



Thierry MORIN

Chairman and CEO

London - July 2003

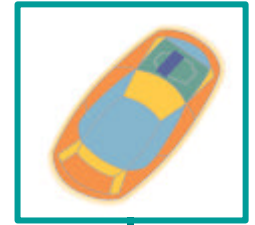


*...is an independent industrial Group
fully focused on the design,
production and sale of components,
integrated systems and modules for
cars and trucks, in both the OEM and
aftermarket segments.*



- **Sales 9.8bn Euros**
 - Balanced portfolio of customers (each < 18%)
 - Global presence
 - Global or European lead position in each segment
- **Operating margin 5.0% up 120bp**
- **Net EPS 1.63 Euros vs (7.12) Euros in 2001**
- **Net financial debt/equity 27% - Moody's A3**

Strategic success factors

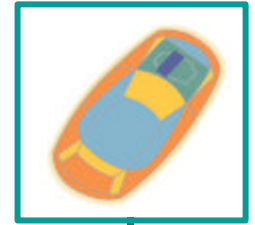


● Discriminating factors

- Cost competitiveness
- Quality
- Global reach

● Differentiating factor

- Technology

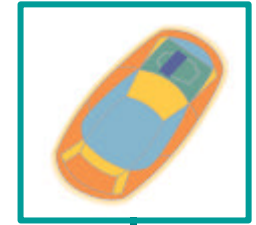


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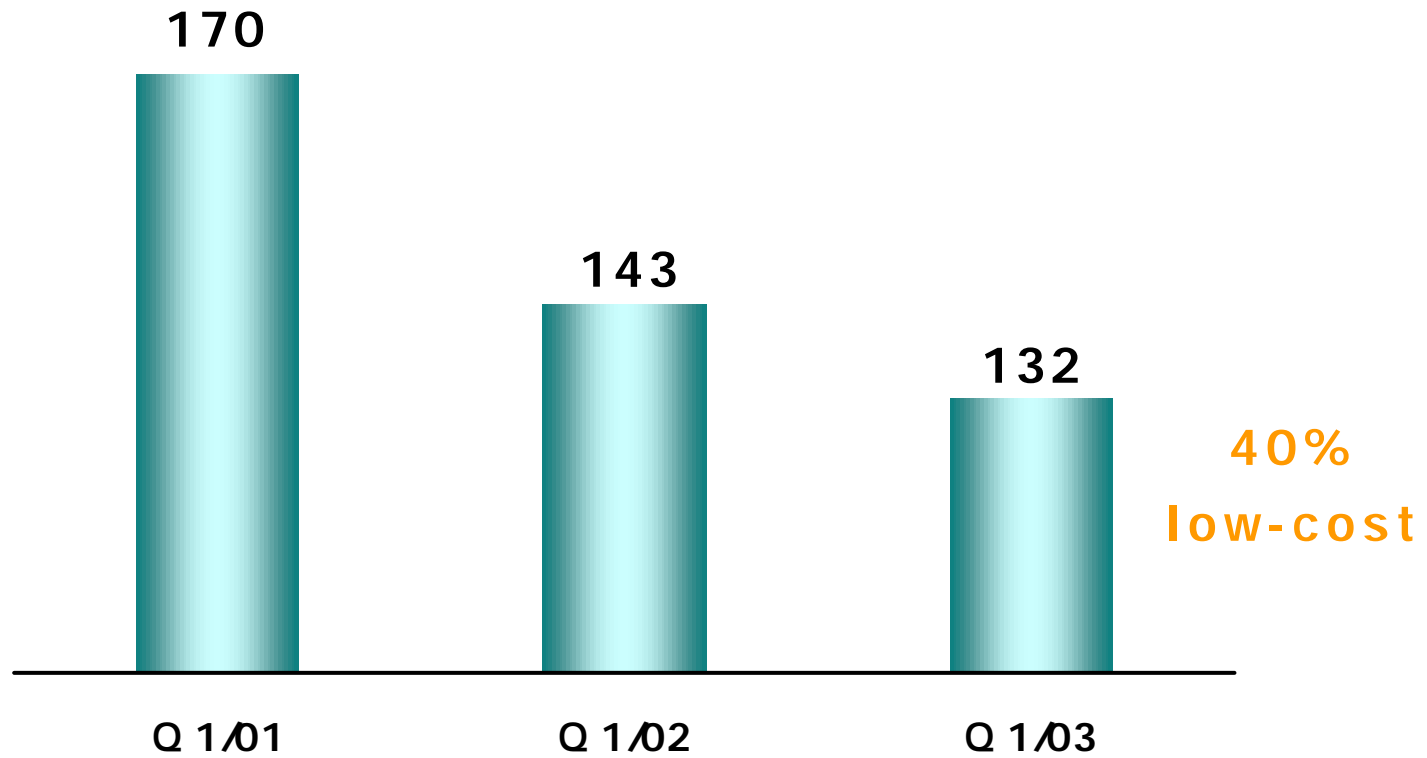
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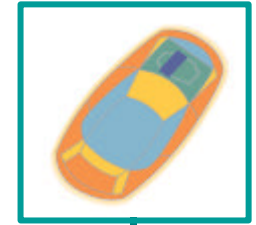
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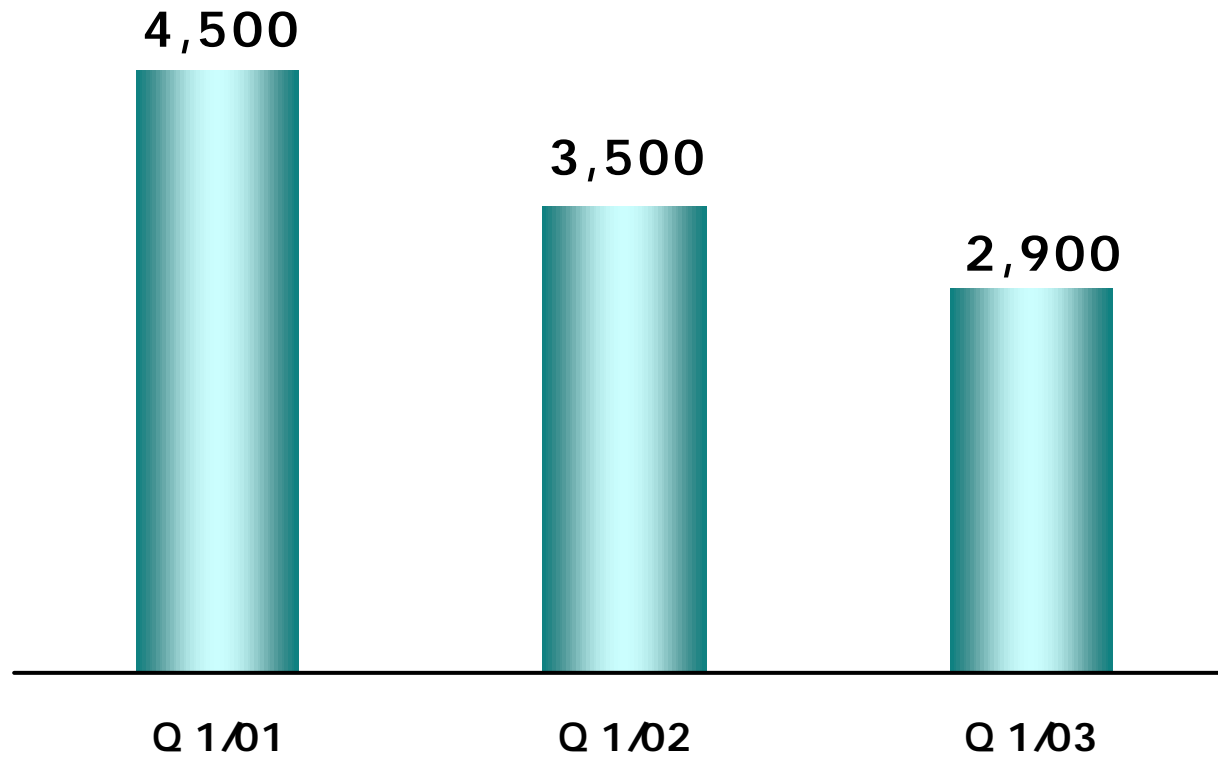


