

Nanterre, February 9, 2010

## Challenge 2009 targets either met or exceeded

### HIGHLIGHTS

The Challenge 2009 plan, introduced in late 2008 to enable Faurecia to emerge strengthened from the crisis affecting the automotive industry, has been effective, producing the expected results over the year as a whole:

- Improvement in operating income in the second half of the year (95.6 million euros);
- Balanced cash flow in the second half of the year;
- Easing of the debt burden (1,401 million euros compared with 1,604 million euros in December 2008);
- Costs cut by 663 million euros in 2009;
- An 18% reduction in breakeven point;
- Acquisition of Emcon Technologies and Plastal Germany.

### RESULTS FOR THE SECOND HALF OF 2009

In million euros	2 <sup>nd</sup> half	
	2009	2008
<b>Product sales</b>	<b>4,106.3</b>	4,252.3
% like-for-like change yr-on-yr	(2.1%)	
Other sales	805.8	1,157.0
<b>Total sales</b>	<b>4,912.1</b>	5,409.3
% like-for-like change yr-on-yr	(8.3%)	
Operating income	<b>95.6</b>	0.9
as % of sales	1.9%	-
Net income (Group share)	<b>(69.0)</b>	(552.6)
Net cash flow <sup>1</sup>	<b>0.3</b>	42.1
Net financial debt	<b>1,401.2</b>	1,604.8

## Sales for the second-half of 2009

**Product sales** (including parts and components supplied to automakers), which are representative of business generally, stood at 4,106.3 million euros, down just 2% compared with the second half of 2008. They were up 13% in the last quarter however, reflecting the recovery of business.

**Sales of monoliths**, included in exhaust system catalytic converters, were down 32% reflecting the fall in precious metals prices.

Billing of **development, tooling and prototype costs** was down 27% due to high billing in the first six months (Chrysler and GM in particular).

**Total sales** for the second half of the year were down 8.3%.

### Product sales by region:

- **In Europe**, product sales increased by 12.9%, benefiting from the turnaround in the fourth quarter, which reduced the drop in the second half of the year to 2.1%;
- **In North America**, product sales were down 7.2% in the fourth quarter and 18.2% in the second half;
- **In South America**, product sales increased by a massive 71.5% in the last quarter, balancing out to a 19.0% increase in the second half of the year;
- **In Asia**, product sales were up 43% in the second half and 56.5% in the fourth quarter, driven mainly by China (up 73% in the fourth quarter following a 34% rise in the third quarter)

## Operating income for the second half of 2009

The second half of 2009 showed an operating profit of 95.6 million euros, that is 1.9% of sales (compared with 0.9 million in the second half of 2008).

The upturn compared with the second half of 2008 came about in spite of the impact of the 162 million euro drop in business, as a result of the positive effect of the Challenge 2009 cost cutting plan which saved 257 million euros in the second half of the year.

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<sup>1</sup>Change in net financial debt adjusted in line with changes from the sale of receivables and the net impact of

**Net income for the second half of 2009**

Restructuring costs, following the final phase of the workforce reduction program associated with the Challenge 2009 plan, stood at 57.1 million euros for the half-year.

Financial charges for the six-month period amounted to 60.5 million euros, corresponding to average interest of 5.41%, resulting from the exceptional margins that Faurecia was paying on its bank loans up until the end of 2009.

As a result of these financial and restructuring costs remaining high, the Group's share of net income in the second half amounted to a loss of 69.0 million euros.

**Financial structure**

In keeping with the Challenge 2009 plan, investments in the second half of the year, which amounted to 81.3 million euros (compared to 175.4 million euros in the second half of 2008) were, as in the first half, carefully controlled. Capitalized research and development costs, at 51.8 million euros, were also considerably lower. The Group's working capital requirements increased only slightly (to 26 million euros) in spite of the sharp upturn in business at the end of the year and as a result of good inventory control.

Net cash flow stood at breakeven over the second half of the year. Financial debt fell again, from 1,467 million euros at June 30, 2009 to 1,401 million euros at December 31, 2009.

