

## FAURECIA TO CUT 150 JOBS



Faurecia is name that many of you may not be too familiar with to begin with, unless you deal in a lot of work in the creation of cars. So before we talk about the job cuts to come lets take a look at how the company has chosen to **describe itself**, "Faurecia, a specialist in the **engineering and production of automotive solutions**, holds **global leadership status** in each of its core businesses: Automotive Seating, Emissions Control Technologies, Interior Systems and Automotive Exteriors. Its **customer portfolio features practically every automaker around the world**, including manufacturers in emerging economies, such as the Indian, Chinese and Korean markets. Renowned for its highly efficient **program management** system, Faurecia provides customers with a service through its network of **270 production sites in 33 countries**. Driven by the same **automotive passion**, its **84,000 employees** embrace the group's business culture, based on such **shared values** as commitment, transparency, continuous improvement, team player and entrepreneurship." Sadly the company is getting ready to cut back on 150 workers in order to fix its fiscal issues in a seriously sized mass layoff action. The workers, all of whom will get cut from the companies Dexter facility, are going to let go in the near future. For those of you who are not familiar with the idea of a mass layoff action here is a look at how the federal government **defines** the term, "The Mass Layoff Statistics (MLS) program collects reports on mass layoff actions that result in workers being separated from their jobs. Monthly mass layoff numbers are from establishments which have at least 50 initial claims for unemployment insurance (UI) filed against them during a 5-week period. Extended mass layoff numbers (issued quarterly) are from a subset of such establishments—where private sector nonfarm employers indicate that 50 or more workers were separated from their jobs for at least 31 days. The company has not set a hard date for the layoffs, but we do know that they will be happening sometime between now and the end of the calendar year. Interestingly enough the company, in its most recent release, chose to talk about their finances, but not about the layoffs to come in the near future. Here is an excerpt from **that release**, "The Joint Lead Managers and Joint Bookrunners of the offering of bonds convertible into and/or exchangeable for new or existing shares (OCEANE), due January 1, 2018 (the "Bonds") launched by Faurecia (the "Company") have informed the Company of the full exercise of the over-allotment option granted to them. Consequently, the issue size has been increased from EUR 219,999,990.32 to EUR 249,999,989.00, represented by 12,833,675 Bonds. Furthermore, the Global Coordinator of the issuance, in its capacity as stabilizing manager, has informed the Company that it has not undertaken any stabilization activities during the stabilization period which began on September 10, 2012 and ended today." So as you can see the company is clearly in some serious fiscal distress or they would not be doing these kinds of maneuvers.