15.05

2014 sales up 9% to 12.7 billion euros
Operating margin\(^{(1)}\) up 15% to 7.2% of sales
Net income up 28% to 4.4% of sales
Order intake\(^{(2)}\) up 18% to 17.5 billion euros

Jacques Aschenbroich, Valeo’s Chief Executive Officer, stated:

“Our performance in 2014 confirms Valeo’s excellent growth momentum and robust results, with sales up 9%, operating margin up 15%, net income up 28% and the order intake at the high level of 17.5 billion euros. Up by 18%, the order intake reflects the commercial success of our innovative technologies for CO\(_2\) emissions reduction and intuitive driving. This performance reaffirms Valeo’s growth and profitability strategy, which will be explained in further detail at our Investor Day on March 16.”

Full-year 2014

- **Order intake** up 18% to 17.5 billion euros
- **Consolidated sales** up 9% (up 8% like-for-like), to 12,725 million euros
- **Original equipment sales** up 11% to 10,890 million euros, a 9% rise on a like-for-like basis, outperforming growth in global automotive production by 6.5 percentage points
  - Outperformance in all automotive production regions and in all Business Groups
- **Operating margin\(^{(1)}\)** up 15% to 913 million euros, or 7.2% of sales
- **Net attributable income** up 28% to 562 million euros, or 4.4% of sales
- **Free cash flow\(^{(2)}\)** of 327 million euros
  - Net debt\(^{(2)}\) at 341 million euros

Second-half 2014

- Sales up 12% (up 6% like-for-like)
- Operating margin up 15% to 7.4% of sales
- Net income up 20% to 4.7% of sales
- Free cash flow of 174 million euros

2014 dividend

Proposed dividend payment up 29% to 2.20 euros per share, representing a payout rate of 30%

2015 outlook

Based on the following assumptions:
- a rise of around 3% in global automotive production, including an increase of around 2% in Europe excluding Russia
- raw material prices and exchange rates in line with current levels

Valeo has set the following objectives for 2015:
- sales growth higher than the market in the main production regions
- a slight increase in operating margin\(^{(1)}\) (as a percentage of sales) compared with 2014

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\(^{(1)}\) Including share in net earnings of equity-accounted companies, see Financial Glossary, page 10.
\(^{(2)}\) See Financial Glossary, page 10.
PARIS, France, February 24, 2015 – Valeo's Board of Directors' meeting of February 24, 2015 approved the consolidated and parent company financial statements for the year ended December 31, 2014:

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>7.5</td>
<td>8.4</td>
<td>+12%</td>
<td>14.8</td>
<td>17.5</td>
<td>+18%</td>
</tr>
<tr>
<td>5,718</td>
<td>6,378</td>
<td>+12% / +6%**</td>
<td>11,662</td>
<td>12,725</td>
<td>+9% / +8%**</td>
</tr>
<tr>
<td>4,797</td>
<td>5,458</td>
<td>+14% / +7%**</td>
<td>9,834</td>
<td>10,890</td>
<td>+11% / +9%**</td>
</tr>
<tr>
<td>7.5</td>
<td>8.4</td>
<td>+12%</td>
<td>(in billions of euros)</td>
<td>(in billions of euros)</td>
<td>(as a % of sales)</td>
</tr>
<tr>
<td>5,718</td>
<td>6,378</td>
<td>+12% / +6%**</td>
<td>11,662</td>
<td>12,725</td>
<td>+9% / +8%**</td>
</tr>
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<td>4,797</td>
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<td>9,834</td>
<td>10,890</td>
<td>+11% / +9%**</td>
</tr>
</tbody>
</table>

| Order intake** (in billions of euros) | 14.8 | 17.5 | +18% |
| Sales (in millions of euros) | 11,662 | 12,725 | +9% / +8%** |
| Original equipment sales (in millions of euros) | 9,834 | 10,890 | +11% / +9%** |

**Like-for-like

**Order intake up 18% to 17.5 billion euros, confirming the Group's strong growth potential**

The order intake jumped 18% to 17.5 billion euros in 2014. By major automotive production region, Europe accounted for 44% of the order intake, Asia 34% (China 24%) and North America 18%.

