Combined Shareholders' Meeting

Jacques Aschenbroich - CEO

June 9, 2009

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- **Valeo: a well-known automotive supplier**
- An unprecedented economic crisis
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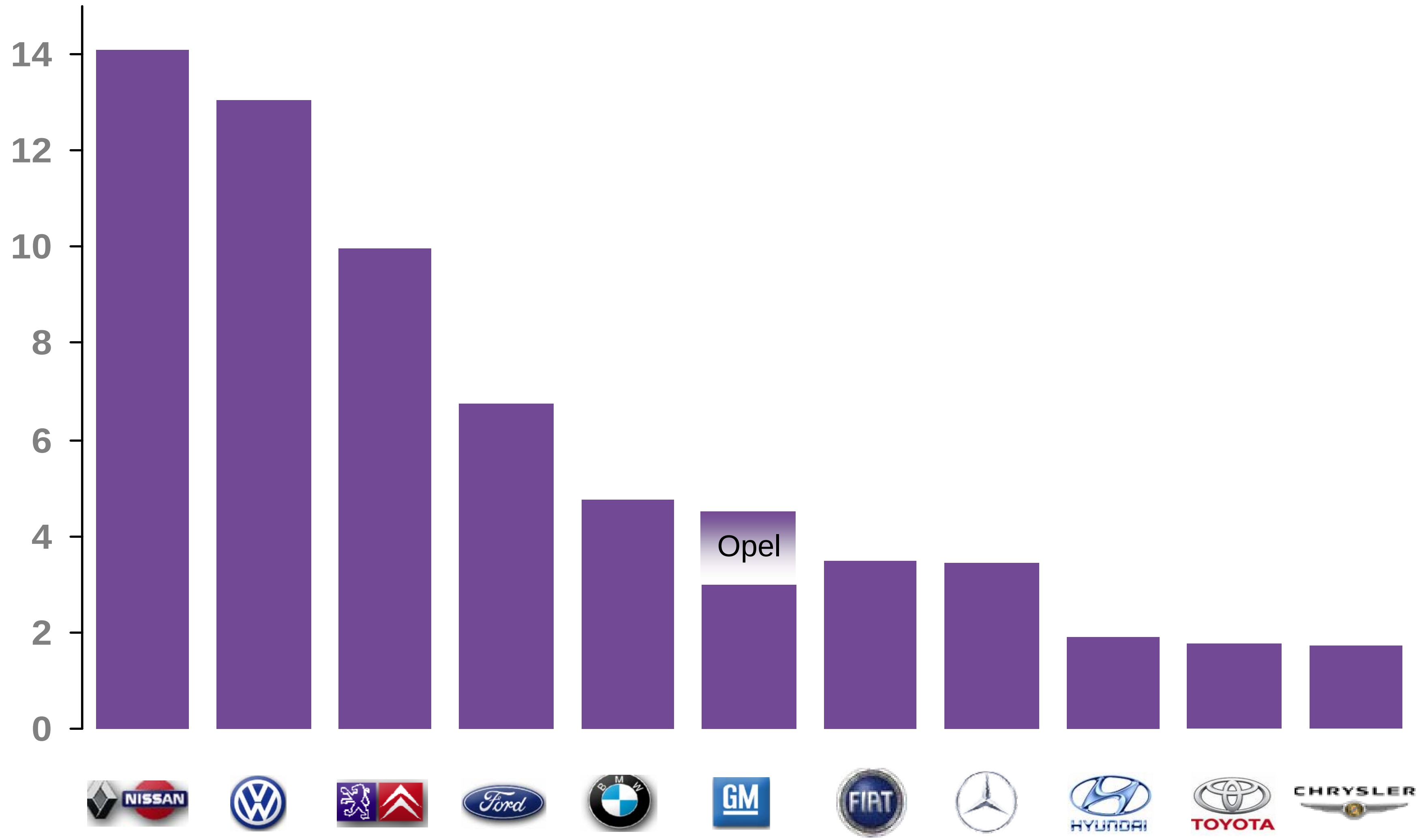
- Outlook: taking up the challenges of growth and profitability

