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**Valeo increases share to 50 percent
in joint venture Zexel Valeo Climate Control,
Strengthening its climate control business in Asia**

PARIS, France, December 3, 2003 – Valeo today announced that it had exercised its option to acquire an additional 10 percent of the share capital of the existing joint venture Zexel Valeo Climate Control Corporation from Bosch Automotive Systems Corporation, Japan. Zexel Valeo Climate Control designs and manufactures air conditioning systems for Asian customers, and compressors for customers globally. Valeo's stake in the joint venture is now 50 percent, Bosch Automotive Systems Corporation holds the other 50 percent stake.

“This transaction shows Valeo’s commitment to bringing global technologies and know-how to customers in Asia, in particular Japan and Korea. With the increased share in the joint venture, Valeo will exceed 1 billion euros in consolidated sales in 2004 in Asia,” said Thierry Morin, Valeo Chairman & Chief Executive Officer.

Zexel Valeo Climate Control Corporation was created in 2000 as part of Valeo’s expansion strategy in Asia. Its turnover is expected to exceed 630 million euros in 2003.

Zexel Valeo Climate Control Corporation employs 3,400 people and has seven production sites in Japan (3), Korea (2), Thailand (1) and the Czech Republic (1) and has two R&D centers in Germany (1) and North America (1) and two sales centers also in North America.

Valeo has been present in Asia since 1985 and employs 3,300 people in this region. In the past five years, Valeo’s business in Asia has grown substantially through organic sales development, joint-ventures and acquisitions.

Valeo is an independent industrial Group fully focused on the design, production and sale of components, integrated systems and modules for cars and trucks. Valeo ranks among the world's top automotive suppliers. The Group has 125 plants, 55 R&D centers, 9 distribution centers and employs 67,000 people in 25 countries worldwide (October 2003).

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