H1 2017 RESULTS
JACQUES ASCHENBROICH – CHAIRMAN & CEO
# THE NEW VALEO: A VIRTUOUS CIRCLE

<table>
<thead>
<tr>
<th></th>
<th>H1 2016</th>
<th>H1 2017</th>
<th>Year-on-year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net R&amp;D (as a % of sales)</strong></td>
<td>6.0%</td>
<td>6.1%</td>
<td>+20%</td>
</tr>
<tr>
<td><strong>Order intake (€bn)</strong></td>
<td>12.8</td>
<td>14.9</td>
<td>+16%</td>
</tr>
<tr>
<td><strong>Valeo Siemens eAutomotive (€bn)</strong></td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td><strong>Innovative products (in % of order intake)</strong></td>
<td>45%</td>
<td>42%</td>
<td>-3pts</td>
</tr>
<tr>
<td><strong>Sales (€bn)</strong></td>
<td>8.1</td>
<td>9.5</td>
<td>+16%</td>
</tr>
<tr>
<td><strong>Gross margin (as a % of sales)</strong></td>
<td>18.3%</td>
<td>18.6%**</td>
<td>+18%</td>
</tr>
<tr>
<td><em><em>Operating margin</em> (as a % of sales)</em>*</td>
<td>8.0%</td>
<td>8.0%</td>
<td>+17%</td>
</tr>
<tr>
<td><strong>Net income (as a % of sales)</strong></td>
<td>5.2%</td>
<td>5.3%</td>
<td>+20%</td>
</tr>
</tbody>
</table>

* Including joint ventures and associates **Including dilutive impact of Ichikoh
Q2 HIGHLIGHTS

Sales of €4.7bn

OEM sales of €4.1bn

OEM sales outperformance

<table>
<thead>
<tr>
<th>Region</th>
<th>Growth (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>+5%</td>
</tr>
<tr>
<td>Europe</td>
<td>+2%</td>
</tr>
<tr>
<td>China</td>
<td>+23%</td>
</tr>
<tr>
<td>Asia (excluding China)</td>
<td>+3%</td>
</tr>
<tr>
<td>Incl. India</td>
<td>+22%</td>
</tr>
<tr>
<td>North America</td>
<td>+4%</td>
</tr>
<tr>
<td>South America</td>
<td>+9%</td>
</tr>
</tbody>
</table>

Outperformance (2)

<table>
<thead>
<tr>
<th>Region</th>
<th>Outperformance</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>+5pts</td>
</tr>
<tr>
<td>Europe</td>
<td>+5pts</td>
</tr>
<tr>
<td>China</td>
<td>+25pts</td>
</tr>
<tr>
<td>Asia (incl. China)</td>
<td>-1pt</td>
</tr>
<tr>
<td>Incl. India</td>
<td>+19pts</td>
</tr>
<tr>
<td>North America</td>
<td>+5pts</td>
</tr>
<tr>
<td>South America</td>
<td>-4pts</td>
</tr>
</tbody>
</table>

Aftermarket sales of €0.5bn

+12% as reported
+5% like-for-like (1)

+11% as reported
+5% like-for-like (1)

+10% as reported
+1% like-for-like (1)

(1) Constant Group structure and exchange rates.
(2) Vs automotive production.
H1 HIGHLIGHTS

Fueled by innovation

Order intake\(^{(1)}\) of €14.9bn and Valeo Siemens eAutomotive of €3.0bn

Sales of €9.5bn

OEM sales of €8.2bn

OEM sales outperformance

<table>
<thead>
<tr>
<th>Region</th>
<th>Growth(^{(2)})</th>
<th>Outperformance(^{(3)})</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>+9%</td>
<td>+6pts</td>
</tr>
<tr>
<td>Europe</td>
<td>+7%</td>
<td>+6pts</td>
</tr>
<tr>
<td>China</td>
<td>+24%</td>
<td>+21pts</td>
</tr>
<tr>
<td>Asia (excluding China)</td>
<td>+4%</td>
<td>-1pt</td>
</tr>
<tr>
<td>Incl. India</td>
<td>+20%</td>
<td>+14pts</td>
</tr>
<tr>
<td>North America</td>
<td>+8%</td>
<td>+7pts</td>
</tr>
<tr>
<td>South America</td>
<td>+12%</td>
<td>-6pts</td>
</tr>
</tbody>
</table>

Aftermarket sales of €1bn

+16% as reported

+16% as reported +9% like-for-like\(^{(2)}\)

+9% like-for-like\(^{(2)}\)

+9% like-for-like\(^{(2)}\)

+5% like-for-like\(^{(2)}\)

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(1) See glossary page 48  
(2) Constant Group structure and exchange rates.  
(3) Vs automotive production

July 20, 2017
## H1 HIGHLIGHTS

### Stable operating margin after Ichikoh’s integration

- **Gross margin of €1,761m** up 18% of sales (18.6% of sales)
- **Operating margin\(^{(1)}\) of €754m** up 17% of sales (8.0% of sales)
- **Net income\(^{(1)}\) of €506m** up 20% of sales (5.3% of sales)
- **Net income excl. non recurring items of €514m** up 14% of sales (5.4% of sales)
- **EPS** up 19% of sales (€2.13)
- **EPS excl. non recurring items** up 13% of sales (€2.16)

### cash generation

- **EBITDA\(^{(1)}\) of €1,215m** up 16% of sales (12.8% of sales)
- **Free cash flow\(^{(1)}\)** - 71%
- **Cash Conversion rate (FCF/EBITDA)** 8%
- **ROCE\(^{(1)}\)** 33%
- **ROA\(^{(1)}\)** 22%
- **Net debt\(^{(1)}\) of €1,118m** up €581m

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### Integration of Ichikoh on-going smoothly

peiker and Spheros delivering synergies in line with expectations

\(^{(1)}\) See glossary page 40

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July 20, 2017
2017 OUTLOOK

Based on the following assumptions:

- An increase in global automotive production of between 1.5% and 2%
- Raw material prices and exchange rates in line with current levels

Valeo confirms its objectives for 2017:

- Sales growth outperforming the market by more than 5 percentage points
- A slight increase in operating margin* (as a % of sales and before acquisitions)

* Including joint ventures and associates
CONFIRMING OUR HIGH GROWTH POTENTIAL

- €14.9BN (EXCL. VALEO SIEMENS EAUTOMOTIVE), UP 16%
- €3.0BN AT VALEO SIEMENS EAUTOMOTIVE
ACCELERATION IN ORDER INTAKE GROWTH TO €14.9BN (EXCL. VALEO SIEMENS eAUTOMOTIVE) UP 16% AND VALEO SIEMENS eAUTOMOTIVE TO €3.0BN...

