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# Valeo reports a 14% rise in first-quarter 2012 sales, to more than 3 billion euros (up 6% like-for-like*)

- Growth in original equipment sales of 15%
  - OE sales growth of 7% on a like-for-like basis, with above-market performances in each of the main automotive production regions

- Strengthening of the Group's positioning in Asia, which now accounts for 25% of original equipment sales

- Greater weighting of German and Asian customers in original equipment sales, accounting for 28% and 29%, respectively

- Confirmation of 2012 guidance: operating margin level (in millions of euros) in the same magnitude as the prior year

**Jacques Aschenbroich, Valeo's Chief Executive Officer, stated**:
*"As a result of boosting our footprint in Asia and thanks to our innovative $CO_2$ emissions reduction and driving assistance products, Valeo was well placed to withstand the downturn in the European market in the first quarter, reporting a 14% rise in sales to a record high of more than 3 billion euros.*
*We are pressing ahead with delivering the strategy we have been implementing these past several years."*

**Paris, France, April 24, 2012** – Following the meeting of its Board of Directors today, Valeo released its sales figures for the first quarter of 2012:

| | First-quarter | | Change |
|---|---|---|---|
| In millions of euros | 2011 | 2012 | |
| **Sales**<br>Like-for-like | **2,669** | **3,033** | **+13.6%**<br>+6.0% |
| Original equipment | 2,263 | 2,602 | +15.0% |
| Aftermarket | 361 | 369 | +2.2% |
| Miscellaneous | 45 | 62 | +38% |

* Constant Group structure and exchange rates.

## First-quarter sales surge 14% to more than 3 billion euros

In the first quarter of 2012, **global automotive production** advanced 6% to a record high of more than 20.9 million vehicles*, reflecting contrasting results across the various production regions:

- Asia (51% of global automotive production) expanded by 9% to a record level of more than 10.6 million vehicles;
- Europe (5.3 million vehicles, 26% of global automotive production) recorded a 4% contraction in automotive production compared with first-quarter 2011, which had been boosted by the final phases of automotive stimulus programs in certain countries;
- North America (19% of global automotive production) reported a 17% hike in automotive production to 4 million vehicles;
- South America (4% of global automotive production) recorded a 10% decrease in automotive production.

Against this backdrop, the Group reported **consolidated sales** of 3,033 million euros, up 13.6% on a reported basis, or 6.0% like-for-like:

- The **impact of changes in Group structure** came out at 155 million euros, and was mainly attributable to the consolidation of Niles for 118 million euros;
- **Original equipment sales** (86% of consolidated sales) came out at 2,602 million euros, up 15.0% (7.0% like-for-like);
- **Aftermarket sales** (12% of consolidated sales) amounted to 369 million euros, up 2.2% on a reported basis (down 2.8% like-for-like). This business is primarily located in Europe and is directly impacted by the deteriorating economic climate in southern Europe. However, it is continuing to grow in markets outside of Europe*;*
- **Miscellaneous sales** (2% of consolidated sales) surged 38% to 62 million euros, chiefly reflecting higher tooling revenues.

* Excluding heavy-duty trucks.

## Successful realignment of the Group's geographical positioning and customer base towards Asia and emerging countries

In line with the Group's development strategy focused on high-growth markets:

- Asia accounts for 25% of original equipment sales by production region;
- Asia and emerging countries now represent 53% of original equipment sales by production region.

Asian customers now represent 29% of original equipment sales, ahead of German customers which remain stable at 28%.

## Sales grew faster than the market in each of the main automotive production regions

| Original equipment sales by destination<br><br>In millions of euros | First-quarter | | | |
|---|---|---|---|---|
| | 2011 | 2012 | OE sales growth* | Auto. production growth** |
| Europe | 1,365 | 1,404 | +2% | -4% |
| Asia | 411 | 624 | +19% | +9% |
| *of which China* | *161* | *229* | *+20%* | *-2%* |
| North America | 317 | 422 | +21% | +17% |
| South America | 170 | 152 | -10% | -10% |

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

Thanks to its innovative products (i-StARS [Stop-Start], parking aid technologies, innovative lighting systems, etc.) and strong customer positioning, in the first quarter of 2012 Valeo grew faster than the market in each of the main automotive production regions:

- In Europe, the Group reported original equipment sales growth of 2% on a like-for-like basis, 6 percentage points higher than the market;
- In Asia, the Group recorded original equipment sales growth of 19% on a like-for-like basis, 10 percentage points higher than the market. In particular, Valeo posted an excellent performance in China with growth beating the market by 22 percentage points;
- In North America, the Group posted original equipment sales growth of 21% on a like-for-like basis, 4 percentage points higher than the market.

## Sales growth by Business Group

| Sales<br>In millions of euros | First-quarter | | | |
|---|---|---|---|---|
| | 2011* | 2012* | Sales growth** | OE sales growth** |
| Comfort and Driving Assistance Systems | 481 | 657 | +9% | +9% |
| Powertrain Systems | 767 | 855 | +5% | +6% |
| Thermal Systems | 783 | 864 | +9% | +10% |
| Visibility Systems | 664 | 685 | +1% | +3% |

* Including intersegment sales
** Like-for-like

First-quarter growth recorded by each Business Group reflects both the strong performance of their respective product portfolios and their relative exposure to Europe.

The Visibility Systems Business Group was hit by the greater weighting of the European market in its business.

## 2012 Outlook

Given that business levels observed during first-quarter 2012 are consistent with the scenario outlined at the start of the year, i.e., 3% to 4% growth in global automotive production despite a 5% decline in Europe, and based on raw materials prices at current levels, Valeo confirms its guidance for 2012:

- Continued sales growth higher than the market in each of the main production regions;
- Operating margin level (in millions of euros) in the same magnitude as the prior year.

## Highlights

January 3, 2012 – As part of its development strategy in Asia and emerging countries, Valeo announced the acquisition of an 80% shareholding in China-based Chery group's lighting company. The business has been integrated within the Visibility Systems Business Group.

January 17, 2012 – Valeo announced the successful outcome of its 500 million euro bond issue maturing in 2017 (5.75% coupon) and its offer to repurchase 88.862 million euros worth of bonds maturing in 2013.

Valeo is finalizing the acquisition of the non-controlling interests in its China-based subsidiary Valeo Air Conditioning Hubei (Vach).

## Upcoming events

Annual Shareholders' Meeting: June 4, 2012.

First-half 2012 results: July 26, 2012 after closing of the stock market.

*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 127 plants, 21 research centers, 40 development centers, 12 distribution platforms and employs 71,000 people in 28 countries worldwide.*

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

**Safe Harbor Statement**

Statements contained in this press release, which are not historical fact, constitute "Forward-Looking Statements". Actual results may differ materially due to numerous important factors and risks 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. Risks to which Valeo is exposed include, in particular, risks relating to the anti-trust proceedings as described in the Registration Document, conditions in the automotive industry and certain global and regional economic conditions, as well as risks and uncertainties set out or developed in published documents that Valeo files with the French financial markets authority (*Autorité des marchés financiers* – AMF), including those listed in the "Risk Factors" section of the Registration Document filed with the AMF on March 29, 2012 (under number D.12-0237).

The Company assumes no responsibility for any analysts' estimates and any other information prepared by third parties which we may reference in this press release. Valeo does not intend or assume any obligation to review or confirm analysts' estimates or to update any forward-looking statement to reflect events or circumstances after the date of this press release.