Innovative products accounted for a significant 35% of the order intake, vindicating the Group's technology strategy.
Balanced growth in automotive production in the main production regions

Automotive production rose 2.7% year-on-year, buoyed by growth in Asia (up 4%) on the back of strong production momentum in China (up 8%), continued expansion in North America (up 5%) and an upturn in the European market (up 3%). Production in South America fell sharply however (down 16%).

<table>
<thead>
<tr>
<th>Automotive production (year-on-year change)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 2014*</td>
</tr>
<tr>
<td>TOTAL</td>
</tr>
<tr>
<td>Europe &amp; Africa</td>
</tr>
<tr>
<td>Asia</td>
</tr>
<tr>
<td>China</td>
</tr>
<tr>
<td>Asia (excl. China), Middle East &amp; Oceania</td>
</tr>
<tr>
<td>North America</td>
</tr>
<tr>
<td>South America</td>
</tr>
</tbody>
</table>

* LMC & Valeo automotive production estimates

Sales up 9%

Sales for the year advanced 9% (up 8% like-for-like), to 12,725 million euros.

Changes in exchange rates had a negative impact of 0.9% while changes in Group structure had a positive impact of 2.2% (positive impacts of 1.2% and 4.2%, respectively, in the second half):
- over the year as a whole, the exchange rate impact reflects the depreciation of the yen, the Brazilian real and the Argentine peso; in the fourth quarter, exchange rates had a positive 2.4% impact owing to the fall in the value of the euro against the dollar and the yuan;
- changes in Group structure chiefly reflect Valeo’s acquisition (effective January 1, 2014) of Osram’s 50% stake in the Sylvania joint venture, which is now fully consolidated (100%) in the Group’s financial statements, and the sale of the Access Mechanics business (effective April 30, 2013).

Sales (in millions of euros)

<table>
<thead>
<tr>
<th></th>
<th>As a % of total 2014 sales</th>
<th>Q4</th>
<th>H2</th>
<th>Full-year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total of which:</td>
<td>100%</td>
<td>2,926</td>
<td>3,309</td>
<td>+13%</td>
</tr>
<tr>
<td>Original equipment</td>
<td>85%</td>
<td>2,449</td>
<td>2,814</td>
<td>+15%</td>
</tr>
<tr>
<td>Aftermarket</td>
<td>12%</td>
<td>377</td>
<td>376</td>
<td>0%</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>3%</td>
<td>100</td>
<td>119</td>
<td>+19%</td>
</tr>
</tbody>
</table>

* The sales figures shown for 2013 differ from those presented in the consolidated financial statements published in February 2014 since they have been adjusted to reflect the first-time application of the new consolidation standards as from January 1, 2014.
** Constant Group structure and exchange rates.

Original equipment sales came out at 10,890 million euros (85% of total sales), up 9% on a like-for-like basis. This performance reflects the gradual entry into production of the high order intake recorded by the Group over the last few years.

Aftermarket sales (12% of total sales) remained stable on a like-for-like basis despite a challenging economic environment in Europe, buoyed by continued expansion in Asia and emerging countries. By market, the fall in sales of original equipment spares (OES), due primarily to inventory run-downs by certain customers, was offset by good sales of replacement parts to the Independent Aftermarket (IAM).

Miscellaneous sales (3% of total sales), mainly consisting of tooling revenues related to the launch of new projects, increased by 13% like-for-like.
Original equipment sales jumped 9% on a like-for-like basis (including 28% growth in China), beating global automotive production by 6.5 percentage points

Valeo delivered market-beating growth in each of the main production regions, driven by:
- an improved product mix resulting from technological innovations (new features and the roll-out of the Group's technologies for CO₂ emissions reduction and intuitive driving);
- its positioning with regard to German and Asian customers; and
- business expansion in Asia and emerging countries.

