2015 Results
Jacques Aschenbroich – CEO
## H2 highlights

<table>
<thead>
<tr>
<th><strong>Innovation</strong></th>
<th><strong>Order intake(^{(1)}) of €9.4bn</strong></th>
<th>+12%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Growth</strong></td>
<td><strong>Sales of €7.2bn</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>OEM sales of €6.3bn</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>7-percentage point outperformance</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Aftermarket sales of €0.8bn</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Profitability</strong></td>
<td><strong>Operating margin(^{(1)}) of €578m up 21%</strong></td>
<td>+14% as reported</td>
</tr>
<tr>
<td></td>
<td><strong>Net income(^{(1)}) of €385m up 26%</strong></td>
<td>+8% like-for-like(^{(2)})</td>
</tr>
<tr>
<td><strong>Cash generation</strong></td>
<td><strong>EBITDA(^{(1)}) of €934m up 18%</strong></td>
<td>8.0% of sales</td>
</tr>
<tr>
<td></td>
<td><strong>Free cash flow(^{(1)}) up 49%</strong></td>
<td>+15% as reported</td>
</tr>
<tr>
<td></td>
<td><strong>Cash conversion rate</strong> (FCF/EBITDA)</td>
<td>+9% like-for-like(^{(2)})</td>
</tr>
<tr>
<td></td>
<td><strong>ROCE(^{(1)})</strong></td>
<td>+6% as reported</td>
</tr>
<tr>
<td></td>
<td></td>
<td>+4% like-for-like(^{(2)})</td>
</tr>
</tbody>
</table>

\(^{(1)}\) See glossary page 49  
\(^{(2)}\) Constant Group structure and exchange rates.
# FY highlights

**Innovation fueling future growth**

**Order intake**\(^{(1)}\) of €20.1bn

+15%

**Sales of €14.5bn**

+14% as reported

+7% *like-for-like*\(^{(2)}\)

**OEM sales of €12.6bn**

+16% as reported

+8% *like-for-like*\(^{(2)}\)

**OEM sales outperformance**

<table>
<thead>
<tr>
<th>Region</th>
<th>Growth(^{(2)})</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>+8%</td>
</tr>
<tr>
<td>Europe</td>
<td>+11%</td>
</tr>
<tr>
<td>China</td>
<td>+8%</td>
</tr>
<tr>
<td>Asia (excluding China)</td>
<td>+6%</td>
</tr>
<tr>
<td>North America</td>
<td>+5%</td>
</tr>
<tr>
<td>South America</td>
<td>-18%</td>
</tr>
</tbody>
</table>

**Outperformance**\(^{(3)}\)

+6pts

+6pts

+4pts

+7pts

+2pts

+1pt

**Aftermarket sales of €1.6bn**

+7% as reported

+3% *like-for-like*\(^{(2)}\)

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\(^{(1)}\) See glossary page 49  
\(^{(2)}\) Constant Group structure and exchange rates.  
\(^{(3)}\) Vs automotive production
FY highlights

Growth accelerating

- Sales of €14.5bn

Profitability continuing to improve

- Operating margin\(^{(1)}\) of €1,116m up 22%
- Net income\(^{(1)}\) of €729m up 30%
  - Net income excl. non recurring items of €825m up 39%
- EPS up 29%
  - EPS excl. non recurring items up 38%

Strong financial position

- EBITDA\(^{(1)}\) of €1,847m up 21%
- Free cash flow\(^{(1)}\) up 73%
- Cash Conversion rate (FCF/EBITDA) 12.7% of sales
- ROCE\(^{(1)}\) 33%
- ROA\(^{(1)}\) 20%
- Net debt\(^{(3)}\) of €124m down €253m

Dividend proposed at the next AGM

- 2015 dividend of €3 per share up 36%
- Payout ratio 32%

+14% as reported
+7% like-for-like\(^{(2)}\)

7.7% of sales
5.0% of sales
5.7% of sales
€9.33
€10.56

\(^{(1)}\) See glossary page 49
\(^{(2)}\) Constant Group structure and exchange rates
\(^{(3)}\) New definition available in glossary page 49 – applied also on 2014 amount on a retrospective basis
2016 outlook

Based on the following key assumptions for full-year 2016:

- Automotive production growth:
  - World: around 2.5%
  - Europe: around 2%
  - China: around 5%
  - North America: around 2%
- Raw material prices and currencies in line with current levels

Valeo sets the following objectives for 2016:

- Strong sales growth, outperforming the market in the main production regions including China
- Slight increase in operating margin* (as a % of sales) despite higher net R&D expenses to fuel future growth in CO\textsubscript{2} emission reductions and intuitive driving

Mid term objectives:

- Confidence in achieving 2020 targets thanks to high level of order intake

* Including joint ventures and associates in accordance with new IFRS standards.
Order intake of €20.1bn, up 15% confirming high growth potential
Acceleration in order intake up 15%…
… leading to stepped-up future organic growth

Order intake**
€bn
- Average over the period

CAGR* +13%
€20.1bn
€17.5bn
€15bn
€13bn
€8.8bn

Innovation fueling future organic growth…
as a % of order intake**

Innovation 37% (1)

(1) Products and technologies sold by less than 3 years

…with 2015 half-year order intake** reaching a new record high
€bn

H1 H2

**Excluding the Access Mechanisms business and including joint ventures consolidated proportionally
Acceleration in order intake fueling future organic growth

China: local OEMs represent ~20% of OEM sales and 41% of order intake

% of 2015 OEM sales*

Europe 16%

Asia excl. China 29% €3.7bn

China 29% €2.8bn

NA 47%

% of 2015 order intake*

Asia excl. China 8%

Asia 28% €5.6bn

Netherlands 1%

China 20%

NA 25%

Order intake of €20.1bn

Order Intake/OE sales ratio*

Europe 1.5x

Asia 1.5x

Of which China 2.0x

North America 1.8x

Group 1.6x

*OEM sales and order intake by destination including joint ventures consolidated proportionally
Growth accelerated throughout the year

Sales of €14.5bn, up 14% as reported  
up 7% like-for-like

OEM sales, up 16% as reported  
up 8% like-for-like, 6-point outperformance

Aftermarket sales, up 7% as reported  
up 3% like-for-like
Total sales growth accelerated throughout the year

Like-for-like

Q1 15  Q2 15  Q3 15  Q4 15  2015

€m 3,581  3,717  3,449  3,797  14,544

Reported

Q1 14  Q2 14  Q3 14  Q4 14  FY 14

Like-for-like +6%  +6%  +7%  +9%  +7%

Exchange rates +8.3%  +8.8%  +5.9%  +5.3%  +7.1%

Scope 0.4%  0.4%  0.0%  0.0%  +0.2%

Like-for-like +6%  +6%  +7%  +9%  +7%

Exchange rates +8.3%  +8.8%  +5.9%  +5.3%  +7.1%

Scope 0.4%  0.4%  0.0%  0.0%  +0.2%

Total sales growth accelerated throughout the year
Total sales growth accelerated throughout the year
H1 up 6%, H2 up 8% like-for-like

€m

Like-for-like +6% +8% +7%

Reported

H1 15 7,298 H2 15 7,246 2015 14,544

H1 14 6,347 H2 14 6,378 FY 14 12,725
Exchange rates +8.5% Exchange rates +5.5% Exchange rates +7.1%
Scope +0.5% Scope 0.0% Scope +0.2%

