

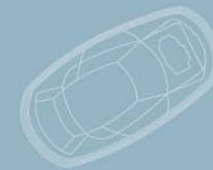
# H1-2003 RESULTS

The Valeo logo consists of the word "Valeo" in a bold, white, sans-serif font, centered within a bright green rectangular box. This box is superimposed on a large, faint, white line-art graphic of a car chassis or engine component that spans the middle of the slide.

**Valeo**

**Thierry Morin**  
Chairman and CEO

# Key Figures

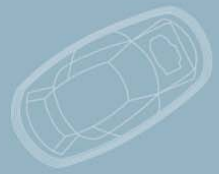


in million euros	H1-2003	H1-2002	Δ
■ Sales	4,846	5,184	- 6.5%
■ Gross Margin <i>in % of sales</i>	863 17.8%	888 17.1%	+0.7 pt
■ Operating income <i>in % of sales</i>	241 5.0%	240 4.6%	+ 0.4 pt
■ Net income	102	68	+ 50%
■ Gearing	21%	27%	- 6 pt

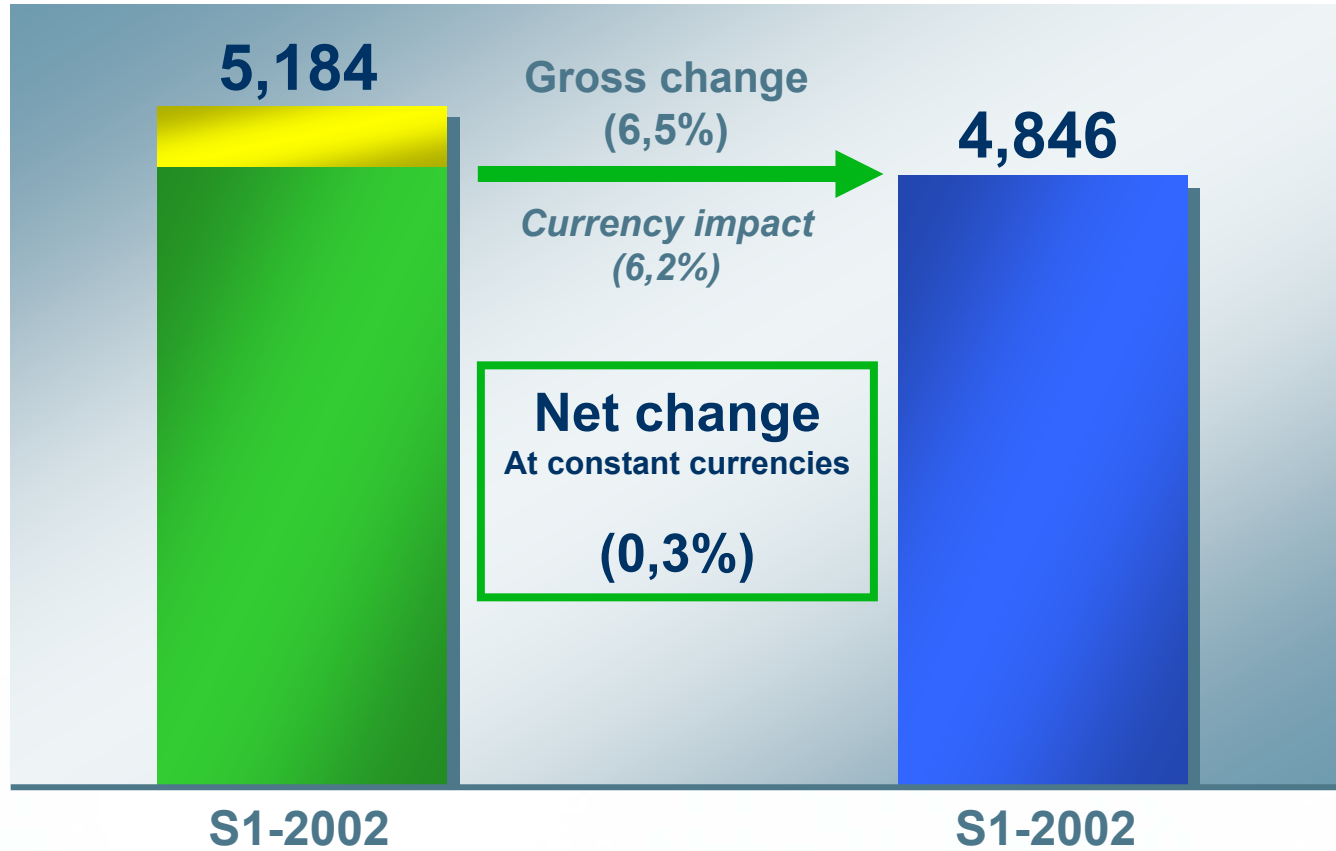
# Sales

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# Sales Variation