Original equipment sales (by location of sales, in millions of euros)

<table>
<thead>
<tr>
<th>Location</th>
<th>Q4 2013</th>
<th>Q4 2014</th>
<th>Change</th>
<th>Change vs. market</th>
<th>H2 2013</th>
<th>H2 2014</th>
<th>Change</th>
<th>Change vs. market</th>
<th>Full-year 2013</th>
<th>Full-year 2014</th>
<th>Change</th>
<th>Change vs. market</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td>2,449</td>
<td>2,814</td>
<td>+7.0%</td>
<td>+6.2 pts</td>
<td>4,797</td>
<td>5,458</td>
<td>+7.3%</td>
<td>+5.8 pts</td>
<td>9,834</td>
<td>10,890</td>
<td>+9.2%</td>
<td>+6.5 pts</td>
</tr>
<tr>
<td>Europe &amp; Africa</td>
<td>1,261</td>
<td>1,365</td>
<td>+8%</td>
<td>+8 pts</td>
<td>2,440</td>
<td>2,649</td>
<td>+9%</td>
<td>+9 pts</td>
<td>5,162</td>
<td>5,483</td>
<td>+9%</td>
<td>+6 pts</td>
</tr>
<tr>
<td>China</td>
<td>315</td>
<td>416</td>
<td>+18%</td>
<td>+12 pts</td>
<td>576</td>
<td>755</td>
<td>+21%</td>
<td>+15 pts</td>
<td>1,053</td>
<td>1,370</td>
<td>+28%</td>
<td>+20 pts</td>
</tr>
<tr>
<td>Asia (excl. China), Middle East &amp; Oceania</td>
<td>351</td>
<td>359</td>
<td>-3%</td>
<td>+1 pt</td>
<td>678</td>
<td>712</td>
<td>+1%</td>
<td>+3 pts</td>
<td>1,338</td>
<td>1,407</td>
<td>+6%</td>
<td>+6 pts</td>
</tr>
<tr>
<td>North America</td>
<td>428</td>
<td>593</td>
<td>+7%</td>
<td>+3 pts</td>
<td>888</td>
<td>1,166</td>
<td>+6%</td>
<td>0 pts</td>
<td>1,785</td>
<td>2,287</td>
<td>+8%</td>
<td>+3 pts</td>
</tr>
<tr>
<td>South America</td>
<td>94</td>
<td>81</td>
<td>-15%</td>
<td>-4 pts</td>
<td>215</td>
<td>176</td>
<td>-19%</td>
<td>-4 pts</td>
<td>496</td>
<td>363</td>
<td>-16%</td>
<td>+0pt</td>
</tr>
</tbody>
</table>

* The sales figures shown for 2013 differ from those presented in the 2013 consolidated financial statements published in February 2014 since they have been adjusted to reflect the first-time application of the new consolidation standards as from January 1, 2014.
** Based on LMC & Valeo automotive production estimates.

The Group delivered market-beating growth across the main production regions:
- in China, the Group's significant level of investment spending and the gradual entry into production of the high order intake recorded over the last few years powered a 28% jump in like-for-like original equipment sales, beating automotive production by 20 percentage points;
- in Europe (including Africa), like-for-like original equipment sales advanced 9%, lifted by an attractive portfolio of products with high technological value and a favorable customer mix, beating automotive production by 6 percentage points;
- in North America, like-for-like original equipment sales climbed 8%, beating automotive production by 3 percentage points.

Valeo continues to realign its businesses geographically...

The share of original equipment sales produced in North America increased by 2 percentage points to 20%.
The share of original equipment sales produced in China increased by 1 percentage point to 14% of total original equipment sales.
The share of original equipment sales produced in Western Europe decreased by 1 percentage point to 36%.