February 18, 2016 | 11
OEM Sales growth accelerated throughout the year

Like-for-like +7% +6% +7% +12% +8%

€m

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Reported</th>
<th>Exchange rates</th>
<th>Scope</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 15</td>
<td>3,113</td>
<td>+16%</td>
<td>+8.7%</td>
</tr>
<tr>
<td>2015</td>
<td>12,600</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2 15</td>
<td>3,203</td>
<td>+16%</td>
<td>+9.3%</td>
</tr>
<tr>
<td></td>
<td>2,755</td>
<td>Exchange rates</td>
<td>+0.6%</td>
</tr>
<tr>
<td>Q3 15</td>
<td>2,990</td>
<td>+13%</td>
<td>+6.3%</td>
</tr>
<tr>
<td></td>
<td>2,644</td>
<td>Scope</td>
<td>0.0%</td>
</tr>
<tr>
<td>Q4 15</td>
<td>3,294</td>
<td>+17%</td>
<td>+5.6%</td>
</tr>
<tr>
<td></td>
<td>2,814</td>
<td>Exchange rates</td>
<td>+0.6%</td>
</tr>
<tr>
<td></td>
<td>0.0%</td>
<td>Scope</td>
<td>0.0%</td>
</tr>
<tr>
<td>FY 14</td>
<td>10,890</td>
<td>Exchange rates</td>
<td>+7.4%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Scope</td>
<td>+0.3%</td>
</tr>
</tbody>
</table>
OEM sales growth accelerated throughout the year
2015 up 8%, H2 up 9% and Q4 up 12% like-for-like

**Reported

<table>
<thead>
<tr>
<th></th>
<th>€m</th>
<th>Q4 14</th>
<th>H2 14</th>
<th>2015</th>
<th>Q4 15</th>
<th>H2 15</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>OEM</td>
<td>3,294</td>
<td>6,284</td>
<td>12,600</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aftermarket</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Reported</strong></td>
<td>+17%**</td>
<td>+15%**</td>
<td>+16%**</td>
<td>+6%**</td>
<td>+6%**</td>
<td>+7%**</td>
<td></td>
</tr>
<tr>
<td>Exchange rates</td>
<td>2,814</td>
<td>5,458</td>
<td>10,890</td>
<td>399</td>
<td>786</td>
<td>1,599</td>
<td></td>
</tr>
<tr>
<td>Scope</td>
<td>+0.0%</td>
<td>+0.0%</td>
<td>+0.3%</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Miscellaneous

<table>
<thead>
<tr>
<th></th>
<th>€m</th>
<th>Q4 14</th>
<th>H2 15</th>
<th>2015</th>
<th>Q4 15</th>
<th>H2 15</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>OEM</td>
<td>3,294</td>
<td>6,284</td>
<td>12,600</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aftermarket</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Reported</strong></td>
<td>-23%*</td>
<td>-10%*</td>
<td>-5%*</td>
<td>-13%**</td>
<td>-1%**</td>
<td>+2%**</td>
<td></td>
</tr>
<tr>
<td>Exchange rates</td>
<td>2,814</td>
<td>5,458</td>
<td>10,890</td>
<td>399</td>
<td>786</td>
<td>1,599</td>
<td></td>
</tr>
<tr>
<td>Scope</td>
<td>+0.0%</td>
<td>+0.0%</td>
<td>+0.3%</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
Outperformance accelerated throughout the year

Europe*
OEM sales** +13%
Production*** +5%
48% of OEM sales

Asia* excl. China
OEM sales** +9%
Production*** -1%
13% of OEM sales

North America
OEM sales** +6%
Production*** +4%
23% of OEM sales

South America
OEM sales** -23%
Production*** -23%
2% of OEM sales

China
OEM sales** +7%
Production*** +4%
14% of OEM sales

World
OEM sales** +9%
Production*** +2%
Outperf. +7pts

Outperf. +8pts
Outperf. +10pts
Outperf. +3pts

* Europe including Africa; Asia including Middle East
** Valeo OEM sales by destination
*** LMC estimates – light vehicle production
Outperformance in all Asian production countries

**Japan**
- OEM sales*: -3%
- Production**: -4%
- 17% of Asian sales
- Outperf: +1pt

**Korea**
- OEM sales*: +18%
- Production**: +3%
- 23% of Asian sales
- Outperf: +15pts

**China**
- OEM sales*: +7%
- Production**: +4%
- 52% of Asian sales
- Outperf: +3pts

**India**
- OEM sales*: +54%
- Production**: +5%
- 4% of Asian sales
- Outperf: +49pts

**Asia**
- OEM sales*: +8%
- Production**: +2%
- 27% of OEM sales
- Outperf: +6pts

*Valeo OEM sales by destination

**LMC estimates – light vehicle production
Outperformance in all production regions

Europe*
OEM sales** +11%
Production*** +5%
49% of OEM sales
Outperf. +6pts

Asia* excl. China
OEM sales** +6%
Production***-1%
13% of OEM sales
Outperf. +7pts

North America
OEM sales** +5%
Production*** +3%
22% of OEM sales
Outperf. +2pts

South America
OEM sales** -18%
Production***-19%
2% of OEM sales
Outperf. +1pt

China
OEM sales** +8%
Production***+4%
14% of OEM sales
Outperf. +4pts

World
OEM sales** +8%
Production***+2%
Outperf. +6pts

* Europe including Africa;
  Asia including Middle East
** Valeo OEM sales by destination
***LMC estimates – light vehicle production
Outperformance in all Asian production countries

2015
Like-for-like

Asia
- OEM sales* +7%
- Production** +1%
Outperf +6pts
27% of OEM sales

Japan
- OEM sales* -2%
- Production** -6%
Outperf +4pts
18% of Asian sales

Korea
- OEM sales* +12%
- Production** +1%
Outperf +11pts
22% of Asian sales

China
- OEM sales* +8%
- Production** +4%
Outperf +4pts
52% of Asian sales

India
- OEM sales* +36%
- Production** +5%
Outperf +31pts
3% of Asian sales

*Valeo OEM sales by destination
**LMC estimates – light vehicle production
Outperformance with all Chinese customers pick-up

Chinese OEMs representing:
- ~20% of OEM sales
- 46% of the local automotive production

2015
Like-for-like

Chinese OEMs
OEM sales* +37%
Production** +9%

Outperf. +28pts

*Valeo OEM sales by destination
**LMC estimates – light vehicle production
Balanced geographic positioning

OEM sales by production region
% of OEM sales

2014

- Eastern Europe & Africa: 15%
- Asia excl. China: 14%
- China: 12%
- SA: 3%
- Mexico: 10%
- US: 10%

54% in Asia & emerging countries

2015

- Eastern Europe & Africa: 15%
- Asia excl. China: 13%
- China: 14%
- SA: 2%
- Mexico: 11%
- US: 11%

55% in Asia & emerging countries
Balanced customer portfolio

% of OEM sales

2014
- German: 30%
- American: 22%
- Asian**: 26%
- French*: 16%
- Other: 6%

2015
- German: 30%
- American: 24%
- Asian**: 26%
- French*: 15%
- Other: 5%

* Excluding Nissan
** Including Nissan
Growth accelerated throughout the year in all Business Groups

