Prospectus Supplement no. 1 dated 9 March 2016 to the Base Prospectus dated 7 May 2015

Valeo
Euro 3,000,000,000
Euro Medium Term Note Programme

This prospectus supplement no. 1 (the "**Prospectus Supplement no. 1**") is supplemental to, and should be read in conjunction with, the base prospectus dated 7 May 2015 (the "**Base Prospectus**"), prepared by Valeo (the "**Issuer**") with respect to its Euro 3,000,000,000 Euro Medium Term Note Programme (the "**Programme**"). The *Autorité des marchés financiers* (the "**AMF**") has granted visa no. 15-178 on 7 May 2015 on the Base Prospectus. The Base Prospectus as supplemented constitutes a base prospectus for the purposes of Directive 2003/71/EC of November 4, 2003, as amended (the "**Prospectus Directive**").

Terms defined in the Base Prospectus have the same meaning when used in this Prospectus Supplement no. 1.

Application has been made for approval of the Prospectus Supplement no. 1 to the AMF in its capacity as competent authority pursuant to Article 212-2 of its General Regulations (*Règlement Général*) which implements the Prospectus Directive.

This Prospectus Supplement no.1 has been prepared pursuant to Article 16 of the Prospectus Directive and Article 212-25 of the AMF's General Regulations (*Règlement Général*) for the purpose of (i) incorporating by reference (x) the information contained in the French language version of the 2015 audited consolidated financial statements of the Issuer as at, and for the year ended 31 December 2015 and the related notes hereto (the "**2015 CFS**") and (y) sections of the 2015 *Rapport Financier Semestriel* in the French language relating to the Issuer filed with the AMF on 4 August 2015 (the "**2015 HYFR**") and (ii) giving information with regard to the Issuer and the Notes to be issued under the Programme in addition to the information already contained or incorporated by reference in the Base Prospectus and (iii) for the purposes of making certain other amendments to the Base Prospectus, in particular the update of the ratings by Moody's Investors Service and Standard and Poor's Ratings Services of the long term debt of the Issuer and the modifications of the sections "General Description of the Programme", "Terms and Conditions of the Notes" and "Pro Forma Final Terms for use in connection with issues of securities with a denomination of at least €100,000 to be admitted to trading on an EEA regulated market" to include the two following provisions: "Residual Maturity Call Option" and "Clean-Up Call Option".

As a result, certain modifications have been made to the sections relating to the "Risk Factors", "General Description of the Programme", "Documents Incorporated by Reference", "Terms and Conditions of the Notes", "Recent Developments", "Taxation", "Pro Forma Final Terms for use in connection with issues of securities with a denomination of at least €100,000 to be admitted to trading on an EEA regulated market" and "General Information".

To the extent that there is any inconsistency between (a) any statement in this Prospectus Supplement no. 1 and (b) any other statement in, or incorporated by reference in, the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Prospectus Supplement no. 1, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus which is capable of affecting the assessment of any Notes issued under the Programme since the publication of the Base Prospectus.

Copies of this Prospectus Supplement no. 1 will be available on the websites of (a) the AMF (www.amf-france.org) and (b) the Issuer (www.valeo.com) and copies may be obtained, free of charge, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Issuer, and at the specified offices of the Paying Agents.

The 2015 CFS and 2015 HYFR incorporated by reference in this Prospectus Supplement no. 1 are available on the website of the Issuer (www.valeo.com) and shall be available, upon request and free of charge, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Issuer, and at the specified offices of the Paying Agents.

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COVER PAGE

The eleventh paragraph of the cover page of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

The long term debt of the Issuer has been rated Baa2, stable outlook by Moody's Investors Service ("**Moody's**") on 12 May 2015, and BBB, positive outlook, by Standard and Poor's Ratings Services ("**S&P**") on 3 March 2016.

RISK FACTORS

In the section "Risk Factors", sub-section 3.1 "Risks related to the Notes generally", the paragraph "EU Savings Directive" appearing on pages 10 to 11 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

EU Savings Directive

The Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (the "**EU Savings Directive**") requires each Member State to provide to the tax authorities of another Member State details of payments of interest and other similar income within the meaning of the EU Savings Directive made by a paying agent within its jurisdiction to (or under circumstances to the benefit of) a beneficial owner (within the meaning of the EU Savings Directive) resident in that other Member State, except that Austria instead imposes a withholding system for a transitional period unless the beneficiary of interest payment elects for the exchange of information. The rate of such withholding tax equals thirty-five (35) per cent. until the end of the transitional period. As from 1 January 2015, the Luxembourg government has elected out of the withholding system in favour of automatic exchange of information.

The Council of the European Union has adopted Council Directive 2011/16/EU on administrative cooperation in the field of taxation, (as amended by Council Directive 2014/107/EU) (the "**DAC**"), pursuant to which Member States are generally required to apply new measures on mandatory automatic exchange of information as from 1 January 2016. The DAC is generally broader in scope than the Savings Directive, although it does not impose withholding taxes.

In order to avoid overlap between the Savings Directive and the DAC, the Council of the European Union adopted on 10 November 2015 a Council Directive 2015/2060/EU repealing the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfill administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before that date).

A number of third countries and territories have adopted similar measures to the Savings Directive. Some of those measures have been revised to be aligned with the DAC, and other such measures may be similarly revised in the future.

Investors should inform themselves of, and where appropriate take advice on, the impact of the Savings Directive and the DAC on their investment (see "Taxation - EU Savings Directive").

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Notes as a result of the imposition of such withholding tax.

In the section "Risk Factors", sub-section 3.1 "Risks related to the Notes generally", the paragraph "Transactions on the Notes could be subject to the European financial transaction tax, if adopted" appearing on page 11 is hereby deleted in its entirety and replaced by the following:

Transactions on the Notes could be subject to the European financial transaction tax, if adopted

On 14 February 2013, the European Commission adopted a proposal for a directive on the financial transaction tax (hereafter "**FTT**") to be implemented under the enhanced cooperation procedure by eleven Member States initially (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovenia, Slovakia and Spain; the "**Participating Member States**"). Member States may join or leave the group of Participating Member States at later stages. The proposal will be negotiated by Member States, and, subject to an agreement being reached by the Participating Member States, a final directive will be enacted. The Participating Member State will then implement the directive in local legislation. If the proposed directive is adopted and implemented in local legislation, Noteholders may be exposed to increased transaction costs with respect to financial transactions carried out with respect to the Notes.

In December 2015, a joint statement was issued by Participating Member States (excluding Estonia), indicating an intention to make decisions on the remaining open issues by the end of June 2016.

The FTT proposal remains subject to negotiation between the Participating Member States and the scope of any such tax is uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Notes should consult their own tax advisers in relation to the consequences of the FTT associated with subscribing for, purchasing, holding and disposing of the Notes.

GENERAL DESCRIPTION OF THE PROGRAMME

In the section "General Description of the Programme", the paragraph "Early Redemption" appearing on page 19 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

Early Redemption:	Except as provided in "Optional Redemption" above or in "Make-whole Redemption by the Issuer" or in "Residual Maturity Call Option" or in "Clean-Up Call Option" below, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See "Terms and Conditions of the Notes - Redemption, Purchase and Options".

In the section "General Description of the Programme", after the paragraph "Make-whole Redemption by the Issuer" appearing on page 19 of the Base Prospectus, the two following paragraphs are added as follows:

Residual Maturity Call Option:	If a Residual Maturity Call Option is specified in the relevant Final Terms, the Issuer may, on giving not less than 15 nor more than 30 calendar days' irrevocable notice in accordance with Condition 15 to the Noteholders redeem the Notes, in whole but not in part, at par together with interest accrued to, but excluding, the date fixed for redemption, which shall be no earlier than three months before the Maturity Date.
Clean-Up Call Option:	If a Clean-Up Call Option is specified in the relevant Final Terms and if 80 per cent. of the initial aggregate nominal amount of Notes of the same Series have been redeemed or purchased and, in each case, cancelled, the Issuer may, on giving not less than 15 nor more than 30 calendar days' irrevocable notice in accordance with Condition 15 to the Noteholders redeem on a date to be specified in such notice the remaining Notes, in whole but not in part, at par together with interest accrued to, but excluding, the date fixed for redemption.

In the section "General Description of the Programme", the paragraph "Rating" appearing on page 23 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

Rating:	The long term debt of the Issuer has been rated Baa2, stable outlook by Moody's Investors Service ("**Moody's**") on 12 May 2015, and BBB, positive outlook, by Standard and Poor's Ratings Services ("**S&P**") on 3 March 2016. Notes issued under the Programme may be rated or unrated. The relevant Final Terms will specify (i) the rating of Notes, if any, and (ii) whether or not such credit ratings are issued by a credit rating agency established in the European Union and registered under the CRA Regulation. Credit ratings are subject to revision, suspension or withdrawal at any time by the relevant rating organisation. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating assigned to Notes issued under the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

DOCUMENTS INCORPORATED BY REFERENCE

The section “Documents Incorporated by Reference” appearing on pages 25 to 29 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

This Base Prospectus should be read and construed in conjunction with the following sections identified in the cross-reference table below of the following documents which have been previously published and have been filed with the *Autorité des marchés financiers* (“**AMF**”) as competent authority in France for the purposes of the Prospectus Directive. Such sections shall be incorporated in, and shall be deemed to form part of, this Base Prospectus:

(i) the French language version of the 2015 audited consolidated financial statements of the Issuer as at, and for the year ended 31 December 2015 and the related notes hereto (the “**2015 CFS**”);

(ii) the sections identified in the cross-reference table below of the 2015 *Rapport Financier Semestriel* in the French language relating to the Issuer filed with the AMF on 4 August 2015 (the “**2015 HYFR**”);

