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## **Valeo research projects to receive financing of up to 300 million euros from the European Investment Bank**

**Paris, France, July 22, 2009** – The European Investment Bank (EIB) will grant financing of up to 300 million euros to Valeo for its current research projects aiming to reduce the fuel consumption and CO<sub>2</sub> emissions of cars and improve active safety. The total research investment of Valeo for these projects is 645 million euros over four years and the EIB loan will come with competitive terms in two installments, the first one of 225 million euros to be drawn by the end of July.

Aligned with the objective of the European Union to establish a competitive knowledge-based economy and the policy of the EIB to finance research and innovation as a priority, this funding will cover fuel efficiency technologies such as mild and micro hybrid solutions, the development of systems for electric and hybrid vehicles and efficient transmission systems, and active safety technologies including assisted viewing systems, crash avoidance systems and advanced lighting systems.

EIB Vice-President Philippe de Fontaine Vive stressed “how crucial it is – especially now as the crisis has spread – to stimulate long-term investment in those areas that will contribute to economic recovery and benefit future generations. It is also important to support RDI (Research, Development and Innovation) projects with tailor-made financial products as under the EIB/European Commission’s Risk Sharing Finance Facility”. He added: “Valeo is a key contributor in automotive innovation, paving the way for greener cars and efficient climate change mitigation measures.”

Indeed for the EIB, this operation is provided under its European Clean Transport Facility (ECTF), which is part of its wider response to the crisis and focuses on car emissions reduction and the development of new generation vehicle technologies.

Jacques Aschenbroich, Valeo CEO, said: “This funding is very important, particularly during the current crisis, and will allow Valeo to continue and accelerate existing research projects aimed at improving fuel efficiency and active safety for vehicles, two areas where market demand is very strong and which show strong growth potential for Valeo.”

For Valeo, this loan reinforces the liquidity situation of the Group. The program of confirmed bank lines amounting to 1.2 billion euros remains undrawn. The liquidity position is further enhanced through the negotiation of a new covenant based on the net financial debt to EBITDA ratio. To date 866 million euros have been renegotiated as well as a syndicated loan of 225 million euros.

*Valeo is an independent industrial Group fully focused on the design, production and sale of components, integrated systems and modules for cars and trucks. Valeo ranks among the world's top automotive suppliers. The Group has 122 plants, 61 R&D centers, 10 distribution platforms and employs around 49,000 people in 27 countries worldwide.*



*The EIB is the long-term lending arm of the European Union, and is wholly owned by the 27 EU member states. Its aim is to contribute to the integration, balanced economic development and economic and social cohesion of EU member states. It does this mainly by providing loans from funds raised on capital markets on favorable terms thanks to its AAA credit rating. In 2008 the EIB signed loans totaling 57.6 billion euros; 51.5 billion euros were for projects within the European Union, of which 4.7 billion in France.*

*The Bank permanently adapts its activity to developments in EU policy. In December 2008 the EIB committed itself to increase exceptionally its lending in the EU by 30 percent in 2009 and 2010 to help offset the effects of the global economic crisis, with a focus on SMEs and mid-cap companies, energy and climate change, including clean transport, and convergence regions. In the first six months of 2009 it has signed loans worth more than 32 billion euros (or 51 percent more than in the same period in 2008) and has approved some 5 billion euros in loans for cleaner vehicles, thereof 3.4 billion euros under ECTF (European Clean Transport Facility).*

*The Risk Sharing Finance Facility (RSFF) is a joint EIB/Commission initiative aimed at improving access to debt financing and creating additional financing capacity for projects in the fields of research, development and innovation (RDI) sectors. This Facility, which comes under the EU's Seventh Research Framework Program (1 billion euros) and from the EIB (1 billion euros), is used to partly cover the financial risks borne by the EIB when financing these activities. Following the launch of RSFF in 2007, the EIB has already concluded contracts under this Facility for more than 2 billion euros; the main sectors concerned include solar and other forms of renewable energy, automotive research and biotechnology.*

**For additional information, please contact:**

Kate Philipps, Valeo Group Communications Director, Tel.: +33 1 40 55 20 65

Thierry Lacorre, Valeo Group Investor Relations Director, Tel.: + 33 1 40 55 37 93

Sabine Parisse, EIB Head of Media Relations, Tel.: +352 4379 83340

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