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## Valeo reports 14% growth in consolidated sales for third quarter 2011

- **Third quarter 2011**
  - 14% growth in consolidated sales (12% on a like-for-like basis<sup>1</sup>) to 2,662 million euros
  - 17% growth in original equipment sales (14% on a like-for-like basis) to 2,262 million euros
  
- **Third quarter 2011 and nine months ended September 30, 2011**
  - Original equipment outperformed the market in all Business Groups and main production regions
  
- **Outlook**
  - 2011 guidance confirmed, i.e., to achieve full-year operating margin rate slightly higher than that of 2010

Paris, France, October 20, 2011 – Following the meeting of its Board of Directors today, Valeo released its sales for the third quarter 2011:

In millions of euros	Third quarter*			Nine months ended September 30*		
	2010	2011	% change sales	2010	2011	% change sales
<b>Total</b>	2,342	2,662	+14%	7,129	7,996	+12%
of which:						
Original equipment	1,929	2,262	+17%	5,886	6,772	+15%
Aftermarket	359	336	-6%	1,082	1,055	-2%
Miscellaneous	54	64	+19%	161	169	+5%

\* Unaudited

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



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

*"Thanks to our robust organic growth and the integration of Niles, Valeo reported 17% growth in third quarter original equipment sales (14% on a like-for-like basis), outperforming automotive production in all of our businesses and main production regions for the eighth straight quarter. This dynamic performance once again underscores the success of Valeo's strategic focus these past two years on developing products that reduce CO<sub>2</sub> emissions and on expanding business activities in emerging markets and Asia, a strategy that has also been reflected in the acquisition of the Japanese automotive supplier, Niles. This acquisition is in line with our objective of boosting our activities in Asia, a region that accounted for 25% of our original equipment sales in the third quarter of 2011."*

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In the third quarter 2011 and the first nine months of the year, **global automotive production** remained robust in all regions. Production advanced 4% compared to the first nine months of 2010.

**In Japan, automotive production** began to turn around, declining by 5% in the third quarter compared to a drop of 31% in the first half of the year. For the first nine months of the year, automotive production in Japan fell 21%.

**Consolidated sales** totaled 2,662 million euros in the third quarter of 2011, up 14% (12% on a like-for-like basis). In the first nine months of the year, consolidated sales came in at 7,996 million euros, representing an increase of 12% on both a reported and like-for-like basis.

- **Changes in Group structure** in the third quarter represented 4.2% of consolidated sales, including 106 million euros corresponding to the contribution of Niles.
- **Original equipment sales** (85% of consolidated sales) came out at 2,262 million euros in the third quarter, up 17% (14% on a like-for-like basis), and 6,772 million euros in the first nine months of the year, up 15% (14% on a like-for-like basis).
- **Original equipment sales in Asia** represented 25% of total original equipment sales in the third quarter, further to the acquisition of Niles.
- **Aftermarket sales** (13% of consolidated sales) amounted to 336 million euros in the third quarter, down 3% on a like-for-like basis, and stood at 1,055 million euros in the first nine months of the year, edging up 1% like-for-like.



## Original equipment sales outperformed the market in all the main automotive production regions

Original equipment In millions of euros	Third quarter*				Nine months ended September 30*			
	2010	2011	% change OE sales**	% change automotive production***	2010	2011	% change OE sales**	% change automotive production***
Europe	1,057	1,188	+13%	+6%	3,438	3,908	+14%	+8%
Asia	420	568	+13%	+3%	1,209	1,372	+7%	-1%
of which China	160	186	+22%	+4%	461	504	+14%	+4%
of which Japan	129	221	-8%	-5%	364	409	-18%	-21%
North America	288	326	+23%	+8%	776	966	+33%	+9%
South America	177	180	+4%	+7%	496	526	+5%	+9%

\* Unaudited

\*\* Like-for-like

\*\*\* JD Power estimates

Strong sales momentum in the main production regions, combined with a positive geographic mix enabled the Group to outperform global automotive production for the eighth straight quarter (outperformance of 9 percentage points in the third quarter 2011).

Valeo also grew faster than the market in the main automotive production regions during the first nine months of the year:

- **In Europe** (58% of original equipment sales), the Group reported original equipment sales growth of 14% on a like-for-like basis, 6 percentage points higher than the market.
- **In Asia** (20% of original equipment sales), the Group recorded original equipment sales growth of 7% on a like-for-like basis, 8 percentage points higher than the market.
- **In North America** (14% of original equipment sales), the Group posted original equipment sales growth of 33% on a like-for-like basis, 24 percentage points higher than the market.



## All Business Groups contributed to the growth effort

Sales In millions of euros	Third quarter*				Nine months ended September 30*			
	2010	2011	% change sales**	% change OE sales**	2010	2011	% change sales**	% change OE sales**
Comfort & Driving Assistance Systems	418	567	+12%	+15%	1,266	1,537	+14%	+16%
Powertrain Systems	625	743	+17%	+21%	1,969	2,292	+18%	+21%
Thermal Systems	735	777	+8%	+8%	2,182	2,336	+8%	+8%
Visibility Systems	547	597	+9%	+13%	1,733	1,901	+10%	+14%

\* Unaudited

\*\* Like-for-like

The Business Groups all enjoyed buoyant growth momentum, with original equipment sales rising faster than global automotive production (up 4% in the first nine months of the year).

The Powertrain Systems, Comfort & Driving Assistance Systems and Visibility Systems Business Groups outperformed global automotive production by 17, 12 and 10 percentage points respectively, thanks in particular to market share gains in new technologies (Stop-Start, torque converter, driving assistance, cameras, radars, innovative lighting systems, etc.). The Thermal Systems Business Group, which has a strong presence in Japan, was more directly impacted by the drop in production in this country.

The Group also achieved excellent results with its German customers, which accounted for 29% of total original equipment sales for the first nine months of the year, compared with 27% in the same year-ago period.

### Highlights

At the IAA Frankfurt motor show held on September 13-25, 2011, Valeo presented several innovations that will fuel the Group's development in the coming years, including:

- **Park4U® Remote:** this fully automatic parking assistance system maneuvers the vehicle into a parking space without any input from the driver. It can be activated either from inside the vehicle or remotely, using a smartphone;
- **Affordable Hybrid:** an electrification solution for the powertrain. The Affordable Hybrid architecture consists of a motor-generator and low-voltage electronics (48V). By combining the Stop-Start function, regenerative braking and engine assistance, this system offers the advantages of a hybrid for a very low cost.

### Other information

During the third quarter, Valeo concluded, in two tranches, the buyback of 1,228,000 shares for a total of 40.9 million euros. These shares were allocated to cover stock option purchase plans.



## Outlook

The automotive production growth forecast for 2011 is consistent with the estimates published by Valeo. In this context, and despite the high price of certain raw materials, particularly rare earths, in the second half of the year, Valeo confirms its 2011 guidance, i.e., to achieve full-year operating margin rate slightly higher than that of 2010.

## Financial calendar

Full-year 2011 results: February 22, 2012 prior to stock market opening

*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 125 plants, 21 research centers, 40 development centers, 10 distribution platforms and employs 67,900 people in 28 countries worldwide.*

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### Safe Harbor Statement

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