(iii) the sections identified in the cross-reference table below of the 2014 Document de Référence in the French language relating to the Issuer filed with the AMF on 27 March 2015 under no. D.15-0220 , including the audited statutory and consolidated financial statements of the Issuer as at, and for the year ended, 31 December 2014 and the related notes thereto (the “**2014 Reference Document**”) save that the third paragraph of the "*Attestation du responsable du Document de référence contenant un rapport financier annuel*" by Mr. Jacques Aschenbroich, *Directeur Général* of the Issuer, referring, inter alia, to *the lettre de fin de travaux* of the statutory auditors of the Issuer on page 375 of such 2014 Reference Document and any reference thereto shall not be deemed incorporated herein;

(iv) the sections identified in the cross-reference table below of the 2013 *Document de Référence* in the French language relating to the Issuer filed with the AMF on 28 March 2014 under no. D.14-0234, including the audited statutory and consolidated financial statements of the Issuer as at, and for the year ended, 31 December 2013 and the related notes thereto (the “**2013 Reference Document**”) save that the third paragraph of the "*Attestation du responsable du Document de référence contenant un rapport financier annuel*" by Mr. Jacques Aschenbroich, *Directeur Général* of the Issuer, referring, *inter alia*, to the *lettre de fin de travaux* of the statutory auditors of the Issuer on page 354 of such 2013 Reference Document and any reference thereto shall not be deemed incorporated herein.;

(v) the terms and conditions of the notes contained in the base prospectus of the Issuer dated 23 April 2013 which received visa no. 13-174 from the AMF, (the “**2013 EMTN Conditions**”); and

(vi) the terms and conditions of the notes contained in the base prospectus of the Issuer dated 13 April 2011 which received visa no. 11-108 from the AMF, (the “**2011 EMTN Conditions**”, and together with the 2013 EMTN Conditions, the “**Previous EMTN Conditions**”).

Free translations in the English language of the 2015 CFS, the 2015 HYFR, the 2014 Reference Document and the 2013 Reference Document are available on the Issuer's website (www.valeo.com). These documents are available for information purposes only and are not incorporated by reference in this Base Prospectus. The only binding versions are the French language versions.

The Issuer will, at the specified office of each Paying Agent for the time being during normal business hours, make available, free of charge, a copy of any or all of the documents incorporated by reference (the “**Documents Incorporated by Reference**”) herein. All Documents Incorporated by Reference in this Base Prospectus will also be available on the website of Valeo (www.valeo.com). All Documents Incorporated by Reference in this Base Prospectus, except for the 2015 CFS and the 2015 HYFR, will also be available on the website of the *Autorité des marchés financiers* (www.amf-france.org).

The following table cross-references the pages of the Documents Incorporated by Reference. Any information not listed in the cross-reference list but included in the documents incorporated by reference is considered as additional information and is not required by the relevant schedules of the Commission Regulation (EC) No 809/2004 of 29 April 2004, as amended.

Information incorporated by reference	**2015 CFS**	**2015 HYFR**	**2014 Reference Document**	**2013 Reference Document**
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Information incorporated by reference	2015 CFS	2015 HYFR	2014 Reference Document	2013 Reference Document
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	–	–	**Non-consolidated financial statements 2014:** p. 318 to 337 - Balance sheet: p. 319 - Income statement: p. 318 - Accounting policies: p. 322 to 323 - Explanatory notes: p. 322 to 337	**Non-consolidated financial statements 2013:** p. 295 to 313 - Balance sheet: p. 296 - Income statement: p. 295 - Accounting policies: p. 299 to 300 - Explanatory notes: p. 299 to 313
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The Previous EMTN Conditions are incorporated by reference in this Base Prospectus for the purpose only of further issues of notes to be assimilated (*assimilées*) and form a single series with Notes already issued with the Previous EMTN Conditions.

PREVIOUS EMTN CONDITIONS	
2013 EMTN Conditions	Pages 28 to 58
2011 EMTN Conditions	Pages 28 to 58

TERMS AND CONDITIONS OF THE NOTES

In the section "Terms and Conditions of the Notes" appearing on pages 31 to 61 of the Base Prospectus, the Condition 6 "Redemption, Purchase and Options" is supplemented by the following:

(j) Residual Maturity Call Option

If a Residual Maturity Call Option is specified in the relevant Final Terms, the Issuer may, on giving not less than 15 nor more than 30 calendar days' irrevocable notice in accordance with Condition 15 to the Noteholders redeem the Notes, in whole but not in part, at par together with interest accrued to, but excluding, the date fixed for redemption, which shall be no earlier than three months before the Maturity Date.

(k) Clean-Up Call Option

If a Clean-Up Call Option is specified in the relevant Final Terms and if 80 per cent. of the initial aggregate nominal amount of Notes of the same Series have been redeemed or purchased and, in each case, cancelled, the Issuer may, on giving not less than 15 nor more than 30 calendar days' irrevocable notice in accordance with Condition 15 to the Noteholders redeem on a date to be specified in such notice the remaining Notes, in whole but not in part, at par together with interest accrued to, but excluding, the date fixed for redemption.

RECENT DEVELOPMENTS

The section “Recent Developments” appearing on pages 65 to 70 of the Base Prospectus is supplemented by the following press releases:

March 8, 2016 Press release – “Valeo confirms the acquisition of the German company peiker”

After having received the authorizations from the relevant anti-trust authorities and as announced on December 21, 2015 Valeo confirms today the acquisition of the German company peiker, a major supplier of on-board telematics and mobile connectivity solutions. The acquisition will enable Valeo to widen its range of connectivity-related products.
The acquisition of peiker, which is expected to report sales of around €325 million for 2015, will have a positive impact on Valeo's results starting in 2016.

Jacques Aschenbroich, Chairman and CEO of Valeo, comments: *“As we at Valeo warmly welcome peiker teams, I would like to pay tribute to the remarkable role played by Andreas Peiker during his 33 years as CEO. Under his tenure, peiker has transformed into a truly respected leader in telematics and connectivity solutions.”*

February 18, 2016 Press release - “ The Board of Directors of Valeo elects Jacques Aschenbroich as Chairman of the Board of Directors and Chief Executive Officer and appoints a lead director”

Pascal Colombani, Chairman of the Board of Directors, has reached the age limit set out in the articles of association of Valeo and has indicated to the Board of Directors that it would be the appropriate time for him to step down from his position, in view of a change of governance. Pascal Colombani will continue to act as a director of Valeo.

At a meeting held on February 18, 2016, the Board of Directors unanimously decided to elect Jacques Aschenbroich, Chief Executive Officer and director since March 20, 2009, as Chairman of the Board of Directors. Jacques Aschenbroich will thus become Chairman of the Board of Directors and Chief Executive Officer.

The Board of Directors also unanimously decided to appoint Georges Pauget as lead director with the broadest powers to carry out his duties. Georges Pauget is an independent director, the Chairman of the Appointment, Compensation and Governance Committee and a member of the Strategy Committee.

Lastly, Pascal Colombani, who has also been appointed as Honorary Chairman of Valeo, will assist the Chairman of the Board of Directors and Chief Executive Officer and the lead director until May 26, 2016, date of the next general shareholders meeting, to manage the governance transition and to prepare for this meeting.

All of these decisions take effect on February 18, 2016.

Following the Board of Directors meeting, Pascal Colombani declared: "*I look at the work accomplished since 2009 with pride: Valeo has become a reference in terms of corporate governance, and the strategy defined by Jacques, based on technological innovation and global deployment, led to exceptional growth, outstanding results and integration into the CAC 40 stock index, all this being reflected in the increase of the share price and the level of dividends paid to shareholders. I am confident in the future of Valeo with its new governance configuration.*"

Further to his appointment as Chairman of the Board of Directors and Chief Executive Officer, Jacques Aschenbroich declared: "*I would like to sincerely thank Pascal, in the name of the 82,800 Valeo employees. His experience and interest for technological breakthroughs and international development have been infallible* *support to transform Valeo into a technological company with a global reach and to create a world leader in the fields of CO_2 emissions reduction and intuitive driving."*

February 18, 2016 Press release – Fourth-quarter 2015

"Sales up 14% to 14.5 billion euros
Operating margin[1] up 22% to 1,116 million euros, or 7.7% of sales
Net income up 30% to 729 million euros, or 5.0% of sales
Free cash flow[2] up 73% to 565 million euros
Order intake[2] up 15% to 20.1 billion euros"

Jacques Aschenbroich, Valeo's Chief Executive Officer, commented:

"Valeo's 2015 results reflect the excellent work carried out by our teams over the past few years to develop a more diverse customer portfolio, strengthen our products' technological advantage and further align our businesses geographically.
Sales accelerated throughout 2015 and outperformed the market in all world regions despite market volatility in some of our geographies, once again demonstrating the solidity of our growth model. This growth was accompanied by a 22% increase in our operating margin to 7.7% of sales, as well as a 30% increase in net income and a 73% increase in free cash flow.
Our record order intake – which stands at 20.1 billion euros – reflects the commercial success of our technologies for CO_2 emissions reduction and intuitive driving. This strong momentum confirms that we are on course to meet our objectives for 2020, presented in London in March 2015."