<table>
<thead>
<tr>
<th>2015 total sales growth (year-on-year)</th>
<th>2015</th>
<th>H2</th>
<th>Q4</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDA*</td>
<td>+18%</td>
<td>+13%</td>
<td>+13%</td>
<td>+15%</td>
</tr>
<tr>
<td>Powertrain</td>
<td>+13%</td>
<td>+8%</td>
<td>+10%</td>
<td>+12%</td>
</tr>
<tr>
<td>Thermal</td>
<td>+12%</td>
<td>+3%</td>
<td>+5%</td>
<td>+6%</td>
</tr>
<tr>
<td>Visibility</td>
<td>+16%</td>
<td>+9%</td>
<td>+11%</td>
<td>+15%</td>
</tr>
<tr>
<td>Group</td>
<td>+14%</td>
<td>+8%</td>
<td>+9%</td>
<td>+12%</td>
</tr>
</tbody>
</table>

* Comfort & Driving Assistance
Operating margin*
H2: up 21% to €578m (8.0% of sales)
FY: up 22% to €1,116m (7.7% of sales)

Net income
H2: up 26% to €385m (5.3% of sales)
FY: up 30% to €729m (5.0% of sales)

* incl. JV & Associates in accordance with new IFRS standards
2015 gross margin up 17% to €2,573m or 17.7% of sales

Improvement driven by operational leverage and efficiency gains

As a % of sales

€2,203m

+17%

€2,573m

2014

Volume/ inflation

Operational efficiency

Depreciation linked to growth

South America

Exchange rates

2015

17.3%

+0.6pts

+0.2pts

-0.3pts

-0.2pts

+0.1pts

17.7%
2015 net R&D expenditure at 5.5% of sales, up 10bps

Net R&D
In €m and as a % of sales

<table>
<thead>
<tr>
<th>Year</th>
<th>Net R&amp;D (€m)</th>
<th>% of Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>685</td>
<td>5.4%</td>
</tr>
<tr>
<td>2015</td>
<td>797</td>
<td>5.5%</td>
</tr>
</tbody>
</table>

+16% increase

Capitalized development expenditure
In €m and as a % of sales

<table>
<thead>
<tr>
<th>Year</th>
<th>Capitalized Development Expenditure (€m)</th>
<th>% of Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>298</td>
<td>2.3%</td>
</tr>
<tr>
<td>2015</td>
<td>364</td>
<td>2.5%</td>
</tr>
</tbody>
</table>

+10bps increase

Amortization and impairment of capitalized development expenditure
In €m and as a % of sales

<table>
<thead>
<tr>
<th>Year</th>
<th>Amortization and Impairment (€m)</th>
<th>% of Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>176</td>
<td>1.4%</td>
</tr>
<tr>
<td>2015</td>
<td>207</td>
<td>1.4%</td>
</tr>
</tbody>
</table>
SG&A expenses down 30bps to 4.9% of sales

SG&A
In €m and as a % of sales

<table>
<thead>
<tr>
<th>Year</th>
<th>Selling Expenses</th>
<th>Admin. Expenses</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>656</td>
<td>207</td>
<td>863</td>
</tr>
<tr>
<td></td>
<td>5.2%</td>
<td>1.7%</td>
<td>6.9%</td>
</tr>
<tr>
<td>2015</td>
<td>716</td>
<td>230</td>
<td>946</td>
</tr>
<tr>
<td></td>
<td>4.9%</td>
<td>3.3%</td>
<td>8.2%</td>
</tr>
</tbody>
</table>
H2 operating margin* up 21% to €578m or 8.0% of sales

As a % of sales

€471m

+0.1pts

7.4%

H2-14 published

IFRIC 21 (change in accounting rules)

+0.2pts

7.5%

H2-14 restated

Gross margin

-0.2pts

Net R&D

+0.3pts

SG&A

+0.2pts

JV & Associates

8.0%

H2-15

* incl. JV & Associates in accordance with new IFRS standards

NB: rounded figures
2015 operating margin* up 22% to €1,116m or 7.7% of sales

* incl. JV & Associates in accordance with new IFRS standards
NB: rounded figures
Net income up 30% to €729m or 5.0% of sales

Other expenses at €117m (primarily South America and Spain), effective tax rate at 12.9%

<table>
<thead>
<tr>
<th></th>
<th>H2 14*</th>
<th>H2 15</th>
<th>▲</th>
<th>2014*</th>
<th>2015</th>
<th>▲</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total sales (€m)</td>
<td>6,378</td>
<td>7,246</td>
<td>+14%</td>
<td>12,725</td>
<td>14,544</td>
<td>+14%</td>
</tr>
<tr>
<td>Operating margin excl. JV &amp; Associates</td>
<td>458 7.2%</td>
<td>545 7.5%</td>
<td>+19% +30bps</td>
<td>862 6.8%</td>
<td>1,060 7.3%</td>
<td>+23% +50bps</td>
</tr>
<tr>
<td>JV &amp; Associates</td>
<td>19 0.3%</td>
<td>33 0.5%</td>
<td>+74% +20bps</td>
<td>51 0.4%</td>
<td>56 0.4%</td>
<td>+10% +0bps</td>
</tr>
<tr>
<td>Operating margin incl JV &amp; Associates (€m)</td>
<td>477 7.5%</td>
<td>578 8.0%</td>
<td>+21% +50bps</td>
<td>913 7.2%</td>
<td>1,116 7.7%</td>
<td>+22% +50bps</td>
</tr>
<tr>
<td>Other income &amp; expenses</td>
<td>(20) -0.3%</td>
<td>(96) -1.3%</td>
<td>n/a +100bps</td>
<td>(54) -0.4%</td>
<td>(117) -0.8%</td>
<td>n/a +40bps</td>
</tr>
<tr>
<td>Operating income</td>
<td>457 7.2%</td>
<td>482 6.7%</td>
<td>+6% -50bps</td>
<td>859 6.8%</td>
<td>999 6.9%</td>
<td>+16% +1bp</td>
</tr>
<tr>
<td>Cost of net debt</td>
<td>(44) (26)</td>
<td>(41) (9)</td>
<td>-7% -65%</td>
<td>(91) (46)</td>
<td>(84) (35)</td>
<td>-8% -24%</td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>387 4.8%</td>
<td>432 5.3%</td>
<td>+12%</td>
<td>722</td>
<td>880</td>
<td>+22%</td>
</tr>
<tr>
<td>Income taxes</td>
<td>(64) 17.4%</td>
<td>(26) 6.5%</td>
<td>-59% -10.9pts</td>
<td>(129) 19.2%</td>
<td>(106) 12.9%</td>
<td>-18% -6.3pts</td>
</tr>
<tr>
<td>Non-controlling interests and other</td>
<td>(17) 5.0%</td>
<td>(21) n/a</td>
<td>n/a</td>
<td>(31) (45)</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Net income (€m)</td>
<td>306 4.8%</td>
<td>385 5.3%</td>
<td>+26% +50bps</td>
<td>562 4.4%</td>
<td>729 5.0%</td>
<td>+30% +60bps</td>
</tr>
<tr>
<td>Net income excl. non-recurring items (€m)</td>
<td>321 5.0%</td>
<td>468 6.5%</td>
<td>+46% +150bps</td>
<td>593 4.7%</td>
<td>825 5.7%</td>
<td>+39% +100bps</td>
</tr>
</tbody>
</table>

