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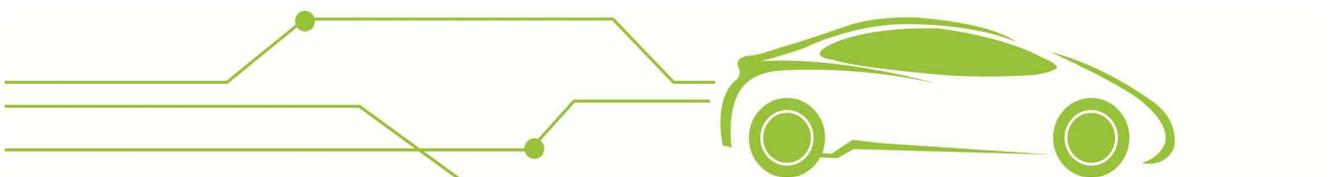
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I – On display at CES 2015: InBlue, the smartphone- and smartwatch-compatible smart key

InBlue technology On display at the CES Gold Lot Circuit

Valeo presents InBlue, the first smartphone and smartwatch-compatible smart key

Valeo has extended the capabilities of its passive entry systems to integrate new uses and behaviors related to the Internet of Things, typified by such devices as smartphones and smartwatches. In a world first, it is launching a smartwatch system that allows drivers to lock and unlock their vehicles.

Once inside the car, the driver's smartphone is detected, allowing him or her to start the vehicle. The smartphone-compatible InBlue system also enables car sharing, remote parking and access to such vehicle data as tire pressure, fuel level and last location parked.

With this innovation, Valeo demonstrates its expertise as an integrator. The InBlue demonstration was developed in collaboration with Safran Morpho, one of the world leaders in electronic security, and Vulog, a recognized expert in car sharing solutions. It is part of the European Dependable Embedded Wireless Infrastructure (DEWI) project.

The first vehicle equipped with Valeo InBlue technology could reach the market in 2016.

Background

Smartphone use has grown exponentially. In 2013, 900 million smartphones have been sold worldwide according to Gartner. In addition, the number of smartwatches is expected to climb to 37 million in 2015 according to NextMarket Insights.

At the same time, Valeo estimates show that 27% of the vehicles in Europe are equipped with passive entry systems, a percentage that is expected to reach 40% in 2020.

What is more, the way people use their cars is changing. According to the 2014 Observatoire Cetelem study, more than four Europeans in ten say they will be willing to share a vehicle within the next ten years. Already, more than 3.5 million people belong to various car-sharing clubs, representing a total of 70,000 cars worldwide.

To support these trends, Valeo has developed InBlue, a smartphone- and smartwatch-compatible entry and start system.

Operating principle and benefits

● A new generation passive entry and start system

InBlue is a new generation passive entry and start system that uses Bluetooth® Smart technology. It is very easy to install. The smartphone communicates with the vehicle using a virtual key stored in the phone via the secure InBlue platform, offering security on a level with mobile payment systems.

● InBlue connects motorists even more closely to their vehicles

With InBlue, drivers can leave the car keys in their pockets or even at home and use their smartphones or smartwatches to unlock, lock and start the vehicle instead.

The functionalities offered by the system are wide ranging, as InBlue allows the synchronization of data between the car and the smartphone. As a result, drivers can check vehicle readings such as tire pressure and fuel level remotely and get a host of information, including distance to the next service station and last location parked.

This data is regularly backed up in the smartphone, making it available at any time, no matter how far the driver may be from the vehicle.

● InBlue allows motorists to virtually transmit the key to another person, facilitating car sharing

At present, a great deal of forward planning is involved in lending a car or asking someone else to pick it up on the other side of town. With InBlue, there is no longer any need to find a hiding place for the key or hand over a copy. Instead, motorists will be able to transmit the key remotely at any time, wherever they may be. All they need to do is send a digital key to the person who will borrow the car using a smartphone. The person receiving the virtual key will be authorized to use his or her smartphone to unlock, lock and start the vehicle.

The motorist can send the key permanently or temporarily to anyone who might use the car.

This is a major advance, notably for automotive dealers, car rental companies and fleet managers, who will be able to take advantage of InBlue's features to simplify a number of processes, including fleet key management.

