



Q1-2009 RESULTS

Jacques Aschenbroich - CEO

April 24, 2009

Agenda

1 Quarter highlights

2 Q1-09 Valeo financial review

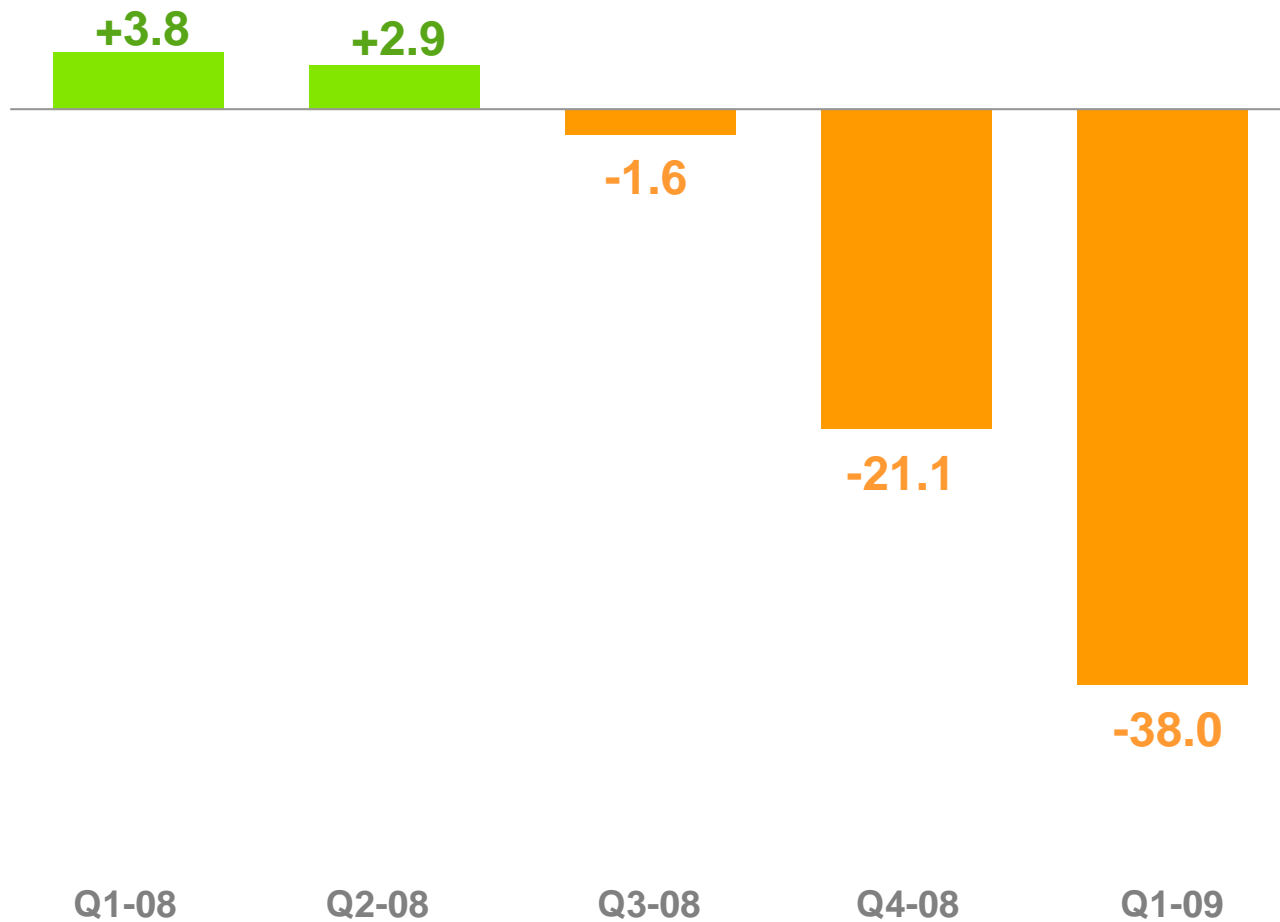
3 Outlook



Quarter highlights

Automotive production

YoY changes in %



Quarter highlights

- **Valeo sales slightly outperformed production in all markets**
- **Negative operating margin of 66 M€**
 - Cost reduction plan generated savings of 183 M€ in Q1
 - Raw material prices tailwinds
- **Headcount adjustment plan implementation on track**
 - 3,230 out of 5,000

Quarter highlights

- **Strict cash flow management: continued inventory reduction**
- **Customer risk contained**
 - SAAB receivables fully recovered
 - Action plans on GM, Chrysler
- **Strong liquidity maintained**
 - Cash on hand in excess of 500 M€ at the end of March
 - Untapped revolver lines: 1.2 Bn€



