MainFirst Auto IAA Investor & Analyst Conference
Jacques ASCHENBROICH – CEO

September 10, 2013
2013 outlook

■ Q3 Sales:
  ➔ Growth like-for-like (YoY) in line with Q2

■ Full-Year 2013:
  Key market assumptions and financial objectives confirmed:
  ➔ Automotive production: Europe to contract by 2%-3% and World to grow by 2%
  ➔ Performance higher than the market in the main production regions
  ➔ Assuming stabilized market conditions in Europe, a slight increase in operating margin (as a % of sales) compared to 2012
H1 highlights
Results demonstrate the strength of Valeo’s growth model

- In Q2, sales growth accelerated 10.4% like-for-like
  - Balanced performance between OEM (+11.7% like-for-like) and aftermarket (+8.4% like-for-like) sales
  - Balanced growth and overperformance for OEM sales across the regions

<table>
<thead>
<tr>
<th>Region</th>
<th>Growth (like-for-like)</th>
<th>Performance vs production</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>+11%</td>
<td>+10pts</td>
</tr>
<tr>
<td>North America</td>
<td>+18%</td>
<td>+12pts</td>
</tr>
<tr>
<td>Asia</td>
<td>+7%</td>
<td>+4pts</td>
</tr>
<tr>
<td>Of which China</td>
<td>+24%</td>
<td>+12pts</td>
</tr>
<tr>
<td>South America</td>
<td>+19%</td>
<td>0pt</td>
</tr>
</tbody>
</table>

- In H1, sales of 6.2 bn€, up 5.8% like-for-like despite a difficult climate in Europe
  - Balanced performance between OEM (+5.7% like-for-like) and aftermarket (+6.3% like-for-like) sales
  - Balanced performance for OEM sales across the different regions

- Order intake of 7.3 bn€ (excluding Access Mechanisms business)
  - remaining at a high level despite the 5% decrease compared to H1 2012
  - confirming future growth and profitability potential
H1 highlights
Results demonstrate the strength of Valeo’s growth model

- Operating margin of 384 M€, up 4% to 6.2% of sales
  - Negative 0.3pts impact of exchange rates
  - Increase in net R&D expenditure offset by a decrease in SG&A expenses (as a % of sales)

- Net income excl. non-recurring items, up 10% to 230 M€
  - EPS excl. non-recurring items, up 7.5%
  - Net attributable income of 190 M€ in line with H1 2012

- Free cash flow at 113 M€
  - Net debt of 457 M€ down 306 M€ versus end-2012
Order intake of 7.3 bn€ confirming growth & profitability potential
Innovation fueling future organic growth

High-quality order intake at 7.3 bn€ (excl. Access Mechanisms business)

% of order intake

In bn€

2005 2006 2007 2008 2009 2010 2011 2012 2013

7.7 9.7 10.0 10.1 9.2 11.9 14.0 15.1

H2 H1

*Products or technologies sold by less than 3 years

*Excluding Access Mechanisms business

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Innovation fueling order intake: Valeo innovative products that reduce CO₂ emissions

Since 2009, order intake for CO₂ emissions reduction solutions has increased by around 70%

<table>
<thead>
<tr>
<th>Main drivers</th>
<th>Examples of innovations</th>
<th>Recent order intake</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hybrid/electric</td>
<td>Power electronics, Range extenders</td>
<td>✅ Orders for American and European OEMs</td>
</tr>
<tr>
<td>Stop-Start</td>
<td>i.-StARS, Repeater</td>
<td>✅ New order for a Japanese OEM</td>
</tr>
<tr>
<td>Combustion engine improvement</td>
<td>Air-intake module</td>
<td>✅ Launch with a European OEM, ✅ 2 Pace Awards for this innovation</td>
</tr>
<tr>
<td>Transmission improvement</td>
<td>Dual clutch transmission</td>
<td>✅ Only supplier mastering all technologies</td>
</tr>
<tr>
<td>Energy efficiency</td>
<td>Full LED headlamps</td>
<td>✅ First Full LED headlights for the Ford Mondeo and the Seat Leon</td>
</tr>
</tbody>
</table>

Target of €5bn revenues in innovative products reducing CO₂ emission will be reached several years before the targeted year 2020
Next generation of innovation is coming
Example: the electric supercharger

