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board of directors

Daniel Dewavrin Chairman and Chief Executive Officer

<table>
<thead>
<tr>
<th>Directors</th>
<th>Executive Committee</th>
<th>Auditors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pierre Peugeot</td>
<td>Daniel Dewavrin Chairman and Chief Executive Officer</td>
<td>Statutory Auditors</td>
</tr>
<tr>
<td>Louis Defline</td>
<td>Armand Batteux Executive Vice-President</td>
<td>Michel Calame</td>
</tr>
<tr>
<td>Yann Delabrière</td>
<td>Arnaud de David-Beauregard Executive Vice-President</td>
<td>4 b, avenue Chabaud-La-Tour</td>
</tr>
<tr>
<td>Patrick Duverger</td>
<td>A</td>
<td>Coopers &amp; Lybrand Audit</td>
</tr>
<tr>
<td>Jean-Martin Folz</td>
<td>4 b, avenue Chabaud-La-Tour</td>
<td>32, rue Guersant - 75017 Paris</td>
</tr>
<tr>
<td>Arnaud Leenhardt</td>
<td>25205 Montbéliard</td>
<td>represented by Pierre Riou</td>
</tr>
<tr>
<td>Peugeot SA</td>
<td></td>
<td>Alternate Auditors</td>
</tr>
<tr>
<td>represented by Patrice de Lagausie</td>
<td></td>
<td>Barbier Frinault &amp; Associés</td>
</tr>
<tr>
<td>Dietrich Russell</td>
<td></td>
<td>41, rue Ybry - 92576 Neuilly-sur-Seine</td>
</tr>
<tr>
<td>Bernard Trèves</td>
<td></td>
<td>Gilles Gufflet</td>
</tr>
</tbody>
</table>

Brought to you by Global Reports
Created in 1998, following the joining of forces of Bertrand Faure and ECIA, Faurecia specializes in the supply of automotive equipment. With 30,000 employees and over 100 sites in 25 countries, the Group generates sales of nearly FRF 26 billion.

No. 1 in Europe and No. 3 worldwide in automotive seating and exhaust systems (original equipment), Faurecia also manufactures front-end modules as well as modules and components for vehicle interiors, including cockpits, door panels and steering systems.

With its diverse range of specialized businesses and state-of-the-art technologies, Faurecia has earned its reputation for expertise among the world’s automakers. The Group anticipates the future needs of automakers by offering complete sub-systems and modules, and by developing a coordinated-design approach taking into account all parameters in order to optimize security, comfort, aesthetics and environmental protection.
Chairman’s message

A year of transition marked by the merger between Bertrand Faure and ECIA. An operating margin that is still satisfactory.

1998 has been for our Group a year rich in events which are important for its future, and which have generated a sense of unity for its employees.

We have successfully carried out the operational merger between Bertrand Faure and ECIA. Central services have been reorganized, and automotive seating operations merged to form a single entity. The merger is scheduled to be finalized legally by mid-1999. It will reinforce the identity of our Group, under the name of Faurecia, as one of the leading European equipment suppliers.

We have launched a broad range of new products that include some major innovations equipping vehicles whose entry on the market will provide significant sales volumes for the years ahead.

We have maintained a strong Research and Development policy. It forms the backbone of our Group and answers the ever greater demands made by automakers on their equipment suppliers in terms of higher product performance and increasingly complete systems, all of which are significant sources of added value.
Recognized expertise in each of its business areas. 
An imperative: a high level of Research and Development.

We have continued to reorganize our industrial fabric and to develop it further in some of the countries where we have had operations for a number of years (UK, Canada), as well as in others where we are newcomers (Brazil and Poland).

All our efforts aim at preparing for the future. It is evident that they have influenced our 1998 results; despite a significant increase in our sales, our operating margin has dropped. Even so, it is still above 5% of sales, a level that is commensurate with the market in our sector of activity.

1999 will be another year of effort, but we should have a clearer perspective of our recovery. This year should also drive us towards finding new ways to boost our expansion, especially through acquisitions, which will afford greater levels of productivity, and strengthen our capacity to respond to our customers’ demands and to compete with our international rivals.
ECIA scope of consolidation

- **ECIA do Brasil Ltd**
  - Brazil
  - 100%

- **ECIA North America, Inc.**
  - North America
  - 100%

- **ECIA Tchéquie SRO**
  - Czech Republic
  - 100%

- **ECIA South Africa**
  - South Africa
  - 100%

- **CESA SA**
  - France
  - 100%

- **ARSED doo**
  - Slovenia
  - 50%

- **Armaduras de Asientos Ardasa SA**
  - Spain
  - 50%

- **SIMG**
  - Portugal
  - 24%

- **Exhaust Technologies Development GEIE**
  - France
  - 50%

- **Braun Properties Limited**
  - South Africa
  - 25%

- **K. Braun Engineering Limited**
  - South Africa
  - 25%

- **Autocat Limited**
  - South Africa
  - 25%

- **CLEC**
  - China
  - 100%

- **Elgira GmbH**
  - Germany
  - 50%

- **Elagest AB**
  - Sweden
  - 50%

- **Autocat Manufacturers**
  - South Africa
  - 25%

- **Sieloir**
  - France
  - 100%

- **Siemar**
  - France
  - 100%

- **Sienor**
  - France
  - 100%

- **Sotexo**
  - France
  - 100%

- **Automotive Component Industries Ltd**
  - Nigeria
  - 1.69%

- **Copo Iberica**
  - Spain
  - 100%

- **Industrias Cousin Frères**
  - Spain
  - 50%

- **BB Seating Ltd**
  - Great Britain
  - 50%

- **Teknik Malzeme**
  - Turkey
  - 50%

- **BFTC**
  - Turkey
  - 100%

- **SPAIV**
  - Portugal
  - 100%

- **Vanpro Assentos Limitada**
  - Portugal
  - 50%

- **PAB SA**
  - Argentina
  - 50%

- **Bertrand Faure Argentina SA**
  - Argentina
  - 50%

- **SOMIL SA**
  - Uruguay
  - 50%

- **Schmitz KG**
  - Germany
  - 100%

- **Bertrand Faure Sitztechnik KG**
  - Germany
  - 50%

- **Pauli***
  - Germany
  - 50%

- **IFB Automotive & Seating Systems Ltd**
  - India
  - 60%

- **Tecnoconfort**
  - Spain
  - 50%

- **Commetsa**
  - Spain
  - 100%

- **Main activity:**
  - vehicle interior/front-end
  - automotive seating
  - exhaust systems

* Holding
* Participation < 100%
* in liquidation or inactive
* under disposal
Key figures

Summary income statement

<table>
<thead>
<tr>
<th></th>
<th>1998</th>
<th></th>
<th>1997 (pro forma)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>€</td>
<td>FRF</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3,937</td>
<td>25,826</td>
<td>23,224</td>
</tr>
<tr>
<td>Operating income</td>
<td>202</td>
<td>1,325</td>
<td>1,564</td>
</tr>
<tr>
<td>Net interest expense</td>
<td>(37)</td>
<td>(241)</td>
<td>(242)</td>
</tr>
<tr>
<td>Employee profit-sharing</td>
<td>(6)</td>
<td>(40)</td>
<td>(70)</td>
</tr>
<tr>
<td>Income of affiliates</td>
<td>(28)</td>
<td>(183)</td>
<td>(121)</td>
</tr>
<tr>
<td>Equity in earnings of</td>
<td>14</td>
<td>92</td>
<td>94</td>
</tr>
<tr>
<td>affiliates</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income before taxes and</td>
<td>145</td>
<td>953</td>
<td>1,225</td>
</tr>
<tr>
<td>goodwill amortization</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization of goodwill</td>
<td>(42)</td>
<td>(273)</td>
<td>(271)</td>
</tr>
<tr>
<td>Taxes</td>
<td>(60)</td>
<td>(394)</td>
<td>(439)</td>
</tr>
<tr>
<td>Consolidated net income</td>
<td>43</td>
<td>286</td>
<td>515</td>
</tr>
<tr>
<td>from continuing operations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minority interests</td>
<td>(14)</td>
<td>(95)</td>
<td>(111)</td>
</tr>
<tr>
<td>PMTC</td>
<td>2</td>
<td>13</td>
<td>11</td>
</tr>
<tr>
<td>Net income (Group share)</td>
<td>31</td>
<td>204</td>
<td>415</td>
</tr>
</tbody>
</table>
Earnings per share * before amortization of goodwill
Operating cash flow per share *

* Calculation based on the weighted average number of shares.

Research and Development expenses

Shareholders' equity
Net financial debt

Summary balance sheet

<table>
<thead>
<tr>
<th>in millions</th>
<th>1998</th>
<th>1997 (pro forma)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€</td>
<td>FRF</td>
</tr>
<tr>
<td>Long-term assets, net</td>
<td>837</td>
<td>5,494</td>
</tr>
<tr>
<td>Goodwill</td>
<td>780</td>
<td>5,114</td>
</tr>
<tr>
<td>Total long-term assets</td>
<td>1,617</td>
<td>10,608</td>
</tr>
<tr>
<td>Inventories</td>
<td>244</td>
<td>1,601</td>
</tr>
<tr>
<td>Other assets</td>
<td>963</td>
<td>6,312</td>
</tr>
<tr>
<td>Total</td>
<td>2,824</td>
<td>18,521</td>
</tr>
<tr>
<td>Shareholders' equity</td>
<td>876</td>
<td>5,744</td>
</tr>
<tr>
<td>Minority interests</td>
<td>70</td>
<td>456</td>
</tr>
<tr>
<td>Retirement accruals</td>
<td>42</td>
<td>276</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>146</td>
<td>956</td>
</tr>
<tr>
<td>Net debt</td>
<td>744</td>
<td>4,881</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>946</td>
<td>6,208</td>
</tr>
<tr>
<td>Total</td>
<td>2,824</td>
<td>18,521</td>
</tr>
</tbody>
</table>

Employees at December 31

<table>
<thead>
<tr>
<th></th>
<th>1997</th>
<th>1998</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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Stock market information

In December 1997, ECIA launched a takeover bid for Bertrand Faure. As a result, ECIA now owns directly, or indirectly through its ECTRA subsidiary, 98.75% of Bertrand Faure. In June 1998, 1,234,284 new ECIA shares priced at FRF 1,775 (€ 270.6) were issued to finance part of the takeover cost. This operation resulted in a net increase in capital of FRF 2,155 million and increased the number of shares outstanding to 5,764,659.

Share prices (high and low prices - average price)

Monthly trading volume (number of shares)
Share price trends

<table>
<thead>
<tr>
<th>Price (€)</th>
<th>12.31.97 to 12.31.98</th>
<th>Dec. 98*</th>
<th>Change 12.98/12.97*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share</td>
<td>324.4</td>
<td>101.5</td>
<td>114.2</td>
</tr>
<tr>
<td>SBF</td>
<td>3,984.9</td>
<td>2,017.9</td>
<td>2,479.3</td>
</tr>
</tbody>
</table>

* Closing price at end of month.

Following strong growth during the first half, the sharp decline of stock markets during the third quarter - especially cyclical stocks - severely depressed the share price to FRF 795 (€ 121.2) in October 1998.

The situation worsened in November after the company announced profit forecasts lower than market expectations.

During the second half of 1998, the average monthly volume (in number of transactions) was 247,018, representing a turnover of 4.3%.

ECIA’s market capitalization at year-end 1998 stood at M€ 658 (MFRF 4,318).

Per-share figures

<table>
<thead>
<tr>
<th>Year</th>
<th>1998 (€)</th>
<th>1997 (FRF)</th>
<th>1997 (as published) (FRF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share</td>
<td>14.11</td>
<td>92.6</td>
<td>133.3</td>
</tr>
<tr>
<td>SBF</td>
<td>6.04</td>
<td>39.6</td>
<td>80.6</td>
</tr>
<tr>
<td>Equity</td>
<td>151.91</td>
<td>996.5</td>
<td>980.0</td>
</tr>
<tr>
<td>Dividend paid</td>
<td>-</td>
<td>13.0</td>
<td></td>
</tr>
</tbody>
</table>

Weighted average number of shares (in thousands)

<table>
<thead>
<tr>
<th>Year</th>
<th>1998</th>
<th>1997</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of shares** as at December 31 (in thousands)</td>
<td>5,147</td>
<td>5,147</td>
</tr>
</tbody>
</table>

* Of the weighted average number of shares reflecting the effects of the FRF 2,155 million capital increase at the end of June (1998 and pro forma 1997).

** For total voting rights of 8,858,398.

Other information

ECIA’s shares have been listed on the monthly settlement account of the Bourse de Paris since February 23, 1998 (Sicovam code N°3697).

The company has a Website open to the public where key financial and corporate information is available.

www.faurecia.com
January

Merger between the Bertrand Faure and ECIA Groups

Prompted by PSA Peugeot Citroën, ECIA launched a friendly take-over bid on December 11, 1997 for Bertrand Faure. This operation resulted in the creation of an international sized OEM. With sales of FRF 26 bn, the new Group employs 30,000 people and has 100 sites in 25 different countries. In pooling the resources of Bertrand Faure and ECIA, the new Group is able to extend its global offering to automakers and so speed up the worldwide diversification of its customer base and the internationalization of its industrial activities.

February-March-April

Non-automotive subsidiaries sold

In February, Bertrand Faure announced the disposal of Ratier-Figeac, its aeronautical OEM and sub-contractor business, to the US Group Hamilton Standard. Sovap (composite material components) was sold to the Dutch Group Welna. In April, the luggage subsidiary Delsey was sold to the Kipling Group.

May

A FRF 2.2 bn capital increase is launched

In order to refinance part of the cost of the acquisition of Bertrand Faure, ECIA launched a capital increase coordinated by Société Générale. This operation was preceded by a road show held in key financial centres across Europe (Paris, London, Edinburgh, Frankfurt, Zurich and Geneva) and in the United States (New York and Boston).

June

The automotive seating divisions of both Groups are merged

Following the operational merger of Bertrand Faure and ECIA, the automotive seating divisions were regrouped under a single entity built around increased industrial activity, extended engineering and design, and recognition of its key customers’ desire to work with a customer-focused organization. Three Business Units were set up in France: Components, Renault and PSA.

July

Faurecia wins its first Toyota contract

Toyota’s small Yaris, whose production is due to start near Valenciennes (France) in January 2001, will be equipped by Faurecia with complete seats, exhaust systems and instrument panel components. These contracts are the result of the Group’s highly dynamic R&D policy, and its ongoing presence in Japan for the past six years.

September

The 200 managers of the new Group meet for the first time

Two hundred representatives from all countries and all divisions of the new Group met for a two-day information symposium. The program included presentations on R&D, the Group’s new progress plan called “Excellence by Faurecia”, its customers, international development and the new organizational structure. The 1998 Management Meeting marked one of the high points in the merger and the construction of our new corporate identity.
Peugeot takes over PMTC
ECIA’s 74.27% stake in Peugeot Motorcycles was bought out by Peugeot SA, in line with the announcement made when ECIA launched its friendly take-over bid for Bertrand Faure. This operation finalized the new Group’s refocusing on its core business of automotive equipment.

October
Faurecia’s debut at a major motor show…
With its new name and new logo, the Group made its much-noticed entry at the Paris Mondial Motor Show. The Group’s product offering was presented through three vehicles fitted out by the Group: Citroën Xsara, Audi A4 and Smart MCC. The know-how integrated in products and the methodology used in areas such as comfort, safety and pollution reduction were also exhibited by our customers.

… and at an international automotive engineers’ conference
Faurecia was also present at the Fisita (International Federation of Automotive Engineers and Techniques) conference, held for the first time in Paris. The Group’s experts spoke on several occasions about safety, comfort and exhaust system noise and pollution reduction.

November
Faurecia inaugurates its Tredegar plant in Wales
The Group’s new plant in Wales was inaugurated in the presence of local authorities, the European press, Daniel Dewavrin and representatives of the Welsh Economic Development Board. The Tredegar plant employs 140 people at present; this figure should rise to over 300 in 1999. The plant manufactures automotive seat structures for the new Honda Accord and Rover. It represents a capital outlay of about MFRF 100.

Polish factory increases output
In October, production of tracks and seat frames got under way at the Grojec plant which employs 360 people. The main customers are Skoda, Fiat and GM. It should reach maximum capacity in 2001.

December
Faurecia inaugurates its Quatro Barras plants in Brazil
On December 3, Daniel Dewavrin inaugurated the new metal component plant at Quatro Barras (near Curitiba, Brazil), in the presence of the state governor. The following day, Louis Schweitzer, CEO, Renault, inaugurated the suppliers’ building at the Ayrton Senna factory, which will house, among others, Faurecia’s JIT production of seats and exhaust systems.

Faurecia on line… on the web!
The Faurecia Internet site www.faurecia.com came on line at end 1998. Net surfers can obtain details about Group products, R&D, the share price, etc. The annual report can also be downloaded from the site’s financial section.
The Group worldwide

Faurecia has operations in Argentina, Brazil, Canada, China, the Czech Republic, France, Germany, India, Japan, Poland, Portugal, Slovenia, Spain, Sweden, Turkey, the United Kingdom, and the United States.

North America
6 production sites, 2 technical centres

Europe
64 production sites, 18 technical centres and 5 research centres

South America
8 sites, including 6 production sites

Asia-Pacific
6 sites, including 2 technical centres

In addition to these Faurecia sites, the Group sells its products or manufactures them under license in the following countries: Algeria, Australia, Colombia, Egypt, Iran, Korea, Malaysia, Mexico, Morocco, Nigeria, Serbia, South Africa, Taiwan, Thailand, and Uruguay.
A single organization was implemented in 1998 to bring together all the vital forces of the new Group. The men and women from Bertrand Faure and ECIA, two companies with different backgrounds and cultures, naturally joined forces in Faurecia with a combined ambition: technical expertise, the quest for progress and customer satisfaction. In this way, each person has found his or her place.

