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Like-for-like* sales up 11% for first-quarter 2014

Original equipment sales advanced 13% on a like-for-like basis, outperforming the market in all Business Groups and in all production regions (including 35% growth in China)

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

"Driven by our performances in the original equipment market (up 13%, beating the global market by 9 percentage points) and the aftermarket (up 4%), Valeo built on the momentum in second-half 2013 to post sales of 3,112 million euros in the first quarter, up 11% on a like-for-like basis. These results demonstrate our capacity to outpace the market in all production regions and in all Business Groups, and reflect the gradual entry into production of the high order intake recorded by the Group over the last three years as well as the strength of Valeo's growth model."

First-quarter 2014

- Sales advanced 11% on a like-for-like basis:
 - Original equipment sales came in at 2,677 million euros, up 13% on a like-for-like basis
 - Aftermarket sales totaled 376 million euros, up 4% on a like-for-like basis
- **Excluding the impact of exchange rates (a negative 3.4%) and changes in Group structure (a negative 1.5%), consolidated sales climbed 6.3% to 3,112 million euros**
- Original equipment sales growth outpaced the global market by 9 percentage points, thanks to above-market performances in all production regions:
 - Europe: up 12%*, 6 percentage points higher than the market
 - China: up 35%*, 26 percentage points higher than the market
 - Asia excluding China: up 11%*, 10 percentage points higher than the market
 - North America: up 10%*, 6 percentage points higher than the market
 - South America: down 3%* versus an 11% fall in production over the period
- Balanced, above-market growth in original equipment sales across all Business Groups

2014 outlook

Based on the key assumptions set out during the 2013 full-year results (2% to 3% growth in global automotive production and 1% to 2% growth in automotive production in Europe), Valeo confirms its objectives for 2014:

- growth higher than the market in the main production regions
- a slight increase in operating margin (as a percentage of sales) compared to 2013

* Like-for-like (constant Group structure and exchange rates)



Paris, France, April 23, 2014 – Following the meeting of its Board of Directors today, Valeo released its sales figures for the first quarter of 2014:

In light of the application of IFRS 11 as of January 1, 2014, proportionate consolidation is no longer used.

In the first quarter of 2014, global automotive production rose 4%

Automotive production rose in the main production regions thanks to solid growth in China (up 9%), the recovery in Europe (up 6%) and continued growth in North America (up 4%). Production in South America fell by 11%.

In the first quarter, Valeo's sales were up 11% on a like-for-like basis

Consolidated sales came to 3,112 million euros, up 6.3% on a reported basis on first-quarter 2013 and up 11% on a like-for-like basis (a significant like-for-like improvement on first-half 2013 [up 6%] and in line with second-half 2013 [up 12%]) reflecting the strong performances of the original equipment (up 13%) and aftermarket (up 4%) businesses.

Changes in exchange rates and Group structure had negative impacts of 3.4% and 1.5%, respectively:

- changes in exchange rates reflect the significant depreciation of emerging-market currencies as well as the yen and the dollar against the euro;
- changes in Group structure were mainly attributable to the sale of the Access Mechanisms business (effective April 30, 2013) and the acquisition (effective January 1, 2014) of Osram's 50% stake in joint venture Valeo Sylvania, which is now fully consolidated.

(in millions of euros)	As a % of 2014 sales	First-quarter ⁽¹⁾			
		2013 ⁽²⁾	2014	% change	% change on a like-for-like basis
Total	100%	2,927	3,112	+6.3%	+11%
of which:					
Original equipment	86%	2,470	2,677	+8.4%	+13%
Aftermarket	12%	375	376	+0.3%	+4%
Miscellaneous	2%	82	59	-28.0%	-13%

(1) Unaudited

(2) Sales shown for first-quarter 2013 differ from those presented during the publication of first-quarter 2013 sales since they have been adjusted to reflect the application of IFRS 11, effective as of January 1, 2014

Original equipment sales came out at 2,677 million euros (86% of total sales), up 13% on a like-for-like basis, outpacing global automotive production by 9 percentage points. In line with the momentum in 2013, this performance reflects the increase in production resulting from the high order intake recorded by the Group over the last three years.

Aftermarket sales (12% of total sales) advanced 4% on a like-for-like basis on the back of improved market conditions in Europe, strong sales momentum and continued expansion in Asia and emerging countries.

Miscellaneous sales (2% of total sales), mainly consisting of tooling revenues, fell 13% like for like.

* Growth rates reported in 2013



Original equipment sales jumped 13% on a like-for-like basis, beating global production by 9 percentage points and outpacing the market in all production regions (including 35% growth in China)

Valeo delivered market-beating growth in all production regions, buoyed by its improved product mix combined with technical innovations (new functionalities and high-value new products), its positioning with regard to German and Asian customers, the growth of its business in Asia and emerging countries, and market share gains in North America. This reflects the gradual entry into production of the high order intake over the last three years.