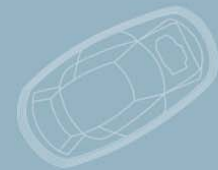


in million euros

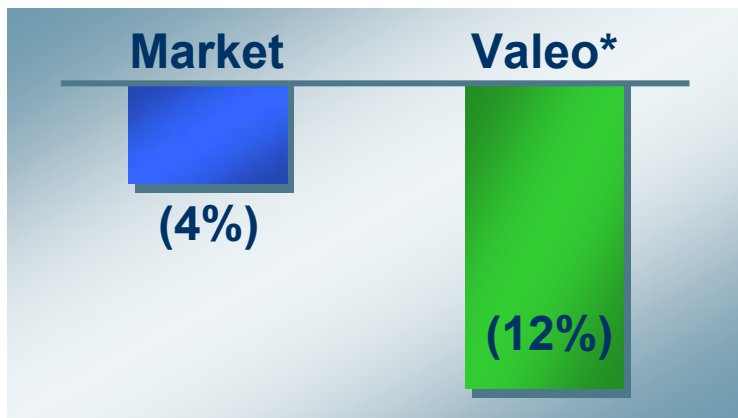


# Sales

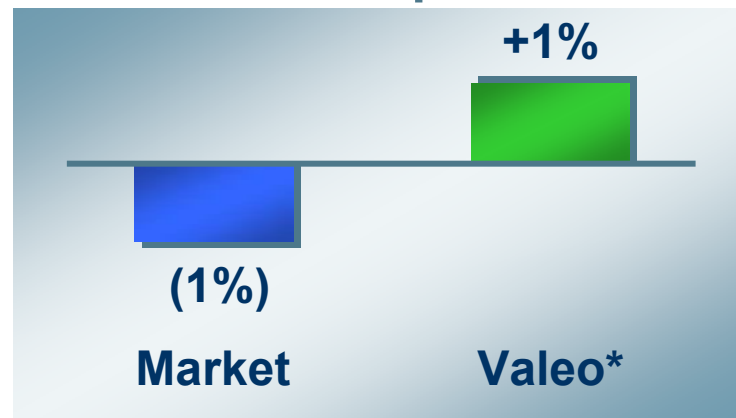
## Variation by continent



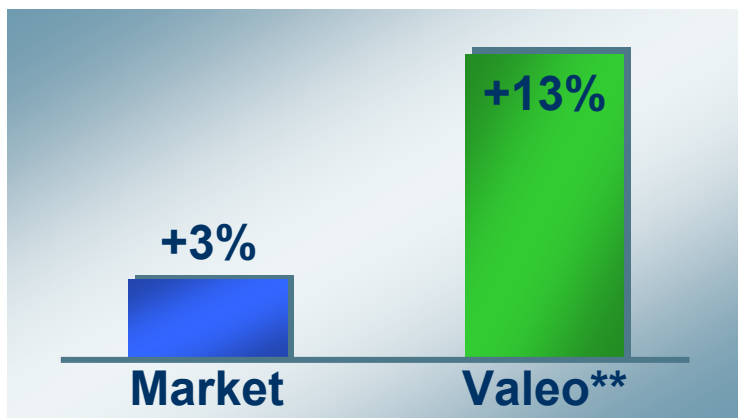
### North America



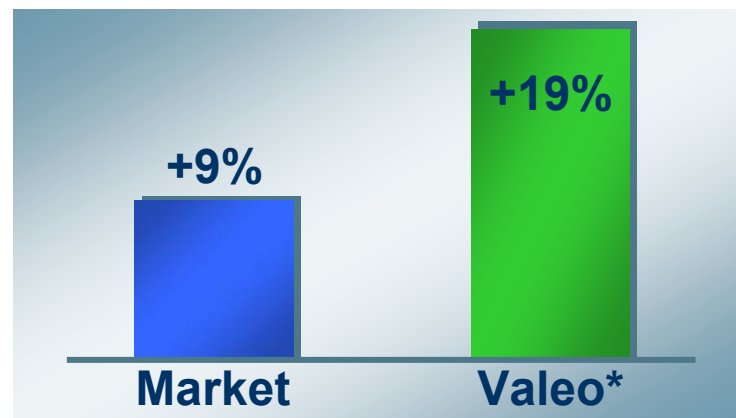
### Europe



### South America



### Asia



\* at constant currencies

\*\* at constant currencies and inflation

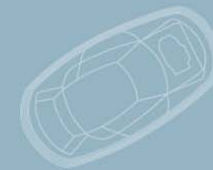


# Results

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# Gross Margin

## Quarterly improvement



in % of sales\*

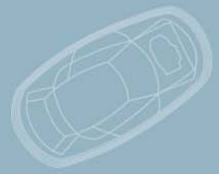


\* Quarterly data approved as sincere

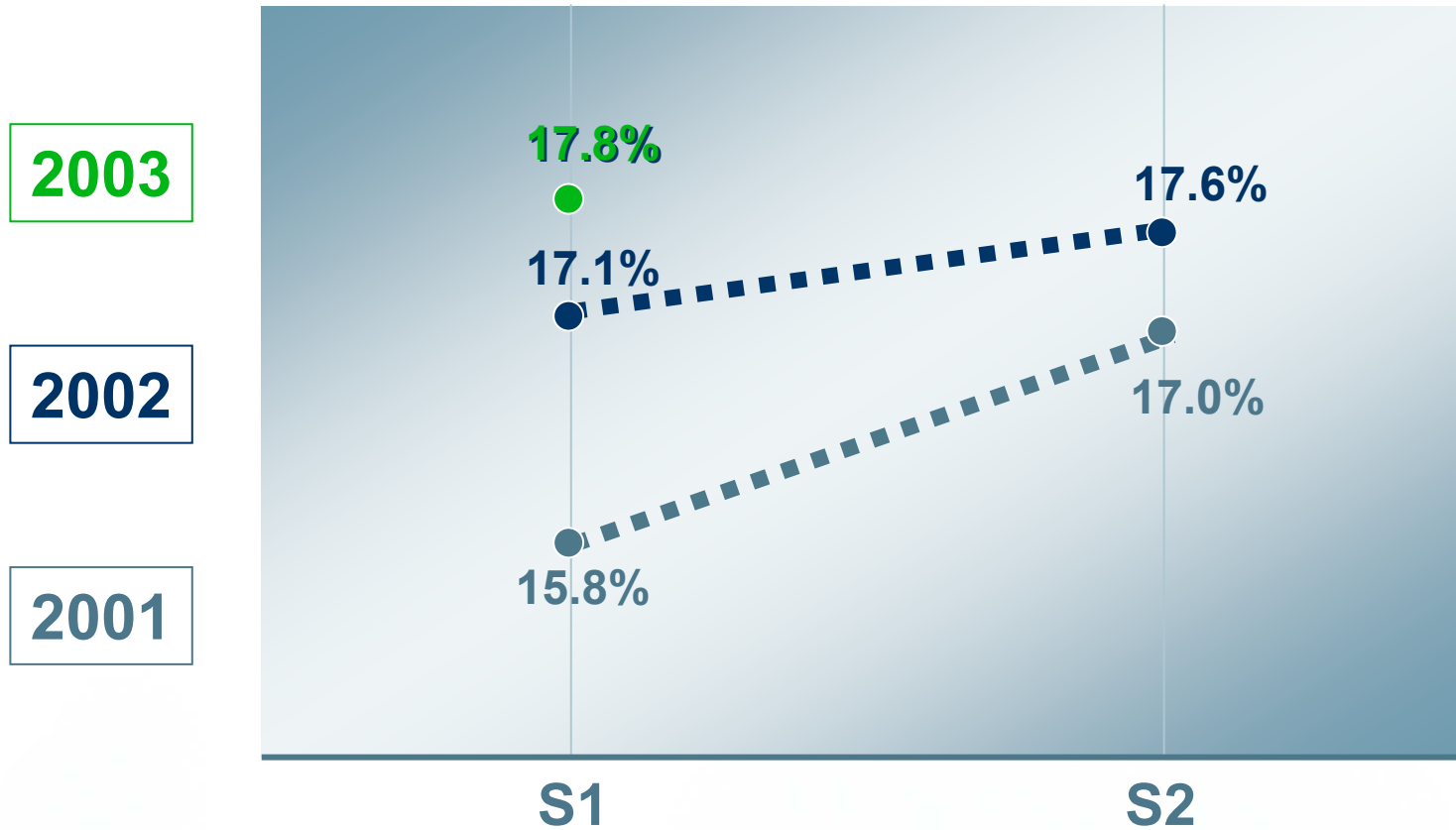
Property of VALEO – Duplication prohibited

