372.4
Prepayments from customers	174.8					174.8		
Trade payables	4,136.6					4,136.6		
Accrued taxes and payroll costs	628.2					628.2		
Sundry payables	356.6	117.0	0.2	1.5		237.9		
Of which Currency derivatives	*0.6*		*0.2*	*0.4*				
Interest rate derivatives	*1.1*			*1.1*				
LIABILITIES	**7,277.2**	**118.0**	**0.2**	**1.5**	**0.0**	**5,177.5**	**1,980.0**	**2,059.0**

* *No financial instruments were transferred between categories in during the year.*

** *All of the instruments in this category are financial assets or liabilities designated as measured on initial recognition.*

*** *The fair value of the bonds, excluding accrued interest, was established on the basis of the year-end market value (June 30, 2017): for the 2022 bonds quoted 103.72% of par, at €726.0 million and for the 2023 bonds quoted 105.47% of par, at €738.3 million.*

(in € millions)	Dec. 31, 2016		Breakdown by instrument category*					
	Balance Sheet Carrying amount	Carrying amount not defined as financial instruments	Financial assets/ liabilities at fair value through profit or loss**	Financial assets/ liabilities at fair value through equity**	Available for sale assets	Loans and receivables	Financial liabilities at amortized cost	Financial liabilities measured at fair value
Other equity interests	67.1				67.1			67.1
Other non-current financial assets	66.7					66.7		66.7
Trade accounts receivables	1,652.1					1,652.1		1,652.1
Other operating receivables	269.8		0.9			268.9		269.8
Other receivables and prepaid expenses	426.8	78.5				348.3		348.3
Currency derivatives	2.2		1.4	0.7	0.1			2.2
Interest rate derivatives								
Cash and cash equivalents	1,562.2		1,562.2					1,562.2
ASSETS	**4,046.9**	**78.5**	**1,564.5**	**0.7**	**67.2**	**2,336.0**		**3,969.4**
Non-current financial liabilities***	1,594.0	1.1					1,592.9	1,664.1
Current financial liabilities	311.9						311.9	311.9
Prepayments from customers	155.1					155.1		
Trade payables	3,733.3					3,733.3		
Accrued taxes and payroll costs	579.1					579.1		
Sundry payables	377.2	78.4	1.3	7.3		290.2		
Of which Currency derivatives	*6.7*		*1.3*	*5.4*				
Interest rate derivatives	*1.9*			*1.9*				
LIABILITIES	**6,750.6**	**79.5**	**1.3**	**7.3**		**4,757.7**	**1,904.8**	**1,976.0**

* *No financial instruments were transferred between categories in 2016.*

** *All of the instruments in this category are financial assets or liabilities designated as measured on initial recognition.*

*** *The fair value of the bonds, excluding accrued interest, was established on the basis of the year-end market value (Dec. 31, 2016): for the 2022 bonds quoted 103.585% of par, at €725.1 million and for the 2023 bonds quoted 104.494% of par, at €731.5 million.*

NOTE 19 HEDGING OF CURRENCY AND INTEREST RATE RISKS

19.1 Hedging of currency risks

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

Currency risks on forecasted transactions are hedged on the basis of estimated cash flows determined when budgets are prepared, validated by Executive Management; these forecasts are updated on a regular basis. The related derivatives are classified as cash flow hedges when there is a hedging relationship that satisfies the IAS 39 criteria.

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

Information on hedged notional amounts

(in € millions)	Carrying amount			Maturities		
As of June 30, 2017	**Active**	**Liabilities**	**Notional amount***	**< 1 year**	**1 to 5 years**	**> 5 years**
Fair value hedges						
• forward currency contracts	0.1	0.0	17.7	17.7	0.0	0.0
• inter-company loans in foreign currencies swapped for euros	6.9	(0.2)	776.1	776.1	0.0	0.0
• cross-currency swaps	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow hedges						
• forward currency contracts	7.1	(0.4)	309.1	308.7	0.4	0.0
Not eligible for hedge accounting	0.0	0.0	4.9	4.9	0.0	0.0
	14.1	**(0.6)**				

* *Notional amounts based on absolute values.*

(in € millions)	Carrying amount			Maturities		
As of December 31, 2016	**Active**	**Liabilities**	**Notional amount***	**< 1 year**	**1 to 5 years**	**> 5 years**
Fair value hedges						
• forward currency contracts	0.1	0.0	4.7	4.7	0.0	0.0
• inter-company loans in foreign currencies swapped for euros	2.2	(1.3)	509.4	509.4	0.0	0.0
• cross-currency swaps	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow hedges						
• forward currency contracts	0.7	(5.4)	252.1	252.1	0.0	0.0
Not eligible for hedge accounting	0.1	0.0	11.1	11.1	0.0	0.0
	3.1	(6.7)				

* *Notional amounts based on absolute values.*

19.2 Interest-rate hedges

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

Changes in the fair value of interest rate hedges are recorded directly in "Other financial income and expenses" when the hedging relationship cannot be demonstrated under IAS 39, or where the Group has elected not to apply hedge accounting principles.