* Restated in accordance with IFRIC 21
### Other expenses of €117m in 2015

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Other income &amp; expenses of which:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restructuring plans</td>
<td>(54)</td>
<td>(117)</td>
</tr>
<tr>
<td>Impairment gains and loss on assets</td>
<td>(29)</td>
<td>(69) Primarily South America and Spain</td>
</tr>
<tr>
<td></td>
<td>(15)</td>
<td>(27) Including South America and Argentina for €42m</td>
</tr>
</tbody>
</table>
EPS up 29%
Excluding non-recurring items, EPS up 38%

<table>
<thead>
<tr>
<th></th>
<th>2014*</th>
<th>2015</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net income (€m)</strong></td>
<td>562</td>
<td>729</td>
<td>+30%</td>
</tr>
<tr>
<td><strong>EPS</strong></td>
<td>€7.23</td>
<td>€9.33</td>
<td>+29%</td>
</tr>
<tr>
<td><strong>Net income (€m)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(excluding non-recurring</td>
<td>593</td>
<td>825</td>
<td>+39%</td>
</tr>
<tr>
<td>items)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EPS</strong></td>
<td>€7.63</td>
<td>€10.56</td>
<td>+38%</td>
</tr>
<tr>
<td>(excluding non-recurring</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>items)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Restated in accordance with IFRIC 21
ROCE at 33%

<table>
<thead>
<tr>
<th></th>
<th>2014*</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total sales</td>
<td>€12.7bn</td>
<td>€14.5bn</td>
</tr>
<tr>
<td>Operating margin**</td>
<td>7.2%</td>
<td>7.7%</td>
</tr>
<tr>
<td>ROCE</td>
<td>30%</td>
<td>33%</td>
</tr>
<tr>
<td>ROA</td>
<td>19%</td>
<td>20%</td>
</tr>
</tbody>
</table>

* Restated in accordance with IFRIC 21
**incl. JV & Associates in accordance with new IFRS standards
Free cash flow generation

H2: up 49% to €259m
FY: up 73% to €565m
EBITDA of €1,847m, up 21% to 12.7% of sales

In €m and as a % of sales

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>As a % of sales</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY</td>
<td>FY</td>
<td>H1</td>
</tr>
<tr>
<td>CDA</td>
<td>13.3</td>
<td>14.5</td>
<td>14.4</td>
</tr>
<tr>
<td>Powertrain</td>
<td>10.5</td>
<td>12.3</td>
<td>12.1</td>
</tr>
<tr>
<td>Thermal</td>
<td>11.8</td>
<td>11.1</td>
<td>11.1</td>
</tr>
<tr>
<td>Visibility</td>
<td>9.9</td>
<td>10.6</td>
<td>11.8</td>
</tr>
<tr>
<td>Group</td>
<td>11.4</td>
<td>12.0</td>
<td>12.5</td>
</tr>
</tbody>
</table>

*In accordance with IFRS11
**Restated in accordance with IFRIC 21
Investments of €1,125m
Supporting the fast-growing order intake

In €m

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capex*</td>
<td>658</td>
<td>761</td>
</tr>
<tr>
<td>Capitalized R&amp;D</td>
<td>298</td>
<td>364</td>
</tr>
</tbody>
</table>

As a % of sales

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capex*</td>
<td>5.2%</td>
<td>5.2%</td>
</tr>
<tr>
<td>Capital. R&amp;D</td>
<td>2.3%</td>
<td>2.5%</td>
</tr>
</tbody>
</table>

Footprint development
Total sq.m. end 2015: 2.4m

- Completed in 2015:
  - 9 new sites
  - 11 extensions
  - +119,200 sq.m.

- In progress:
  - 1 new site
  - 5 extensions
  - +39,200 sq.m.

*excluding capitalized R&D
Free cash flow of €565m, up 73%
Cash conversion rate (FCF/EBITDA) at 31%, 21% in 2014

<table>
<thead>
<tr>
<th></th>
<th>H2 14*</th>
<th>H2 15</th>
<th>EBITDA (1) (€m)</th>
<th>2014</th>
<th>2015</th>
<th>+21%</th>
</tr>
</thead>
<tbody>
<tr>
<td>792</td>
<td>934</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>8</td>
<td></td>
<td>Operating working capital</td>
<td>(4)</td>
<td>56</td>
<td></td>
</tr>
<tr>
<td>(21)</td>
<td>(21)</td>
<td></td>
<td>Restructuring &amp; employee-related costs</td>
<td>(38)</td>
<td>(32)</td>
<td></td>
</tr>
<tr>
<td>(137)</td>
<td>(92)</td>
<td></td>
<td>Other operating items (inc. taxes)</td>
<td>(221)</td>
<td>(197)</td>
<td></td>
</tr>
<tr>
<td>(89)</td>
<td>(109)</td>
<td></td>
<td>Of which:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(17)</td>
<td>(10)</td>
<td></td>
<td>Taxes</td>
<td>(163)</td>
<td>(190)</td>
<td></td>
</tr>
<tr>
<td>(19)</td>
<td>(14)</td>
<td></td>
<td>Pensions</td>
<td>(25)</td>
<td>(26)</td>
<td></td>
</tr>
<tr>
<td>659</td>
<td>829</td>
<td></td>
<td>Cash from operating activities** (€m)</td>
<td>1,263</td>
<td>1,674</td>
<td></td>
</tr>
<tr>
<td>(485)</td>
<td>(570)</td>
<td></td>
<td>Capex (incl. capitalized R&amp;D) ***</td>
<td>(936)</td>
<td>(1,109)</td>
<td></td>
</tr>
<tr>
<td>174</td>
<td>259</td>
<td></td>
<td>Free cash flow** (1) (€m) (before interest payments)</td>
<td>327</td>
<td>565</td>
<td>+73%</td>
</tr>
<tr>
<td>(19)</td>
<td>(14)</td>
<td></td>
<td>Interest</td>
<td>(83)</td>
<td>(70)</td>
<td></td>
</tr>
<tr>
<td>(3)</td>
<td>(8)</td>
<td></td>
<td>Other financial items</td>
<td>(384)</td>
<td>(149)</td>
<td></td>
</tr>
<tr>
<td>152</td>
<td>237</td>
<td></td>
<td>Net cash flow (1) (€m)</td>
<td>(140)</td>
<td>346</td>
<td></td>
</tr>
<tr>
<td>377</td>
<td>124</td>
<td></td>
<td>Net debt (2) (€m)</td>
<td>377</td>
<td>124</td>
<td>-67%</td>
</tr>
</tbody>
</table>

+ Restated in accordance with IFRIC 21
+21% excluding sale of trade receivables
***cash outflow
****excluding non-controlling interests

(1) See glossary page 49
(2) New definition available in glossary page 49 – also applied on 2014 amounts on a retrospective basis
(1) See glossary page 49
Strong balance sheet
Strong balance sheet
Leverage ratio close to zero and gearing ratio at 4%

Net debt* over EBITDA

- Net debt* (€m)
- EBITDA 12 months rolling (€m)
- After acquisition of Peiker & Spheros

