

Complementary Board of Directors Report on the resolutions presented to the Meeting

This report aims to complete the Board of Directors Report adopted by your Board of Directors on February 24, 2011 describing the proposed resolutions that are being submitted to the Meeting by the Board of Directors. These reports are not intended as an exhaustive guide, and it is essential that you read the proposed resolutions carefully before exercising your vote.

I. Resolution submitted to the Ordinary Shareholders' Meeting relating to the appointment of a new director

Appointment of Thierry Moulonguet in the capacity as Director (11th resolution)

We propose that you appoint Mr. Thierry Moulonguet in the capacity as Director, for a four year term, *i.e.* until the closing of the Ordinary Shareholders' Meeting called to approve the financial statements for the fiscal year ending on December 31, 2014.

Thierry Moulonguet has worked most of his carrier with the Renault – Nissan group, which he joined in February 1991 in charge of banking strategy and financial communication. Then he held the positions of financial relations Manager, capital expenditures controller Manager, Vice Chief Executive Officer and Chief Financial Officer of Nissan before becoming Vice Chief Executive Officer and Chief Financial Officer of Renault Group, also in charge of the Information Technology Direction then of the Head of Americas Region and member of the Executive Committee from January 2004 to July 1st, 2010. He then held the position of Special Adviser of Renault's Chairman and Chief Executive Officer, Carlos Ghosn, until March 31, 2011. Thierry Moulonguet is a director of Fimalac SA, HSBC France, Fitch Ratings Ltd and Groupe Lucien Barrière. Thierry Moulonguet is a graduate of the *Ecole Nationale d'Administration* and the *Institut d'Etudes Politiques de Paris (IEP)*.

II. Information relating to ongoing business since February 24, 2011

Since February 24, 2011, the following developments were the subject of press releases published on the Company's website (www.valeo.com):

- The publication of 2010 results on February 24, 2011 with a net income of 365 million euros in 2010, or 3.8% of sales and an operational performance ahead of the strategic plan the 2013 targets presented in March 2010, namely around €10 billion in sales; an operating margin rate between 6% and 7% and a more than 30% return on capital employed (ROCE).
- The presentation at Valeo's Investor Day held on March 9, 2011 in Paris, of its new medium-term objectives:
 - The continuation and acceleration of the strategy presented in March 2010 and the new targets for 2015;
 - The ability to outperform automobile production by an average 3% a year over the 2011-2015 period, thanks to innovation and new products, particularly to reduce CO² emissions, and to expansion in Asia and emerging markets.

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- An objective for 2015 of sales of around €14 billion, an operating margin rate of more than 7% and a ROCE exceeding 30%, assuming growth in global automotive output of around 5% a year over the 2011-2015 period, of which around 4.4% per year in Europe and Africa, 4.7% in North America, 5.3% in South America and 5.8% in Asia¹ and barring any exogenous economic events impacting its industry; and
- An active role in any potential industry consolidation, while maintaining a disciplined financial strategy aligned with its commitment to restoring its investment grade rating.
- The announcement on March 10, 2011 that , among the options it is considering in the context of managing its debt maturity profile, appears a possible issuance of bonds in an amount of approximately €500 million, which could be carried out along with a partial repurchase of its bonds due 24 June 2013, in both cases subject to market conditions.
- The opening of two new sites in China this week: a global Electronics Expertise Center in Shenzhen and a wiper systems production plant in Wenling ; and
- The presentation of the unconsolidated and consolidated sales for first quarter 2011 by the Board of Directors of April 21, 2011.

¹ These assumptions are based on output forecasts by specialized firms JD Power and Associates and IHS Global Insight, as well as on Valeo's own analysis of the market outlook.