

Valeo establishes its second R&D center in China

Shanghai, China, July 7, 2006 - Valeo today announced the establishment of a new Research and Development center in Shanghai. This technical center will design advanced climate control systems for Chinese, Japanese and European car makers. This latest development is part of Valeo's strategy to expand its presence in the fast-growing Chinese automotive market.

When fully operational, the new technical center will accommodate up to 60 highly qualified engineers and technicians who will initially focus on developing automotive climate control systems for Japanese and European customers. Valeo enjoys a leading position in its climate control activity and is a supplier of complete heating ventilation and air conditioning (HVAC) systems to major carmakers in China.

Valeo has grown rapidly in China since it entered the market in 1994. The Group's first Chinese R&D center, which opened in 2004 in Wuhan, develops automotive lighting systems.

"With its thirteen production facilities and two technical centers employing more than 2,000 people, Valeo is in a good position to serve both Chinese and global automakers. This new R&D center demonstrates Valeo's continuing commitment to the Chinese automotive industry and strengthens the Group's twelve-year presence in the country", said Thierry Morin, Valeo Chairman & CEO.

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 134 production sites, 68 R&D centers, 9 distribution platforms, and employs 70,400 people in 27 countries worldwide.

