Press release

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Nanterre, 10 February 2009

Faurecia: 2008 annual results

Highlights

2008

- **Operating income resistant in 2008, despite a sharp 20.9% drop in business in the fourth quarter, at 91.2 million euros, compared with 121.1 million euros in 2007**
- **Recovery in North America with positive operating income 27 million euros in 2008**
- **Positive net cash flow at 10.3 million euros, versus a negative 58.5 million euros in 2007**
- **Provisions for restructuring and exceptional depreciation of assets caused a net loss of 574.8 million euros for the full year 2008.**

2009

- **Introduction of a 600 million euros cost cutting program**
- **Target a 15% reduction in breakeven point**
- **Plans for a 450 million euros capital increase with pre-emptive subscription rights maintained for shareholders, fully underwritten by Peugeot SA**

KEY FIGURES 2008

In million euros (EUR)	2nd half 2007	2nd half 2008	2007	2008
Sales	6,149.1	**5,409.3**	**12,660.7**	**12,010.7**
% like-for-like change yr-on-yr[1]	7.2%	(10.6%)	7.4%	**(3.7%)**
Operating income	58.3	**0.9**	121.1	**91.2**
as % of sales	0.9%	-	1.0%	**0.8%**
Restructuring	(64.6)	(134.6)	(104.5)	(165.2)
Depreciation of assets and provisions	(121.5)	(272.0)	(121.2)	(270.7)
Net income (Group share)	(190.1)	(552.6)	**(237.5)**	**(574.8)**
Net cash flow[2]	2.0	42.1	**(58.5)**	**10.3**
Net financial debt	1,616.0	1,604.8	**1,616.0**	**1,604.8**

[1] Excluding monolith sales, at constant exchange rates and on a comparable basis
[2] Change in net financial debt adjusted according to change in sales of receivables

GROUP SALES

Faurecia's sales stood at 12,010.7 million euros in 2008, down 3.7% excluding sales of monoliths and at constant exchange rates. The drop in annual sales is a result of sharp cutbacks in production by automakers in the fourth quarter, driven by the highly unfavorable global economic climate. On a like-for-like basis, this resulted in a drop of 20.9% in the final quarter and of 10.6% in the second half, following growth of 2.7% in the first six months of the year.

- In **Europe**, sales slipped by 6.5% excluding monoliths and at constant exchange rates. The Group experienced a 12.1% decline in the second half of the year, falling sharply by 22.8% in the final quarter.
- **North America** saw a 3.9% rise in sales driven by a solid mix of customers (BMW and VW) and products (Chevrolet Malibu and Cadillac CTS). This helped limit the drop in Faurecia sales to 10.5% in the second half of the year and to 18.3% in the final quarter.
- In **Asia**, 2008 sales were up 3.4% at constant exchange rates and excluding monoliths. There was a like-for-like drop of 5.7% in the last six months of the year and 10.9% in the fourth quarter. Sales in **China** were up 6.9%. The fourth quarter slip stood at 15.5%. In **South Korea**, sales fell by 5.9% in 2008, at constant exchange rates and excluding monoliths.
- **South America** experienced 16.8% growth in sales at constant exchange rates and excluding monoliths, with the fourth quarter 2008 downturn limited to 3.9%.
- The Group continued to diversify its customer mix in 2008, increasing market share with BMW and Volkswagen Group, the latter being now Faurecia's first customer.

BREAKDOWN OF SALES BY ACTIVITY

All Faurecia product lines were affected by the business downturn in the fourth quarter.

- ### Automotive Seating

2008 sales showed a drop of 2.6% at constant exchange rates. The year saw growth of 4.7% in sales over the first six months, followed by a slip of 10.3% in the second half, compounded by a decline of 22.3% in the fourth quarter, caused by significant production cutbacks by automakers around the world.

- **Vehicle Interiors**

2008 sales dropped by 5.5% at constant exchange rates. After a slight decline of 0.2% in the first six months on a like-for-like basis, second half and final quarter sales respectively fell by 11.1% and 19.9%.

- **Exhaust Systems**

2008 sales were down 3.7% at constant exchange rates, with a 6.1% drop excluding monoliths. There was a sharp downturn in the second half of the year, especially in Europe, with a like-for-like slip of 22.7%, dropping 33.1% in the fourth quarter, excluding monoliths.

- **Front-end Modules**

2008 sales showed a slight improvement, up 0.2%. After 4.9% growth in the first half of the year, the last six months saw a drop of 4.6% on a comparable basis (with a 14.1% slip in the fourth quarter). The downtrend was somewhat offset by production at Audi, Faurecia's main customer for front-end modules.