...CONFIRMING VALEO’S FUTURE CAPACITY TO OUTPERFORM AUTOMOTIVE PRODUCTION

Order intake**

€bn


2.8 4.6 4.6 4.9 5.8 5.6 6.6 7.4 7.5 8.4 9.4 10.8 14.9

H1 H2

CAGR* +14%

Innovation fueling future organic growth as a % of order intake**

42% (1)

(1) Products and technologies sold by less than 3 years

...with 2017 half-year order intake** reaching a new record high

€bn

8.8 13 15 17.5 20.1 23.6


**Excluding Access Mechanisms business between 2005 and 2013 and including joint ventures consolidated proportionally (excluding Valeo Siemens eAutomotive)

***Valeo Siemens eAutomotive order intake total amount registered over the period
GEOGRAPHICAL REPOSITIONING TOWARDS ASIA
BOOK TO BILL OF 1.8TIMES THE OEM SALES, BETTER THAN 2016

% of H1 2017 OEM sales*

- NA: 21%
- Asia excl. China: 30%
- Asia excl. China: 15%
- Europe: 21%
- China: 21%

% of H1 2017 order intake*

- Europe: 20%
- Asia excl. China: 36%
- Asia: 41%
- China: 39%

Order intake of €14.9bn

OEM sales of €8.4bn

Order Intake/OEM sales ratio*

- Asia
  - Of which China: 2.4x
  - South America: 2.4x
  - North America: 1.7x
- Europe: 1.4x
- Group: 1.8x

*OEM sales and order intake by destination including joint ventures consolidated proportionally out of Valeo Siemens eAutomotive

July 20, 2017

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SUCCESSFUL START FOR VALEO SIEMENS eAUTOMOTIVE WITH €3.0BN OF ORDER INTAKE OVER FIRST-HALF 2017

Join forces to create a global champion of innovative and affordable high voltage components and systems for Hybrid and Electric Vehicles with a world-class portfolio, excellent customer reputation, engaged employees and solid shareholders’ return on investment by 2020.
DIESEL KEEPS ON DECLINING IN EUROPE

Annual Diesel Vehicles Sales
%

Western Europe, 1990 to 2017 (April)

Begining of 2017, Diesel sales decrease is accelerating

Source: Frost & Sullivan

(2017: January to April)
NEV* (BEV**+PHEV***+FCEV****) SALES KEEP ON INCREASING WITH CHINA LEADING THE WAY

NEV* Sales Worldwide
(number of vehicles)

Jan to April 2016: 189,705
Jan to April 2017: 260,452
+37%

Split of NEV* Sales
January to April 2017

Per region
- China: 36%
- US: 33%
- Europe: 21%
- RoW: 10%

Source: Frost & Sullivan

NEV* (BEV**+PHEV***+FCEV***) SALES KEEP ON INCREASING WITH CHINA LEADING THE WAY

NEV* Sales in CHINA
(number of vehicles)

<table>
<thead>
<tr>
<th>Jan to April</th>
<th>2016</th>
<th>Jan to April</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>64,659</td>
<td>92,767</td>
<td></td>
</tr>
<tr>
<td>Growth</td>
<td>+43%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

NEVs in China are growing faster than on a global base.

Source: Frost & Sullivan

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There is no single solution in electrification; each solution will allow to multiple the PTS content per car.

Low Voltage Solutions (12V & 48V)
- City: Low cost, already low CO₂, commuters
- Small: Zero emission (ZE) areas, short trips, easy plug-in
- Medium Large: Premium

High Voltage Solutions
- Premium: Long haul, high emissions, high price, need to enter ZE areas, performance
- High Power: Acceleration, green luxury

- Low Power BEV (Battery Electric Vehicle)
- 12V Mild Hybrid
- 48V Mild Hybrid
- PHEV (Plug-In Hybrid Vehicle)
- High Power BEV (Battery Electric Vehicle)
SUCCESSFUL START FOR VALEO SIEMENS eAUTOMOTIVE WITH €3.0BN IN TOTAL ORDER INTAKE OVER FIRST-HALF 2017

% of H1 2017 order intake

Order intake of €3.0bn
SUSTAINED SALES GROWTH

SALES OF €9.5BN, UP 16% AS REPORTED
UP 9% LIKE-FOR-LIKE

OEM SALES, UP 16% AS REPORTED
UP 9% LIKE-FOR-LIKE, 6-POINT OUTPERFORMANCE

AFTERMARKET SALES, UP 14% AS REPORTED
UP 5% LIKE-FOR-LIKE
**SUSTAINED SALES GROWTH**

**H1 SALES UP 16% AS REPORTED, UP 9% LIKE-FOR-LIKE**

<table>
<thead>
<tr>
<th></th>
<th>Q1 17</th>
<th>Q2 17</th>
<th>H1 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Like-for-like</td>
<td>+13%</td>
<td>+5%</td>
<td>+9%</td>
</tr>
<tr>
<td>€m</td>
<td>4,767</td>
<td>4,697</td>
<td>9,464</td>
</tr>
</tbody>
</table>

**Reported**

<table>
<thead>
<tr>
<th></th>
<th>Q1 16</th>
<th>Q2 16</th>
<th>H1 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>€m</td>
<td>3,917</td>
<td>4,213</td>
<td>8,130</td>
</tr>
<tr>
<td>Exchange rates</td>
<td>+1.8%</td>
<td>+0.8%</td>
<td>+1.3%</td>
</tr>
<tr>
<td>Scope</td>
<td>+7.3%</td>
<td>+5.6%</td>
<td>+6.4%</td>
</tr>
</tbody>
</table>

Exchange rates and Scope reflect changes from the previous period.
SUSTAINED OEM SALES GROWTH
H1 OEM SALES UP 16% AS REPORTED, UP 9% LIKE-FOR-LIKE

### OEM sales

<table>
<thead>
<tr>
<th></th>
<th>Q1 17</th>
<th>Q2 17</th>
<th>H1 17</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>€m</strong></td>
<td>4,174</td>
<td>4,061</td>
<td>8,235</td>
</tr>
</tbody>
</table>

**Like-for-like**

- +13%*
- +5%*
- +9%**

**Reported**

- +21%**
- +11%**
- +16%**

### Aftermarket

<table>
<thead>
<tr>
<th></th>
<th>Q1 17</th>
<th>Q2 17</th>
<th>H1 17</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>€m</strong></td>
<td>487</td>
<td>476</td>
<td>963</td>
</tr>
</tbody>
</table>

- +8%*
- +1%*
- +5%*

**Like-for-like**

- +19%**
- +10%**
- +14%**

### Miscellaneous

<table>
<thead>
<tr>
<th></th>
<th>Q1 17</th>
<th>Q2 17</th>
<th>H1 17</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>€m</strong></td>
<td>106</td>
<td>160</td>
<td>266</td>
</tr>
</tbody>
</table>

- +38%*
- +21%*
- +27%*

**Reported**

- +54%**
- +46%**
- +49%**

Exchange rates

- +1.4%
- +0.9%
- +4.7%

Scope

- +6.9%
- +0.9%
- +4.7%

H1 16

- 3,437
- 3,669
- 7,106

Exchange rates

- +1.9%
- +0.9%
- +1.4%

Scope

- +6.9%
- +0.9%
- +5.6%

July 20, 2017
SUSTAINED OEM SALES GROWTH LEADING TO A 5-POINT GLOBAL OUTPERFORMANCE

Q2
Like-for-like

North America
- Production*** -1%
- 21% of Valeo sales**
- Outperf. +5pts

Europe*
- Production*** -3%
- 47% of Valeo sales**
- Outperf. +5pts

Asia* excl. China
- Production*** +4%
- 16% of Valeo sales**
- Underperf. -1pt

South America
- Production*** +13%
- 2% of Valeo sales**
- Underperf. -4pts

China
- Production*** -2%
- 14% of Valeo sales**
- Outperf. +25pts

World
- Production*** 0%
- Outperf. +5pts

OEM sales**
- +6%
- +4%
- -1%
- -3%
- -13%
- +4%
- +3%
- +2%
- +1%
- +9%
- -2%
- +3%
- +4%
- +3%
- +2%
- +2%
- +9%
- -4pts
- -3%
- Outperf. +5pts