● InBlue offers connectivity for integrating other systems

Lastly, this new passive entry and start system is compatible with Remote Park4U® and Valet Park4U® thanks to Bluetooth® Smart technology.

■ II – Intuitive driving as seen by Valeo

As a technology company, Valeo offers **innovative systems and technologies to make cars more intuitive, smarter, easier to drive and safer by adapting to the driver and the surrounding environment.**

The intuitive driving concept involves a car that adapts to its driver and is smart, connected and fun to drive.

Reducing fuel consumption is not the only way to shrink a vehicle's total environmental footprint. Valeo is also careful to integrate eco-design in its R&D.

In addition to fuel efficiency, motorists are looking for cars that are connected, autonomous, easy to use and fun to drive. Valeo is responding with its intuitive driving concept. Smart cars adapt to the driver thanks to a set of technologies that facilitate maneuvering in city driving, assist motorists in different driving situations and make it easier for vehicles to interact with other drivers and the surrounding environment.

And since the future starts today, the Group is studying forward-looking technologies that will allow drivers to count on their vehicle's "intelligence". Human Machine Interface (HMI) is of critical importance here, as it helps motorists understand clearly what is happening, thereby reducing the risk of accidents. The goal is to offer a set of smart systems that can work together, reduce complex driving tasks and, in certain conditions, perform automated functions.

Valeo's driving assistance systems offer a range of smart technologies that improve driving safety and comfort. Increasingly sophisticated functionalities are added each year to enhance safety and comfort in city driving. Examples include **automated driving in urban traffic jams or on the motorway.** These new systems are managed by a new, fully digital connected interface tailored to today's increasingly automated automobiles.

Valeo Möbi/us: A new, fully digital connected interface

To support the deployment of the automated car, Valeo has entirely redesigned the human machine interface between the driver and the car so that motorists can switch driving modes in complete safety and benefit from new services when the car is driving itself.

Whenever the system detects favorable conditions for automated driving, for example when the car is in a traffic jam in the city or on the motorway, it suggests shifting from manual driving mode to automated driving mode without ever compromising safety. The driver simply presses the auto pilot button located on the steering wheel. Similarly, the system emits a visual and audio alert as soon as it anticipates the need for the driver to take back control.

During periods of automated driving, Valeo Möbi/us makes the most of the possibilities offered by today's new, completely reconfigurable digital dashboards. For example, when the car is in automated driving mode, the instrument panel's graphics change, freeing up a

maximum amount of space on the screen for all of the applications on the driver's smartphone or tablet. The screen displays the apps the driver is interested in automatically, as the system instantly detects the smartphone's presence.

The same technology found on home televisions is used to display content from the smartphone or tablet. Thanks to wireless display standards such as Miracast, Chromecast or Airplay, it will be possible to view all of the smartphone's or tablet's content via the car's HDMI port (which will replace today's USB ports). This means that when the car is driving itself, the driver will be able to read his or her e-mail messages, watch videos on the Internet or choose favorite music tracks in complete safety. Motorists will also be able to access all of their regular apps without restriction.

To ensure safe interface management, Valeo has developed two miniature touch screen controls on each side of the steering wheel (to accommodate right-handed and left-handed drivers), much like those used on the latest smartwatches. This revolutionary steering-wheel-mounted control establishes a wireless connection with the driver's smartphone or tablet, which can remain in his or her pocket or bag.

With the Valeo Möbi/us concept, motorists can use smartphone or tablet apps while keeping their hands on the steering wheel and their eyes on the road. In addition, a new dedicated space on the interface continuously informs the driver about the surrounding environment to keep the driver in the loop. Valeo Möbi/us includes a system that detects the presence of hands on the steering wheel and uses a camera to observe the driver.

As a result, Valeo Möbi/us is able to switch between manual to automated driving mode, driving much more safely and quickly (up to 30-40% faster), resolving an issue that is often mentioned as a weak point of automated cars.

*Valeo Möbi/us: "The Full Digital Experience" for automated cars
Fully digital connected interface demonstration at the Valeo booth at the Consumer Electronics Show in Las Vegas
Booth CP10 CES Central Plaza*

The automated driving by Valeo – Outdoor demonstration on the CES Gold Lot Circuit

With a live demonstration at CES, Valeo unveils its Cruise4U automated driving prototype. This demonstration stages the unique Valeo SCALA laser scanner which will be a key

enabler for highly automated driving thanks to its singular combination of detection range, wide field of view and accuracy.