Q1-09 financial review

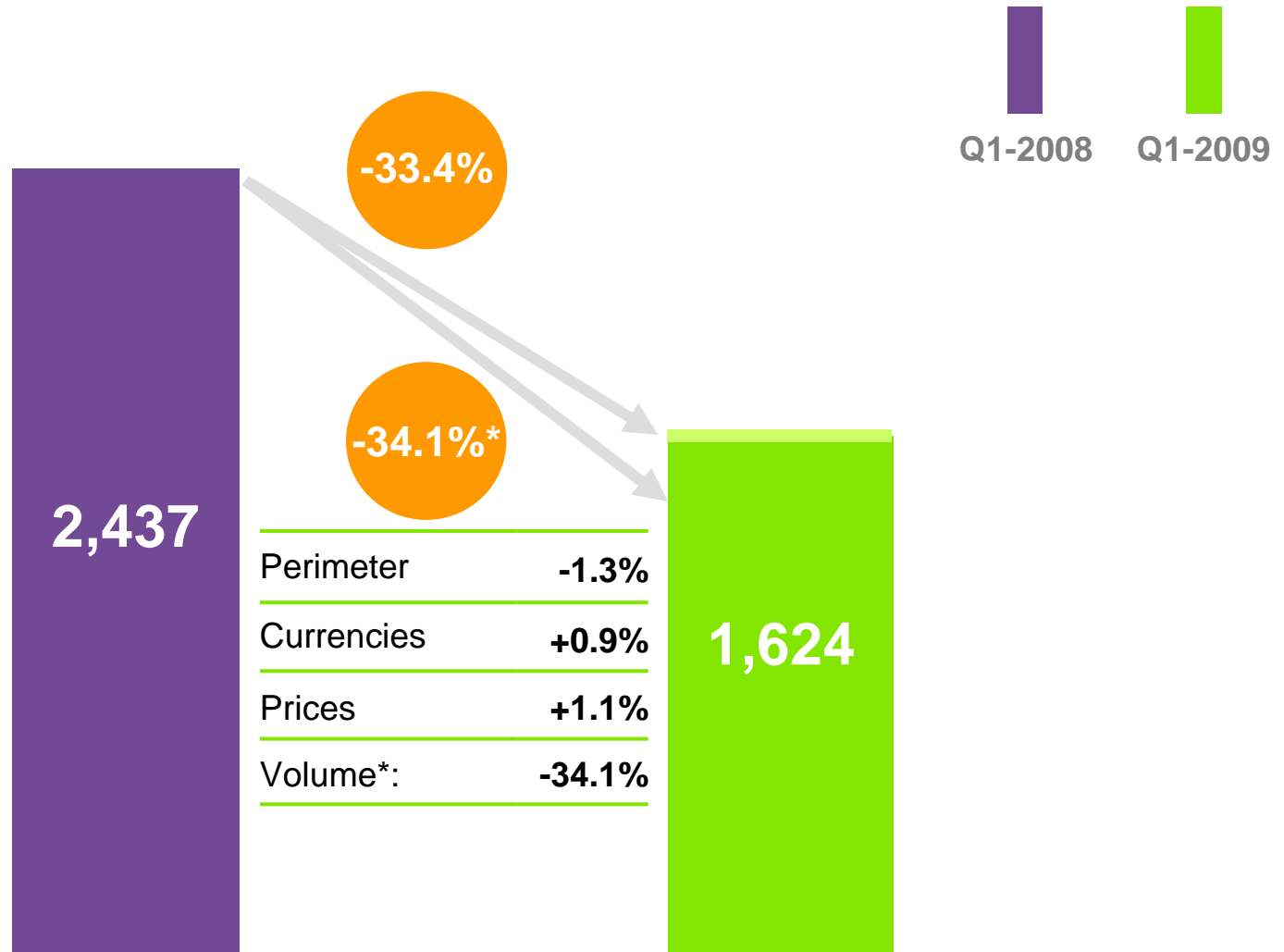
Quarterly key figures

In euro million

	Q1-2009	Q1-2008	Change	Q4-2008
Sales	1,624	2,437	-33.4%	1750
Gross margin <i>as % of sales</i>	185 11.4%	391 16.0%	-52.7% -4.6 pts	212 12.1%
Operating margin <i>as % of sales</i>	(66) -4.1%	90 3.7%	<i>na</i> <i>na</i>	-38 -2.2%
Operating income	(83) -5.1%	86 3.5%	<i>na</i> <i>na</i>	-284 -16.2%
Net financial debt	933	786	+18.7%	821

Sales

In euro million



**at same perimeter, exchange rate and price*

Q1-2009 OE light vehicle sales

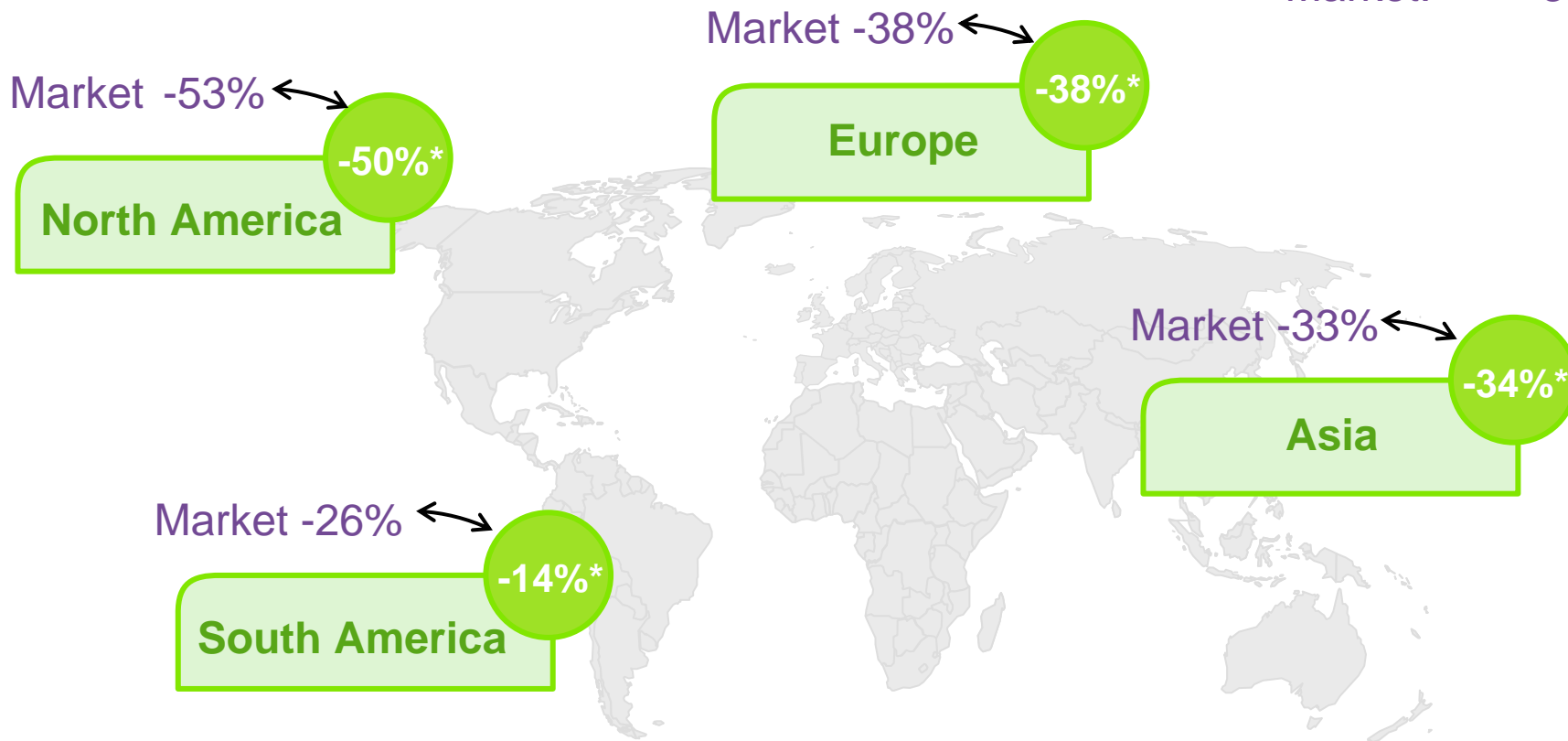
Geographical trends (yoy changes)

