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**Valeo reports first quarter 2011 organic sales growth of 15.6% (+19.2% in original equipment sales), with all Business Groups and all production regions outperforming the market**

- **Consolidated sales up 15.6% (+14.3% like-for-like)**
- **Original equipment sales up 19.2% (+17.4% like-for-like), despite a 22% decline in original equipment sales in Japan**
- **Another quarter of outperformance of original equipment sales versus the market**

**Paris, France, April 21, 2011** – Following the meeting of its Board of Directors today, Valeo released its sales figures for the first quarter 2011:

In million euros	Q1 2010*	Q1 2011*	% change 2011/2010	% change 2011/2010**
Original equipment	1,898	2,263	+19.2%	+17.4%
Aftermarket	351	361	+2.8%	+4.5%
Other	60	45	-25.0%	-26.5%
<b>Total sales</b>	<b>2,309</b>	<b>2,669</b>	<b>+ 15.6%</b>	<b>+14.3%</b>

\* Unaudited \*\* On a like-for-like basis

**Jacques Aschenbroich, Valeo's Chief Executive Officer, said:** "Our strategic focus on developing products that reduce CO<sub>2</sub> emissions and on increasing sales in Asia and emerging markets continued to pay off well in the first quarter of 2011. Our performance for the period once again demonstrated our ability to grow significantly faster than the market in all of our businesses and production regions. I'm confident that we will continue to outperform the market throughout the rest of the year."



In the first quarter 2011, **global automotive production** remained high in all production regions except Japan where output fell 29%. Global passenger car production was up 4.5% compared with the year-earlier period.

In this environment, **original equipment sales** rose 19.2% (+17.4% like-for-like) to €2,263 million, despite a 22% drop in Japan, outperforming market growth by 12 points. **Aftermarket sales** were up 4.5%, at €361 million.

**Total consolidated sales** amounted to €2,669 million, up 15.6% compared with the first quarter 2010. The like-for-like increase was 14.3%.

### Above-market growth in original equipment sales in all production regions

Original equipment (in million euros)	1 <sup>st</sup> quarter*			
	2010	2011	% change Valeo sales**	% change automotive production
Europe	1,170	1 365	+17%	+8%
Asia excl. Japan	258	310	+17%	+9%
<i>of which China</i>	140	161	+14%	+7%
Japan	117	101	-22%	-29%
North America	212	317	+46%	+15%
South America	143	170	+10%	+9%

\*Unaudited    \*\* Like-for-like

Automotive production rose 8% in Europe and 15% in North America compared with the first quarter 2010. In Asia, production declined by 1% due to the consequences of the earthquake in Japan which led to a 29% drop in the country's output for the quarter.

Against this backdrop, the Group's **original equipment sales outperformed the market** in all production regions:

- In Europe, Valeo sales growth of 17% thanks to its favorable customer positioning and product mix, and the ramp-up of certain technologies, particularly in the Powertrain Systems and Comfort & Driving Assistance Systems Business Groups;
- In Asia, excluding Japan, Valeo sales growth of 17% thanks to increased market shares;
- In North America, Valeo sales growth of 46% thanks to its favorable customer positioning, improved product mix and market share gains.

These dynamic performances in all regions, combined with a positive geographic mix, enabled the Group to **outperform global original equipment market growth by 12 points in the first quarter**.

Europe accounted for 60% of original equipment sales in the first quarter compared with 63% in the same period of 2010. North America accounted for 14% versus 11% in the same period of 2010, and Asia was down by 1 point versus the same period of 2010, at 18%.



**All Business Groups contributed to the increase in sales and outperformed the growth in global automotive production**

Total sales In million euros	1st quarter*			
	2010	2011	% change Valeo sales**	% change OE sales**
Comfort & Driving Assistance Systems	408	481	+17%	+19%
Powertrain Systems	636	767	+21%	+25%
Thermal Systems	693	783	+10%	+11%
Visibility Systems	591	664	+12%	+17%

\*Unaudited    \*\* Like-for-like

The Business Groups all delivered dynamic performances, with original equipment sales rising faster than global automotive production, which was up 5% in the first quarter.

The Group also achieved excellent results with its German customers, which now account for 29% of total original equipment sales compared with 27% in the first quarter 2010.

### **Situation following the earthquake in Japan**

Valeo does not expect global automotive production (except in Japan) to be seriously affected up until the end of May. Nevertheless, beyond that date, possible problems in the supply chain for electronic and other components cannot be ruled out, and automotive production may also be disturbed.

### **Highlights**

Valeo announced on February 23, 2011 the signing of an agreement with RHJ International SA and Nissan to acquire Niles, a Japanese automotive supplier which would reinforce Valeo's Comfort and Driving Assistance Systems Business Group. The transaction amounts to 320 million euros (enterprise value). With this acquisition, Valeo would strengthen its position in Asia (Japan, China, Thailand) and with Japanese automakers, particularly Nissan. The Group would thus become world leader in the automotive Human-Machine Interface market. This external growth project is within the framework of the strategy presented to the Group's shareholders in 2011, aiming to reinforce Valeo's presence in Asia. The agreement is subject to various preconditions, such as approval of the anti-trust authorities, before it can enter into effect.

On March 9, 2011 Valeo organized an investor day to present its new medium-term financial objectives.



On April 1, 2011 two new facilities were opened in China – an Electronics Expertise Center in Shenzhen that will develop electronic hardware and services for all Group entities and a wiper systems plant in Wenling that will significantly increase wiper and washing system production capacity for both Chinese and international customers.

## Financial calendar

Annual Shareholders' Meeting, June 8, 2011.

The Board of Directors decided to propose to the 2011 Annual Shareholders' Meeting the appointment of Mr. Thierry Moulouquet as a new Member of the Board. Mr. Thierry Moulouquet spent the majority of his career with the Renault-Nissan group, where he was notably Executive Vice-President and Chief Financial Officer and Member of the Executive Committee then Special Adviser to the CEO of Renault up until his departure on March 31.

*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 109 plants, 20 research centers, 38 development centers, 10 distribution platforms and employs 60,900 people in 27 countries worldwide.*

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