- Number of sites





- Supply chain streamlining

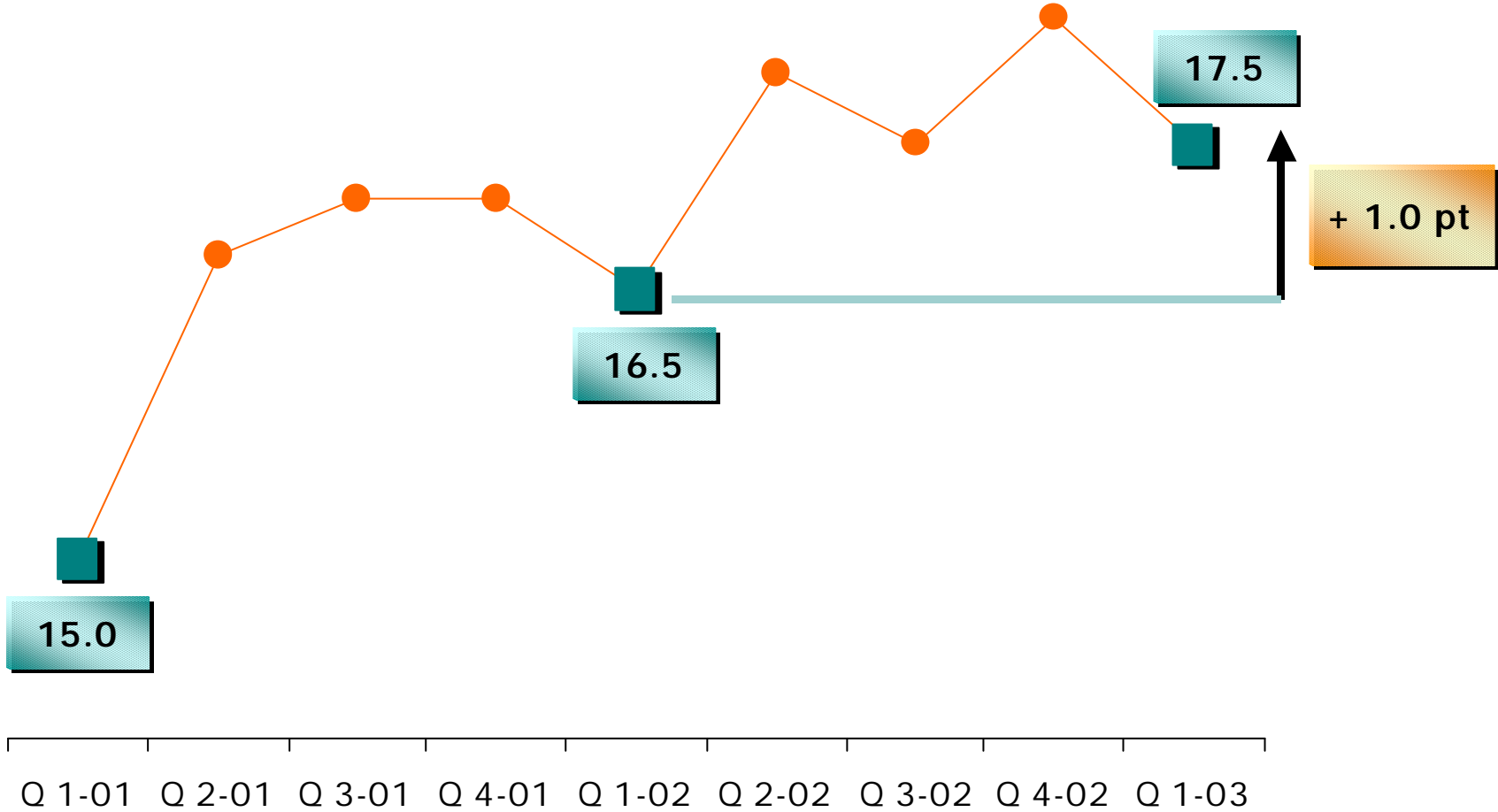




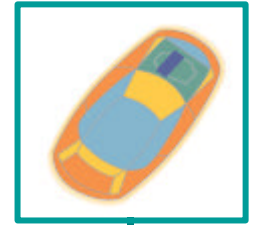
Gross margin*



(in % of sales)



*unaudited quarterly figures

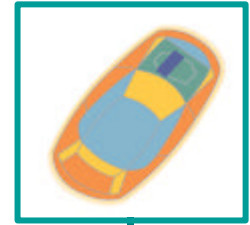


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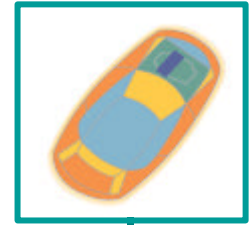
- **Multiple criteria**

- Zero defect in production
- Pro-activity
- Service culture

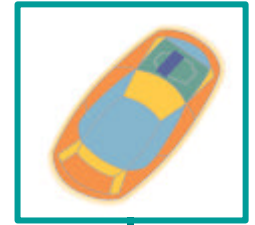
- **Asian benchmark**

- Long-standing exposure (Japan -87- , Korea -89-, Nissan breakthrough)
- Group-wide emphasis

- **Client recognition**



- **A.T. Kearney Award « Production Plant of the Year »:**
 - « Best Series Production » for the new wiper systems facility at Bietigheim (Germany).
- **« Achievement Award » from Toyota:**
 - Project management for the supply of headlamps to the new Yaris.
- **Two certificates from Toyota:**
 - For quality recognition relating to the fog lamps and power outlets.