A well-balanced customer portfolio

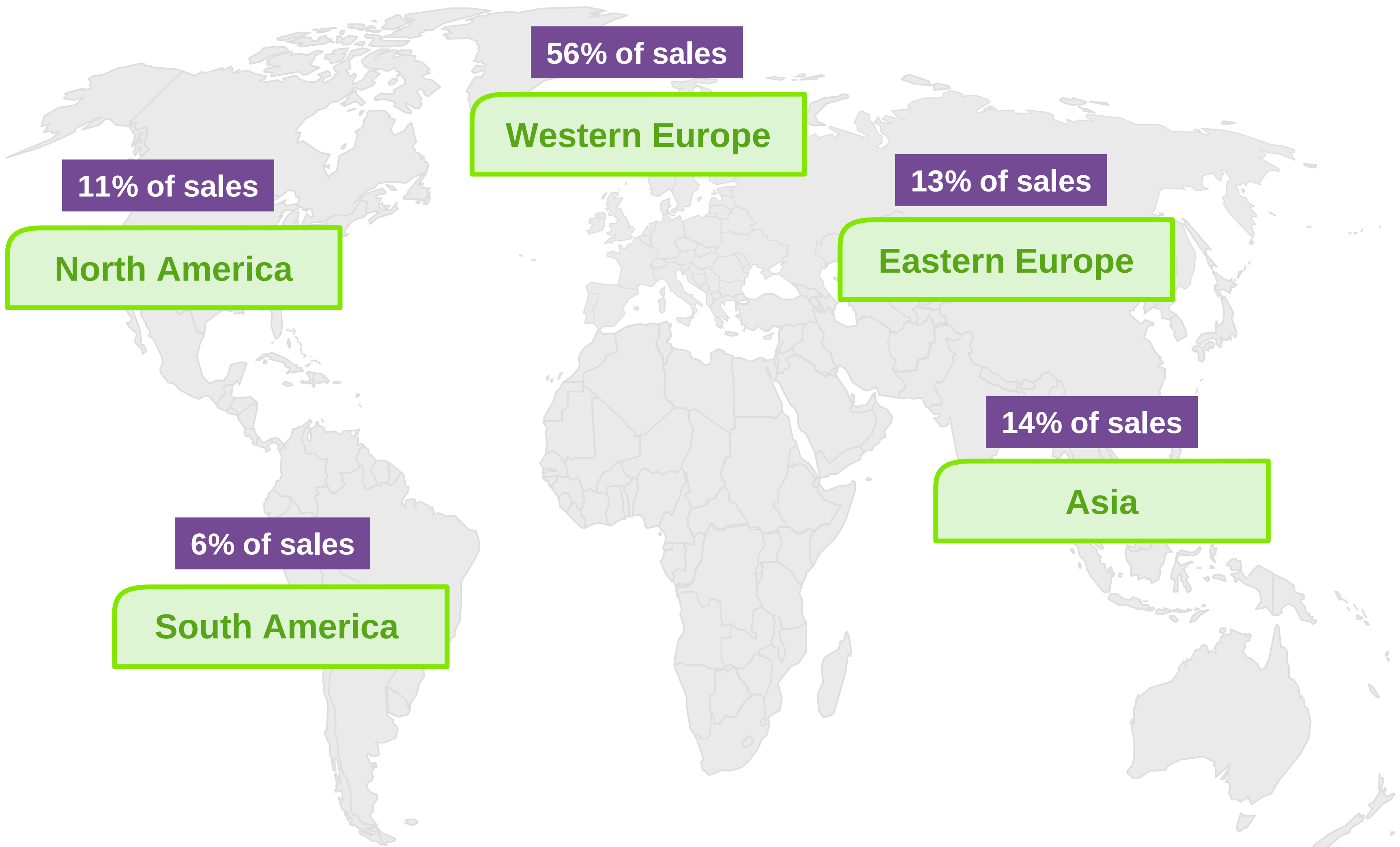
At first quarter 2009

In % of sales



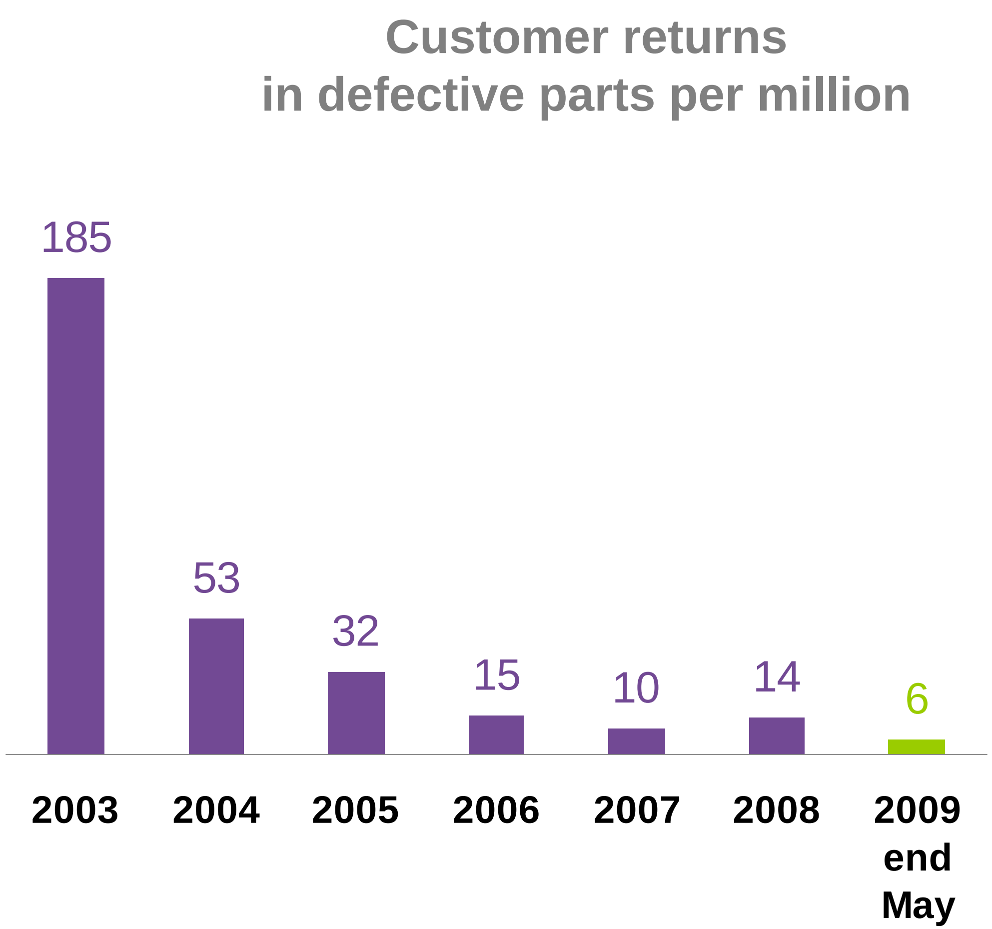
A global Group close to its customers

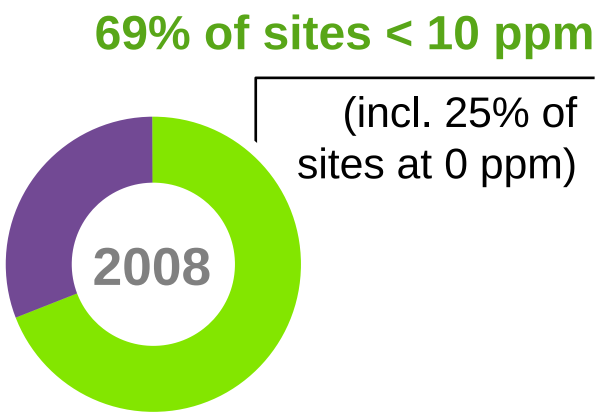
Sales by production region



Figures at December 31, 2008

Quality performance recognized by customers…





… along with operational excellence

- Service rate: 99.2%
- Accident rate: 5.24%
- 76% of sites certified ISO 18001
- Stocks reduced by 11% in 2008
- 88% of sites certified ISO 14001

Operational excellence recognized by customers

- Toyota "Excellent Quality Performance" Award for the Valeo Group
- 27 Divisions in 14 countries recognized by 20 customers

Contents

The most severe economic crisis since the 1930's

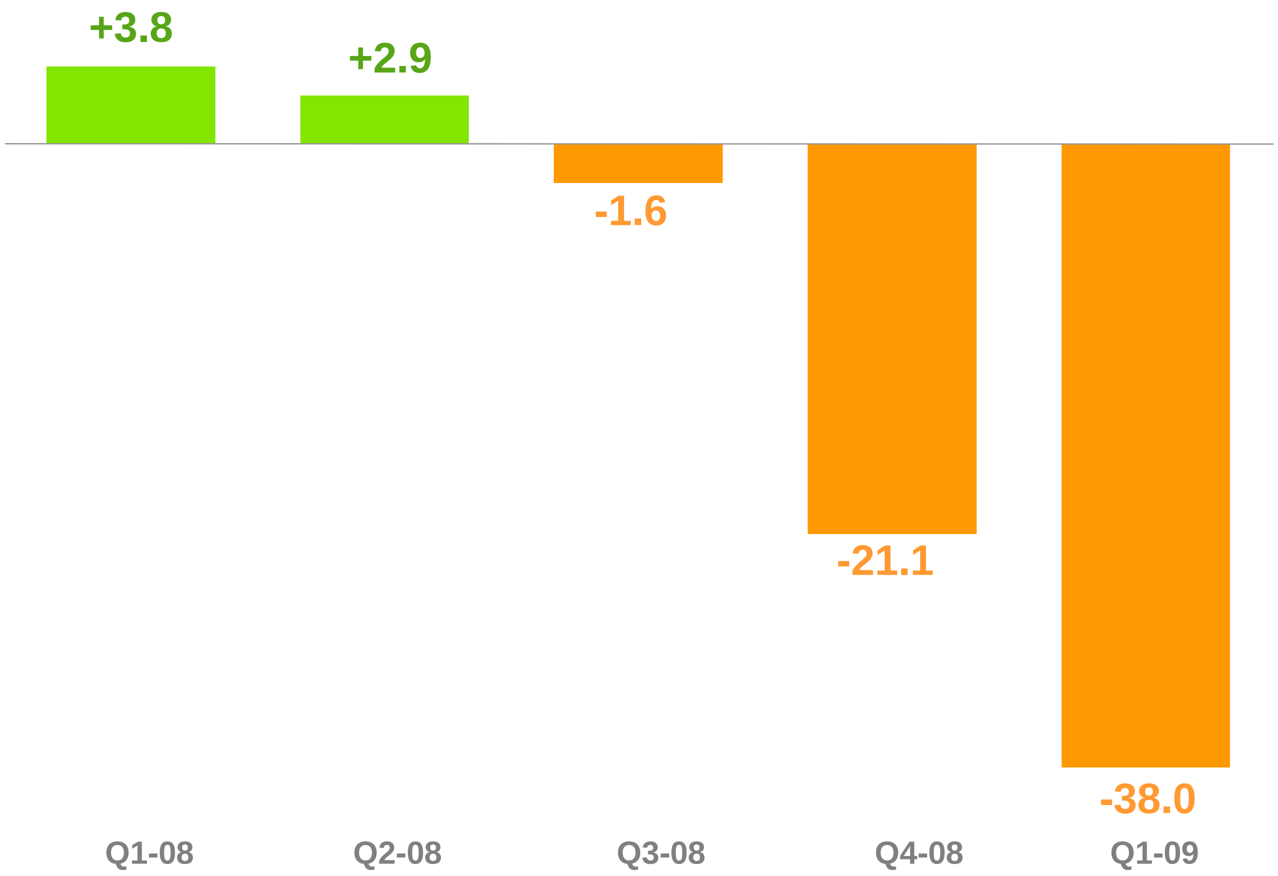
- Subprime crisis starting in early 2007
- Banking and liquidity crisis
- Full-blown economic crisis