- Increased car performance with equivalent car consumption
- A revolution compared with the conventional turbocharger:
  - Instant boost response – 300 milliseconds
  - Reduces engine size and lowers engine rotation without sacrificing performance
  - Cuts fuel consumption by 10% to 20%
- Currently being tested by our main customers
Innovation fueling order intake: Valeo intuitive driving solutions for uncompromised driving pleasure

Since 2009, order intake for intuitive driving solutions has increased by around 130%

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<thead>
<tr>
<th>Main drivers</th>
<th>Examples of innovations</th>
<th>Recent order intake</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automated / connected car</td>
<td>Park4U ® Remote</td>
<td>Order for a European OEM</td>
</tr>
<tr>
<td>Low-speed maneuvering</td>
<td>360Vue® /mega pixel</td>
<td>Launch for a European OEM</td>
</tr>
<tr>
<td>Safe &amp; intuitive HMI</td>
<td>Multifunction Touchscreen</td>
<td>Orders for European OEMs</td>
</tr>
</tbody>
</table>

* ~ 65 million ultrasonic sensors to be sold by Valeo in 2013 (+18% annual growth last 5 years)
* ~ 3 million cameras to be sold by Valeo in 2013 (0 in 2007)
* ~ 1.2 million radars to be sold by Valeo in 2013 (0 in 2006)
Next generation of innovation is coming
Example: Valet Park4U® - Forget about parking

- Driver can leave the car at the entrance of a parking lot
- Car finds the space and parks by itself
- Based on a full range of Valeo technologies
  - 12 ultrasonic sensors
  - 5 cameras
  - 1 Laser Scanner

- Combined with Valeo “InBlue” Technology – Car is locked and unlocked without keys, using only Smartphone

Live demo outside Valeo Booth at Frankfurt IAA 2013
Balanced order intake fueling future organic growth

Acceleration in Asia (39% of OI, 24% of OEM sales), with China (29% of OI, 11% of OEM sales)

% of order intake

World: 7.3 bn€*

Asia: 2.9 bn€*

*Excluding Access Mechanisms business

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In Q2, sales growth accelerated 10.4% (like-for-like)
H1 sales of 6.2 bn€, up 5.8% like-for-like
Sales growth accelerated in Q2

Total sales
In M€

*Like-for-like

+5.8%*

+1.3%*

+10.4%*

6,166
3,039
3,127

H1 13  Q1 13  Q2 13

Year-on-year +2.8%
Year-on-year +0.2%
Year-on-year +5.4%

Exchange rates -1.7%
Perimeter -1.3%
Sales growth accelerated in Q2
Balanced performance between OEM and aftermarket sales
Above-market OEM sales growth of 5pts

OEM sales
Year-on-year: +5.7%*
Year-on-year: +11.7%*
Year-on-year: +0.1%*

Aftermarket
Year-on-year: +6.3%*
Year-on-year: +4.3%*
Year-on-year: +8.4%*

Miscellaneous
Year-on-year: +4.7%*
Year-on-year: +35.5%*
Year-on-year: -17.2%*

*Like-for-like

H1 13 Q1 13 Q2 13

H1 13 Q1 13 Q2 13
OEM sales growth accelerated in Q2
Up 11.7% like-for-like, 8pts higher than market
Above-market growth in the main regions, improvement in SA

** Europe
OEM sales*** +11%
Production**** +1%
Outperf. +10pts*

** North America
OEM sales*** +18%
Production**** +6%
Outperf. +12pts*
19% of Valeo sales

** South America
OEM sales*** +19%
Production**** +19%
Perf. 0pt*
5% of Valeo sales

** Europe
OEM sales*** +12%
Production**** +4%
Outperf. +8pts*

51% of Valeo sales

** Asia
OEM sales*** +7%
Production**** +3%
Outperf. +4pts*
25% of Valeo sales

World
OEM sales*** +12%
Production**** +4%
Outperf. +8pts*

5% of Valeo sales

*At same perimeter and exchange rates
** Europe including Africa, Asia and Middle East
*** Valeo sales by destination
**** LMC estimates – light vehicle production
H1 OEM sales, up 5.7% like-for-like, 5pts higher than market
Strong and balanced growth across the different regions