# Gross margin

## Half-yearly improvement



in % of sales\*





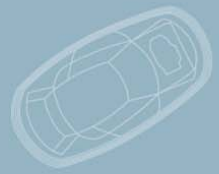
# Gross margin

## Industrial footprint rationalization

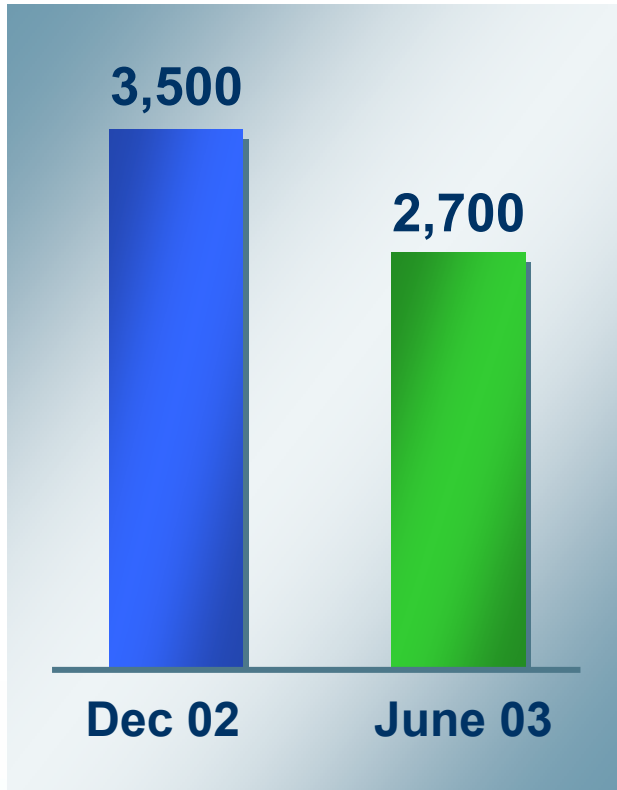


# Gross margin

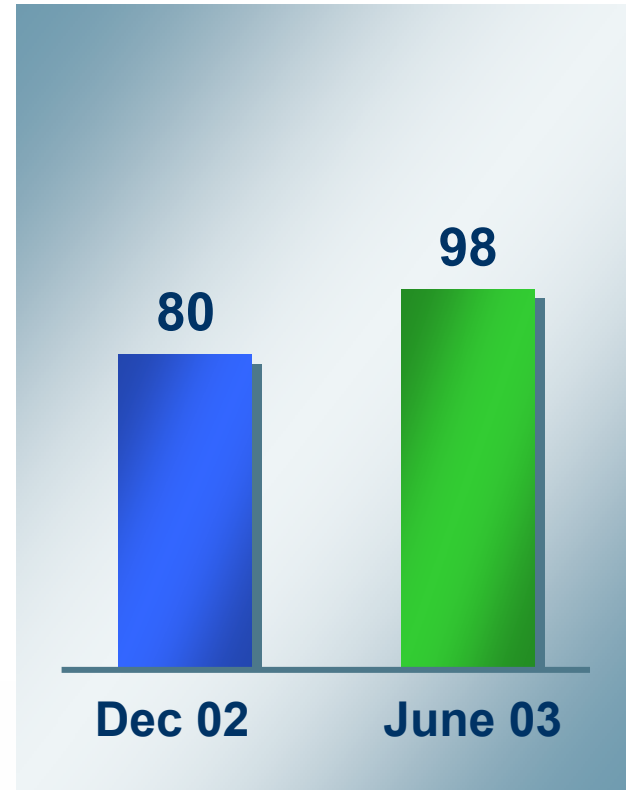