In 1998, we also formulated common references that set the Group clearly on its designated path. The progress plan, “Excellence by Faurecia”, reiterates our commitment to being a Tier One partner for automakers, and enables each individual and each team to assess their performance, draw up their plans of action, and to make clear headway.

In terms of the actual employees, the emphasis has been placed on:
- consolidating engineering teams because of the upturn in business (development of new projects and start-up assistance);
- team internationalization: the number of foreign assignment contracts has doubled compared with 1997;
- “inter-“ and “intra-business” mobility, notably through the relocation of engineering offices.

For training, the launch of the Faurecia Institute now enables cross-fertilization of teams, the introduction of new organizational structures, and the development of expertise. In 1999, the Institute will focus its efforts on preparation for management positions, managing programs and projects, leadership training, quality and finance.

Of particular importance in this period of regrouping, in-house communications have received special attention through the introduction of new publications and the launch of Intranet. The latter, combined with new electronic communications systems, will enable us to capitalize on and manage expertise across the organization, to develop links and know-how, and to facilitate ongoing dialogue between employees. In the area of human resources management, the level of cross-fertilization generated by the merger is reflected in the implementation of common tools, such as individual responsibility, performance assessment, identification of potential, and development of organizational charts.
To anticipate and accompany the ongoing changes in the automotive industry, the Group has always maintained a strong R&D program. In 1998, FRF 1.5 billion was invested in R&D which employs 2,500 people at some 30 sites around the world.

In terms of its organization, the addition of expertise means we are able to introduce lateral programs which will open up new perspectives by promoting the research into and the development of global solutions.

The automotive seating R&D teams along with the Anticipation Department and vehicle interior operations are already working together on a number of automakers’ projects.

The Group is also pursuing its work in areas where it has recognized expertise, and the results of its research in safety and comfort are eagerly awaited. Our Continuous Safety Concept was developed from a methodical approach backed by perfect knowledge of the human body, which takes into account all necessary elements to ensure protection of the vehicle occupants. It enables us to define new safety systems within the perspective of continuity from the program’s inception to its industrialization. From the initial data supplied by automakers through to final validation, this virtual design system combines calculation, know-how, tests, and trials. It also enables us to cut costs, reduce design time and improve our competitive position.

Progress made in safety, which concerns all vehicle interior components (seats, instrument panels, and door panels) will improve the level of protection for vehicle occupants, most notably through a series of passive, active and responsive systems.

Our global approach to comfort, another area of methodology, is based on knowledge of future vehicle users and a solid understanding of their expectations. It takes into account all factors which influence not only the comfort of the seat but also the other elements within the vehicle interior: visual, tactile, hygrothermal, acoustic and olfactory perceptions, posture, dynamic support, ergonomic controls, vibration damping.

Developed by our Brières Comfort Research Centre, this approach led, in 1998, to the design of posture adjustment and active comfort concepts (ventilated, massaging and vibrating seats, etc.), which have now been made available throughout our technical centres ready to be incorporated in our customers’ new projects.
1998, a year of innovation

Faurecia stole the limelight at the 1998 Mondial Motor Show in Paris with the presentation of several innovations developed in the Group’s R&D centres.

Automotive seating

**Morphée: safety, comfort and adjustability**

With its synchronized seat, backrest and armrest movement combined with leg support, this seat switches easily from the upright position of co-pilot to the relaxing position of passenger.

Its asymmetrical headrest provides a comfortable position with excellent head support. In terms of safety, Morphée guarantees effective restraint and its incorporated seat belt totally fulfils its role whatever the position selected by the occupant.

**Spinal CARE System: active protection**

Integral with the backrest, this system is triggered in the event of a rear-end collision. Actuated by the occupant’s pelvis, it triggers a rapid forward and upward movement of the headrest, thereby preventing harmful whiplash. Trials have proven the efficacy of this system which may cut trauma caused by this type of accident by up to 80%.

To date, three automakers have adopted this system developed by Faurecia.

Door panels

**Easydoor: one module, several functions**

The market’s trend towards complete modules has led Faurecia to develop a complete door trim system that integrates safety components, loudspeakers, wiring, connections, window operation system, lock and seals. A single rigid bearer with a whole series of functions, ready to be installed in a single step on the automaker’s assembly line.

Exhaust systems

**Diesel pollution reduction**

A pioneer in oxidation catalysts, Faurecia is particularly active in the development of “deNox” catalysts.

Through its experience in pollution reduction, Faurecia is able to recommend systems adapted to new generation engines. Significant means are now devoted to developing innovative particulate traps for diesel engines. This research also anticipates the future Euro IV emission control standards.

Instrument panel

**New materials and recyclability**

The Group’s commitment to designing products and applying processes that respect and protect the environment has resulted in cutting waste, introducing recycling lines, and proposing that the customer integrate recycled products in equipment currently under development.

For example, the innovative rotational moulding process for the instrument panel skin using olefine thermoplastic (OTP).

Front-end module

**New products, new processes**

Numerous innovations have been introduced for the bumper, radiator grill, front-end carrier, cooling fan system, radiator and lights, which together form the front-end module. Some have been perfected through the development of new technological processes.

The manufacture of a new compound-moulded front-end carrier of hybrid composition will be launched in 1999. The particular feature of this innovation is the injection of plastic with glass fibre filler through the apertures in the metal carrier beam. This represents a considerable step forward in terms of energy absorption, resistance to deformation and weight reduction.
Automotive seating

Automotive seats combine comfort, safety and aesthetic qualities in a complete vehicle interior module. Working with all the main automakers, Faurecia develops, manufactures and delivers complete seats or components for all types of vehicles from the 2-seater city car to 8-seater minivans. Expert in comfort and safety, Faurecia is also renowned for its innovation aimed at improving seat production today and designing the seat of tomorrow. Faurecia ranks first in automotive seating in Europe, and third worldwide. It is backed by know-how in seat trim and JIT delivery of complete seats and expertise in the main seat components:
- frame and adjustment mechanisms involving metal working;
- padding, involving polyurethane foam injection moulding;
- cut and sew in fabric and leather.

The Group’s automotive seating business employs 1,450 engineers and technicians in Research and Development alone, plus 23,000 people working at over 70 sites in 16 countries. Faurecia has a diversified customer portfolio which includes the manufacture of seats for PSA Peugeot Citroën, Renault, VW, BMW, DaimlerChrysler, Fiat, Volvo, GM, Ford, Nissan, Mitsubishi and Toyota.

Vehicle interior modules

Faurecia’s expertise covers the full range of technology involved in producing instrument panels: thermoplastic injection, coatings such as thermosheathing, thermoforming, rotational moulding in single and dual coloured PVC, and metal beams. Active in all vehicle segments, Faurecia is one of the leading instrument panel suppliers in Europe. Faurecia’s expertise also extends to steering wheels and columns, and more recently, to door panels.
Faurecia employs advanced Research and Development systems which can factor in aerodynamics, aesthetics, ergonomics, storage and safety, along with the integration of components, such as airbags. Because the market is looking for answers that provide simpler and lower cost solutions, Faurecia is positioned as a systems integrator which designs and delivers complete modules.

The Group’s main customers are PSA Peugeot Citroën, Renault, VW, BMW, Honda, Toyota and Mazda.

Exhaust systems

From channelling waste gas to catalysis, the exhaust system has become a complex product. Faurecia applies an active Research and Development program in response to the automakers’ and motorist’s expectations. With its expertise in each of the line’s components – steel manifold, connection tubing, catalysts, muffler and attachment systems – Faurecia works as a partner with its customers in the development and production of complete systems.

Faurecia’s solutions range from the simplest to the most complex designs covering all the market’s needs. Today, the Group applies its technology, R&D and state-of-the-art testing facilities at a global level. Faurecia is particularly renowned for its know-how in noise and pollution reduction. It develops innovative solutions in particularly sensitive areas such as the improvement of comfort levels and respect for the environment. Faurecia’s research is also focused on component weight reduction, extending service life and cutting design time and costs.

Faurecia’s exhaust systems activity employs 3,600 people at 20 sites in 9 different countries. 545 of these are engineers and technicians working specifically in R&D. Faurecia’s main customers are PSA Peugeot Citroën, Renault, VW, DaimlerChrysler, Fiat, GM, Ford and Toyota.

Front-end module

Faurecia’s expertise covers three of the main components in the front-end module: the front-end carrier in plastic or composites, the cooling fan system and the bumper. The Group provides its customers with the services of a systems integrator for JIT assembly of this module. This activity requires specific expertise in plastics, including hybrid injection, simulation and design. It also requires know-how in complex project management, such as that recently devised in partnership with Bayer for the development of a hybrid front-end carrier which will feature low weight, resistance to impact and to high engine temperatures, easy installation and removal.

Faurecia’s front-end module business employs 1,200 people; its main customers are VW, PSA Peugeot Citroën and Renault.
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The main event in 1998 was of course the finalization of ECIA’s take-over of Bertrand Faure, giving it directly, and indirectly through its subsidiary ECTRA, 98.75% of Bertrand Faure shares. ECIA purchased the 82.3% of Bertrand Faure’s shares that it did not already own for FRF 6,991 million. This was partially financed by the June 1998 issuance of 1,235,284 new ECIA shares that brought in a total of FRF 2,155 million net, and increased ECIA’s capital by 27.3%. As a result of the new share issue, the PSA Peugeot Citroën Group’s holding in ECIA was reduced to 56.1%.

Several other transactions were concluded during the year:
- In September, the Group sold its interest in Peugeot Motorcycles to Peugeot SA for a total of FRF 468 million. As a result of this operation, the new Group is now entirely focused on the design and manufacture of automobile equipment;
- In November, the Group acquired the 20.4% minority interest held by Peugeot Motor Company PLC in the ECIA subsidiary Hills Precision Components Ltd in Britain;
- In December, the Group finalized the buy-back of 31% of Compagnie Européenne de Sièges pour Automobiles - CESA - from Johnson Controls Roth, thereby raising the Group’s interest to 100%;
- Finally, in compliance with previous agreements with the Argentinian Group RB, ECIA raised its interest in ECIA RB Argentina SA to 70%.

In order to allow for meaningful comparisons with the previous financial year, a pro forma consolidated income statement has been drawn up for 1997 as well as a pro forma balance sheet at December 31, 1997. These pro forma financial statements were based on the hypothesis that the acquisition of Bertrand Faure had taken place as of January 1, 1997. Furthermore, the scope of consolidation does not include Peugeot Motorcycles or the other non-automobile activities Bertrand Faure disposed of in early 1998.
Business review

The year 1998 was marked by its sustained level of activity as reflected by the 6.6% increase in the number of vehicles manufactured in Europe, and the 14.5% rise in France. Within this context, sales totaled FRF 25,826 million, an 11.2% increase over 1997, with increases of 12.2% and 10.2% in the first and second half, respectively. For finished products, the increase in 1998 was 12.0%.

Group sales increases were very strong in Spain, up 31%, Italy, up 22%, and France, up 13.6%, while sales in Germany were up 4%. Automotive seating sales, which represent 67% of total sales, increased 9.5% in 1998.

The development of sales with Renault (Mégane, Kangoo, Master and Clio), the VW Group (Audi A3 and A4, Golf and Lupo), as well as with PSA (406, Xsara and Xantia), and new orders placed by GM, more than offset the decline in sales due to the non-renewal of a contract for BMW 3-series seats, and mechanisms for the Ford Windstar in North America.

Activities in other areas rose 14.9% in 1998, driven by the rapid expansion in the exhaust system sector (up 26.8%). The latter benefited from the development of a wider range of product functions and the opening up of new markets (Audi A6, Xsara and Mercedes A-Class). The vehicle interior division posted a sales increase of 10% over 1997, attributable to the growth in sales of the instrument panels for VW Passat and strong airbag sales. Activities in the front-end sector remained stable.

The automotive seating division also saw the start-up in 1998 of a new production unit for metal frames and tracks in Poland, as well as the installation of two new production sites in Curitiba, Brazil: a seat frame production site for delivery to Audi, VW and Renault, and a JIT seat trimming plant for Renault’s Mégane.

Results

Operating income for the period was FRF 1,325 million, or 5.1% of sales, against FRF 1,564 million, a decrease of FRF 239 million from a year earlier.

Automotive seating contributed FRF 882 million to operating income (5.1% of sales), while the other product divisions accounted for FRF 443 million (5.2% of sales). In the previous financial year, the respective contributions were FRF 1,031 million from automotive seating, and FRF 533 million from other product divisions.

The drop in profitability, notably in the second half of the year, despite healthy sales levels, is largely attributable to the extreme downward pressure exerted on prices, especially from French automakers, and start-up costs associated with new plants and new products.

This trend was compounded by a very large increase in R&D expenditures. Although this has a negative effect on the year's results, R&D costs represent an investment in the future and a guarantee of the development of our business activities. R&D expenditures totaled FRF 1,545 million in 1998, or 6% of sales, a 28.9% increase over 1997. After specific invoicing to customers, net R&D expenditures increased 17.7% to FRF 1,049 million.

Net financial expense amounted to 0.9% of 1998 sales and relates mainly to loans set up to finance the acquisition. "Other income and expense" nets to a FRF 183 million charge.

It includes a non-recurring write-down of redundant equipment, as well as provisions to cover reorganization costs following the joining of forces of Bertrand Faure and ECIA and restructuring costs for non-seating divisions. A one-time write-down of FRF 35 million of the goodwill in ECIA RB Argentina SA was also booked in 1998.

The share of earnings from companies accounted for by the equity method was FRF 92 million before taxes in 1998, compared with FRF 94 million a year earlier.
After amortization of goodwill of FRF 273 million in 1998 and the FRF 13 million gain as a result of the disposal of Peugeot Motocycles, of which FRF 3 million is attributable to net consolidated capital gain, net income in 1998 amounted to FRF 204 million, down FRF 211 million over the 1997 pro forma result. Earnings per share before amortization of goodwill stood at FRF 92.60, against FRF 133.30 in 1997. The income per share was FRF 39.60 down from FRF 80.60 in 1997. These figures are calculated using an average of 5,147,017 shares which factors in the effect of last June’s FRF 2,155 million capital increase. Cash flow generated in 1998 totaled FRF 1,606 million, or 6.2% of sales. This represents FRF 312 per share.

The capital expenditure policy was sustained throughout 1998, with investments totalling FRF 1,258 million, or 4.9% of sales, which is FRF 68 million more than in 1997. Much of the period’s expenditures were devoted to the establishment of new sites, the installation of equipment for new product launches, and expenditures to boost productivity.

Financial position
Consolidated shareholders’ equity at the end of 1998 was FRF 5,744 million, compared to FRF 5,651 million on the pro forma 1997 balance sheet (which reflects the capital increase before the effective date in order to present the figures on a comparative basis). Net debt at the end of 1998 was FRF 4,881 million, a level that is comparable to the figure on the 1997 pro forma balance sheet. The net debt-to-equity ratio at the end of 1998 was 0.85.

Year 2000
The Group has been addressing the year 2000 compliance issue for computer systems, robots and PLCs for some time now. The coordination of the project has been carried out by a project manager with the cooperation of a network of correspondents, each representing a country or product division. An exhaustive inventory of systems liable to be affected by the switch to 2000 and an evaluation of the compliance of each (including the systems of our main suppliers) has been made. The implementation of an integrated management system has been stepped up in some operations in order to avoid correcting older programs whose design does not permit a year 2000 update and whose functions are no longer appropriate. Suitable measures are being applied in the Group’s various companies and a significant amount of internal resources and outside help is being employed. It is estimated that the entire operation will cost about FRF 50 million, part of which has already been booked in 1998.

Outlook for 1999
Information currently available would indicate that 1999 production of vehicles in Europe will be lower than in 1998. Requests for lower prices are still very much on the agendas of our main customers. These factors will only be partially offset by probable reductions in prices from suppliers and by increased productivity which remains a priority in each of the Group’s companies. In addition, 1999 will see a further significant increase in R&D costs. As a consequence, the operating profit for 1999 should be below that for 1998. Reorganization and development projects currently being implemented will begin to have a positive effect from 2000 onwards, leading to a return of income growth for the new Group.

It is planned to merge the companies Bertrand Faure and ECIA SA during the first half of 1999 to formalize the legal reorganization of the ECIA Group. The acquiring company will then take the name of Faurecia.
automotive seating

Following the joining of forces of Bertrand Faure and ECIA in 1998, the automotive seating divisions of the two Groups were combined. This involved the amalgamation of a number of departments and the streamlining of resources in some operations in order to take advantage of economies of scale. Sales in this division, which represent 67% of total Group sales, increased by 9.5% over 1997.

Highlights of the year 1998 include new contracts secured from a wide range of automakers, from American and Asian manufacturers in particular, demonstrating the Group’s ability to position itself effectively in markets across the globe. The year also saw a large number of production start-ups and the creation of several new plants (in Brazil, Canada, France and Poland).

The Group’s Research and Development teams continued their ongoing pursuit of product improvement and innovation. Both the development of existing concepts - for complete seats, frames and adjustment mechanisms - and the introduction of new systems to enhance comfort and safety (Spinal CARE System) reaffirmed the Group’s unique strengths as regards innovation and competitiveness.

Note: sales figures given hereafter represent the consolidated sales within individual markets, before the elimination of intra-group transactions with other countries.

France

Business activities. Following a sharp drop in 1997, automotive production in France grew steadily throughout 1998, recording annual growth of around 15%.

Automotive seating operations in France were able to outperform the market in terms of sales growth, due to the following factors:
- strong performances from established customers;
- strong market positioning - with successful vehicles such as the Renault Scénic and Kangoo, and the Peugeot 206;
- ongoing expansion of the range of features offered, including items such as lateral air bags.