The crisis and the automotive sector

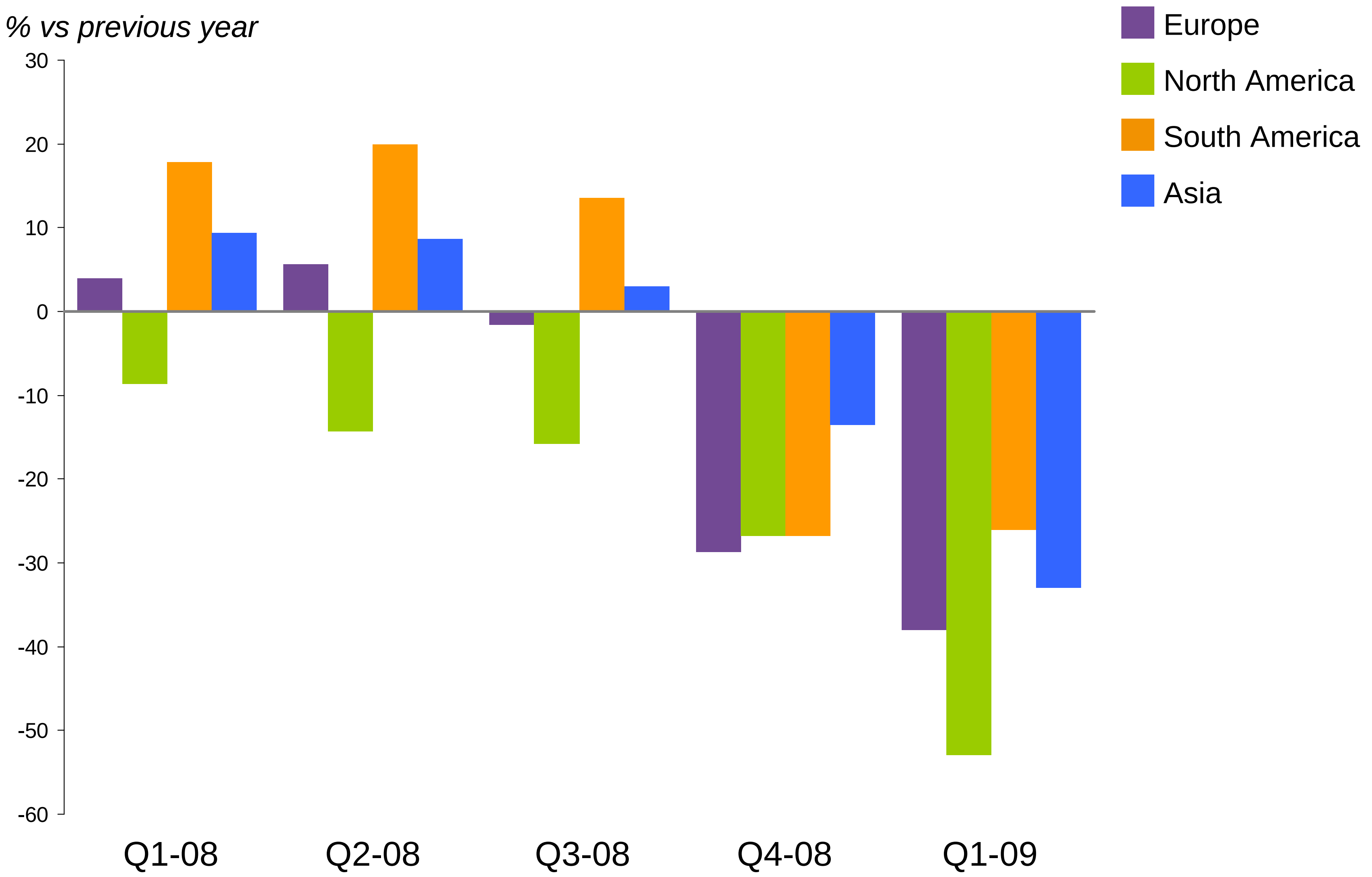
- **Strong drop in vehicle registrations**
  - ➔ Sudden halt in access to credit
  - ➔ Loss of consumer confidence (unemployment risk)
- **Deterioration in the quality of credit for companies in the sector**
  - ➔ Strict rationing of credit granted to automotive manufacturers
- **Weakening of the entire sector**
  - ➔ Failure of certain automakers and suppliers
- **Targeted stimulus via vehicle scrapping programs**
  - ➔ Germany, France, Italy, UK

Collapse of automobile production…

(in % vs previous year)



… spreading to all regions of the world



Valeo

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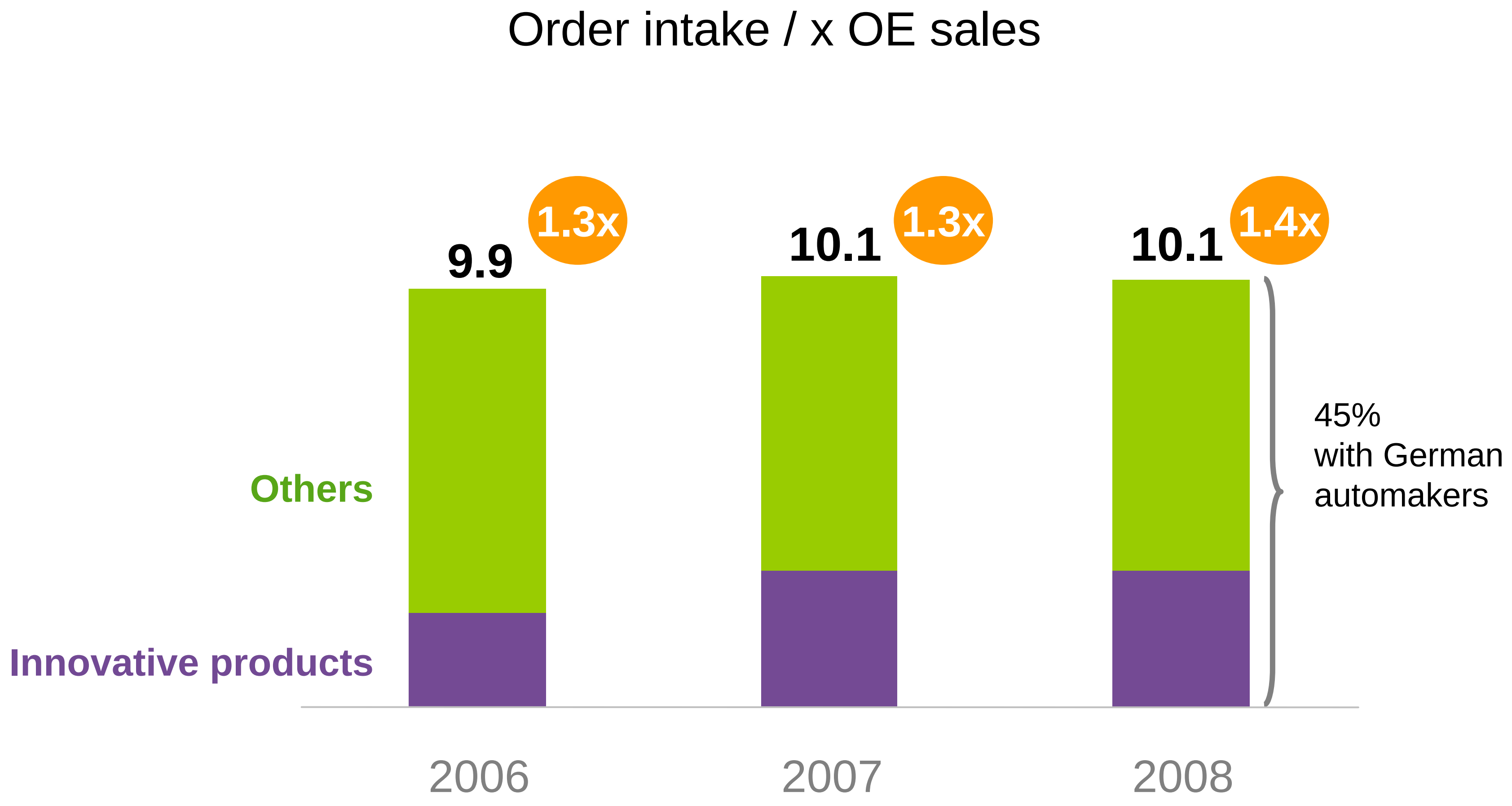
2008: a highly contrasted year