Fourth-quarter 2015

- **Sales of 3,797 million euros**, up 488 million euros or 15% year on year (9% on a like-for-like basis)

Second-half 2015

- **Sales of 7,246 million euros**, up 14% (8% on a like-for-like basis)
- **Operating margin[1]** up 21% to 578 million euros, or 8.0% of sales
- **Net attributable income** up 26% to 385 million euros, or 5.3% of sales
  Excluding non-recurring items, net income rose 46% to 468 million euros, or 6.5% of sales
- **Free cash flow[2] of 259 million euros,** up 49% year on year

Full-year 2015

- **Order intake[2]** of 20.1 billion euros, up 15%
- **Sales of 14,544 million euros**, up 14% (7% on a like-for-like basis)
- **Original equipment sales of 12,600 million euros**, up 16% (8% on a like-for-like basis) and outpacing global automotive production by 6 percentage points
- **Operating margin[1]** up 22% to 1,116 million euros, or 7.7% of sales
- **Net attributable income** up 30% to 729 million euros, or 5.0% of sales
  Excluding non-recurring items, net income rose 39% to 825 million euros, or 5.7% of sales
- **Free cash flow[2] of 565 million euros,** up 73% year on year

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[1] Including share in net earnings of equity-accounted companies, see Financial Glossary.
[2] See Financial Glossary

2015 dividend

Proposed dividend payment up 36% to 3 euros per share, representing a payout ratio of 32%.

2016 outlook

Based on the following assumptions:

- an increase in global automotive production of around 2.5%, including:
  - around 2% in Europe,
  - around 5% in China,
  - around 2% in North America;
- raw material prices and exchange rates in line with current levels;

Valeo has set the following objectives for 2016:

- strong sales growth, outperforming the market in the main production regions, including China;
- a slight increase in the operating margin(3) (as a percentage of sales), despite the increase in net R&D expenditure required for the Group's future growth engines of CO_2 emissions reduction and intuitive driving.

At its meeting on February 18, 2016, Valeo's Board of Directors approved the consolidated and parent company financial statements for the year ended December 31, 2015(4)

[3] Including share in net earnings of equity-accounted companies, see Financial Glossary.
[4] Further to their statutory audit, the Statutory Auditors issued an unqualified opinion on the consolidated financial statements for the year ended December 31, 2015.

H2 2014*	H2 2015	Change			Full-year 2014	Full-year 2015	Change
8.4	9.4	+12%	Order intake[5]	*(in billions of euros)*	17.5	20.1	+15%
6,378	7,246	+14%/+8%**	Sales	*(in millions of euros)*	12,725	14,544	+14%/+7%**
5,458	6,284	+15%/+9%**	Original equipment sales	*(in millions of euros)*	10,890	12,600	+16%/+8%**
(335)	(395)	+18%	R&D expenditure, net	*(in millions of euros)*	(685)	(797)	+16%
-5.3%	*-5.5%*	*-0.2 pts*		*(as a % of sales)*	*-5.4%*	*-5.5%*	*-0.1 pts*
(226)	(238)	+5%	General administrative expenses	*(in millions of euros)*	(449)	(486)	+8%
-3.5%	*-3.3%*	*+0.2 pts*		*(as a % of sales)*	*-3.5%*	*-3.3%*	*+0.2 pts*
19	33	+74%	Share in net earnings of equity-accounted companies	*(in millions of euros)*	51	56	+10%
477	578	+21%	Operating margin[6]	*(in millions of euros)*	913	1,116	+22%
7.5%	*8.0%*	*+0.5 pts*		*(as a % of sales)*	*7.2%*	*7.7%*	*+0.5 pts*
306	385	+26%	Net attributable income	*(in millions of euros)*	562	729	+30%
4.8%	*5.3%*	*+0.5 pts*		*(as a % of sales)*	*4.4%*	*5.0%*	*+0.6 pts*
-	-	-	Basic earnings per share	*(in euros)*	7,23	9,33	+29%
321	468	+46%	Net attributable income[2]excluding non-recurring items	*(in millions of euros)*	593	825	+39%
5.0%	*6.5%*	*+1.5 pts*		*(as a % of sales)*	*4.7%*	*5.7%*	*+1.0 pt*
-	-	-	Basic earnings per share excluding non-recurring items	*(in euros)*	7.63	10.56	+38%
30%	*33%*	*+3 pts*	ROCE[2]		*30%*	*33%*	*+3 pts*
19%	*20%*	*+1 pt*	ROA[2]		*19%*	*20%*	*+1 pt*
792	934	+18%	EBITDA[2]	*(in millions of euros)*	1,526	1,847	+21%
12.4%	*12.9%*	*+0.5 pts*		*(as a % of sales)*	*12.0%*	*12.7%*	*+0.7 pts*
(485)	(570)	+18%	Investments in property, plant and equipment and intangible assets	*(in millions of euros)*	(936)	(1,109)	+18%
174	259	+49%	Free cash flow[2]	*(in millions of euros)*	327	565	+73%
377***	124	-67%	Net debt[2]	*(in millions of euros)*	377***	124	-67%
-	-	-	Gearing ratio		14%***	4%	N/A

[5] See Financial Glossary.
[6] Including share in net earnings of equity-accounted companies, see Financial Glossary.

** Results for second-half 2014 differ from those presented in the consolidated financial statements for the year ended December 31, 2014 published in February 2015 since they have been adjusted to reflect the impacts of the first-time application of IFRIC 21 – "Levies" as from January 1, 2015 on a retrospective basis*
*** Like for like (constant Group structure and exchange rates)*
**** The amounts shown for second-half 2014 and full-year 2014 differ from those presented in the 2014 consolidated financial statements published in February 2015 since they have been adjusted to reflect the impacts of applying the new definition of net debt as from January 1, 2015 on a retrospective basis*

Order intake up 15% to 20.1 billion euros, confirming the Group's strong growth potential

In 2015, the order intake increased by 15% to 20.1 billion euros, confirming the Group's potential to outperform global automotive production by an average of 5 percentage points per year over the period 2015-2020.

The order intake remained balanced across the Group's different regions:

- 28% in Asia; China accounted for 20% of the order intake, of which 41% of orders booked with local Chinese automakers;
- 46% in Europe (and Africa), reflecting the strong positioning of Valeo's new products and technologies for CO_2 emissions reduction (including the 48V and dual clutch systems, and LED technology in the lighting business) and intuitive driving (including display screens and parking assistance, vision and radar systems);
- 25% in North America.

Innovative products accounted for a significant 37% of the order intake, vindicating the Group's technology strategy.

Automotive production up 2% in 2015

Automotive production rose 2% year on year, benefiting from the upturn in the European market excluding Russia (up 8%), as well as continued expansion in North America (up 3%).

In China, automotive production had to contend with high volatility in the second half of the year. After a sharp decline of 8% in the third quarter, production jumped 13% in the fourth quarter, with full-year growth coming out at 4%.

Production in South America continued its sharp decline (down 19%).

Automotive production (year-on-year change)

	Q4 2015	H2 2015*	Full-year 2015*
TOTAL	**+4%**	**+2%**	+2%
Europe & Africa	+4%	+5%	+5%
excluding Russia	+7%	+8%	+8%
Asia, Middle East & Oceania	+7%	+2%	+1%
of which China	+13%	+4%	+4%
excluding China	0%	-1%	-1%
North America	+3%	+4%	+3%
South America	-26%	-23%	-19%

* LMC automotive production estimates.

Sales growth came out at 14% in 2015, and accelerated throughout the year

Full-year sales advanced 14% (7% like for like), to 14,544 million euros. Like-for-like sales growth accelerated to 9% in the fourth quarter, compared with 8% for second-half 2015 (7% for the year as a whole).

Changes in exchange rates had a positive impact of 7% (6% in the second half), primarily due to the depreciation of the euro against the US dollar and the Chinese yuan. **Changes in Group structure** had no impact on sales for the period.

Sales *(in millions of euros)*

	As a % of total 2015 sales	Q4				H2				Full-year			
		2014	2015	Reported change	LFL change*	2014	2015	Reported change	LFL change*	2014	2015	Reported change	LFL change*
Total of which:	**100%**	**3,309**	**3,797**	**+15%**	**+9%**	**6,378**	**7,246**	**+14%**	**+8%**	**12,725**	**14,544**	**+14%**	**+7%**
Original equipment	87%	2,814	3,294	+17%	+12%	5,458	6,284	+15%	+9%	10,890	12,600	+16%	+8%
Aftermarket	11%	376	399	+6%	+4%	742	786	+6%	+4%	1,495	1,599	+7%	+3%
Miscellaneous	2%	119	104	-13%	-23%	178	176	-1%	-10%	340	345	+2%	-5%

** Like for like (constant Group structure and exchange rates)*

Original equipment sales came out at 12,600 million euros (87% of total sales), up 16% (8% like for like). This performance reflects the gradual entry into production of the high order intake recorded by the Group over the last few years. Like-for-like growth in original equipment sales accelerated to 12% in the fourth quarter, compared with 9% for the second half (8% for the year as a whole).

Aftermarket sales (11% of total sales) rose by 7% over the period (3% like for like). In the second half, like-for-like aftermarket sales growth accelerated to 4%. Performance in South Korea was adversely affected by changes in exchange rates; excluding aftermarket sales from South Korea, this item was up 5% on a like-for-like basis (6% in the second half and 7% in the fourth quarter).

Miscellaneous sales (2% of total sales), mainly consisting of tooling revenues related to the launch of new projects, increased by 2% (down 5% like for like).

Accelerating growth in original equipment sales[7] and market outperformance

Valeo delivered market-beating growth driven by:

- an improved product mix resulting from technological innovations for CO_2 emissions reduction and intuitive driving;
- its balanced customer and geographic positioning.

