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Press release

Nanterre, July 21, 2009

Challenge 2009 on target: Faurecia reduces costs by 400 million euros in first half

Highlights of the first six months

The first six months saw an unprecedented contraction in automotive production around the world, leading to a downturn of 34% in Europe and 52% in North America. This in turn impacted Faurecia sales, leading to a sharp fall in operating income and net income.

The Challenge 2009 plan, introduced in late 2008 to offset the effects of the crisis, has been effective, producing significant results in the first half of the year.

Key successes of Challenge 2009 include:

- **a 400 million euro reduction in direct production costs, purchasing costs and fixed charges for the first six months, versus annual target of 600 million euros;**
- **a strong improvement in operating income, as early as the second quarter, produced a positive cash flow and eased the debt burden;**
- **the success of the 455 million euros rights issue and the move to secure financing.**

KEY FIGURES FOR THE FIRST SIX MONTHS OF 2009 (AUDITED)

In million euros (EUR)	1st half 2008	1st half 2009
Sales	**6,601.3**	**4,380.1**
% like-for-like change yr-on-yr[1]	**2.7%**	**-29.9%**
Operating income	**90,3**	(187.3)
as % of sales	**1.4%**	**4.3%**
Net income (Group share)	**(22.2)**	**(364.6)**
Restructuring	**30.6**	**72.4**
Capital expenditure	**153.3**	**87.8**
Net cash flow[2]	**(31.8)**	**(168.4)**
Net financial debt (at June 30)	**1,610.1**	**1,467.1**

[1] Excluding monoliths and at constant exchange rates and scope.
[2] Change in net financial debt adjusted in line with changes from the sale of receivables and the rights issue.

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ACTIVITIES

In million euros (EUR)	1st half 2008	1st half 2009	Change 2009/2008 %
Automotive Seating	**2,761.5**	**1,867.5**	*(32.4)*
at constant exchange rates			***(31.5)***
Vehicle Interiors	**1,795.5**	**1,247.9**	*(30.5)*
at constant exchange rates and scope			***(28.6)***
Vehicle Interior Modules	4,557.0	3,115.4	*(31.6)*
at constant exchange rates and scope			*(30.4)*
Exhaust Systems	**1,541.8**	**855.9**	**(44.5)**
Excluding monoliths	*701.9*	*455.9*	*(35.0)*
and at constant exchange rates			***(34.8)***
Exterior Systems	**502.5**	**408.8**	*(18.6)*
at constant exchange rates			***(18.7)***
Other Modules	2,044.3	*1,264.8*	*(38.1)*
Excluding monoliths	*1,204.4*	*864.7*	*(28.2)*
at constant exchange rates			***(28.1)***
Total	**6,601.3**	**4,380.1**	***(33.6)***
Excluding monoliths	*5,761.4*	*3,980.1*	*(30.9)*
at constant exchange rates and scope			*(29.9)*

GROUP SALES

Faurecia's consolidated sales for the first six months of 2009 totaled 4,380.1 million euros, down 33.6% compared to the first six months of 2008. Excluding sales of monoliths included in exhaust systems, sales totaled 3,980.1 million euros, a drop of 29.9% at constant exchange rates. Exchange rate variations had a negative impact of 1%.

After hitting a low point in February (down 43%), business began to pick up in the second quarter, down 22% in May and 16% in June.

First-half sales for 2009 by region:

- **In Europe**, sales stood at 3,341.2 million euros, down by 31.4% at constant exchange rates and by 28.7% excluding monoliths, versus the same period of 2008;
- **In North America**, sales totaled 467.4 million euros for the first six months of 2009, down 50% versus the first half of 2008. Sales to European automakers (VW and BMW)

were more resistant (down 37%) while sales to their US counterparts were hit hard by the shutdowns at Chrysler and General Motors;

- **In South America**, first-half sales for 2009 stood at 141.7 million euros, up 7.9%;

- **In Asia**, first-half sales were slightly down, by 1.3% in China and up 3% in Korea.

RESULTS

The sharp downturn in business, particularly at the beginning of the year, led to a loss in operating income totaling 187.3 million euros in the first six months of the year (4.3% of sales). This contrasted with the positive operating income of 90.3 million euros (0.8% of sales) posted by Faurecia for the first six months of 2008.

The slowdown caused a negative impact on operating income of 683 million euros. The **Challenge 2009 plan helped cut costs by 406 million euros** over the first six months and **offset 60% of the impact from the drop in business**.

The turnaround **in the second quarter**, combined with the successes of the Challenge 2009 plan, helped **significantly mitigate operating loss** in the second quarter, which stood **at 27.6 million euros**, compared with a loss of 159.7 million euros in the first quarter.

Restructuring costs totaled 72.4 million euros in the first six months of 2009, mainly stemming from steps taken to adjust workforce requirements as a result of the sharp contraction in the market. These broke down as follows: 23.3 million euros in France, 13.5 million euros in North America, 12.6 million euros in Germany, 6.8 million euros in Spain and 3.9 million euros in Eastern Europe.

Financial charges totaled 62.6 million euros, compared with 49.2 million euros for the first six months of 2008.

Net income (Group share) in the first six months of 2009 reflected a loss of 364.6 million euros, compared with a net loss (Group share) of 22.2 million euros for the first six months of 2008.

DEBT

Capital expenditure totaled 87.8 million euros (2% of sales), compared with 153.3 million euros in the first half of 2008.

Net cash flow, not including changes from the sale of receivables and the rights issue, led to a negative balance of 168.4 million euros in the first half of 2009.

After the high cash consumption in the first quarter (288 million euros), **the second quarter showed a very strong turnaround, boosting the balance by 119.6 million euros**.

Net financial debt at June 30, 2009, stood at 1,467.1 million euros (1,604.8 million euros at December 31, 2008), after taking into account net proceeds from the rights issue completed in late May 2009, totaling 446.6 million euros.

In addition, Faurecia secured financing by renegotiating financial covenants for credit lines to reflect the new economic climate and obtaining an additional loan of 213.5 million euros to finance redemption before the due date of bonds totaling 300 million euros scheduled to mature in October 2010.

OUTLOOK

CSM Worldwide forecasts (July 2009) for second-half automotive production volumes suggest a drop of 1.4% for Europe and a slip of 20% for North America.

However, the following factors should also be taken into account:

- negative product mix in Europe, with incentive schemes favoring smaller vehicles;
- difficulty in assessing the impact of phasing out scrapping incentives in Europe;
- uncertainty in North America regarding the extent of the GM and Chrysler production restart.

Against this backdrop, Faurecia forecasts a drop in its sales of around 10% in Europe and 35% in North America. Business is expected to experience significant growth in emerging markets, particularly in China.

Faurecia has chosen to step up its efforts to cut costs by raising the bar for the Challenge 2009 plan from 600 million to 700 million euros. The company is targeting operating income close to breakeven point in the second half of the year, along with balanced cash flow, excluding restructuring costs.

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 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

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