

13.26

Third-quarter sales growth accelerated to 12% on a like-for-like basis*
Original equipment sales growth evenly spread across the different regions: up 10%* in Europe, 25%* in North America, 13%* in Asia and 10%* in South America

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

"Valeo's sales growth accelerated in the third quarter of 2013. The Group recorded excellent figures for the original equipment market (up 13%, 11 percentage points higher than global automotive production), as well as in the aftermarket (up 10%) and demonstrated its capacity for balanced growth, outpacing the market in all regions across the globe. These results reflect the gradual entry into production of the high order intake recorded by the Group over the last three years and the strength of Valeo's growth model."

Third-quarter 2013

- Third-quarter sales came in at 2,905 million euros (up 2.2% versus the same prior-year period). After taking account of exchange rate effects (5.2%) and changes in Group structure (4.4%), growth came to 12% on a like-for-like basis (up 8% in the first nine months of the year).
- Performance on a like-for-like basis evenly spread between the original equipment business (up 13%) and the aftermarket business (up 10%).
- Original equipment sales growth outpaced the global market by 11 percentage points, with contributions evenly spread across the different production regions:
 - Up 10%* in Europe, 9 percentage points higher than the market
 - Up 13%* in Asia, 11 percentage points higher than the market
Including 24%* growth in China, 16 percentage points higher than the market
 - Up 25%* in North America, 20 percentage points higher than the market
 - Up 10%* in South America, 7 percentage points higher than the market
- Growth outpaced the market in all Business Groups.

2013 outlook

Valeo confirms the objectives set when the Group released the first-half 2013 results:

- performance higher than the market in the main production regions;
- assuming stabilized market conditions in Europe, a slight increase in operating margin (as a percentage of sales) compared to 2012.

* Constant Group structure and exchange rates



- **Paris, France, October 17, 2013** – Following today's meeting of its Board of Directors, Valeo released its sales figures for the third quarter of 2013:

Global automotive production up 2%, reflecting stabilized production in Europe

Global automotive production increased slightly thanks to a solid performance in the Chinese and American markets, as well as the stabilization of production in Europe during the third quarter in comparison to 2012 levels.

Change in automotive production	Third-quarter*	Nine months ended September 30*
Europe & Africa	+1%	-2%
Asia & Middle East <i>of which China</i>	+2% +8%	+1% +11%
North America	+5%	+4%
South America	+3%	+12%
Total	+2%	+2%

* LMC & Valeo estimates

In the third quarter, sales growth accelerated to 12% on a like-for-like basis thanks to the Group's balanced performance across its different markets

In the first nine months of the year, sales were up 8% on a like-for-like basis

Valeo's consolidated sales came to 2,905 million euros, up 2.2% on a reported basis on third-quarter 2012 and up 12% **on a like-for-like basis**, reflecting a balanced performance between the original equipment business (up 13%) and the aftermarket business (up 10%).

Changes in exchange rates and Group structure had negative impacts of 5.2% and 4.4%, respectively:

- changes in exchange rates reflect the significant depreciation of currencies from emerging countries, particularly the Brazilian real and depreciation of the yen and the dollar against the euro;
- changes in Group structure were mainly attributable to the sale of the Access Mechanisms business (with effect from April 30, 2013) and the acquisition of a controlling interest in Foshan Ichikoh Valeo (fully consolidated as of January 1, 2013).

(in millions of euros)	As a % of total sales First 9 months	Third-quarter*				Nine months ended September 30*			
		2012	2013	Change	Change on a like-for-like basis	2012	2013	Change	Change on a like-for-like basis
Total	100%	2,842	2,905	+2.2%	+12%	8,841	9,071	+2.6%	+8%
of which:									
Original equipment	85%	2,393	2,461	+2.8%	+13%	7,511	7,711	+2.7%	+8%
Aftermarket	12%	357	368	+3.1%	+10%	1,089	1,133	+4.0%	+8%
Miscellaneous	3%	92	76	-17.4%	-16%	241	227	-5.8%	-3%

* Unaudited

Original equipment sales (85% of total sales) advanced 13% on a like-for-like basis, beating the global market by 11 percentage points. In the first nine months of the year, original equipment sales rose 8% on a like-for-like basis, outpacing the global market by 6 percentage points. These results reflect the gradual entry into production of the high order intake recorded by the Group over the last three years.

Aftermarket sales (12% of total sales) surged 10% like-for-like (8% in the first nine months of the year) on the back of improved market conditions in Europe, strong sales momentum and continued expansion in Asia and emerging countries.