<table>
<thead>
<tr>
<th>Date</th>
<th>Net debt* (€m)</th>
<th>EBITDA 12 months rolling (€m)</th>
<th>Leverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 31, 2014</td>
<td>1,526</td>
<td></td>
<td>0.25x</td>
</tr>
<tr>
<td>June 30, 2015</td>
<td>1,705</td>
<td></td>
<td>0.16x</td>
</tr>
<tr>
<td>Dec 31, 2015</td>
<td>~800</td>
<td></td>
<td>0.07x</td>
</tr>
</tbody>
</table>

Net debt* over stockholders’ equity

- Net debt* (€m)
- Stockholders’ equity (€m) excluding non-controlling interests
- After acquisition of Peiker & Spheros

<table>
<thead>
<tr>
<th>Date</th>
<th>Net debt* (€m)</th>
<th>Stockholders’ equity (€m) excluding non-controlling interests</th>
<th>Gearing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 31, 2014</td>
<td>377</td>
<td></td>
<td>14%</td>
</tr>
<tr>
<td>June 30, 2015</td>
<td>272</td>
<td></td>
<td>9%</td>
</tr>
<tr>
<td>Dec 31, 2015</td>
<td>~800</td>
<td></td>
<td>4%</td>
</tr>
</tbody>
</table>

Leverage ratio close to zero and gearing ratio at 4%

<table>
<thead>
<tr>
<th>Date</th>
<th>Net debt* (€m)</th>
<th>Leverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 31, 2014</td>
<td>1,526</td>
<td>0.25x</td>
</tr>
<tr>
<td>June 30, 2015</td>
<td>1,705</td>
<td>0.16x</td>
</tr>
<tr>
<td>Dec 31, 2015</td>
<td>~800</td>
<td>0.07x</td>
</tr>
</tbody>
</table>

Earnings before interest, tax, depreciation and amortization (EBITDA)

- 12 months rolling (€m)
- After acquisition of Peiker & Spheros

<table>
<thead>
<tr>
<th>Date</th>
<th>EBITDA (€m)</th>
<th>Leverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 31, 2014</td>
<td>1,526</td>
<td></td>
</tr>
<tr>
<td>June 30, 2015</td>
<td>1,705</td>
<td></td>
</tr>
<tr>
<td>Dec 31, 2015</td>
<td>~800</td>
<td></td>
</tr>
</tbody>
</table>

After acquisition of Peiker & Spheros

- Leverage ratio close to zero and gearing ratio at 4%

Moody’s
- LT: Baa2
- Outlook: Stable
- ST: Prime-2

S&P
- LT: BBB
- Outlook: Stable
- ST: A-2

*New definition available in glossary page 49 – also applied on 2014 amounts on a retrospective basis
Debt maturity profile

Cash & cash equivalents

Undrawn credit lines 4 years’ maturity

Average maturity: 4.3 years

BEI Financing  EMTN  Syndicated Loan  Cash & equivalents  Private Placements  Undrawn Credits Lines
Dividend & 2016 outlook
Proposed dividend of €3/share, up 36%
Payout ratio of 32%

2015 dividend of €3/share
to be proposed at the next Shareholders’ Meeting

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend distribution (€m)</th>
<th>Dividend (€/share)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>1.2</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>1.4</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>1.5</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>1.7</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>2.2</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>3.0</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>EPS (€/share)</th>
<th>EPS excl. non-recurring items (€/share)</th>
<th>Payout ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>4.86</td>
<td>4.86</td>
<td>25%</td>
</tr>
<tr>
<td>2011</td>
<td>5.68</td>
<td>5.68</td>
<td>25%</td>
</tr>
<tr>
<td>2012</td>
<td>5.03</td>
<td>5.56</td>
<td>30%</td>
</tr>
<tr>
<td>2013</td>
<td>5.71</td>
<td>6.52</td>
<td>30%</td>
</tr>
<tr>
<td>2014</td>
<td>7.23</td>
<td>7.63</td>
<td>30%</td>
</tr>
<tr>
<td>2015</td>
<td>9.33</td>
<td>10.56</td>
<td>32%</td>
</tr>
</tbody>
</table>
2016 outlook

Based on the following key assumptions for full-year 2016:

- **Automotive production growth:**
  - World: around 2.5%
  - Europe: around 2%
  - China: around 5%
  - North America: around 2%

- Raw material prices and currencies in line with current levels

Valeo sets the following objectives for 2016:

- Strong sales growth, outperforming the market in the main production regions including China

- Slight increase in operating margin* (as a % of sales) despite higher net R&D expenses to fuel future growth in CO₂ emission reductions and intuitive driving

Mid term objectives:

- Confidence in achieving 2020 targets thanks to high level of order intake

* Including joint ventures and associates in accordance with new IFRS standards.
Acquisition of 2 German Mittelstand peiker, a tech leader in connected vehicle solutions

Spheros, a market leader in the fast growing air conditioning market for buses
peiker, a tech leader in connected vehicle solutions

- **peiker, a key acquisition in the fast growing on board telematics market...**
  - 2015 sales of €310m
  - Telematics is a strategic business for Valeo:
    - market of €2bn in 2015
    - double-digit growth rate with TCU (Telematics Control Unit) take-rate increasing from 10% in 2014 to 60% in 2025
  - Key growth drivers:
    - emergency call regulations (2015 in Russia and 2018 in Europe, and soon in China)
    - high speed services via Electronic Data Interchange (GPS, entertainment, fleet management, etc.)
    - Over The Air (OTA) software management (adaptable functionalities and repair throughout the vehicle’s life)
    - connectivity for autonomous driving

- **...in a leading position, with strong value chain integration**
  - peiker, is a world leader in high-value technology vehicle connectivity and a key partner of German premium OEMs
  - One of the few NAD (network access device) designers
  - peiker is the No. 2 player in Telematics
peiker, a leader in high-tech telematics

<table>
<thead>
<tr>
<th>Main applications</th>
<th>Wireless technology</th>
</tr>
</thead>
<tbody>
<tr>
<td>High (Full Infotainment)</td>
<td>4G, Wifi</td>
</tr>
<tr>
<td>Wifi hotspot, Video Streaming Dynamic Map Update</td>
<td></td>
</tr>
<tr>
<td>Medium (Basic Infotainment)</td>
<td>3G</td>
</tr>
<tr>
<td>Email, Off-board Navigation Audio Streaming OTA* Software update</td>
<td></td>
</tr>
<tr>
<td>Entry (Regulatory &amp; OEM services)</td>
<td>2G</td>
</tr>
<tr>
<td>Emergency Call Stolen Vehicle Tracking, Remote Diagnostic …</td>
<td></td>
</tr>
</tbody>
</table>

*over the air

Emergency call regulation Mandates on new type approval:

- **Emergency Call**
  - Official Start Date: Mar. 2018

- **eCall**
  - Official Start Date: Jan. 2015

- **ERA-GLONASS**
  - Official Start Date: Jan. 2015

Market volumes (k Units)

- Rest of World
- India
- Brazil
- Europe
- South Korea
- North America
- China
- Russia
- Japan
Spheros, a market leader in the fast growing air conditioning market for buses

