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Sales up 15% to 3,581 million euros in the first quarter

Original equipment sales advanced 16%, up 7% on a like-for-like basis, beating global automotive production by 6 percentage points

Jacques Aschenbroich, Chief Executive Officer of Valeo (Euronext: FR), stated:

"The 15% increase in sales in the first quarter of 2015 confirms the growth momentum at Valeo. This performance reflects the attractiveness of the Group's portfolio of technologies in CO₂ emissions reduction and improved vehicle performance as well as intuitive driving, and its balanced geographic and customer positioning. The solid momentum attests to the validity of Valeo's growth and profitability plan and, in 2015, we expect to outpace the market in the main automotive production regions while improving our operating margin."

First-quarter 2015

- **Consolidated sales of 3,581 million euros**, up 15% (6% on a like-for-like basis).
- **Original equipment sales of 3,113 million euros**, up 16% (7% like-for-like), outpacing global automotive production by 6 percentage points:
 - Europe: up 10%⁽¹⁾, 9 percentage points higher than automotive production
 - China: up 15%⁽¹⁾, 8 percentage points higher than automotive production
 - Asia excluding China: up 3%⁽¹⁾, 5 percentage points higher than automotive production
 - North America: up 4%⁽¹⁾, 2 percentage points higher than automotive production
 - South America: down 16%⁽¹⁾, 2 percentage points lower than automotive production
- Aftermarket sales up 6% (up 1% on a like-for-like basis)

2015 outlook

Based on the following assumptions:

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

Valeo confirms its objectives for 2015:

- growth higher than the market in the main production regions;
- a slight increase in operating margin⁽²⁾ (as a percentage of sales) compared with 2014.

¹ Like-for-like (constant Group structure and exchange rates)

² Including share in net earnings of equity-accounted companies, see Financial Glossary, page 6



Paris, France, April 23, 2015 – Following the meeting of its Board of Directors today, Valeo released its sales figures for the first quarter of 2015:

Balanced growth in automotive production in the main production regions

Automotive production rose 1% year-on-year, benefitting from growth in Asia (up 2%) on the back of good production momentum in China (up 7%), firm production levels in North America (up 2%) and an upturn in the European market excluding Russia (up 4%). Production in South America however continued to decline steeply (down 14%).

Automotive production (year-on-year change)

	First-quarter*
TOTAL	+1%
Europe and Africa	+1%
excluding Russia	+4%
Asia, Middle East & Oceania	+2%
of which China	+7%
excluding China	-2%
North America	+2%
South America	-14%

* LMC & Valeo automotive production estimates

Sales up 15%

Sales for the first quarter advanced 15% (up 6% like-for-like), to 3,581 million euros.

Changes in exchange rates had a positive impact of 8%, primarily due to the depreciation of the euro against the US dollar and the Chinese yuan.

Changes in Group structure did not have a material impact on sales for the period.

Sales (in millions of euros)

	As a % of total 2015 sales	First-quarter*			
		2014	2015	Change	Like-for-like change**
Total	100%	3,112	3,581	+15%	+6%
of which:					
Original equipment	87%	2,677	3,113	+16%	+7%
Aftermarket	11%	376	400	+6%	+1%
Miscellaneous	2%	59	68	+15%	+10%

* Unaudited

** Like-for-like

Original equipment sales came out at 3,113 million euros (87% of total sales), up 7% 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 (11% of total sales) rose by a slight 1% over the period on a like-for-like basis.

Miscellaneous sales (2% of total sales), mainly consisting of tooling revenues related to the launch of new projects, increased by 10% like-for-like.



Original equipment sales 16% higher, up 7% on a like-for-like basis, beating global automotive production by 6 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 improved vehicle performance, as well as 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)

	First-quarter*			
	2014	2015	Like-for-like change	Market outperformance**
TOTAL	2,677	3,113	+7%	+6 pts
Europe and Africa	1,403	1,543	+10%	+9 pts
China	290	409	+15%	+8 pts
Asia (excl. China), Middle East & Oceania	350	405	+3%	+5 pts
North America	538	674	+4%	+2 pts
South America	96	83	-16%	-2 pts

* Unaudited

** Based on LMC & Valeo automotive production estimates.

The Group delivered market-beating growth across the main production regions:

- in **Europe** (including Africa), like-for-like original equipment sales advanced 10%, lifted by an attractive portfolio of products with high technological value, a favorable customer mix and the Group's limited presence in Russia, outpacing automotive production by 9 percentage points;
- 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 15% jump in like-for-like original equipment sales, beating automotive production by 8 percentage points;
- in **North America**, like-for-like original equipment sales climbed 4%, outperforming automotive production by 2 percentage points.

Valeo continues to realign its businesses geographically¹...

