Communiqué de presse
Press release

12.27

Valeo reports 7% growth in consolidated sales for third-quarter 2012

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

"Valeo reported sales growth of 7% for the third quarter of 2012 in the context of economic headwinds in Europe, a region that now accounts for less than 50% of our sales. This performance once again demonstrates the strength of our growth model focused on expanding our business in Asia and emerging countries and developing our innovations portfolio, particularly in the area of CO_2 emissions reductions."

➢ Third-quarter 2012

- **7% growth in consolidated sales (up 2% on a like-for-like basis[1]) to 2,842 million euros**
- **6% growth in original equipment sales (up 1% on a like-for-like basis) to 2,393 million euros**
- **6% growth in aftermarket sales (down 1% on a like-for-like basis) to 357 million euros**

➢ Nine months ended September 30, 2012

- **11% growth in consolidated sales (up 3% on a like-for-like basis) to 8,841 million euros**
- **11% growth in original equipment sales (up 3% on a like-for-like basis) to 7,511 million euros**
- **3% growth in aftermarket sales (down 3% on a like-for-like basis) to 1,089 million euros**

- **Original equipment sales performed better than Asian and European automotive production**

➢ Outlook

Based on the current outlook for automotive production, Valeo confirms its objective of full-year 2012 operating margin level (in millions of euros) in the same magnitude as full-year 2011.

Paris, France, October 18, 2012 – Following the meeting of its Board of Directors today, Valeo released its sales figures for the third quarter of 2012:

In millions of euros	Third-quarter*			Nine months ended September 30*		
	2011	**2012**	**% change sales**	**2011**	**2012**	**% change sales**
Total	**2,662**	**2,842**	**+7%**	**7,996**	**8,841**	**+11%**
of which:						
Original equipment	2,262	2,393	+6%	6,772	7,511	+11%
Aftermarket	336	357	+6%	1,055	1,089	+3%
Miscellaneous	64	92	+44%	169	241	+43%

** Unaudited*

[1] Constant Group structure and exchange rates.

Evolution of automotive production

Global automotive production advanced 8% over the first nine months of the year, reflecting widely contrasting results across the various regions:

	Percentage of global production*	% change in first 9 months*	% change in Q3*
Asia & Middle East	51%	+12%	+4%
Europe & Africa	25%	-4%	-6%
North America	19%	+20%	+15%
South America	5%	-5%	+2%
Total	**100%**	**+8%**	**+4%**

* *LMC estimates*

- European automotive production was impacted by the economic crisis and the resulting fall in new vehicle registrations.
- Global automotive production was driven by growth in Asia and the rise in new vehicle registrations in North America.

7% growth in third-quarter sales

Consolidated sales totaled 2,842 million euros in the third quarter of 2012, up 7% (2% on a like-for-like basis). In the same period, the impact of changes in exchange rates was a positive 4%, stemming chiefly from the slide in the euro against other currencies, particularly the US dollar, the Chinese yuan, the Japanese yen, the Brazilian real and the Indian rupee. Changes in Group structure had a positive 1% impact.

In the first nine months of the year, consolidated sales came in at 8,441 million euros, representing an increase of 11% on a reported basis (3% like-for-like). In the same period, changes in exchange rates and changes in Group structure had positive impacts of 3% and 5%, respectively.

Change in sales on a like-for-like basis

In millions of euros	**As a % of total sales**	**Third-quarter***			**Nine months ended September 30***		
	First 9 months	**2011**	**2012**	**% change sales****	**2011**	**2012**	**% change sales****
Total	**100%**	**2,662**	**2,842**	**+2%**	**7,996**	**8,841**	**+3%**
of which:							
Original equipment	85%	2,262	2,393	+1%	6,772	7,511	+3%
Aftermarket	12%	336	357	-1%	1,055	1,089	-3%
Miscellaneous	3%	64	92	+44%	169	241	+40%

** Unaudited*
*** Like-for-like*

Evolution of the Group's customer portfolio

In the first nine months of the year, the share of Asian customers continued to increase and now represents 29% of original equipment sales (versus 23% in the same year-ago period), on a par with the share of German customers which is stable at 29%.

Evolution of the Group's geographical positioning

In third-quarter 2012, Europe accounted for less than 50% of original equipment sales.

In the nine months ended September 30, 2012:
- Asia accounted for 26% of original equipment sales versus 21% in the same year-ago period;
- Asia and emerging countries represented 54% of original equipment sales versus 50% in 2011.