Valeo sales**
- 47% of Valeo sales**
- 16% of Valeo sales**
- 21% of Valeo sales**
- 14% of Valeo sales**
- 2% of Valeo sales**

Outperf. Points
- +5pts
- -4pts
- -1pt
- +25pts

Underperf. Points
- -4pts
- -1pt

* Europe including Africa;
Asia including Middle East
** Valeo OEM sales by destination
*** LMC estimates – light vehicle production
12-POINT OUTPERFORMANCE IN ASIA
25-POINT OUTPERFORMANCE IN CHINA

Q2
Like-for-like

30% of total sales*

Asia
Production** +1%

OEM sales* +13%

Outperf. +12pts

27% of Asian sales*

Japan
Production** +8%

OEM sales* +14%

Outperf. +6pts

18% of Asian sales*

South Korea
Production** 0%

OEM sales* -7%

Underperf. -7pts

46% of Asian sales*

China
Production** -2%

OEM sales* +23%

Outperf. +25pts

3% of Asian sales*

India
Production** +3%

OEM sales* +22%

Outperf. +19pts

*Valeo OEM sales by destination
**LMC estimates – light vehicle production
SUSTAINED OEM SALES GROWTH LEADING TO A 6-POINT GLOBAL OUTPERFORMANCE

H1
Like-for-like

North America
Production*** +1%

21% of Valeo sales**
OEM sales** +8%

Outperf. +7pts

48% of Valeo sales**

Europe*

OEM sales** +7%

Outperf. +6pts

Asia* excl. China

15% of Valeo sales**

Production*** +5%

OEM sales** +4%

Underperf. -1pt

South America
Production*** +18%

2% of Valeo sales**

OEM sales** +12%

Underperf. -6pts

China

14% of Valeo sales**

Production*** +3%

OEM sales** +24%

Outperf. +21pts

World

Production*** +3%

Outperf. +6pts

OEM sales** +9%

* Europe including Africa; Asia including Middle East
** Valeo OEM sales by destination
*** LMC estimates – light vehicle production

July 20, 2017

CONFIDENTIAL
10-POINT OUTPERFORMANCE IN ASIA

29% of total sales*

Outperf. +10pts

Asia
Production** +4%

Underperf. -1pt

Outperf. +10pts

Outperf. +14pts

OEM sales* +14%

3% of Asian sales*

India
Production** +6%

South Korea
Production** -1%

18% of Asian sales*

26% of Asian sales*

Japan
Production** +7%

OEM sales* +8%

Outperf. +1pt

OEM sales* -2%

Underperf. -1pt

Outperf. +1pt

OEM sales* +21%

47% of Asian sales*

China
Production** +3%

Outper. +21pts

Outperf. +24%

OEM sales* +3%

21-POINT OUTPERFORMANCE IN CHINA

*Valeo OEM sales by destination

**LMC estimates – light vehicle production
BALANCED GEOGRAPHIC POSITIONING

OEM sales by production region
% of OEM sales

H1 2016

H1 2017
A BALANCED CUSTOMER PORTFOLIO

% of OEM sales

H1 2016

- French*: 16%
- Other: 6%
- American: 22%
- Asian**: 26%
- German: 30%

H1 2017

- French*: 14%
- Other: 6%
- American: 20%
- Asian**: 32%
- German: 28%

* Excluding Nissan  
** Including Nissan
**SUSTAINED GROWTH IN THE 4 BUSINESS GROUPS**

<table>
<thead>
<tr>
<th>Business Group</th>
<th>H1 2017 total sales growth (year-on-year)</th>
<th>OEM sales growth (like-for-like)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q1</td>
<td>Q2</td>
</tr>
<tr>
<td>CDA*</td>
<td>+11%**</td>
<td>+10%</td>
</tr>
<tr>
<td>Powertrain</td>
<td>+8%</td>
<td>+11%</td>
</tr>
<tr>
<td>Thermal</td>
<td>+15%***</td>
<td>+15%</td>
</tr>
<tr>
<td>Visibility</td>
<td>+29%****</td>
<td>+14%</td>
</tr>
<tr>
<td>Group</td>
<td>+16%</td>
<td>+13%</td>
</tr>
</tbody>
</table>

* Comfort & Driving Assistance  **Including peiker  ***Including Spheros  ****Including Ichikoh

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**% H1 2017 sales**

- VIS 31%
- CDA 19%
- PTS 23%
- THS 27%

*Group €9.5bn*
GROSS MARGIN
UP 18% TO €1,761M (18.6% OF SALES)

OPERATING MARGIN*
UP 17% TO €754M (8.0% OF SALES)

NET INCOME
UP 20% TO €506M (5.3% OF SALES)

* Including joint ventures and associates
GROSS MARGIN UP 18% TO €1,761M OR 18.6% OF SALES IMPROVEMENT DRIVEN BY GROWTH IMPACT AND EFFICIENCY GAINS

As a % of sales

€1,488m

+18%  €1,761m

+0.7pts  +0.1pts  -0.4pts  -0.1pts

18.3%  18.6%

H1 16  Volume/inflation  Operational efficiency improvement  Costs linked to growth  Perimeter Exchange rate (mainly Ichikoh*)  H1 17

NB: rounded figures
* Ichikoh negative impact -0.2pts
FURTHER TO RECORD ORDER INTAKE
NET R&D EXPENDITURE UNDER CONTROL AT 6.1% OF SALES
IN LINE WITH 2017 INVESTOR DAY PRESENTATION

Net R&D
In €m and as a % of sales

Capitalized development expenditure
In €m and as a % of sales

Amortization and impairment of capitalized development expenditure
In €m and as a % of sales

July 20, 2017
SG&A EXPENSES UP 10 BPS TO 4.8% OF SALES
SELLING EXPENSES UP 10 BPS AND G&A STEADY AT 3.2% OF SALES

SG&A as a % of sales

<table>
<thead>
<tr>
<th></th>
<th>H1 16</th>
<th>H1 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selling expenses</td>
<td>1.5%</td>
<td>1.6%</td>
</tr>
<tr>
<td>Admin. expenses</td>
<td>3.2%</td>
<td>3.2%</td>
</tr>
</tbody>
</table>

SG&A In €m

<table>
<thead>
<tr>
<th></th>
<th>H1 16</th>
<th>H1 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selling expenses</td>
<td>€124m</td>
<td>€149m</td>
</tr>
<tr>
<td>Admin. expenses</td>
<td>€260m</td>
<td>€305m</td>
</tr>
</tbody>
</table>

+10bps

+18%
OPERATING MARGIN* UP 17% TO €754M OR 8.0% OF SALES
STABLE AFTER ICHIKOH INTEGRATION

As a % of sales

€647m

+17%

€754m

8.0% 8.0%

H1 16 Gross margin Net R&D Perimeter SG&A (mainly Ichikoh) H1 17

* Including joint ventures and associates  **rounded figures
OPERATING MARGIN UP 17% TO €754M OR 8.0% OF SALES STABLE AFTER ICHIKOH INTEGRATION