## Supplier integration



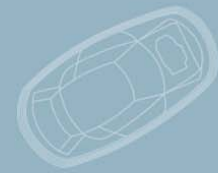
### Suppliers



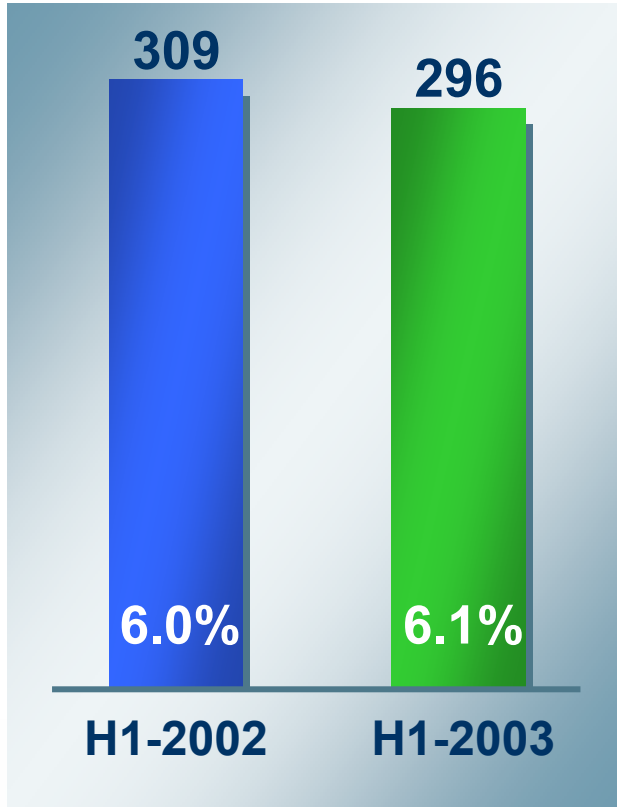
### Valeo Integrated Partners



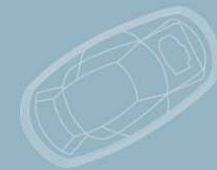
# R & D



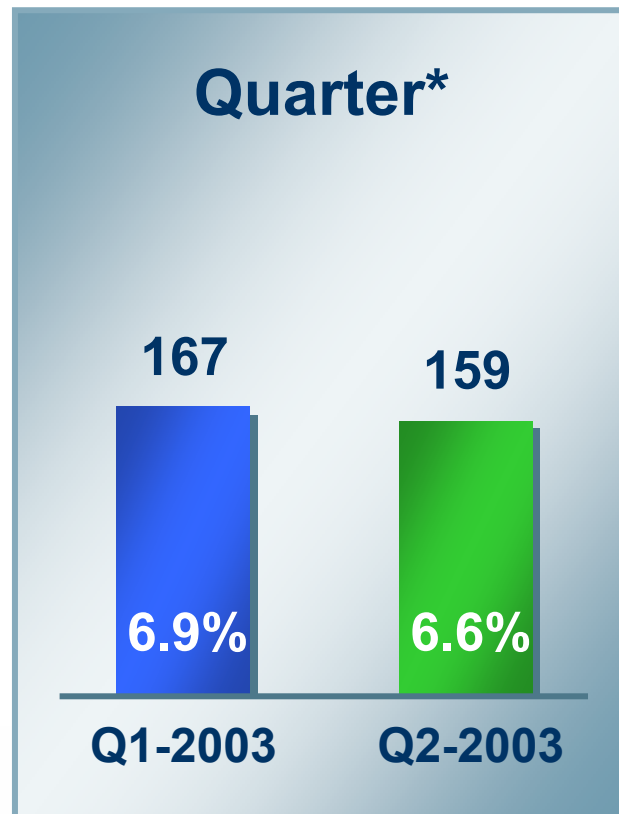
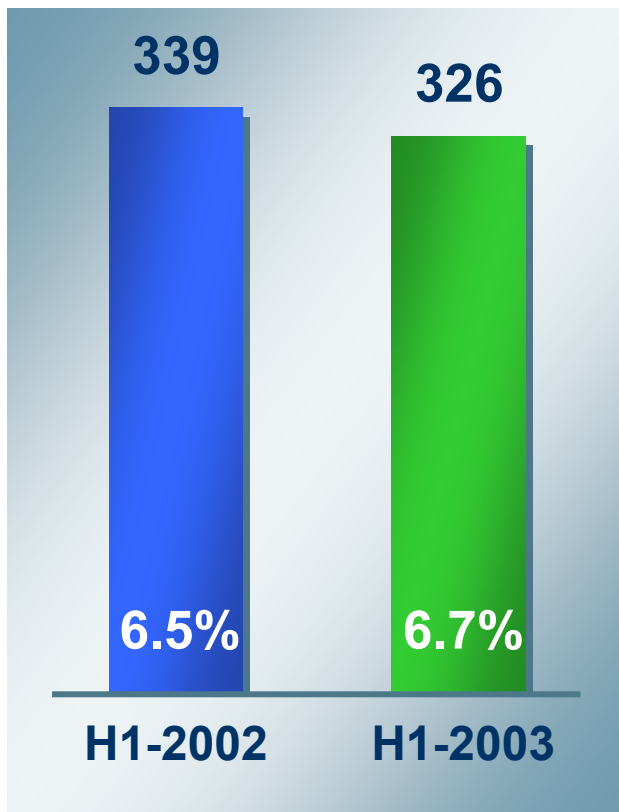
in million euros and in % of sales