Original equipment sales *(by destination, in millions of euros)*

	Q4				H2				Full-year			
	2014	**2015**	LFL change	Difference vs. market*	**2014**	**2015**	LFL change	Difference vs. market*	**2014**	**2015**	LFL change	Difference vs. market*
TOTAL	**2,814**	**3,294**	**+12%**	**+8 pts**	**5,458**	**6,284**	**+9%**	**+7 pts**	**10,890**	**12,600**	**+8%**	**+6 pts**
Europe & Africa	1,365	1,549	+13%	+9 pts	2,649	3,007	+13%	+8 pts	5,483	6,125	+11%	+6 pts
Asia, Middle East & Oceania	775	966	+14%	+7 pts	1,467	1,736	+8%	+6 pts	2,777	3,385	+7%	+6 pts
China	416	533	+15%	+2 pts	755	910	+7%	+3 pts	1,370	1,759	+8%	+4 pts
excluding China	359	433	+13%	+13 pts	712	826	+9%	+10 pts	1,407	1,626	+6%	+7 pts
North America	593	734	+9%	+6 pts	1,166	1,435	+6%	+2 pts	2,267	2,826	+5%	+2 pts
South America	81	45	-27%	-1 pt	176	106	-23%	0pt	363	264	-18%	+1 pt

** Based on LMC automotive production estimates*

On a like-for-like basis, original equipment sales growth outpaced automotive production in all production regions. Growth accelerated throughout the year, resulting in an 8-percentage point market outperformance in the fourth quarter compared with 7 points for the second half and 6 points for the year as a whole:

- in **Europe** (including Africa), like-for-like original equipment sales advanced 11% on an attractive portfolio of high technological value products and a favorable customer and geographic mix,

[7] Like for like (constant Group structure and exchange rates)

outperforming automotive production by 6 percentage points. Fourth-quarter sales momentum resulted in a 9-point outperformance for the period, versus 8 points for the second half and 6 points for the year as a whole;

- in **China**, like-for-like original equipment sales were up 8%, outpacing automotive production by 4 percentage points. Growth in original equipment sales to Chinese beat automotive production by 28 points;
- in **Asia excluding China**, Valeo's like-for-like original equipment sales climbed 6% and outperformed automotive production. In the second half of the year, original equipment sales accelerated, particularly in Korea and India. Fourth-quarter sales momentum resulted in a 13-point outperformance for the period compared to the regional market, versus 10 points for the second half and 7 points for the year as a whole;
- in **North America**, like-for-like original equipment sales advanced 5%, 2 percentage points more than automotive production;
- in **South America**, like-for-like original equipment sales were down 18%, beating automotive production by 1 percentage point.

Valeo continues to realign its businesses geographically...

Changes in sales produced by Valeo in the different production regions reflect in particular movements in exchange rates.

In 2015:

- the share of original equipment sales produced in North America increased by 2 percentage points to 22%;
- the share of original equipment sales produced in China increased by 2 percentage points to 14% of total original equipment sales;
- the share of original equipment sales produced in Western Europe decreased by 2 percentage points to 34%;
- the share of original equipment sales produced in South America decreased by 1 percentage point to 2%.

...and maintain a balanced, more diverse customer portfolio

In 2015:

- German customers accounted for 30% of original equipment sales, stable year on year;
- Asian customers accounted for 26% of original equipment sales, stable year on year;
- US customers accounted for 24% of original equipment sales, up 2 percentage points;
- French customers accounted for 15% of original equipment sales, down 1 percentage point on 2014.

Growth in like-for-like original equipment sales accelerated in 2015, outperforming automotive production in all Business Groups

As is the case for the consolidated Group, the sales performance for the Business Groups reflects the specific product, geographic and customer mix and the relative weighting of the aftermarket in their activity as a whole.

Sales by Business Group* *(in millions of euros)*

	Q4				H2				Full-year			
	2014	2015	Change in sales	Change in OE sales**	2014	2015	Change in sales	Change in OE sales**	2014	2015	Change in sales	Change in OE sales**
CDA	614	721	+17%	+15%	1,187	1,384	+17%	+13%	2,311	2,720	+18%	+13%
Powertrain	843	959	+14%	+12%	1,641	1,836	+12%	+10%	3,337	3,762	+13%	+8%
Thermal	934	1,036	+11%	+6%	1,823	2,028	+11%	+5%	3,637	4,074	+12%	+3%
Visibility	957	1,124	+17%	+15%	1,813	2,091	+15%	+11%	3,614	4,185	+16%	+9%

** Including intersegment sales*
*** Like for like (constant Group structure and exchange rates)*

Original equipment sales growth outpaced the market in all Business Groups and accelerated in the second half of the year.

In the year as a whole:

- Like-for-like original equipment sales for the **Comfort & Driving Assistance Systems Business Group** increased 13%, reflecting the market's growing interest in intuitive driving products (display screens and parking assistance, vision and radar systems).
- Like-for-like original equipment sales for the **Visibility Systems** and **Powertrain Systems Business Groups** rose 9% and 8%, respectively, driven by the increasing take-up of LED technology in the lighting business and the gradual entry into production of innovative technologies aimed at reducing CO_2 emissions, including the high-output alternator, dual-clutch and dampers.
- The **Thermal Systems Business Group** posted original equipment sales growth of 3% on a like-for-like basis, outpacing automotive production.

Over the full year:
- **operating margin[1] was up 22% to 1,116 million euros, or 7.7% of sales**
- **net income jumped 30% to 729 million euros, or 5.0% of sales**

In the second half:
- **operating margin[8] rose 21% to 578 million euros, or 8.0% of sales**
- **net income climbed 26% to 385 million euros, or 5.3% of sales**

The **gross margin** for 2015 increased by 17% to 2,573 million euros, or 17.7% of sales (up 0.4 percentage points on 2014). This chiefly reflects operating leverage (up 0.6 percentage points) and manufacturing efficiency gains (up 0.2 percentage points), which were partly offset by poor economic conditions in South America and an increase in depreciation of the capital investments carried out by the Group over the past few years.

Valeo continued its **Research and Development** efforts in response to its high order intake. In 2015, gross R&D expenditure was up 16% to 1,307 million euros. Net R&D expenditure rose 16%, representing 5.5% of sales, up 0.1 percentage points versus 2014.

General and administrative expenses came out 0.2 percentage points lower than in 2014, at 3.3% of sales.

The share in net earnings from equity-accounted companies was 56 million euros, or 0.4% of sales, stable compared with 2014.

Operating margin[1] moved up 22% to 1,116 million euros, or 7.7% of sales (up 0.5 percentage points on 2014). In the second half, the operating margin[1] climbed 21% to 578 million euros, or 8.0% of sales.

Operating income[9] rose 16% to 999 million euros, or 6.9% of sales (up 0.1 percentage points on 2014). This takes into account other income and expenses for a net negative amount of 117 million euros, including restructuring programs in South America, Japan, Russia and Spain, as well as a non-recurring 42 million euro writedown of fixed assets in South America due to tough economic conditions in the region.

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[8] Including share in net earnings of equity-accounted companies, see Financial Glossary.
[9] See Financial Glossary.

The cost of net debt totaled 84 million euros, down 8% on 2014.

The effective tax rate came out at 13% following partial recognition of deferred tax assets, primarily resulting from the improved profitability of the Group's operations in North America.

Net attributable income jumped 30% to 729 million euros, or 5.0% of sales (up 0.6 percentage points on 2014).

Excluding non-recurring items, net attributable income[(2)] rose 39% to 825 million euros, or 5.7% of sales. In the second half, net attributable income excluding non-recurring items[(2)] surged 46% to 468 million euros, or 6.5% of sales.

Return on capital employed (ROCE[(2)]) and **return on assets** (ROA[(2)]) stood at 33% and 20%, respectively.

In 2015, consolidated EBITDA[(10)] came in 21% higher at 1,847 million euros, or 12.7% of sales

<u>EBITDA *(in millions of euros and as a % of sales)*</u>

	Second half			Full-year		
	2014*	2015	Change	2014	2015	Change
Comfort & Driving Assistance Systems	177	201	+14%	336	394	+17%
	14.9%	*14.5%*	*-0.4 pts*	*14.5%*	*14.5%*	*0 pts*
Powertrain Systems	203	249	+23%	410	482	+18%
	12.4%	*13.6%*	*+1.2 pts*	*12.3%*	*12.8%*	*+0.5 pts*
Thermal Systems	205	209	+2%	404	437	+8%
	11.2%	*10.3%*	*-0.9 pts*	*11.1%*	*10.7%*	*-0.4 pts*
Visibility Systems	215	273	+27%	382	521	+36%
	11.9%	*13.1%*	*+1.2 pts*	*10.6%*	*12.4%*	*+1.8 pts*
Group	*792*	*934*	*+18%*	*1,526*	*1,847*	*+21%*
	12.4%	*12.9%*	*+0.5 pts*	*12.0%*	*12.7%*	*+0.7 pts*

** EBITDA shown for second-half 2014 differs from the amount presented in the consolidated financial statements for the year ended December 31, 2014 published in February 2015 since it has been adjusted to reflect the impacts on the cost of sales of the first-time application of IFRIC 21 – "Levies" as from January 1, 2015 on a retrospective basis.*

Against a backdrop of strong sales growth, the **Comfort & Driving Assistance Systems Business Group** continued its R&D investment drive required to develop its numerous ongoing projects. EBITDA for the Business Group was stable year on year, at 14.5% of sales.

Reflecting their upward profitability trend, EBITDA for the **Powertrain Systems** and **Visibility Systems Business Groups** increased to 12.8% and 12.4% as a percentage of sales respectively (up 0.5 percentage points and 1.8 percentage points respectively on 2014).

The **Thermal Systems Business Group** saw its EBITDA narrow to 10.7% of sales (down 0.4 percentage points) given the relative weighting of the South American, Russian and Indonesian markets in its activity.

Free cash flow[(11)] of 259 million euros in second-half 2015 and 565 million euros for the year as a whole, up 73% on 2014

The Group generated **free cash flow**[(1)] of 259 million euros in second-half 2015, up 49% year on year. This chiefly reflects:

- an 18% increase in EBITDA[(1)] to 934 million euros;
- disciplined management of working capital which, despite strong growth in China in the fourth quarter, contributed a positive 8 million euros to free cash flow;
- controlled investment outflows of 570 million euros, or 8% of sales.