<table>
<thead>
<tr>
<th></th>
<th>H1 16</th>
<th>H1 17</th>
<th>▲</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total sales (€m)</td>
<td>8,130</td>
<td>9,464</td>
<td>+16%</td>
</tr>
<tr>
<td>Gross margin</td>
<td>1,488</td>
<td>1,761</td>
<td>+18%</td>
</tr>
<tr>
<td>As a % of sales</td>
<td>18.3%</td>
<td>18.6%</td>
<td>+30bps</td>
</tr>
<tr>
<td>Net R&amp;D expenditure</td>
<td>485</td>
<td>582</td>
<td>+20%</td>
</tr>
<tr>
<td>As a % of sales</td>
<td>6.0%</td>
<td>6.1%</td>
<td>+10bps</td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>384</td>
<td>454</td>
<td>+18%</td>
</tr>
<tr>
<td>As a % of sales</td>
<td>4.7%</td>
<td>4.8%</td>
<td>+10bps</td>
</tr>
<tr>
<td>Of Which:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Selling expenses</td>
<td>124</td>
<td>149</td>
<td>+20%</td>
</tr>
<tr>
<td>- Administrative expenses</td>
<td>260</td>
<td>305</td>
<td>+17%</td>
</tr>
<tr>
<td>Operating margin excl. JV &amp; Associates</td>
<td>619</td>
<td>725</td>
<td>+17%</td>
</tr>
<tr>
<td>As a % of sales</td>
<td>7.6%</td>
<td>7.7%</td>
<td>+10bps</td>
</tr>
<tr>
<td>JV &amp; Associates</td>
<td>28</td>
<td>29</td>
<td>+4%</td>
</tr>
<tr>
<td>As a % of sales</td>
<td>0.3%</td>
<td>0.3%</td>
<td>=</td>
</tr>
<tr>
<td>Operating margin incl. JV &amp; Associates</td>
<td>647</td>
<td>754</td>
<td>+17%</td>
</tr>
<tr>
<td>As a % of sales</td>
<td>8.0%</td>
<td>8.0%</td>
<td>=</td>
</tr>
</tbody>
</table>
# NET INCOME UP 20% TO €506M OR 5.3% OF SALES

<table>
<thead>
<tr>
<th></th>
<th>H1 16</th>
<th>H1 17</th>
<th>▲</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total sales (€m)</strong></td>
<td>8,130</td>
<td>9,464</td>
<td>+16%</td>
</tr>
<tr>
<td><strong>Operating margin incl. JV &amp; Associates</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As a % of sales</td>
<td>647</td>
<td>754</td>
<td>+17%</td>
</tr>
<tr>
<td>Other income &amp; expenses</td>
<td>(34)</td>
<td>(23)</td>
<td>-32%</td>
</tr>
<tr>
<td>As a % of sales</td>
<td>-0.4%</td>
<td>-0.2%</td>
<td>+20bps</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>613</td>
<td>731</td>
<td>+19%</td>
</tr>
<tr>
<td>As a % of sales</td>
<td>7.5%</td>
<td>7.7%</td>
<td>+20bps</td>
</tr>
<tr>
<td>Cost of net debt</td>
<td>(43)</td>
<td>(37)</td>
<td>-14%</td>
</tr>
<tr>
<td>Other financial income &amp; expenses</td>
<td>(24)</td>
<td>(25)</td>
<td>+4%</td>
</tr>
<tr>
<td><strong>Income before taxes</strong></td>
<td>546</td>
<td>669</td>
<td>+23%</td>
</tr>
<tr>
<td>Income taxes</td>
<td>(97)</td>
<td>(130)</td>
<td>+34%</td>
</tr>
<tr>
<td>Effective tax rate</td>
<td>18.7%</td>
<td>20.3%</td>
<td>+1.6pts</td>
</tr>
<tr>
<td>Non-controlling interests and other</td>
<td>(27)</td>
<td>(33)</td>
<td>+22%</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>422</td>
<td>506</td>
<td>+20%</td>
</tr>
<tr>
<td>As a % of sales</td>
<td>5.2%</td>
<td>5.3%</td>
<td>+10bps</td>
</tr>
<tr>
<td><strong>Net income excl. non-recurring items</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As a % of sales</td>
<td>451</td>
<td>514</td>
<td>+14%</td>
</tr>
<tr>
<td></td>
<td>5.5%</td>
<td>5.4%</td>
<td>-10bps</td>
</tr>
</tbody>
</table>
### NET INCOME UP 20%
**EXCLUDING NON-RECURRING ITEMS, NET INCOME UP 14%**

<table>
<thead>
<tr>
<th></th>
<th>H1 16</th>
<th>H1 17</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income (€m)</td>
<td>422</td>
<td>506</td>
<td>+20%</td>
</tr>
<tr>
<td>EPS</td>
<td>€1.79</td>
<td>€2.13</td>
<td>+19%</td>
</tr>
<tr>
<td>Net income (€m)</td>
<td>451</td>
<td>514</td>
<td>+14%</td>
</tr>
<tr>
<td>(excluding non-recurring items)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EPS</td>
<td>€1.91</td>
<td>€2.16</td>
<td>+13%</td>
</tr>
</tbody>
</table>
## ROCE AT 33% AND ROA AT 22%

<table>
<thead>
<tr>
<th></th>
<th>H1 16</th>
<th>H1 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total sales</td>
<td>€8.1bn</td>
<td>€9.5bn</td>
</tr>
<tr>
<td>Operating margin*</td>
<td>8.0%</td>
<td>8.0%</td>
</tr>
<tr>
<td>ROCE</td>
<td>36%</td>
<td>33%</td>
</tr>
<tr>
<td>ROA</td>
<td>21%</td>
<td>22%</td>
</tr>
</tbody>
</table>

*including joint ventures and associates
FREE CASH FLOW GENERATION

€99M IN LINE WITH 2017 INVESTOR DAY PRESENTATION
EBITDA OF €1,215M, UP 16% TO 12.8% OF SALES
VISIBILITY EBITDA MARGIN AT 13.3% DOWN 60BPS FURTHER TO ICHIKOH’S INTEGRATION (FEBRUARY 1ST)

In €m and as a % of sales

<table>
<thead>
<tr>
<th></th>
<th>H1 15</th>
<th>H1 16</th>
<th>H1 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comfort &amp; Driving Assistance</td>
<td>14.4</td>
<td>14.5</td>
<td></td>
</tr>
<tr>
<td>Powertrain</td>
<td>12.7</td>
<td>12.8</td>
<td></td>
</tr>
<tr>
<td>Thermal</td>
<td>10.0</td>
<td>10.3</td>
<td></td>
</tr>
<tr>
<td>Visibility</td>
<td>13.9</td>
<td>13.3</td>
<td></td>
</tr>
<tr>
<td>Group</td>
<td>12.9</td>
<td>12.8</td>
<td></td>
</tr>
</tbody>
</table>

(1) Restated of subsidies received on investment
(2) Restated in accordance with IFRIC 21
RECORDED CAPEX (INCLUDING CAPITALIZED R&D) OF €894M OR 9.4% OF SALES (UP 44% OR 180BPS) SUPPORTING RECORD HIGH ORDER INTAKE AND FUTURE GROWTH