- **Spheros, an opportunity to access a fast growing market: Air Conditioning for Buses**
  - 2015 sales of €250m
  - Bus Air Conditioning & Heater market represents a growth opportunity for Valeo:
    - Market of €1.6bn in 2014 (+5% CAGR)
    - Spheros is expected to grow faster (+7% CAGR) than the market thanks to increasing take rates
  - Key growth drivers
    - Increasing need for public transportation at a time of accelerating urbanization
    - New regulations (Euro IV and Yellow Label in China) will lead to the renewal of the bus fleet
    - Higher take-rates with buses increasingly equipped with air conditioning systems

- **...in a leading position...**
  - Spheros is the market leader in bus heating, pumps and air conditioning systems and electronics
  - Valeo will become No. 1 worldwide in two product lines for buses, with a 14% market share in AC and a 40% market share in heating
  - Reinforcing positions in thermal aftermarket products (13% of Spheros sales)
Spheros at a glance
Global market leader in bus heating, pumps and air conditioning systems

Overview
- Spheros Group is the market leader in bus Heating, Pumps and Air Conditioning systems and electronics
  - Global No. 1 in air conditioning systems
  - Global No. 1 in engine independent heating systems
  - Global No. 1 in roof hatches
  - Leader in the product segments it serves in the electronics business
- Spheros is at the forefront of technological innovation in the bus HVAC market, with outstanding design and engineering capabilities
  - Including hybrid/electric bus technology
- Well-balanced footprint and customer portfolio
- Driven by a very lean assembly-based business model, Spheros generates high growth, profitability, and cash flow

Products – 100% bus focus
- A/C System
- Roof Hatches
- Electronics
- Heating Systems
- Booster Pumps

Customer overview
Top 5 customers
- DAIMLER | EvoBus
- Marcopolo
- MAN
- ASHOK LEYLAND
- Webasto

Global manufacturing footprint

Strong financial profile with EBITDA margin > Group one
- Sales

CAGR +7%

2014A 2015FC 2020P
Contact

Investor Relations

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France
Tel.: +33 (0) 1.40.55.37.93
Fax: +33 (0) 1.40.55.20.40
E-mail: thierry.lacorre@valeo.com
Web site: www.valeo.com
# Share Information

## Share Data

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bloomberg Ticker</td>
<td>FR FP</td>
</tr>
<tr>
<td>Reuters Ticker</td>
<td>VLOF.PA</td>
</tr>
<tr>
<td>ISIN Number</td>
<td>FR 000130338</td>
</tr>
<tr>
<td>Shares outstanding as of December 31, 2015</td>
<td>79,462,540</td>
</tr>
</tbody>
</table>

## ADR Data

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ticker/trading symbol</td>
<td>VLEEY</td>
</tr>
<tr>
<td>CUSIP Number</td>
<td>919134304</td>
</tr>
<tr>
<td>Exchange</td>
<td>OTC</td>
</tr>
<tr>
<td>Ratio (ADR: ord)</td>
<td>1:2</td>
</tr>
<tr>
<td>Depositary Bank</td>
<td>J.P. Morgan</td>
</tr>
<tr>
<td>Contact at J.P. Morgan – ADR</td>
<td>Jim Reeves</td>
</tr>
<tr>
<td>broker relationship desk</td>
<td>+1 212-622-2710</td>
</tr>
</tbody>
</table>
Glossary

1) **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.*

2) **Operating margin including share in net earnings of equity-accounted companies** corresponds to operating income before other income and expenses.

3) **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.

4) **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.

5) **ROA**, or return on assets, corresponds to operating income in relation to capital employed (including investments in equity-accounted companies) including goodwill.

6) **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.

7) **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.

8) **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.

9) **Net debt** comprises all long-term debt, liabilities in respect of put options granted to owners of non-controlling interests, short-term debt and bank overdrafts, less loans and other non-current financial assets, cash and cash equivalents and the impact of fair value adjustments to derivative instruments hedging the related foreign exchange and interest rate risks.
Comfort & Driving Assistance Systems

Key growth drivers:
- Development, particularly in emerging countries: strong order intake in China in 2015
- Increasingly stringent regulatory and certification environment (Euro NCAP in Europe and NTHSA in the US)
- Interface between driver and vehicle controls (human-machine interaction)
- Regulations effective or pending for automated emergency calls

Latest business developments:
- Acquisition of peiker, a tech leader in connected vehicles solutions
- First contracts with European and American OEMs, with Valeo Front Cameras powered with MobilEye EyeQ processors
- A number of new orders worldwide for the 360Vue 3D “bowl view” system
- Preliminary contact with one of the leading global automakers for the Sightstream (camera system that supersedes the traditional rear-view mirror)
- Preliminary contact with a European automaker for the Head-up Display

Sales performance

<table>
<thead>
<tr>
<th>Total sales (€m)</th>
<th>Q4 15</th>
<th>H2 15</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total sales - change as reported</td>
<td>+17%</td>
<td>+17%</td>
<td>+18%</td>
</tr>
<tr>
<td>OEM sales - Like-for-like change</td>
<td>721</td>
<td>1,384</td>
<td>2,720</td>
</tr>
<tr>
<td>OEM sales - Like-for-like change</td>
<td>+15%</td>
<td>+13%</td>
<td>+13%</td>
</tr>
</tbody>
</table>

2015 key figures:
- Sales: €2.7bn (18% of Group sales)
- EBITDA: 14.5% (21% of Group EBITDA)
- 15,300 employees
- 26 production units
- 8 development centers
- 9 research centers

Market share* and competitors:
- Driving Assistance: Valeo no.1
  Valeo + Bosch + Continental ~ 55%
- Interior Controls: Valeo no.2
  Visteon + Valeo + Continental > 35%

* Valeo estimate
Powertrain Systems

2015 key figures:
- Sales: €3.8bn (26% of Group sales)
- EBITDA: 12.8% (26% of Group EBITDA)
- 19,400 employees
- 36 production units
- 15 development centers
- 6 research centers

Market share* and competitors:
- Transmission Systems: Valeo no.2
  Luk + Valeo + ZF Sachs = 45%*
- Electrical Systems: Valeo no.1
  Valeo + Denso + Bosch = 76%*

Key growth drivers:
Objective of reducing CO₂ emissions and fossil fuel consumption based on 3 priorities for engines:
- Downsizing /Downspeeding
- Gearbox automation
- Powertrain electrification and development of 12V, 48V and 300V+ hybrid solutions

Latest business developments:
- Several order intake in 48 volt in Europe and Asia
- Second order for the E-Supercharger
- Several new orders for on-board battery chargers in Europe and China
- New orders for the dual clutch and dual mass flywheels
Thermal Systems

Key growth drivers:

- Innovative solutions to comply with new regulations on gas pollutants and fuel consumption
- Thermal solutions for Electrified vehicles (PHEV/EV)

Latest business developments:

- Acquisition of Spheros: a market leader in the fast growing air conditioning market for buses
- Record order intake particularly in Asia and in North America
- Engine cooling module: big orders with new generation of high performing radiator
- Battery thermal management: start of production of chiller new generation and several orders for German & Chinese carmakers
- Water condenser: new order for German carmakers on major platforms

Sales performance

<table>
<thead>
<tr>
<th>Total sales (€m)</th>
<th>Q4 15</th>
<th>H2 15</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>OEM sales</td>
<td>1,036</td>
<td>2,028</td>
<td>4,074</td>
</tr>
<tr>
<td>Like-for-like</td>
<td>+6%</td>
<td>+5%</td>
<td>+3%</td>
</tr>
</tbody>
</table>