...and maintain a balanced, more diverse customer portfolio...

German customers represented 30% of original equipment sales, stable versus 2013.
Asian customers accounted for 26% of original equipment sales, down 1 percentage point.
US customers accounted for 22% of original equipment sales, up 1 percentage point.
French customers accounted for 16% of original equipment sales, stable versus 2013.

1 Including proportionately consolidated joint ventures
Strong growth in the Comfort & Driving Assistance Systems Business Group and above-market growth in the three other Business Groups

As is the case for the consolidated Group, the sales performance for the Business Groups reflects the specific product, geographic and customer mix and the relative weighting of the aftermarket in their activity as a whole.

Sales by Business Group* (in millions of euros)

<table>
<thead>
<tr>
<th>Business Group</th>
<th>2013**</th>
<th>2014</th>
<th>Change OE sales***</th>
<th>2013**</th>
<th>2014</th>
<th>Change OE sales***</th>
<th>2013**</th>
<th>2014</th>
<th>Change OE sales***</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDA</td>
<td>531</td>
<td>614</td>
<td>+16%</td>
<td>1,046</td>
<td>1,187</td>
<td>+13%</td>
<td>2,238</td>
<td>2,311</td>
<td>+3%</td>
</tr>
<tr>
<td>Powertrain</td>
<td>818</td>
<td>843</td>
<td>+3%</td>
<td>1,570</td>
<td>1,641</td>
<td>+5%</td>
<td>3,161</td>
<td>3,337</td>
<td>+6%</td>
</tr>
<tr>
<td>Thermal</td>
<td>837</td>
<td>934</td>
<td>+12%</td>
<td>1,669</td>
<td>1,823</td>
<td>+9%</td>
<td>3,372</td>
<td>3,637</td>
<td>+8%</td>
</tr>
<tr>
<td>Visibility</td>
<td>761</td>
<td>957</td>
<td>+26%</td>
<td>1,472</td>
<td>1,813</td>
<td>+23%</td>
<td>2,967</td>
<td>3,614</td>
<td>+22%</td>
</tr>
</tbody>
</table>

* Including intersegment sales.

** The sales figures shown for 2013 differ from those presented in the 2013 consolidated financial statements published in February 2014 since they have been adjusted to reflect the first-time application of the new consolidation standards as from January 1, 2014.

*** Constant Group structure and exchange rates.

Like-for-like original equipment sales for the Comfort & Driving Assistance Systems Business Group increased 15%, buoyed by the market's growing interest in intuitive driving products (vision, radar, and parking assistance systems). Sales as reported were up 3% on the prior year, hit by the sale of the Access Mechanisms business as of April 30, 2013.

Like-for-like original equipment sales for the Thermal Systems and Visibility Systems Business Groups climbed 8% and 9%, respectively, buoyed by the ramp-up in innovative CO₂ emissions reduction solutions such as air intake, engine cooling and LED lighting technologies. Total sales for the Visibility Systems Business Group increased 22% following the acquisition (effective January 1, 2014) of Osram’s 50% stake in the joint venture Valeo Sylvania, which is now fully consolidated.

Original equipment sales for the Powertrain Systems Business Group outperformed automotive production by 2 percentage points, despite the postponement of certain customer projects until 2015.
In the second half, the operating margin\(^{(1)}\) was up 15% to 471 million euros, or 7.4% of sales.

Over the full year, the operating margin\(^{(1)}\) rose 15% to 913 million euros, or 7.2% of sales, while net income advanced 28% to 562 million euros, or 4.4% of sales.

The gross margin for 2014 increased 10% to 2,203 million euros, or 17.3% of sales (up 0.1 percentage points on 2013).

This reflects:
- a positive volume/inflation effect of 0.7 percentage points;
- higher depreciation charges against a backdrop of strong organic growth (negative impact of 0.2 percentage points);
- economic difficulties in South America (negative impact of 0.2 percentage points);
- non-recurring items and the adverse effect of changes in Group structure (negative impact of 0.2 percentage points).