On the other hand, the pressure on prices became even more acute and new contracts were negotiated on a very tough basis. As a result of all these factors combined, automotive seating sales in France rose by 18% to FRF 7,804.7 million.

The integration of the Bertrand Faure and ECIA Groups’ automotive seating divisions was completed according to plan. The Group’s internal structures were overhauled in order to reflect the larger scale of the activities involved. These changes included the creation of “customer-focused” business units.

There were a number of new production start-ups, calling for intensive input from our development and production teams:
- complete seats for the Peugeot 206 and MCC Smart;
- for components, “4CB” tracks which improve resistance and reduce noise, and “1°8” recliners allowing a more precise adjustment.
The Group's Research operations, which were also heavily involved in these production start-ups, expanded substantially in 1998 in response to a number of new development projects, including the Toyota Yaris, the new Peugeot 806, the Citroën Evasion and the Fiat Ulysse, as well as the top-of-the-line Renault models. These operations will continue to expand in order to continue the development of products to be launched over the coming years, products which will offer substantial advances in terms of comfort and safety, illustrating the Group's extensive technological capacity.

**Major events.** All the French plants enjoyed strong levels of activity throughout the year: at times calling for organizational adjustments and even in some cases flexible working hours, in order to optimize efficiency and responsiveness.

- The Flers plant faced very high levels of demand for tracks and recliners. The introduction of a new organizational structure based on individual product lines (recliners, tracks, other mechanisms) resulted in improved production conditions. As a result the plant was able to manage successful production start-ups for new mechanisms which might otherwise have been problematic given such high levels of activity.

- In the Vosges region, the transfer of the Raon-l'Etape operations to the new site in Nompatelzel was completed as planned at the start of the year.

- In the Haute-Saône region, the transfer of the Lure plant's foam operations to the Magny plant was completed at the end of the year.

- Finally, a new plant for the trimming and just-in-time delivery of complete seats for Matra was created at Romorantin. The plant went into operation in June.

**Purchasing.** The cost of raw materials and components purchases decreased slightly during the year, despite rising steel costs and a strong upwards pressure on chemicals prices.

**Quality.** Despite increasingly stringent demands from our customers and a large number of new product start-ups, quality standards were maintained at highly satisfactory levels throughout all automotive seating operations in France. Highlights in this area include:

- ISO 9002 and EAQF certification for the Sienor and ECSA just-in-time plants;

- confirmation of certification for the Nogent-sur-Vernisson and Flers plants.

All the other plants have begun intensive preparations for upcoming certifications, principally QS 9000.

**Computer technology.** The Group set up and launched a new CAPM (Computer-Assisted Production Management) system to improve logistics, production and purchasing processes.

This system was designed to replace non-Y2K-compatible
applications and to enable all Group plants to respond more effectively to their customers' needs. From 1999 this system will be used in the Spanish and Portuguese subsidiaries; afterwards it will be extended to include all Group operations in other markets.

Spain

1998 was another record year for automotive production in Spain, which increased by 6% over 1997. Automotive seating sales in Spain rose to FRF 2,017 million in 1998, an increase of 19% compared with the previous year.

Production increases for the Group's main customers translated into higher levels of activity at our plants. This growth was driven in particular by the commercial success of the Renault Mégane, the VW Polo and the Citroën Xsara, which were exported throughout Europe.

The Group's plants continued their ongoing efforts to improve productivity and quality, in order to meet the targets set by customers and to satisfy competitiveness objectives. By contrast, the slowdown in the Italian market at the end of the year had a negative impact on export sales of mechanisms to this market from Spain.

Portugal

Following the closure of the Renault plant at Setubal in 1998, automotive seating sales in Portugal were slightly down compared with 1997, falling by 0.7% to FRF 757 million. Sales to Auto Europa (Volkswagen Sharan, Ford Galaxy and Seat Alhambra minivans) were stable.

The start-up of cold-cure foam manufacturing at Saint-Jean de Madère was successfully completed and sales of foam pieces increased during the year.

The Group's internal requirement for seat covers - for operations in France, Spain and the United Kingdom in particular - will generate significant production increases at the Portuguese plants. This higher demand will be met by the conversion of the luggage factory at Saint-Jean de Madère, which was retained by the Group following the divestment of Delsey in April 1998. This additional unit will enable the Group to double its production of seat covers.

Germany

Business activities. During 1998, the German operations felt the impact of the phasing-out of BMW's former 3-series model. This loss of business was offset by high production volumes for complete seats for the Audi A3 and A4, and by the launch of the standard metal frame for new VW Group models (the Golf A4 and Bora, the Seat Arosa and Toledo, the VW Lupo). Even so, strong downward pressure on prices ensured that automotive seating sales in Germany grew by only 0.6% in the year, to reach FRF 5,815 million.

Significant production start-ups included a new generation of seat backs for the Ford Focus and Fiesta and metal frames for the MCC Smart.

At the end of 1997, the renewal of contracts from VW and BMW, as well as new contracts for future Mercedes, GM and Ford models created a great deal of work for our development and industrialization operations. This also boosted the start-up of activities for the Group in Brazil, Argentina and Poland. A major recruitment drive for engineers and specialists was undertaken to strengthen our Research, Production Development, Quality and Purchasing teams.

By contrast, the production workforce was reduced. Productivity drives were carried out to offset falling prices and rising steel costs.

A plan to transfer production of 3,500 frames per day to the Group's new Polish plant is scheduled in 1999. Ongoing productivity drives will be maintained in order to ensure optimum conditions for the large number of production start-
ups scheduled for 2000 and 2001, for Mercedes, GM and Ford.

**Major events.** Three new local research units were established: Rüsselsheim for GM/Opel, Goteborg-Trollhatan for Saab and Stuttgart for Mercedes. Research capacity at the Neuburg plant was doubled, increasing the workforce to about 60 people.

**Organization.** In order to improve the efficiency, quality and specificity of the service provided to automakers, a new organizational structure based on "customer units" was launched at the end of the year. This new structure integrates sales, program management, research, quality and purchasing functions for each individual customer.

**Quality.** Ongoing improvements in industrial performance were reflected by the QS 9000 certification obtained by 4 production plants and in the "Best Factory Award" presented to the Geiselhöring plant by the German economic magazine "Impulse" as part of a benchmarking survey.

**Eastern Europe**

**Poland.** Overall market conditions in Poland were very positive in 1998, with a significant drop in inflation, which fell below the 9% level. Automotive production rose strongly, increasing by 20% compared with 1997, and automakers (notably Renault, VW, GM and Daewoo) are currently researching new investments in this market.

The Group's new production plant at Grojec in Poland started up operations in 1998. This plant manufactures metal frames and tracks, mainly for Eastern Europe, with Skoda, Fiat and GM as its principal customers. Production got under way in October and the plant should be working at full capacity in 2001. This new unit added an extra 360 people to the Group's total workforce in 1997 and 1998. The training initiatives implemented by the Group were very well received by personnel and enabled the new unit to attain good performance standards and quality levels during its start-up phase.

**Other countries.** Expansion continued of operations in the Czech Republic, with the start-up of new programs to supply the Group's German and French plants (covers for Audi and headrests for Renault, respectively).

In Russia, the start-up of industrial operations by Fiat and Renault present potential opportunities for the Group and are currently being studied.

**United Kingdom**

In response to the slowdown of the British economy, automakers Ford, Rover and Honda cut back their production schedules for the second half of 1998. On the other hand, Peugeot enjoyed considerable commercial success with the 206, manufactured at Ryton.

Automotive seating sales in the UK, encompassing both the Bertrand Faure and ECIA Groups, rose to FRF 1,020 million, an increase of 3.4%.

Financial and IT operations from Bertrand Faure and ECIA were streamlined into a new organizational structure. Highlights of 1998 included the launch of the Peugeot 206, the new Honda Accord and Civic models and of the Rover 75, for which the Group supplies complete seat units. As a result of these launches, automotive seating operations in the UK incurred substantial development and start-up costs during the year.

The Tredegar plant, operational since 1997, has seen a
substantial increase in production volumes with the launch of the new Honda and Rover models. The plant should be operating at full capacity by the year 2000. Despite downward revisions of volume forecasts by automakers for 1999, increased production volumes for the Rover and Peugeot models will ensure that levels of activity in the UK plants remain high.

Japan – Korea

The Group's dynamic R&D strategy and its established presence in Japan (dating back six years) are now beginning to pay off, bringing the Group a number of contracts with Japanese automakers, notably:
- with Toyota, to develop and manufacture seats for its Yaris model, which will be manufactured near Valenciennes in France starting in 2001;
- and also with Nissan, Suzuki and Daihatsu, to manufacture seat structures and adjustment mechanisms.

In Korea, the Group has been selected by Hyundai to develop and produce adjustment mechanisms for new models which are to be launched in 1999. These mechanisms will be produced in France and exported to Korea.

North America

The North American economy was strong in 1998 and automotive production reached its highest level since 1988. Light utility trucks (pick-ups and vans) continued to record strong growth. In 1991, they represented 33% of the market; today, they account for 47% of total sales, as compared with 53% for passenger cars. The trend is a very positive one for the Group's automotive seating division in North America as this segment of the market accounts for 74% of its sales.

Rising sales of light trucks, combined with a number of production start-ups, enabled the Group to offset the negative impact of losing the Ford Windstar. Sales were therefore more or less stable at their record level of 1997, totalling FRF 1,021 million. Ongoing productivity improvements meant that the Group was able to maintain profitability despite downward pressure on prices.

The success of the new generation of mechanisms enabled the Group in North America to secure the Odyssey program for Honda - a new customer - as well as two further programs for Ford and Mitsubishi. A new production plant is currently under construction at Bradford, in Canada, to assure this expansion. The new plant is scheduled to go into production in mid-1999.

Another highlight of 1998 was the contract secured from Nissan for a new height adjuster - a substantial boost for sales of mechanisms in the North American market.

The Group's plants and two of its joint venture operations secured QS 9000 certifications during 1998. The third joint-venture is due to obtain certification during the first half of 1999.

Repeat contracts and newly secured manufacturing programs are paving the way for substantial growth in our North American operations in the years to come. The Group holds a very strong position in this highly competitive market, where its technological expertise is widely acknowledged. The Group's excellent prospects here are guaranteed by the outstanding performance of our production plants.

Mercosur

Brazil. The Group opened two production units in Curitiba in December 1998:
- a plant producing seat frames for Audi, VW and Renault;
- a trimming and just-in-time supply plant dedicated to Renault's Mégane.

The Group also secured a contract for metal frames for GM's Epsilon, paving the way for substantial growth in our Brazilian operations; these positive prospects are also enhanced by...
discussions which are currently under way with Fiat, Honda and Toyota.

Argentina. The crisis which hit Brazil and then Argentina from September 1998 onwards caused a steep decline in the Argentinian automotive market. Highlights of 1998 included a number of program start-ups:
- for the Renault Mégane and Kangoo in November, at Córdoba;
- for the VW Gol and Polo, at a new just-in-time plant in Buenos Aires;
- and for the Sevel Partner (PSA Peugeot Citroën).
The Group also secured an order from Sevel in Buenos Aires, for the production of the 306 and 405 models.

Turkey

Despite a decline in automotive production in late 1998, business at our subsidiary Teknik Malzeme remained extremely buoyant, essentially due to growth in exports. The company recorded sales of FRF 370 million for 1998.

A number of new orders were secured, notably from Renault for the Mégane station wagon and from Ford for a small convertible commercial vehicle which will be manufactured in Turkey for European markets.

China

We continue to work closely with our licensees in this market. In addition, negotiations are currently under way with a new partner for the production of seat frames for the Audi 200, due to be launched in late 1999.

exhaust systems

Business activities. The Group’s exhaust systems operations benefited from the stability of the European market in 1998 and from its recognized position as a forerunner in technological advances.

The Group is currently the only general exhaust systems manufacturer able to offer individual automakers - according to both their particular needs and anticipated changes in the relevant standards - a comprehensive research and development service, including concrete solutions for the treatment and control of exhaust emissions:
- the Group has a dedicated research center whose high standards have been recognized by international specialists.

Equipped with the most sophisticated resources in this field, its facilities include engine test beds, a chemical analysis facility and roller tables;
- a highly qualified team of researchers (including chemical experts, motor mechanics specialists, etc.) develops and fine tunes original development processes;
- the Group has long-established partnerships (developed over more than a decade) with companies specializing in catalyst impregnation, with universities (Strasbourg and Lyon) and with companies specializing in catalytic chemistry.

In a highly competitive marketplace, sales increased by 27% to reach FRF 4,214 million. Sales to our German customers grew by 40%, sales to PSA and Renault by 10% and 94% respectively. The proportion of sales devoted to emission control continued to increase, via the development of impregnated ceramics. Automakers are currently transferring an ever more substantial proportion of their R&D costs to automotive equipment suppliers - and this is happening at a time when increasingly stringent and diverse emissions standards are making the burden even heavier. 1998 once again saw acute pressure on prices, which this year also affected emerging markets with...
steel prices remaining high. Within this context we were able to limit the impact on margins by maintaining a high level of sales.

Highlights of 1998 included the expansion of our customer portfolio to include Toyota, GM and Ford, as well as a number of new contracts, including orders from:
- Renault and GM to supply all the rear systems for new platforms;
- Toyota and Peugeot for complete exhaust systems;
- Mercedes and Ford for catalytic converters.

Our past investment in R&D projects has enabled us to respond to falling product prices by optimizing all aspects of product design. We will be maintaining these efforts at the same time as continuing to prepare for new emission control standards affecting direct injection and diesel vehicles. For example, the Group is currently offering automakers a device to reduce particulate emissions from diesel engines. This device consists of a particulates trap (incorporating a self-regenerative system to ensure long-term effectiveness) which can be integrated within a complete emission processing system including a catalytic converter. This new device has already aroused strong interest among our customers.

Finally, as part of the "Secoia" program, a project involving the collection and renovation of used automotive parts, instigated by the PSA Peugeot Citroën Group, the recycling department of the exhaust systems division has been exclusively entrusted with the task of managing all the parts requirements of the Peugeot and Citroën brands, collecting the parts through the commercial networks and managing stocks. The Group drew up the logistical and industrial blueprint for the program. It is planned to extend this type of arrangement to other parts of Europe before the end of 1999.

**Major events.** The Group has begun to exploit the synergies between the automotive seating and exhaust systems operations. These refer mainly to steel purchasing and pooling shared international resources in the United States and Brazil. In Germany, a project center in Stadeln was opened, bringing together in a single organization all the different types of skills required to monitor our customers' projects.

In Argentina, the Group acquired a majority shareholding in ECIA RB Argentina.

In Brazil, ECIA do Brasil began operations in December with the opening of an assembly and just-in-time supply plant for Renault, located in Curitiba.
Sales in the vehicle interior / front-end division totalled FRF 4,334 million in 1998, an increase of 5% over the previous year. In order to bring these operations into line with current Group strategy and to optimize the effectiveness of the product range, the operational management of the various product lines was re-organized in terms of individual product units: cockpit, door panels, and front-end modules. This type of organization, which opens up substantial growth potential, is increasingly what automakers have come to expect from equipment suppliers.

Research and Development operations in this division have been transferred to the new technical center at Seloncourt which houses the full range of research resources (products, materials and processes) along with facilities for safety testing and validation for vehicle interior products.

Cockpit (instrument panel and steering system). 1998 sales of cockpit products grew by 8%, largely due to the increase in supplies to VW (driven by the success of the Passat), and to new product start-ups for Renault and Mazda. These positive effects enabled the division to offset significant reductions in prices.

In France, volume production of a new technology for manufacturing invisible passenger airbags, which are located under the cover of the instrument panel, was introduced. The Group’s renowned expertise in plastification won it a contract from Toyota for the plastic components on the instrument panel of the Yaris model, to be manufactured in Valenciennes from 2001 onwards.

German operations continued to expand as a research unit was opened in Wolfsburg, close to VW.

Finally, in England, production of the Peugeot 206 started up at Ryton, incorporating a new sequential injection process which improves the appearance and mechanical performance of the product, as well as enhancing productivity.

1999 will see the launch of new products both in Europe (mainly for the PSA Group) and in South America (for Renault).

Door panels. Trecia, the joint venture with Trèves established in July 1997, received its first orders for door panels from Peugeot, Citroën and Matra/Renault, for manufacturing programs in France scheduled for the year 2000. Highlights of 1998 include the pre-development of the "Easydoor", a unique new door module. This innovation allows the door panel and door interior to be assembled on the manufacturer’s production line in a single phase.

As well as opening two new plants, the door panels operation is looking to strengthen its position with French automakers and to capture new international markets, thus expanding the range of vehicle interior modules offered by the Group.

Safety belts and airbags. Sales of safety belts and airbags via the Group’s subsidiary EAK were boosted by the growth of automotive equipment sales to PSA. Sales rose by 21% to reach FRF 437 million.

The Group will be making substantial investments in the production of airbags and new generations of safety belts in order to ensure that this growth can be maintained.
front-end module

Highlights of 1998 included the introduction of volume production for two unique new manufacturing processes for lightweight front-end carriers:
- the XRE injection process (thermo-compression of a composite) developed by ECIA;
- and the Hybrid (metal/plastic) injection process developed in collaboration with Bayer.

The technical and economic benefits offered by its product concepts, allied to the offer of a full range of products for the front-end module, re-affirm the Group's unique technological expertise in this area. As a result new orders were secured from Audi, VW and Rover. Sales for the year were stable following the dramatic growth of 1997.

In France, the Group made the following major investments:
- in the Marines plant, to set up a fully automated colorcoating line for bumpers;
- at Audincourt, to set up an automated batch annealing line for electric motors thus strengthening the product range in compact, high power cooling-fan systems.