Attendees will be able to experience the “Cruise4U” functionality during a demonstration tour in real traffic. When in automated mode, the system will take full control of the car operating steering, acceleration and the brakes. Together with IAV, one of the leading automotive engineering integrators and Valeo’s partner on this project, a smooth and efficient vehicle control has been achieved.

During the demonstration the driver will be able to decide whether he wants to enjoy driving manually or wishes to delegate the driving task. Automated driving as well includes enhanced active safety features that not only make driving safer regardless if in manual or in automated mode but also contributes to increase the efficiency of car travel.

The laser scanner technology detects any moving or static obstacles with high precision and is able to anticipate what is coming. Valeo laser scanner is also the key technology used in the automated Valet Park4U® concept that was displayed at CES in 2014. It already allows a car to find, without any driver, its way to a suitable parking space.

Valeo has a long history in parking and driving assistance starting in 1991 with the ultrasonic park assistance. Next milestones were the front camera for lane departure warning in 2004, and eventually rear camera and radar sensors for blind spot detection, both launched in 2006. In 2014, Valeo has launched its 3rd generation of Park4U®, the system that makes parking simple and efficient through automation of steering and brakes. In this frame, Valeo’s innovation aims at make driving more comfortable, efficient and safe and highly automated driving will significantly contribute to this in future.

BeamAtic® PremiumLED: smart, glare-free LED lighting systems

With fully automatic BeamAtic® PremiumLED, drivers can keep their high beams on without blinding other motorists. The system’s onboard camera, coupled with powerful image processing software, detects and locates other vehicles and then adjusts the high beams so that the entire road is lit, except for a shadowy area around the vehicle that is approaching or being approached.

Operating principle and benefits

- **Greater safety and comfort**

BeamAtic® PremiumLED features all the advantages of LED lighting, including reduced electricity consumption, a working life that is considerably longer than that of the vehicle, daylight type lighting, density and design flexibility.

With BeamAtic® PremiumLED, Valeo has developed several non-glare high-beam lighting systems to meet carmakers’ different design or functional requirements. One of these approaches is based on Matrix-Beam technology, which combines several dozen luminous

pixels to form a beam. These pixels turn on and off independently, as vehicles are detected in the vicinity.

The module range is already used on several models in Europe. Valeo Matrix-Beam will be available on series vehicles as from 2016.

LASER automotive lighting: the headlamp of the future

- **Valeo has developed its new laser lighting system to improve nighttime visibility.**

Laser-based systems can light up the road over distances of up to 600 meters while allowing for compact optical designs that do not get in the way of headlamp styling.

Valeo has developed a Laser spot function that serves as an addition to the road beam. This system uses a laser diode encapsulated in an optical system, which produces a more concentrated high-beam spot, significantly increasing visibility. Designed for higher speed driving on relatively straight roads, the Laser spot adjusts its intensity to vehicle speed and, if appropriate, the type of road.

Depending on the performance of the associated road beam, the system is capable of doubling the distance over which obstacles are visible. It generates a visible spot directly in front of the car while the conventional road beam lights the road and the surrounding environment. Above a certain speed, the brighter beam allows drivers to see farther ahead so they can identify pedestrians, animals, debris or other obstacles and have time to respond appropriately.

- **To find out more...**

Visit Valeo's booth at the Consumer Electronics Show in Las Vegas to get a preview of the headlamp of the future with the Lighting Experience simulator.

Discover the technology behind Valeo's headlamp of the future with the Lighting Experience simulator. Located in a dark room at the Valeo booth, the simulator offers visitors an opportunity to become the virtual driver of a car with smart headlamps and test how the LASER lighting system looks in different situations. They will see, for example, how the system detects pedestrians and alerts the driver using light.

The Lighting Experience simulator

Smart lighting demonstration at the Valeo booth at the Consumer Electronics Show in Las Vegas

Booth CP10 CES Central Plaza

III – An innovation-driven company

Valeo's missions are to imagine the cars of tomorrow, respond effectively to market demands, anticipate and stimulate customer and motorist needs through innovations and a thorough understanding of technology, and ensure its technological edge. To fulfill these missions, **the Group has embedded innovation in its corporate DNA.**

Research and Development is central to the Group's development strategy, with 10,000 employees, as well as 16 research centers, 34 development centers, 786 patents filed and a budget corresponding to **more than 10% of OEM sales** (up 55% since 2009).