Original equipment <i>(by destination, in millions of euros)</i>	First-quarter ⁽¹⁾				
	2013 ⁽²⁾	2014	Original equipment sales growth ⁽³⁾	Automotive production sales growth ⁽⁴⁾	Market outperformance
TOTAL	2,470	2,677	+13%	+4%	+9 pts
Europe and Africa	1,348	1,403	+12%	+6%	+6 pts
China	224	290	+35%	+9%	+26 pts
Asia (excl. China), Middle East & Oceania	336	350	+11%	+1%	+10 pts
North America	423	538	+10%	+4%	+6 pts
South America	139	96	-3%	-11%	+8 pts

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(3) Like-for-like

(4) LMC & Valeo estimates

In **Europe** (including Africa), like-for-like original equipment sales rose 12%, beating the market by 6 percentage points, driven by the appeal of the business' portfolio of high-tech products and a favorable customer mix.

In **China**, original equipment sales were up 35% on a like-for-like basis, beating the market by 26 percentage points and reflecting the gradual entry into production of the high order intake over the past few years.

In **Asia (excluding China)** (including Middle East and Oceania), like-for-like original equipment sales advanced 11%, outperforming the market by 10 percentage points.

In **North America**, like-for-like original equipment sales climbed 10%, outpacing automotive production by 6 percentage points, thanks to a favorable customer mix and market share gains.

In **South America**, like-for-like original equipment sales retreated 3%, beating the market by 8 percentage points, reflecting the gradual entry into production of the high order intake and price increases passed on to customers following the depreciation of certain local currencies.



Valeo continues to realign its businesses geographically ...

The share of original equipment sales produced in Asia and emerging countries (including Eastern Europe) remained stable at 53%. Strong sales growth in China and the full consolidation of Valeo Sylvania (footprint in Mexico) offset the sharp drop in emerging-market currencies, especially the Brazilian real, and the fall in the yen against the euro, as well as the sale of the Access Mechanisms business in South America.

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

German customers accounted for 30% of original equipment sales, edging up 1 percentage point, while Asian customers' contribution remained stable at 26% (after taking account of exchange rate effects) and US customers represented 22% of original equipment sales, up 2 points following the full consolidation of Valeo Sylvania.

Balanced, above-market growth in all 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.

Business Group sales (in millions of euros)	First-quarter ⁽¹⁾			
	2013 ⁽²⁾	2014	% change in original equipment sales ⁽³⁾	% change in sales
Comfort & Driving Assistance Systems	623	547	+18%	-12.2%
Powertrain Systems	774	848	+13%	+9.6%
Thermal Systems	818	880	+12%	+7.6%
Visibility Systems	747	876	+12%	+17.3%

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(2) Sales shown for first-quarter 2013 differ from those presented during the publication of first-quarter 2013 sales since they have been adjusted to reflect the application of IFRS 11, effective as of January 1, 2014

(3) Like-for-like

Sales for the **Comfort & Driving Assistance Systems Business Group** were impacted by the sale of the Access Mechanisms business (effective April 30, 2013). In first-quarter 2014, the Business Group's original equipment sales increased by 18% on a like-for-like basis, lifted by the market's growing interest in intuitive driving products (vision, radar and parking assistance systems).

Like-for-like original equipment sales for the **Powertrain System, Thermal System and Visibility System Business Groups** posted balanced growth of 13%, 12% and 12%, respectively, spurred by the ramp-up of innovative solutions which help to reduce CO₂ emissions using products such as Stop-Start, dual-clutch, LED and air intake module technology.

* Based on 2013 reported sales (joint ventures consolidated using the proportionate method)



2014 outlook

Based on the key assumptions set out during the 2013 full-year results (2% to 3% growth in global automotive production and 1% to 2% growth in automotive production in Europe), Valeo confirms its objectives for 2014:

- growth higher than the market in the main production regions;
- a slight increase in operating margin (as a percentage of sales) compared to 2013.

Highlights

On March 12, 2014, Bpifrance reported it had sold, via Bpifrance Participations, 1,976,284 Valeo shares – representing 2.5% of Valeo's share capital – for 200 million euros.

In a letter received on March 17, 2014, EPIC BPI-Groupe reported that it had reduced its interest in Valeo's share capital and voting rights below the 5% disclosure threshold on March 12, 2014, indirectly via Bpifrance Participations SA, controlled by BPI Groupe SA, and that it held, indirectly, 2,644,283 Valeo shares representing a corresponding number of voting rights, i.e., 3.33% of the Company's share capital and 3.20% of the voting rights. BPI Groupe SA is a 50%-50% joint venture between Caisse des dépôts et consignations and EPIC BPI-Groupe.

On April 3, 2013, Standard & Poor's Rating Services confirmed Valeo's "BBB" long-term corporate credit rating with a stable outlook and its "A-2" short-term corporate credit rating.

Upcoming event

Annual Shareholders' Meeting: May 21, 2014

First-half 2014 results: July 25, 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 CO₂ emissions and to the development of intuitive driving.

In 2013, the Group generated sales of 12.1 billion euros and invested over 10% of its original equipment sales in research and development. Valeo has 124 plants, 16 research centers, 35 development centers, 12 distribution platforms and employs 77,000 people in 29 countries worldwide.

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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.