- Discriminating factors

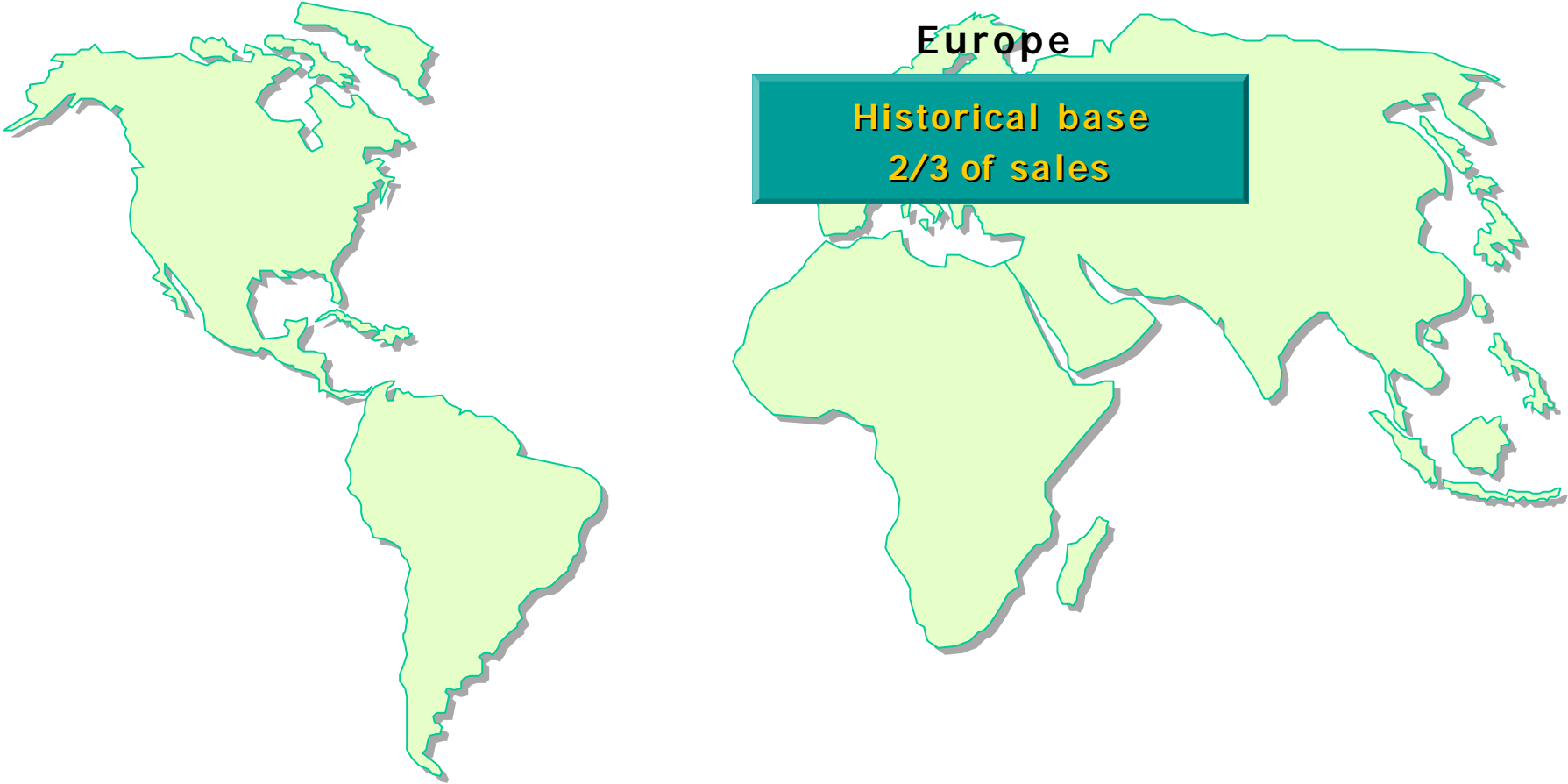
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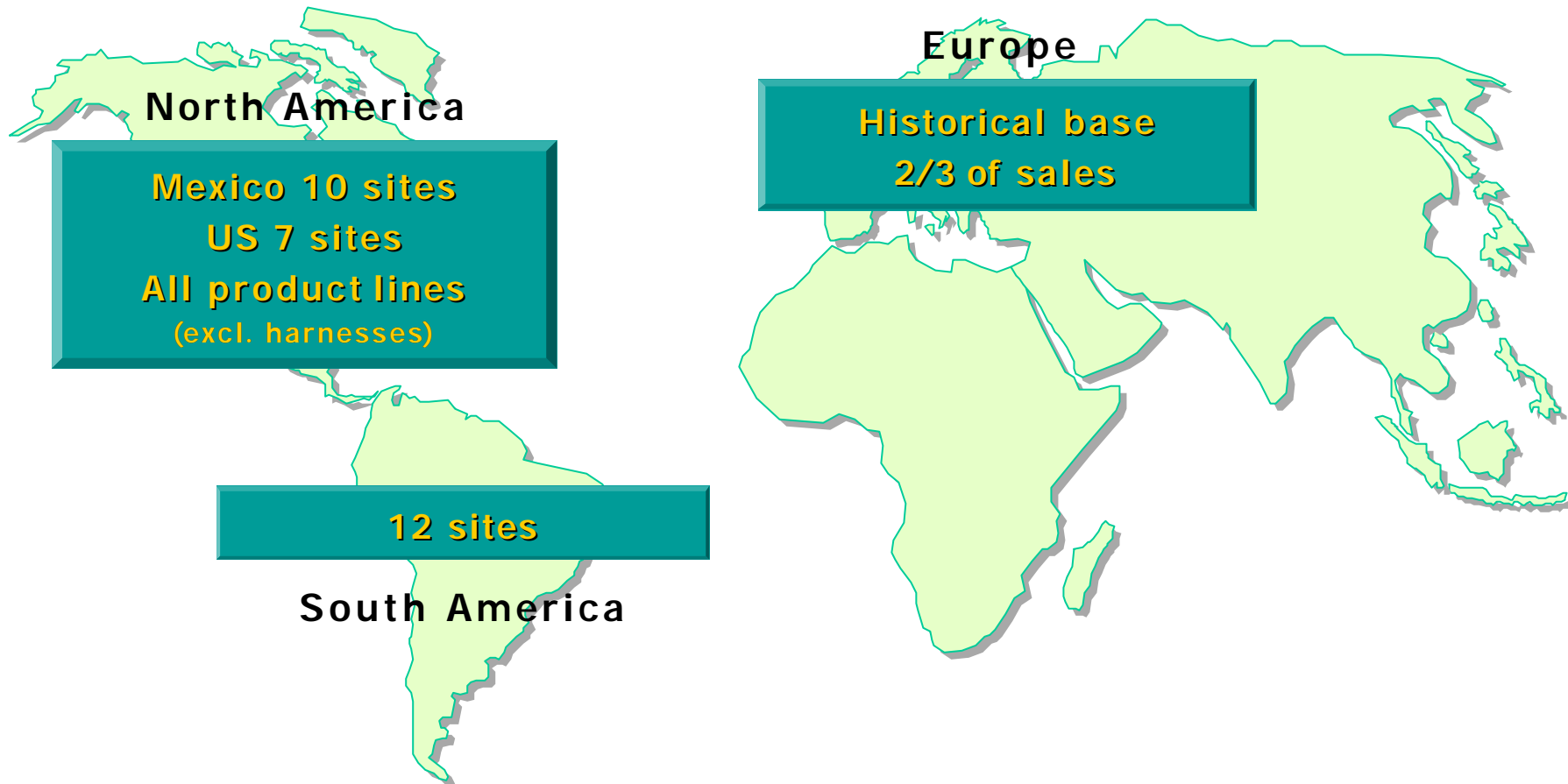
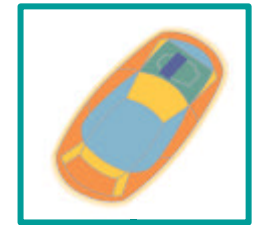
Global reach Europe



