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2006 Annual General Meeting

Paris, France, May 17, 2006 – The Annual General Meeting of Shareholders of Valeo took place today under the chairmanship of Thierry Morin, Chairman and CEO.

2005 results and outlook

Valeo's 2005 accounts, which were published on February 9, were approved.

Thierry Morin reminded the shareholders that Valeo had improved its market share, in line with its objectives, and that margins had resisted well in the face of very difficult conditions—weak automotive production, pressure on selling prices and inflation of the cost of raw materials—thanks to strict cost management. The Chairman emphasized that the year's acquisitions had boosted the Powertrain Efficiency and Comfort Enhancement Domains as well as the Group's structural growth potential. He also highlighted the Group's substantial technological potential and the continued optimization of its resources, which augur well for future profitability.

The Group's first quarter results were published on April 20, 2006. They reveal strong organic growth, driven by additional market share. The ongoing impact of the rise in the cost of raw materials on margins was more than offset by productivity gains.

Thierry Morin said that the Group was expecting a slight drop in the reference automotive production levels in the second quarter, mainly because of an unusually large number of bank holidays, and that the prices of non-ferrous metals and oil were hovering around record highs.

Dividend

The AGM approved a dividend of 1.1 euro per share, unchanged compared to the previous year. The profit payout comes to 62%, compared to 37% in 2004, and is expected to be paid as of June 1, 2006.

Financial authorizations

The AGM renewed the financial authorization allowing the Board of Directors to trade in the Company's shares, pending the allocation of free shares for an amount not exceeding 1% of the share capital. Thierry Morin stated that the Board did not intend to pay more than 50 euros per share under this authorization.

Appointment of two Board Members

The AGM appointed Daniel Camus and Jérôme Contamine to the Board as independent members.



Extraordinary General Meeting

The EGM approved the new text of article 9 of the by-laws regarding Disposals, and bringing it in line with specific provisions of the French Commercial Code. It also approved changes to the by-laws in articles 12 on the establishment and form of bonds, and 16 on the functioning of the Board of Directors.

All other resolutions presented to the General Meeting were approved. The breakdown of votes by resolution is available at www.valeo.com.

Valeo is an independent industrial group fully focused on the design, production and sale of components, integrated systems and modules for cars and trucks. Valeo ranks among the world's top automotive suppliers. The Group has 134 plants, 68 R&D centers, 9 distribution centers and employs 72,000 people in 27 countries worldwide.

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