[10] See Financial Glossary.
[11] See Financial Glossary.

Thanks to a strong second-half performance, the Group generated 565 million euros in **free cash flow**[(1)] in the year as a whole, a 73% increase on 2014.

In 2015, **net cash flow**[(1)] amounted to 346 million euros, reflecting:

- 70 million euros in financial expenses; and
- 149 million euros in expenses related to other financial items, including 172 million euros in respect of the dividend paid to shareholders.

Net debt at 124 million euros at December 31, 2015

Net debt[(1)] stood at 124 million euros at December 31, 2015, down 253 million euros compared with end-December 2014. The new definition of net debt takes into account the fair value of derivative instruments hedging borrowings and debt, and put options granted to holders of non-controlling interests. This new definition increased net debt by 36 million euros at December 31, 2014.

The **leverage ratio** (net debt/EBITDA) came out at less than 0.1 and the **gearing ratio** (net debt/stockholders' equity excluding non-controlling interests) stood at 4%.

At December 31, 2015, the Group's debt had an average maturity of 4.3 years.

Increase in 2015 dividend

A proposal will be submitted to the Shareholders' Meeting to pay a dividend of 3 euros per share in respect of 2015, representing an increase of 36% on the 2014 dividend and corresponding to a payout ratio of 32%.

2016 outlook

Based on the following assumptions:

- an increase in global automotive production of around 2.5%, including:
  - around 2% in Europe,
  - around 5% in China,
  - around 2% in North America;
- raw material prices and exchange rates in line with current levels;

Valeo has set the following objectives for 2016:

- strong sales growth, outperforming the market in the main production regions, including China;
- a slight increase in the operating margin[(12)] (as a percentage of sales), despite the increase in net R&D expenditure required for the Group's future growth engines of CO_2 emissions reduction and intuitive driving.

Highlights

On December 21, 2015, Valeo announced the acquisition of the German company peiker, a major supplier of on-board telematics and mobile connectivity solutions. peiker's technological expertise will allow the Group to offer automakers new telematics systems equipped with the high-speed connectivity and cybersecurity features that this high-growth market demands. The acquisition of peiker, which reported sales of around 310 million euros in 2015, will have a positive impact on Valeo's results starting in 2016.

On December 23, 2015, Valeo signed an agreement with Deutsche Beteiligungs AG (DBAG) to acquire Spheros, the worldwide leader in air conditioning systems for buses. The acquisition will allow Valeo to extend its thermal management activities to the vibrant bus market, which is expected to grow by more than 5% annually over the coming years. The acquisition of Spheros, which reported sales of around 250 million euros in 2015, will have a positive impact on Valeo's results starting in 2016.

On February 18, 2016, the Board of Directors of Valeo elects Jacques Aschenbroich as Chairman of the Board of Directors and Chief Executive Officer and appoints Georges Pauget as lead director.

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[12] Including share in net earnings of equity-accounted companies, see Financial Glossary.

Pascal Colombani, Chairman of the Board of Directors, has reached the age limit set out in the articles of association of Valeo and has indicated to the Board of Directors that it would be the appropriate time for him to step down from his position, in view of a change of governance. Pascal Colombani will continue to act as a director of Valeo.

At a meeting held on February 18, 2016, the Board of Directors unanimously decided to elect Jacques Aschenbroich, Chief Executive Officer and director since March 20, 2009, as Chairman of the Board of Directors. Jacques Aschenbroich will thus become Chairman of the Board of Directors and Chief Executive Officer.

The Board of Directors also unanimously decided to appoint Georges Pauget as lead director with the broadest powers to carry out his duties. Georges Pauget is an independent director, the Chairman of the Appointment, Compensation and Governance Committee and a member of the Strategy Committee.

Lastly, Pascal Colombani, who has also been appointed as Honorary Chairman of Valeo, will assist the Chairman of the Board of Directors and Chief Executive Officer and the lead director until May 26, 2016, date of the next general shareholders meeting, to manage the governance transition and to prepare for this meeting.

All of these decisions take effect on February 18, 2016.

Upcoming events

First-quarter 2016 sales: April 26, 2016

Financial Glossary

- **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.*
- **Operating margin including share in net earnings of equity-accounted companies** corresponds to operating income before other income and expenses.
- **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.
- **ROCE**, or return on capital employed, corresponds to operating margin (including share in net earnings of equity-accounted companies) in relation to capital employed (including investments in equity-accounted companies) excluding goodwill.
- **ROA**, or return on assets, corresponds to operating income in relation to capital employed (including investments in equity-accounted companies) including goodwill.
- **EBITDA** corresponds to (i) operating margin before depreciation, amortization and impairment losses (included in the operating margin), and (ii) net dividends received from equity accounted companies.
- **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.
- **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 equity interests without a change in control, and (iii) changes in sales of non-recurring trade receivables.
- **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.

Safe Harbor Statement

Statements contained in this press release, 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 press release, 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 anti-trust authorities as identified in the Registration Document and risks relating to legal action resulting from such investigations, 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 Registration Document registered with the AMF on March 27, 2015 (under no. D.15-0220).
The company assumes no responsibility for any analyses issued by analysts and any other information prepared by third parties which may be used in this press release. Valeo does not intend or assume any obligation to review or to confirm the estimates of analysts or to update any Forward-Looking Statements to reflect events or circumstances which occur subsequent to the date of this press release.

November 26, 2015 Press release – "39 major French companies take concrete action to combat climate change

In the lead-up to the Paris climate summit (COP 21), 39 major French companies, employing a total of 4.4 million people worldwide and generating sales of 1,200 billion euros, have made a firm commitment to combat climate change. By signing this climate pledge, they want to contribute to making COP 21 a success and to limiting the warming of the Earth to 2°C. They emphasize their driving role and leadership in the fight for a more sustainable world.

Active since many years, these companies are taking concrete steps to reduce their carbon footprint through:

- The use of active and passive energy efficiency solutions,
- The use of renewable energy, notably hydro, wind or solar energy,
- The systematic reduction of greenhouse gas emissions throughout the life cycle of their products,
- The development of new low-carbon materials and solutions,
- The reduction of food waste and packaging,
- The adoption of long-term investment strategies actively promoting the energy transition.

From 2016 to 2020, the 39 companies plan to invest at least 45 billion euros in industrial projects and R&D devoted to renewable energy, energy efficiency and other low carbon technologies. Over the same period, they also intend to provide bank and bond financing of at least 80 billion euros for projects contributing to the fight against climate change.

In addition, they foresee low carbon investments of 15 billion euros in new nuclear capacities and investments of 30 billion euros in natural gas as energy transition solution, planned over the next five years.

THE SIGNATORIES

- Augustin de Romanet, chairman and chief executive officer of Aéroports de Paris
- Patrick Kron, chairman and chief executive officer of Alstom
- Philippe Varin, chairman of the AREVA board of directors
- Thierry Le Hénaff, chairman and chief executive officer of Arkema
- Vianney Mulliez, chairman of the Auchan supervisory board
- Jean-Philippe Puig, managing director of Avril
- Henri de Castries, chairman and chief executive officer of Axa
- Jean-Laurent Bonnafé, chief executive officer of BNP Paribas
- Georges Plassat, chairman and chief executive officer of Carrefour
- Philippe Brassac, chief executive officer of Crédit Agricole SA
- Emmanuel Faber, chief executive officer of Danone
- Jean-Bernard Lévy, chairman and chief executive officer of EDF
- Max Roche, chief executive officer of Eiffage
- Philippe Salle, chairman and chief executive officer of Elior
- Gérard Mestrallet, chairman and chief executive officer of Engie
- Jean-Charles Decaux, chief executive officer of JCDecaux
- François-Henri Pinault, chairman and chief executive officer of Kering
- Véronique Laury, chief executive officer of Kingfisher
- Bruno Lafont, co-chairman of the LafargeHolcim board of directors
- Philippe Wahl, chairman and chief executive officer of Groupe La Poste
- Gilles Schnepp, chairman and chief executive officer of Legrand
- Jean-Paul Agon, chairman and chief executive officer of L'Oréal
- Jean-Dominique Senard, chairman of Michelin
- Stéphane Richard, chairman and chief executive officer of Orange
- Maurice Lévy, chairman of the Publicis Groupe board of directors
- Elisabeth Borne, chairwoman and chief executive officer of RATP
- Rudy Provoost, chairman and chief executive officer of Rexel
- Pierre-André de Chalendar, chairman and chief executive officer of Saint-Gobain
- Olivier Brandicourt, chief executive officer of Sanofi
- Jean-Pascal Tricoire, chairman and chief executive officer of Schneider Electric
- Denis Kessler, chairman and chief executive officer of SCOR SE
- Guillaume Pépy, chairman of the SNCF
- Frédéric Oudéa, chief executive officer of Société Générale
- Jean-Pierre Clamadieu, chairman of Solvay's Executive Committee and Solvay's CEO
- Jean-Louis Chaussade, chief executive officer of Suez
- Patrick Pouyanné, chairman of Total's Executive Committee and Total's CEO
- Jacques Aschenbroich, chief executive officer of Valeo
- Antoine Frérot, chairman and chief executive officer of Veolia
- Xavier Huillard, chairman and chief executive officer of Vinci

November 25, 2015 Press release – "Board of Directors to recommend that shareholders elect two women directors at Valeo's next Annual Meeting"

Valeo's Board of Directors, acting on the recommendation of the Appointment, Compensation and Governance Committee, has decided to increase its membership by asking shareholders at the next annual meeting to approve the appointment of **Mari-Noëlle Jégo-Laveissière** and **Véronique Weill** as independent directors of Valeo as defined in the AFEP-MEDEF corporate governance code for listed companies.

