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Valeo announces a project to enter into a 50 /50 Joint Venture Agreement with Siemens dedicated to High Voltage Powertrains

Paris, April 18, 2016 – Valeo today announced a project to enter into a 50/50 joint venture agreement with Siemens dedicated to high voltage powertrains. The joint venture would capitalize on Valeo's and Siemens' leading positions in their respective sectors, with the ultimate goal of creating a global leader in the fast-growing market of automotive electrification.

The two industry leaders would join forces to offer the most complete and innovative range of high voltage (above 60V) components and systems for all types of electric vehicles (hybrids, plug-in hybrids and full electric vehicles): e-motors, onboard chargers, inverters, DC/DC converters.

Valeo would contribute to the joint venture its high voltage power electronics business (onboard chargers, inverters, DC/DC converters) employing around 200 people of which 90 are based in France. Its under-60V powertrain activity would not be part of this joint venture. Siemens would contribute to the joint venture its E-Car Powertrain Systems Business Unit (e-motors, inverters) employing around 500 people of which 370 are based in Germany and 130 in China.

The joint venture would be headquartered in Erlangen, Germany.

The newly created entity would leverage on Valeo's and Siemens' strong complementarity in terms of product portfolio and geographical spread generating synergies in manufacturing and sourcing. Its strengths in production and development would allow to target customers on a global level as well as in specific key markets.

"We are delighted at the perspective of combining our strengths with Siemens in electrified powertrain systems," said Jacques Aschenbroich, Chairman and Chief Executive Officer of Valeo. "With the expertise offered by Siemens, a leader in power electronics and electric motor products, Valeo would maintain its technological lead by offering a comprehensive line-up of technologies ranging from micro-hybrid to all-electric solutions. This joint venture also illustrates the ability of European companies to develop leading industrial partnerships to bring breakthrough technologies to the global market."

Klaus Helmrich, Member of the Managing Board of Siemens AG, said: *"The Valeo Siemens joint venture is yet another example of forming a true Europe based company. Combining Siemens' extensive experience in electric motors and inverters with Valeo's automotive business expertise and worldwide customer base would provide both companies with a solid basis in the growing electro mobility market."*



The project is subject to consultation of the employee representatives and approval by the relevant authorities.

Valeo is an automotive supplier, partner to all automakers worldwide. As a technology company, Valeo proposes innovative products and systems that contribute to the reduction of CO₂ emissions and to the development of intuitive driving. In 2015, the Group generated sales of €14.5 billion and invested over 10% of its original equipment sales in research and development. Valeo has 134 plants, 17 research centers, 35 development centers and 15 distribution platforms, and employs 82,800 people in 30 countries worldwide.

Valeo is listed on the Paris stock exchange and is a member of the CAC 40 index.

For more information about the Valeo Group and its activities, please visit our website, www.valeo.com

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