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## **Valeo reports 1.1% growth in consolidated sales on a like-for-like basis<sup>1</sup> for first-quarter 2013 despite a 9% drop in automotive production in Europe**

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

*"Valeo's performance in the first quarter once again proved the strength of our strategy, which is based on innovations and the expansion of our business in Asia and emerging countries. On the back of the ramp-up of our projects and an excellent performance in China and North America, the Group reported 1.1% growth in like-for-like sales and outpaced the market in the main automotive production regions, offsetting particularly strong economic headwinds in Europe."*

### ➤ **First-quarter 2013**

- ✓ Consolidated sales remained stable at 3,039 million euros, up 1.1% on a like-for-like basis
- ✓ Original equipment sales came in at 2,575 million euros, stable on a like-for-like basis. The impact of the marked downturn in the European market was offset by above-market growth in the main automotive production regions:
  - up 5 percentage points in Europe
  - up 8 percentage points in North America
  - up 7 percentage points in China
- ✓ Aftermarket sales totaled 382 million euros, up 3.5% on a reported basis and 4.2% like-for-like

### ➤ **2013 outlook confirmed**

At this time, Valeo confirms its guidance for 2013 as published last February

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<sup>1</sup> Constant Group structure and exchange rates.

**Paris, France, April 24, 2013** – Following the meeting of its Board of Directors today, Valeo released its sales figures for the first quarter of 2013:

## Global automotive production down 1%

In the first quarter of 2013, global automotive production fell 1%, reflecting widely contrasting results across the various regions:

	Change in Q1 2013*
Asia and Middle East	+1%
Europe & Africa	-9%
North America	+1%
South America	+9%
<b>Total</b>	<b>-1%</b>

\* LMC estimates

- European automotive production (down 9%) was impacted by the economic crisis and the resulting fall in new vehicle registrations.
- Global automotive production declined slightly despite a strong performance in Asian and American markets.

## Sales up 1.1% on a like-for-like basis despite economic headwinds in Europe

Sales increased 1.1% on a like-for-like basis: changes in exchange rates had a negative impact of 1.4% while changes in Group structure had a positive 0.5% impact.

The Group's consolidated sales came to 3,039 million euros, in line with first-quarter 2012.

In millions of euros	Q1 2012*	Q1 2013*	Change	Change**
<b>Total</b>	<b>3,033</b>	<b>3,039</b>	<b>+0.2%</b>	<b>+1.1%</b>
of which:				
Original equipment	2,602	2,575	-1.0%	0.0%
Aftermarket	369	382	+3.5%	+4.2%
Miscellaneous	62	82	+32.3%	+34.2%

\* Unaudited

\*\* Like-for-like

**Original equipment sales** (86% of total sales) remained stable on a like-for-like basis, with the Group's above-market performance in the main automotive production regions offsetting particularly strong economic headwinds in Europe.

**Aftermarket sales** (12% of total sales) advanced 4.2% like-for-like on the back of the performance of the Group's businesses in Asia and emerging countries as well as in Europe.

**Miscellaneous sales** (2% of total sales) benefited from significant increases in tooling revenues resulting from the launch of new production lines, climbing 34.2% like-for-like.

## Foreign customers represented 82% of original equipment sales, with German and Asian customers combined accounting for 55%

The share of German customers during the first quarter remained stable at 29% of original equipment sales, while the share of Asian customers declined to 26% (versus 29% in first-quarter 2012), reflecting Japanese customers' high level of activity in first-quarter 2012. American customers represented 20% of original equipment sales (versus 17% in the same year-ago period), in the process overtaking French customers who accounted for 18% of original equipment sales.

## Above-market growth in original equipment sales in the main production regions enabled Valeo to offset the marked economic downturn in Europe

Valeo's original equipment sales remained stable on a like-for-like basis, standing at one percentage point higher than global automotive production (down 1%).