As a % of sales

<table>
<thead>
<tr>
<th></th>
<th>H1 16</th>
<th>H1 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capex*</td>
<td>7.6%</td>
<td>9.4%</td>
</tr>
<tr>
<td>Capitalized R&amp;D</td>
<td>2.6%</td>
<td>2.9%</td>
</tr>
</tbody>
</table>

*excluding capitalized R&D

In €m

<table>
<thead>
<tr>
<th></th>
<th>H1 16</th>
<th>H1 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capex*</td>
<td>619</td>
<td>616</td>
</tr>
<tr>
<td>Capitalized R&amp;D</td>
<td>209</td>
<td>278</td>
</tr>
</tbody>
</table>

+44%

July 20, 2017
### EBITDA OF €1,215M, UP 16%
FREE CASH FLOW OF €99M, DOWN 71%

<table>
<thead>
<tr>
<th></th>
<th>H1 16</th>
<th>H1 17</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBITDA (€m)</strong></td>
<td>1,047</td>
<td>1,215</td>
<td>+16%</td>
</tr>
<tr>
<td>Operating working capital*</td>
<td>36</td>
<td>(45)</td>
<td></td>
</tr>
<tr>
<td>Restructuring &amp; antitrust</td>
<td>(18)</td>
<td>(77)</td>
<td></td>
</tr>
<tr>
<td>Other operating items (incl. taxes)</td>
<td>(128)</td>
<td>(160)</td>
<td></td>
</tr>
<tr>
<td>Of which: Taxes</td>
<td>(133)</td>
<td>(150)</td>
<td></td>
</tr>
<tr>
<td>Pensions</td>
<td>(11)</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td><em><em>Cash from operating activities</em> (€m)</em>*</td>
<td>937</td>
<td>933</td>
<td></td>
</tr>
<tr>
<td><strong>Capex (incl. capitalized R&amp;D)</strong></td>
<td>(598)</td>
<td>(834)</td>
<td></td>
</tr>
<tr>
<td><em><em>Free cash flow</em> (€m)</em>*</td>
<td><strong>339</strong></td>
<td>99</td>
<td>-71%</td>
</tr>
<tr>
<td>(before interest payments)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>(52)</td>
<td>(61)</td>
<td></td>
</tr>
<tr>
<td>Other financial items</td>
<td>(896)</td>
<td>(445)</td>
<td></td>
</tr>
<tr>
<td><strong>Net cash flow (€m)</strong></td>
<td>(609)</td>
<td>(407)</td>
<td></td>
</tr>
<tr>
<td><strong>Net debt (€m)</strong></td>
<td>739</td>
<td>1,118</td>
<td>+51%</td>
</tr>
</tbody>
</table>

*excluding sale of trade receivables  **cash outflow

- High growth in China
- Of which:
  - Acquisitions €86m
  - Dividends €306m

July 20, 2017
STRONG BALANCE SHEET
DEBT RATIOS

### Shareholders’ equity and net debt

<table>
<thead>
<tr>
<th>Date</th>
<th>Net debt (€m)</th>
<th>EBITDA 12 months rolling (€m)</th>
<th>Shareholders’ equity (€m) excluding minority interests</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2016</td>
<td>739</td>
<td>1,977</td>
<td>1,118</td>
</tr>
<tr>
<td>Dec 31, 2016</td>
<td>537</td>
<td>2,144</td>
<td>1,118</td>
</tr>
<tr>
<td>June 30, 2017</td>
<td>1,118</td>
<td>2,312</td>
<td>2,060*</td>
</tr>
</tbody>
</table>

*Proforma after acquisition of Kapec, FTE*

### Net Financial Debt over EBITDA

<table>
<thead>
<tr>
<th>Date</th>
<th>Net debt (€m)</th>
<th>EBITDA 12 months rolling (€m)</th>
<th>Net financial debt over EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2016</td>
<td>739</td>
<td>1,977</td>
<td>0.37x</td>
</tr>
<tr>
<td>Dec 31, 2016</td>
<td>537</td>
<td>2,144</td>
<td>0.25x</td>
</tr>
<tr>
<td>June 30, 2017</td>
<td>1,118</td>
<td>2,312</td>
<td>0.48x</td>
</tr>
</tbody>
</table>

### Leverage

<table>
<thead>
<tr>
<th>Date</th>
<th>Moody’s</th>
<th>S&amp;P</th>
<th>Net debt / EBITDA covenant of 3.25</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2016</td>
<td>Baa2 Stable</td>
<td>BBB Positive</td>
<td></td>
</tr>
<tr>
<td>Dec 31, 2016</td>
<td></td>
<td></td>
<td>LT Outlook ST</td>
</tr>
<tr>
<td>June 30, 2017</td>
<td></td>
<td></td>
<td>Net debt / EBITDA covenant of 3.25</td>
</tr>
</tbody>
</table>
**DEBT MATURITY PROFILE - END OF JUNE 2017**

<table>
<thead>
<tr>
<th>Debt Instrument</th>
<th>Maturity</th>
<th>Outstanding amount</th>
<th>Coupon</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMTN May 2018</td>
<td>€273m</td>
<td>4.875%</td>
<td></td>
</tr>
<tr>
<td>BEI loan Nov 2018</td>
<td>USD 51.5m</td>
<td>6M USD Libor +1.9%</td>
<td></td>
</tr>
<tr>
<td>Convertible bond June</td>
<td>USD 575m</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>EMTN January 2023</td>
<td>€500m</td>
<td>0.625%</td>
<td></td>
</tr>
<tr>
<td>EMTN January 2024</td>
<td>€700m</td>
<td>3.25%</td>
<td></td>
</tr>
<tr>
<td>EMTN March 2026</td>
<td>€600m</td>
<td>1.625%</td>
<td></td>
</tr>
</tbody>
</table>

Average maturity: 5.7 years
2017 OUTLOOK

Based on the following assumptions:

► An increase in global automotive production of between 1.5% and 2%
► Raw material prices and exchange rates in line with current levels

Valeo confirms its objectives for 2017:

► Sales growth outperforming the market by more than 5 percentage points
► A slight increase in operating margin* (as a % of sales and before acquisitions)

* Including joint ventures and associates
TAKEOVER OF ICHIKOH,
AUTOMOTIVE LIGHTING SPECIALIST IN ASIA
TAKEOVER OF ICHIKOH, AUTOMOTIVE LIGHTING SPECIALIST IN ASIA

Following the successful takeover bid, Valeo increased its interest in Ichikoh to 55.08% of the share capital

- Consolidated by Valeo as from February 1, 2017

Strategic objectives

- Strengthen Valeo's relationships with Japanese customers, by improving Ichikoh's LED technology product offering
- Extending Valeo's manufacturing footprint in Asia, Japan and Southeast Asia

Ichikoh key figures

- Headcount: 5,300
- Sales for the year ended March 31, 2016 of around €890 million

Impacts for the Valeo Group

Short term

- Consolidation of Ichikoh sales
- Slightly negative impact on the Group's 2017 operating margin, estimated at 0.3 percentage points
- Slightly accretive impact on 2017 earnings per share

Medium term

- Positive impact on Valeo's operating margin by bringing Ichikoh's performance into close alignment with the Group's
Investor Relations

Valeo
43, rue Bayen
F-75848 Paris Cedex 17
France

Thierry Lacorre
E-mail: thierry.lacorre@valeo.com
Website: www.valeo.com
### SHARE INFORMATION

#### Share Data

- **Bloomberg Ticker**: FR FP
- **Reuters Ticker**: VLOF.PA
- **ISIN Number**: FR 0013176526
- **Shares outstanding as of June 30, 2017**: 239,143,131

#### ADR Data

- **Ticker/trading symbol**: VLEEY
- **CUSIP Number**: 919134304
- **Exchange**: OTC
- **Ratio (ADR: ord)**: 1:2
- **Depositary Bank**: J.P. Morgan
- **Contact at J.P. Morgan – ADR broker relationship desk**: Jim Reeves
  - Phone: +1 212-622-2710
1) **Order intake** corresponds to business awarded by automakers during the period (including joint ventures at least 50%-owned by the Group) less any cancellations, based on Valeo’s best reasonable estimates in terms of volumes, selling prices and project lifespans. *Unaudited indicator.*

2) **Operating margin including share in net earnings of equity-accounted companies** corresponds to operating income before other income and expenses.

