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**Valeo to equip more than one million PSA Peugeot Citroën vehicles with its StARS micro-hybrid system**

**Paris, France, July 7, 2008** – Valeo announced today that it has signed a contract with PSA Peugeot Citroën to equip more than one million vehicles with its Stop-Start technology by 2011.

“This is an important contract,” declared Thierry Morin, Valeo Chairman & CEO. “The confidence expressed by the PSA Group through this contract shows that our strategy is supported by automakers. Our objective is to develop, as of today, affordable solutions accessible to the greatest number of motorists.”

Ever growing urban populations are making cities increasingly congested. Thanks to StARS, fuel consumption and CO<sub>2</sub> emissions can be reduced by up to 15% in urban driving cycles. It is estimated that, in cities, a car spends up to one-third of its time at a standstill with the engine idling unnecessarily. In this situation, the usefulness of the Stop-Start function becomes evident, and Valeo expects it to become widely available on all types of vehicles worldwide.

The StARS system automatically cuts off the engine when the vehicle is at a standstill, at a red light or in a traffic jam, for example, and restarts it silently and instantaneously when the brake pedal is released. Moreover, thanks to its non-intrusive architecture, it can be easily installed on any new vehicle, replacing the traditional alternator and starter motor. PSA Peugeot Citroën, the first automaker to adopt this system in volume production on the Citroën C2 and C3, has once again demonstrated its confidence in Valeo for its upcoming platforms. Valeo also equips the smart mhd (micro-hybrid drive) and is expected to announce additional contracts in 2008.

*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 122 plants, 61 R&D centers, 9 distribution centers and employs 60,000 people in 27 countries worldwide.*

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