



Valeo
Euro 3,000,000,000
Euro Medium Term Note Programme

This prospectus supplement no. 3 (the “**Prospectus Supplement no. 3**”) is supplemental to, and should be read in conjunction with, the base prospectus dated 3 May 2016 (the “**Base Prospectus**”) as supplemented by a prospectus supplement no. 1 dated 21 September 2016 (the “**Prospectus Supplement no. 1**”) and a prospectus supplement no. 2 dated 26 October 2016 (the “**Prospectus Supplement no. 2**”), prepared by Valeo (the “**Issuer**”) with respect to its Euro 3,000,000,000 Euro Medium Term Note Programme (the “**Programme**”). The *Autorité des marchés financiers* (the “**AMF**”) has granted visa no. 16-161 on 3 May 2016 on the Base Prospectus, visa no. 16-441 on 21 September 2016 on the Prospectus Supplement no. 1 and visa no. 16-501 on 26 October 2016 on the Prospectus Supplement no. 2. The Base Prospectus as supplemented constitutes a base prospectus for the purposes of Directive 2003/71/EC of November 4, 2003, as amended (the “**Prospectus Directive**”).

Terms defined in the Base Prospectus have the same meaning when used in this Prospectus Supplement no. 3. Application has been made for approval of the Prospectus Supplement no. 3 to the AMF in its capacity as competent authority pursuant to Article 212-2 of its General Regulations (*Règlement Général*) which implements the Prospectus Directive.

This Prospectus Supplement no. 3 has been prepared pursuant to Article 16 of the Prospectus Directive and Article 212-25 of the AMF’s General Regulations (*Règlement Général*) for the purpose of giving information with regard to the Issuer and the Notes to be issued under the Programme in addition to the information already contained or incorporated by reference in the Base Prospectus. As a result, certain modifications have been made to the section relating to “Recent Developments” with the inclusion of the press release with respect to the placement of a tap issue of non-dilutive cash-settled convertible bonds with a nominal amount of USD 125 million.

To the extent that there is any inconsistency between (a) any statement in this Prospectus Supplement no. 3 and (b) any other statement in, or incorporated by reference in, the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Prospectus Supplement no. 3, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus which is capable of affecting the assessment of any Notes issued under the Programme since the publication of the Base Prospectus.

Copies of this Prospectus Supplement no. 3 will be available on the websites of (a) the AMF (www.amf-france.org) and (b) the Issuer (www.valeo.com) and copies may be obtained, free of charge, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Issuer, and at the specified offices of the Paying Agents.

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RECENT DEVELOPMENTS

The section “Recent Developments” appearing on pages 70 to 75 of the Base Prospectus is supplemented by the following press release:

November 3, 2016 Press release – “VALEO SUCCESSFULLY PLACED A “TAP ISSUE” OF USD 125 MILLION NON-DILUTIVE CASH-SETTLED CONVERTIBLE BONDS”

Valeo announced the successful placement of a tap issue of non-dilutive cash-settled convertible bonds (the “New Bonds”) with a nominal amount of USD 125 million.

The New Bonds are to be issued on the same terms (save for the issue price) as the USD 450 million non-dilutive cash-settled convertible bonds due June 16, 2021 issued by Valeo on June 16, 2016 (the “Original Bonds”) and, as of the settlement date of the New Bonds, shall be fully fungible with and assimilated to the Original Bonds (together, the “Bonds”).

The conversion rights will only be cash-settled and will not result in the issuance of new shares or the delivery of existing shares of Valeo upon conversion. Concurrently, Valeo purchased, on top of the cash-settled call options over its own shares that were bought with regards to the issue of the Original Bonds, new 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 New Bonds. This USD denominated debt will be immediately converted into euros.

The net proceeds of the New Bonds offering will be used for general corporate purposes.

The New Bonds will not bear any interest. The initial pricing for the issue price of the New Bonds is 107% of their nominal value, corresponding to an annual gross yield to maturity of 1.45%. The final issue price will be determined following a reference period of 5 consecutive trading days after the placement (from November 4 until November 10, 2016) (the “Reference Period”) in order to reflect the share price performance and the evolution of the exchange rate EUR/USD.

The settlement and delivery date of the New Bonds is expected to take place on November 16, 2016.

An application for the listing of the New Bonds on the Open Market (Marché Libre) of Euronext Paris and the Open Market (Freiverkehr) of Deutsche Börse will be made with effect from the settlement and delivery date of the New Bonds.

In the context of the offering, Valeo has agreed 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 and Société Générale Corporate & Investment Banking acted as Joint Lead Managers and Joint Bookrunners.

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 New Bonds have only been offered in a private placement in France and outside France (except in the United States of America, Australia, Canada, Japan and South Africa). The offering of the New 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 New Bonds and the offering of the New Bonds is not an offer to the public in any jurisdiction, including France.

PERSON RESPONSIBLE FOR THE PROSPECTUS SUPPLEMENT NO. 3

Person responsible for this Prospectus Supplement no. 3

Jacques Aschenbroich, Chairman of the Board of Directors and Chief Executive Officer

Declaration by the person responsible for this Prospectus Supplement no. 3

I declare, after having taken all reasonable care to ensure that such is the case and to the best of my knowledge, that the information contained in this Prospectus Supplement no. 3 is in accordance with the facts and contains no omission likely to affect its import.

November 8, 2016

Valeo
43, rue Bayen
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France

Duly represented by Jacques Aschenbroich
Chairman of the Board of Directors and Chief Executive Officer



Autorité des marchés financiers

In accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and with the General Regulations (*Règlement Général*) of the *Autorité des marchés financiers* (the "AMF"), in particular Articles 212-31 to 212-33, the AMF has granted to this Prospectus Supplement no. 3 the visa n°16-519 on November 8, 2016. The base prospectus, as supplemented, may only be used for the purposes of a financial transaction if completed by Final Terms. This Prospectus Supplement no. 3 was prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L.621-8-1-I of the French *Code monétaire et financier*, the visa was granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information it contains is coherent". It does not imply an approval by the AMF of the opportunity of the transactions contemplated hereby nor that the AMF has verified the accounting and financial data set out in it. In accordance with Article 212-32 of the AMF's General Regulations, any issuance or admission to trading of notes on the basis of the base prospectus, as supplemented by this Prospectus Supplement no. 3, shall be subject to the publication of Final Terms setting out the terms of the securities being issued.