In Germany, a research unit was opened for Audi at Ingolstadt.
In September, Audi presented the Group's Ingolstadt plant with its "Quality Prize", awarded to the top automotive equipment suppliers. 1999 will see the start-up of a new plant, also for Audi.

The Group's expertise in the front-end module sector has aroused interest among a number of automakers. Discussions which are currently under way suggest that these operations have the potential to see significant growth in the years ahead.
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33 - Consolidated balance sheet
34 - Consolidated statement of cash flows
35 - Statement of changes in consolidated shareholders’ equity
36 - Notes to the consolidated financial statements for 1998
52 - List of consolidated companies
54 - Statutory auditors’ report
### Consolidated Income Statement

<table>
<thead>
<tr>
<th>(In millions of FRF)</th>
<th>Notes</th>
<th>1998</th>
<th>1997 pro forma *</th>
<th>1997 published</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>C 1.1</td>
<td>25,826</td>
<td>23,224</td>
<td>10,569</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>C 2</td>
<td>(24,501)</td>
<td>(21,660)</td>
<td>(9,916)</td>
</tr>
<tr>
<td>Operating income</td>
<td></td>
<td>1,325</td>
<td>1,564</td>
<td>653</td>
</tr>
<tr>
<td>Net interest expense</td>
<td>C 3</td>
<td>(241)</td>
<td>(242)</td>
<td>(13)</td>
</tr>
<tr>
<td>Employee profit-sharing</td>
<td></td>
<td>(40)</td>
<td>(70)</td>
<td>(30)</td>
</tr>
<tr>
<td>Other net income (expense)</td>
<td>C 4</td>
<td>(183)</td>
<td>(121)</td>
<td>2</td>
</tr>
<tr>
<td>Equity in earnings of affiliates</td>
<td></td>
<td>92</td>
<td>94</td>
<td>128</td>
</tr>
<tr>
<td>Income before taxes and goodwill amortization</td>
<td></td>
<td>953</td>
<td>1,225</td>
<td>740</td>
</tr>
<tr>
<td>Amortization of goodwill</td>
<td></td>
<td>(273)</td>
<td>(271)</td>
<td>(18)</td>
</tr>
<tr>
<td>Corporate income taxes</td>
<td>C 5</td>
<td>(394)</td>
<td>(439)</td>
<td>(304)</td>
</tr>
<tr>
<td>Consolidated net income from continuing operations</td>
<td></td>
<td>286</td>
<td>515</td>
<td>418</td>
</tr>
<tr>
<td>Minority interest</td>
<td></td>
<td>(95)</td>
<td>(111)</td>
<td>(71)</td>
</tr>
<tr>
<td>Net income from discontinued operations</td>
<td>A 4</td>
<td>10</td>
<td>11</td>
<td>-</td>
</tr>
<tr>
<td>Gains on disposal of discontinued operations, net of tax</td>
<td>A 4</td>
<td>3</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net income</td>
<td></td>
<td>204</td>
<td>415</td>
<td>347</td>
</tr>
</tbody>
</table>

#### Earnings per share (in FRF) **

<table>
<thead>
<tr>
<th></th>
<th>C 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before amortization of goodwill</td>
<td>92.6</td>
</tr>
<tr>
<td>After amortization of goodwill</td>
<td>39.6</td>
</tr>
</tbody>
</table>

* The accompanying notes (pages 36 to 53) are an integral part of these consolidated financial statements.
** See Appendix A 1.
** Calculation based on the weighted average number of shares, which reflects the capital increase that took place during the year 1998.
## Assets

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Long-term assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goodwill</td>
<td>C 7</td>
<td>5,114</td>
<td>5,382</td>
<td>347</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>C 8</td>
<td>4,964</td>
<td>4,669</td>
<td>2,831</td>
</tr>
<tr>
<td>Equity investments in affiliates</td>
<td>C 9</td>
<td>125</td>
<td>131</td>
<td>414</td>
</tr>
<tr>
<td>Other investments</td>
<td>C 10</td>
<td>71</td>
<td>56</td>
<td>50</td>
</tr>
<tr>
<td>Long-term loans and receivables</td>
<td>C 11</td>
<td>131</td>
<td>132</td>
<td>59</td>
</tr>
<tr>
<td>Other assets</td>
<td>C 12</td>
<td>105</td>
<td>80</td>
<td>74</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td></td>
<td>98</td>
<td>25</td>
<td>30</td>
</tr>
<tr>
<td><strong>Total long-term assets</strong></td>
<td></td>
<td>10,608</td>
<td>10,475</td>
<td>3,805</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventory and work in progress</td>
<td>C 13</td>
<td>1,601</td>
<td>1,509</td>
<td>852</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>C 14</td>
<td>5,537</td>
<td>4,773</td>
<td>2,556</td>
</tr>
<tr>
<td>Other receivables and prepaid expenses</td>
<td>C 15</td>
<td>730</td>
<td>618</td>
<td>286</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td></td>
<td>45</td>
<td>70</td>
<td>39</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>A 4</td>
<td>-</td>
<td>365</td>
<td>-</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>C 16</td>
<td>645</td>
<td>234</td>
<td>493</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td></td>
<td>8,558</td>
<td>7,569</td>
<td>4,226</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td></td>
<td>19,166</td>
<td>18,044</td>
<td>8,031</td>
</tr>
</tbody>
</table>

## Liabilities

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Shareholders' equity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital stock</td>
<td>144</td>
<td>144</td>
<td>113</td>
</tr>
<tr>
<td>Additional paid-in capital</td>
<td>2,334</td>
<td>2,339</td>
<td>210</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>3,266</td>
<td>3,168</td>
<td>3,168</td>
</tr>
<tr>
<td><strong>Total shareholders' equity</strong></td>
<td></td>
<td>5,744</td>
<td>5,651</td>
</tr>
<tr>
<td>Minority interests</td>
<td>C 18 456</td>
<td>516</td>
<td>642</td>
</tr>
<tr>
<td><strong>Accruals and long-term liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accruals for supplementary pension and retirement benefits</td>
<td>C 19</td>
<td>276</td>
<td>225</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td></td>
<td>495</td>
<td>522</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>C 20</td>
<td>461</td>
<td>454</td>
</tr>
<tr>
<td><strong>Total accruals and long-term liabilities</strong></td>
<td></td>
<td>1,232</td>
<td>1,201</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>C 21 4,427</td>
<td>1,474</td>
<td>162</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current portion of long-term debt</td>
<td>C 21</td>
<td>673</td>
<td>262</td>
</tr>
<tr>
<td>Trade accounts and notes payable</td>
<td></td>
<td>5,712</td>
<td>4,920</td>
</tr>
<tr>
<td>Other liabilities and prepaid income</td>
<td>C 23</td>
<td>496</td>
<td>605</td>
</tr>
<tr>
<td>Bank overdrafts and other short-term debt</td>
<td>C 21</td>
<td>426</td>
<td>615</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td></td>
<td>7,307</td>
<td>6,402</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td></td>
<td>19,166</td>
<td>18,044</td>
</tr>
</tbody>
</table>

The accompanying notes (pages 36 to 53) are an integral part of these consolidated financial statements.

* See Appendix A 1.
# Consolidated Statement of Cash Flows

## I - Operating Activities

<table>
<thead>
<tr>
<th>Description</th>
<th>1998</th>
<th>1997</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated net income from continuing operations</td>
<td>286</td>
<td>418</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>1,186</td>
<td>389</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>(40)</td>
<td>77</td>
</tr>
<tr>
<td>Other non-cash items</td>
<td>161</td>
<td>(53)</td>
</tr>
<tr>
<td>Equity income from affiliates, less dividends</td>
<td>(15)</td>
<td>(66)</td>
</tr>
<tr>
<td>(Gains)/losses on disposal of assets</td>
<td>-</td>
<td>11</td>
</tr>
<tr>
<td>Other</td>
<td>28</td>
<td>-</td>
</tr>
<tr>
<td><strong>Operating cash flow</strong></td>
<td><strong>1,606</strong></td>
<td><strong>776</strong></td>
</tr>
<tr>
<td>Change in working capital items</td>
<td>(423)</td>
<td>105</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td><strong>1,183</strong></td>
<td><strong>881</strong></td>
</tr>
</tbody>
</table>

## II - Investing Activities

<table>
<thead>
<tr>
<th>Description</th>
<th>1998</th>
<th>1997</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact of changes in Group structure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Acquisition of Bertrand Faure *</td>
<td>(6,429)</td>
<td>-</td>
</tr>
<tr>
<td>- Proceeds from sale of Bertrand Faure subsidiaries</td>
<td>1,110</td>
<td>-</td>
</tr>
<tr>
<td>- Proceeds from sale of Peugeot Motocycles</td>
<td>382</td>
<td>-</td>
</tr>
<tr>
<td>Acquisition of property, plant and equipment</td>
<td>(1,258)</td>
<td>(550)</td>
</tr>
<tr>
<td>Acquisitions of investments</td>
<td>(302)</td>
<td>(83)</td>
</tr>
<tr>
<td>Proceeds from disposal of property, plant and equipment</td>
<td>35</td>
<td>12</td>
</tr>
<tr>
<td>Proceeds from disposal of equity investments</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Other changes</td>
<td>(59)</td>
<td>(6)</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td><strong>(6,519)</strong></td>
<td><strong>(622)</strong></td>
</tr>
<tr>
<td><strong>Net cash provided / (required) (I) + (II)</strong></td>
<td><strong>(5,336)</strong></td>
<td><strong>259</strong></td>
</tr>
</tbody>
</table>

## III - Financing Activities

<table>
<thead>
<tr>
<th>Description</th>
<th>1998</th>
<th>1997</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from issue of capital stock **</td>
<td>2,164</td>
<td>-</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(59)</td>
<td>(46)</td>
</tr>
<tr>
<td>Dividends paid to minority interests</td>
<td>(58)</td>
<td>(10)</td>
</tr>
<tr>
<td>Issue of bonds and increases in borrowings</td>
<td>7,193</td>
<td>44</td>
</tr>
<tr>
<td>Repayments of borrowings, loans and perpetual notes</td>
<td>(3,829)</td>
<td>(35)</td>
</tr>
<tr>
<td><strong>Net cash provided by financing activities</strong></td>
<td><strong>5,411</strong></td>
<td><strong>(47)</strong></td>
</tr>
</tbody>
</table>

## IV - Other Changes in Cash and Cash Equivalents

<table>
<thead>
<tr>
<th>Description</th>
<th>1998</th>
<th>1997</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact of currency exchange fluctuations</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Increase/(decrease) in cash and cash equivalents</strong></td>
<td><strong>73</strong></td>
<td><strong>216</strong></td>
</tr>
<tr>
<td>Net cash and equivalents at beginning of year</td>
<td>146</td>
<td>(70)</td>
</tr>
<tr>
<td>Net cash and equivalents at end of year</td>
<td>219</td>
<td>146</td>
</tr>
</tbody>
</table>

*The accompanying notes (pages 36 to 53) are an integral part of these consolidated financial statements.*

*See Appendix A1.*

**Including FRF 2,155 million for ECIA."
statement of changes in consolidated shareholders' equity

<table>
<thead>
<tr>
<th>(in millions of FRF)</th>
<th>Number of shares</th>
<th>Capital stock</th>
<th>Additional paid-in capital</th>
<th>Consolidated retained earnings</th>
<th>Cumulative translation adjustments*</th>
<th>Shareholders' equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholders' equity at December 31, 1996</td>
<td>4,529,375</td>
<td>113</td>
<td>210</td>
<td>2,871</td>
<td>(8)</td>
<td>3,186</td>
</tr>
<tr>
<td>Dividends paid</td>
<td></td>
<td></td>
<td></td>
<td>(46)</td>
<td>(46)</td>
<td></td>
</tr>
<tr>
<td>Foreign currency translation adjustments</td>
<td></td>
<td></td>
<td></td>
<td>4</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td></td>
<td></td>
<td></td>
<td>347</td>
<td>347</td>
<td></td>
</tr>
<tr>
<td>Shareholders' equity at December 31, 1997</td>
<td>4,529,375</td>
<td>113</td>
<td>210</td>
<td>3,172</td>
<td>(4)</td>
<td>3,491</td>
</tr>
<tr>
<td>Dividends paid</td>
<td></td>
<td></td>
<td></td>
<td>(59)</td>
<td>(59)</td>
<td></td>
</tr>
<tr>
<td>Capital increase</td>
<td>1,235,284</td>
<td>31</td>
<td>2,124</td>
<td></td>
<td>2,155</td>
<td></td>
</tr>
<tr>
<td>Foreign currency translation adjustments</td>
<td></td>
<td></td>
<td></td>
<td>(47)</td>
<td>(47)</td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td></td>
<td></td>
<td></td>
<td>204</td>
<td>204</td>
<td></td>
</tr>
<tr>
<td>Shareholders' equity at December 31, 1998</td>
<td>5,764,659</td>
<td>144</td>
<td>2,334</td>
<td>3,317</td>
<td>(51)</td>
<td>5,744</td>
</tr>
</tbody>
</table>

The accompanying notes (pages 36 to 53) are an integral part of these consolidated financial statements.

At December 31, 1998, the cumulative translation adjustment includes a debit of FRF 16 million in relative adjustments for companies located in the Euro zone.
A - Significant events and changes in the scope of consolidation

1. Acquisition of Bertrand Faure

Pursuant to the friendly take-over of Bertrand Faure initiated in December 1997, ECIA now controls 98.75% of the capital of Bertrand Faure, both directly, and indirectly via its Ectra subsidiary. Bertrand Faure has been fully consolidated effective January 1, 1998. This acquisition gave rise to recognition of goodwill of FRF 5,049 million, determined as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (in millions of FRF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of shares acquired (FRF 430 x 16,259,365 shares)</td>
<td>6,992</td>
</tr>
<tr>
<td>Transaction costs, net of taxes</td>
<td>30</td>
</tr>
<tr>
<td>Discounting adjustment, net of taxes</td>
<td>(17)</td>
</tr>
<tr>
<td>Calculated acquisition cost</td>
<td>7,005</td>
</tr>
<tr>
<td>Portion of Bertrand Faure consolidated net assets acquired (82.2%)</td>
<td>(1,910)</td>
</tr>
<tr>
<td>Difference</td>
<td>5,095</td>
</tr>
<tr>
<td>Valuation adjustments:</td>
<td></td>
</tr>
<tr>
<td>discounted present value of perpetual notes</td>
<td>(112)</td>
</tr>
<tr>
<td>net-of-tax gains on divestment of Bertrand Faure subsidiaries</td>
<td>(575)</td>
</tr>
<tr>
<td>deferred tax impact</td>
<td>(32)</td>
</tr>
<tr>
<td>other</td>
<td>46</td>
</tr>
<tr>
<td>Increase in Bertrand Faure goodwill after acquisition</td>
<td>4,422</td>
</tr>
<tr>
<td>Unamortized Bertrand Faure goodwill on shares acquired prior to acquisition</td>
<td>627</td>
</tr>
<tr>
<td>Total Bertrand Faure goodwill after acquisition</td>
<td>5,049</td>
</tr>
</tbody>
</table>

1. ECIA acquired control of Bertrand Faure effective January 1, 1998. The acquisition cost has therefore been discounted over 46 days, corresponding to the period from January 1, 1998 to the date of payment of the purchase price on February 17, 1998. The discounting adjustment is stated net of the tax effect.

2. Perpetual notes carried in the Bertrand Faure consolidated balance sheet at December 31, 1997, for an amount of FRF 440 million have been written down to their estimated present value of FRF 328 million at that date, by applying an annual discount rate of 4.21% to estimated future cash flows.

3. Sovap, Ratier-Figeac, Delsey, Copo and TWB shares sold immediately after the acquisition have been restated at their selling price, net of tax on the related gain.

4. Deferred taxes include deferred tax assets corresponding to tax loss carry-forwards of Bertrand Faure subsidiaries, the utilization of which is considered probable and all deferred taxes arising on fair value adjustments.

5. The revised goodwill arising from the consolidation of Bertrand Faure in the ECIA accounts replaces the goodwill carried in the Bertrand Faure consolidated balance sheet at December 31, 1997 in the net amount of FRF 627 million (excluding discontinued operations).

Goodwill is amortized by the straight line method over 20 years from January 1, 1998.

1. ECIA acquired control of Bertrand Faure effective January 1, 1998. The acquisition cost has therefore been discounted over 46 days, corresponding to the period from January 1, 1998 to the date of payment of the purchase price on February 17, 1998. The discounting adjustment is stated net of the tax effect.

2. Perpetual notes carried in the Bertrand Faure consolidated balance sheet at December 31, 1997, for an amount of FRF 440 million have been written down to their estimated present value of FRF 328 million at that date, by applying an annual discount rate of 4.21% to estimated future cash flows.

3. Sovap, Ratier-Figeac, Delsey, Copo and TWB shares sold immediately after the acquisition have been restated at their selling price, net of tax on the related gain.

4. Deferred taxes include deferred tax assets corresponding to tax loss carry-forwards of Bertrand Faure subsidiaries, the utilization of which is considered probable and all deferred taxes arising on fair value adjustments.

5. The revised goodwill arising from the consolidation of Bertrand Faure in the ECIA accounts replaces the goodwill carried in the Bertrand Faure consolidated balance sheet at December 31, 1997 in the net amount of FRF 627 million (excluding discontinued operations).

Goodwill is amortized by the straight line method over 20 years from January 1, 1998.