The main components of the fixed rate debt are:

- bonds maturing in June 2022, issued in March and April 2015 for a total amount of €700 million;
- bonds maturing in June 2023, issued in April 2016 for a total amount of €700 million.

A significant part of the gross borrowings (syndicated credit facility, sale of receivables, short-term loans, commercial paper as applicable) are at variable or renewable rates. The aim of the Group's interest rate hedging policy is to reduce the impact of changes in short-term rates on earnings. The hedges arranged comprise mainly euro-denominated interest rate swaps. In order to benefit from historically low interest rates, 2- and 3-year maturity hedges have been set up. These hedges cover a part of the interest on variable rate borrowings, due in 2017 and first quarter of 2018, against a rise in interest rates.

Interest rate hedging instruments are recognized in the balance sheet at fair value. Such value is determined based on measurements of market data, confirmed by banking counterparties.

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

(in € millions)	Carrying amount		Notional amounts by maturity		
As of June 30, 2017	**Assets**	**Liabilities**	**< 1 year**	**1 to 5 years**	**> 5 years**
Interest rate options	0.0	0.0	0.0	0.0	0.0
Variable rate/fixed rate swaps	0.0	(1.1)	400.0	0.0	0.0
Accrued premiums payables	0.0	0.0	0.0	0.0	0.0
	0.0	**(1.1)**	**400.0**	**0.0**	**0.0**

(in € millions)	Carrying amount		Notional amounts by maturity		
As of December 31, 2016	**Assets**	**Liabilities**	**< 1 year**	**1 to 5 years**	**> 5 years**
Interest rate options	0.0	0.0	0.0	0.0	0.0
Variable rate/fixed rate swaps	0.0	(1.9)	50.0	400.0	0.0
Accrued premiums payables	0.0	0.0	0.0	0.0	0.0
	0.0	**(1.9)**	**50.0**	**400.0**	**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, 2017.

NOTE 20 COMMITMENTS GIVEN

COMMITMENTS GIVEN

(in € millions)	**June 30, 2017**	**Dec. 31, 2016**
Future minimum lease payments under operating leases	614.7	460.8
Debt collateral:		
• mortgages	2.2	1.9
Other debt guarantees	36.1	68.0
Firm orders for property, plant and equipment and intangible assets	155.9	144.2
Other	2.0	2.0
TOTAL	**810.9**	**676.9**

NOTE 21 RELATED PARTY TRANSACTIONS

Transactions with PSA group

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

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

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

(in € millions)	June 30, 2017	December 31, 2016
Sales of continued activities	1,157.5	2,108.8
Sales of discontinued operations	0.0	*189.1*
Purchases of products, services and materials	8.6	15.6
Receivables of continued activities*	480.1	415.6
Receivables of discontinued operations	0.0	*0.0*
Trade payables of continued activities	34.5	34.2
Trade Payables of discontinued operations	*0.0*	*0.0*

* *Before no-recourse sales of receivables amounting to:*	*288.4*	*208.5*

3

Statement by the person responsible for the 2017 half year financial report

Statement by the person responsible for the 2017 half year financial report

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

July 20, 2017

Patrick Koller

Chief Executive Officer

4

Statutory Auditors' review report on the interim financial information

Statutory Auditors’ review report on the interim financial information

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

To the Shareholders,

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

- the review of the accompanying condensed interim consolidated financial statements of FAURECIA for the six months ended June 30, 2017;
- the verification of the information contained in the interim management report.

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

I - CONCLUSION ON THE FINANCIAL STATEMENTS

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

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

II - SPECIFIC VERIFICATION

We have also verified the information given in the interim management report on the condensed interim consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and its consistency with the condensed interim consolidated financial statements.

Neuilly-sur-Seine and Paris La Défense, July 24, 2017

The Statutory Auditors
French original signed by:

PricewaterhouseCoopers Audit	Ernst & Young Audit
Eric Bertier	Valérie Quint

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