Estimated automotive production

Worldwide

Valeo: -37%

Market: -38%

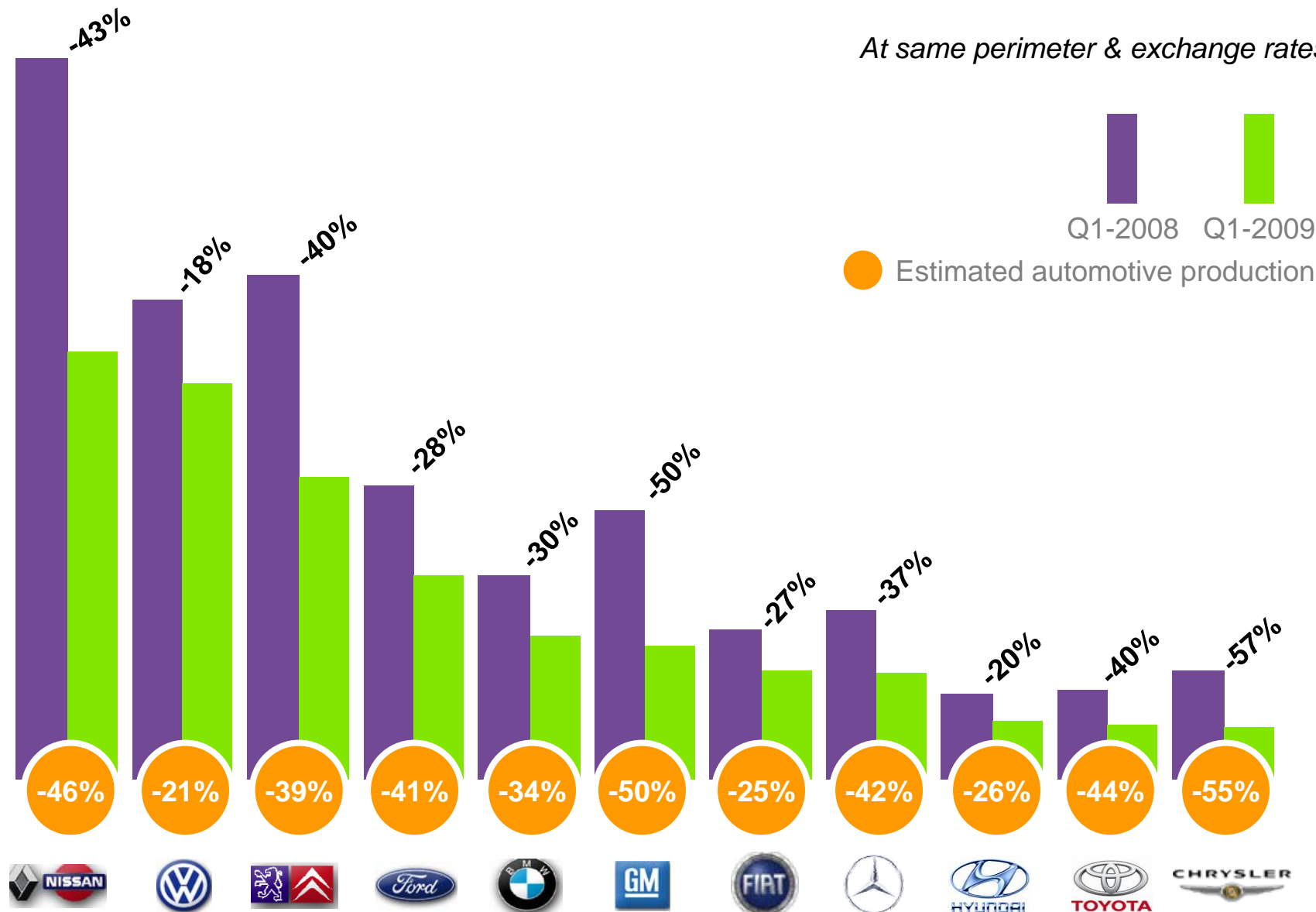


Valeo sales slightly higher than the market

*At same perimeter & exchange rate

Sales by customers – OE light vehicles

At same perimeter & exchange rates



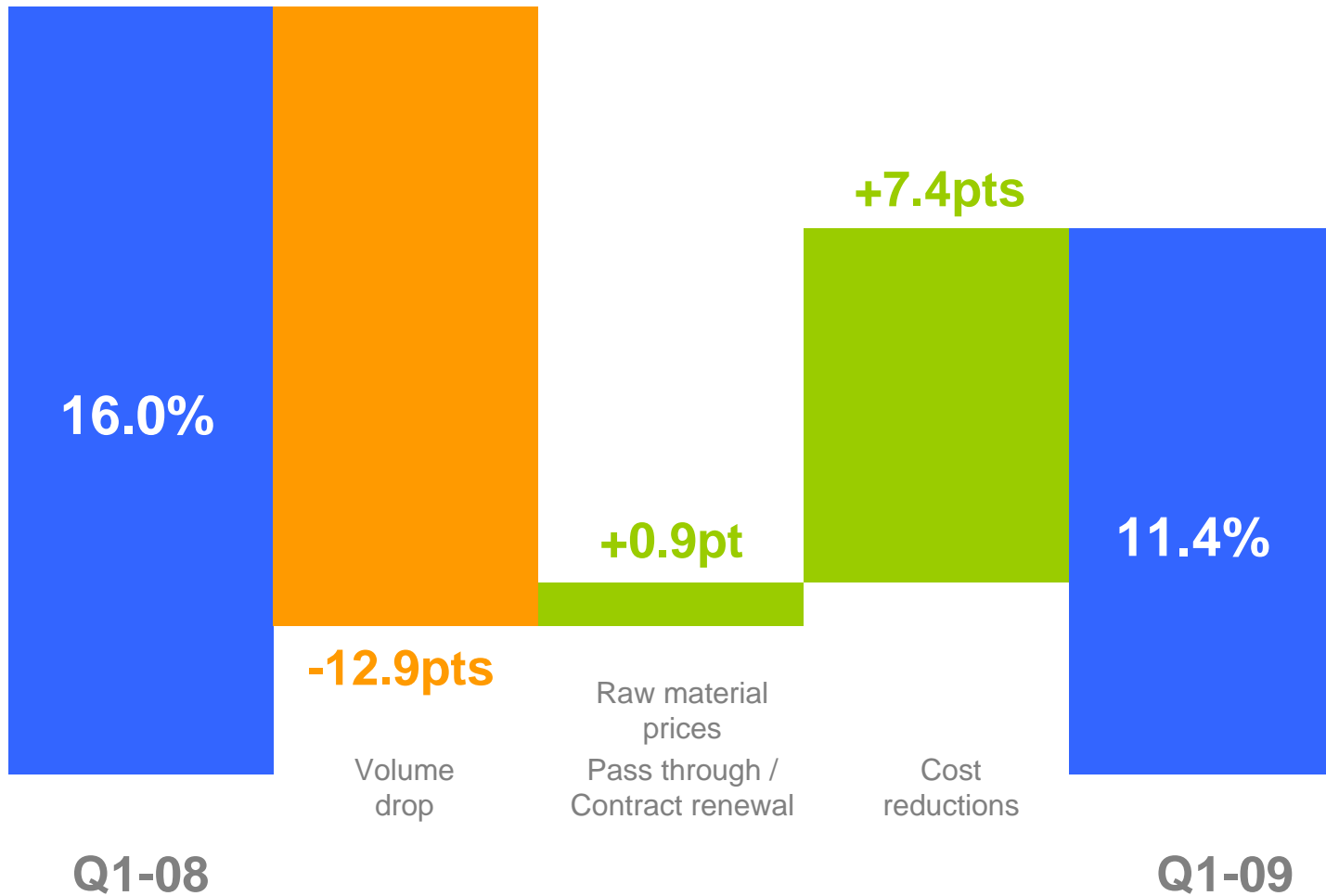
Results (cont.)