Europe**
OEM sales*** +3%
Production**** -4%

North America
OEM sales*** +14%
Production**** +4%

South America
OEM sales*** +10%
Production**** +13%

Asia**
OEM sales*** +4%
Production**** +2%

World
OEM sales*** +6%
Production**** +1%

19% of Valeo sales
52% of Valeo sales
5% of Valeo sales
24% of Valeo sales

Outperf. +10pts*
Outperf. +7pts*
Underperf. -3pts*
Outperf. +2pts*

*At same perimeter and exchange rates
** Europe including Africa, Asia and Middle East
*** Valeo sales by destination
**** LMC estimates – light vehicle production

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H1 Asian OEM sales, 2pts higher than market
Above-market growth in China, Korea & India

Asia**
OEM sales*** +4%
Production**** +2%
24% of Valeo sales

Japan
OEM sales*** -14%
Production**** -9%
22% of Asian sales

Korea
OEM sales*** 0%
Production**** -4%

China
OEM sales*** +22%
Production**** +13%
47% of Asian sales

India
OEM sales*** -9%
Production**** -13%
4% of Asian sales

Outperf. +2pts*
Outperf. +4pts*
Outperf. +9pts*
Underperf. -5pts*

*At same perimeter and exchange rates
** Asia including Middle East
*** Valeo sales by destination
**** LMC estimates – light vehicle production

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Balanced customer portfolio

% of OEM sales

H1 12

- American: 18%
- French*: 19%
- Asian**: 29%
- German: 28%
- Other: 6%

H1 13

- American: 20%
- French*: 18%
- Asian**: 26%
- German: 30%
- Other: 6%

* Excluding Nissan
** Including Nissan
Operating margin up 4%, to 384 M€ or 6.2% of sales
Gross margin of 1,037 M€ or 16.8% of sales
Mainly impacted by exchange rates & startup costs at new plants
Operating margin up 4% to 384 M€ (6.2% of sales)

Sound management of administrative expenses offset the increase in net R&D expenditure
Excluding non-recurring items, net income up 10% to 230 M€
Operating margin, up 4% to 384 M€ or 6.2% of sales

<table>
<thead>
<tr>
<th></th>
<th>H1 12*</th>
<th>H1 13</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total sales (M€)</td>
<td>5,999</td>
<td>6,166</td>
<td>+3%</td>
</tr>
<tr>
<td>Operating margin (M€)</td>
<td>370</td>
<td>384</td>
<td>+4%</td>
</tr>
<tr>
<td>% of sales</td>
<td>6.2%</td>
<td>6.2%</td>
<td>0pt</td>
</tr>
<tr>
<td>Other income &amp; expenses (M€)</td>
<td>(22)</td>
<td>(41)</td>
<td>na</td>
</tr>
<tr>
<td>% of sales</td>
<td>0.4%</td>
<td>0.7%</td>
<td>-0.3pts</td>
</tr>
<tr>
<td>Operating income (M€)</td>
<td>348</td>
<td>343</td>
<td>-1%</td>
</tr>
<tr>
<td>% of sales</td>
<td>5.8%</td>
<td>5.6%</td>
<td>-0.2pts</td>
</tr>
<tr>
<td>Cost of net debt (M€)</td>
<td>(50)</td>
<td>(50)</td>
<td>0%</td>
</tr>
<tr>
<td>Other financial expenses (M€)</td>
<td>(21)</td>
<td>(22)</td>
<td>+5%</td>
</tr>
<tr>
<td>Associates (M€)</td>
<td>11</td>
<td>4</td>
<td>na</td>
</tr>
<tr>
<td>Income before taxes (M€)</td>
<td>288</td>
<td>275</td>
<td>-5%</td>
</tr>
<tr>
<td>Taxes (M€)</td>
<td>(78)</td>
<td>(71)</td>
<td>-9%</td>
</tr>
<tr>
<td>Effective tax rate</td>
<td>28%</td>
<td>26%</td>
<td>-2pts</td>
</tr>
<tr>
<td>Non strategic activities (M€)</td>
<td>(2)</td>
<td>0</td>
<td>na</td>
</tr>
<tr>
<td>Non-controlling interests and others (M€)</td>
<td>(15)</td>
<td>(14)</td>
<td>na</td>
</tr>
<tr>
<td>Net income (M€)</td>
<td>193</td>
<td>190</td>
<td>-2%</td>
</tr>
<tr>
<td>% of sales</td>
<td>3.2%</td>
<td>3.1%</td>
<td>-0.1pt</td>
</tr>
<tr>
<td>Earnings per share (€)</td>
<td>2.56</td>
<td>2.48</td>
<td>-3.1%</td>
</tr>
<tr>
<td>Net income excl. non-recurring items (M€)</td>
<td>210</td>
<td>230</td>
<td>+10%</td>
</tr>
<tr>
<td>% of sales</td>
<td>3.5%</td>
<td>3.7%</td>
<td>+0.2pts</td>
</tr>
<tr>
<td>EPS excl. non-recurring items (€)</td>
<td>2.79</td>
<td>3.00</td>
<td>+7.5%</td>
</tr>
</tbody>
</table>

