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## Valeo First Quarter 2007 Results

PARIS, France, 24 April 2007 — Following today's meeting of its Board of Directors, Valeo presented its consolidated accounts for the first quarter 2007.

In millions of euros	1 January - 31 March (non audited)		
	2007	2006	change
<b>Total operating revenues</b>	<b>2,640</b>	2,654	-0.5%
<b>Gross margin</b>	<b>396</b>	415	-4.6%
<i>% of sales</i>	<b>15.2%</b>	15.8%	-0.6pt
<b>Operating income</b>	<b>79</b>	61	+29.5%
<i>% of total revenues</i>	<b>3.0%</b>	2.3%	+0.7pt
<b>Net income (attributable to shareholders)</b>	<b>33</b>	23	+43.5%
<i>% of total revenues</i>	<b>1.3%</b>	0.9%	+0.4pt
<b>Basic earnings per share (in euros)</b>	<b>0.42</b>	0.29*	+44.8%

\* of which -0.02 euro for non-strategic activities

### Group results for first quarter 2007

In the first quarter of 2007 Valeo's **total operating revenues** were 2,640 million euros, down 0.5% versus the first quarter 2006. Excluding the impact of exchange rates (-2%) and perimeter changes (-0.5%), growth was 2% and reached 5% in the aftermarket.

The quarterly **gross margin** was 396 million euros (15.2% of sales) as compared with 415 million euros (15.8% of sales) in 2006, representing a fall of 4.6%. The gross negative impact of the rise in raw material prices was 2.2 margin points.

The Group's **operating income** increased by 29.5% to 79 million euros (3.0% of total operating revenues) versus 61 million euros (2.3%) in the first quarter 2006. This performance reflects a reduction in net research and development expenditure and selling and administrative expenses and the favorable outcome of a commercial litigation.

**Basic earnings per share** was up by 44.8% to 0.42 euro versus 0.29 euro for the first quarter 2006.

At 31 March 2007, Valeo's **net financial debt** was 966 million euros, compared to 1,072 million euros at 31 March 2006. The debt-to-equity ratio was 54%, down by five points as compared with 31 March 2006.



### **Highlights**

- Valeo continued its expansion in Asia with the opening of sites in Puzan, Korea (Engine Cooling) and Foshan, China (Lighting Systems).
- The Group received several awards from customers, including five from Toyota Europe, in particular the Superior Performance Award in Quality and an EcoTech award from PSA Peugeot Citroen.
- The Volkswagen Touran, equipped with Valeo's Park4U™ system which enables a driver to park the car automatically in less than 15 seconds, was launched in the European market during the quarter.
- Just after the end of the quarter, Valeo Raytheon was awarded a 2007 PACE Award in Detroit for its Blind Spot Detection System. This is the Group's third consecutive PACE Award following those received for the StARS micro-hybrid system in 2006 and the LaneVue™ Lane Departure Warning System in 2005.

### **Outlook**

In line with its outlook, Valeo anticipates a drop in European and North American automotive production in the second quarter. For the full year the Group expects an improvement in its operating margin due in particular to increasing automotive production levels and ongoing rigorous management.

Moreover, the Group continues to examine the indications of interest which it has received. The market will be informed at the appropriate time of any eventual developments.

*Valeo is an independent industrial group dedicated to the design, production and sale of components, integrated systems and modules for cars and trucks. It is one of the world's leading automotive suppliers. The Group has 131 production sites, 68 R&D centers, 9 distribution platforms, and employs 71,100 people in 29 countries worldwide.*

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For more information about the Group and its activities, please visit our web site [www.valeo.com](http://www.valeo.com)