In euro million

	Q1-2009	Q1-2008	Change	Q4 2008
Sales	1,624	2,437	-33.4%	1,750
Gross margin	185	391	-52.7%	212
<i>as % of sales</i>	<i>11.4%</i>	<i>16.0%</i>	<i>-4.6 pts</i>	<i>12.1%</i>

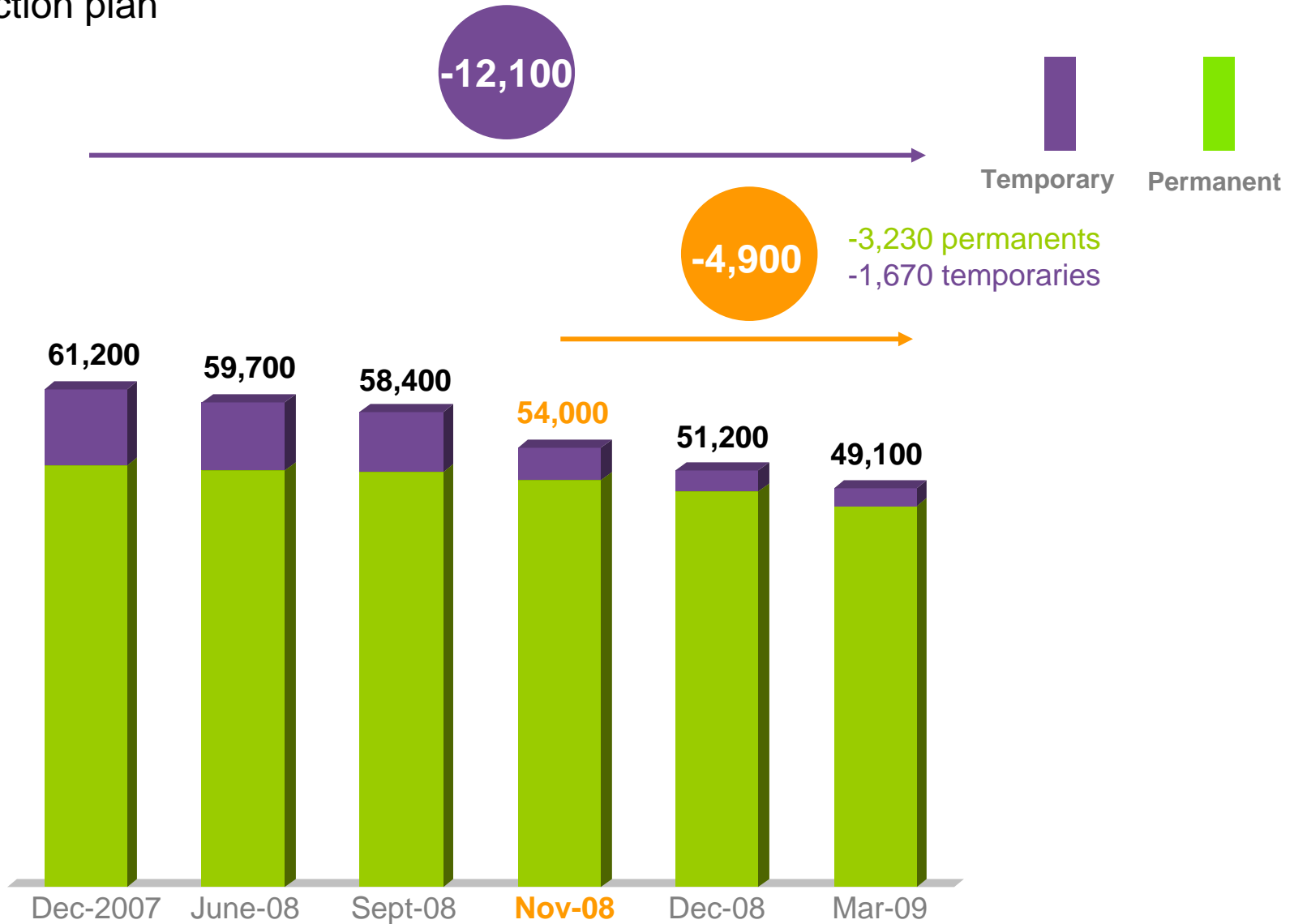
Gross margin walkdown

As % of sales



Headcount adjustment plan

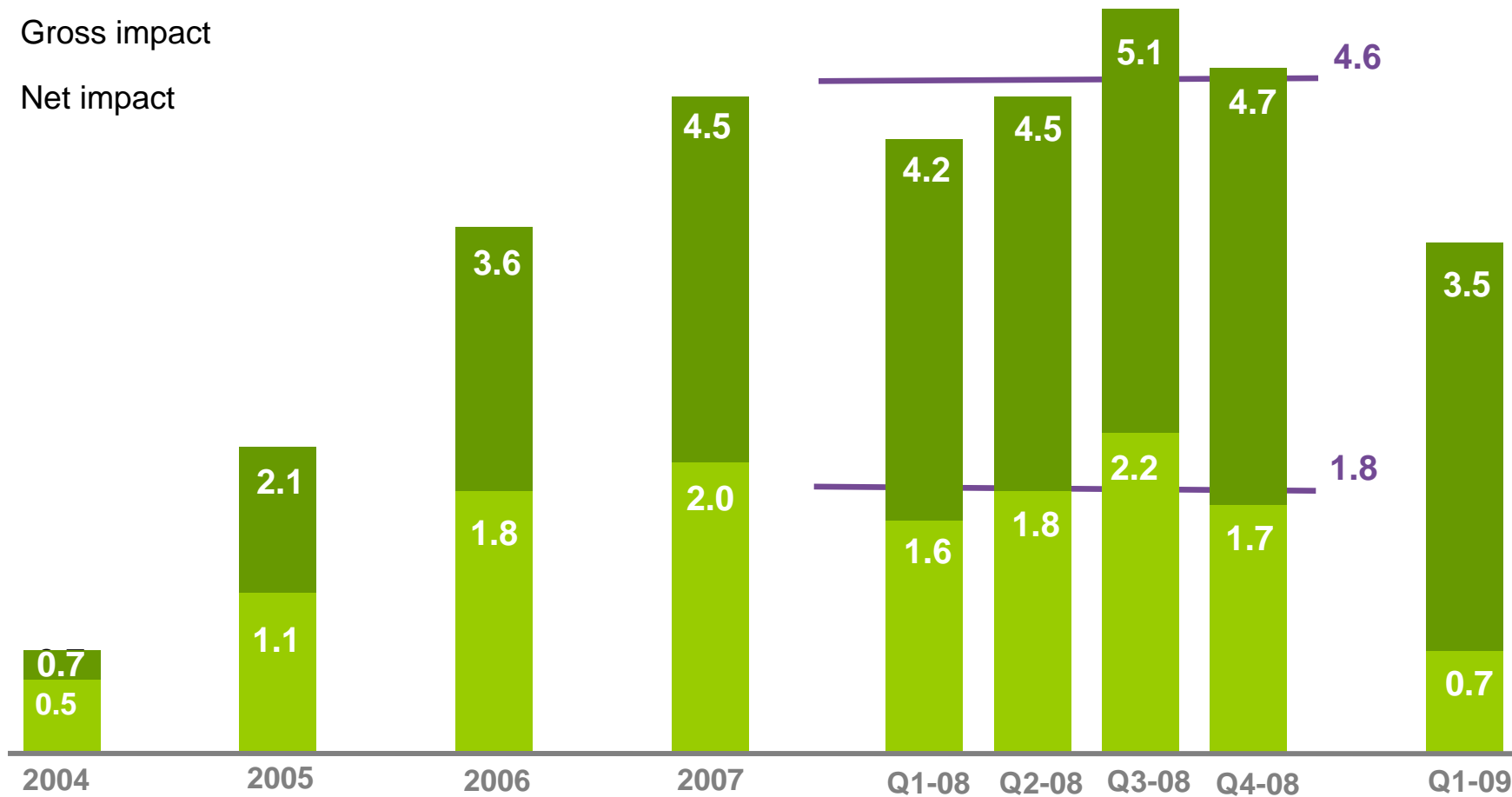
Crisis action plan



Raw material impact

As % of sales

- Gross impact
- Net impact



Results (cont.)

