Sales up 14% to 14.5 billion euros  
Operating margin(1) up 22% to 1,116 million euros, or 7.7% of sales  
Net income up 30% to 729 million euros, or 5.0% of sales  
Free cash flow(2) up 73% to 565 million euros  
Order intake(2) up 15% to 20.1 billion euros  

Jacques Aschenbroich, Valeo's Chief Executive Officer, commented:  
"Valeo's 2015 results reflect the excellent work carried out by our teams over the past few years to develop a more diverse customer portfolio, strengthen our products' technological advantage and further align our businesses geographically. Sales accelerated throughout 2015 and outperformed the market in all world regions despite market volatility in some of our geographies, once again demonstrating the solidity of our growth model. This growth was accompanied by a 22% increase in our operating margin to 7.7% of sales, as well as a 30% increase in net income and a 73% increase in free cash flow. Our record order intake – which stands at 20.1 billion euros – reflects the commercial success of our technologies for CO2 emissions reduction and intuitive driving. This strong momentum confirms that we are on course to meet our objectives for 2020, presented in London in March 2015."

Fourth-quarter 2015  
- Sales of 3,797 million euros, up 488 million euros or 15% year on year (9% on a like-for-like basis)

Second-half 2015  
- Sales of 7,246 million euros, up 14% (8% on a like-for-like basis)  
- Operating margin(1) up 21% to 578 million euros, or 8.0% of sales  
- Net attributable income up 26% to 385 million euros, or 5.3% of sales  
  Excluding non-recurring items, net income rose 46% to 468 million euros, or 6.5% of sales  
- Free cash flow(2) of 259 million euros, up 49% year on year

Full-year 2015  
- Order intake(2) of 20.1 billion euros, up 15%  
- Sales of 14,544 million euros, up 14% (7% on a like-for-like basis)  
- Original equipment sales of 12,600 million euros, up 16% (8% on a like-for-like basis) and outpacing global automotive production by 6 percentage points  
- Operating margin(1) up 22% to 1,116 million euros, or 7.7% of sales  
- Net attributable income up 30% to 729 million euros, or 5.0% of sales  
  Excluding non-recurring items, net income rose 39% to 825 million euros, or 5.7% of sales  
- Free cash flow(2) of 565 million euros, up 73% year on year

---

1 Including share in net earnings of equity-accounted companies, see Financial Glossary, page 13.  
2015 dividend

Proposed dividend payment up 36% to 3 euros per share, representing a payout ratio of 32%.

2016 outlook

Based on the following assumptions:
- an increase in global automotive production of around 2.5%, including:
  - around 2% in Europe,
  - around 5% in China,
  - around 2% in North America;
- raw material prices and exchange rates in line with current levels;

Valeo has set the following objectives for 2016:
- strong sales growth, outperforming the market in the main production regions, including China;
- a slight increase in the operating margin\(^1\) (as a percentage of sales), despite the increase in net R&D expenditure required for the Group's future growth engines of CO\(_2\) emissions reduction and intuitive driving.

---

\(^1\) Including share in net earnings of equity-accounted companies, see Financial Glossary, page 13.
Paris, France, February 18, 2016 – At its meeting today, Valeo’s Board of Directors approved the consolidated and parent company financial statements for the year ended December 31, 2015(1).

### Financial Highlights

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Order intake</strong></td>
<td>8.4</td>
<td>9.4</td>
<td>+12%</td>
<td>17.5</td>
<td>20.1</td>
<td>+15%</td>
</tr>
<tr>
<td><strong>Sales</strong></td>
<td>6,378</td>
<td>7,246</td>
<td>+14%+/8%**</td>
<td>12,725</td>
<td>14,544</td>
<td>+14%+/7%**</td>
</tr>
<tr>
<td><strong>Original equipment sales</strong></td>
<td>5,458</td>
<td>6,284</td>
<td>+15%+/9%**</td>
<td>10,890</td>
<td>12,600</td>
<td>+16%+/8%**</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>R&amp;D expenditure, net</strong></td>
<td>(335)</td>
<td>(395)</td>
<td>+18%</td>
<td>(685)</td>
<td>(797)</td>
<td>+16%</td>
</tr>
<tr>
<td><strong>General administrative expenses</strong></td>
<td>(226)</td>
<td>(238)</td>
<td>+5%</td>
<td>(449)</td>
<td>(486)</td>
<td>+8%</td>
</tr>
</tbody>
</table>