\* quarterly data approved as sincere

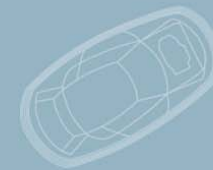


in million euros and in % of sales

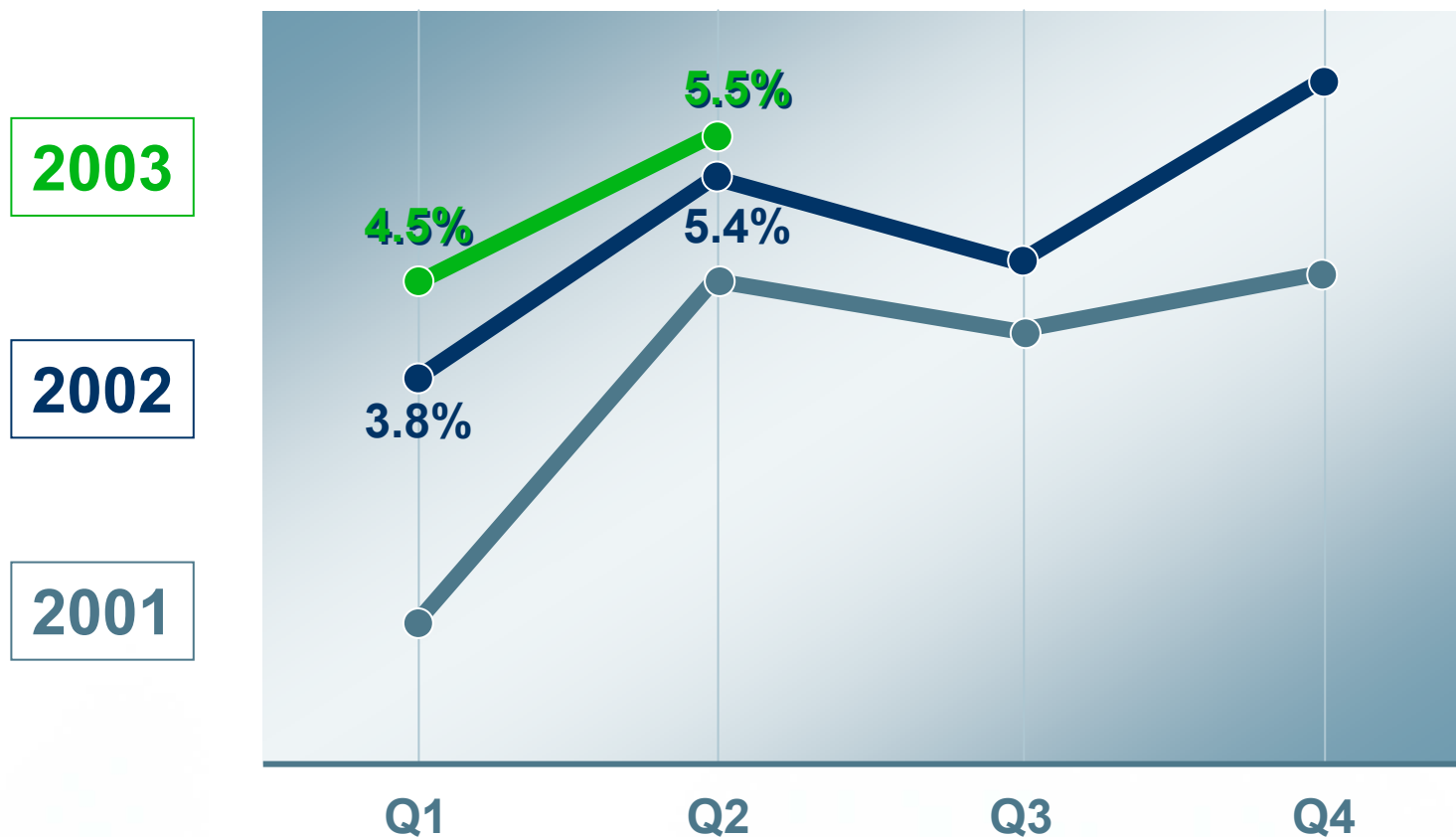


# Operating income

## Quarterly improvement

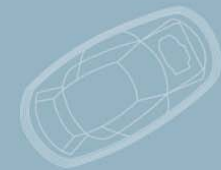


in % of sales\*

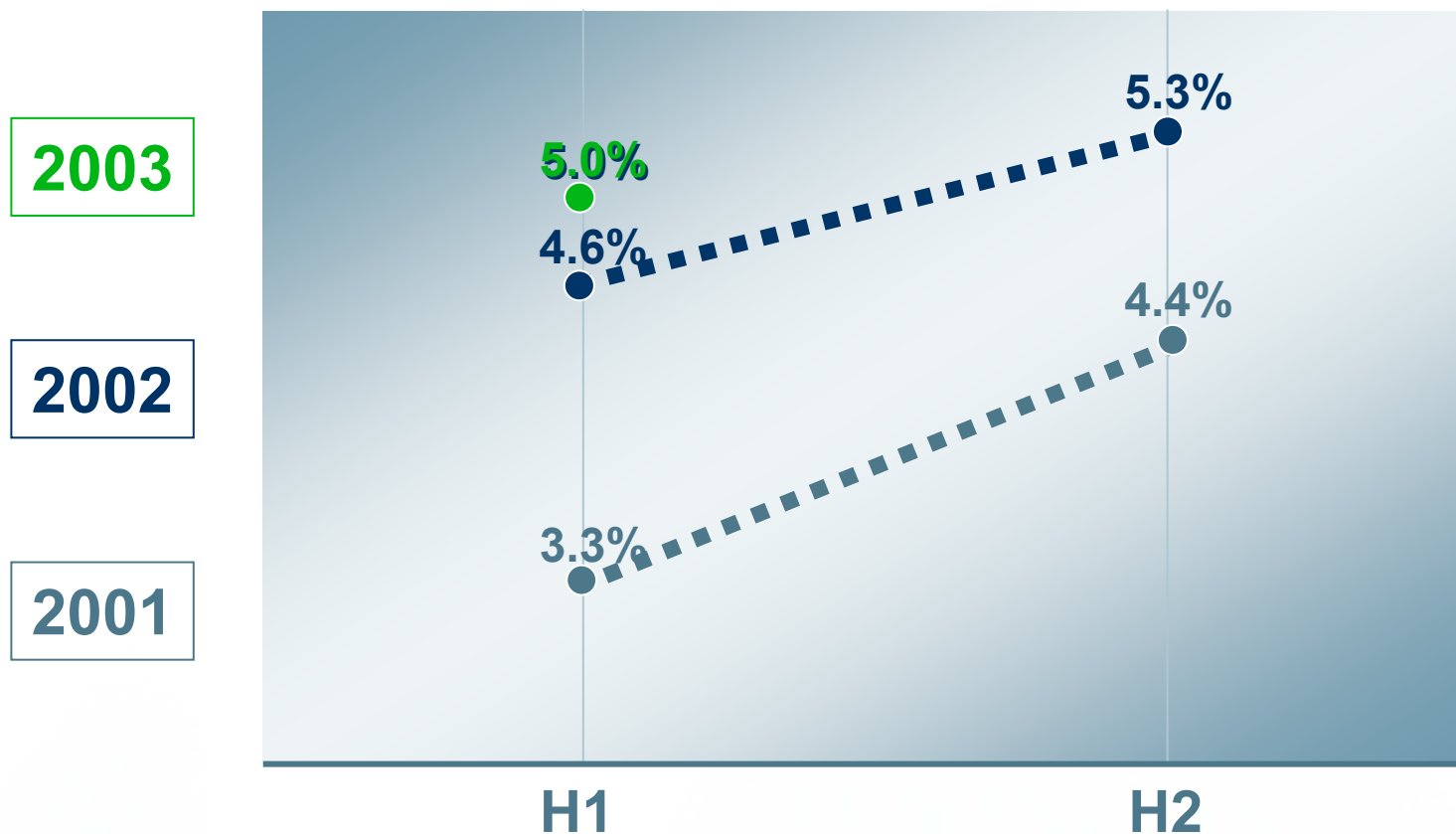


# Operating income

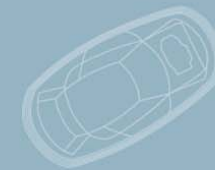
## Half-yearly improvement



in % of sales\*



# Net income



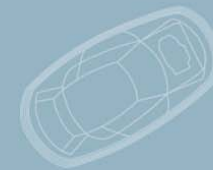
in million euros	H1-2003	H1-2002	Δ
■ Operating income <i>in % of sales</i>	241 5.0%	240 4.6%	+ 0.4 pt
■ Net financial charge	(17)	(33)	(47%)
■ Other income and expenses net	(67)	(22)	
■ Taxes	(4.7)	(60)	
■ Goodwill amortization	(45)	(50)	
■ Minorities and associated companies	(4)	(7)	
■ Net income <i>in % of sales</i>	102 2.1%	68 1.3%	+ 50%