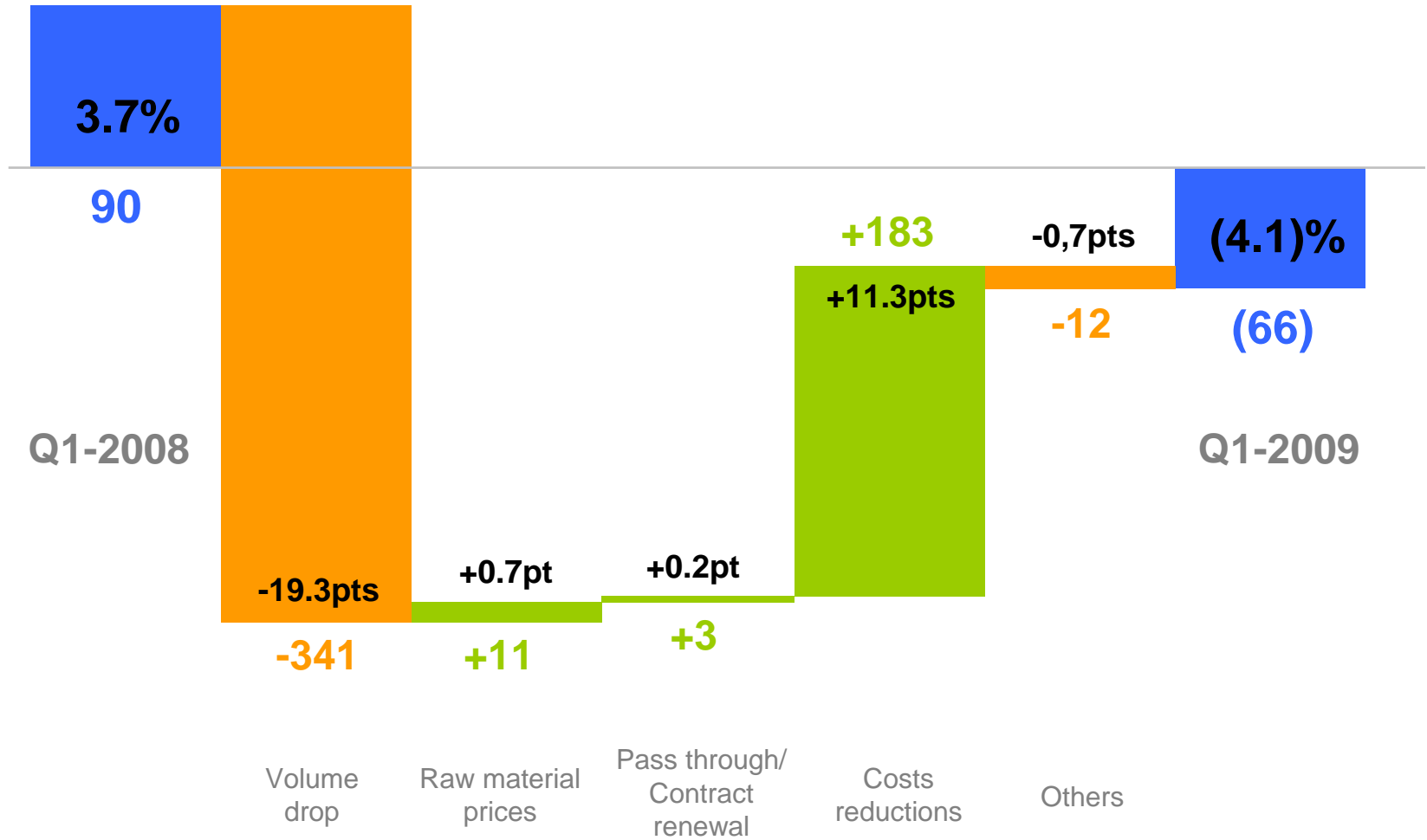
In euro million

	Q1-2009	Q1-2008	Change	Q4-2008
Sales	1,624	2,437	-33.4%	1,750
Gross margin	185	391	-52.7%	212
<i>as a % of sales</i>	<i>11.4%</i>	<i>16.0%</i>	<i>-4.6pts</i>	<i>12.1%</i>
Net R&D*	(114)	(142)	-20%	(113)
<i>as % of sales</i>	<i>7.0%</i>	<i>5.8%</i>		<i>6.5%</i>
SG&A expenses	(137)	(159)	-14.0%	(136)
<i>as % of sales</i>	<i>8.4%</i>	<i>6.5%</i>		<i>7.8%</i>
Operating margin	(66)	90	na	(38)
<i>as % of sales</i>	<i>-4.1%</i>	<i>3.7%</i>	<i>-7.8pts</i>	<i>-2.2%</i>
Other income & expenses	(17)	(4)	na	(246)
<i>as % of sales</i>	<i>1.0%</i>	<i>0.2%</i>		<i>14.1%</i>
Operating income	(83)	86	na	(284)
<i>as % of sales</i>	<i>-5.1%</i>	<i>3.5%</i>	<i>-8.6pts</i>	<i>-16.2%</i>

* net of other operating revenues

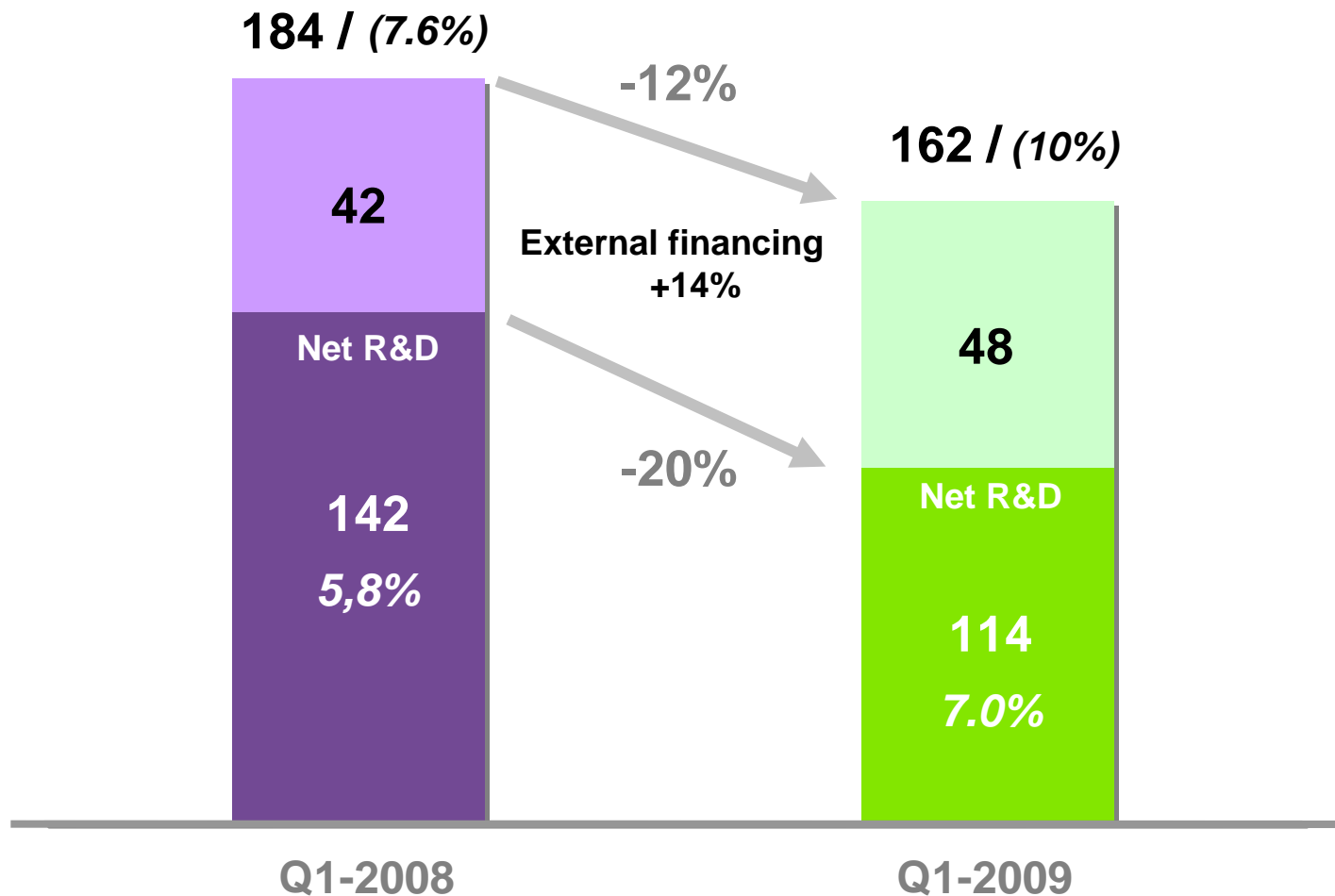
Operating margin walkdown

As % of sales and in euro million



Focus on R&D costs

In euro million and in % of sales



Results (cont.)