|                      | 19      | 33      | +74%    | 51             | 56             | +10%    |

|                      | 477     | 578     | +21%    | 913            | 1,116          | +22%    |
| **Operating margin** | 7.5%    | 8.0%    | +0.5 pts| 7.2%           | 7.7%          | +0.5 pts|

|                      | 306     | 385     | +26%    | 562            | 729            | +30%    |
| **Net attributable income** | 4.8%  | 5.3%    | +0.5 pts| 4.4%           | 5.0%          | +0.6 pts|

|                      | 321     | 468     | +46%    | 593            | 825            | +39%    |
| **Net attributable income excluding non-recurring items** | 5.0%  | 6.5%    | +1.5 pts| 4.7%           | 5.7%        | +1.0 pt |

|                      | 30%     | 33%     | +3 pts  | 30%            | 33%            | +3 pts  |
| **ROCE**             | 19%     | 20%     | +1 pt   | 19%            | 20%            | +1 pt   |

|                      | 792     | 934     | +18%    | 1,526          | 1,847          | +21%    |
| **EBITDA**           | 12.4%   | 12.9%   | +0.5 pts| 12.0%          | 12.7%        | +0.7 pts|

|                      | (485)   | (570)   | +18%    | (936)          | (1,109)        | +18%    |
| **Investments in property, plant and equipment and intangible assets** | 174    | 259     | +49%    | 327            | 565           | +73%    |

|                      | 377***  | 124***  | -67%    | 377***         | 124***        | -67%    |
| **Gearing ratio**    | -       | -       | -       | 14%***         | 4%             | N/A     |

**Results for second-half 2014 differ from those presented in the consolidated financial statements for the year ended December 31, 2014 published in February 2015 since they have been adjusted to reflect the impacts of the first-time application of IFRIC 21 – “Levies” as from January 1, 2015 on a retrospective basis.**

**Like for like (constant Group structure and exchange rates)**

**The amounts shown for second-half 2014 and full-year 2014 differ from those presented in the 2014 consolidated financial statements published in February 2015 since they have been adjusted to reflect the impacts of applying the new definition of net debt as from January 1, 2015 on a retrospective basis.**

---

1. Further to their statutory audit, the Statutory Auditors issued an unqualified opinion on the consolidated financial statements for the year ended December 31, 2015.
3. Including share in net earnings of equity-accounted companies, see Financial Glossary, page 13.
Order intake up 15% to 20.1 billion euros, confirming the Group’s strong growth potential

In 2015, the order intake increased by 15% to 20.1 billion euros, confirming the Group's potential to outperform global automotive production by an average of 5 percentage points per year over the period 2015-2020.

The order intake remained balanced across the Group’s different regions:

- 28% in Asia; China accounted for 20% of the order intake, of which 41% of orders booked with local Chinese automakers;
- 46% in Europe (and Africa), reflecting the strong positioning of Valeo's new products and technologies for CO₂ emissions reduction (including the 48V and dual clutch systems, and LED technology in the lighting business) and intuitive driving (including display screens and parking assistance, vision and radar systems);
- 25% in North America.

Innovative products accounted for a significant 37% of the order intake, vindicating the Group's technology strategy.

Automotive production up 2% in 2015

Automotive production rose 2% year on year, benefiting from the upturn in the European market excluding Russia (up 8%), as well as continued expansion in North America (up 3%).

In China, automotive production had to contend with high volatility in the second half of the year. After a sharp decline of 8% in the third quarter, production jumped 13% in the fourth quarter, with full-year growth coming out at 4%.

Production in South America continued its sharp decline (down 19%).