**at constant currencies*



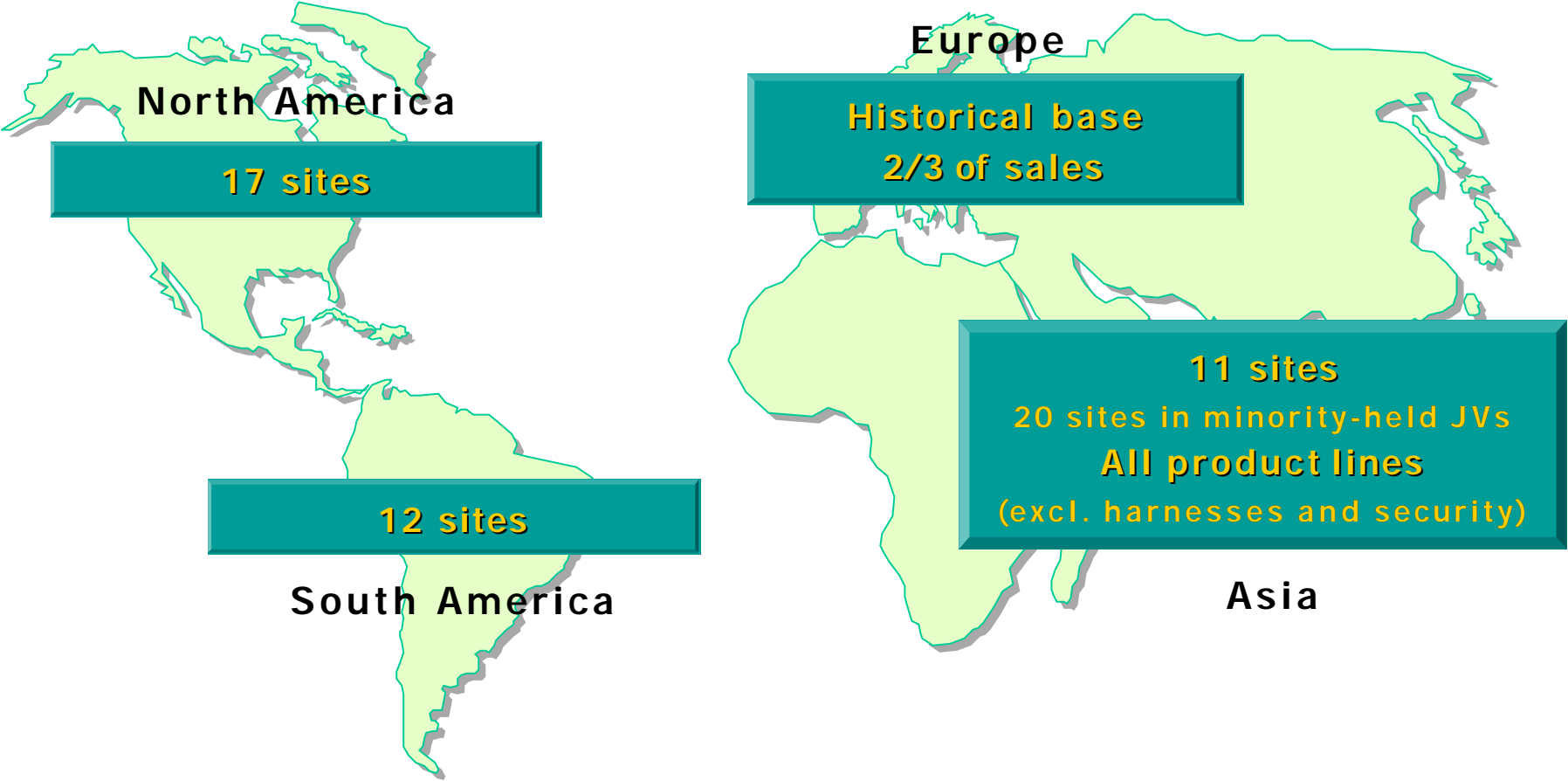
Global reach Americas



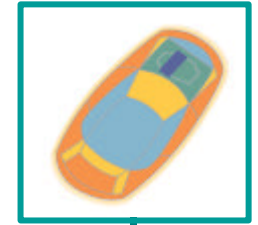
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Global reach Asia



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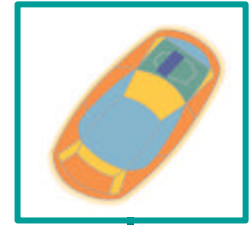


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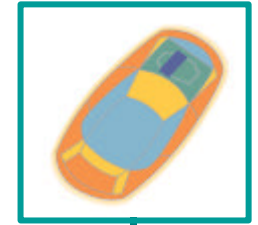
- Technology



- **6+ % of sales in R&D**
- **Increasing efficiency**
 - Tech Development Plans
 - Pipeline management through project segmentation
 - Development Efficiency Plans
 - >10% productivity gains p.a.
 - Simultaneous engineering
- **Domain approach**