Both appointments are subject to shareholders' approval at the next annual meeting.

Biographies:

Mari-Noëlle Jégo-Laveissière, a French national born on March 13, 1968, is a graduate of École Normale Supérieure and is an engineer from Corps des Mines Telecom. She also holds a doctorate in quantum chemistry from the Université de Paris XI - Waterloo. She began her career in 1996 in the Paris division of France Telecom's commercial distribution network. Since then, she has held various leadership positions within the Orange group, notably as head of consumer marketing in France, Director of research and development and Director of international networks. She became a member of the Executive Committee of Orange in March 2014 in her capacity as Executive Director of innovation, marketing & technologies. She has been an independent director of Engie since April 28, 2015.

Véronique Weill, a French national born on September 16, 1959, is a graduate of Institut d'Études Politiques de Paris (Sciences Po) and Sorbonne University. She spent more than 20 years at J.P. Morgan, where she held various positions including global head of operations and markets for the investment banking business and global head of IT and operations for the asset management and private banking business. In June 2006, Ms. Weill joined AXA as Chief Executive Officer of AXA Business Services and Director of Operational Excellence of AXA Group. She is now Chief Operating Officer in charge of the group's marketing, digital, distribution, technology, data, operational excellence and procurement activities. Ms. Weill has been a member of the AXA Management Committee since January 2013. In addition, she serves on the AXA Research Fund Scientific Committee and is a director of both the Gustave Roussy Foundation and the Louvre Museum. She is also currently an independent director at Lafarge.

November 5, 2015 Press release – "Valeo and Capgemini collaborate to develop a unique smart mobility solution for corporate fleets and car rental companies"

Valeo, one of the world's foremost automotive suppliers, and Capgemini, one of the world's foremost providers of consulting, technology and outsourcing services have decided to collaborate to develop connected mobility solutions. Capgemini's digital expertise combined with Valeo's smart key technology – Valeo InBlue™, will allow secure virtual key management and real-time car data collection together with digital services for corporate fleets and car rental companies.

Valeo's InBlue™ solution is a vehicle entry/start system allowing drivers to use their smartphone to lock, unlock and start their car, transfer vehicle data coupled with a highly secured cloud-based platform. In addition to have full command of IT integration, Capgemini has customized digital services in order to accelerate its time-to-market. This industrial solution will allow drivers to enjoy an enhanced and innovative customer journey, and fleet managers to make car sharing and monitoring safe and seamless.

The development of virtual keys and associated IT platform for services, combined with this next generation of connected cars, will enable a lot of various services that customers already exhibit high appetite for (eg. remotely lock, unlock and geolocalize vehicle, according to Capgemini's 2014 Cars Online Report: *"Generation Connected"*).

"The Internet of Things offers the car market tremendous value creation opportunities. What was earlier an individual and linear experience today becomes a collaborative and interactive journey. We are delighted to team up with Valeo to leverage our connected car platforms asset and accelerate the development of new and innovative digital services." said Stephane Régnier, Senior Vice President and Head of Digital at Capgemini Consulting France, the group's global strategy and transformation consulting arm that will drive this collaboration.

"This collaboration is an opportunity for Valeo to quickly deploy Valeo InBlue™ Virtual Key solution on corporate fleets and car rental companies, packed with a complete suite of tools for end users and fleet administrators. It will help us to learn from the market and improve a technical solution for the benefit of all customers." stated Comfort & Driving Assistance Systems Business Group President, Marc Vrecko.

This solution particularly fits corporate fleets and car rental companies, both sensitive to data generation and key ergonomics. Parcours leasing company will be the first actor to test and assess the end-to-end InBlue Mobility Solution, with a proof of concept deployed on approximately one hundred of vehicles early 2016, after collaborative development. Philippe Punzo, Executive Director at Parcours, said: *"With InBlue Mobility Solution, not only will virtual keys help optimize our fleet use rate but also will real-time data collection put us ahead of cars maintenance needs and drivers' profiles."*

More information about Valeo InBlue*TM*: https://youtu.be/jx3VoK5ACYI

More information on the solution: www.inbluemobilitysolution.com

About Capgemini
With 180,000 people in over 40 countries, Capgemini is one of the world's foremost providers of consulting, technology and outsourcing services. The Group reported 2014 global revenues of EUR 10.573 billion. Together with its clients, Capgemini creates and delivers business, technology and digital solutions that fit their needs, enabling them to achieve innovation and competitiveness. A deeply multicultural organization, Capgemini has developed its own way of working, the Collaborative Business Experience™, and draws on Rightshore®, its worldwide delivery model.
Learn more about us at www.capgemini.com.
Rightshore® is a trademark belonging to Capgemini

October 21, 2015 Press release – "Acceleration in sales growth in the third quarter to 7% like for like, with sales of 3,449 million euros

Original equipment sales jumped 13%, up 7% on a like-for-like basis, beating global automotive production by almost 6 percentage points"

Jacques Aschenbroich, Valeo's Chief Executive Officer, commented:

"*Our third-quarter 2015 sales performance demonstrates once again the solidity of our growth model based on technological innovation in the areas of CO_2 emissions reduction and intuitive driving, a more diverse customer portfolio and the geographic balancing of the Group's businesses. Despite the slowdown in the Chinese automotive market and the sharp tail-off in South American markets, Valeo's growth continues to outpace automotive production, with sales accelerating by 7% on a like-for-like basis in the third quarter.*"

Third-quarter 2015

- **Consolidated sales of 3,449 million euros**, up 12% (7% on a like-for-like basis)
- **Original equipment sales of 2,990 million euros**, up 13% (7% on a like-for-like basis), outpacing global automotive production by 6 percentage points:
  - Europe: up 13%[13], 8 percentage points higher than automotive production
  - China: up 1%[1], 6 percentage points higher than automotive production
  - Asia (excluding China): up 2%[1], 1 percentage point higher than automotive production
  - North America: up 3%[1], 3 percentage points lower than automotive production
  - South America: down 18%[1], 2 percentage points higher than automotive production

- **Aftermarket sales of 387 million euros**, up 6% (4% on a like-for-like basis)

2015 outlook

Based on the following assumptions:
- an increase in global automotive production[14] of between 1% and 2%, including:

[13] Constant Group structure and exchange rates.
[14] In line with LMC estimates.

- around 7% in Europe excluding Russia
  - between 0% and 2% in China
- raw material prices and exchange rates in line with current levels;

Valeo confirms its full-year guidance as upwardly revised on July 27, 2015:

- sales growth outperformance in the main production regions, including China;
- operating margin[15] (as a % of sales) higher than in 2014, with a slight increase in operating margin (as a % of sales) in the second half of 2015 as compared to the first half

Following the meeting of its Board of Directors today, Valeo released its sales figures for the third quarter of 2015:

Automotive production stable in third-quarter 2015

Automotive production remained stable compared with the same year-ago period, benefiting from the upturn in the European market excluding Russia (up 8%) and continued expansion in North America (up 6%), despite a decline in production in China (down 5%). Production in South America continued its sharp decline (down 20%).

Automotive production *(year-on-year change)*

	Third quarter 2015*	**Nine months ended September 30, 2015***
TOTAL	**+0.5%**	**+1.0%**
Europe & Africa	+5%	+5%
excluding Russia	+8%	+8%
Asia, Middle East & Oceania	-2%	0%
of which China	-5%	+2%
excluding China	+1%	-1%
North America	+6%	+3%
South America	-20%	-18%

** LMC automotive production estimates.*

Sales up 12%

Sales for the third quarter advanced 12% (up 7% like for like) to 3,449 million euros. Sales grew by 14% over the first nine months of the year.

Changes in exchange rates during the third quarter had a 5.9% positive impact, primarily due to the depreciation of the euro against the dollar and the yuan, representing a 7.7% positive impact over the first nine months of the year. **Changes in Group structure** had no impact on sales for the period.

[15] Including share in net earnings of equity-accounted companies.

Sales *(in millions of euros)*

	As a % of total sales over first nine months	Third quarter				Nine months ended September 30			
		2014	2015	Reported change	Like-for-like change*	2014	2015	Reported change	Like-for-like change*
Total	**100%**	**3,069**	**3,449**	**+12%**	**+7%**	**9,416**	**10,747**	**+14%**	**+6%**
of which**:**									
Original equipment	87%	2,644	2,990	+13%	+7%	8,076	9,306	+15%	+7%
Aftermarket	11%	366	387	+6%	+4%	1,119	1,200	+7%	+3%
Miscellaneous	2%	59	72	+22%	+15%	221	241	+9%	+5%

** Constant Group structure and exchange rates.*

Original equipment sales came out at 2,990 million euros (87% of total sales), up 13% (7% like for like), representing a 15% increase over the first nine months of the year. This performance reflects the gradual entry into production of the high order intake recorded by the Group over the last few years.

Aftermarket sales (11% of total sales) rose by 6% over the period (4% like for like), representing a 7% increase over the first nine months of the year. In the third quarter, like-for-like growth in the aftermarket business improved to 4% as compared to the previous two quarters (up 1% and 3% respectively in the first and second quarters of the year). It should be noted that aftermarket sales in South Korea were adversely affected by changes in exchange rates; excluding aftermarket sales from South Korea, this item was up 5% on a like-for-like basis in the third quarter.

Miscellaneous sales (2% of total sales), mainly consisting of tooling revenues related to the launch of new projects, increased by 22% (15% like for like), representing a 9% increase over the first nine months of the year.

Original equipment sales jumped 7% like for like, beating global automotive production by 6 percentage points

Valeo delivered market-beating growth driven by:

- an improved product mix resulting from technological innovations for CO_2 emissions reduction and intuitive driving;
- its customer positioning; and
- its geographic positioning.