<table>
<thead>
<tr>
<th>Automotive production (year-on-year change)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 2015</td>
</tr>
<tr>
<td>---------</td>
</tr>
<tr>
<td>TOTAL</td>
</tr>
<tr>
<td>Europe &amp; Africa</td>
</tr>
<tr>
<td>excluding Russia</td>
</tr>
<tr>
<td>Asia, Middle East &amp; Oceania</td>
</tr>
<tr>
<td>of which China</td>
</tr>
<tr>
<td>excluding China</td>
</tr>
<tr>
<td>North America</td>
</tr>
<tr>
<td>South America</td>
</tr>
</tbody>
</table>

* LMC automotive production estimates.
Sales growth came out at 14% in 2015, and accelerated throughout the year

**Full-year sales advanced** 14% (7% like for like), to 14,544 million euros. Like-for-like sales growth accelerated to 9% in the fourth quarter, compared with 8% for second-half 2015 (7% for the year as a whole).

**Changes in exchange rates** had a positive impact of 7% (6% in the second half), primarily due to the depreciation of the euro against the US dollar and the Chinese yuan. **Changes in Group structure** had no impact on sales for the period.

Sales *(in millions of euros)*

<table>
<thead>
<tr>
<th></th>
<th>As a % of total 2015 sales</th>
<th>Q4</th>
<th>H2</th>
<th>Full-year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total of which:</strong> Original equipment</td>
<td>100%</td>
<td>3,309</td>
<td>3,797</td>
<td>+15%</td>
</tr>
<tr>
<td><strong>Original equipment</strong></td>
<td>87%</td>
<td>2,814</td>
<td>3,294</td>
<td>+17%</td>
</tr>
<tr>
<td><strong>Aftermarket</strong></td>
<td>11%</td>
<td>376</td>
<td>399</td>
<td>+6%</td>
</tr>
<tr>
<td><strong>Miscellaneous</strong></td>
<td>2%</td>
<td>119</td>
<td>104</td>
<td>-13%</td>
</tr>
</tbody>
</table>

*Like for like (constant Group structure and exchange rates)*

**Original equipment sales** came out at 12,600 million euros (87% of total sales), up 16% (8% like for like). This performance reflects the gradual entry into production of the high order intake recorded by the Group over the last few years. Like-for-like growth in original equipment sales accelerated to 12% in the fourth quarter, compared with 9% for the second half (8% for the year as a whole).

**Aftermarket sales** (11% of total sales) rose by 7% over the period (3% like for like). In the second half, like-for-like aftermarket sales growth accelerated to 4%. Performance in South Korea was adversely affected by changes in exchange rates; excluding aftermarket sales from South Korea, this item was up 5% on a like-for-like basis (6% in the second half and 7% in the fourth quarter).

**Miscellaneous sales** (2% of total sales), mainly consisting of tooling revenues related to the launch of new projects, increased by 2% (down 5% like for like).
Accelerating growth in original equipment sales\(^{(1)}\) and market outperformance

Valeo delivered market-beating growth driven by:
- an improved product mix resulting from technological innovations for CO\(_2\) emissions reduction and intuitive driving;
- its balanced customer and geographic positioning.