Evolution in Valeo's original equipment sales compared with global automotive production

- **Improvement in third-quarter original equipment sales relative to global automotive production, compared to the second quarter**
- **Original equipment sales performed better over the first nine months of the year than the market in Asia and Europe**

In millions of euros	Third-quarter*				Nine months ended September 30*			
	2011	**2012**	**% change OE sales****	**% change automotive production*****	**2011**	**2012**	**% change OE sales****	**% change automotive production*****
Total	**2,262**	**2,393**	**+1%**	**+4%**	**6,772**	**7,511**	**+3%**	**+8%**
of which:								
Europe	1,188	1,159	-3%	-6%	3,908	3,864	-2%	-4%
Asia	568	646	+4%	+4%	1,372	1,901	+14%	+12%
of which China	*186*	*267*	*+17%*	*+8%*	*504*	*748*	*+22%*	*+7%*
of which Japan	*221*	*184*	*-7%*	*+6%*	*409*	*569*	*+10%*	*+34%*
North America	326	434	+13%	+15%	966	1,297	+16%	+20%
South America	180	154	-8%	+2%	526	449	-10%	-5%

** Unaudited*
*** Like-for-like*
**** LMC estimates*

In the third quarter of 2012, Valeo reported original equipment sales growth of 1% on a like-for-like basis, three percentage points lower than global automotive production growth (4%). The Group's performance was impacted by the economic crisis in Europe and the rally in Japanese automaker activity.

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

- **In Asia**, original equipment sales were up 14% on a like-for-like basis, beating the market by two percentage points. This performance testifies to very strong original equipment sales in China, South Korea and India (with growth outpacing automotive production by 15, 12 and 7 percentage points, respectively) and the return to normal market conditions for Japanese automotive production.
- **In Europe**, thanks to a favorable product and customer mix, like-for-like original equipment sales outpaced the market by two percentage points, slipping 2% whereas automotive production retreated 4%.
- **In North America**, like-for-like original equipment sales climbed 16%, compared to 20% growth in automotive production. The Group’s performance relative to global automotive production was affected by the strong rally among Japanese automakers and as a result, original equipment sales came in at four percentage points lower than the market.
- **In South America**, like-for-like original equipment sales fell 10%, versus a 5% decline in automotive production, standing at five percentage points lower than the market.

Organic growth across all Business Groups in the nine months ended September 30, 2012

Despite economic headwinds in Europe, all of Valeo's Business Groups reported organic growth in original equipment sales. 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	**Third-quarter***				**Nine months ended September 30***			
	2011	**2012**	**% change sales**	**% change OE sales****	**2011**	**2012**	**% change sales**	**% change OE sales****
Powertrain	743	783	+5%	-3%	2,292	2,464	+8%	+1%
Thermal	777	808	+4%	+2%	2,336	2,527	+8%	+6%
Comfort & Driving Assistance	567	616	+9%	+2%	1,537	1,907	+24%	+4%
Visibility	597	656	+10%	+2%	1,901	2,013	+6%	+1%

** Unaudited*
*** Like-for-like*

Sales for the Powertrain Systems Business Group were up 8% at 2,464 million euros. The Business Group's sales reflected the lesser weighting of Japanese customers in the Powertrain Systems portfolio, as well as poor demand in the European aftermarket.

Sales for the Visibility Systems Business Group were up 6% at 2,013 million euros. The Business Group's sales were directly impacted by the greater weighting of Europe and the aftermarket in the business.

2012 outlook

At the current stage and based on assumptions made at the time when the first-half results were published on July 26, 2012:

- 5% to 6% growth in global automotive production in 2012;
- 6% to 7% decline in Europe.

Valeo confirms its objective of full-year 2012 operating margin level (in millions of euros) in the same magnitude as full-year 2011.

Highlights

On September 7, 2012, as part of its development strategy in Asia, Valeo announced that it had signed an agreement to strengthen its Lighting Alliance with Ichikoh by creating a joint venture that will be 85%-owned by Valeo and 15%-owned by Ichikoh, to which the two companies will contribute their respective Chinese Lighting operations.

Valeo was also present at the Paris Motor Show on October 1 to 14, 2012. During this event, the Group, which focuses its research and development on designing technologies to reduce carbon emissions, presented six major innovations, including:

- Hybrid4All, which combines the Stop-Start function, regenerative braking and torque assist, can deliver fuel savings of up to 15%;
- Electric supercharger (coupled with a Valeo energy recovery system) improves throttle response from small engines at low RPMs and can deliver fuel savings of up to 20%;
- BiLED™ projector provides much more efficient lighting than xenon and halogen technologies and can significantly reduce power consumption.

Upcoming event

Full-year 2012 results: second half of February 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_2 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 73,800 people in 29 countries worldwide.

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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 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, operational risks which relate to being a supplier in the automotive industry, to the marketing and sales of the types of vehicles produced 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 29, 2012 (ref. no. D.12-0237).

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 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.