Sales generated by Valeo in the different production regions varied in particular according to changes in exchange rates, as follows:

- the share of original equipment sales produced in China increased by 3 percentage points to 13% of total original equipment sales;
- the share of original equipment sales produced in North America increased by 3 percentage points to 22%;
- the share of original equipment sales produced in Western Europe decreased by 3 percentage points to 35%;
- the share of original equipment sales produced in South America decreased by 1 percentage point to 2%.

¹ Including proportionately consolidated joint ventures



...and maintain a balanced, more diverse customer portfolio⁽¹⁾

German customers accounted for 29% of original equipment sales, down 1 percentage point.

Asian customers accounted for 25% of original equipment sales, down 1 percentage point.

US customers accounted for 23% of original equipment sales, up 1 percentage point.

French customers accounted for 17% of original equipment sales, stable versus first-quarter 2014.

Strong growth in the Comfort & Driving Assistance Systems and Visibility Systems Business Groups and above-market growth in the two 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)

	First-quarter**			
	2014	2015	Change	Change in OEM sales (like-for-like)
Comfort & Driving Assistance Systems	552	657	+19%	+13%
Powertrain Systems	848	948	+12%	+4%
Thermal Systems	880	1,007	+14%	+4%
Visibility Systems	876	1,022	+17%	+9%

* Including intersegment sales

** Unaudited

Like-for-like original equipment sales for the **Comfort & Driving Assistance Systems** and **Visibility Systems Business Groups** increased 13% and 9%, respectively, powered by the market's growing interest in intuitive driving products (vision, radar, and parking assistance systems) and LED lighting solutions.

Like-for-like original equipment sales for the **Thermal Systems** and **Powertrain Systems Business Groups**, which each climbed 4%, outperformed automotive production by 3 percentage points. As indicated during the 2014 annual results presentation, like-for-like growth for the Powertrain Systems Business Group is expected to gather pace over the coming quarters.

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Highlights

Investor Day

On March 16, 2015, Valeo announced its new objectives for 2020:

- Sales of more than 20 billion euros⁽¹⁾ thanks to the commercial success of our innovations and the record level of order intake over the past few years, representing an average annual 5 percentage point outperformance of global automotive production from 2015 through 2020.
- Improved profitability and free cash flow⁽²⁾:
 - Operating margin⁽³⁾ (as a percentage of sales) between 8% and 9%
 - Free cash flow⁽²⁾/EBITDA⁽²⁾ ratio greater than 30%

Partnerships

On February 20, 2015, Valeo announced the signing of a technological cooperation agreement with Peiker, a leading supplier of on-board telematics and connectivity solutions. The agreement will enable Valeo, a market leader in driving assistance systems, to broaden its range of automotive geolocation and mobile connectivity solutions.

On March 11, 2015, Mobileye NV, the global leader in front-facing camera-based driving assistance systems, and Valeo, world leader in driving assistance systems and specifically laser scanner technology, joined forces to combine Mobileye's EyeQ[®] family of microprocessors and computer vision algorithms with Valeo's driving assistance sensor portfolio.

Share ownership

On March 30, 2015, Bpifrance announced that it had committed to selling around 1.3 million shares, representing 1.7% of the capital.

In a letter received on April 2, 2015, Caisse des dépôts et consignations reported that it had reduced its interest in the Company's voting rights below the 5% disclosure threshold on March 31, 2015, directly and indirectly via Bpifrance Participations SA, which it controls through BPI Groupe SA, and that it held 2,695,442 Valeo shares representing 5,390,885 voting rights, i.e., 3.39% of the Company's share capital and 6.48% of the voting rights.

Appointment of Maury Devine as a member of the Board of Directors

At today's Board meeting, Maury Devine was appointed as an independent director to replace Michael Jay, whose contribution to the Board's work was highlighted by all of the directors. Shareholders will be asked to ratify the appointment at the upcoming Annual Shareholders' Meeting.

Maury Devine, a US national, is a director of FMC Technologies, John Bean Technologies and Technip. At the start of her career, she worked for the US government in various capacities, most notably for the Department of Justice and the White House. She went on to hold a number of senior management positions at ExxonMobil Corporation and Det Norske Veritas.

Maury Devine's appointment raises the proportion of women on the Board to 30%.

Upcoming events

Annual Shareholders' Meeting: May 26, 2015

First-half 2015 results: July 27, 2015

¹ Based on a EUR/USD exchange rate of 1.15

² See Financial Glossary, page 6

³ Including share in net earnings of equity-accounted companies, see Financial Glossary, page 6



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, the improvement of vehicle performance 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 R&D. Valeo has 133 plants, 16 research centers, 34 development centers, 15 distribution platforms and employs 81,200 people in 29 countries worldwide.

Valeo is listed on Euronext Paris 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

Financial Glossary

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

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 27, 2015 (under no. D.15-0220).

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.