### Original equipment sales (by destination, in millions of euros)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>LFL change</th>
<th>Difference vs. market(^*)</th>
<th>2014</th>
<th>2015</th>
<th>LFL change</th>
<th>Difference vs. market(^*)</th>
<th>2014</th>
<th>2015</th>
<th>LFL change</th>
<th>Difference vs. market(^*)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL</strong></td>
<td>2,814</td>
<td>3,294</td>
<td>+12%</td>
<td>+8 pts</td>
<td>5,458</td>
<td>6,284</td>
<td>+9%</td>
<td>+7 pts</td>
<td>10,890</td>
<td>12,600</td>
<td>+8%</td>
<td>+6 pts</td>
</tr>
<tr>
<td>Europe &amp; Africa</td>
<td>1,365</td>
<td>1,549</td>
<td>+13%</td>
<td>+9 pts</td>
<td>2,649</td>
<td>3,007</td>
<td>+13%</td>
<td>+8 pts</td>
<td>5,483</td>
<td>6,125</td>
<td>+11%</td>
<td>+6 pts</td>
</tr>
<tr>
<td>Asia, Middle East &amp; Oceania</td>
<td>775</td>
<td>966</td>
<td>+14%</td>
<td>+7 pts</td>
<td>1,467</td>
<td>1,736</td>
<td>+8%</td>
<td>+6 pts</td>
<td>2,777</td>
<td>3,385</td>
<td>+7%</td>
<td>+6 pts</td>
</tr>
<tr>
<td>China</td>
<td>416</td>
<td>533</td>
<td>+15%</td>
<td>+2 pts</td>
<td>755</td>
<td>910</td>
<td>+7%</td>
<td>+3 pts</td>
<td>1,370</td>
<td>1,759</td>
<td>+8%</td>
<td>+4 pts</td>
</tr>
<tr>
<td>excluding China</td>
<td>359</td>
<td>433</td>
<td>+13%</td>
<td>+13 pts</td>
<td>712</td>
<td>826</td>
<td>+9%</td>
<td>+10 pts</td>
<td>1,407</td>
<td>1,626</td>
<td>+6%</td>
<td>+7 pts</td>
</tr>
<tr>
<td>North America</td>
<td>593</td>
<td>734</td>
<td>+9%</td>
<td>+6 pts</td>
<td>1,166</td>
<td>1,435</td>
<td>+6%</td>
<td>+2 pts</td>
<td>2,267</td>
<td>2,826</td>
<td>+5%</td>
<td>+2 pts</td>
</tr>
<tr>
<td>South America</td>
<td>81</td>
<td>45</td>
<td>-27%</td>
<td>-1 pt</td>
<td>176</td>
<td>106</td>
<td>-23%</td>
<td>0pt</td>
<td>363</td>
<td>264</td>
<td>-18%</td>
<td>+1 pt</td>
</tr>
</tbody>
</table>

\(^*\) Based on LMC automotive production estimates

On a like-for-like basis, original equipment sales growth outpaced automotive production in all production regions. Growth accelerated throughout the year, resulting in an 8-percentage point market outperformance in the fourth quarter compared with 7 points for the second half and 6 points for the year as a whole:

- in **Europe** (including Africa), like-for-like original equipment sales advanced 11% on an attractive portfolio of high technological value products and a favorable customer and geographic mix, outperforming automotive production by 6 percentage points. Fourth-quarter sales momentum resulted in a 9-point outperformance for the period, versus 8 points for the second half and 6 points for the year as a whole;
- in **China**, like-for-like original equipment sales were up 8%, outpacing automotive production by 4 percentage points. Growth in original equipment sales to Chinese beat automotive production by 28 points;
- in **Asia excluding China**, Valeo's like-for-like original equipment sales climbed 6% and outperformed automotive production. In the second half of the year, original equipment sales accelerated, particularly in Korea and India. Fourth-quarter sales momentum resulted in a 13-point outperformance for the period compared to the regional market, versus 10 points for the second half and 7 points for the year as a whole;
- in **North America**, like-for-like original equipment sales advanced 5%, 2 percentage points more than automotive production;
- in **South America**, like-for-like original equipment sales were down 18%, beating automotive production by 1 percentage point.

\(^1\) Like for like (constant Group structure and exchange rates)
Valeo continues to realign its businesses geographically...

Changes in sales produced by Valeo in the different production regions reflect in particular movements in exchange rates.

In 2015:
- the share of original equipment sales produced in North America increased by 2 percentage points to 22%;
- the share of original equipment sales produced in China increased by 2 percentage points to 14% of total original equipment sales;
- the share of original equipment sales produced in Western Europe decreased by 2 percentage points to 34%;
- the share of original equipment sales produced in South America decreased by 1 percentage point to 2%.

...and maintain a balanced, more diverse customer portfolio

In 2015:
- German customers accounted for 30% of original equipment sales, stable year on year;
- Asian customers accounted for 26% of original equipment sales, stable year on year;
- US customers accounted for 24% of original equipment sales, up 2 percentage points;
- French customers accounted for 15% of original equipment sales, down 1 percentage point on 2014.
Growth in like-for-like original equipment sales accelerated in 2015, outperforming automotive production in all Business Groups

As is the case for the consolidated Group, the sales performance for the Business Groups reflects the specific product, geographic and customer mix and the relative weighting of the aftermarket in their activity as a whole.