2015 key figures:

- Sales: €4.1bn (28% of Group sales)
- EBITDA: 10.7% (24% of Group EBITDA)

- 20,100 employees
- 48 production units
- 10 development centers
- 3 research centers

Market share* and competitors:

Thermal Systems: Valeo no.2 ex aequo
Denso + Valeo + Mahle + Hanon = 56%*

Sales performance

<table>
<thead>
<tr>
<th>Total sales - change as reported</th>
<th>+11%</th>
<th>+11%</th>
<th>+12%</th>
</tr>
</thead>
</table>

*Valeo estimate
Visibility Systems

Key growth drivers in 2015:
- Increasing LED Take rate, in particular with B &C Segment with VW (Passat), Renault (Megane), and Geely (GC9)
- Increasing LED Content on premium vehicles with Volvo (XC90), and Jaguar (XJ)
- Increasing Wiper Market share in China, with Ford and VW

Latest business developments:
- Continuous order intake increase on LED Front Lighting in Europe (VW Passat & Polo, Audi A1), North America (Toyota Avalon and Corolla, GM Silverado) and China (Ford Mondeo, Volvo XC90, Geely)
- Re-entered Mercedes Panel in Europe in Front and Rear Lighting
- First significant Ambient Lighting orders
- Valeo AquaBlade Wiper technology selected for premium vehicles, Wet Arm technology awarded at 2 new customers
- 4 Poles electronised Motors technology introduced for 3 new customers in Europe, North America and China
- Growing interest on sensor cleaning activity

2015 key figures:
- Sales: €4.2bn (28% of Group sales)
- EBITDA: 12.4% (28% of Group EBITDA)
- 26,300 employees
- 35 production units
- 15 development centers
- 5 research centers

Market share* and competitors:
- Lighting Systems: Valeo no.2
  Koito + Valeo-Ichikoh + Magnetti Marelli > 55%
- Wiper Systems: Valeo no.1
  Valeo + Bosch + Denso = 71%

Sales performance

<table>
<thead>
<tr>
<th>Total sales (€m)</th>
<th>Q4 15</th>
<th>H2 15</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>OEM sales</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Like-for-like change</td>
<td>+15%</td>
<td>+11%</td>
<td>+9%</td>
</tr>
<tr>
<td>Total sales</td>
<td>1,124</td>
<td>2,091</td>
<td>4,185</td>
</tr>
<tr>
<td>change as reported</td>
<td>+17%</td>
<td>+15%</td>
<td>+16%</td>
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</tbody>
</table>

*Valeo estimate

February 18, 2016 | 54
Quarterly information  
In €m (2014 restated in accordance with IFRIC 21)

Sales by segment

<table>
<thead>
<tr>
<th></th>
<th>Q1-13</th>
<th>Q2-13</th>
<th>Q3-13</th>
<th>Q4-13</th>
<th>Q1-14</th>
<th>Q2-14</th>
<th>Q3-14</th>
<th>Q4-14</th>
<th>Q1-15</th>
<th>Q2-15</th>
<th>Q3-15</th>
<th>Q4-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comfort &amp; Driving</td>
<td>623</td>
<td>569</td>
<td>515</td>
<td>531</td>
<td>552</td>
<td>572</td>
<td>573</td>
<td>614</td>
<td>657</td>
<td>679</td>
<td>663</td>
<td>721</td>
</tr>
<tr>
<td>Assistance Systems</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Powertrain Systems</td>
<td>774</td>
<td>817</td>
<td>752</td>
<td>818</td>
<td>848</td>
<td>848</td>
<td>798</td>
<td>843</td>
<td>948</td>
<td>978</td>
<td>877</td>
<td>959</td>
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<tr>
<td>Thermal Systems</td>
<td>818</td>
<td>885</td>
<td>832</td>
<td>837</td>
<td>880</td>
<td>934</td>
<td>889</td>
<td>934</td>
<td>1,007</td>
<td>1,039</td>
<td>992</td>
<td>1,036</td>
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<tr>
<td>Visibility Systems</td>
<td>733</td>
<td>762</td>
<td>711</td>
<td>764</td>
<td>876</td>
<td>925</td>
<td>856</td>
<td>957</td>
<td>1,022</td>
<td>1,072</td>
<td>967</td>
<td>1,124</td>
</tr>
<tr>
<td>Total sales</td>
<td>2,927</td>
<td>3,017</td>
<td>2,792</td>
<td>2,926</td>
<td>3,112</td>
<td>3,235</td>
<td>3,069</td>
<td>3,309</td>
<td>3,581</td>
<td>3,717</td>
<td>3,449</td>
<td>3,797</td>
</tr>
</tbody>
</table>

Sales by type

<table>
<thead>
<tr>
<th></th>
<th>Q1-13</th>
<th>Q2-13</th>
<th>Q3-13</th>
<th>Q4-13</th>
<th>Q1-14</th>
<th>Q2-14</th>
<th>Q3-14</th>
<th>Q4-14</th>
<th>Q1-15</th>
<th>Q2-15</th>
<th>Q3-15</th>
<th>Q4-15</th>
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<tbody>
<tr>
<td>Original Equipment</td>
<td>2,470</td>
<td>2,567</td>
<td>2,348</td>
<td>2,449</td>
<td>2,677</td>
<td>2,755</td>
<td>2,644</td>
<td>2,814</td>
<td>3,113</td>
<td>3,203</td>
<td>2,990</td>
<td>3,294</td>
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<tr>
<td>Aftermarket</td>
<td>375</td>
<td>374</td>
<td>361</td>
<td>377</td>
<td>376</td>
<td>377</td>
<td>366</td>
<td>376</td>
<td>400</td>
<td>413</td>
<td>387</td>
<td>399</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>82</td>
<td>76</td>
<td>83</td>
<td>100</td>
<td>59</td>
<td>103</td>
<td>59</td>
<td>119</td>
<td>68</td>
<td>101</td>
<td>72</td>
<td>104</td>
</tr>
<tr>
<td>Total sales</td>
<td>2,927</td>
<td>3,017</td>
<td>2,792</td>
<td>2,926</td>
<td>3,112</td>
<td>3,235</td>
<td>3,069</td>
<td>3,309</td>
<td>3,581</td>
<td>3,717</td>
<td>3,449</td>
<td>3,797</td>
</tr>
</tbody>
</table>
Outperformance accelerated throughout the year
Recovery in North America

Europe*
OEM sales** +13%
Production*** +4%
47% of OEM sales
Outperf. +9pts

Asia* excl. China
OEM sales** +13%
Production*** 0%
13% of OEM sales
Outperf. +13pts

North America
OEM sales** +9%
Production*** +3%
22% of OEM sales
Outperf. +6pts

South America
OEM sales** -27%
Production*** -26%
2% of OEM sales
Underperf. -1pt

China
OEM sales** +15%
Production*** +13%
16% of OEM sales
Outperf. +2pts

World
OEM sales** +12%
Production*** +4%
Outperf. +8pts

* Europe including Africa;
Asia including Middle East
** Valeo OEM sales by destination
*** LMC estimates – light vehicle production
Outperformance in all Asian production regions