Valeo's innovation policy and development methods are broadly recognized by its customers, who are turning to the Group more and more for the development of new technologies. Reflecting this trend, innovative products accounted for 30% of orders booked in 2013. According to Group estimates, three quarters of Valeo's sales growth between 2012 and 2015 will come from technologies to reduce CO₂ emissions.

To support innovation, Valeo hired 2,000 engineers around the world in 2014, including several hundred in France, Germany, China, India and North America. Most of these new hires were in the electronics or electromechanical fields. To forge even stronger ties with students, the Group launched the second Valeo Innovation Challenge contest in 2014 for engineering students around the world. The finalist teams will be selected to present their projects to the Challenge jury of Valeo experts and outside partners, chaired by Valeo CEO Jacques Aschenbroich, at the Frankfurt Motor Show. The winning team will receive €100,000.

Valeo has to be both close to its carmaker customers and intimately familiar with end user needs, which are obviously different in each country. For this reason, it has deployed its R&D capabilities across all continents. For instance, the Group has three research centers and twelve development centers in Asia.

The Group also maintains a constant global innovation watch and enables young technological companies to bring their innovations quickly to the automotive market. Today, innovating means taking new approaches and working with new partners from other industries. For this reason, Valeo has deployed an open innovation approach. Agreements entered into in 2013 and 2014 included:

-A technological cooperation agreement with LeddarTech to devise new active safety solutions, notably for emergency breaking in urban environments.

-A technological partnership agreement with aviation and defense equipment manufacturer Safran covering driver-assistance systems.

In partnership with Renault, PSA Peugeot Citroën, Automotive Lighting Rear Lamps and Valeo, ESTACA, Institut d'Optique Graduate School, Strate – School of Design, launched a chair dedicated to innovative vehicle lighting systems.

Appendices

About Valeo

Valeo is a major player in the global automotive industry and ranks among the world's top automotive suppliers. As a technology company, Valeo is fully focused on the design, production and sale of components, integrated systems and modules for the car and truck industry in both the original equipment and replacement segments.

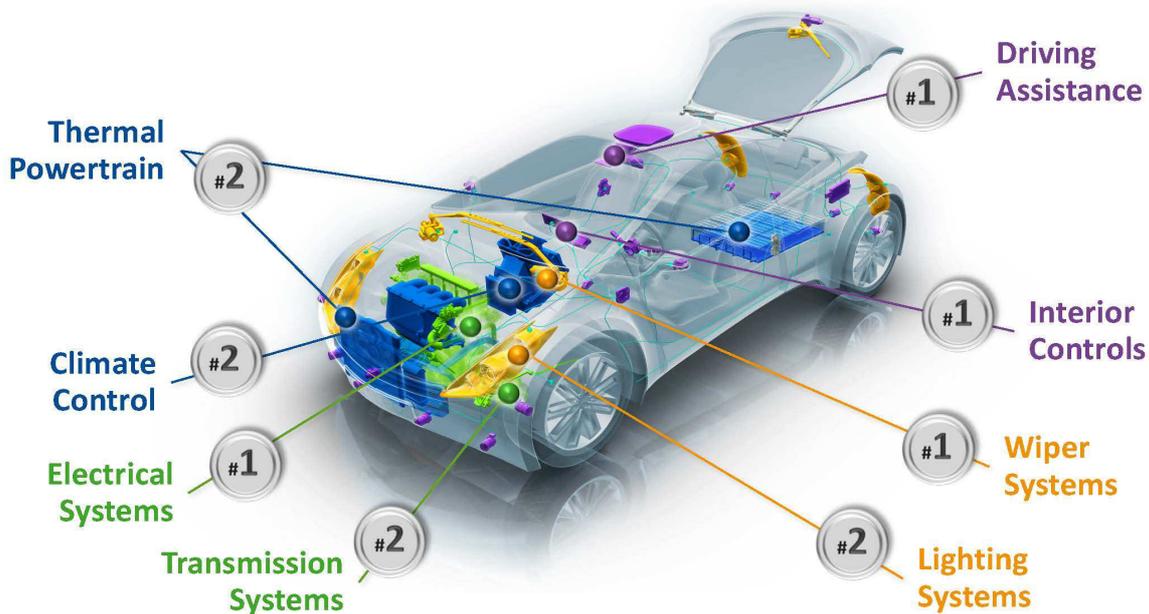
With its intuitive driving concept, Valeo develops innovative technologies that provide optimal safety, enhanced driving comfort and greater energy efficiency. The Group offers solutions that reduce the consumption of internal combustion, hybrid and electric vehicles, as well as the weight and energy use of components.