Domain illustration

Seeing and Being seen



- **Key concept**

- Enhancing driver's perception of car environment

- **Cross branch fertilisation**

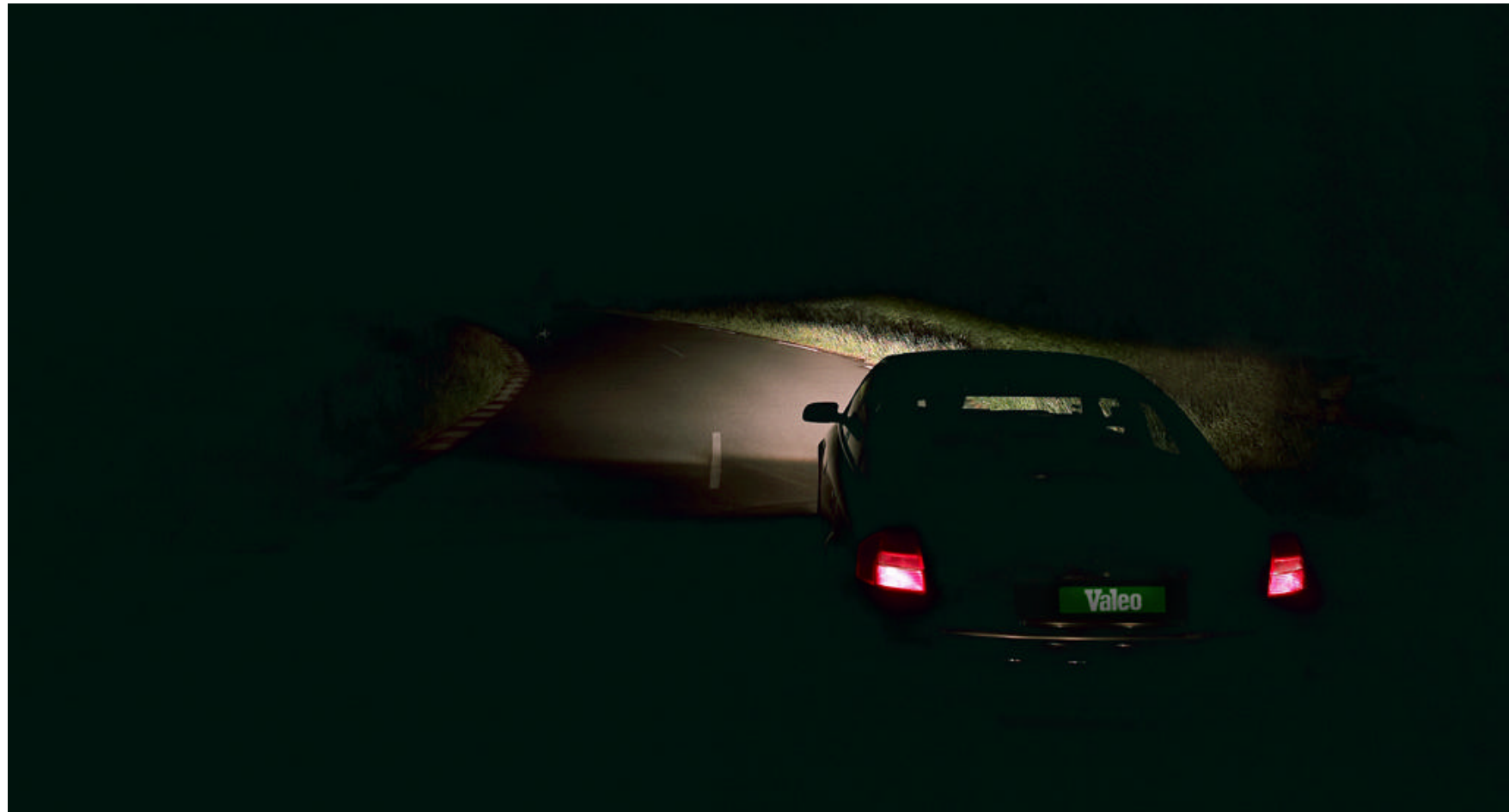
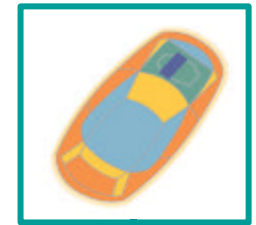
- Historical segments: Lighting & Wipers
- Enhanced functions through Sensors and Electronic controls

- **Enriching the product range**

- Enhanced vision: Xenon, Bending lights, InfraReds
- Non visual detection: Ultrasonic, Radar...