- **First nine months: improvement in operating margin and net income**
- **Fourth quarter: collapse of the automotive markets**
- **Adaptation to the crisis and cost reduction**
- **Rigorous cash control**

Sustained commercial momentum

In billion euros



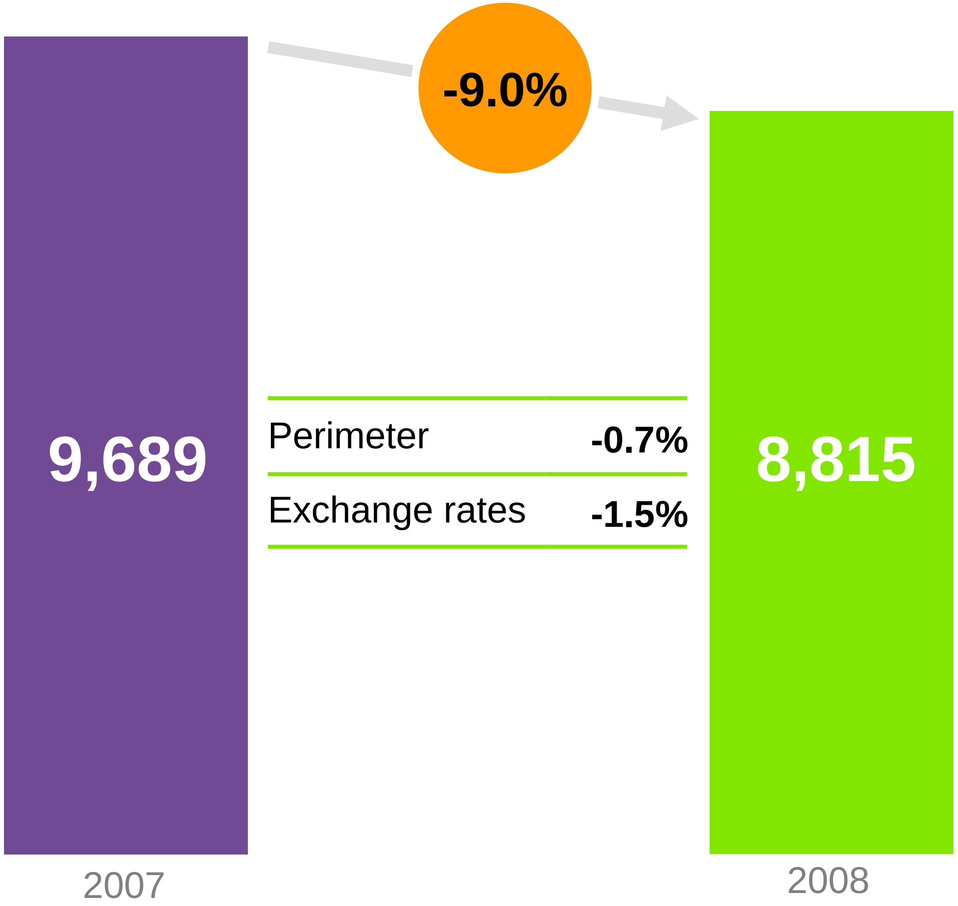
Emergency plan implemented from Q4 2008

- **Cost reduction**
  - Drastic decrease in temporary workforce (-4,800 people)
  - Announcement of a headcount adaptation plan affecting 5,000 permanent employees
  - Decrease in general production expenses of -30%
- **Reduction in working capital requirements**
  - Significant reduction of stocks (decrease of 121 million euros)

140 million euros of savings achieved

2008 sales penalized by volume collapse in Q4

In million euros



Valeo

Key figures – 2008

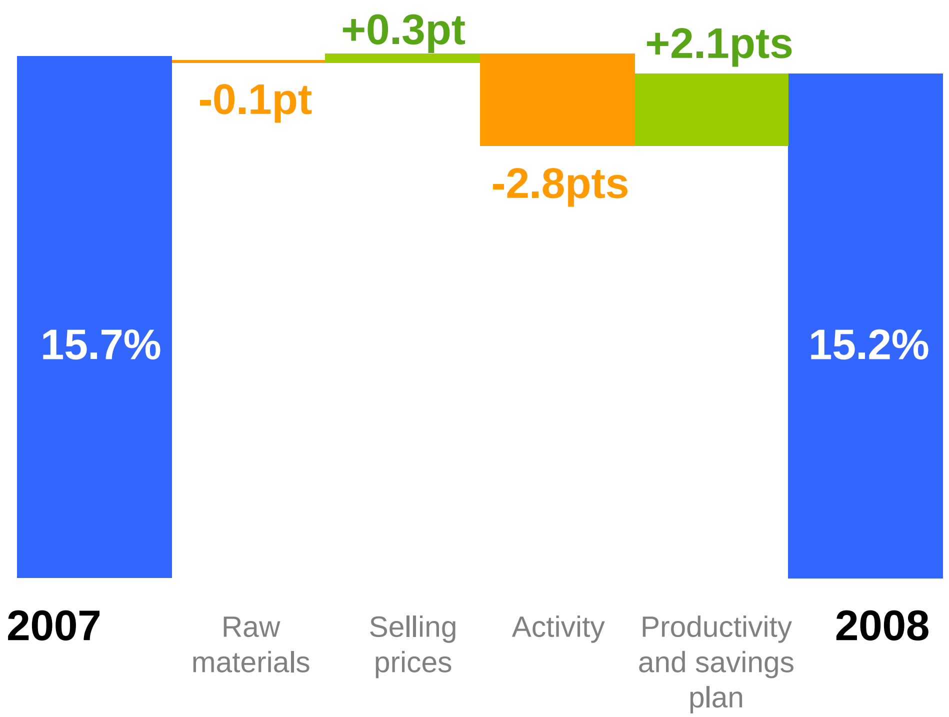
In million euros	2008	2007	*Change*
Sales	**8,815**	9,689	*-9.0%*
Gross margin *as % of sales*	**1,314** **15.2%**	1,497 *15.7%*	*-12.2%* *- 0.5 pt*
Operating margin *as % of total oper. revenues*	**230** **2.6%**	346 *3.6%*	*-33.5%* *-1.0 pt*
Net income	**(207)**	81	*ns*
Basic earnings per share (€)	**(2.73)**	1.06	*ns*
Free cash flow	**83**	65	*+28%*