# Balance Sheet & Cashflow

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# Cashflow



in million euros and in % of sales

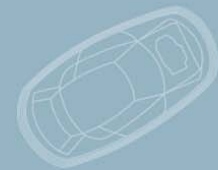
## Net income + depreciation



## Working capital requirement



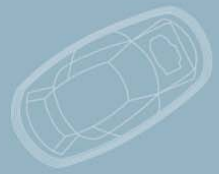
# H1 Cash generation



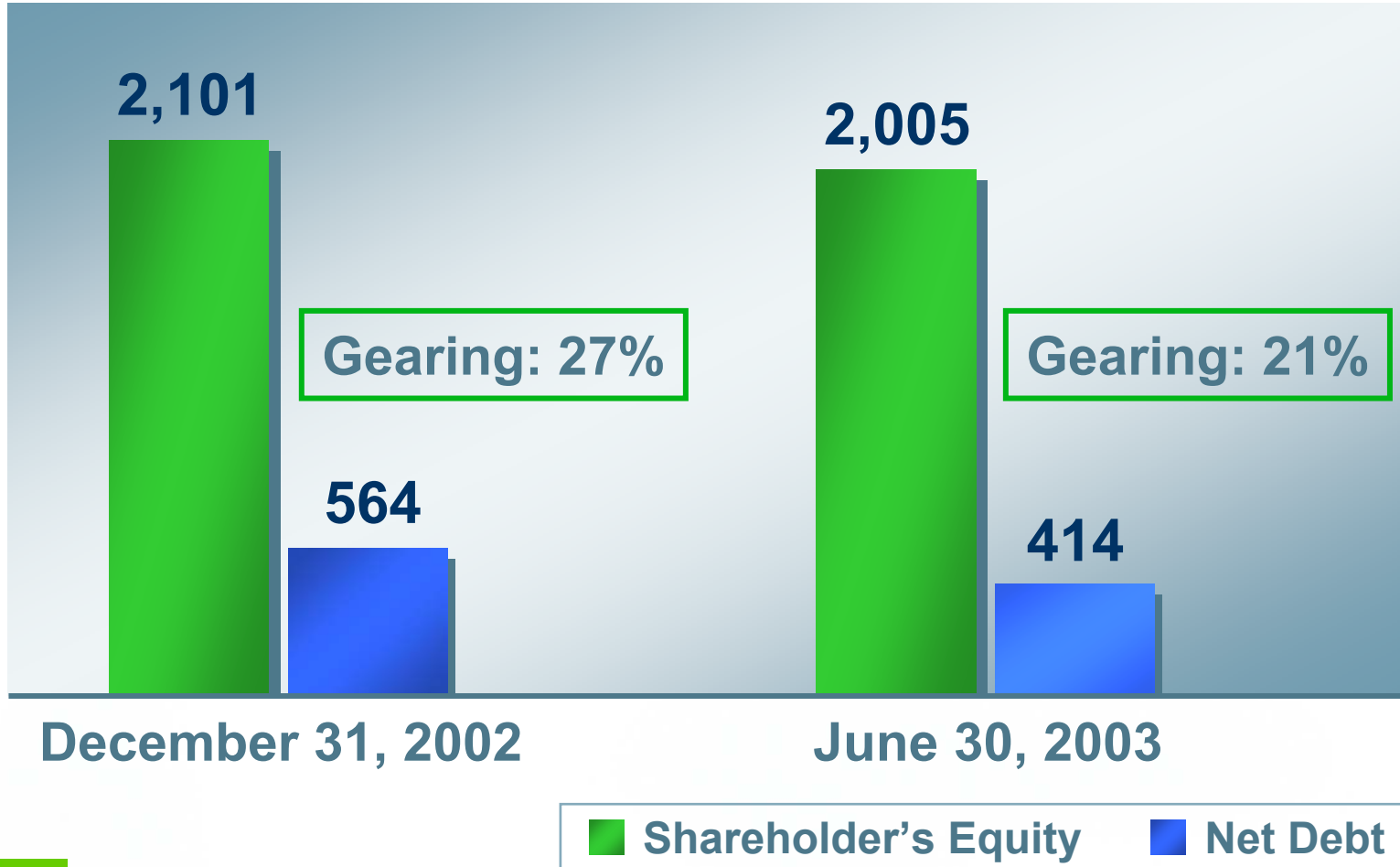
■ Net operational cash (before restructuring)	+ 468
– o/w change in operating working capital	+ 20
■ Exceptional net cashflow (tax, ...)	+86
■ Net CAPEX	(238)
■ Balance before restructuring	+ 316
■ Restructuring	(117)
■ Net cash from operating & investing activities	+ 199