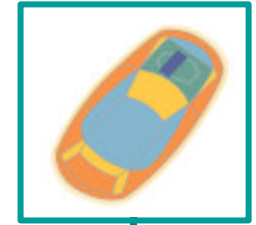


Seeing and being seen Halogen headlamps



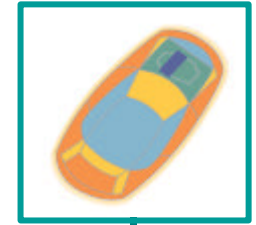


Seeing and being seen Xenon headlamps



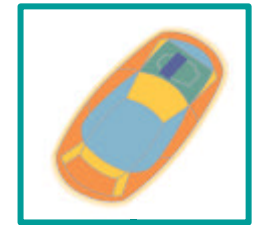


Seeing and being seen Bending Lights



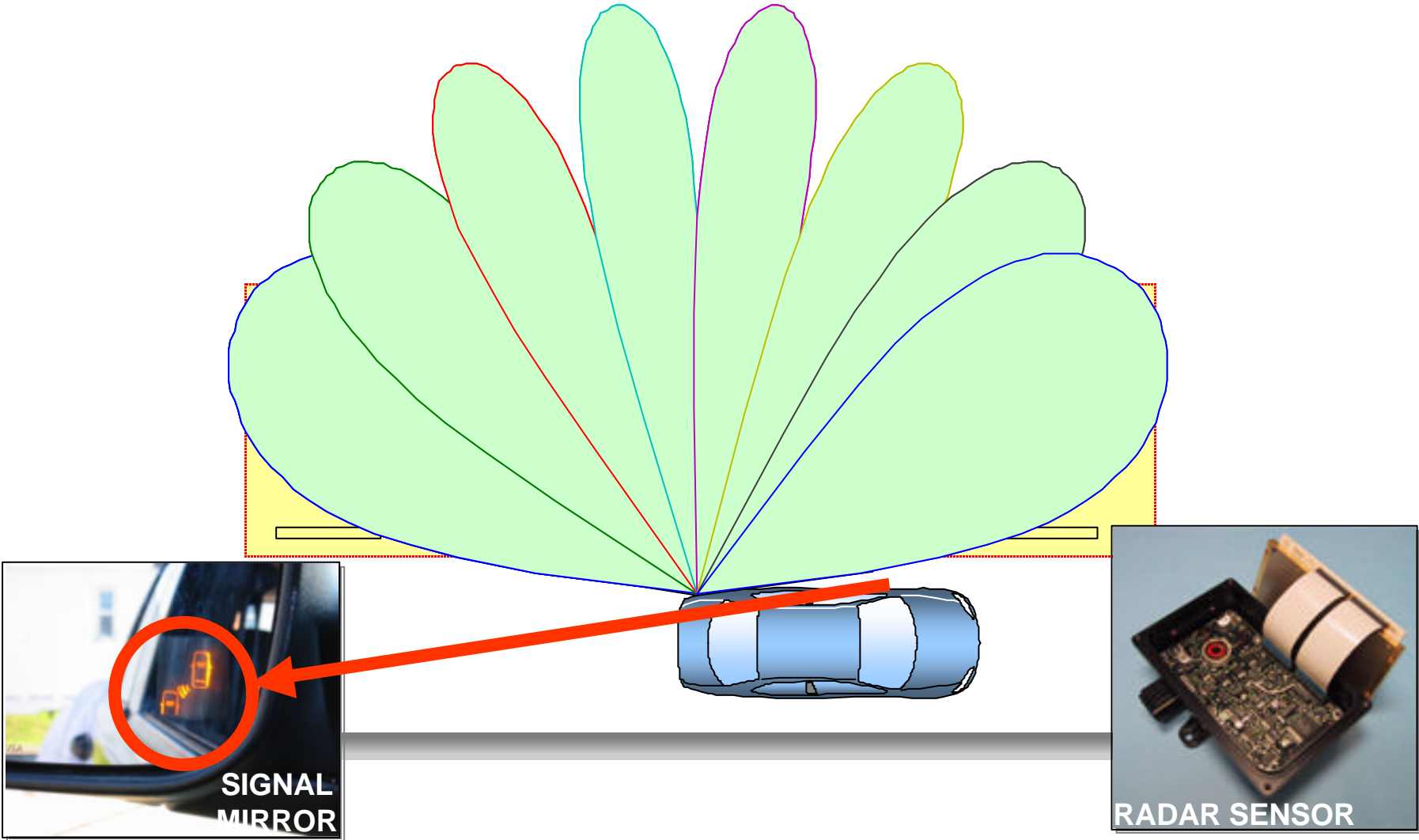


Seeing and being seen InfraRed vision

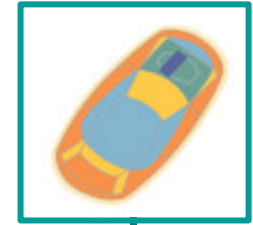




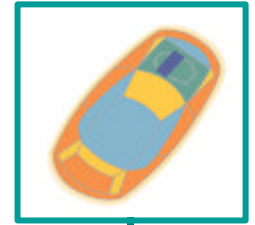