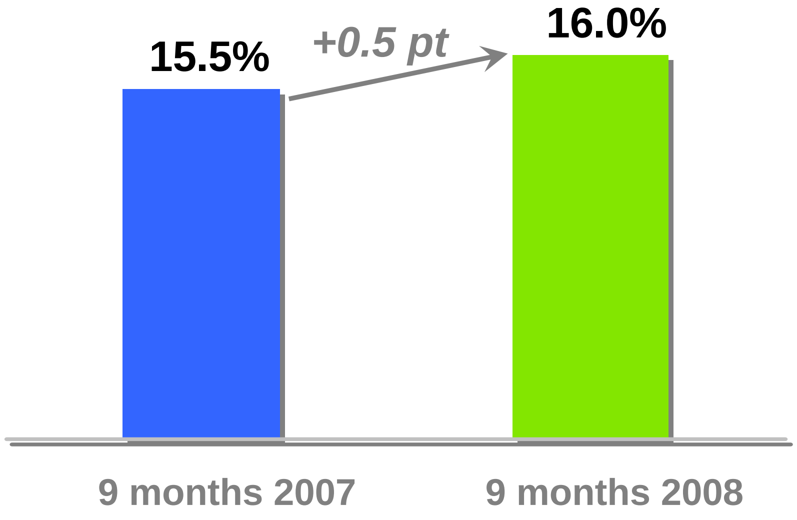
A highly contrasted year

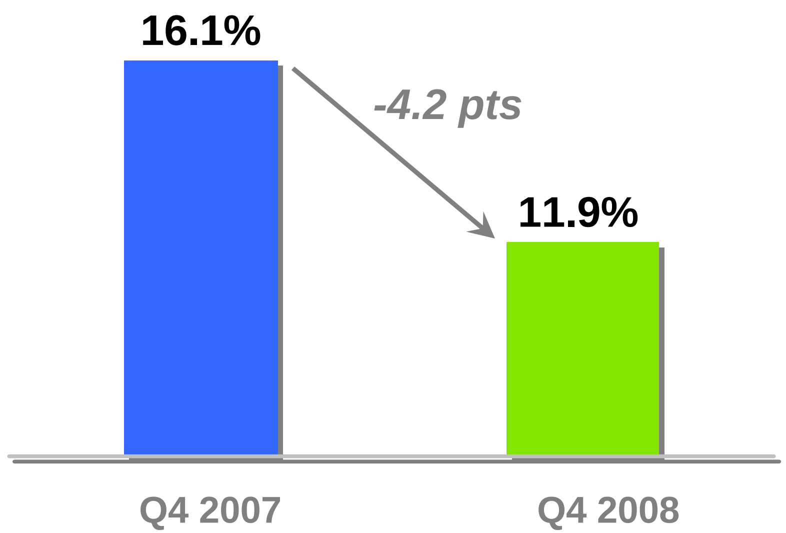
	First 9 months			Q4		
	2008	**2007**	%	**2008**	**2007**	%
Sales	**7,026**	**7,251**	-3.1%	**1,789**	**2,438**	-26.6%
Gross margin	**1,106**	**1,111**	-0.5%	**208**	**386**	-46.1%
as % of sales	**16.0%**	**15.5%**	+0.5 pt	**11.9%**	**16.1%**	-4.2 pts
Operating margin	**268**	**250**	+7.2%	**(38)**	**96**	ns
as % of total op. rev.	**3.8%**	**3.4%**	+0.4 pt	**-2.1%**	**3.9%**	-6.0 pts
Net income	**106**	**31**	+241.9 %	**(313)**	**50**	ns
Free cash flow	**71**	**73**	-2.7%	**12**	**(8)**	ns

Evolution of the gross margin

In % of sales

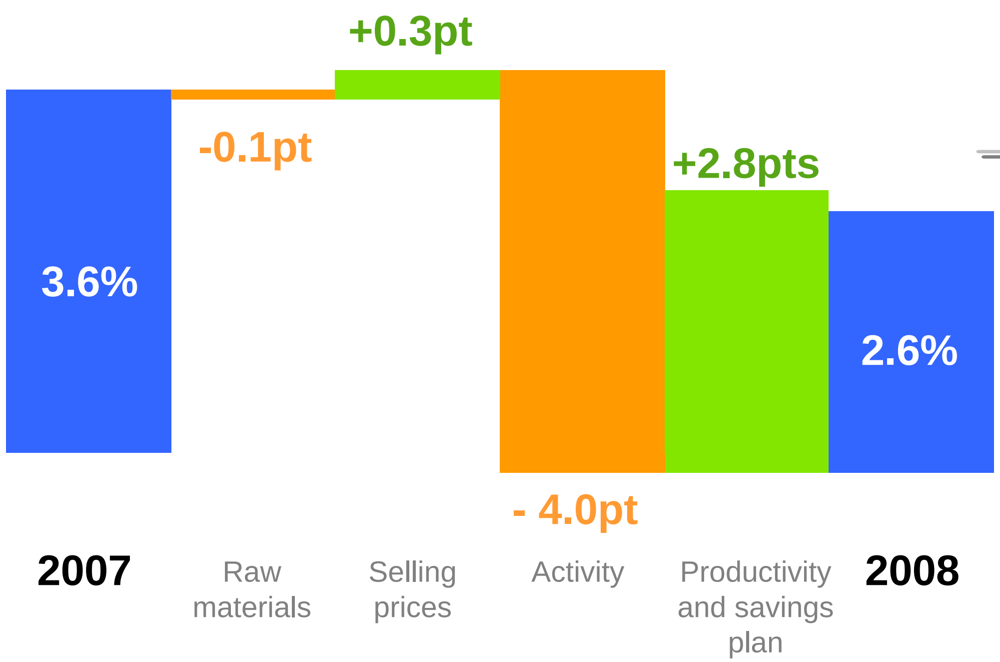


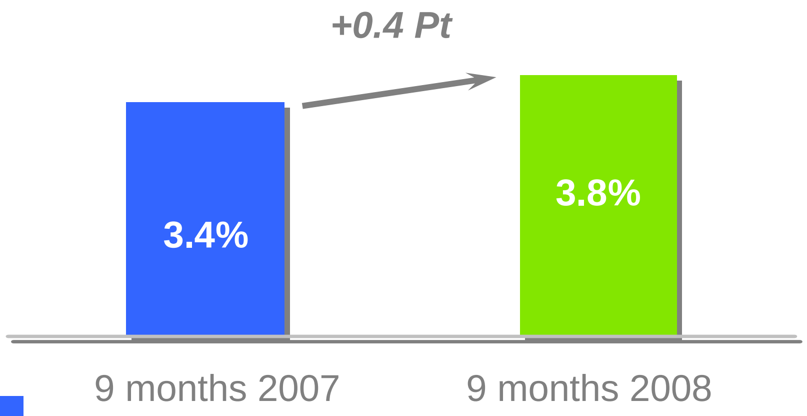


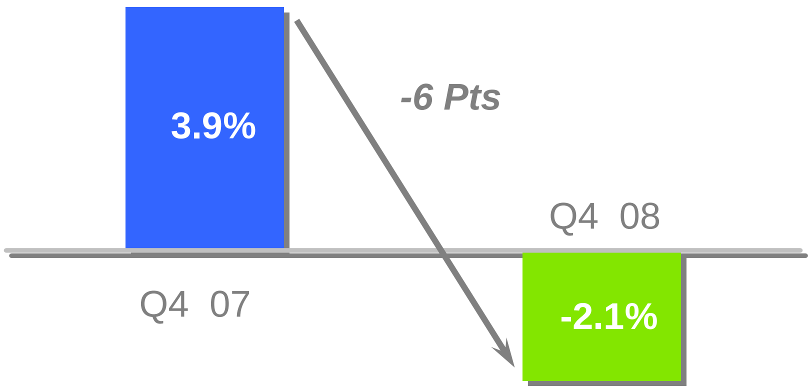


Evolution of the operating margin

In % of total operating revenues







Results (cont.)