Major customers by alphabetical order include: BMW, BYD Auto, Chery, DAF, Daimler, Fiat/Chrysler, FAW, Ford Motor Company, Geely/Volvo Cars, General Motors, Great Wall, Honda, Hyundai/Kia, JAC, Mazda, Mitsubishi, PSA Peugeot-Citroën, Renault-Nissan, SAIC, Suzuki, Tata Motors/Jaguar/Land Rover, Toyota, Volkswagen Group/Porsche/Scania/MAN and Volvo Trucks.

Key figures

- €12.1 billion in 2013 sales, up 9% compared with 2012
- More than 10% of OEM sales devoted to R&D, or more than €1.1 billion in 2013, an increase of 55% since 2009
- 786 patents filed in 2013, 9% more than in 2012
- 78,600 employees
- Operations in 29 countries
- 12 distribution platforms
- 16 research centers
- 35 development centers
- 124 production sites

Valeo's four Business Groups



Powertrain Systems

The Powertrain Systems Business Group covers all activities related to the vehicle's powertrain. Powertrain Systems develops innovative powertrain solutions designed to improve fuel efficiency and reduce carbon emissions, without sacrificing driving excitement and performance. These innovations cover a complete range of products to optimize internal combustion engines or to enable varying degrees of electric drive, from stop-start systems to full EV.

This means that the Group's opportunities are closely linked to its technological choices, as well as to growth in the global market, especially in emerging markets. The Business Group has a clear advantage given that it operates in all regions of the world: Europe, North and South America, as well as Japan, China, South Korea and India.

Valeo's Powertrain Systems Business Group is a world leader in electrical systems and ranks second in transmission systems.

2013 Facts & Figures

- €3.4 billion in sales
- 18,769 employees
- 32 production facilities

- Five research centers and 16 development centers

Thermal Systems

The Thermal Systems Business Group develops and manufactures systems, modules and components to manage powertrain, gearbox and other cooling systems, and to enable individual passenger climate control, at every phase of vehicle use.

These systems help to significantly reduce fuel consumption and emissions of CO₂ and other harmful pollutants from vehicles equipped with internal combustion engines. In addition the Business Group's engineers have designed systems to improve battery performance and to extend their life span in applications in hybrid and electric vehicles.

The Thermal Systems Business Group has made the most of strong growth in emerging economies.

2013 Facts & Figures

- €3.4 billion in sales
- 18,128 employees
- 45 production facilities
- Two research centers and seven development centers

Comfort and Driving Assistance Systems

The Comfort and Driving Assistance Systems Business Group develops innovative and intuitive driver-vehicle-environment interface systems that are indispensable to the emergence of tomorrow's more automated and connected cars. It contributes to improving comfort and safety, while putting an emphasis on intuitive driving.

Backed by both market and technological leadership, Comfort and Driving Assistance Systems is a key player in this segment and perfectly positioned to serve emerging markets.

2013 Facts & Figures

- €2.2 billion in sales
- 13,431 employees
- 23 production facilities
- Seven research centers and nine development centers

Visibility Systems

The Visibility Systems Business Group develops and produces innovative lighting and wiper systems aimed at improving driving safety in adverse conditions. Its solutions offer perfect visibility in all weather, both day and night.

The Business Group offers a full range of wiping and lighting solutions that integrate the latest technologies.

Valeo is among the major worldwide players in this segment. The presence of Valeo's visibility systems in high-growth markets is a key factor for the success of the Business Group, which aims to strengthen its position in Asian markets.

2013 Facts & Figures

- €3.1 billion in sales
- 23,012 employees
- 33 production facilities
- Four research centers and 13 development centers