3) **Net attributable income excluding non-recurring items** corresponds to net attributable income adjusted for “other income and expenses” net of tax and non-recurring income and expenses net of tax shown in operating margin including share in net earnings of equity-accounted companies.

4) **ROCE**, or return on capital employed, corresponds to operating margin (including share in net earnings of equity-accounted companies) divided by capital employed (including investments in equity-accounted companies) excluding goodwill.

5) **ROA**, or return on assets, corresponds to operating income divided by capital employed (including investments in equity-accounted companies) including goodwill.

6) **EBITDA**, which corresponds to (i) operating margin before depreciation, amortization and impairment losses (included in the operating margin) and the impact of government subsidies and grants on non-current assets, and (ii) net dividends received from equity-accounted companies;

7) **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.

8) **Net cash flow** corresponds to free cash flow less (i) cash flows in respect of investing activities, relating to acquisitions and disposals of investments and to changes in certain items shown in non-current financial assets, (ii) cash flows in respect of financing activities, relating to dividends paid, treasury share purchases and sales, interest paid and received, and acquisitions of investments without a change in control, and (iii) changes in sales of non-recurring trade receivables.

9) **Net debt** comprises all long-term debt, liabilities associated with put options granted to holders of non-controlling interests, short-term debt and bank overdrafts, less loans and other long-term financial assets, cash and cash equivalents and the fair value of derivative instruments hedging the foreign currency and interest rate risks associated with these items.
**COMFORT & DRIVING ASSISTANCE**

### 2016 Key Figures:
- **Sales**: €3.4bn (20% of Group sales)
- **EBITDA**: 14.7% (23% of Group EBITDA)
- **17,400 employees**
- **28 production units**
- **8 development centers**
- **9 research centers**

### Market Share and Competitors:
- **Driving Assistance**: Valeo no.1
  - Valeo + Bosch + Continental ~ 57%*
- **Interior Controls**: Valeo no.2
  - Continental + Valeo+ Visteon ~ 34%*

### Latest Business Developments:
- **Strong order intake in 2016** with first orders on front camera and interior monitoring systems
- **First order for MovInBlue and Driver Monitoring System**
- **Acquisition of gestigon, cabin 3D image processing software company**

### Key Growth Drivers:
- Increasingly stringent regulatory and certification environment (Euro NCAP in Europe and NTHSA in the US)
- Further take-up rate increase for existing innovative products (including cameras, displays, sensors)
- Perimeter change with peiker in March 2016

### Total Sales (€m)
- **Q1 17**: 938
- **Q2 17**: 899
- **H1 17**: 1,837

### Total Sales - Change as Reported
- **Q1 17**: +18%
- **Q2 17**: +4%
- **H1 17**: +11%

### Market Share and Competitors with *Valeo estimate*

**2016 Key Figures:***
- **Sales**: €3.4bn (20% of Group sales)
- **EBITDA**: 14.7% (23% of Group EBITDA)
- **17,400 employees**
- **28 production units**
- **8 development centers**
- **9 research centers**

* Valeo estimate
Key growth drivers: Objective of reducing CO₂ emissions and fossil fuel consumption based on 3 priorities for engines:
- Downsizing/Downspeeding
- Gearbox automation
- Powertrain electrification and development of low (12V, 48V) and high voltage

Latest business developments:
- Major contracts won by the Valeo Siemens joint venture in Europe and China for electric and hybrid vehicles
- Significant contract for torque converters in North America
- New order for dual dry clutch in China
- New contracts in China and Europe for 48V
THERMAL SYSTEMS

2016 key figures:
• Sales: €4.6bn (28% of Group sales) • EBITDA: 10.0% (22% of Group EBITDA) • 22,800 employees • 57 production units • 10 development centers • 4 research centers

Total sales (€m)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Total Sales (€m)</th>
<th>Like-for-like change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 17</td>
<td>1,312</td>
<td>+15%</td>
</tr>
<tr>
<td>Q2 17</td>
<td>1,282</td>
<td>+7%</td>
</tr>
<tr>
<td>H1 17</td>
<td>2,594</td>
<td>+11%</td>
</tr>
</tbody>
</table>

Market share* and competitors:
Thermal Systems: Valeo no.2
Denso + Valeo + Hanon + Mahle ~ 55%

*Valeo estimate

Key growth drivers:
• Innovative solutions to comply with new regulations on gas pollutants and fuel consumption
• Thermal solutions for Electrified vehicles (PHEV/EV)
• Innovative solutions for air quality management in the vehicle

Latest business developments:
New contracts with major automakers worldwide took Thermal Systems order intake for 2017 to an all-time high, above 2016 figures. Especially in China, North America and Europe, with a technical award from German automakers
• New orders for heat pump system with production in China
• New orders for electrical driven compressor with production in China. With these orders, Valeo is demonstrating its capability for advanced technology in this field
• First order on air quality with Chinese automakers
• Intensive development plans with many customers on future generations of electric vehicles, to optimize the size, performance and cost of future solutions

+23%  +8%  +15%

OEM sales
Like-for-like change

2016 key figures:
• Sales: €4.6bn (28% of Group sales)
• EBITDA: 10.0% (22% of Group EBITDA)
• 22,800 employees
• 57 production units
• 10 development centers
• 4 research centers

Like-for-like change as reported

Like-for-like change

July 20, 2017
**VISIBILITY SYSTEMS**

### 2016 Key Figures:
- **Sales**: €4.6bn (28% of Group sales)
- **EBITDA**: 13.9% (30% of Group EBITDA)
- **29,000 employees**
- **38 production units**
- **15 development centers**
- **5 research centers**

*Valeo estimate*

### Total Sales (€m)

<table>
<thead>
<tr>
<th></th>
<th>Q1 17</th>
<th>Q2 17</th>
<th>H1 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>OEM sales</td>
<td>1,458</td>
<td>1,495</td>
<td>2,953</td>
</tr>
<tr>
<td>Like-for-like change</td>
<td>+14%</td>
<td>+8%</td>
<td>+11%</td>
</tr>
<tr>
<td>- Total sales</td>
<td>1,458</td>
<td>1,495</td>
<td>2,953</td>
</tr>
<tr>
<td>- Reported change</td>
<td>+30%</td>
<td>+27%</td>
<td>+29%</td>
</tr>
</tbody>
</table>