**Net debt down to 414 M euro**

# Shareholder's equity / Net debt

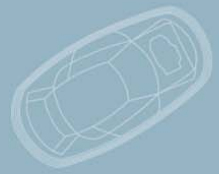


in millions euro



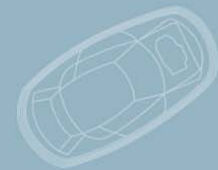
# Outlook

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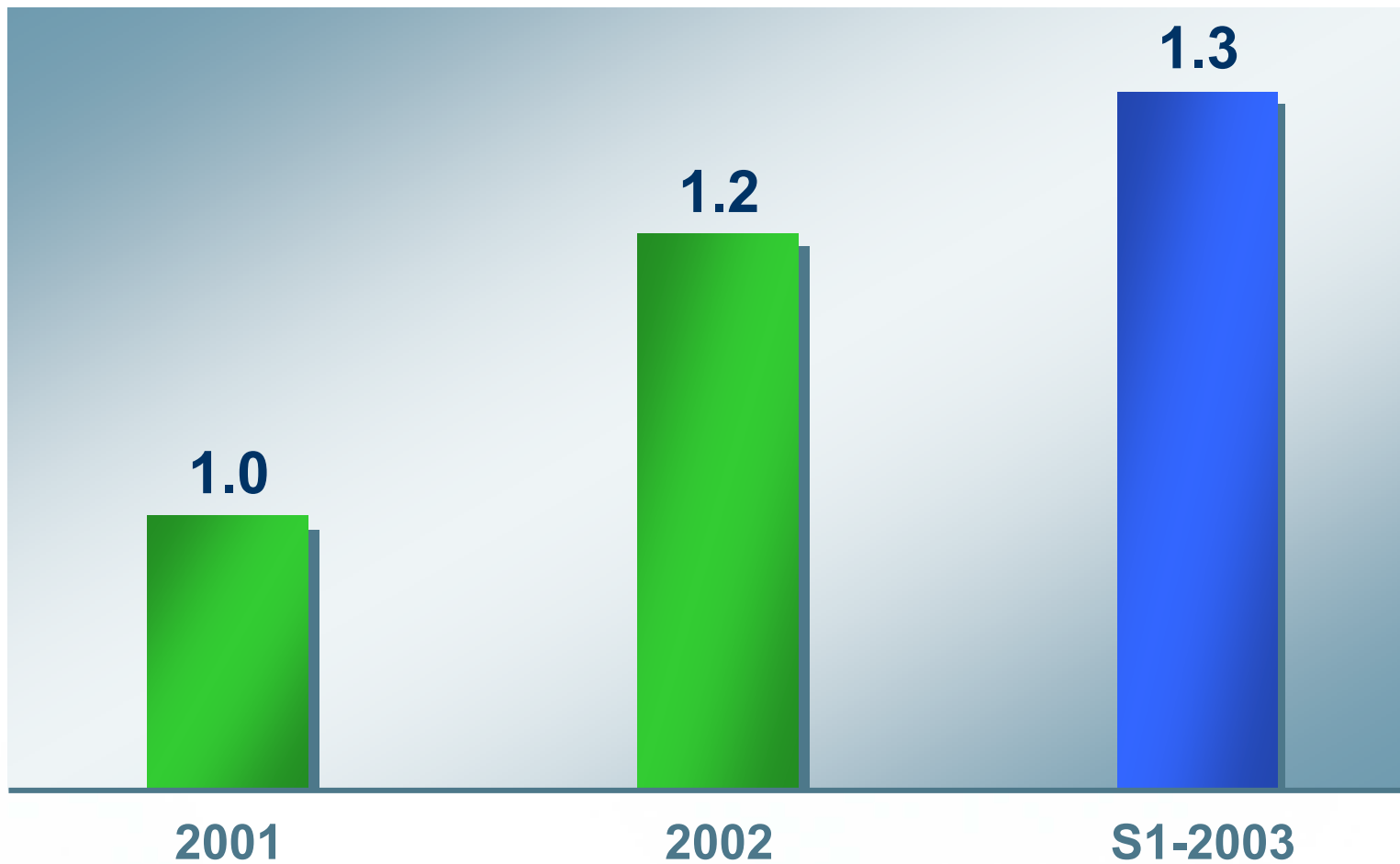


- **Significant order intake**
- Sales in line with market
- Continuing operating improvement

# Order intake



## Ratio to Sales



# Order intake

## Growth drivers



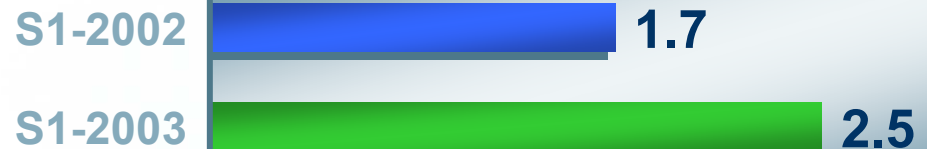
### North America competitiveness

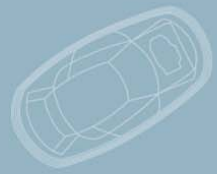


### Technological attractiveness



### Japanese market penetration





## **EPCOS/SIA award of technological innovation**

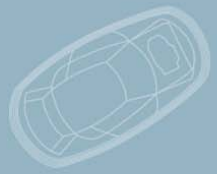
### **Third year in a row**

- **Electronically interfaced alternator**

## **Customer awards**

- **Transmissions Korea Division – Hyundai/Kia Motors**
- **Electrical Systems Mexico Division – Ford**
- **Valeo Service – Groupe Auto Union - 2nd year in a row**
- **Achievement Award from Toyota - Yaris headlamps**
- **Logistics of Wipers Systems Spain Division – GM**





- Significant order intake
- Sales in line with market
- Continuing operating improvement

**valeo** added™