Finally, Faurecia's financial structure was strengthened in the second half of the year by the convertible bonds issue in November 2009 (due January 2015) for 208 million euros net. This issue enabled the Group to diversify its financing sources and extend the debt maturity.

## 2009 RESULTS

In million euros	Year	
	2009	2008
<b>Product sales</b>	<b>7,590.3</b>	9,574.0
% like-for-like change yr-on-yr	<b>(19.8%)</b>	
Other sales	1,701.9	2,436.7
<b>Total sales</b>	<b>9,292.2</b>	12,010.7
% like-for-like change yr-on-yr	<b>(22.2%)</b>	
Operating income	<b>(91.7)</b>	91.2
as % of sales	<b>(1.0%)</b>	0.8%
Net income (Group share)	<b>(433.6)</b>	<b>(574.8)</b>
Net cash flow <sup>2</sup>	<b>(168.2)</b>	10.3
Net financial debt	<b>1,401.2</b>	1,604.8

### Annual sales 2009

**Product sales** stood at 7,590.3 million euros, compared with 9,574.0 million euros in 2008, a 19.7% drop.

**Monolith sales** were down 43% at 828.4 million euros.

**Billing of development, tooling and prototype costs** was down 8.59% to 873.6 million euros.

Faurecia's **consolidated sales** for 2009 totaled 9,292.2 million euros compared with 12,010.7 million euros in 2008, down 22.2% at constant exchange rates and scope.

### Operating income

Over the year as a whole, operating income showed a loss of 91.7 million euros.

The Challenge 2009 plan helped cut costs by 663 million euros over the year, which breaks down to 234 million euros for production costs, 146 million euros for purchasing costs and 283 million euros for fixed costs.

<sup>2</sup> Change in net financial debt adjusted in line with changes from the sale of receivables and the net impact of the rights issue.

## Net income

**Restructuring costs for the year** totaled 129.5 million euros, mainly stemming from steps taken to adjust workforce requirements as a result of the sharp contraction in the market. These broke down as follows: 41.8 million euros in France, 29.2 million euros in Germany, 21.5 million euros in North America, 14.1 million euros in Spain and a total of 22.9 million euros in other countries.

Net **financial charges** in 2009 totaled 123.1 million euros (1.3% of sales), compared with 96.3 million euros in 2008. The increase in the financial burden was mainly due to the increase in the average financing rate to 5.4% in 2009, resulting from the exceptional margins that Faurecia was paying on its bank loans up until the end of 2009.

The Group's share of **consolidated net income** for 2009 showed a loss of 433.6 million euros compared with a net loss (Group share) of 574.8 million euros in 2008.

## Financial situation

**Capital expenditure** amounted to 169.1 million euros in 2009 (1.8% of sales), significantly lower than in 2008 when it totaled 328.7 million euros (2.7% of sales), in keeping with the implementation of the Challenge 2009 plan.

**Development costs**, which correspond to capitalized research costs, were down to 104.2 million euros in 2009 compared with 144.7 million euros in 2008, due to an increase in research and development cost billing to Faurecia customers.

There was a positive change in **working capital requirements** (86.4 million euros) due mainly to the reduction in inventories (from 526.1 to 438.6 million euros), and the legal change in payment conditions in France from 90 to 60 days, which will have a positive net impact estimated at 90 million euros.

**Net cash flow**, corresponding to the change in net financial debt due to the impact of the sale of receivables but not including the rights issue, led to a negative balance of 168.1 million euros in 2009. Following cash consumption of 168.4 million euros in the first six months, Faurecia generated a surplus of 0.3 million euros in the second half of the year.