In euro million

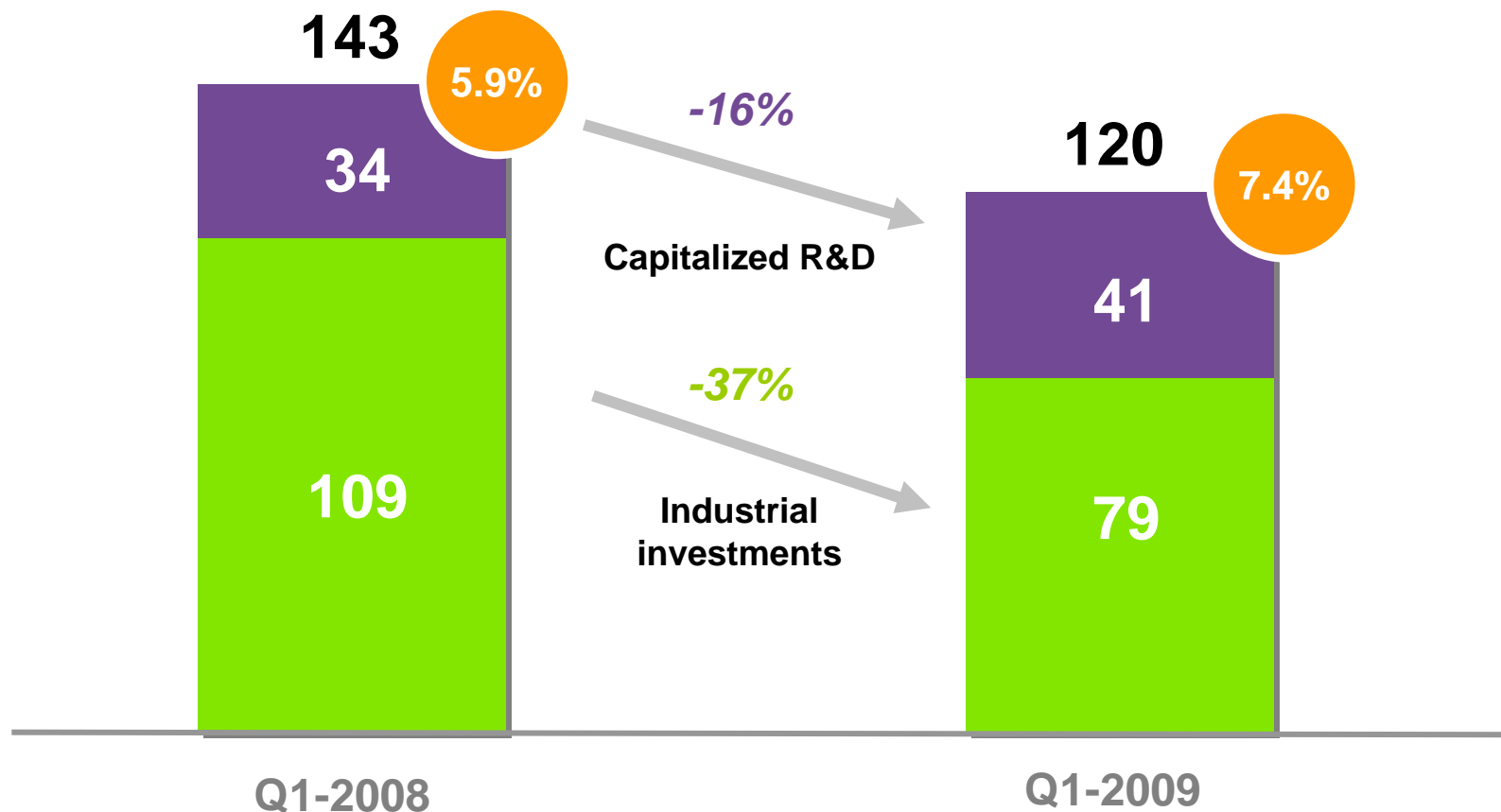
	Q1-2009	Q1-2008	Change
Operating income	(83)	86	na
Cost of net debt	(12)	(12)	-
Other financial inc./ (expenses)	(25)	(4)	na
Associates	(35)	1	na
Income before taxes	(155)	71	na
Taxes	(4)	(26)	-85%
<i>Effective tax rate</i>	3.3%	37.1%	
Non strategic activities	0	(1)	na
Minorities	0	(1)	na
Net income	(159)	43	na



