



Communiqué de presse Press release

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16.18

Issuance by Valeo of USD 450 million non-dilutive cash-settled convertible bonds

Paris, June 9, 2016 – Valeo (« Valeo ») announces today the launch of an offering of non-dilutive cash-settled convertible bonds due 2021 (the "**Bonds**") with a nominal amount of USD 450 million. As conversion rights in respect of the Bonds will only be cash-settled, the instrument will not result in the issuance of new shares or the delivery of existing shares of Valeo upon conversion. Concurrently, Valeo will purchase cash-settled call options over its own shares to hedge its exposure to pay cash amounts upon any potential exercise of conversion rights embedded in the Bonds. This USD-denominated debt will be immediately converted into euros.

The net proceeds of the Bonds offering will be used for general corporate purposes and to finance the acquisitions announced recently.

The Bonds will not bear any interest. The Bonds will have a nominal value of USD200,000 per Bond. The Bonds will be issued with an issue price of 100% to 104% of nominal value, corresponding to an annual gross yield to maturity of -0.78% to 0.00%.

The Bonds' initial conversion price will represent an issue premium of 45% above the reference share price for Valeo share, which will be determined as the arithmetic average of the daily volume-weighted average prices of Valeo share on the regulated market of Euronext in Paris ("**Euronext Paris**") over a period of 10 consecutive trading days, starting on June 10, 2016 (the "**Reference Period**"). The reference share price, the initial conversion price and the initial conversion ratio will be announced by Valeo on or around June 23, 2016. The initial conversion ratio of the Bonds will correspond to the nominal value converted in euros and divided by the initial conversion price.

The final terms of the issuance are expected to be announced today, except for the initial conversion price and the initial conversion ratio.

Settlement and delivery of the Bonds is expected to take place on June 16, 2016. If not converted or redeemed earlier, the Bonds will be redeemed at nominal value on June 16, 2021.

An application for the listing of the Bonds on the Open Market (*Marché Libre*) of Euronext Paris and the Open Market (*Freiverkehr*) of *Deutsche Börse* will be made. Such listing is expected on or around June 24, 2016.

In the context of the offering, Valeo will agree to a lock-up undertaking in relation to its shares and equity-linked securities for a period ending 60 calendar days after the settlement and delivery date, subject to certain exceptions.

Crédit Agricole Corporate and Investment Bank, Citigroup Global Markets Limited and J.P. Morgan Securities plc are acting as Joint Lead Managers and Joint Bookrunners.



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It is anticipated that the hedge counterparties will enter into transactions to hedge their positions under the cash-settled call options, through the sale or purchase of shares of Valeo or any other transactions, on market and off-market, at any time, and in particular during the Reference Period and at or around the conversion or redemption of the Bonds.

The Bonds are offered in a private placement only in France and outside France (except in the United States of America, Australia, Canada, Japan and South Africa). The offering of the Bonds is not subject to a prospectus approved by the French Financial Market Authority (*Autorité des marchés financiers*) (the « **AMF** »).

This press release does not constitute or form part of any offer or solicitation to purchase or subscribe for or to sell the Bonds and the offering of the Bonds is not an offer to the public in any jurisdiction, including France.

Available Information

Detailed information on Valeo, including its business, results, prospects and related risk factors are described in Valeo's reference document filed with the AMF on 25 March 2016 under number D.16-0211, together with all the press releases and other regulated information about Valeo, which are available on Valeo's website (www.valeo.com).

About Valeo

Valeo is an automotive supplier, partner to all automakers worldwide. As a technology company, Valeo proposes innovative products and systems that contribute to the reduction of CO2 emissions and to the development of intuitive driving. In 2015, the Group generated sales of €14.5 billion and invested over 10% of its original equipment sales in research and development. Valeo has 134 plants, 17 research centers, 35 development centers and 15 distribution platforms, and employs 82,800 people in 30 countries worldwide. Valeo is listed on the Paris stock exchange and is a member of the CAC 40 index.