Sales by Business Group* (in millions of euros)

<table>
<thead>
<tr>
<th></th>
<th>Q4</th>
<th>Change in sales</th>
<th>Change in OE sales**</th>
<th>H2</th>
<th>Change in sales</th>
<th>Change in OE sales**</th>
<th>Full-year</th>
<th>Change in sales</th>
<th>Change in OE sales**</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDA</td>
<td>614</td>
<td>721</td>
<td>+17%</td>
<td>1,187</td>
<td>1,384</td>
<td>+17%</td>
<td>2,311</td>
<td>2,720</td>
<td>+18%</td>
</tr>
<tr>
<td>Powertrain</td>
<td>843</td>
<td>959</td>
<td>+14%</td>
<td>1,641</td>
<td>1,836</td>
<td>+12%</td>
<td>3,337</td>
<td>3,762</td>
<td>+13%</td>
</tr>
<tr>
<td>Thermal</td>
<td>934</td>
<td>1,036</td>
<td>+11%</td>
<td>1,823</td>
<td>2,028</td>
<td>+11%</td>
<td>3,637</td>
<td>4,074</td>
<td>+12%</td>
</tr>
<tr>
<td>Visibility</td>
<td>957</td>
<td>1,124</td>
<td>+17%</td>
<td>1,813</td>
<td>2,091</td>
<td>+15%</td>
<td>3,614</td>
<td>4,185</td>
<td>+16%</td>
</tr>
</tbody>
</table>

* Including intersegment sales
** Like-for-like (constant Group structure and exchange rates)

Original equipment sales growth outpaced the market in all Business Groups and accelerated in the second half of the year.

In the year as a whole:

- Like-for-like original equipment sales for the Comfort & Driving Assistance Systems Business Group increased 13%, reflecting the market’s growing interest in intuitive driving products (display screens and parking assistance, vision and radar systems).

- Like-for-like original equipment sales for the Visibility Systems and Powertrain Systems Business Groups rose 9% and 8%, respectively, driven by the increasing take-up of LED technology in the lighting business and the gradual entry into production of innovative technologies aimed at reducing CO₂ emissions, including the high-output alternator, dual-clutch and dampers.

- The Thermal Systems Business Group posted original equipment sales growth of 3% on a like-for-like basis, outpacing automotive production.
Over the full year:
- operating margin\(^{(1)}\) was up 22% to 1,116 million euros, or 7.7% of sales
- net income jumped 30% to 729 million euros, or 5.0% of sales

In the second half:
- operating margin\(^{(1)}\) rose 21% to 578 million euros, or 8.0% of sales
- net income climbed 26% to 385 million euros, or 5.3% of sales

The gross margin for 2015 increased by 17% to 2,573 million euros, or 17.7% of sales (up 0.4 percentage points on 2014). This chiefly reflects operating leverage (up 0.6 percentage points) and manufacturing efficiency gains (up 0.2 percentage points), which were partly offset by poor economic conditions in South America and an increase in depreciation of the capital investments carried out by the Group over the past few years.

Valeo continued its Research and Development efforts in response to its high order intake. In 2015, gross R&D expenditure was up 16% to 1,307 million euros. Net R&D expenditure rose 16%, representing 5.5% of sales, up 0.1 percentage points versus 2014.

General and administrative expenses came out 0.2 percentage points lower than in 2014, at 3.3% of sales.

The share in net earnings from equity-accounted companies was 56 million euros, or 0.4% of sales, stable compared with 2014.

Operating margin\(^{(1)}\) moved up 22% to 1,116 million euros, or 7.7% of sales (up 0.5 percentage points on 2014). In the second half, the operating margin\(^{(1)}\) climbed 21% to 578 million euros, or 8.0% of sales.

Operating income\(^{(2)}\) rose 16% to 999 million euros, or 6.9% of sales (up 0.1 percentage points on 2014). This takes into account other income and expenses for a net negative amount of 117 million euros, including restructuring programs in South America, Japan, Russia and Spain, as well as a non-recurring 42 million euro writedown of fixed assets in South America due to tough economic conditions in the region.

The cost of net debt totaled 84 million euros, down 8% on 2014.

The effective tax rate came out at 13% following partial recognition of deferred tax assets, primarily resulting from the improved profitability of the Group's operations in North America.