In million euros	2008	2007	*Change*
R&D expenses (net)	**(488)**	(534)	*-8.6%*
% of total oper. revenues	**5.5%**	*5.5%*	
Administrative & selling expenses	**(596)**	(617)	*-3.4%*
% of total oper. revenues	***6.8%***	*6.4%*	
Total general expenses	**(1,084)**	(1,151)	*-5.8%*
% of total oper. revenues	***12.3%***	*11.9%*	
Other income (expenses)	**(282)**	(27)	*ns*
% of total oper. revenues	***3.2%***	*0.3%*	
Operating income	**(52)**	319	*ns*
% of total oper. revenues	***-0.6%***	*3.3%*	

Results (cont.)

In million euros	2008	2007	*Change*
Operating income	**(52)**	319	*ns*
Cost of net debt	(45)	(51)	-11.8%
Other financial income & expenses	(59)	(46)	+28.3%
Equity in net earnings of assoc.	9	8	+12.5%
Income before income taxes	**(147)**	230	*ns*
Income taxes	(51)	(83)	*-38.6%*
Non-strategic activities	**(1)**	(59)	-98.3%
Minority interests	**(8)**	(7)	+14.3%
Net income	**(207)**	81	*ns*

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Environment: first quarter 2009

- **Decrease of 38% in global automobile production in the first quarter**
  - ➔ Europe: -38%
  - ➔ USA: -52%

- **Slight improvement in March**
  - ➔ Vehicle scrapping bonus in Europe
  - ➔ More dynamic emerging markets, particularly Brazil and China
  - ➔ Nearing the end of destocking

Key figures of the first quarter 2009
in million euros

	Q1-2009	Q1-2008	*Change*
Sales	**1,624**	**2,437**	*-33.4%*
Gross margin *as % of sales*	**185** *11.4%*	**391** ***16.0%***	*-52.7%* *-4.6 pts*
Operating margin *as % of sales*	**(66)** *-4.1%*	**90** ***3.7%***	*ns* *ns*
Net income	**(159)**	**43**	*ns*
Net financial debt	**933**	**786**	*+18.7%*
Free cash flow	**(116)**	***43***	*ns*

NB: As of 1 January 2009, the presentation of Group results has been modified, with other operating revenues being reclassified mainly as research and development expenses.

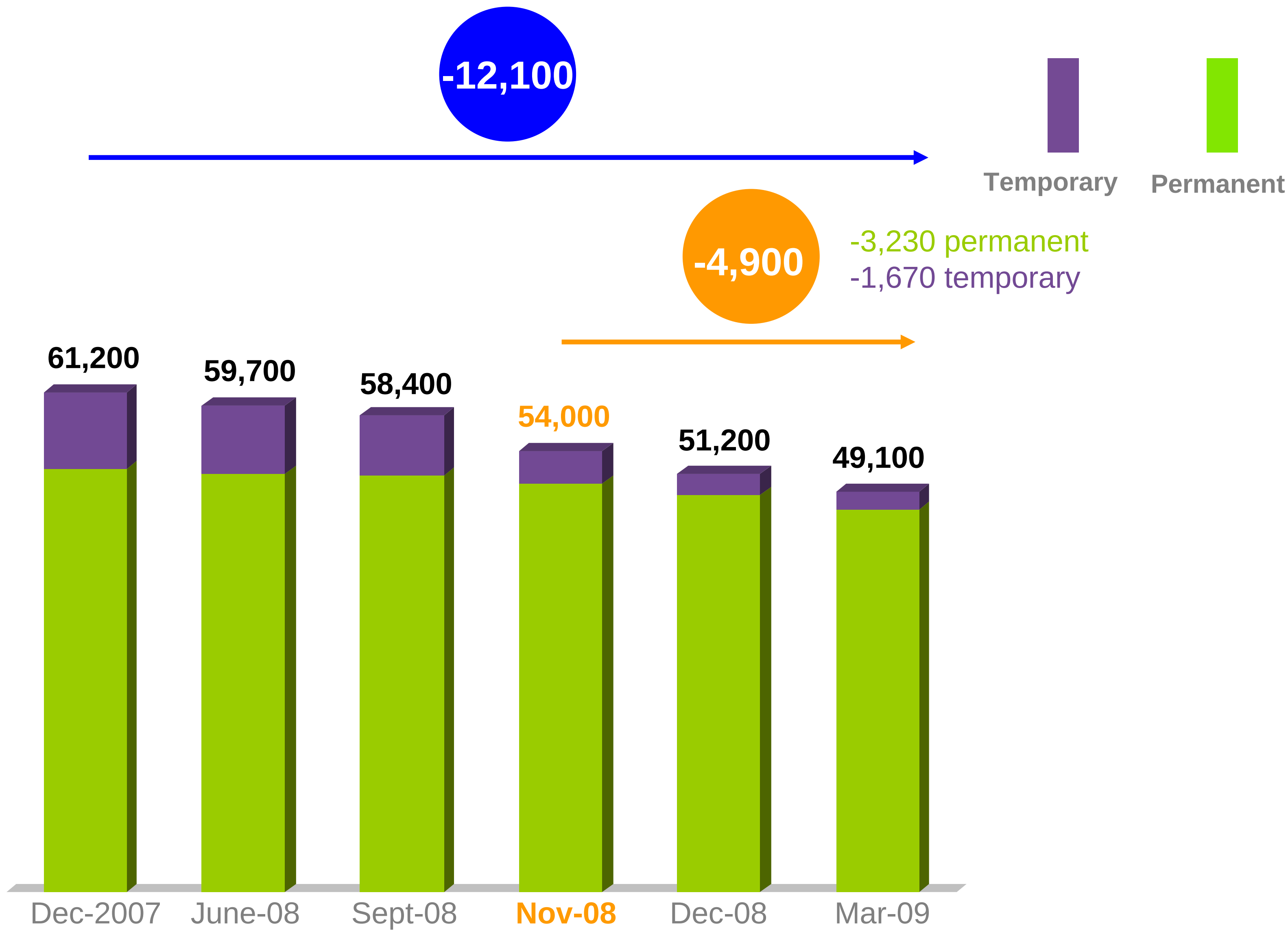
Publication of quarterly results

- **As from 2010, Valeo will no longer publish quarterly results, but only regulated information concerning sales and the level of activity.**

Reinforcement of the cost reduction and cash control program

- **Headcount reduction of 5,000 people, including 1,600 in France**
  - ➔ 3,230 departures recorded at end March
- **Reduction of investment by one-third in 2009**
- **600 million euros of savings, of which 500 million euros in 2009**
  - ➔ 140 million Q4 2008
  - ➔ 183 million Q1 2009

Headcount adaptation plan



Priority: cash flow management

- **Continued decrease in working capital requirements**
  - ➔ Stock reduction of 75 million euros in Q1
- **Tightened control of investment**
- **Alignment of managerial objectives with the generation of free cash flow**

Controlled customer risk

- **GM and Chrysler under U.S. bankruptcy protection**
- **No loss in terms of receivables due**