## STRATEGIC DEVELOPMENTS

Thanks to the Challenge 2009 plan, Faurecia was able to emerge strengthened from the crisis and participate in the consolidation of the global automotive equipment industry:

- Breakeven point down 18%, exceeding the target of 15%. This achievement of the Challenge 2009 plan has restored positive operational performance and created significant leverage for the future.
- In 2009, Faurecia won **new contracts worth 11 billion euros**, a considerable increase compared with 2007 and 2008. These new contracts will yield **returns in keeping with the Group's long-term objectives**. Faurecia won contracts worth almost **4 billion euros** in **emerging markets** in 2008-2009, giving it significant potential for growth in these markets, particularly in China.
- **Acquisition of Emcon Technologies** which on February 8 became part of **Faurecia Emissions Control Technologies**, now the global market leader in emissions control technologies with greater potential for research and innovation in new emissions reduction technologies. The global emissions control market is booming as a result of the widespread introduction and constant tightening of automotive emissions control standards.

The acquisition of Emcon Technologies enables Faurecia to enter the industrial vehicles market (commercial and off-road vehicles), broaden its customer base and reinforce its geographical footprint. It will have an accretive effect on net income in 2011.
- **Acquisition of Plastal Germany**, a tier one supplier of plastic exterior components for the automotive industry. Plastal Germany had sales of 408 million euros in 2009, mainly with VW, Ford, Mercedes and Porsche.

Subject to the agreement of the European Competition Authorities, in early April 2010 Plastal Germany will become part of the **Faurecia Automotive Exteriors** Business Group, which will in turn become the new European market leader in exterior automotive components. This acquisition will have an accretive effect on operating income from 2010.

## PRIORITIES AND OBJECTIVES FOR 2010

Faurecia's priorities for 2010:

- Operational efficiency which will lead to a further reduction in fixed costs and continued implementation of the Faurecia Excellence System Acceleration Plan. A further increase in the contribution margin is expected from this. At the same time the Group will continue to hone its Excellence in Program Management Plan in order to further improve the average profitability of its programs, particularly in the development phase.
- The rapid operational integration of Emcon Technologies and Plastal Germany in order to secure the synergies expected to emerge over the next three years and start to develop the customer and product potential of the new scope.

The upturn in global automotive production, which began in the second half of 2009, is set to continue in the first half of this year. Against this backdrop, Faurecia's **product sales** growth outlook for 2010 as a whole are around 4%, on a like-for like basis and within the new scope, including Emcon Technologies and Plastal Germany. The first half should experience a more sustained growth.

On this basis, Faurecia's **objectives for 2010** are as follows:

- A further 5% reduction in the breakeven point;
- Operating income in excess of 200 million euros;
- Positive net income before tax;
- Positive net cash flow.

Faurecia is one of the world's leading automotive equipment suppliers with four key Business Groups: Automotive Seating, Emissions Control Technologies, Interior Systems and Automotive Exteriors. In 2009, the Group posted sales of 9.3 billion euros. It has operations in 29 countries at 190 sites and 28 R&D centers. Faurecia is listed on the NYSE Euronext Paris stock exchange. For more information visit: [www.faurecia.com](http://www.faurecia.com)

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## Appendix: Faurecia 2009 results

### ACTIVITY

In million euros	2008	2009	Change (*)		
			Year	2 <sup>nd</sup> half	Q4
<b>Total sales</b>	12,010.7	9,292.2	(19.3)%	(5.1)%	7.5%
<b>Interior Modules</b>	8,309.0	6,602.5	(20.2)%	(6.2)%	6.6%
<b>Other modules</b>	3,701.7	2,689.7	(15.8)%	(1.2)%	10.9%
<b>Product sales</b>	9,574.0	7,590.3	(19.8)%	(2.1)%	12.8%
- Automotive Seating	4,665.1	3,707.0	(19.9)%	(1.1)%	15.7%
- Interior Systems	2,769.1	2,142.6	(21.6)%	(3.8)%	10.4%
Interior Modules (subtotal)	7,434.2	5,849.6	(20.5)%	(2.1)%	13.7%
- Emissions Control Technologies	1,226.3	950.1	(21.4)%	(2.4)%	9.1%
- Automotive Exteriors	913.4	790.5	(13.5)%	(2.0)%	11.6%
Other modules (subtotal)	2,139.7	1,740.6	(18.0)%	(2.2)%	10.2%

(\*) Like-for-like, excluding monoliths and at constant exchange rates and scope.