Valeo continued its R&D efforts in response to its high order intake. In 2014, gross R&D expenditure was up 8% to 1,130 million euros. Net R&D expenditure rose 12% to 685 million euros, representing 5.4% of sales, up 0.1 percentage points versus 2013.

Administrative and selling expenses came in at 5.2% of sales, down 0.2 percentage points on 2013. Administrative expenses and overheads alone represented 3.5% of sales for the period, down 0.2 percentage points on 2013.

The share in net earnings from equity-accounted companies was 51 million euros. It includes the gain on remeasuring the Group’s previously held interest in Valeo Sylvania to fair value, along with non-recurring expenses, resulting in a net positive impact of 18 million euros.

Operating margin\(^{(1)}\):
- \(\text{in the second half}\), operating margin moved up 15% to 471 million euros, or 7.4% of sales (up 0.2 percentage points);
- \(\text{over the year as a whole}\), the operating margin gained 15% to 913 million euros, or 7.2% of sales (up 0.4 percentage points).

Operating income\(^{(2)}\) for the Group rose 19% to 859 million euros, or 6.8% of sales, after taking into account restructuring programs in South America and Japan for an aggregate amount of 29 million euros (14 million euros in the second half) and impairment losses taken against non-current assets for 15 million euros (3 million euros in the second half).

The cost of net debt totaled 91 million euros, down 7% on 2013.

Net attributable income jumped 28% to 562 million euros, or 4.4% of sales. The effective tax rate came out at 19% following the recognition of a portion of deferred tax assets due to the improved profitability of the Group’s operations in North America.

Excluding non-recurring items, net attributable income\(^{(2)}\) moved up 18% to 593 million euros, or 4.7% of sales.

The return on capital employed (ROCE\(^{(2)}\)) and return on assets (ROA\(^{(2)}\)) stood at 31% and 20%.

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1 Including share in net earnings of equity-accounted companies, see Financial Glossary, page 10.

2 Change in the presentation of the consolidated statement of income:

With the application of IFRS 11, the Group changed the presentation of the consolidated statement of income with the definition of a new indicator “Operating margin including share in net earnings of equity-accounted companies”, which not only includes the share in net earnings of associates but also the share in net earnings of joint ventures which are now accounted for by the equity method.

All companies consolidated using the equity method, either joint ventures or associates (which were previously consolidated using the equity method), contribute to the Group’s operations and belong to one of its four operating segments. As a result, the Group considered that it would be more appropriate to recognize the share in net earnings of equity-accounted companies within operating income.

Since the operating margin is one of the main indicators used to monitor the Group’s performance, the share in net earnings of equity-accounted companies is now included in a new statement of income account, “Operating margin including share in net earnings of equity-accounted companies”.

---

In the second half, consolidated EBITDA\(^{(1)}\) came in 19% higher at 786 million euros, or 12.3% of sales
Over the year as a whole, the EBITDA margin gained 15% at 1,526 million euros, or 12.0% of sales

<table>
<thead>
<tr>
<th>EBITDA (in millions of euros and as a % of sales)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td><strong>2013</strong></td>
</tr>
<tr>
<td>----------</td>
</tr>
<tr>
<td>Comfort &amp; Driving Assistance Systems</td>
</tr>
<tr>
<td>147</td>
</tr>
<tr>
<td>14.1%</td>
</tr>
<tr>
<td>Powertrain Systems</td>
</tr>
<tr>
<td>160</td>
</tr>
<tr>
<td>10.2%</td>
</tr>
<tr>
<td>Thermal Systems</td>
</tr>
<tr>
<td>204</td>
</tr>
<tr>
<td>12.2%</td>
</tr>
<tr>
<td>Visibility Systems</td>
</tr>
<tr>
<td>149</td>
</tr>
<tr>
<td>10.1%</td>
</tr>
<tr>
<td>Group</td>
</tr>
<tr>
<td>661</td>
</tr>
<tr>
<td>11.6%</td>
</tr>
</tbody>
</table>

\(^{(1)}\) The segment information shown for 2013 differs from that presented in the 2013 consolidated financial statements published in February 2014 since it has been adjusted to reflect the impacts of applying the new consolidation standards as from January 1, 2014 on a retrospective basis and the change in the definition of EBITDA and segment assets in the Group's internal reporting.