Miscellaneous sales (3% of total sales), mainly consisting of tooling revenues, fell 16% like-for-like (down 3% in the first nine months of the year).

Original equipment sales growth outpaced the global market by 11 percentage points, with contributions evenly spread across the different production regions

The Group's innovative products, its focus on German and Asian customers and the expansion of its business in Asia and emerging countries allowed Valeo to post sales growth that outpaced the market, with contributions evenly spread across the different production regions.

Original equipment <i>(by destination, in millions of euros)</i>	Third-quarter*					Nine months ended September 30*				
	2012	2013	OE sales growth**	Auto. prod. growth***	Perf. versus market	2012	2013	OE sales growth**	Auto. prod. growth***	Perf. versus market
TOTAL	2,393	2,461	+13%	+2%	+11 pts	7,511	7,711	+8%	+2%	+6 pts
Europe & Africa	1,159	1,179	+10%	+1%	+9 pts	3,864	3,901	+5%	-2%	+7 pts
Asia, Middle East & Oceania	646	656	+13%	+2%	+11 pts	1,901	1,928	+7%	+1%	+6 pts
<i>of which China</i>	267	319	+24%	+8%	+16 pts	748	912	+23%	+11%	+12 pts
<i>of which Japan</i>	184	159	+10%	-5%	+15 pts	569	442	-6%	-10%	+4 pts
North America	434	505	+25%	+5%	+20 pts	1,297	1,480	+18%	+4%	+14 pts
South America	154	121	+10%	+3%	+7 pts	449	402	+10%	+12%	-2 pts

* Unaudited

** Like-for-like

*** LMC & Valeo estimates

In **Europe**, like-for-like original equipment sales rose 10%, 9 percentage points higher than the market (7 percentage points higher in the first nine months of the year), driven by the appeal of its portfolio of high-tech products and a favorable customer mix.

In **Asia**, original equipment sales were up 13% on a like-for-like basis, beating the market by 11 percentage points (6 percentage points in the first nine months of the year), reflecting the Group's solid performance in China, Japan and India.

In **North America**, like-for-like original equipment sales climbed 25%, outpacing automotive production by 20 percentage points (14 percentage points in the first nine months of the year), thanks to a favorable customer mix and market share gains.

In **South America**, like-for-like original equipment sales advanced 10%, beating the market by 7 percentage points, reflecting an improved situation after several quarters of below-market performance (over the first nine months of the year, the Group's performance was 2 percentage points lower than the market).

Geographic repositioning

In the first nine months of the year, Valeo continued to rebalance its businesses:

- the share of original equipment sales produced in Asia and emerging countries (including Eastern Europe) remained stable at 54%;
- the share of original equipment sales produced in Western Europe decreased by 1 percentage point to 37% while the share produced in North America increased by 2 percentage points to 18%.

Balanced customer portfolio

In the first nine months of the year:

- the share of German customers increased by 1 percentage point and now represents 30% of original equipment sales;
- the share of Asian customers declined to 26% (versus 29% in 2012), reflecting Japanese customers' high level of activity in the first nine months of 2012;
- the share of American customers has increased and now represents 21% of original equipment sales (versus 18% in 2012);
- the share of French customers decreased to 17% of original equipment sales (versus 18% in 2012).

Above-market growth in all Business Groups with strong growth for Visibility Systems and Comfort and Driving Assistance Systems

As is the case for the consolidated Group, the sales performance for each Business Group 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)	Third-quarter*				Nine months ended September 30*			
	2012	2013	% change sales	% change OE sales**	2012	2013	% change sales	% change OE sales**
Comfort and Driving Assistance Systems	616	521	-15%	+18%	1,907	1,720	-10%	+7%
Powertrain Systems	783	810	+3%	+6%	2,464	2,519	+2%	+4%
Thermal Systems	808	838	+4%	+10%	2,527	2,554	+1%	+5%
Visibility Systems	656	769	+17%	+23%	2,013	2,369	+18%	+19%

* Unaudited

** Like-for-like

Sales for the **Comfort and Driving Assistance Systems Business Group** were impacted by the sale of the Access Mechanisms business (with effect from April 30, 2013). In the first nine months of the year, the Business Group's original equipment sales increased by 7% on a like-for-like basis, 5 percentage points higher than production, as a result of the market's keen interest in the Group's detection, radar and parking assistance systems.