Seeing and being seen Radar-based blind spot detection



Outlook



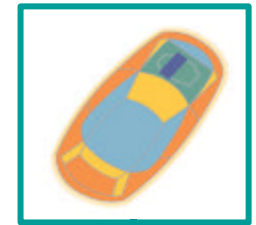
- **Significant order intake in 2003**
- **Revenues to outperform car production mid-2004**
 - Sales in line with declining markets in 2003
 - Enlarged perimeter within reach in Asia
- **Continuing operating improvement**



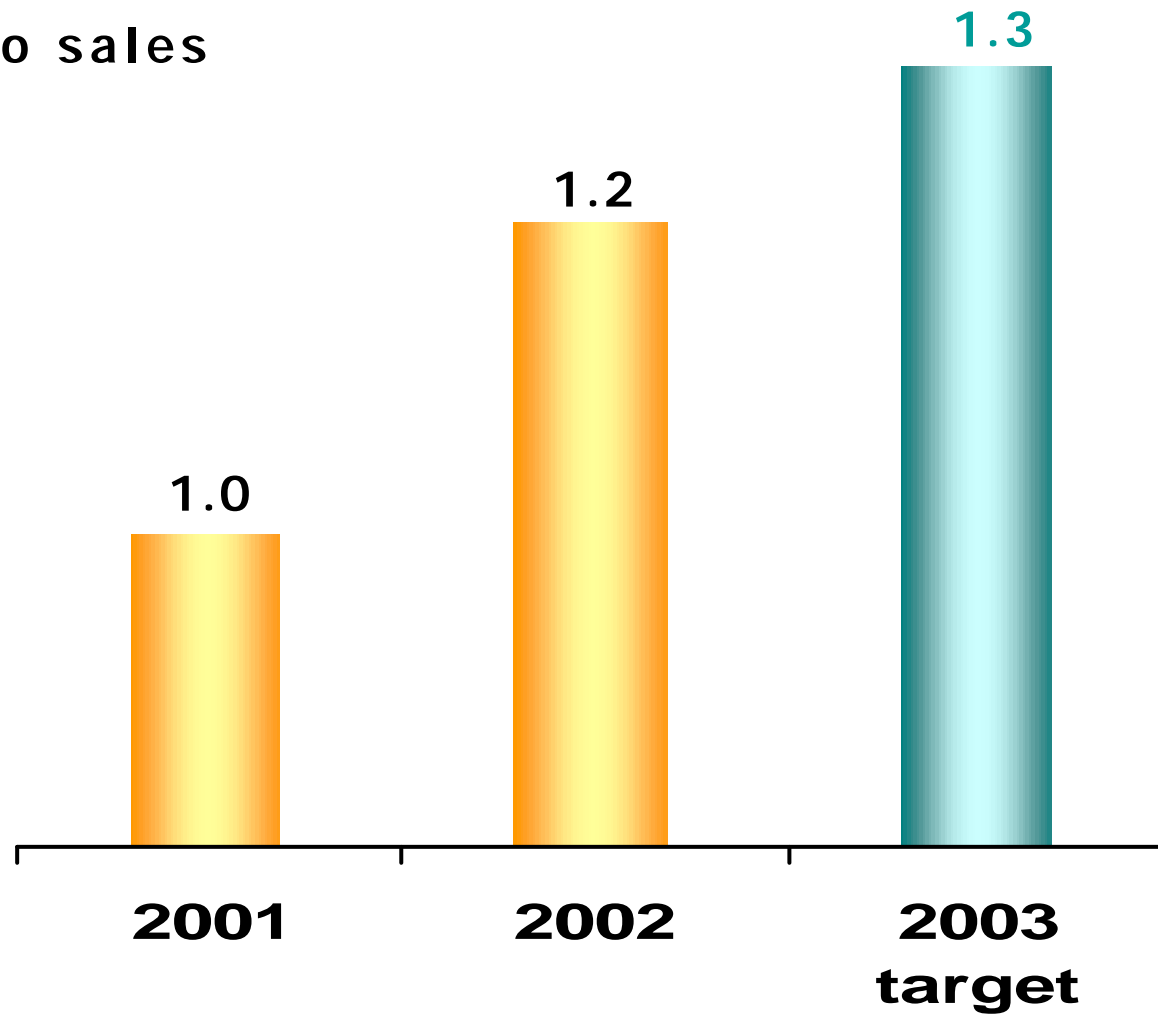
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Order intake