The **Comfort & Driving Assistance Systems Business Group** contributed to consolidated EBITDA growth thanks to a good operating performance amid strong sales growth; EBITDA came in at 14.5% of sales (up 1.2 percentage points), and represented 14.8% of sales for the second half.

The **Powertrain Systems Business Group** reported a sharp improvement in EBITDA, to 12.3% of sales (up 1.8 percentage points), reflecting the upward trend in the Business Group's profitability.

The **Thermal Systems Business Group** saw its EBITDA margin narrow to 11.1% of sales (down 0.7 percentage points) following the recognition of a non-recurring item.

Profitability for the **Visibility Systems Business Group** improved in line with the turnaround plan begun in 2012; EBITDA came in at 10.6% of sales (up 0.7 percentage points) and represented 11.8% of sales in the second half, consistent with the performance of the Group as a whole.

\(^{1}\) See Financial Glossary, page 10.
Free cash flow\(^{(1)}\) of 174 million euros in second-half 2014 and 327 million euros for the year as a whole

Net debt at 341 million euros at December 31, 2014

The Group generated free cash flow of 174 million euros in **second-half 2014**. This chiefly reflects:
- a 19% increase in EBITDA to 786 million euros;
- a tight rein on working capital requirement, which accounted for 31 million euros of free cash flow;
- a rise of 8% in investment outflows to 485 million euros, including:
  - investments in property, plant and equipment totaling 316 million euros, and
  - investments in intangible assets (mainly capitalized development expenditure) totaling 169 million euros.

In 2014, the Group generated free cash flow of 327 million euros, in line with the previous year (free cash flow of 341 million euros). This chiefly reflects:
- Valeo’s improved operating performance, with EBITDA up 15% to 1,526 million euros;
- a tight rein on working capital requirement, with limited cash consumption of 4 million euros over the year, after an improvement of 138 million euros in 2013;
- a rise of 7% in investment outflows to 936 million euros, including:
  - investments in property, plant and equipment totaling 598 million euros, and
  - investments in intangible assets (mainly capitalized development expenditure) totaling 338 million euros.

Net cash flow\(^{(1)}\) was a negative 140 million euros and reflects:
- financial expenses for 83 million euros; and
- expenses related to other financial items amounting to 384 million euros, including in particular the dividend payment (144 million euros), the cost of acquiring Osram’s 50% stake in the joint venture Valeo Sylvania (111 million euros), and the share buyback payment (73 million euros).

**Strong financial position**

Net debt stood at 341 million euros at December 31, 2014, stable compared with end-December 2013.

The **leverage ratio** (net debt/EBITDA) came out at 0.2 times EBITDA and the **gearing ratio** (net debt/stockholders’ equity excluding non-controlling interests) stood at 12% of equity.

At December 31, 2014, the Group’s debt had an average interest rate of 4.9% and an average maturity of 5.3 years.

**Increase in 2014 dividend**

A proposal will be submitted to the Shareholders’ Meeting to pay a dividend of 2.20 euros per share in respect of 2014, representing an increase of 29% on the 2013 dividend and corresponding to a payout ratio of 30%.

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\(^{(1)}\) See Financial Glossary, page 10.
2015 outlook

Based on the following assumptions:
- a rise of around 3% in global automotive production, including an increase of around 2% in Europe excluding Russia;
- raw material prices and exchange rates in line with current levels;

Valeo has set the following objectives for 2015:
- sales growth higher than the market in the main production regions;
- a slight increase in the operating margin\(^{(1)}\) (as a percentage of sales) compared with 2014.