*The amount of other financial income and expenses shown for first-half 2012 differs from the amount published in July 2012 since it has been adjusted to reflect changes in the expected return on plan assets resulting from the retrospective application of the amended IAS 19, effective as of January 1, 2013.

Of which 20 M€ impact from the disposal of the Access Mechanisms business without the Indian portion and 12M€ in restructuring costs.
<table>
<thead>
<tr>
<th></th>
<th>H1 12</th>
<th>H1 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total sales</td>
<td>5.9 bn€</td>
<td>6.2 bn€</td>
</tr>
<tr>
<td>Operating margin</td>
<td>6.2%</td>
<td>6.2%</td>
</tr>
<tr>
<td>Capital turnover</td>
<td>5.0</td>
<td>4.5*</td>
</tr>
<tr>
<td>ROCE</td>
<td>31%</td>
<td>28%*</td>
</tr>
<tr>
<td>ROA</td>
<td>19%</td>
<td>19%*</td>
</tr>
</tbody>
</table>

*Proforma excluding Access Mechanisms business
Free cash flow of 113 M€

Net debt of 457 M€ down 306 M€ versus end 2012
Focused investments totaling 455 M€
Supporting future profitable organic growth

- Capex*: 
  - H1 12: 426 M€ (310 M€ in Capex) + 7%
  - H1 13: 455 M€ (310 M€ in Capex)

- Capitalized R&D:
  - H1 12: 116 M€ (116 M€)
  - H1 13: 145 M€ (145 M€)

* excluding capitalized R&D
Free cash flow totaling 113 M€
Investment flows of 444 M€

- Of which pensions of (10)M€ & taxes of (70)M€
- Of which Capex of (299)M€ & capitalized R&D of (145)M€
- Of which 171 M€ in proceeds from the disposal of Access Mechanism
- Before payment of dividend (115)M€ which occurs in H2

Free cash flow totaling 113 M€
Strong balance sheet
**Strong balance sheet**
Leverage & gearing ratios at 0.4x and 21% respectively

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<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Net debt (M€)</td>
<td>1,265</td>
<td>1,260</td>
<td>1,274</td>
</tr>
<tr>
<td>EBITDA 12 months rolling (M€)</td>
<td>485</td>
<td>763</td>
<td>457</td>
</tr>
<tr>
<td>Net debt over EBITDA</td>
<td>0.4x</td>
<td>0.6x</td>
<td>0.4x</td>
</tr>
</tbody>
</table>

**Net debt over shareholders’ equity**

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Net debt (M€)</td>
<td>485</td>
<td>763</td>
<td>457</td>
</tr>
<tr>
<td>Shareholders’ equity (M€) excluding non-controlling interests</td>
<td>1,954</td>
<td>2,052</td>
<td>2,133</td>
</tr>
<tr>
<td>Gearing</td>
<td>25%</td>
<td>37%</td>
<td>21%</td>
</tr>
</tbody>
</table>

**Leverage & Gearing Ratios**

- **June 30, 2012**: Leverage 0.4x, Gearing 25%
- **Dec 2012**: Leverage 0.6x, Gearing 37%
- **June 30, 2013**: Leverage 0.4x, Gearing 21%

**Credit Ratings**

- **Moody’s**: LT - Baa3, ST - Prime-3
- **S&P**: LT - BBB, ST - A-2
2013 outlook
2013 outlook

Q3 Sales:
- Growth like-for-like (YoY) in line with Q2

Full-Year 2013:
- Key market assumptions and financial objectives confirmed:
  - Automotive production: Europe to contract by 2%-3% and World to grow by 2%
  - Performance higher than the market in the main production regions
  - Assuming stabilized market conditions in Europe, a slight increase in operating margin (as a % of sales) compared to 2012