The acquisition of Bertrand Faure resulted in a net outflow of funds totalling FRF 6,428.7 million, consisting of:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (in millions of FRF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>- cost of shares</td>
<td>6,991.5</td>
</tr>
<tr>
<td>- cost of take-over</td>
<td>52.5</td>
</tr>
<tr>
<td>- less cash and cash equivalents of Bertrand Faure at January 1, 1998 and capital increase undertaken between January 1, 1998 and the close of the offer period</td>
<td>(615.3)</td>
</tr>
<tr>
<td></td>
<td>6,428.7</td>
</tr>
</tbody>
</table>

Because of the significance of this acquisition and in order to provide a basis for comparison with the 1998 financial statements, the income statement for 1997 and the balance sheet at December 31, 1997 have been restated on a pro forma basis as though the acquisition had taken place on January 1, 1997. However it was not possible to draw up a pro forma statement of cash flows.
The pro forma balance sheet is slightly different from that published at the time of the capital increase in June 1998 reflecting the impact of final adjustments deemed necessary since the acquisition, but which originated prior to December 31, 1997.

2. Capital increase
To refinance part of the cost of acquiring Bertrand Faure, ECIA increased its capital by a gross amount of FRF 2,193 million in June 1998, by issuing 1,235,284 new shares priced at FRF 1,775.
Expenses relating to this issue – a net sum of FRF 37.3 million after tax – were charged to the share premium.

3. Other changes in the scope of consolidation
In 1998, in accordance with prior commitments, ECIA took a majority stake in ECIA RB Argentina SA, in which it had previously held a 50% interest. Effective from January 1, 1998, this company is fully consolidated.
ECIA also bought the shares of minority shareholders of Hills Precision Components Limited (HPC), CESA (Compagnie Européenne de Sièges pour Automobiles), ADCL (Asientos de Castilla Leon) and ANSA (Asientos del Norte SA) companies.

4. Income from discontinued operations
Peugeot Motocycles and its subsidiary, Peugeot Motocycles Italia SpA, were sold to Peugeot SA during the second half of 1998. The Group’s share in the net worth of these companies is reported in the 1997 pro forma consolidated balance sheet.
This divestment resulted in a net gain of FRF 3 million.
The Group’s share in the income generated by these activities during 1997 and 1998 is shown in the income statement under: “Net income from discontinued operations”.

B - Accounting policies
The consolidated financial statements have been prepared in accordance with French accounting principles. They also conform to the accounting principles generally accepted in the United States of America. However, the full application of the US standards would result in certain differences in the format and content of the financial statements and the accompanying notes.

The financial statements of the companies included within the scope of consolidation are the statutory accounts of those companies for the period ending December 31, 1998. They were prepared according to the accounting principles applicable in the home country of each company, and then restated to comply with the accounting policies defined by the Group.
The income (or losses) of acquired companies are entered from the date of acquisition.
The accounting principles used to prepare the 1998 consolidated financial statements are identical to those used for 1997.

1. Consolidation principles
Group subsidiaries which are more than 50%-owned as well as subsidiaries which are 50%-owned and managed solely by the Group (Dynamec, Technoconfort, and its subsidiary Commetsa) are fully consolidated. Companies that are 50%-owned but not managed solely by the Group are carried at equity. The same applies to companies in which the Group holds less than 50% but at least 20%.
Eliminations:
- intercompany receivables and payables;
- intercompany transactions such as purchases, sales and dividend payments;
- intercompany profits included in inventory, and capital gains on divestments within the Group;
- provisions against investments in consolidated companies.
The financial statements of non-French companies have been translated into French Francs at the current exchange rates as of the balance sheet date for assets and liabilities, while income and expense items have been translated using annual average exchange rates. Currency translation gains and losses are reported within consolidated shareholders’ equity and minority interests. For companies located in high-inflation countries, non-monetary balance sheet items and the corresponding income statement entries are translated at historical exchange rates. This method, under which gains and losses resulting from currency translation are recorded in the income statement, is applied for the Turkish company Teknik Malzeme, which is accounted for by the equity method.
2. Property, plant and equipment

Property, plant and equipment are reported at acquisition cost, or, for long term assets produced by the company, at production cost.
Revaluations are not taken into account in the consolidated financial statements.
Maintenance and repair costs are expensed as incurred, except for those undertaken to increase productivity or to prolong the useful life of an asset.
Property, plant and equipment are depreciated using the straight line method according to the useful life of the assets, as follows:
- buildings 20 to 30 years
- fixtures and fittings 10 to 20 years
- machinery, tooling and equipment 3 to 16 years
Investment grants are deferred to liabilities and reported on the income statement as the corresponding long-term assets are depreciated.
Property, plant and equipment financed through capital leases that meet generally accepted capitalization criteria are recorded under assets at their market value and depreciated as above.
The corresponding borrowings are recorded under liabilities.
Specific toolings are depreciated over the estimated life of the models they are used to produce, which is generally shorter than the economic life of the tooling, due to the rate at which models are replaced.

3. Goodwill

Goodwill, representing the difference between the cost of acquisitions and the Group's equity in the underlying net assets at the time of acquisition, is, if appropriate, allocated to the relevant captions of the consolidated balance sheet. The remaining goodwill is amortized over a period of 20 years. This period may be reduced as a function of the specific situation of the subsidiary.

4. Investments

Investments in non-consolidated subsidiaries are recorded in the balance sheet at the acquisition cost. A provision is accrued if the fair value of an investment declines below its acquisition cost. Fair value is determined based on the subsidiary’s restated net assets, profitability and future outlook.
Advances, loans and other non-current assets are stated at their repayment value.

5. Intangible assets

All intangible assets are included in "Other assets" on the balance sheet.
This item primarily reflects the acquisition costs of user-specific software (computer programs provided by software engineering firms) depreciated by the straight-line method over a period of one to three years.

6. Inventory and work in progress

Raw materials and supplies are stated at cost, determined by the FIFO method.
Finished and semi-finished products, as well as work in progress, are stated at production cost, determined by the FIFO method. Production cost reflects the cost of raw materials and supplies, direct production costs as well as workshop and plant overheads, excluding overheads not linked to production and interest expense. Work in progress for the automotive seating business includes Research and Development costs incurred at the request of automakers in relation to seats for new models, provided such costs are passed on to customers. They are charged against income over the period in which the corresponding sales are made.
Provisions are made for slow-moving products and for products for which the probable resale value is less than production cost.

7. Marketable securities and deposits

Marketable securities are valued on an aggregate basis at their acquisition cost or their market value, whichever is lower. Income accruals from fixed-yield investments are reported as interest income on a pro rata basis for the investment period.

8. Cash and cash equivalents

Cash and cash equivalents include all funds held by consolidated companies which can be liquidated within three months, less short-term borrowings and bank overdrafts.

9. Provisions for doubtful accounts

Provisions are made for all doubtful accounts (primarily trade accounts) with the amounts being determined item by item.
Provisions may also be made for receivables from non-consolidated subsidiaries (current account advances) when the subsidiary's financial position makes full collection of the advance unlikely.
10. Foreign currency transactions
Debts and receivables in foreign currency are recorded at the exchange rate prevailing on the day of the transaction. At year-end, they are retranslated based on the rate prevailing on the balance sheet date or, where appropriate, at the hedging rate for the transactions. Gains and losses resulting from this currency translation are recorded in the income statement under "Other income/expense."

11. Minority interests
This item represents the share in the equity of consolidated companies that is owned by minority shareholders of these companies. Minority interests in losses incurred by consolidated companies are charged to Group shareholders' equity except where an agreement provides for minority shareholders to participate in financing the company pro rata to their share in the capital.

12. Provisions for retirement and related benefits
The Group's commitments for retirement and related benefits are determined on an actuarial basis using the projected benefit method. The valuation takes into account the probability of employees staying with the Group up to retirement age and the foreseeable trends in wages and salaries. Commitments are funded partially by external pension funds, with the amount of these funds being permanently allocated to the balance sheet and deducted from liabilities.
As employees become vested in their pension benefits, the related expenses are recorded.

13. Recording of sales
The Group's policy is to record sales at the time of shipping or, in the case of a service contract, at the time the services are performed.

14. Research and Development and design costs
Research and Development and design costs that cannot be passed on to customers are expensed as incurred.

15. Corporate income taxes
Temporary differences between the value of assets and liabilities in the consolidated balance sheet and their value recorded for tax purposes lead to the recognition of deferred taxes, which are calculated according to the liability method. These differences primarily reflect tax depreciation computed by the declining balance method, other tax-deductible allowances, expenses which are not deductible in the year in which they are recorded as well as tax loss carryforwards.
In accordance with FAS 109, deferred tax assets resulting from timing differences between the recognition of items of income and expense for consolidated financial reporting and tax purposes, as well as deferred tax assets resulting from tax loss carryforwards, are recorded in the accounts. A provision for depreciation is recorded when future realization is not deemed probable.
Provisions are made, where appropriate, to cover the taxes payable on the distribution of retained earnings of subsidiaries and equity investments which are not viewed as long-term investments.

16. Financial instruments
Any hedging of currency or interest rate risk is carried out using financial instruments traded on organized or over-the-counter markets, with first-rate counterparties. Hedging agreements pertain solely to risks related to commercial and financial flows and interest rates. Hedging gains and losses are set against the loss or gain on the hedged item.

17. Use of estimates
The preparation of financial statements requires the use of estimates and assumptions which affect the reported amounts of assets, liabilities, revenue and expenses as reflected in the financial statements. Actual results could differ from these estimates and assumptions.

18. Earnings per share
Earnings per share are calculated on the basis of the net income for the period in relation to the weighted average number of outstanding shares for the period. No dilutive instruments are currently outstanding.
Note 1 - Segment information

1.1. Sales

1a. Sales by sector of activity

<table>
<thead>
<tr>
<th></th>
<th>1998</th>
<th>%</th>
<th>1997 pro forma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive seating</td>
<td>17,278</td>
<td>67</td>
<td>15,782</td>
</tr>
<tr>
<td>Exhaust systems</td>
<td>4,214</td>
<td>16</td>
<td>3,324</td>
</tr>
<tr>
<td>Vehicle interior</td>
<td>2,527</td>
<td>10</td>
<td>2,297</td>
</tr>
<tr>
<td>Front-end module</td>
<td>1,807</td>
<td>7</td>
<td>1,821</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>25,826</strong></td>
<td><strong>100</strong></td>
<td><strong>23,224</strong></td>
</tr>
</tbody>
</table>

1b. Sales by geographical market

<table>
<thead>
<tr>
<th></th>
<th>1998</th>
<th>%</th>
<th>1997 pro forma</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>10,897</td>
<td>42</td>
<td>9,596</td>
</tr>
<tr>
<td>Germany</td>
<td>7,737</td>
<td>30</td>
<td>7,436</td>
</tr>
<tr>
<td>Spain</td>
<td>2,581</td>
<td>10</td>
<td>1,970</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>1,455</td>
<td>6</td>
<td>1,465</td>
</tr>
<tr>
<td>Other European countries</td>
<td>1,756</td>
<td>7</td>
<td>1,516</td>
</tr>
<tr>
<td><strong>Sub-total Europe</strong></td>
<td><strong>24,426</strong></td>
<td><strong>95</strong></td>
<td><strong>21,983</strong></td>
</tr>
<tr>
<td>North America</td>
<td>1,019</td>
<td>4</td>
<td>1,042</td>
</tr>
<tr>
<td>South America</td>
<td>133</td>
<td>-</td>
<td>17</td>
</tr>
<tr>
<td>Rest of the world</td>
<td>248</td>
<td>1</td>
<td>182</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>25,826</strong></td>
<td><strong>100</strong></td>
<td><strong>23,224</strong></td>
</tr>
</tbody>
</table>

Breakdown of sales between France and International

<table>
<thead>
<tr>
<th></th>
<th>1998</th>
<th>%</th>
<th>1997 pro forma</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>10,897</td>
<td>42</td>
<td>9,596</td>
</tr>
<tr>
<td>International</td>
<td>14,929</td>
<td>58</td>
<td>13,628</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>25,826</strong></td>
<td><strong>100</strong></td>
<td><strong>23,224</strong></td>
</tr>
</tbody>
</table>

1.2. Key figures by market sector

1998

<table>
<thead>
<tr>
<th></th>
<th>Seating</th>
<th>Other equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>17,278</td>
<td>8,548</td>
<td>25,826</td>
</tr>
<tr>
<td>Operating income</td>
<td>882</td>
<td>443</td>
<td>1,325</td>
</tr>
<tr>
<td>as % of sales</td>
<td>5.1</td>
<td>5.2</td>
<td>5.1</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>6,796</td>
<td>3,833</td>
<td>10,629</td>
</tr>
<tr>
<td>Acquisitions of property, plant and equipment</td>
<td>936</td>
<td>322</td>
<td>1,258</td>
</tr>
<tr>
<td>Depreciation of property, plant and equipment</td>
<td>563</td>
<td>296</td>
<td>859</td>
</tr>
</tbody>
</table>
### 1997 (pro forma)

<table>
<thead>
<tr>
<th>(In millions of FRF)</th>
<th>Seating</th>
<th>Other equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>15,782</td>
<td>7,442</td>
<td>23,224</td>
</tr>
<tr>
<td>Operating income</td>
<td>1,031</td>
<td>533</td>
<td>1,564</td>
</tr>
<tr>
<td>as % of sales</td>
<td>6.5</td>
<td>7.2</td>
<td>6.7</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>6,115</td>
<td>3,613</td>
<td>9,728</td>
</tr>
<tr>
<td>Acquisitions of property, plant and equipment</td>
<td>828</td>
<td>362</td>
<td>1,190</td>
</tr>
<tr>
<td>Depreciation of property, plant and equipment</td>
<td>502</td>
<td>253</td>
<td>755</td>
</tr>
</tbody>
</table>

### 1.3. Key figures by geographical area

#### 1998

<table>
<thead>
<tr>
<th>(In millions of FRF)</th>
<th>France</th>
<th>Germany</th>
<th>Other European countries</th>
<th>North America</th>
<th>Other countries</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross property, plant and equipment</td>
<td>6,370</td>
<td>2,522</td>
<td>1,249</td>
<td>330</td>
<td>155</td>
<td>10,629</td>
</tr>
<tr>
<td>Acquisitions of property, plant and equipment</td>
<td>630</td>
<td>203</td>
<td>289</td>
<td>45</td>
<td>91</td>
<td>1,258</td>
</tr>
<tr>
<td>Employees at December 31</td>
<td>17,273</td>
<td>6,058</td>
<td>4,428</td>
<td>1,084</td>
<td>311</td>
<td>29,154</td>
</tr>
</tbody>
</table>

The ECIA Group has little exposure to the risks related to emerging markets. Direct investment and trade are non-existent with Russia, insignificant with Asian countries where total capital investments in 1998 amounted to FRF 33 million and sales totalled FRF 56 million, or 0.2% of the Group’s total sales, and limited in South America where exposure, including investments in companies carried at equity, amounted to FRF 33 million in Brazil and FRF 69 million in Argentina at the end of 1998.

#### 1997 (pro forma)

<table>
<thead>
<tr>
<th>(In millions of FRF)</th>
<th>France</th>
<th>Germany</th>
<th>Other European countries</th>
<th>North America</th>
<th>Other countries</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross property, plant and equipment</td>
<td>5,939</td>
<td>2,435</td>
<td>985</td>
<td>330</td>
<td>39</td>
<td>9,728</td>
</tr>
<tr>
<td>Acquisitions of property, plant and equipment</td>
<td>680</td>
<td>269</td>
<td>158</td>
<td>45</td>
<td>38</td>
<td>1,190</td>
</tr>
<tr>
<td>Employees at December 31</td>
<td>16,275</td>
<td>6,177</td>
<td>3,814</td>
<td>1,175</td>
<td>44</td>
<td>27,485</td>
</tr>
</tbody>
</table>

### Note 2 - Analysis of operating costs

#### 2.1. Personnel costs

<table>
<thead>
<tr>
<th>(In millions of FRF)</th>
<th>1998</th>
<th>1997 pro forma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>(4,220)</td>
<td>(3,943)</td>
</tr>
<tr>
<td>Payroll and benefit expenses</td>
<td>(1,387)</td>
<td>(1,288)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(5,607)</td>
<td>(5,231)</td>
</tr>
</tbody>
</table>

#### 2.2. Depreciation

<table>
<thead>
<tr>
<th>(In millions of FRF)</th>
<th>1998</th>
<th>1997 pro forma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation of plant, property and equipment and intangible assets (excluding leased assets and amortization of goodwill)</td>
<td>(864)</td>
<td>(742)</td>
</tr>
<tr>
<td>Depreciation of property, plant and equipment by capital lease</td>
<td>(20)</td>
<td>(20)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(884)</td>
<td>(762)</td>
</tr>
</tbody>
</table>
2.3. Research and Development expenses

Research and Development expenses amounted to FRF 1,545 million in 1998 of which FRF 496 million have been or will be passed on to customers, leaving a net charge (taking specific expenses billed to customers into account) of FRF 1,049 million. R&D expenses totalled FRF 1,199 million in 1997 (pro forma financial statements) resulting in a net charge of FRF 891 million.