Upcoming events

Investor Day: March 16, 2015

First-quarter 2015 sales: April 23, 2014

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 CO\(_2\) emissions and to the development of intuitive driving.

In 2014, the Group generated sales of 12.7 billion euros and invested over 10% of its original equipment sales in research and development. Valeo has 133 plants, 16 research centers, 34 development centers, 15 distribution platforms and employs 78,500 people in 29 countries worldwide.

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

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

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\(^{(1)}\) Including share in net earnings of equity-accounted companies, see Financial Glossary, page 10.
Financial Glossary

- **Order intake** corresponds to business awarded by automakers during the period (including joint ventures at least 50% controlled by the Group) less any cancellations, based on Valeo's best and reasonable estimates in terms of volumes, sale prices and project lifespans. Order intake for the Access Mechanisms business was not included in order intake data for first-half 2013. *Unaudited indicator.*

- **Operating margin including share in net earnings of equity-accounted companies** corresponds to operating income before other income and expenses.

- **Net attributable income excluding non-recurring items** corresponds to net attributable income adjusted for "other income and expenses" net of tax and non-recurring income and expenses net of tax shown in operating margin including share in net earnings of equity-accounted companies.

- **ROCE**, or return on capital employed, corresponds to operating margin (including share in net earnings of equity-accounted companies) in relation to capital employed (including investments in equity-accounted companies) excluding goodwill.

- **ROA**, or return on assets, corresponds to operating income in relation to capital employed (including investments in equity-accounted companies) including goodwill.

- **EBITDA** corresponds to (i) operating income (excluding share in net earnings of equity-accounted companies) before depreciation, amortization, impairment losses (included in the operating margin), other income and expenses, and (ii) net dividends received from equity-accounted companies.

- **Free cash flow** corresponds to net cash from operating activities (excluding changes in the sale of non-recurring trade receivables) after taking into account acquisitions and disposals of property, plant and equipment and intangible assets.

- **Net cash flow** corresponds to free cash flow less (i) cash flows in respect of investing activities, relating to acquisitions and disposals of investments and to changes in certain items shown in non-current financial assets, (ii) cash flows in respect of financing activities, relating to dividends paid, treasury share purchases and sales, interest paid and received, and acquisitions of equity interests without a change in control, and (iii) changes in sales of non-recurring trade receivables.

- **Net debt** comprises all long-term debt, short-term debt and bank overdrafts, less loans and other non-current financial assets, cash and cash equivalents.

Safe Harbor Statement

Statements contained in this press release, which are not historical fact, constitute "Forward-Looking Statements". Even though Valeo's management feels that the Forward-Looking Statements are reasonable, investors are put on notice that actual results may differ materially due to numerous important factors, risks and uncertainties to which Valeo is exposed. Such factors include, among others, the Company's ability to generate cost savings or manufacturing efficiencies to offset or exceed contractually or competitively required price reductions. The risks and uncertainties to which Valeo is exposed mainly comprise the risks resulting from the investigations currently being carried out by the anti-trust authorities as they have been identified in the Registration Document and risks relating to legal action resulting from such investigations, risks which relate to being a supplier in the automotive industry and to the development of new products and risks due to certain global and regional economic conditions. Also included are environmental and industrial risks as well as risks and uncertainties described or identified in the public documents submitted by Valeo to the French financial markets authority (Autorité des marchés financiers – AMF), including those set out in the “Risk Factors” section of Valeo’s Registration Document registered at the AMF on March 28, 2014 (under no. D.14-0234).

The company assumes no responsibility for any estimates made by analysts and any other information prepared by third parties which may be used in this press release. Valeo does not intend or assume any obligation to review or to confirm the estimates of analysts or to update any Forward-Looking Statements to reflect events or circumstances which occur after the date of this press release.