### Market Share* and Competitors:
- **Lighting Systems**: Valeo-Ichikoh no.2
  - Koito + Valeo-Ichikoh + Magnetti Marelli ~ 60%*
- **Wiper Systems**: Valeo no.1
  - Valeo + Denso + Bosch ~ 67%*

*Valeo estimate*

### Key Growth Drivers in S1 2017:
- Consolidation of Ichikoh Group in Visibility since February 2017
- Increasing LED take rate, in particular in the B&C Segment with BMW (Series 1/2/3/4), PSA (3008 / 5008), VW/Audi (Passat/A3), SEAT (Leon / Ibiza), Renault (Megane) and Geely
- Increasing LED content on premium vehicles with Volvo and VW (Arteon), and with Laser Technology on JLR

### Latest Business Developments:
- Continuous order intake increase on LED with Matrix/Pixel Front Lighting in Europe (VW Golf HL, VW Transporter T6, ), North America (Chrysler Dodge RAM, ) and China (VW Passat, Ford Edge, Geely platforms)
- Growth with in Interior Lighting business (Ambient Lighting) with Daimler
- Award of (Fusion/Mondeo) and introduction of Aquablade for Mondeo/S-Max/Galaxy confirms strategic alignment with Ford
- 4 Pole electronized motors perceived as competitive in the market
- Interest for brushless motor is growing, especially for electrical vehicles
- Growing interest in sensor cleaning activity
# QUARTERLY INFORMATION (IN €M)

## Sales by segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q1-13</th>
<th>Q2-13</th>
<th>Q3-13</th>
<th>Q4-13</th>
<th>Q1-14</th>
<th>Q2-14</th>
<th>Q3-14</th>
<th>Q4-14</th>
<th>Q1-15</th>
<th>Q2-15</th>
<th>Q3-15</th>
<th>Q4-15</th>
<th>Q1-16</th>
<th>Q2-16</th>
<th>Q3-16</th>
<th>Q4-16</th>
<th>Q1-17</th>
<th>Q2-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comfort &amp; Driving Assistance Systems</td>
<td>623</td>
<td>569</td>
<td>515</td>
<td>531</td>
<td>552</td>
<td>572</td>
<td>573</td>
<td>614</td>
<td>657</td>
<td>679</td>
<td>663</td>
<td>721</td>
<td>794</td>
<td>866</td>
<td>825</td>
<td>877</td>
<td>938</td>
<td>899</td>
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<tr>
<td>Powertrain Systems</td>
<td>774</td>
<td>817</td>
<td>752</td>
<td>818</td>
<td>848</td>
<td>848</td>
<td>798</td>
<td>943</td>
<td>978</td>
<td>877</td>
<td>959</td>
<td>983</td>
<td>1,028</td>
<td>966</td>
<td>1,051</td>
<td>1,105</td>
<td>1,058</td>
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<tr>
<td>Thermal Systems</td>
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<td>885</td>
<td>832</td>
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<td>934</td>
<td>889</td>
<td>934</td>
<td>1,007</td>
<td>1,039</td>
<td>992</td>
<td>1,036</td>
<td>1,063</td>
<td>1,186</td>
<td>1,140</td>
<td>1,255</td>
<td>1,312</td>
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<tr>
<td>Visibility Systems</td>
<td>733</td>
<td>762</td>
<td>711</td>
<td>764</td>
<td>876</td>
<td>925</td>
<td>856</td>
<td>957</td>
<td>1,022</td>
<td>1,072</td>
<td>967</td>
<td>1,124</td>
<td>1,119</td>
<td>1,176</td>
<td>1,102</td>
<td>1,252</td>
<td>1,458</td>
<td>1,495</td>
</tr>
<tr>
<td><strong>Total sales</strong></td>
<td>2,927</td>
<td>3,017</td>
<td>2,792</td>
<td>2,926</td>
<td>3,112</td>
<td>3,235</td>
<td>3,069</td>
<td>3,309</td>
<td>3,581</td>
<td>3,717</td>
<td>3,449</td>
<td>3,797</td>
<td>3,917</td>
<td>4,213</td>
<td>3,994</td>
<td>4,395</td>
<td>4,767</td>
<td>4,697</td>
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</table>

## Sales by type

<table>
<thead>
<tr>
<th>Type</th>
<th>Q1-13</th>
<th>Q2-13</th>
<th>Q3-13</th>
<th>Q4-13</th>
<th>Q1-14</th>
<th>Q2-14</th>
<th>Q3-14</th>
<th>Q4-14</th>
<th>Q1-15</th>
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<th>Q3-16</th>
<th>Q4-16</th>
<th>Q1-17</th>
<th>Q2-17</th>
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<tbody>
<tr>
<td>Aftermarket</td>
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<td>374</td>
<td>361</td>
<td>377</td>
<td>376</td>
<td>376</td>
<td>366</td>
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<td>413</td>
<td>387</td>
<td>399</td>
<td>411</td>
<td>434</td>
<td>417</td>
<td>417</td>
<td>487</td>
<td>476</td>
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<tr>
<td>Miscellaneous</td>
<td>82</td>
<td>76</td>
<td>83</td>
<td>100</td>
<td>59</td>
<td>103</td>
<td>59</td>
<td>119</td>
<td>68</td>
<td>101</td>
<td>72</td>
<td>104</td>
<td>69</td>
<td>110</td>
<td>105</td>
<td>156</td>
<td>106</td>
<td>160</td>
</tr>
<tr>
<td><strong>Total sales</strong></td>
<td>2,927</td>
<td>3,017</td>
<td>2,792</td>
<td>2,926</td>
<td>3,112</td>
<td>3,235</td>
<td>3,069</td>
<td>3,309</td>
<td>3,581</td>
<td>3,717</td>
<td>3,449</td>
<td>3,797</td>
<td>3,917</td>
<td>4,213</td>
<td>3,994</td>
<td>4,395</td>
<td>4,767</td>
<td>4,697</td>
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</table>
### STATEMENT OF INCOME WITH HALF YEAR BREAKDOWN