Cash flow Balance sheet

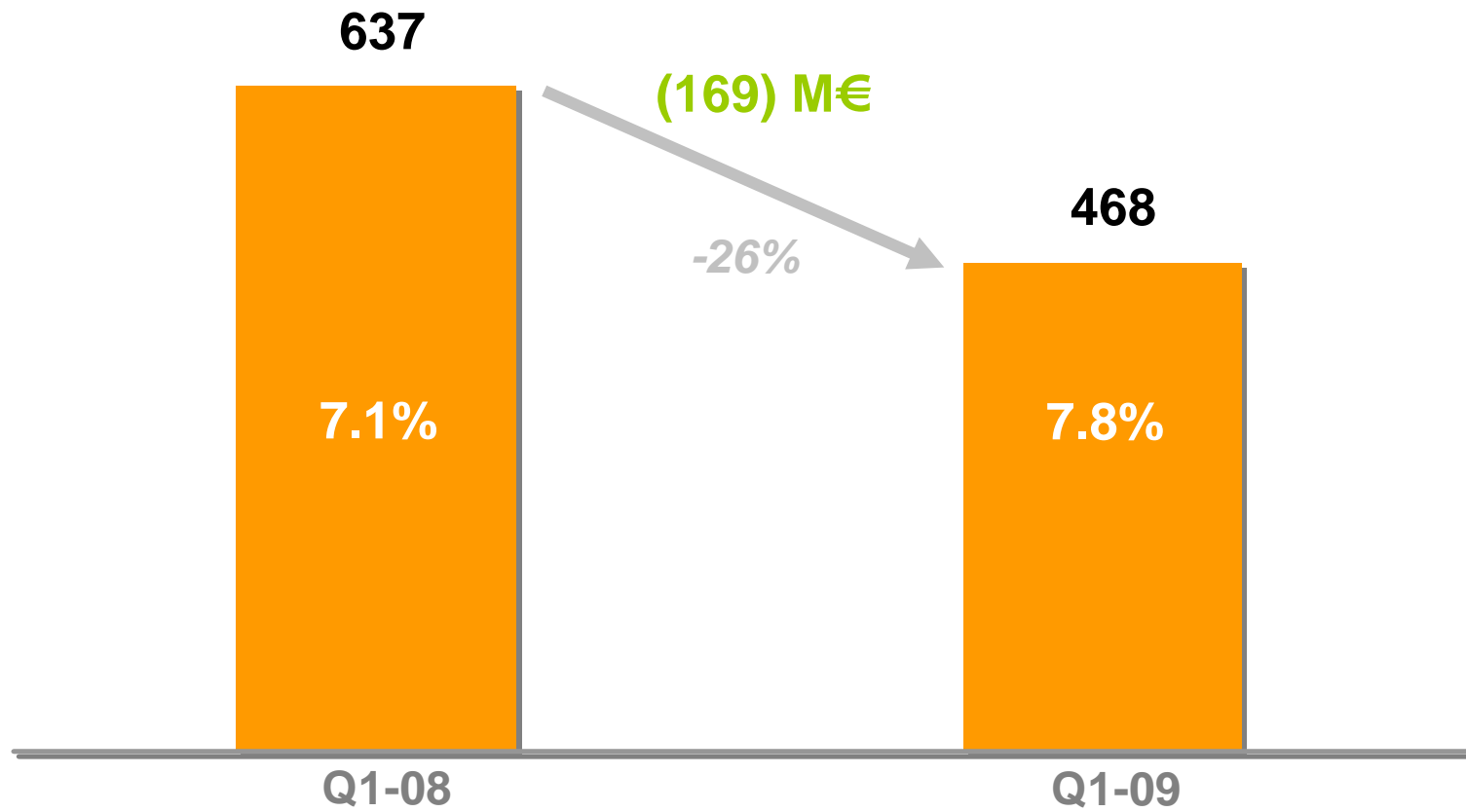
Capex

In Euro million and in % of sales



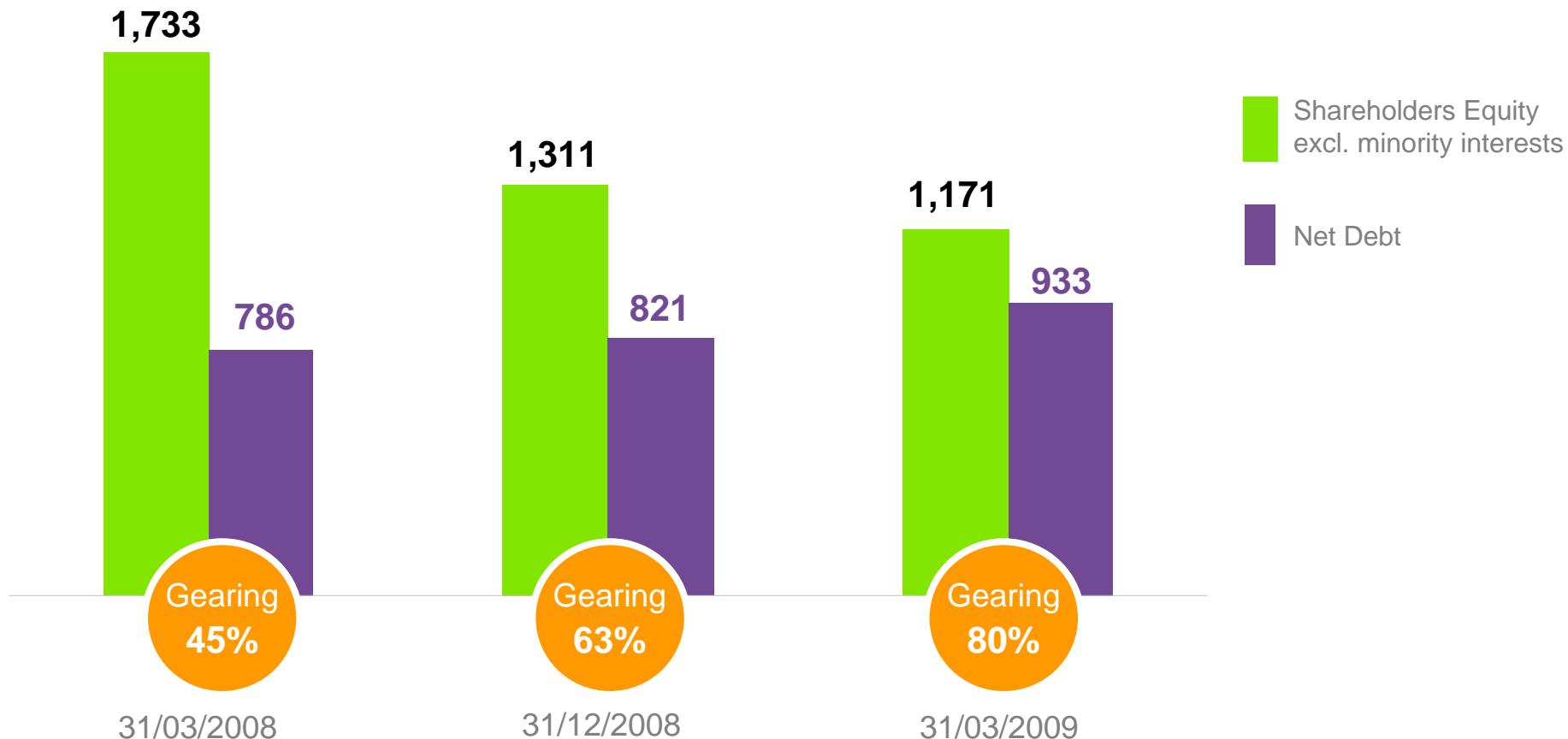
Inventories

In Euro million and in % of annualized revenues



Shareholders equity and net debt

In euro million



Liquidity enhancement

- **No drawdown on program of €1.2bn of committed lines as of March 31, 2009**
- **March 31, 2009 gearing at 80%, well below 120% covenant**
- **541 M€ of committed lines migrated to a 3.5 net financial debt / EBITDA multiple**
 - more flexibility
 - no repricing



Outlook

Management priorities

■ Implementation of restructuring / Headcount reduction plans

- European Workers council opinion obtained
- Implementation
 - on budget
 - ahead of plan except for France

■ Working the basics

- Freeze of management compensation
- Continued use of short working week of schemes
- Raising the bar on quality

■ Continued focus on cash management

- All management incentives being geared towards free cash flow
- Strict control of working capital and capital expenditure
- Accelerated payments on tooling and studies being sought

■ Proactive management of customer and supplier risk

Outlook

- **Providing accurate forecast remains difficult in the current environment**
- **Global automotive production outlook :**
 - S1 : -30%
 - Full year : -20%
- **S2 sales should outperform worldwide production**
- **Cost reduction program to generate annual savings of 600 M€/500 M€ to be booked in 2009**
- **Strict cash management**
 - Capital expenditure to be reduced by a third in 2009
 - Cash burn for the year not significantly exceed restructuring cash out



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Back up

Share Information

Share Data

▪ Bloomberg Ticker	FR FP
▪ Reuters Ticker	VLOF.PA
▪ ISIN Number	FR 000130338
▪ Shares outstanding as per 31.03.2009	78,209,617

ADR Data

▪ Ratio (ordinary share: ADR)	1:2
▪ Bloomberg Ticker	VLEEY US
▪ Reuters Ticker	VLEEY PK
▪ ISIN Number	US 9191343048
▪ Type	Level 1
▪ Exchange	OTC
▪ Sponsor	JP Morgan Chase



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