Q4
Like-for-like

Asia
OEM sales* +14%
Production** +7%
Outperf +7pts
29% of OEM sales

Korea
OEM sales* +24%
Production** +1%
Outperf +23pts
23% of Asian sales

China
OEM sales* +15%
Production** +13%
Outperf +2pts
55% of Asian sales

Japan
OEM sales* -2%
Production** -3%
Outperf +1pt
16% of Asian sales

India
OEM sales* +65%
Production** +5%
Outperf +60pts
3% of Asian sales

* Valeo OEM sales by destination
** LMC estimates – light vehicle production
## Statement of income with half year breakdown

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th></th>
<th>2014*</th>
<th></th>
<th>2015</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>H1</td>
<td>H2</td>
<td>H1</td>
<td>H2</td>
<td>H1</td>
<td>H2</td>
</tr>
<tr>
<td><strong>Sales</strong></td>
<td>5,944</td>
<td>5,718</td>
<td>6,347</td>
<td>6,378</td>
<td>7,298</td>
<td>7,246</td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>as a % of sales</td>
<td>17.0%</td>
<td>17.5%</td>
<td>17.0%</td>
<td>17.6%</td>
<td>17.5%</td>
<td>17.8%</td>
</tr>
<tr>
<td><strong>R&amp;D expenditure, net</strong></td>
<td>(318)</td>
<td>(296)</td>
<td>(350)</td>
<td>(335)</td>
<td>(402)</td>
<td>(395)</td>
</tr>
<tr>
<td><strong>Selling &amp; administrative expenses</strong></td>
<td>(318)</td>
<td>(311)</td>
<td>(326)</td>
<td>(330)</td>
<td>(363)</td>
<td>(353)</td>
</tr>
<tr>
<td>Share in net earnings of equity-accounted companies</td>
<td>8</td>
<td>18</td>
<td>32</td>
<td>19</td>
<td>23</td>
<td>33</td>
</tr>
<tr>
<td><strong>Operating margin incl. share in net earnings of equity-accounted companies</strong></td>
<td>383</td>
<td>409</td>
<td>436</td>
<td>477</td>
<td>538</td>
<td>578</td>
</tr>
<tr>
<td>as a % of sales</td>
<td>6.4%</td>
<td>7.2%</td>
<td>6.9%</td>
<td>7.5%</td>
<td>7.4%</td>
<td>8.0%</td>
</tr>
<tr>
<td><strong>Other income &amp; expenses</strong></td>
<td>(41)</td>
<td>(26)</td>
<td>(34)</td>
<td>(20)</td>
<td>(21)</td>
<td>(96)</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>342</td>
<td>383</td>
<td>402</td>
<td>457</td>
<td>517</td>
<td>482</td>
</tr>
<tr>
<td>as a % of sales</td>
<td>5.8%</td>
<td>6.7%</td>
<td>6.3%</td>
<td>7.2%</td>
<td>7.1%</td>
<td>6.7%</td>
</tr>
<tr>
<td><strong>Cost of net debt</strong></td>
<td>(49)</td>
<td>(49)</td>
<td>(47)</td>
<td>(44)</td>
<td>(43)</td>
<td>(41)</td>
</tr>
<tr>
<td><strong>Other financial income and expenses</strong></td>
<td>(21)</td>
<td>(25)</td>
<td>(20)</td>
<td>(26)</td>
<td>(26)</td>
<td>(9)</td>
</tr>
<tr>
<td><strong>Income before income taxes</strong></td>
<td>272</td>
<td>309</td>
<td>335</td>
<td>387</td>
<td>448</td>
<td>432</td>
</tr>
<tr>
<td><strong>Income taxes</strong></td>
<td>(68)</td>
<td>(45)</td>
<td>(65)</td>
<td>(64)</td>
<td>(80)</td>
<td>(26)</td>
</tr>
<tr>
<td><strong>Income from continuing operations</strong></td>
<td>204</td>
<td>264</td>
<td>270</td>
<td>323</td>
<td>368</td>
<td>406</td>
</tr>
<tr>
<td>Non-strategic activities</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Net income for the period</strong></td>
<td>204</td>
<td>264</td>
<td>270</td>
<td>323</td>
<td>368</td>
<td>406</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>(14)</td>
<td>(15)</td>
<td>(14)</td>
<td>(17)</td>
<td>(24)</td>
<td>(21)</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>190</td>
<td>249</td>
<td>256</td>
<td>306</td>
<td>344</td>
<td>385</td>
</tr>
</tbody>
</table>

* 2014 restated in accordance with IFRIC 21
## Segment information

### 2015

<table>
<thead>
<tr>
<th></th>
<th>Comfort &amp; Driving Assistance Systems</th>
<th>Powertrain Systems</th>
<th>Thermal Systems</th>
<th>Visibility Systems</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>segment (excluding Group)</td>
<td>2,702</td>
<td>3,706</td>
<td>4,032</td>
<td>4,073</td>
<td>31</td>
<td>14,544</td>
</tr>
<tr>
<td>intersegment (Group)</td>
<td>18</td>
<td>56</td>
<td>42</td>
<td>112</td>
<td>(228)</td>
<td>-</td>
</tr>
<tr>
<td>EBITDA</td>
<td>394</td>
<td>482</td>
<td>437</td>
<td>521</td>
<td>13</td>
<td>1,847</td>
</tr>
<tr>
<td>Research &amp; Development expenditure, net</td>
<td>(254)</td>
<td>(167)</td>
<td>(148)</td>
<td>(216)</td>
<td>(12)</td>
<td>(797)</td>
</tr>
<tr>
<td>Investments in property, plant &amp; equipment &amp; intangible asset</td>
<td>306</td>
<td>278</td>
<td>244</td>
<td>266</td>
<td>31</td>
<td>1,125</td>
</tr>
<tr>
<td>Segment assets</td>
<td>1,454</td>
<td>1,815</td>
<td>1,498</td>
<td>1,850</td>
<td>78</td>
<td>6,695</td>
</tr>
</tbody>
</table>

### 2014

<table>
<thead>
<tr>
<th></th>
<th>Comfort &amp; Driving Assistance Systems</th>
<th>Powertrain Systems</th>
<th>Thermal Systems</th>
<th>Visibility Systems</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>segment (excluding Group)</td>
<td>2,291</td>
<td>3,292</td>
<td>3,598</td>
<td>3,515</td>
<td>29</td>
<td>12,725</td>
</tr>
<tr>
<td>intersegment (Group)</td>
<td>20</td>
<td>45</td>
<td>39</td>
<td>99</td>
<td>(203)</td>
<td>-</td>
</tr>
<tr>
<td>EBITDA</td>
<td>336</td>
<td>410</td>
<td>404</td>
<td>382</td>
<td>(6)</td>
<td>1,526</td>
</tr>
<tr>
<td>Research &amp; Development expenditure, net</td>
<td>(201)</td>
<td>(146)</td>
<td>(153)</td>
<td>(173)</td>
<td>(12)</td>
<td>(685)</td>
</tr>
<tr>
<td>Investments in property, plant &amp; equipment &amp; intangible asset</td>
<td>249</td>
<td>255</td>
<td>178</td>
<td>243</td>
<td>31</td>
<td>956</td>
</tr>
<tr>
<td>Segment assets</td>
<td>1,244</td>
<td>1,731</td>
<td>1,292</td>
<td>1,656</td>
<td>65</td>
<td>5,988</td>
</tr>
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</table>
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.