On the back of the ramp-up of innovative LED technologies and the solid performance of the aftermarket, in the first nine months of the year original equipment sales for the **Visibility Systems Business Group** grew 19% on a like-for-like basis to 2.4 billion euros.

2013 outlook

Valeo confirms the objectives set when the Group released the first-half 2013 results:

- performance higher than the market in the main production regions;
- assuming stabilized market conditions in Europe, a slight increase in operating margin (as a percentage of sales) compared to 2012.



Highlights

On September 4, 2013, Valeo and Safran signed a research partnership agreement in driving aid and autonomous vehicles. This research and development alliance brings together two companies that are leaders in their respective technologies in different industries and distinct markets in the automotive, aerospace and defense sectors. The first research projects could lead to the development of technological solutions by 2014.

Valeo attended the International Motor Show (IAA) in Frankfurt from September 10 to 22, 2013. Thanks to sustained investment in Research and Development, representing a total of 1 billion euros in 2012, Valeo presented its innovations including:

- **Valet Park4U**[®] (Driving Assistance Systems) allows drivers to leave their car at the entrance of a parking lot and let the car find a suitable space to park. The car then becomes completely autonomous once the fully automatic parking feature is activated remotely using the driver's smartphone. Similarly, they can use their smartphone to be picked up at the exit.
- **The electric supercharger** (Powertrain Systems) improves throttle response from small engines at low RPMs. As a replacement of or in complement to traditional turbochargers, this solution also increases driving comfort by improving in-gear acceleration by 27% without increasing fuel consumption. When coupled with a Valeo energy recovery system, electric superchargers can deliver fuel savings of up to 20%.
- **The Air Intake Module** (Thermal Systems) is paving the way for cleaner, more compact engines by enhancing the efficiency of the air-fuel mixture drawn into the engine. This system helps cut both fuel consumption and toxic particulate emissions. The Air Intake Module is integrated in Volkswagen's modular diesel engine platform.
- **The BeamAtic**[®] **PremiumLED** (Visibility Systems) allows drivers to keep their high beams on in all circumstances without ever blinding other motorists. Already series produced in its xenon version for the new Volkswagen Golf 7, BeamAtic[®] Premium technology delivers all the benefits of LED lighting. These include reduced electric consumption, a working life that is considerably longer than that of the vehicle, lighting that is nearly the color of sunlight and design flexibility.

On September 26, 2013, Valeo announced the signing of a plea agreement between its Japanese subsidiary Valeo Japan and the United States Department of Justice. Pursuant to this agreement, Valeo Japan acknowledges its participation in certain antitrust practices in violation of US law and agrees to pay a fine of 13.6 million dollars. This plea agreement will, upon court approval, terminate proceedings brought by the US federal authorities against the Valeo Group in connection with the antitrust practices disclosed by this investigation. The Valeo Group continues to cooperate with the US antitrust authorities and others with respect to the on going investigations opened by the said authorities. On October 9, 2013, Valeo was informed of a class action brought against the Valeo Group and some of the Group's competitors in the US District Court of Michigan. The plaintiffs have yet to stipulate the amount they are claiming under this action which concerns the air conditioning system market.

On September 30, 2013, Valeo announced the acquisition of Eltek Electric Vehicles, a Norwegian company fully dedicated to designing, developing, manufacturing, assembling and marketing worldwide high efficiency on-board chargers for passenger cars and commercial vehicles. This acquisition will enable Valeo to accelerate and expand the development of its offer for hybrid and electric vehicles and consolidate its offering with high efficiency invertors developed alongside a number of top original equipment manufacturers.



Upcoming event

Full-year 2013 results: February 20, 2014.

Valeo is an independent industrial Group fully focused on the design, production and sale of components, integrated systems and modules for the automotive industry, mainly for CO₂ emissions reduction. Valeo ranks among the world's top automotive suppliers. The Group has 124 plants, 20 research centers, 36 development centers, 12 distribution platforms and employs 75,300 people in 29 countries worldwide.

For more information, please contact:

Media relations

Tel.: +33 (0)1 40 55 21 75/+33 (0)1 40 55 37 18

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

Safe Harbor Statement

Statements contained in this report, 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 are mainly the risks resulting from the investigations currently being carried out by the antitrust authorities as they have been identified in the Registration Document and any legal actions which could arise as a result of these investigations, operational 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 *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, 2013 (ref. no. D.13-0246).

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 report. Valeo does not intend to, 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 report.