In millions of euros	Q1 2012*	Q1 2013*	Change OE sales**	Change automotive production***
<b>Total</b>	<b>2,602</b>	<b>2,575</b>	<b>+0%</b>	<b>-1%</b>
of which:				
Europe	1,404	1,348	-4%	-9%
Asia	624	628	+2%	+1%
of which China	229	282	+20%	+13%
of which Japan	202	140	-22%	-12%
North America	422	460	+9%	+1%
South America	152	139	+3%	+9%

\* Unaudited

\*\* Like-for-like

\*\*\* LMC estimates

Valeo's performance in each of its production regions over the first three months of the year was as follows:

- **In Europe**, Valeo's like-for-like original equipment sales slipped 4% whereas automotive production retreated 9%. The Group therefore reported an excellent performance, outpacing the market by 5 percentage points, driven by the appeal of its portfolio of high-tech products and a favorable customer mix.
- **In Asia**, original equipment sales were up 2% on a like-for-like basis, beating the market by 1 percentage point. This performance is attributable to a sharp increase in original equipment sales in South Korea, China and India (with growth outpacing automotive production by 6, 7 and 15 percentage points, respectively) and an unfavorable customer mix in Japan.
- **In North America**, like-for-like original equipment sales climbed 9%, once again outpacing automotive production (up 1%) thanks to a favorable customer mix, reflecting a strong performance by American customers.
- **In South America**, like-for-like original equipment sales advanced 3%, versus a 9% increase in automotive production, standing at 6 percentage points lower than the market on the back of a low order intake in 2006 and 2007 and an unfavorable customer mix.

## Share of original equipment sales produced in Asia and emerging countries remained stable at 53%

In the first quarter of 2013, Valeo continued to rebalance its businesses:

- the share of original equipment sales produced in Western Europe decreased to 38% (versus 40% in the same year-ago period);
- the share of original equipment sales produced in Asia and emerging countries (including Eastern Europe) remained stable at 53%.

## Strong growth for the Visibility Systems Business Group

As was the case for the consolidated Group, the sales performance for each Business Group reflected the specific geographic and customer mix and the relative weighting of the aftermarket in their activity as a whole.

Business Group sales In millions of euros	Q1 2012*	Q1 2013*	Change sales	Change OE sales**
Comfort & Driving Assistance Systems	657	629	-4%	-3%
Powertrain Systems	855	833	-3%	-2%
Thermal Systems	864	824	-5%	-3%
Visibility Systems	685	782	+14%	+10%

\* Unaudited

\*\* Like-for-like

Thanks to the success of the Visibility Systems Business Group's innovative Lighting Systems and the ramp-up of new projects, sales for the Business Group grew 14% to 782 million euros.

## **2013 outlook confirmed**

Given that business levels observed during first-quarter 2013 are consistent with the scenario outlined at the start of the year, i.e.:

- decline in automotive production in Europe in the region of 4%,
- growth in global automotive production in the region of 1%,
- raw material prices in line with 2012 levels;

At this time, Valeo confirms its objectives for 2013:

- sales growth higher than the market in the main production regions,
- assuming an upturn in the European market in the second half of 2013, operating margin in line with 2012 (in millions of euros) despite a decline in the first half of the year as a result of market conditions.

## **Highlights**

On April 2, 2013, Valeo announced that, for technical reasons, the closing regarding the sale of the Access Mechanisms business to Japan-based U-Shin did not occur as initially expected at the end of March, but should take place within a short period of time.

On January 29, 2013, Moody's Rating Services confirmed its "Baa3/P3" long- and short-term corporate credit ratings for Valeo with a stable outlook.

## **Upcoming event**

Annual Shareholders' Meeting: June 6, 2013.

First-half 2013 results: July 30, 2013.

*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 CO<sub>2</sub> emissions reduction. Valeo ranks among the world's top automotive suppliers. The Group has 128 plants, 21 research centers, 40 development centers, 12 distribution platforms and employs 75,800 people in 29 countries worldwide.*

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***For more information about the Valeo Group and its activities, please visit our website [www.valeo.com](http://www.valeo.com)***

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