Original equipment sales *(by destination, in millions of euros)*

	Third quarter				**Nine months ended September 30**			
	2014	2015	Like-for-like change	Difference vs. market *	2014	2015	Like-for-like change	Difference vs. market *
TOTAL	**2,644**	**2,990**	**+7%**	**+6 pts**	**8,076**	**9,306**	**+7%**	**+6 pts**
Europe & Africa	1,284	1,458	+13%	+8 pts	4,118	4,576	+11%	+6 pts
Asia, Middle East & Oceania**	692	770	+2%	+4 pts	2,002	2,419	+4%	+4 pts
China**	339	377	+1%	+6 pts	954	1,226	+8%	+6 pts
Excl. China**	353	393	+2%	+1 pt	1,048	1,193	+1%	+2 pts
North America	573	701	+3%	-3 pts	1,674	2,092	+3%	+0 pts
South America	95	61	-18%	+2 pts	282	219	-15%	+3 pts

** Based on LMC automotive production estimates.*

*** Change in like-for-like original equipment sales of local operations.*

Third-quarter sales growth outpaced automotive production by 6 percentage points:

- in **Europe** (including Africa), like-for-like original equipment sales advanced 13% on an attractive portfolio of high technological value products and a favorable customer and geographic mix, beating automotive production by 8 percentage points (6 percentage point outperformance over the first nine months of the year);
- in **China**, like-for-like original equipment sales of local operations rose 1%, outpacing automotive production by 6 percentage points (6 percentage point outperformance over the first nine months of the year);
- in **Asia (excluding China)**, like-for-like original equipment sales of local operations rose 2%, outpacing automotive production by 1 percentage point (2 percentage point outperformance over the first nine months of the year);
- in **North America**, like-for-like original equipment sales climbed 3%, coming in 3 percentage points lower than automotive production but in line with the market performance over the first nine months of the year. Performance in this region was impacted in the third quarter by the expiration of certain product programs, with new series production projects scheduled to start in the fourth quarter;
- in **South America**, like-for-like original equipment sales declined by 18%, beating automotive production by 2 percentage points (3 percentage point outperformance over the first nine months of the year).

Valeo continues to realign its businesses geographically...

Changes in sales produced by Valeo in the different production regions reflect in particular movements in exchange rates.

In the first nine months of the year:

- the share of original equipment sales produced in North America increased by 2 percentage points to 22%;
- the share of original equipment sales produced in China increased by 2 percentage points to 13% of total original equipment sales;
- the share of original equipment sales produced in Western Europe decreased by 2 percentage points to 35%;
- the share of original equipment sales produced in South America decreased by 1 percentage point to 2%.

...and maintain a balanced, more diverse customer portfolio

In the first nine months of the year:

- German customers accounted for 30% of original equipment sales, stable year on year;
- Asian customers accounted for 25% of original equipment sales, down 1 percentage point;
- US customers accounted for 24% of original equipment sales, up 2 percentage points;
- French customers accounted for 15% of original equipment sales, down 1 percentage point on the same year-ago period.

Strong growth in the Comfort & Driving Assistance Systems and Powertrain Systems Business Groups and above-market growth in the two other Business Groups

As is the case for the consolidated Group, the sales performance for the Business Groups reflects the specific product, geographic and customer mix and the relative weighting of the aftermarket in their activity as a whole.

Sales by Business Group* *(in millions of euros)*

	Third quarter				Nine months ended September 30			
	2014	2015	Change in sales	Change in OE sales **	2014	2015	Change in sales	Change in OE sales **
Comfort & Driving Assistance Systems	573	663	+16%	+12%	1,697	1,999	+18%	+13%
Powertrain Systems	798	877	+10%	+8%	2,494	2,803	+12%	+6%
Thermal Systems	889	992	+12%	+3%	2,703	3,038	+12%	+3%
Visibility Systems	856	967	+13%	+6%	2,657	3,061	+15%	+8%

** Including intersegment sales.*
*** Constant Group structure and exchange rates.*

Like-for-like original equipment sales for the **Comfort & Driving Assistance Systems and Powertrain Systems Business Groups** rose 12% and 8%, respectively (increases of 13% and 6%, respectively, over the first nine months of the year), reflecting the market's growing interest in intuitive driving products (display screens and parking assistance, vision and radar systems), and the gradual entry into production of innovative technologies aimed at reducing CO_2 emissions, including the Efficient Generator (EG) alternator, dual-clutch and dampers.

Driven by the increasing take-up of LED technology in the lighting business, third-quarter original equipment sales for the **Visibility Systems Business Group** came out 6% higher on a like-for-like basis (8% increase over the first nine months of the year).

The **Thermal Systems Business Group** posted market-beating original equipment sales growth of 3% on a like-for-like basis (3% for the first nine months of the year).

2015 outlook

Based on the following assumptions:

- an increase in global automotive production[16] of between 1% and 2%, including:
    - around 7% in Europe excluding Russia
    - between 0% and 2% in China
- raw material prices and exchange rates in line with current levels;

Valeo confirms its full-year guidance as upwardly revised on July 27, 2015:

- sales growth outperformance in the main production regions, including China;
- operating margin[17] (as a % of sales) higher than in 2014, with a slight increase in operating margin (as a % of sales) in the second half of 2015 as compared to the first half.

Highlights

On August 28, 2015, Valeo announced that it had invested 22 million euros in Cathay Capital's Sino-French Innovation Fund. The fund is a new cross-border investment vehicle active across France, China and the United States and is dedicated to venture capital financing for innovative start-ups. The investment was made in the context of a partnership between Valeo and Cathay Capital which will allow Valeo to increase its cooperation with innovative digital start-ups in these three geographies.

Upcoming events

Full-year 2015 results: February 19, 2016

Safe Harbor Statement

Statements contained in this press release, 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 press release, 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 anti-trust authorities as identified in the Registration Document and risks relating to legal action resulting from such investigations, 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 Registration Document registered with the AMF on March 27, 2015 (under no. D.15-0220).

The company assumes no responsibility for analyses issued by analysts and any other information prepared by third parties which may be used in this press release. Valeo does not intend or assume any obligation to review or to confirm the estimates of analysts or to update any Forward-Looking Statements to reflect events or circumstances which occur subsequent to the date of this press release.

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16 In line with LMC estimates.

17 Including share in net earnings of equity-accounted companies.

September 9th, 2015 Press Release – "Eric Antoine Fredette has been appointed Valeo Group General Counsel"

Eric Antoine Fredette was appointed Group General Counsel and Board Secretary of Valeo on September 1st 2015. He is a member of the Operational Committee.

Eric Antoine Fredette is a graduate of Sciences Po Paris, and studied common law at the University of Ottawa and civil law at Laval University in Quebec, Canada. He was admitted to the Quebec Bar in 1994 and the Paris Bar in 2004.

Since 2012, Eric Antoine Fredette had been General Counsel of Publicis Groupe. Prior to joining Publicis in 2005, he practiced law in international law firms, including the Paris office of Gibson, Dunn & Crutcher.

July 9th, 2015 Press Release – "Bruno Guillemet joins Valeo as Group Human Resources Senior Vice President"

Bruno Guillemet has been appointed Human Resources Senior Vice President, effective at the beginning of October 2015. He will be a member of the Operational Committee. He replaces Michel Boulain who has retired and had held this position since 2004.

Bruno Guillemet holds a post-graduate degree from the CIFFOP (Human Resources Management Centre) at Panthéon-Assas Paris 2 University as well as a degree in Law at the University of Rennes.

In 2004, Bruno Guillemet joined Alstom as the Human Resources Senior Vice President with the Transport Sector. Since 2010, he has been Group Human Resources Senior Vice President and a member of the Executive Committee at Alstom. Before joining Alstom, he held various positions at Danone, including: Human Resources Senior Vice President for Evian and Volvic; Group Human Resources Social Industrial Relations Director, and Group Human Resources Vice President for North and South Americas, based in Miami.

May 26, 2015 Press Release – "Valeo: 2015 Annual Shareholders' Meeting"

Valeo's Annual Shareholders' Meeting was held today under the chairmanship of Pascal Colombani, Chairman of the Board of Directors. During the meeting, shareholders approved the 2014 financial statements that were published on February 24, 2015.

They also renewed the terms of office of Pascal Colombani, Jacques Aschenbroich and Michel de Fabiani as directors and appointed Maury Devine as a director to replace Michael Jay for the remainder of his term of office.

All of the other resolutions put to the meeting were adopted, including the renewal of the various financial authorizations and a dividend of 2.20 euros per share, payable on June 1, 2015.

Following the Annual Shareholders' Meeting, Pascal Colombani and Jacques Aschenbroich were reappointed as Chairman of the Board of Directors and Chief Executive Officer of Valeo, respectively.

TAXATION

In the section "Taxation", the paragraph "EU Savings Directive" appearing on page 71 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

EU Savings Directive

On 3 June 2003, the Council of the European Union ("**EU**") adopted directive 2003/48/EC on taxation of savings income in the form of interest payments ("**EU Savings Directive**"). Pursuant to the EU Savings Directive, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income within the meaning of the EU Savings Directive paid by a paying agent (within the meaning of the EU Savings Directive) located within its jurisdiction to, or under certain circumstances collected to the benefit of, a beneficial owner (within the meaning of the EU Savings Directive) resident in that other Member State. For a transitional period, however, Austria (unless during such period it elects otherwise) instead operates an optional information reporting system whereby if a beneficial owner, within the meaning of the EU Savings Directive, does not comply with one of two procedures for information reporting, the relevant Member State will levy a withholding tax on payments to such beneficial owner. The withholding tax system applies for a transitional period during which the rate of the withholding is 35%. The transitional period is to terminate at the end of first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments. As from 1 January 2015, the Luxembourg government has elected out of the withholding system in favour of automatic exchange of information.