Note 3 - Net interest expense

<table>
<thead>
<tr>
<th>(in millions of FRF)</th>
<th>1998</th>
<th>1997 pro forma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>94</td>
<td>87</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(335)</td>
<td>(329)</td>
</tr>
<tr>
<td>Total</td>
<td>(241)</td>
<td>(242)</td>
</tr>
</tbody>
</table>

Note 4 - Other net income and (expense)

Other net income and (expense) is broken down as follows:

<table>
<thead>
<tr>
<th>(in millions of FRF)</th>
<th>1998</th>
<th>1997 pro forma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net foreign currency exchange losses</td>
<td>(21)</td>
<td>(59)</td>
</tr>
<tr>
<td>(Provisions)/reversals for contingencies and charges and other long-term provisions for asset depreciation</td>
<td>(85)</td>
<td>31</td>
</tr>
<tr>
<td>Restructuring expenses</td>
<td>(86)</td>
<td>(59)</td>
</tr>
<tr>
<td>Other</td>
<td>9</td>
<td>34</td>
</tr>
<tr>
<td>Total</td>
<td>(183)</td>
<td>(121)</td>
</tr>
</tbody>
</table>

Note 5 - Corporate income taxes

Income taxes consist of:

<table>
<thead>
<tr>
<th>(in millions of FRF)</th>
<th>1998</th>
<th>1997 pro forma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td>(399)</td>
<td></td>
</tr>
<tr>
<td>Deferred</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>Notional tax amount*</td>
<td>(35)</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>(394)</td>
<td>(439)</td>
</tr>
</tbody>
</table>

* The notional tax refers to income tax calculated on certain Bertrand Faure companies which was compensated for by deducting that amount from the initial goodwill. These income have been allocated to losses carried forward which were not recognized as a deferred tax asset (see note 7).

5.1. Analysis of income tax expense

For 1998, the Group’s income from continuing activities is subject to an effective tax rate of 39.9% before amortization of goodwill (including the special amortization in the amount of FRF 35 million relating to the goodwill on acquisition of ECIA RB Argentina, see note 7) against an effective rate of 35.8% for 1997.

The difference with respect to the normal tax rate in France (41 2/3%) is attributable primarily to:

- applicable tax rates in certain international subsidiaries which are lower than the French rate, and which bring down the overall tax rate by 2.9%;
- tax credits leading to a tax rate reduction of 2.2%;
- losses carried forward generated in 1998 for which no deferred tax asset has been recognized, and which increase the tax rate by 3.1%;
- various items which increase the tax rate by 0.2%.
5.2. Tax loss carry forwards and available tax credits

Tax losses which can be carried forward at the regular rate and unreported deferred tax assets amount to a potential tax benefit of FRF 226 million at December 31, 1998. These potential assets, broken down below by due date, will be recognized as they are used.

<table>
<thead>
<tr>
<th>(In millions of FRF)</th>
<th>at 12/31/1998</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>4</td>
</tr>
<tr>
<td>2000</td>
<td>4</td>
</tr>
<tr>
<td>2001</td>
<td>4</td>
</tr>
<tr>
<td>2002</td>
<td>4</td>
</tr>
<tr>
<td>2003 and beyond</td>
<td>25</td>
</tr>
<tr>
<td>Unlimited</td>
<td>185</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>226</strong></td>
</tr>
</tbody>
</table>

**Note 6 - Earnings per share**

<table>
<thead>
<tr>
<th>(In millions of FRF)</th>
<th>1998</th>
<th>1997 pro forma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average weighted number of shares (in thousands)</td>
<td>5,147</td>
<td>5,147</td>
</tr>
<tr>
<td>Net income</td>
<td>204</td>
<td>415</td>
</tr>
<tr>
<td>Amortization of goodwill</td>
<td>273</td>
<td>271</td>
</tr>
<tr>
<td>Net income before amortization of goodwill</td>
<td>477</td>
<td>686</td>
</tr>
<tr>
<td><strong>Earnings per share (in FRF)</strong></td>
<td><strong>39.6</strong></td>
<td><strong>80.6</strong></td>
</tr>
<tr>
<td><strong>Earnings per share before amortization of goodwill (in FRF)</strong></td>
<td><strong>92.6</strong></td>
<td><strong>133.3</strong></td>
</tr>
</tbody>
</table>

No diluted earnings per share have been calculated as there were no dilutive securities outstanding at December 31, 1998.

**Note 7 - Goodwill**

<table>
<thead>
<tr>
<th>(In millions of FRF)</th>
<th>12/31/1998</th>
<th>12/31/1997 pro forma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net book value at January 1</td>
<td>5,382</td>
<td>351</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>72</td>
<td>5,049</td>
</tr>
<tr>
<td>Tax losses carried forward from previous years and not entered in the 1997 pro forma balance sheet (excluding minority shares)</td>
<td>(32)</td>
<td></td>
</tr>
<tr>
<td>Amortization *</td>
<td>(308)</td>
<td>(18)</td>
</tr>
<tr>
<td><strong>Net book value at December 31</strong></td>
<td><strong>5,114</strong></td>
<td><strong>5,382</strong></td>
</tr>
</tbody>
</table>

* Including non-recurring amortization of goodwill of ECIA RB Argentina SA for the amount of FRF 35 million, included in "Other income and expense".

Breakdown of net book value:

<table>
<thead>
<tr>
<th>(In millions of FRF)</th>
<th>12/31/1998</th>
<th>12/31/1997 pro forma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bertrand Faure acquisition 1998</td>
<td>4,765</td>
<td>5,049</td>
</tr>
<tr>
<td>Bertrand Faure acquisition 1996</td>
<td>302</td>
<td>320</td>
</tr>
<tr>
<td>Other</td>
<td>47</td>
<td>13</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,114</strong></td>
<td><strong>5,382</strong></td>
</tr>
</tbody>
</table>
### Note 8 - Property, plant and equipment

Property, plant and equipment consists of:

<table>
<thead>
<tr>
<th></th>
<th>12/31/1998</th>
<th></th>
<th>12/31/1997 pro forma</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gross</td>
<td>Depreciation</td>
<td>Net</td>
</tr>
<tr>
<td>Land</td>
<td>181</td>
<td>(12)</td>
<td>169</td>
</tr>
<tr>
<td>Buildings</td>
<td>2,443</td>
<td>(1,182)</td>
<td>1,261</td>
</tr>
<tr>
<td>Equipment and tooling</td>
<td>6,725</td>
<td>(3,891)</td>
<td>2,834</td>
</tr>
<tr>
<td>Other tangible assets and assets under construction</td>
<td>1,280</td>
<td>(580)</td>
<td>700</td>
</tr>
<tr>
<td>Total</td>
<td>10,629</td>
<td>(5,665)</td>
<td>4,964</td>
</tr>
<tr>
<td>Assets covered by a capital lease</td>
<td>342</td>
<td>(138)</td>
<td>204</td>
</tr>
</tbody>
</table>

Main movements in 1998:

<table>
<thead>
<tr>
<th></th>
<th>1998</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition and production of long-term assets</td>
<td>1,258</td>
</tr>
<tr>
<td>Disposal of long-term assets, net</td>
<td>(27)</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>(920)</td>
</tr>
<tr>
<td>Other movements (currency translation adjustments, changes due to consolidation)</td>
<td>(16)</td>
</tr>
<tr>
<td>Total</td>
<td>295</td>
</tr>
</tbody>
</table>

### Note 9 - Equity investments in affiliates

As at December 31, 1998:

<table>
<thead>
<tr>
<th></th>
<th>% of share capital</th>
<th>Share of stockholders' equity</th>
<th>Dividends paid to the Group</th>
<th>Sales</th>
<th>Total assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vanpro</td>
<td>50</td>
<td>31</td>
<td>13</td>
<td>777</td>
<td>138</td>
</tr>
<tr>
<td>BB Seating</td>
<td>50</td>
<td>1</td>
<td>5</td>
<td>158</td>
<td>22</td>
</tr>
<tr>
<td>WBF Technologies</td>
<td>50</td>
<td>15</td>
<td>8</td>
<td>212</td>
<td>52</td>
</tr>
<tr>
<td>Teknik Malzeme</td>
<td>50</td>
<td>14</td>
<td>5</td>
<td>263</td>
<td>110</td>
</tr>
<tr>
<td>BF Argentina SA and affiliates</td>
<td>50</td>
<td>30</td>
<td>9</td>
<td>302</td>
<td>172</td>
</tr>
<tr>
<td>Ardasa</td>
<td>50</td>
<td>34</td>
<td>8</td>
<td>183</td>
<td>154</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>125</td>
<td>48</td>
<td>1,895</td>
<td>648</td>
</tr>
</tbody>
</table>

* Percent control held by the Group.

### Note 10 - Other equity investments

<table>
<thead>
<tr>
<th></th>
<th>% of share capital</th>
<th>Book value of shareholdings 12/31/1998</th>
<th>Book value of shareholdings 12/31/1997 pro forma</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Gross</td>
<td>Net</td>
</tr>
<tr>
<td>Ecia RB Argentina SA*</td>
<td>70</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Tongda</td>
<td>50</td>
<td>15</td>
<td>12</td>
</tr>
<tr>
<td>Lecotex</td>
<td>67</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>SCI Messei</td>
<td>100</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>ECIA do Brasil Ltda</td>
<td>100</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td>Copo Iberica</td>
<td>34</td>
<td>38</td>
<td>36</td>
</tr>
<tr>
<td>Siemar</td>
<td>100</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>88</td>
<td>71</td>
</tr>
</tbody>
</table>

* This company has been fully consolidated since January 1, 1998.
### Note 11 - Long-term loans and receivables (more than one year)

This item consists of:

<table>
<thead>
<tr>
<th>(in millions of FRF)</th>
<th>12/31/1998</th>
<th>12/31/1997 pro forma</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gross</td>
<td>Provisions</td>
</tr>
<tr>
<td>Advances to non-consolidated companies</td>
<td>6</td>
<td>-</td>
</tr>
<tr>
<td>Long-term loans</td>
<td>59</td>
<td>(11)</td>
</tr>
<tr>
<td>VAT receivables</td>
<td>37</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>44</td>
<td>(4)</td>
</tr>
<tr>
<td>Total</td>
<td>146</td>
<td>(15)</td>
</tr>
</tbody>
</table>

### Note 12 - Other long-term assets and deferred charges

This item consists of:

<table>
<thead>
<tr>
<th>(in millions of FRF)</th>
<th>12/31/1998</th>
<th>12/31/1997 pro forma</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gross</td>
<td>Amortization/Provisions</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>259</td>
<td>(172)</td>
</tr>
<tr>
<td>Deferred charges</td>
<td>18</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>277</td>
<td>(172)</td>
</tr>
</tbody>
</table>

### Note 13 - Inventory and work in progress

<table>
<thead>
<tr>
<th>(in millions of FRF)</th>
<th>12/31/1998</th>
<th>12/31/1997 pro forma</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gross</td>
<td>Provisions</td>
</tr>
<tr>
<td>Raw materials</td>
<td>659</td>
<td>(65)</td>
</tr>
<tr>
<td>Work in progress</td>
<td>823</td>
<td>(86)</td>
</tr>
<tr>
<td>Semi-finished and finished products</td>
<td>299</td>
<td>(29)</td>
</tr>
<tr>
<td>Total</td>
<td>1,781</td>
<td>(180)</td>
</tr>
</tbody>
</table>

Work in progress at year-end 1998 includes Research and Development expenditures in the amount of FRF 169 million which will subsequently be reimbursed by customers.

### Note 14 - Trade receivables

<table>
<thead>
<tr>
<th>(in millions of FRF)</th>
<th>12/31/1998</th>
<th>12/31/1997 pro forma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross trade receivables</td>
<td>5,564</td>
<td>4,799</td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
<td>(27)</td>
<td>(26)</td>
</tr>
<tr>
<td>Total</td>
<td>5,537</td>
<td>4,773</td>
</tr>
</tbody>
</table>
Note 15 - Other receivables and prepaid expenses

This item consists of the following:

<table>
<thead>
<tr>
<th></th>
<th>12/31/1998</th>
<th>12/31/1997 pro forma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advances to suppliers</td>
<td>90</td>
<td>51</td>
</tr>
<tr>
<td>Current portion of long-term loans</td>
<td>25</td>
<td>4</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>98</td>
<td>86</td>
</tr>
<tr>
<td>Other receivables</td>
<td>517</td>
<td>477</td>
</tr>
<tr>
<td>Total</td>
<td>730</td>
<td>618</td>
</tr>
</tbody>
</table>

Note 16 - Cash and cash equivalents

This item includes bank balances in the amount of FRF 232 million, short-term investments in the amount of FRF 396 million and cash advances in the amount of FRF 17 million (against FRF 234 million in bank balances in the 1997 pro forma financial statements).

Note 17 - Shareholders' equity and additional paid-in capital

17.1. Capital and additional paid-in capital

On December 31, 1998, share capital stood at FRF 144,116,475, divided into 5,764,659 fully paid-up shares with a par value of FRF 25. Registered shares held by the same shareholder for at least two years (3,093,739 shares as of December 31, 1998) carry double voting rights. In total, the number of voting rights as at December 31, 1998 was 8,858,398.

The share capital was increased by FRF 30,882,100 in 1998 by an issue of 1,235,284 shares at a par value of FRF 25 with additional paid-in capital of FRF 2,162 million. The cost of the issuance in the amount of FRF 37.3 million net of tax was charged to the issue premium.

17.2. Consolidated retained earnings

Consolidated retained earnings include those of the ECIA parent company, namely:
- FRF 753 million distributable retained earnings;
- FRF 1,196 million which can be distributed after deduction of a tax of FRF 494 million.

Note 18 - Minority interests

Minority interests primarily concern Eextra, Bertrand Faure and its subsidiaries, Silenciadores PCG, EAK SA and EAK SNC.

Changes during the year were as follows:

<table>
<thead>
<tr>
<th></th>
<th>1998</th>
<th>1997 pro forma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as at January 1</td>
<td>616</td>
<td>580</td>
</tr>
<tr>
<td>Changes in scope of consolidation and miscellaneous *</td>
<td>(197)</td>
<td>(24)</td>
</tr>
<tr>
<td>Minority share in income</td>
<td>95</td>
<td>71</td>
</tr>
<tr>
<td>Dividends paid to minority shareholders</td>
<td>(58)</td>
<td>(11)</td>
</tr>
<tr>
<td>Balance as at December 31</td>
<td>456</td>
<td>616</td>
</tr>
</tbody>
</table>

* from the 1997 pro forma:
- change of the consolidation method for PMTC (127)
- new minority shareholders due to the consolidation of Bertrand Faure (103)

from 1998:
- buy-out of Cesa minority holdings (174)
- buy-out of HPC minority holdings (18)
Note 19 - Supplementary pension benefits and retirement bonuses

19.1. In addition to pension benefits paid in accordance with the laws and regulations of the countries to which their employer is subject, Group employees receive supplementary pension benefits and retirement bonuses.

19.2. These additional obligations have been evaluated on an actuarial basis in accordance with SFAS No. 87. The valuation is based on:
- retirement age assumptions, generally set between 62 and 65 years for French employees;
- probability of early retirement for current employees;
- mortality estimates;
- salary projections until retirement;
- long-term yield projections for investments intended to fund pension obligations;
- for French companies, a discount rate of 6.5% and an inflation rate of 2.0%;
- for non-French companies, discount and inflation rates are determined by local conditions.

19.3. Obligations

<table>
<thead>
<tr>
<th>(in millions of FRF)</th>
<th>12/31/1998</th>
<th>12/31/1997 pro forma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vested benefits</td>
<td>171</td>
<td>156</td>
</tr>
<tr>
<td>Unvested benefits</td>
<td>529</td>
<td>384</td>
</tr>
<tr>
<td>Present value of future obligations</td>
<td>700</td>
<td>540</td>
</tr>
</tbody>
</table>

Funding of obligations

<table>
<thead>
<tr>
<th></th>
<th>12/31/1998</th>
<th>12/31/1997 pro forma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provisions</td>
<td>276</td>
<td>225</td>
</tr>
<tr>
<td>Fund assets (fair market value)</td>
<td>247</td>
<td>222</td>
</tr>
<tr>
<td>Unrecorded prior year adjustments</td>
<td>177</td>
<td>93</td>
</tr>
<tr>
<td>Present value of future obligations</td>
<td>700</td>
<td>540</td>
</tr>
</tbody>
</table>

Unrecorded prior year adjustments reflect:
- past obligations valued at time of the first recording of the provision;
- net differences appearing during periodic revaluations of the obligations and resulting from changes in certain actuarial assumptions as well as the observed difference between the actual and expected return on plan assets.
These adjustments are not recorded in the balance sheet but carried annually prorata to the average remaining service life of the relevant employees.

19.4. The cost of pensions paid by the company for the period is broken down as follows:

<table>
<thead>
<tr>
<th>(in millions of FRF)</th>
<th>12/31/1998</th>
<th>12/31/1997 pro forma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vested employee benefits</td>
<td>30</td>
<td>21</td>
</tr>
<tr>
<td>Net present value of benefit projections</td>
<td>42</td>
<td>36</td>
</tr>
<tr>
<td>Return on plan assets</td>
<td>(15)</td>
<td>(9)</td>
</tr>
<tr>
<td>Amortization of previously unrecorded prior year adjustments</td>
<td>15</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>72</td>
<td>53</td>
</tr>
</tbody>
</table>
Note 20 - Other non-current liabilities

Other non-current liabilities reflect:

<table>
<thead>
<tr>
<th>(in millions of FRF)</th>
<th>12/31/1998</th>
<th>12/31/1997 pro forma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restructuring costs (portion beyond the current year)</td>
<td>60</td>
<td>66</td>
</tr>
<tr>
<td>Employee profit-sharing for the year (French companies)</td>
<td>40</td>
<td>62</td>
</tr>
<tr>
<td>Estimated warranty expense and additional costs on past sales</td>
<td>96</td>
<td>59</td>
</tr>
<tr>
<td>Claims</td>
<td>58</td>
<td>51</td>
</tr>
<tr>
<td>Seniority bonuses</td>
<td>76</td>
<td>68</td>
</tr>
<tr>
<td>Investment grants</td>
<td>50</td>
<td>33</td>
</tr>
<tr>
<td>Conditional subsidies</td>
<td>20</td>
<td>35</td>
</tr>
<tr>
<td>Other</td>
<td>61</td>
<td>80</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>461</strong></td>
<td><strong>454</strong></td>
</tr>
</tbody>
</table>

Note 21 - Net financial debt

21.1. Debt reflects the following

<table>
<thead>
<tr>
<th>(in millions of FRF)</th>
<th>12/31/1998</th>
<th>12/31/1997 pro forma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perpetual notes (TDI)</td>
<td>264</td>
<td>295</td>
</tr>
<tr>
<td>Bank borrowings</td>
<td>3,746</td>
<td>3,418</td>
</tr>
<tr>
<td>Other borrowing and debt *</td>
<td>244</td>
<td>277</td>
</tr>
<tr>
<td>Borrowing related to capital leases</td>
<td>173</td>
<td>184</td>
</tr>
<tr>
<td><strong>Sub-total long-term debt</strong></td>
<td><strong>4,427</strong></td>
<td><strong>4,174</strong></td>
</tr>
<tr>
<td>Current portion of long-term borrowings</td>
<td>673</td>
<td>262</td>
</tr>
<tr>
<td>Bank overdrafts and other short-term credit</td>
<td>426</td>
<td>615</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,526</strong></td>
<td><strong>5,051</strong></td>
</tr>
<tr>
<td>Cash and marketable securities</td>
<td>(645)</td>
<td>(234)</td>
</tr>
<tr>
<td><strong>Net financial debt</strong></td>
<td><strong>4,881</strong></td>
<td><strong>4,817</strong></td>
</tr>
</tbody>
</table>

* Including employee profit-sharing (term accounts).