Net attributable income jumped 30% to 729 million euros, or 5.0% of sales (up 0.6 percentage points on 2014).

Excluding non-recurring items, net attributable income\(^{(2)}\) rose 39% to 825 million euros, or 5.7% of sales. In the second half, net attributable income excluding non-recurring items\(^{(2)}\) surged 46% to 468 million euros, or 6.5% of sales.

Return on capital employed (ROCE\(^{(2)}\)) and return on assets (ROA\(^{(2)}\)) stood at 33% and 20%, respectively.

\(^{(1)}\) Including share in net earnings of equity-accounted companies, see Financial Glossary, page 13.

In 2015, consolidated EBITDA\(^\text{(1)}\) came in 21% higher at 1,847 million euros, or 12.7% of sales

<table>
<thead>
<tr>
<th>EBITDA (in millions of euros and as a % of sales)</th>
<th>Second half</th>
<th>Full-year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014(^*)</td>
<td>2015</td>
</tr>
<tr>
<td>Comfort &amp; Driving Assistance Systems</td>
<td>177</td>
<td>201</td>
</tr>
<tr>
<td>Systems</td>
<td>14.9%</td>
<td>14.5%</td>
</tr>
<tr>
<td>Powertrain Systems</td>
<td>203</td>
<td>249</td>
</tr>
<tr>
<td>Systems</td>
<td>12.4%</td>
<td>13.6%</td>
</tr>
<tr>
<td>Thermal Systems</td>
<td>205</td>
<td>209</td>
</tr>
<tr>
<td>Systems</td>
<td>11.2%</td>
<td>10.3%</td>
</tr>
<tr>
<td>Visibility Systems</td>
<td>215</td>
<td>273</td>
</tr>
<tr>
<td>Systems</td>
<td>11.9%</td>
<td>13.1%</td>
</tr>
<tr>
<td>Group</td>
<td>792</td>
<td>934</td>
</tr>
<tr>
<td></td>
<td>12.4%</td>
<td>12.9%</td>
</tr>
</tbody>
</table>

* EBITDA shown for second-half 2014 differs from the amount presented in the consolidated financial statements for the year ended December 31, 2014 published in February 2015 since it has been adjusted to reflect the impacts on the cost of sales of the first-time application of IFRIC 21 – “Levies” as from January 1, 2015 on a retrospective basis.

Against a backdrop of strong sales growth, the Comfort & Driving Assistance Systems Business Group continued its R&D investment drive required to develop its numerous ongoing projects. EBITDA for the Business Group was stable year on year, at 14.5% of sales.

Reflecting their upward profitability trend, EBITDA for the Powertrain Systems and Visibility Systems Business Groups increased to 12.8% and 12.4% as a percentage of sales respectively (up 0.5 percentage points and 1.8 percentage points respectively on 2014).

The Thermal Systems Business Group saw its EBITDA narrow to 10.7% of sales (down 0.4 percentage points) given the relative weighting of the South American, Russian and Indonesian markets in its activity.

Free cash flow(1) of 259 million euros in second-half 2015 and 565 million euros for the year as a whole, up 73% on 2014

The Group generated free cash flow(1) of 259 million euros in second-half 2015, up 49% year on year. This chiefly reflects:
- an 18% increase in EBITDA(1) to 934 million euros;
- disciplined management of working capital which, despite strong growth in China in the fourth quarter, contributed a positive 8 million euros to free cash flow;
- controlled investment outflows of 570 million euros, or 8% of sales.

Thanks to a strong second-half performance, the Group generated 565 million euros in free cash flow(1) in the year as a whole, a 73% increase on 2014.

In 2015, net cash flow(1) amounted to 346 million euros, reflecting:
- 70 million euros in financial expenses; and
- 149 million euros in expenses related to other financial items, including 172 million euros in respect of the dividend paid to shareholders.

Net debt at 124 million euros at December 31, 2015

Net debt(1) stood at 124 million euros at December 31, 2015, down 253 million euros compared with end-December 2014. The new definition of net debt takes into account the fair value of derivative instruments hedging borrowings and debt, and put options granted to holders of non-controlling interests. This new definition increased net debt by 36 million euros at December 31, 2014.