<table>
<thead>
<tr>
<th>In €m</th>
<th>2013 H1</th>
<th>2013 H2</th>
<th>2014* H1</th>
<th>2014* H2</th>
<th>2015 H1</th>
<th>2015 H2</th>
<th>2016 H1</th>
<th>2016 H2</th>
<th>2017 H1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>5,944</td>
<td>5,718</td>
<td>6,347</td>
<td>6,378</td>
<td>7,298</td>
<td>7,246</td>
<td>8,130</td>
<td>8,389</td>
<td>9,464</td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>1,011</td>
<td>998</td>
<td>1,080</td>
<td>1,123</td>
<td>1,280</td>
<td>1,293</td>
<td>1,488</td>
<td>1,532</td>
<td>1,761</td>
</tr>
<tr>
<td>as a % of sales</td>
<td>17.0%</td>
<td>17.5%</td>
<td>17.0%</td>
<td>17.6%</td>
<td>17.5%</td>
<td>17.8%</td>
<td>18.3%</td>
<td>18.3%</td>
<td>18.6%</td>
</tr>
<tr>
<td><strong>R&amp;D expenditure, net</strong></td>
<td>(318)</td>
<td>(296)</td>
<td>(350)</td>
<td>(335)</td>
<td>(402)</td>
<td>(395)</td>
<td>(485)</td>
<td>(471)</td>
<td>(582)</td>
</tr>
<tr>
<td><strong>Selling &amp; administrative expenses</strong></td>
<td>(318)</td>
<td>(311)</td>
<td>(326)</td>
<td>(330)</td>
<td>(363)</td>
<td>(353)</td>
<td>(384)</td>
<td>(407)</td>
<td>(454)</td>
</tr>
<tr>
<td><strong>Share in net earnings of equity-accounted companies</strong></td>
<td>8</td>
<td>18</td>
<td>32</td>
<td>19</td>
<td>23</td>
<td>33</td>
<td>28</td>
<td>33</td>
<td>29</td>
</tr>
<tr>
<td><strong>Operating margin incl. share in net earnings of equity-accounted companies</strong></td>
<td>383</td>
<td>409</td>
<td>436</td>
<td>477</td>
<td>538</td>
<td>578</td>
<td>647</td>
<td>687</td>
<td>754</td>
</tr>
<tr>
<td>as a % of sales</td>
<td>6.4%</td>
<td>7.2%</td>
<td>6.9%</td>
<td>7.5%</td>
<td>7.4%</td>
<td>8.0%</td>
<td>8.0%</td>
<td>8.2%</td>
<td>8.0%</td>
</tr>
<tr>
<td><strong>Other income &amp; expenses</strong></td>
<td>(41)</td>
<td>(26)</td>
<td>(34)</td>
<td>(20)</td>
<td>(21)</td>
<td>(96)</td>
<td>(34)</td>
<td>1</td>
<td>(23)</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>342</td>
<td>383</td>
<td>402</td>
<td>457</td>
<td>517</td>
<td>482</td>
<td>613</td>
<td>688</td>
<td>731</td>
</tr>
<tr>
<td>as a % of sales</td>
<td>5.8%</td>
<td>6.7%</td>
<td>6.3%</td>
<td>7.2%</td>
<td>7.1%</td>
<td>6.7%</td>
<td>7.5%</td>
<td>8.2%</td>
<td>7.7%</td>
</tr>
<tr>
<td><strong>Cost of net debt</strong></td>
<td>(49)</td>
<td>(49)</td>
<td>(47)</td>
<td>(44)</td>
<td>(43)</td>
<td>(41)</td>
<td>(43)</td>
<td>(40)</td>
<td>(37)</td>
</tr>
<tr>
<td><strong>Other financial income and expenses</strong></td>
<td>(21)</td>
<td>(25)</td>
<td>(20)</td>
<td>(26)</td>
<td>(26)</td>
<td>(9)</td>
<td>(24)</td>
<td>(22)</td>
<td>(25)</td>
</tr>
<tr>
<td><strong>Income before income taxes</strong></td>
<td>272</td>
<td>309</td>
<td>335</td>
<td>387</td>
<td>448</td>
<td>432</td>
<td>546</td>
<td>626</td>
<td>669</td>
</tr>
<tr>
<td><strong>Income taxes</strong></td>
<td>(68)</td>
<td>(45)</td>
<td>(65)</td>
<td>(64)</td>
<td>(80)</td>
<td>(26)</td>
<td>(97)</td>
<td>(92)</td>
<td>(130)</td>
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<tr>
<td><strong>Income from continuing operations</strong></td>
<td>204</td>
<td>264</td>
<td>270</td>
<td>323</td>
<td>368</td>
<td>406</td>
<td>449</td>
<td>534</td>
<td>539</td>
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<tr>
<td>Non-strategic activities</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Net income for the period</strong></td>
<td>204</td>
<td>264</td>
<td>270</td>
<td>323</td>
<td>368</td>
<td>406</td>
<td>449</td>
<td>534</td>
<td>539</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>(14)</td>
<td>(15)</td>
<td>(14)</td>
<td>(17)</td>
<td>(24)</td>
<td>(21)</td>
<td>(27)</td>
<td>(31)</td>
<td>(33)</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>190</td>
<td>249</td>
<td>256</td>
<td>306</td>
<td>344</td>
<td>385</td>
<td>422</td>
<td>503</td>
<td>506</td>
</tr>
</tbody>
</table>
## SEGMENT INFORMATION

### H1 2017

<table>
<thead>
<tr>
<th>Segment</th>
<th>Sales (€m)</th>
<th>EBITDA (€m)</th>
<th>Research &amp; Development (€m)</th>
<th>Investments (€m)</th>
<th>Segment assets (€m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comfort &amp; Driving Assistance</td>
<td>1,824</td>
<td>266</td>
<td>(205)</td>
<td>250</td>
<td>2,143</td>
</tr>
<tr>
<td>Systems</td>
<td>2,139</td>
<td>276</td>
<td>(108)</td>
<td>174</td>
<td>2,112</td>
</tr>
<tr>
<td>Powertrain Systems</td>
<td>2,582</td>
<td>267</td>
<td>(108)</td>
<td>209</td>
<td>2,132</td>
</tr>
<tr>
<td>Systems</td>
<td>2,901</td>
<td>392</td>
<td>(147)</td>
<td>246</td>
<td>2,398</td>
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<tr>
<td>Visibility Systems</td>
<td>18</td>
<td>14</td>
<td>(14)</td>
<td>15</td>
<td>87</td>
</tr>
<tr>
<td>Others</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>9,464</td>
<td>1,215</td>
<td>(582)</td>
<td>894</td>
<td>8,872</td>
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### H1 2016

<table>
<thead>
<tr>
<th>Segment</th>
<th>Sales (€m)</th>
<th>EBITDA (€m)</th>
<th>Research &amp; Development (€m)</th>
<th>Investments (€m)</th>
<th>Segment assets (€m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comfort &amp; Driving Assistance</td>
<td>1,652</td>
<td>241</td>
<td>(166)</td>
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<td>1,854</td>
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<td>256</td>
<td>(97)</td>
<td>166</td>
<td>1,797</td>
</tr>
<tr>
<td>Powertrain Systems</td>
<td>2,235</td>
<td>227</td>
<td>(92)</td>
<td>130</td>
<td>1,943</td>
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<tr>
<td>Systems</td>
<td>2,244</td>
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<td>(121)</td>
<td>152</td>
<td>1,920</td>
</tr>
<tr>
<td>Visibility Systems</td>
<td>17</td>
<td>8</td>
<td>(9)</td>
<td>10</td>
<td>79</td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>8,130</td>
<td>1,052</td>
<td>(485)</td>
<td>617</td>
<td>7,593</td>
</tr>
</tbody>
</table>
SAFE HARBOR STATEMENT

Statements contained in this document, which are not historical fact, constitute "Forward-Looking Statements". These statements include projections and estimates and their underlying assumptions, statements regarding projects, objectives, intentions and expectations with respect to future financial results, events, operations, services, product development and potential, and statements regarding future performance. Even though Valeo’s Management feels that the forward-looking statements are reasonable as at the date of this document, investors are put on notice that the forward-looking statements are subject to numerous factors, risks and uncertainties that are difficult to predict and generally beyond Valeo’s control, which could cause actual results and events to differ materially from those expressed or projected in the forward-looking statements. 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 antitrust authorities as identified in the Registration Document, 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 2016 Registration Document registered with the AMF on March 24, 2017 (under no. D.17-0226).

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