The ECIA Group can avail itself of medium-term credit lines that can be drawn down for renewable terms of 1, 3, 6 or 12 months. At year-end 1998, the unused funds available under these credit authorizations amounted to a total of FRF 3,210 million.

21.2. Maturities of medium- and long-term debt

<table>
<thead>
<tr>
<th>(in millions of FRF)</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003 and beyond</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perpetual notes (TDI)</td>
<td>34</td>
<td>36</td>
<td>37</td>
<td>39</td>
<td>118</td>
</tr>
<tr>
<td>Bank borrowings</td>
<td>788</td>
<td>455</td>
<td>531</td>
<td>524</td>
<td>1,448</td>
</tr>
<tr>
<td>Other borrowings and debt</td>
<td>76</td>
<td>48</td>
<td>53</td>
<td>25</td>
<td>42</td>
</tr>
<tr>
<td>Borrowings related to finance leases</td>
<td>25</td>
<td>22</td>
<td>22</td>
<td>19</td>
<td>85</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>923</strong></td>
<td><strong>561</strong></td>
<td><strong>643</strong></td>
<td><strong>607</strong></td>
<td><strong>1,693</strong></td>
</tr>
</tbody>
</table>
21.3. Perpetual notes

On October 15, 1991, Bertrand Faure issued perpetual subordinated notes (TSDI) in an amount of FRF 900 million with a yield of 1.1% over the six-month Pibor rate up to October 15, 2006, and with a non significant yield thereafter. Bertrand Faure converted the subordinated notes to non-subordinated debt in 1996 as part of a restructuring of its debt. The debt corresponding to term loans was reduced to its current estimated fair value of FRF 327.5 million in the pro forma balance sheet on December 31, 1997. This amount corresponds to future cash flows discounted by an annual rate of 4.21%, equivalent to the six-month Pibor at year-end 1997 plus a margin of 0.4%.

The amortization of the residual value beginning in 1998 is equivalent to the repayment schedule for a fixed-rate loan at 4.21% for the term remaining until the debt is extinguished on October 15, 2006.

21.4. Breakdown of debt

At December 31, 1998, 91.1% of borrowings were contracted at a variable interest rate before hedging operations. Debt shows no significant variance from its market value.

At December 31, 1998, the breakdown of debt according to the currency of repayment was the following:

<table>
<thead>
<tr>
<th>(in millions of FRF)</th>
<th>Amount</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Euro</td>
<td>5,369</td>
<td>97</td>
</tr>
<tr>
<td>US dollar</td>
<td>59</td>
<td>1</td>
</tr>
<tr>
<td>Other currencies</td>
<td>98</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,526</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

The average weighted interest rate payable on these borrowings was 4.11% on December 31, 1998.

Note 22 - Hedging against exchange rate and interest rate risks

Symmetrical hedging operations (e.g., symmetrical caps and floors or puts and calls) are carried only for the amount actually hedged and not for their arithmetic total.

22.1. Exchange risk hedges

<table>
<thead>
<tr>
<th></th>
<th>USD (000)</th>
<th>GBP (000)</th>
<th>PTE (000)</th>
<th>CAD (000)</th>
<th>ZAR (000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forward purchases</td>
<td>8,100</td>
<td>5,760</td>
<td>3,700,000</td>
<td>3,377</td>
<td>1,500</td>
</tr>
<tr>
<td>Forward sales</td>
<td>31,726</td>
<td>18,850</td>
<td></td>
<td>500</td>
<td></td>
</tr>
<tr>
<td>Put options</td>
<td></td>
<td>2,000</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

These instruments have terms of one month to two years.

22.2. Interest rate hedges

At December 31, 1998, interest rate hedge contracts weighted by utilization periods for contracts of less than one year totalled FRF 2,117 million. Hedges were firm (interest rate swaps and FRAs) and optional (caps and floors) agreements for periods of up to seven years.
Note 23 - Other liabilities and prepaid income

<table>
<thead>
<tr>
<th>(in millions of FRF)</th>
<th>12/31/1998</th>
<th>12/31/1997 pro forma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payables to fixed assets suppliers</td>
<td>209</td>
<td>299</td>
</tr>
<tr>
<td>Deferred tax liabilities (less than one year)</td>
<td>26</td>
<td>1</td>
</tr>
<tr>
<td>Prepaid income</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>Provisions for restructuring (current portion)</td>
<td>66</td>
<td>45</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>186</td>
<td>252</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>496</strong></td>
<td><strong>605</strong></td>
</tr>
</tbody>
</table>

Note 24 - Commitments given

<table>
<thead>
<tr>
<th>(in millions of FRF)</th>
<th>12/31/1998</th>
</tr>
</thead>
<tbody>
<tr>
<td>Installments on non-capitalized lease agreements</td>
<td>88</td>
</tr>
<tr>
<td>Guarantees given to secure debt</td>
<td></td>
</tr>
<tr>
<td>- shares pledged as collateral</td>
<td>3,436</td>
</tr>
<tr>
<td>- mortgages on buildings owned by the Group</td>
<td>155</td>
</tr>
<tr>
<td>Firm orders for purchase of property, plant and equipment</td>
<td>175</td>
</tr>
<tr>
<td>Other</td>
<td>25</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,879</strong></td>
</tr>
</tbody>
</table>

At year-end 1998, future payments on non-capitalized lease agreements were due to mature on the following dates:
- 1999 42
- 2000 19
- 2001 10
- 2002 7
- and beyond 10
**88**

Note 25 - Transactions with PSA Peugeot Citroën

The ECIA Group handles transactions with the PSA Peugeot Citroën Group under conditions similar to those that govern its relations with other automakers. An earlier agreement with the PSA Peugeot Citroën Group covering the latter's involvement in the costs of design, management and operations, was terminated during 1998.

<table>
<thead>
<tr>
<th>(in millions of FRF)</th>
<th>12/31/1998</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>8,209</td>
</tr>
<tr>
<td>Purchases of products, services and materials</td>
<td>221</td>
</tr>
<tr>
<td>Receivables</td>
<td>2,612</td>
</tr>
<tr>
<td>Payables</td>
<td>210</td>
</tr>
</tbody>
</table>

Over the course of 1998, the ECIA Group sold its 74.27% stake in Peugeot Motocycles (PMTC) to PSA Peugeot Citroën for a price of FRF 468 million, realizing a consolidated net gain of FRF 3 million after tax. Also in 1998, the ECIA Group acquired the PSA Group's 20.4% stake in the British company, Hills Precision Components Limited (HPC).
**Note 26 - Number of employees**

The number of employees at December 31 of the fully-consolidated companies is as follows:

<table>
<thead>
<tr>
<th></th>
<th>1998</th>
<th>1997 pro forma</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Europe</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- France</td>
<td>17,273</td>
<td>16,275</td>
</tr>
<tr>
<td>- Germany</td>
<td>6,058</td>
<td>6,177</td>
</tr>
<tr>
<td>- Other European countries</td>
<td>4,428</td>
<td>3,814</td>
</tr>
<tr>
<td><strong>Sub-total Europe</strong></td>
<td><strong>27,759</strong></td>
<td><strong>26,266</strong></td>
</tr>
<tr>
<td><strong>Outside Europe</strong></td>
<td>1,395</td>
<td>1,219</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>29,154</strong></td>
<td><strong>27,485</strong></td>
</tr>
</tbody>
</table>

As at December 31, the number of employees for each sector of the Group's activities is as follows:

<table>
<thead>
<tr>
<th></th>
<th>1998</th>
<th>1997 pro forma</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Automotive seating</strong></td>
<td>20,152</td>
<td>18,721</td>
</tr>
<tr>
<td><strong>Other activities</strong></td>
<td>9,002</td>
<td>8,764</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>29,154</strong></td>
<td><strong>27,485</strong></td>
</tr>
</tbody>
</table>

**Note 27 - Reporting company**

The consolidated accounts of the Group whose parent company is a subsidiary of the PSA Peugeot Citroën Group – 75, avenue de la Grande-Armée, 75116 Paris – are included in the latter's consolidated financial statements.

At December 31, 1998, PSA Peugeot Citroën held 56.06% of ECIA's capital and 71.21% of the voting rights.
list of consolidated companies

<table>
<thead>
<tr>
<th>Country</th>
<th>Registration number</th>
<th>Parent company holdings %</th>
<th>Control %</th>
</tr>
</thead>
</table>
| I - Fully-consolidated companies

**Holding companies and other companies**

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Country</th>
<th>Registration number</th>
<th>Parent company holdings %</th>
<th>Control %</th>
</tr>
</thead>
<tbody>
<tr>
<td>ECIA</td>
<td>France</td>
<td>875 450 157</td>
<td>Parent company</td>
<td></td>
</tr>
<tr>
<td>Eutra</td>
<td>France</td>
<td>378 654 495</td>
<td>72.50</td>
<td>72.50</td>
</tr>
<tr>
<td>Bertrand Faure</td>
<td>France</td>
<td>542 005 376</td>
<td>94.22</td>
<td>98.75</td>
</tr>
<tr>
<td>Société de Participations de Sièges d'Automobile</td>
<td>France</td>
<td>542 049 291</td>
<td>94.22</td>
<td>100.00</td>
</tr>
<tr>
<td>Société de Participations Rocquencourt</td>
<td>France</td>
<td>348 630 658</td>
<td>94.22</td>
<td>100.00</td>
</tr>
<tr>
<td>Société Foncière pour l’Equipement Automobile (SFEA)</td>
<td>France</td>
<td>420 608 010</td>
<td>99.99</td>
<td>100.00</td>
</tr>
<tr>
<td>Société Internationale de Participations (SIP)</td>
<td>Belgium</td>
<td>420 608 010</td>
<td>94.22</td>
<td>100.00</td>
</tr>
</tbody>
</table>

**Automotive seating**

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Country</th>
<th>Registration number</th>
<th>Parent company holdings %</th>
<th>Control %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bertrand Faure Equipements SA</td>
<td>France</td>
<td>393 162 433</td>
<td>94.22</td>
<td>100.00</td>
</tr>
<tr>
<td>Siebret</td>
<td>France</td>
<td>393 167 846</td>
<td>94.22</td>
<td>100.00</td>
</tr>
<tr>
<td>Sienor</td>
<td>France</td>
<td>389 442 971</td>
<td>94.22</td>
<td>100.00</td>
</tr>
<tr>
<td>Sieval</td>
<td>France</td>
<td>378 041 933</td>
<td>94.22</td>
<td>100.00</td>
</tr>
<tr>
<td>Société Textile de l’Ostrevant (Sotexo)</td>
<td>France</td>
<td>379 639 867</td>
<td>94.22</td>
<td>100.00</td>
</tr>
<tr>
<td>Sieloir</td>
<td>France</td>
<td>418 412 276</td>
<td>94.22</td>
<td>100.00</td>
</tr>
<tr>
<td>Ecso - Etudes et Construction de Sièges pour l’Automobile</td>
<td>France</td>
<td>875 751 091</td>
<td>99.98</td>
<td>99.98</td>
</tr>
<tr>
<td>Cesa - Compagnie Européenne de Sièges pour Automobiles</td>
<td>France</td>
<td>377 588 934</td>
<td>100.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>

**Other activities**

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Country</th>
<th>Registration number</th>
<th>Parent company holdings %</th>
<th>Control %</th>
</tr>
</thead>
<tbody>
<tr>
<td>EAK Composants pour l’Industrie Automobile SA</td>
<td>France</td>
<td>380 304 113</td>
<td>51.00</td>
<td>51.00</td>
</tr>
<tr>
<td>EAK SNC</td>
<td>France</td>
<td>380 628 974</td>
<td>51.00</td>
<td>51.00</td>
</tr>
<tr>
<td>ECIA Ausrüstungen und Komponenten für die Automobilindustrie GmbH</td>
<td>Germany</td>
<td>100.00</td>
<td>100.00</td>
<td></td>
</tr>
<tr>
<td>ECIA Automobil systeme GmbH</td>
<td>Germany</td>
<td>100.00</td>
<td>100.00</td>
<td></td>
</tr>
<tr>
<td>Leistritz AG &amp; CO Abgastechnik</td>
<td>Germany</td>
<td>100.00</td>
<td>100.00</td>
<td></td>
</tr>
<tr>
<td>Silenciadores PGC SA</td>
<td>Spain</td>
<td>63.90</td>
<td>63.90</td>
<td></td>
</tr>
<tr>
<td>Hills Precision Components Ltd</td>
<td>UK</td>
<td>98.82</td>
<td>100.00</td>
<td></td>
</tr>
<tr>
<td>ECIA RB Argentina SA</td>
<td>Argentina</td>
<td>70.00</td>
<td>70.00</td>
<td></td>
</tr>
</tbody>
</table>

* Cumulative holdings of fully-consolidated companies.
### II - Companies accounted for by the equity method

#### Automotive seating

<table>
<thead>
<tr>
<th>Company</th>
<th>Country</th>
<th>Registration number</th>
<th>Parent company holdings %</th>
<th>Control %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vanpro Assentos Lda</td>
<td>Portugal</td>
<td>47.11</td>
<td>50.00</td>
<td></td>
</tr>
<tr>
<td>BB Seating Ltd</td>
<td>UK</td>
<td>47.11</td>
<td>50.00</td>
<td></td>
</tr>
<tr>
<td>Teknik Malzeme</td>
<td>Turkey</td>
<td>47.11</td>
<td>50.00</td>
<td></td>
</tr>
<tr>
<td>Bertrand Faure Argentina SA</td>
<td>Argentina</td>
<td>47.11</td>
<td>50.00</td>
<td></td>
</tr>
<tr>
<td>PAB SA</td>
<td>Argentina</td>
<td>47.11</td>
<td>50.00</td>
<td></td>
</tr>
<tr>
<td>WBF Technologies</td>
<td>Canada</td>
<td>47.11</td>
<td>50.00</td>
<td></td>
</tr>
<tr>
<td>Ardasa</td>
<td>Spain</td>
<td>50.00</td>
<td>50.00</td>
<td></td>
</tr>
</tbody>
</table>
To the shareholders,

In accordance with the instructions of the General Shareholders’ Meeting, we have examined the consolidated financial statements of ECIA for the fiscal year ended December 31, 1998, as presented in this annual report.

The consolidated financial statements have been approved by the Board of Directors. Our audit has been carried out in order to express an opinion on these financial statements.

We have conducted an audit in accordance with generally accepted international standards; these standards require the application of good practices to form the opinion that the consolidated accounts do not contain any significant anomaly. An audit involves sample examination of conclusive elements that uphold the data in the financial statements. It also involves assessing the accounting principles used and the significant estimates applied in closing the accounts and assessing their overall presentation. In our opinion, our audit provides a reasonable basis for us to express the following opinion.

We certify that the consolidated accounts are true and sincere and fairly reflect the assets and financial position of the Group comprising the consolidated companies.

We have also verified the information provided in the Group’s management report. We have no comments to make concerning the accuracy of this information or its consistency with the consolidated financial statements.

Paris, February 23, 1999

The Statutory Auditors

Coopers & Lybrand Audit
Pierre RIOU

Michel CALAME
The draft resolutions below are a supplement to the details already provided about the development of the Group’s business and results.

The ordinary resolutions refer to the allocation of earnings for the period, and provide various details regarding the composition of the Board of Directors and control of the company, as well as the ratification of the transfer of the head office. This latter measure aims to streamline management of the company since its merger with Bertrand Faure.

Under the extraordinary resolutions put to this present Meeting, and in order to facilitate the planned merger between Bertrand Faure and ECIA, the Board of Directors is proposing to increase the shareholders’ equity by FRF 605,289,195 by incorporating the special reserve for long-term capital gains. The company’s equity will thereby be raised to FRF 749,405,670 divided into 5,764,659 shares each with a par value raised from FRF 25 to FRF 130.

Draft resolutions for presentation to the Annual and Extraordinary General Meeting of Shareholders on March 29, 1999

Annual General Meeting of Shareholders

First resolution

Having heard the management report and the Auditors’ report, the shareholders fully approve the said reports and the 1998 financial statements as presented.

Net income for the year amounts to FRF 380,409,387.44.