The Ordinary Shares are listed on Euronext Paris exchange and over the counter (OTC) in the United States of America through American Depositary Receipts.

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DISCLAIMER

This press release does not constitute or form a part of any offer or solicitation to purchase, subscribe for or sell securities of Valeo.

No communication and no information in respect of the offering by Valeo of non-dilutive cash-settled convertible bonds (the "Bonds") may be distributed to the public in any jurisdiction where a registration or approval is required. No steps have been or will be taken in any jurisdiction where such steps would be required. The offering and subscription of the Bonds may be subject to specific legal or regulatory restrictions in certain jurisdictions. Valeo assumes no responsibility for any violation of any such restrictions by any person.



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European Economic Area

This announcement is an advertisement and is not a prospectus within the meaning of Directive 2003/71/EC of the European Parliament and the Council of November 4th, 2003, as amended and as implemented in each member State of the European Economic Area (the "Prospectus Directive").

With respect to the member States of the European Economic Area which have implemented the Prospectus Directive (each, a "relevant member State") no action has been undertaken or will be undertaken to make an offer to the public of the securities requiring a publication of a prospectus in any relevant member State. As a result, the Bonds may only be offered in relevant member States: (a) to legal entities that are qualified investors as defined in the Prospectus Directive; (b) to fewer than 150 natural and legal persons (other than qualified investors as defined in the Prospectus Directive) by Member State; or (c) in any other circumstances that do not require the publication by Valeo of a prospectus pursuant to Article 3(2) of the Prospectus Directive.

For the purposes of this paragraph, the notion of an "offer to the public of Bonds" in each of the relevant member States, means any communication, to individuals or legal entities, in any form and by any means, of sufficient information on the terms and conditions of the offering and on the Bonds to be offered, thereby enabling an investor to decide to purchase or subscribe for the Bonds, as the same may be varied in that member State by any measure implementing the Prospectus Directive.

This selling restriction comes in addition to the other selling restrictions applicable in the other member states.

France

The Bonds have not been and will not be offered or sold, directly or indirectly, to the public in France. Any offer or sales of the Bonds have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers), and/or (b) qualified investors (investisseurs qualifiés) and/or a restricted circle of investors acting for their own account, as defined in, and in accordance with, Articles L.411-2-II, D.411-1 and D.411-4 of the French Monetary and Financial Code.

United Kingdom

The distribution of this press release is not made, and has not been approved, by an "authorised person" within the meaning of Article 21(1) of the Financial Services and Markets Act 2000. As a consequence, this press release is directed only at persons who (i) are located outside the United Kingdom, (ii) have professional experience in matters relating to investments and fall within Article 19(5) ("investment professionals") of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (as amended), (iii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) or (iv) are persons to whom this press release may otherwise lawfully be communicated (all such persons together being referred to as "Relevant Persons"). The securities are directed only at Relevant Persons and no invitation, offer or agreements to subscribe, purchase or otherwise acquire securities may be proposed or made other than with Relevant Persons. Any person other than a Relevant Person may not act or rely on this document or any provision thereof. This press release is not a prospectus which has been approved by the Financial Conduct Authority or any other United Kingdom regulatory authority for the purposes of Section 85 of the Financial Services and Markets Act 2000.

United States

This press release does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities nor of any offer or solicitation to sell securities in the United States. The securities mentioned herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), and may not be offered or sold, directly or indirectly, within the United States, except pursuant to an exemption from or in a transaction not subject to, the registration requirements of the Securities Act. Valeo does not intend to register any portion of the proposed offering in the United States nor to conduct a public offering of securities in the United States.

South Africa, Canada, Australia, Japan

The information contained in this press release does not constitute an offer of securities for sale in South Africa, Canada, Australia or Japan.

The distribution of this press release in certain countries may constitute a breach of applicable law.