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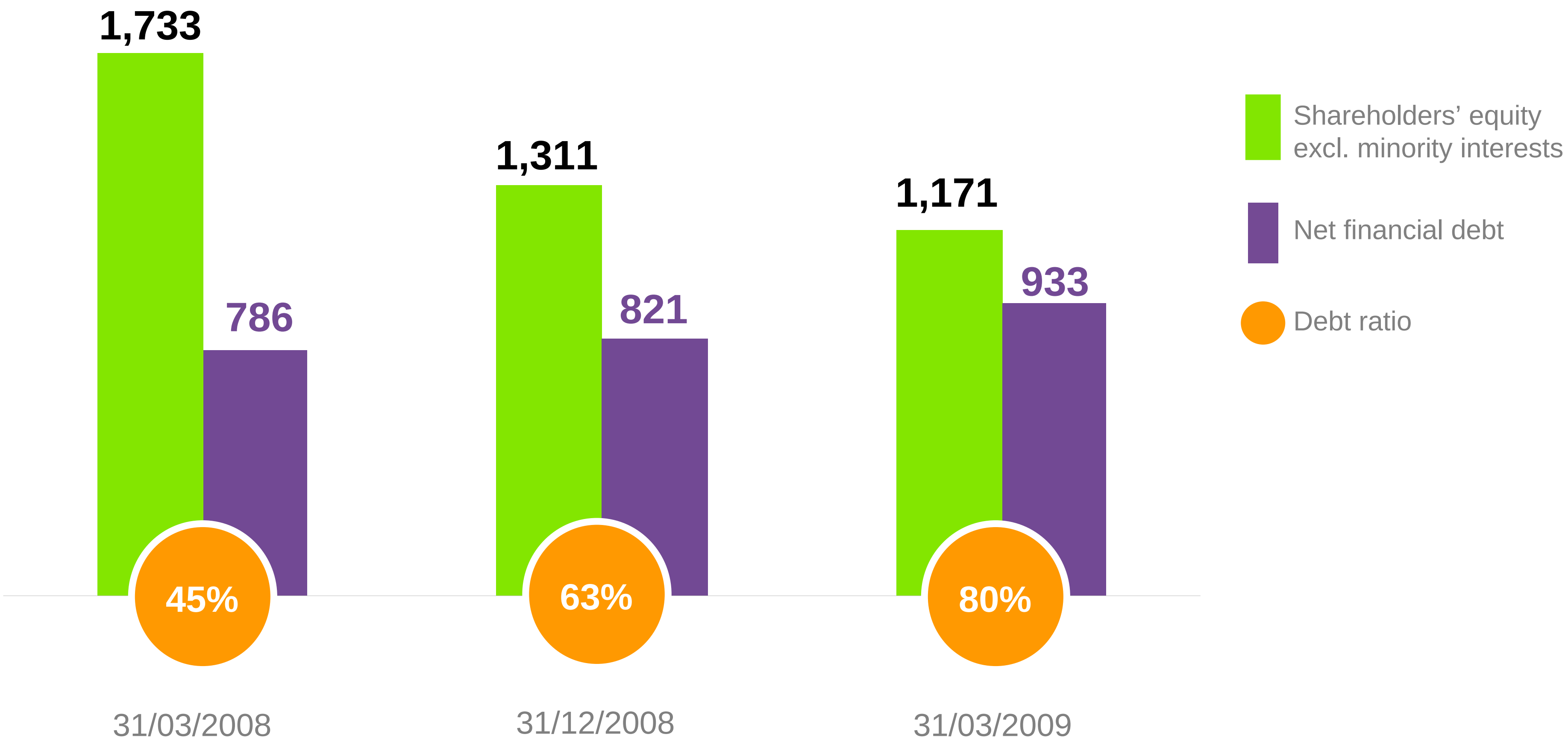
Valeo

Controlled liquidity situation

- **No debt reimbursement due before January 2011**
  - Océane reimbursable in January 2011 for a total of 463 million euros
- **Cash available at 31/03/2009: more than 500 million euros**
- **Liquidity secured via confirmed bilateral credit line program worth 1.2 billion euros**
  - No drawdowns as of June 9, 2009
  - 866 M€ of renegociated/renewed credit lines
  - New covenant based on net financial debt/EBITDA ratio

A crisis-proof financial structure

In million euros



Financial strategy

- **Reinforcement of the Group's liquidity**
  - ➔ Change of covenants
  - ➔ Tight cash control
- **Diversification of the Group's resources**
- **Disposal of certain non-strategic activities when market conditions will permit**
- **Increased flexibility for refinancing the Group's debt**
  - ➔ Financial authorizations of the 2009 AGM

Financial authorizations

- **Resolution 8: Capital increase with Pref. Subs. Rights**
  - Will replace the current authorization which expires in July 2009
  - Period of validity of the authorization: 26 months
  - Maximum aggregate par value: 40M€
- **Resolution 9: Capital increase without Pref. Subs. Rights**
  - Destined notably for the issuance of debt securities giving access to the capital
  - Possible pre-financing of the reimbursement of OCEANE 2011
  - Period of validity of the authorization: 26 months
  - Maximum aggregate par value: 47M€
- **Resolution 11: Oversubscription (“green shoe”) clause**
  - Enables an increase in the number of securities initially issued without having to proceed with a new issuance
  - Included in the ceilings with and without Pref. Subs. Rights
  - No additional dilution
- **Limited potential dilution**

Capital increase reserved for employees

- **Employee shareholders today represent 1.18% of Valeo's capital**

- **Main characteristics**
  - ➔ Validity of the authorization: 26 months
  - ➔ Maximum discount of 20%, in accordance with the law
  - ➔ Maximum aggregate par value: 5 M€ or 2% of the capital

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- **Outlook: taking up the challenges of growth and profitability**

Outlook

- **Confirmed automobile production forecast**
  - ➔ -30% in H1
  - ➔ -20% in 2009