Second resolution

As proposed by the Board of Directors, the shareholders vote to allocate net income as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>FRF 380,409,387.44</td>
</tr>
<tr>
<td>Appropriation to legal reserve</td>
<td>FRF (3,088,210.00)</td>
</tr>
<tr>
<td>Appropriation to special reserve for long-term capital gains</td>
<td>FRF (265,629,942.32)</td>
</tr>
<tr>
<td>Balance</td>
<td>FRF 111,691,235.12</td>
</tr>
<tr>
<td>Prior year's retained earnings</td>
<td>FRF 43,530,880.56</td>
</tr>
<tr>
<td>Distributable income</td>
<td>FRF 155,222,115.68</td>
</tr>
</tbody>
</table>

Distribution of dividends on 5,764,659 shares (FRF 13 per share, giving rise to a tax credit of FRF 6.5, representing a total payout of FRF 19.5)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution of dividends on 5,764,659 shares</td>
<td>FRF (74,940,567.00)</td>
</tr>
<tr>
<td>Balance</td>
<td>FRF 80,281,548.68</td>
</tr>
</tbody>
</table>

Third resolution

In application of the above resolution, the shareholders vote to pay the net dividend of FRF 13 per share (par value FRF 25) on May 6, 1999.

Dividends will be paid in either French francs or euros, according to the shareholder's preference.

Dividends paid out in the last three years are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of shares</th>
<th>Net dividend (FRF)</th>
<th>Tax credit (FRF)</th>
<th>Total (FRF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>4,529,375</td>
<td>8.50</td>
<td>4.25</td>
<td>12.75</td>
</tr>
<tr>
<td>1996</td>
<td>4,529,375</td>
<td>10.00</td>
<td>5.00</td>
<td>15.00</td>
</tr>
<tr>
<td>1997</td>
<td>4,529,375</td>
<td>13.00</td>
<td>6.50</td>
<td>19.50</td>
</tr>
</tbody>
</table>

Fourth resolution

Having examined the Auditors’ special report on agreements governed by articles 101 et seq. of the French Companies Act, the Shareholders’ Meeting approves this report and the transactions to which it refers.

Fifth resolution

The Shareholders’ Meeting ratifies the co-optation, decided by the Board of Directors at their Meeting of September 7, 1998, of Mr. Dietrich Russell to take the place of retiring Director Mr. Georges Nicolet for the remainder of the latter’s term, i.e. until the conclusion of the present Shareholders’ Meeting.
Sixth resolution
The Shareholders' Meeting re-elects Mr. Daniel Dewavrin to the Board of Directors for a six-year term, i.e. until the Shareholders' Meeting called in 2005 for the approval of the 2004 financial statements.

Seventh resolution
The Shareholders' Meeting re-elects Mr. Dietrich Russell to the Board of Directors for a six-year term, i.e. until the Shareholders' Meeting called in 2005 for the approval of the 2004 financial statements.

Eighth resolution
The Shareholders' Meeting re-elects Coopers & Lybrand Audit as Statutory Auditors for a six-year term, i.e. until the Shareholders' Meeting called in 2005 for the approval of the 2004 financial statements.

Ninth resolution
The Shareholders' Meeting re-elects Mr. Michel Calame as Statutory Auditor for a six-year term, i.e. until the Shareholders' Meeting called in 2005 for the approval of the 2004 financial statements.

Tenth resolution
The Shareholders' Meeting re-elects Barbier Frinault & Associés as Alternate Auditors for a six-year term, i.e. until the Shareholders' Meeting called in 2005 for the approval of the 2004 financial statements.

Eleventh resolution
The Shareholders' Meeting re-elects Mr. Gilles Gufflet as Alternate Auditor for a six-year term, i.e. until the Shareholders' Meeting called in 2005 for the approval of the 2004 financial statements.

Twelfth resolution
The Shareholders' Meeting ratifies the transfer of the company's head office to 276, rue Louis Blériot, Boulogne (92100), as decided by the Board of Directors at its Meeting of September 7, 1998.

Thirteenth resolution
The Shareholders' Meeting grants full powers to the bearer of a copy or extract of the minutes of this Meeting to:
- carry out any and all filing and publication formalities which may be required;
- sign any and all documents, declarations or statements and generally do whatever is necessary in connection herewith.

Extraordinary General Meeting of Shareholders

Fourteenth resolution
Having examined the management report, the Shareholders' Meeting approves an increase in capital stock of FRF 605,289,195 to be drawn from the "Special reserve for long-term capital gains", increasing capital stock to a total of FRF 749,405,670.
This capital increase is effected by raising the par value of each of the 5,764,659 shares which comprise the capital stock from FRF 25 to FRF 130.

Fifteenth resolution
As a consequence of adopting the previous resolution, the Shareholders' Meeting approves the following modification of article 6 of the company statutes:
"Article 6 – Capital stock
The capital stock totals seven hundred and forty nine million, four hundred and five thousand, six hundred and seventy French francs (FRF 749,405,670), represented by 5,764,659 shares with a par value of one hundred and thirty French francs (FRF 130) each, all in the same category."

Sixteenth resolution
The Shareholders' Meeting grants full powers to the bearer of a copy or extract of the minutes of this Meeting to:
- carry out any and all filing and publication formalities which may be required;
- sign any and all documents, declarations or statements and generally do whatever is necessary in connection herewith.
GROUP (FRANCE)

- automotive seating
  Bertrand Faure
  276, rue Louis Blériot
  92641 Boulogne Cedex
  Tel.: (33) 1 41 22 70 00
  Fax: (33) 1 41 22 70 07

Bertrand Faure Equipements SA
276, rue Louis Blériot
92641 Boulogne Cedex
Tel.: (33) 1 41 22 70 00
Fax: (33) 1 41 22 70 07

ECIA
276, rue Louis Blériot
92641 Boulogne Cedex
Tel.: (33) 1 41 22 70 00
Fax: (33) 1 41 22 70 07

- automotive seating
  Bertrand Faure
  Assentos Para Automoveis Ltda
  Av. Prefeito Domingos Mocelin Neto,
  777 Borda do Campo – CP 150
  CEP 83420-000 Quatro Barras – PR
  Tel.: (55) 41 771 8000
  Fax: (55) 41 772 1560

Bertrand Faure
Assentos Para Automoveis Ltda
Av. Brigadeiro Faria Lima 1656 Cj 52
CEP 01452-001 Pinheiros Sao Paulo – SP
Tel.: (55) 11 870 6130
Fax: (55) 11 814 0189

- exhaust systems
  ECIA do Brasil Ltda
  Fabrica Ayrton Senna BR 277, Km 73
  Estrada Roseira s/n° Edif. 51 Sala C
  83005-970 Sao Jose Dos Pinhais – PR
  Tel.: (55) 41 380 2475
  Fax: (55) 41 380 2478

ECIA
276, rue Louis Pasteur
92774 Boulogne Cedex
Tel.: (33) 1 41 22 73 00
Fax: (33) 1 41 22 73 05

BERTRAND FAURE ARGENTINA SA
Ruta 197 n° 2999, El Talar
1617 Buenos Aires
Tel.: (54) 11 4726 9400
Fax: (54) 11 4726 8463

- automotive seating
  Bertrand Faure Argentina SA
  Avenida Velez Sarsfield 2930
  5016 Cordoba
  Tel.: (54) 351 461 6346
  Fax: (54) 351 461 9350

PAB SA
Avenida Circunvalación s/n esq. Belardinelli
Bº Alejandro Carbo
5016 Cordoba
Tel.: (54) 351 494 9560
Fax: (54) 351 494 5444

- exhaust systems
  ECIA RB Argentina SA
  Carlos Pellegrini y Viamonte
  1824 Lanus Pcia de Bs As
  Tel.: (54) 11 42 18 19 11
  Fax: (54) 11 42 08 80 35

ARGENTINA
- automotive seating
  Bertrand Faure Argentina SA
  Avenida Velez Sarsfield 2930
  5016 Cordoba
  Tel.: (54) 351 461 6346
  Fax: (54) 351 461 9350

- exhaust systems
  ECIA RB Argentina SA
  Carlos Pellegrini y Viamonte
  1824 Lanus Pcia de Bs As
  Tel.: (54) 11 42 18 19 11
  Fax: (54) 11 42 08 80 35

ADDITIONAL ADDRESSES

BRAZIL
- automotive seating
  Bertrand Faure
  Assentos Para Automoveis Ltda
  Av. Prefeito Domingos Mocelin Neto,
  777 Borda do Campo – CP 150
  CEP 83420-000 Quatro Barras – PR
  Tel.: (55) 41 771 8000
  Fax: (55) 41 772 1560

Bertrand Faure
Assentos Para Automoveis Ltda
Av. Brigadeiro Faria Lima 1656 Cj 52
CEP 01452-001 Pinheiros Sao Paulo – SP
Tel.: (55) 11 870 6130
Fax: (55) 11 814 0189

- exhaust systems
  ECIA do Brasil Ltda
  Fabrica Ayrton Senna BR 277, Km 73
  Estrada Roseira s/n° Edif. 51 Sala C
  83005-970 Sao Jose Dos Pinhais – PR
  Tel.: (55) 41 380 2475
  Fax: (55) 41 380 2478

ECIA
276, rue Louis Pasteur
92774 Boulogne Cedex
Tel.: (33) 1 41 22 73 00
Fax: (33) 1 41 22 73 05

CHINA
- automotive seating
  Bertrand Faure
  Shen Ku Yard, Ritan Park
  Chaoyang District
  Beijing 100020 – PR
  Tel.: (86) 10 65 92 62 28
  Fax: (86) 10 65 92 62 38

- exhaust systems
  CLEC
  176, people street
  13022 Changchun – PR
  Tel.: (86) 431 530 0010
  Fax: (86) 431 538 5781

ECIA
Shen Ku Yard, Ritan Park
Chaoyang District
Beijing 100020 – PR
Tel.: (86) 10 6592 6228
Fax: (86) 10 6592 6238

CZECH REPUBLIC
- automotive seating
  Bertrand Faure Lecotex
  Mesická 276
  39053 Tábor
  Tel.: (420) 361 494 111
  Fax: (420) 361 259 482

Bertrand Faure Lecotex
Sebírov
39143 Mladá Vožice
Tel.: (420) 361 831 125
Fax: (420) 361 831 125

- exhaust systems
  TEEC
  220 Zhuanyang street
  430056 Wuhan – PR
  Tel.: (86) 27 8489 2303
  Fax: (86) 27 8489 2261

- automotive seating
  Bertrand Faure Components Ltd.
  Barrie Plant
  286 Bayview Drive
  Barrie, Ontario L4N 4Y8
  Tel.: (1) 705 727 19 09
  Fax: (1) 705 727 19 10

Bertrand Faure Components Ltd.
6141 Vipond Drive
Mississauga, Ontario L5T 2B2
Tel.: (1) 905 670 0218
Fax: (1) 905 670 7797

Bertrand Faure Components Ltd.
6141 Vipond Drive
Mississauga, Ontario L5T 2B2
Tel.: (1) 905 670 0218
Fax: (1) 905 670 1415
### AUTOMOTIVE SEATING

**Bertrand Faure Equipements SA**  
Route d'Orléans B.P. 38  
45190 Beaugency  
Tel.: (33) 2 38 46 33 50  
Fax: (33) 2 38 44 88 01

- **Trecia**:  
  10, rue Louis Pasteur  
  92774 Boulogne Cedex  
  Tel.: (33) 1 41 22 73 00  
  Fax: (33) 1 41 22 73 05

- **CESA**:  
  Avenue Louis Coudant  
  58340 Cercy la Tour  
  Tel.: (33) 3 86 77 52 52  
  Fax: (33) 3 86 77 52 53

- **ECIA**:  
  Rue de l'Industrie  
  61440 Messey  
  Tel.: (33) 2 33 64 52 00  
  Fax: (33) 2 33 64 52 90

- **Sotexo**:  
  ZI de la Renaissance  
  59490 Somain  
  Tel.: (33) 3 27 93 37 00  
  Fax: (33) 3 27 93 37 05

### EXHAUST SYSTEMS

**ECIA**:  
Bois sur Prés  
25550 Bavans  
Tel.: (33) 2 81 99 25 25  
Fax: (33) 2 81 99 25 00

- **ECIA**:  
  34, rue du Commandant Rolland  
  B.P. 25  
  25310 Herimontcourt  
  Tel.: (33) 3 81 30 72 00  
  Fax: (33) 3 81 30 72 62

- **ECIA**:  
  88, rue de Seloncourt  
  B.P. 42079  
  25402 Audincourt Cedex  
  Tel.: (33) 3 81 37 60 00  
  Fax: (33) 3 81 37 60 94

### VEHICLE INTERIOR/FRONT-END

**ECIA**:  
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25402 Audincourt Cedex  
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- **ECIA**:  
  45, rue de Bondeval  
  25400 Audincourt  
  Tel.: (33) 3 81 36 40 00  
  Fax: (33) 3 81 36 44 99

- **ECIA**:  
  35, rue de l’Europe  
  68700 Cernay  
  Tel.: (33) 3 89 37 63 20  
  Fax: (33) 3 89 37 63 00

- **ECIA**:  
  Parc d’activités de Ferchaud  
  35320 Crevin  
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62256 Henin Beaumont Cedex
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Fax: (33) 1 30 39 41 41

E.A.K. ZAC des Combottes
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ECIA Beaulieu
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Bertrand Faure Sitztechnik GmbH & Co. KG
Zechenstrasse 45
59425 Unna
Tel.: (49) 2303 9660
Fax: (49) 23 03 64 84

● exhaust systems
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90727 Fürth
Tel.: (49) 911 7610 0
Fax: (49) 911 7610 300

Leistritz Abgasotechnik Stollberg
Stollberg Strasse 55
09387 Pfaffenhain
Tel.: (49) 372 96 3429
Fax: (49) 372 96 3327

Leistritz AG & Co Abgasotechnik
Paul-Leistritz Platz 1
92724 Trabitz
Tel.: (49) 96 44 600
Fax: (49) 96 44 6067

● vehicle interior/front-end
ECIA Automobilsysteme GmbH
Auto-Union Strasse/Audi
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Tel.: (49) 841 490 490
Fax: (49) 841 490 4949

ECIA Automobilsysteme GmbH
Holstenstrasse 10
26723 Emden
Tel.: (49) 4921 9663 00
Fax: (49) 4921 9663 66

GREAT BRITAIN

● automotive seating
Bertrand Faure Seating Ltd
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Banbury
Oxon OX 168 TJ
Tel.: (44) 1 295 661 200
Fax: (44) 1 295 255 930

Bertrand Faure Seating Ltd
White Horse Business Park
Stanford in the Vale
Faringdon
Oxon SN 7 8NN
Tel.: (44) 1 367 71 10 00
Fax: (44) 1 367 71 00 83

BB Seating Ltd
Stone Circle Road Round Spinney
Northampton NN 3 8RS
Tel.: (44) 1 604 790 090
Fax: (44) 1 604 790 155

Bertrand Faure Seating Ltd
Unit 4 – Tafarnaubach
Industrial Estate
Tredgar Gwent Wales NP 2 3AA
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Fax: (44) 1 495 722 982

● automotive seating

● exhaust systems

● vehicle interior/front-end

Hills Precision Components Limited
Po Box 200
Humber Road Stoke
Coventry CV 3 1LU
Tel.: (44) 1 203 635 533
Fax: (44) 1 203 885 075

INDIA

● automotive seating

Seat Metal Components of India Pvt Ltd
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Attibele Industrial Area
Anekal Taluk Attibele 562 107
Tel.: (91) 80 420 237
Fax: (91) 80 420 425

Seat Metal Components of India Pvt Ltd
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Fax: (91) 80 559 2360
ITALY
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  ECIA/RFI
  c/o Lear Italia Speciality Car Group Spa
  via Cristoforo Colombo, 21/29
  20060 Pozzod’adda-mi
  Tel.: (39) 02 90 96 81 86
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  Bertrand Faure Japon KK
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  Tel.: (81) 3 32 34 84 60
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  Bertrand Faure Japon KK
  9-34, Higashi Sakura 2-Chom
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  Aichi-ken 461-0005
  Tel.: (81) 52 935 0925
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- automotive seating
  Bertrand Faure Automobil Sp z o.o
  ul. Spóździelcza 4
  05-600 Grójec
  Tel.: (48) 48 664 44 77
  Fax: (48) 48 664 44 78

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- automotive seating
  Bertrand Faure Equipamentos Para Automóveis SA
  r. Comendador Rainho Apartado 61
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  Tel.: (351) 56 83 92 00
  Fax: (351) 56 83 92 07
  Vanpro Assentos Ltda
  Parque Industrial da Autoeuropa
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  2950 Palmela
  Tel.: (351) 1 213 4400
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SOUTH AFRICA
- exhaust systems
  ECIA
  GMC Callum Road
  Levemore Heights Port Elisabeth
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SPAIN
- automotive seating
  Bertrand Faure Componentes SA
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  08040 Barcelona
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  Asientos del Norte SA
  Pol. Ind. Landaben
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  Tel.: (34) 948 188 538
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  Tecnocoñfort SA
  Pol. Ind. Santa Lucia
  Calle B, s/n
  31014 Pamplona
  Tel.: (34) 948 303 630
  Fax: (34) 948 303 620
  Asientos de Castilla Leon SA
  Pol. Ind. El Berrocal
  Ctra. de Burgos N 620 – Km 120
  47009 Valladolid
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  Fax: (34) 983 360 971
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    Martires
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    28006 Madrid
    Tel.: (34) 913 090 393
    Fax: (34) 913 090 290
    Silenciadores P.C.G SA
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    36213 Vigo
    Tel.: (34) 986 213 838
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  41655 Göteborg
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- automotive seating
  Teknik Malzeme
  Ticaret Ve Sanayi AS
  Geçit Köyü – PK 471
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  Tel.: (1) 248 288 1000
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  Dynamec Inc.
  International Industrial Park
  12209 Chandler Drive
  Cincinnati (Walton), Kentucky 41094
  Tel.: (1) 606 485 1700
  Fax: (1) 606 485 7020
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