The leverage ratio (net debt/EBITDA) came out at less than 0.1 and the gearing ratio (net debt/stockholders' equity excluding non-controlling interests) stood at 4%.

At December 31, 2015, the Group's debt had an average maturity of 4.3 years.

Increase in 2015 dividend

A proposal will be submitted to the Shareholders' Meeting to pay a dividend of 3 euros per share in respect of 2015, representing an increase of 36% on the 2014 dividend and corresponding to a payout ratio of 32%.

2016 outlook

Based on the following assumptions:
- an increase in global automotive production of around 2.5%, including:
  - around 2% in Europe,
  - around 5% in China,
  - around 2% in North America;
- raw material prices and exchange rates in line with current levels;

Valeo has set the following objectives for 2016:
- strong sales growth, outperforming the market in the main production regions, including China;
- a slight increase in the operating margin(2) (as a percentage of sales), despite the increase in net R&D expenditure required for the Group's future growth engines of CO₂ emissions reduction and intuitive driving.

---

1 See Financial Glossary, page 13.
2 Including share in net earnings of equity-accounted companies, see Financial Glossary, page 13.
**Highlights**

On December 21, 2015, Valeo announced the acquisition of the German company peiker, a major supplier of on-board telematics and mobile connectivity solutions. peiker’s technological expertise will allow the Group to offer automakers new telematics systems equipped with the high-speed connectivity and cybersecurity features that this high-growth market demands. The acquisition of peiker, which reported sales of around 310 million euros in 2015, will have a positive impact on Valeo's results starting in 2016.

On December 23, 2015, Valeo signed an agreement with Deutsche Beteiligungs AG (DBAG) to acquire Spheros, the worldwide leader in air conditioning systems for buses. The acquisition will allow Valeo to extend its thermal management activities to the vibrant bus market, which is expected to grow by more than 5% annually over the coming years. The acquisition of Spheros, which reported sales of around 250 million euros in 2015, will have a positive impact on Valeo's results starting in 2016.

On February 18, 2016, the Board of Directors of Valeo elects Jacques Aschenbroich as Chairman of the Board of Directors and Chief Executive Officer and appoints Georges Pauget as lead director.

Pascal Colombani, Chairman of the Board of Directors, has reached the age limit set out in the articles of association of Valeo and has indicated to the Board of Directors that it would be the appropriate time for him to step down from his position, in view of a change of governance. Pascal Colombani will continue to act as a director of Valeo.

At a meeting held on February 18, 2016, the Board of Directors unanimously decided to elect Jacques Aschenbroich, Chief Executive Officer and director since March 20, 2009, as Chairman of the Board of Directors. Jacques Aschenbroich will thus become Chairman of the Board of Directors and Chief Executive Officer.

The Board of Directors also unanimously decided to appoint Georges Pauget as lead director with the broadest powers to carry out his duties. Georges Pauget is an independent director, the Chairman of the Appointment, Compensation and Governance Committee and a member of the Strategy Committee.

Lastly, Pascal Colombani, who has also been appointed as Honorary Chairman of Valeo, will assist the Chairman of the Board of Directors and Chief Executive Officer and the lead director until May 26, 2016, date of the next general shareholders meeting, to manage the governance transition and to prepare for this meeting.

All of these decisions take effect on February 18, 2016.

**Upcoming events**

First-quarter 2016 sales: April 26, 2016

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 euros 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 Euronext Paris and is a member of the CAC 40 index.

For more information, please contact:

<table>
<thead>
<tr>
<th>Media relations</th>
<th>Investor Relations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tel.: +33 1 40 55 21 75/+33 1 40 55 37 18</td>
<td>Tel.: +33 1 40 55 37 93</td>
</tr>
</tbody>
</table>

For more information about the Valeo Group and its businesses, please visit our website, [www.valeo.com](http://www.valeo.com)
Financial Glossary

- **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.*

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

- **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.

- **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.

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

- **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.

- **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.

- **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.

- **Net debt** comprises all long-term debt, liabilities associated with put options granted to holders of non-controlling interests, short-term debt and bank overdrafts, less loans and other long-term financial assets, cash and cash equivalents and the fair value of derivative instruments hedging the foreign currency and interest rate risks associated with these items.

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.