The Council of the European Union has adopted Council Directive 2011/16/EU on administrative cooperation in the field of taxation, (as amended by Council Directive 2014/107/EU) (the "**DAC**"), pursuant to which Member States are generally required to apply new measures on mandatory automatic exchange of information from 1 January 2016. The DAC is generally broader in scope than the Savings Directive, although it does not impose withholding taxes.

In order to avoid overlap between the Savings Directive and the DAC, the Council of the European Union adopted on 10 November 2015 a Council Directive 2015/2060/EU repealing the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfill administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before that date).

A number of third countries and territories have adopted similar measures to the Savings Directive. Some of those measures have been revised to be aligned with the DAC, and other such measures may be similarly revised in the future.

Investors should inform themselves of, and where appropriate take advice on, the impact of the Savings Directive and the DAC on their investment.

See also "Risk Factors – EU Savings Directive".

In the section "Taxation", the paragraph "France Taxation" appearing on pages 72 to 73 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

France Taxation

The descriptions below are intended as a basic summary of certain withholding tax consequences that may be relevant to holders of Notes who do not concurrently hold shares of the Issuer. Persons who are in any doubt as to their tax position should consult a professional tax adviser. EU Savings Directive

The EU Savings Directive was implemented into French law under Article 242 *ter* of the French *Code Général des Impôts (the "**French General Tax Code**")*, which imposes on paying agents an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

Withholding tax

Notes issued by the Issuer other than those which are to be assimilated (assimilées) with Notes issued before 1 March 2010

Notes issued by the Issuer (except Notes which are to be assimilated (*assimilées*) with Notes issued before 1 March 2010 having the benefit of Article 131 *quater* of the French General Tax Code) fall under the French withholding tax regime pursuant to the French *loi de finances rectificative pour 2009* no. 3 (n°2009-1674 dated 30 December 2009) (the "**Law**"). Payments of interest and other revenues made by the Issuer on such Notes will not be subject to the withholding tax set out under Article 125 A III of the French General Tax Code unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French General Tax Code (a "**Non-Cooperative State**"). If such payments under the Notes are made in a Non-Cooperative State, a 75% withholding tax will be applicable (subject to certain exceptions described below and the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French General Tax Code. The 75% withholding tax is applicable irrespective of the tax residence of the Noteholder. The list of Non-Cooperative States is published by a ministerial executive order, which is updated on a yearly basis.

Furthermore, according to Article 238 A of the French General Tax Code, interest and other revenues on such Notes will not be deductible from the Issuer's taxable income, if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid on a bank account opened in a financial institution located in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Articles 109 *et seq.* of the French General Tax Code, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French General Tax Code, at a rate of 30% or 75% subject to the more favourable provisions of a tax treaty, if applicable.

Notwithstanding the foregoing, the Law provides that neither the 75% withholding tax provided by Article 125 A III of the French General Tax Code, the non-deductibility of interest and other revenues nor the withholding tax set out under Article 119 *bis* 2 that may be levied as a result of such nondeductibility, to the extent the relevant interest and other revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, will apply in respect of a particular issue of Notes if the Issuer can prove that the principal purpose and effect of such issue of Notes was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "**Exception**").

Pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* BOI-INT-DG-20-50-20140211 (n°550 and 990), BOI-RPPM-RCM-30-10-20-40-20140211 (n°70), and BOI-IR-DOMIC-10-20-20-60-20150320 (n°10), an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of such issue of Notes, if such Notes are:

(i) offered by means of a public offer within the meaning of Article L.411-1 of the French Monetary and Financial Code or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
(ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
(iii) admitted, at the time of their issue, to the operations of a central depositary or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French Monetary and Financial Code, or of one or more similar foreign depositaries or operators provided that such depositary or operator is not located in a Non-Cooperative State.

Notes issued by the Issuer which are to be assimilated (assimilées) with Notes issued before 1 March 2010

Interest and other revenues on Notes issued by the Issuer which are to be assimilated (*assimilées*) with Notes issued before 1 March 2010 that were issued (or deemed to be issued) outside France, as provided under Article

131 *quater* of the French General Tax Code, provided that their term has not been prorogated, will continue to be exempt from the withholding tax set out under Article 125 A III of the French General Tax Code.

In addition, interest and other revenues on Notes issued by the Issuer which are to be assimilated (*assimilées*) with Notes issued before 1 March 2010, provided that their term has not been prorogated, will not be subject to the withholding tax set out in Article 119 *bis* 2 of the French General Tax Code solely on account of their being paid on a bank account opened in a financial institution located in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

Withholding tax applicable to French resident individuals

Pursuant to articles 125 A and 125 D of the French General Tax Code and subject to certain exceptions, interests and other similar revenues received by French tax resident individuals are subject to a 24% withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 15.5% on interest and other similar revenues paid to French tax resident individuals.

PRO FORMA FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF SECURITIES WITH A DENOMINATION OF AT LEAST €100,000 TO BE ADMITTED TO TRADING ON AN EEA REGULATED MARKET

In the section "Pro Forma Final Terms for use in connection with issues of securities with a denomination of at least €100,000 to be admitted to trading on an EEA regulated market" appearing on pages 80 to 89 of the Base Prospectus, the paragraph 12 "Put/Call Options" is hereby deleted in its entirety and replaced by the following:

12. Put/Call Options:	[Investor Put] [Issuer Call] [Make-whole Redemption by the Issuer] [Residual Maturity Call Option] [Clean-Up Call Option] [(further particulars specified below)]

In the section "Pro Forma Final Terms for use in connection with issues of securities with a denomination of at least €100,000 to be admitted to trading on an EEA regulated market" appearing on pages 80 to 89 of the Base Prospectus, after the paragraph 20 "Make-whole Redemption by the Issuer" two paragraphs are added as follows:

21. Residual Maturity Call Option:	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
Date from which the Residual Maturity Call Option may be exercised:	The Issuer may exercise the Residual Maturity Call Option starting on [•] and at any time thereafter.
22. Clean-Up Call Option:	[Applicable/Not Applicable]

GENERAL INFORMATION

The paragraphs (3), (4) and (12) of section "General Information" appearing on pages 90 and 92 of the Base Prospectus are amended as follow:

(3) *Material adverse change in the prospects of the Issuer*

Save as disclosed in item 7.1 of the cross reference table on page 27 in this Base Prospectus (including the Documents Incorporated by Reference), there has been no material adverse change in the prospects of the Issuer since 31 December 2015.

(4) *No significant change in the financial or trading position of the Issuer*

Save as disclosed in item 11.6 of the cross reference table on page 28 in this Base Prospectus (including the Documents Incorporated by Reference), there has been no significant change in the financial or trading position of the Issuer since 31 December 2015.

(12) *Ratings*

The long term debt of the Issuer has been rated Baa2, stable outlook by Moody's Investors Service ("**Moody's**") on 12 May 2015 and BBB, positive outlook, by Standard and Poor's Ratings Services ("**S&P**") on 3 March 2016. Notes issued under the Programme may be rated or unrated. The rating of the Notes, if any, will be specified in the relevant Final Terms. Credit ratings are subject to revision, suspension or withdrawal at any time by the relevant rating organisation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning credit rating agency without notice.

PERSON RESPONSIBLE FOR THE PROSPECTUS SUPPLEMENT NO. 1

Person responsible for this Prospectus Supplement no. 1

Jacques Aschenbroich, Chairman of the Board of Directors and Chief Executive Officer

Declaration by the person responsible for this Prospectus Supplement no. 1

I declare, after having taken all reasonable care to ensure that such is the case and to the best of my knowledge, that the information contained in this Prospectus Supplement no. 1 is in accordance with the facts and contains no omission likely to affect its import.

The Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2014 included on page 316 of Chapter 5 of the 2014 Reference Document (as defined in "Documents incorporated by reference") contains the following emphasis of matter of a technical nature:

"*Without qualifying our opinion, we draw your attention to notes 1.3.1.2, 1.3.2 and 1.3.3 to the consolidated financial statements which outline the effects related to the first application of IFRS 11 – "Joint Arrangements" and the change in the presentation of the consolidated statement of income*."

The Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2013 included on page 291 of Chapter 5 of the 2013 Reference Document (as defined in "Documents incorporated by reference") contains the following emphasis of matter of a technical nature:

"*Without qualifying our opinion, we draw your attention to Note 1.1.1 to the consolidated financial statements, which describes the new standards, amendments and interpretations which have been applied by your company as from January 1, 2013.*"

March 9, 2016

Valeo
43, rue Bayen
75848 Paris Cedex 17
France

Duly represented by Jacques Aschenbroich
Chairman of the Board of Directors and Chief Executive Officer

Autorité des marchés financiers

In accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and with the General Regulations (*Réglement Général*) of the *Autorité des marchés financiers* (the "**AMF**"), in particular Articles 212-31 to 212-33, the AMF has granted to this Prospectus Supplement No. 1 the visa n°16-073 on March 9, 2016. The base prospectus, as supplemented by this Prospectus Supplement no. 1, may only be used for the purposes of a financial transaction if completed by Final Terms. This Prospectus Supplement No. 1 was prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L.621-8-1-I of the French *Code monétaire et financier*, the visa was granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information it contains is coherent". It does not imply an approval by the AMF of the opportunity of the transactions contemplated hereby nor that the AMF has verified the accounting and financial data set out in it. In accordance with Article 212-32 of the AMF's General Regulations, any issuance or admission to trading of notes on the basis of the base prospectus, as supplemented by this Prospectus Supplement no. 1, shall be subject to the publication of Final Terms setting out the terms of the securities being issued.