RESULTS

Operating income

Operating income stood at 91.2 million euros in 2008, accounting for 0.8% of sales. Operating income in the second half of the year totaled 0.9 million euros, compared with 58.3 million euros in the second half of 2007, hit hard by the sharp drop in sales. The impact of this downturn on the margin on variable costs was estimated at 151 million euros. Operational improvements and the reduction of indirect costs by 93.6 million euros helped partially offset this decline.

2008 saw Faurecia strengthen its recovery program in North America, which led to an operating income of 27.3 million euros over the course of the year, including 10 million euros in the first half and 17.3 million euros in the second half, compared with a loss of 66 million euros in 2007.

Net income

- Restructuring costs stood at 165.2 million euros in 2008, compared with 104.5 million euros in 2007. These stemmed largely from measures related to industrial redeployment and adjustments in staffing to match business forecasts for 2009 and 2010.

- Faurecia also booked an exceptional depreciation in assets worth a total of 270.7 million euros. This mainly involved a write-off of goodwill for Vehicle Interiors to the tune of 247.9 million euros.
- 2008 net financing costs stood at 96.3 million euros, representing 0.8% of sales, slightly down on 2007 figures (101.1 million euros). Financial results also incorporated 98.9 million euros from other sources of revenue and expenses largely stemming from adjustment in the fair value of exchange rate hedging instruments.
- The Group's net income for 2008 showed a loss of 574.8 million euros.

DEBT

Net cash flow produced a positive bottom line of 42.1 million euros in the second half of 2008, with a surplus of 10.3 million euros for the year as a whole (not including the impact of changes in the sales of receivables). This resulted in a slight drop in financial debt at December 31, 2008, compared with 2007 year-end figures, totaling 1,604.8 million euros, compared with 1,616.0 million euros at the end of 2007.

OUTLOOK

The global financial crisis has a significant effect on the automotive industry, which forecasts a sharp drop in production around the world in 2009. Given the current market climate, Faurecia has based its 2009 forecasts on a working hypothesis of a 20% fall in sales in Europe and a 25% drop in North America. The downturn will be significantly more noticeable in the first half of the year.

Given the scale of events, the Group has introduced the "Challenge 2009" plan which should enable Faurecia to weather the storm and leverage fresh growth as it returns.

The "Challenge 2009" plan includes:

- a 600 million euros cost cutting program;
- a 15% reduction in breakeven point;
- a 100 million euros cutback in investments and a 200 million euros improvement in working capital requirements to offset cash consumption in 2009;
- a positive cash position for 2010;
- ongoing investment in Research & Innovation.

Faurecia is one of the world's leading automotive equipment suppliers, specializing in four major activities: seats, vehicle interiors, front ends and exhaust systems. In 2008, the Group posted sales of 12.01 billion euros. It has operations in 28 countries and employs 60,000 people 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

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Appendix: Faurecia 2008 results

ACTIVITIES

In million euros (EUR)	2007	2008	Change		
			Year	2nd half	Q4
Automotive Seating	5,175.4	5,004.3	(3.3%)		
At constant exchange rates			*(2.6%)*	*(10.3%)*	*(22.3%)*
Vehicle Interiors	3,545.8	3,304.7	(6.8%)		
At constant exchange rates and on a comparable basis			*(5.5%)*	*(11.1%)*	*(19.9%)*
Vehicle Interior Modules (subtotal)	8,721.2	8,309.0	(4.7%)		
At constant exchange rates and on a comparable basis			*(3.7%)*	*(10.6%)*	*(21.3%)*
Exhaust Systems	2,994.4	2,755.4	(8.0%)		
Excluding monolith sales	*1,409.0*	*1,279.5*	*(9.2%)*		
At constant exchange rates			*(6.1%)*	*(14.3%)*	*(22.9%)*
Front Ends	945.1	946.3	0.1%		
At constant exchange rates			*0.2%*	*(4.6%)*	*(14.1%)*
Other modules (subtotal)	3,939.5	3,701.7	(6.0%)		
Excluding monolith sales	*2,354.1*	2,225.8	*(5.4%)*		
At constant exchange rates			*(3.6%)*	*(10.4%)*	*(19.3%)*
Total	12,660.7	12,010.7	(5.1%)		
Excluding monolith sales	*11,075.3*	*10,534.8*	*(4.9%)*		
At constant exchange rates and on a comparable basis			***(3.7%)***	***(10.6%)***	***(20.9%)***