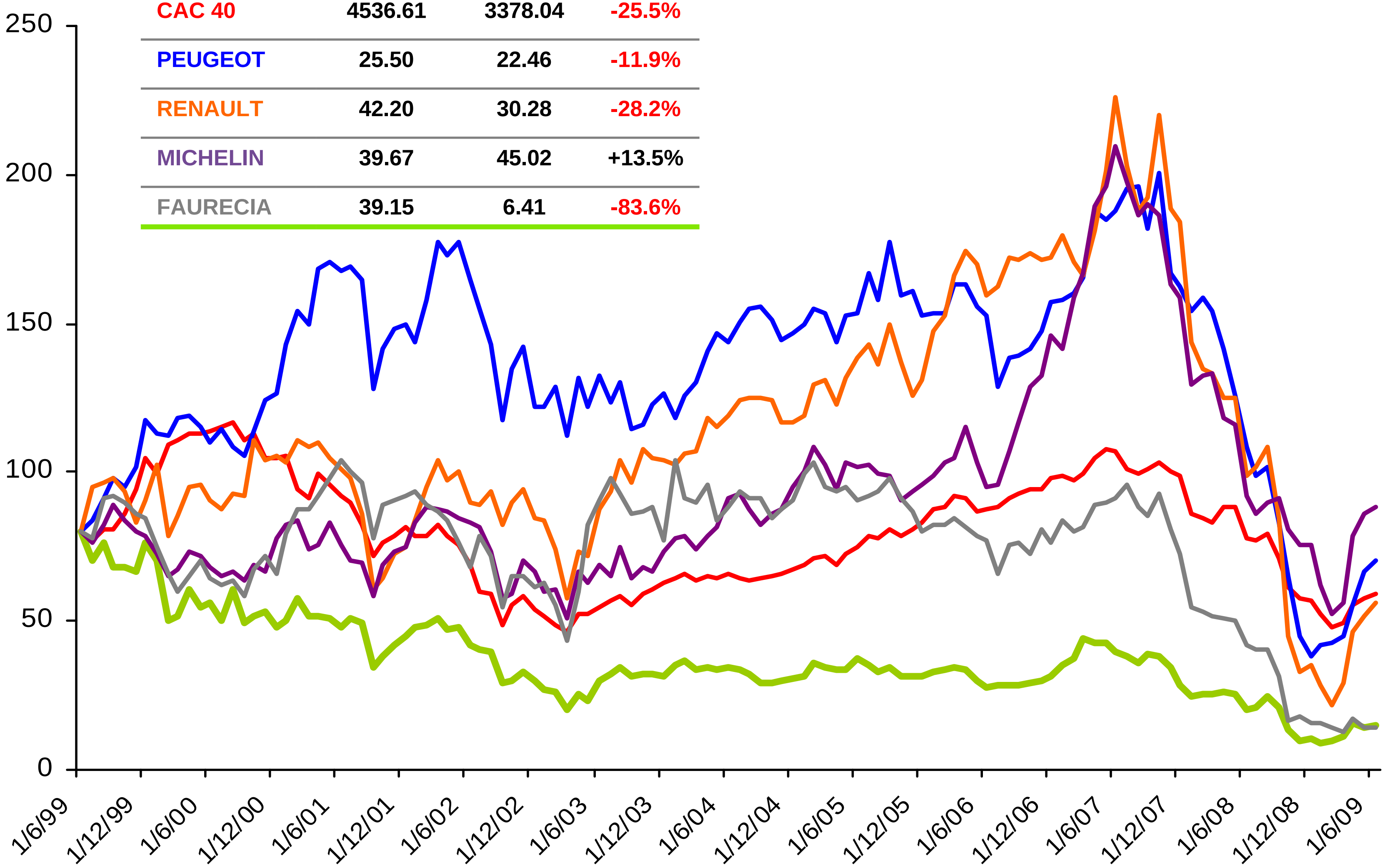
- **Evolution of sales in line with automobile production in H2**

Short-term priorities

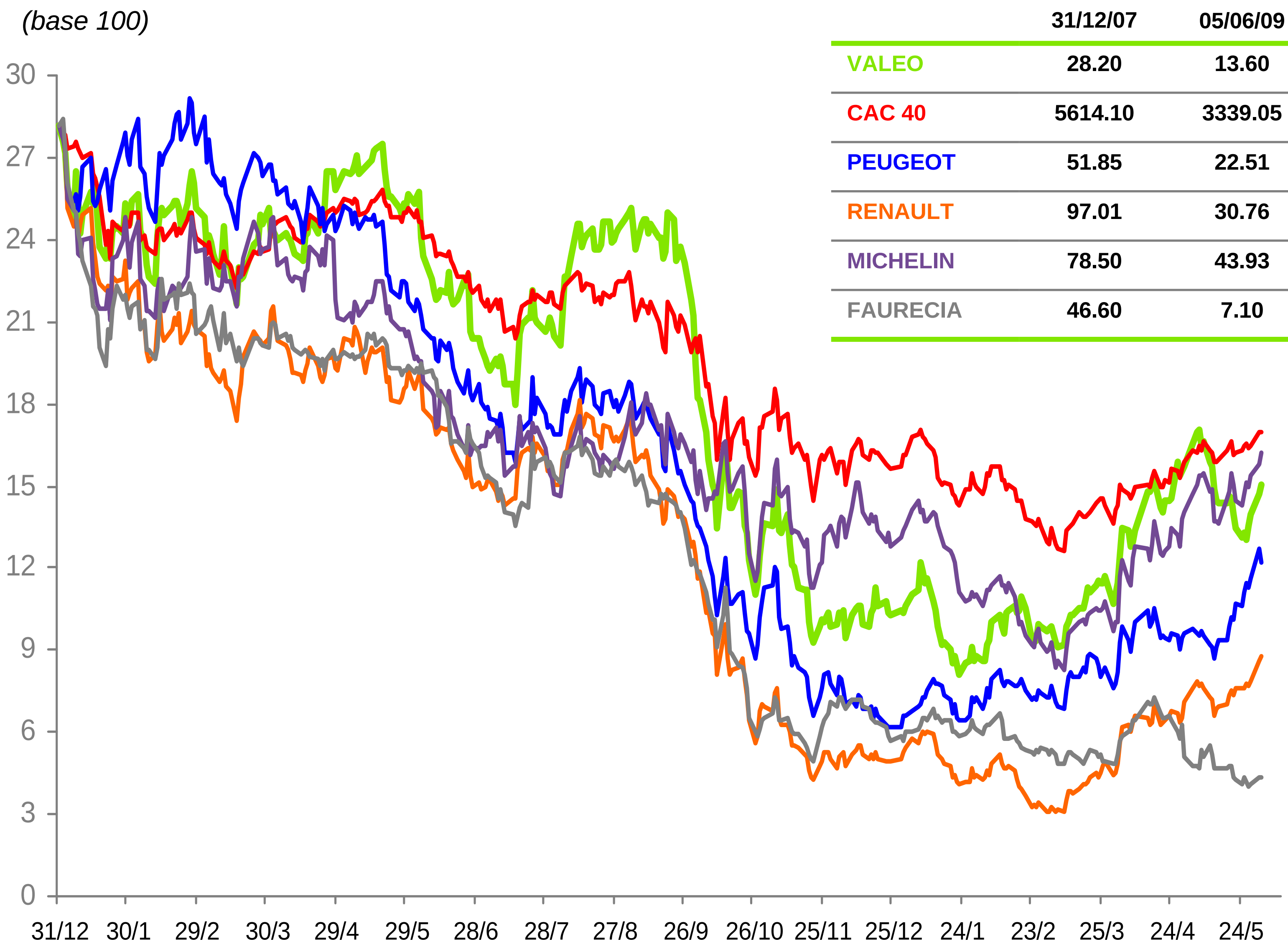
- **Reinforcement of the savings program**
  - ➔ 600 million euros of annualized savings
    - – of which 500 million euros in 2009 and 183 million euros achieved in Q1
- **Cash control**
  - ➔ One-third decrease in investment in 2009
  - ➔ Positive free cash flow excluding restructuring expenses
- **Rigorous management of customer and supplier risks**
- **Analysis of strategic orientations**

Evolution of the Valeo share over 10 years

	30/06/99	02/06/09	Δ
VALEO	80.00	15.02	-81.2%
CAC 40	4536.61	3378.04	-25.5%
PEUGEOT	25.50	22.46	-11.9%
RENAULT	42.20	30.28	-28.2%
MICHELIN	39.67	45.02	+13.5%
FAURECIA	39.15	6.41	-83.6%



Evolution of the share since the beginning of 2008



	31/12/07	05/06/09	Δ
VALEO	28.20	13.60	-51.06%
CAC 40	5614.10	3339.05	-40.5%
PEUGEOT	51.85	22.51	-56.6%
RENAULT	97.01	30.76	-68.3%
MICHELIN	78.50	43.93	-54.7%
FAURECIA	46.60	7.10	-84.8%

A clear analysis for preparing action plans

- **Lack of growth**
- **Lack of profitability**
- **Lack of organizational efficiency**
- **Lack of strategic vision**

A clear analysis and a strategy to define for taking up the challenges of the automotive industry

- The technological challenge
- The emerging countries challenge
- The “societal” challenge
- The industry consolidation challenge

Enabling a better automotive world