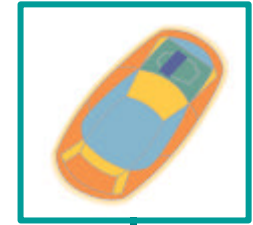


Ratio to sales





Business Wins Key examples



- **Wiper Systems - GM (pick-ups and SUVs - GMT 900)**
 - Turnaround at Rochester plant
 - Technological edge: Flat Blades
- **Renault Megane 2**
 - Highest Valeo content by car in the segment



Climate Control

HVAC

Rear Lighting Systems

Rear lamps
Centre high mounted stop lamps

Security Systems

Electrical steering column
lock, hand free access
system

Switches & Detection Systems

Park assist system,
steering
angle sensor, top column
module, switches



Wiper Systems

Front Wiper System

Motors & Actuators

ABS Motors

Front Lighting Systems

Xenon and halogen
head lamps, fog lamps

Engine Cooling

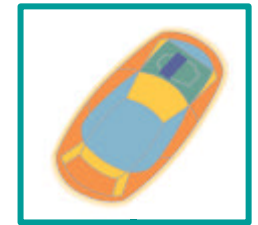
Front-end module,
radiators, condensers

Transmissions

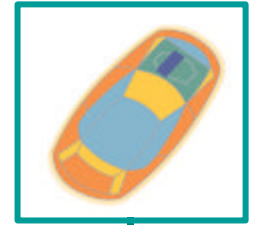
Full clutch system

Electrical Systems

Alternators and starters



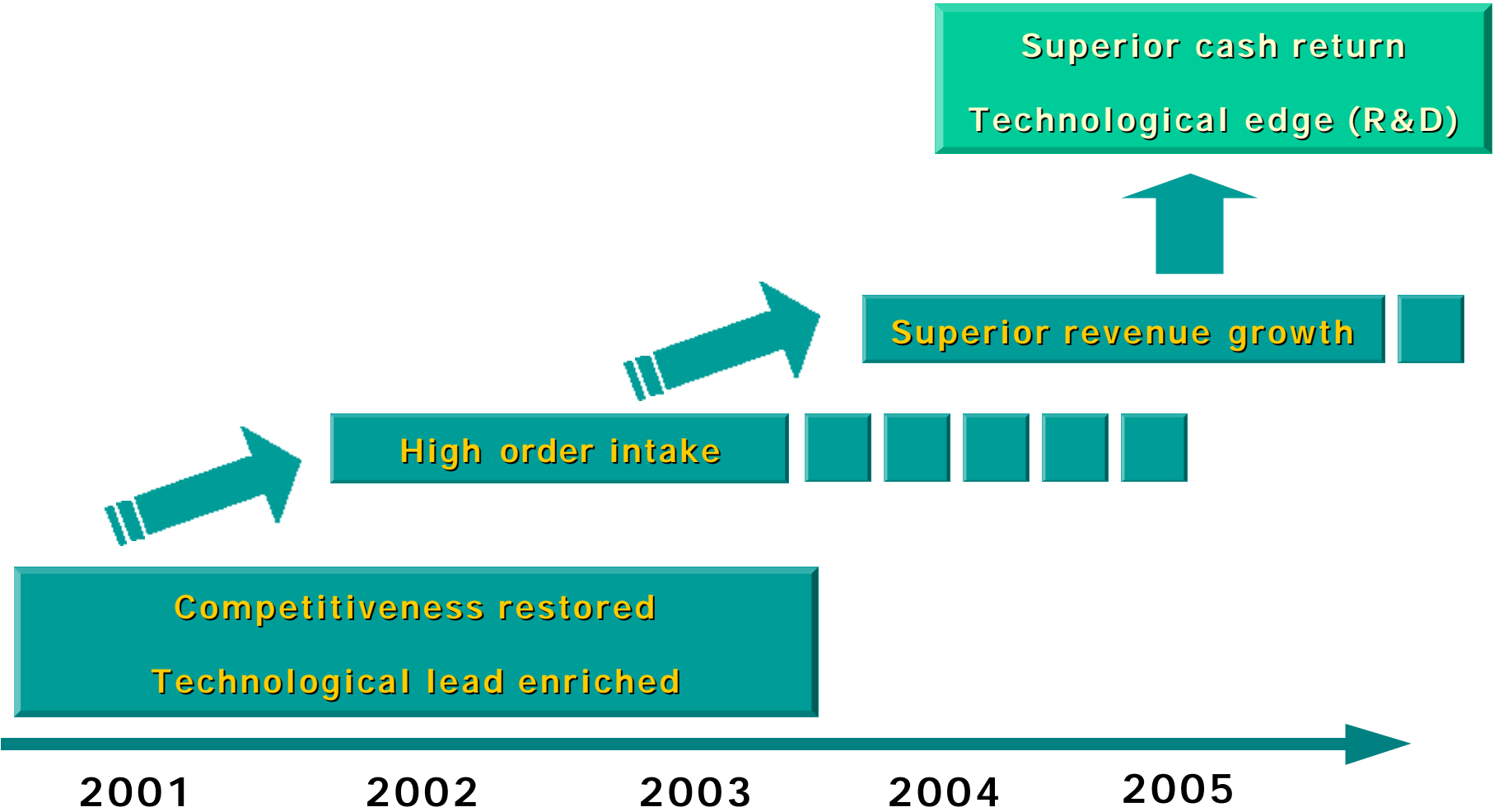
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Virtuous circle



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