Prospectus Supplement no. 1 dated 7 January 2014 to the Base Prospectus dated 23 April 2013

Valeo

Euro 2,000,000,000
Euro Medium Term Note Programme

This prospectus supplement no. 1 (the "**Prospectus Supplement no. 1**") is supplemental to, and should be read in conjunction with, the base prospectus dated 23 April 2013 (the "**Base Prospectus**"), prepared by Valeo (the "**Issuer**") with respect to its Euro 2,000,000,000 Euro Medium Term Note Programme (the "**Programme**"). The *Autorité des marchés financiers* (the "**AMF**") has granted visa no. 13-174 on 23 April 2013 on the Base Prospectus. 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. 1.

Application has been made for approval of the Prospectus Supplement no. 1 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.1 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 additional to the information already contained or incorporated by reference in the Base Prospectus. As a result, certain modifications to the sections relating to the "Documents Incorporated by Reference", "Recent Developments" and "General Information" have been made.

To the extent that there is any inconsistency between (a) any statement in this Prospectus Supplement no. 1 or any statement incorporated by reference into the Base Prospectus, as supplemented by this Prospectus Supplement no. 1, 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. 1, 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. 1, the Base Prospectus and any documents incorporated by reference herein or therein will be available on the websites of (a) the AMF (www.amf-france.org) and (b) the Issuer (www.valeo.com), and 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.

TABLE OF CONTENTS

Page

DOCUMENTS INCORPORATED BY REFERENCE

The section "Documents Incorporated by Reference" appearing on pages 23 to 26 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

This Base Prospectus should be read and construed in conjunction with the following sections identified in the cross-reference table below of the following documents which have been previously published and have been filed with the Autorité des marchés financiers ("**AMF**") as competent authority in France for the purposes of the Prospectus Directive. Such sections shall be incorporated in, and shall be deemed to form part of, this Base Prospectus:

(i) the sections identified in the cross-reference table below of the 2013 *Rapport Financier Semestriel* in the French language relating to the Issuer filed with the AMF on 9 September 2013 (the "**2013 HYFR**");

(ii) the sections identified in the cross-reference table below of the 2012 *Document de Référence* in the French language relating to the Issuer filed with the AMF on 28 March 2013 under no. D.13-0246, including the statutory audited consolidated financial statements of the Issuer as at, and for the year ended, 31 December 2012 and the related notes thereto (the "**2012 Reference Document**") save that the third paragraph of the "*Attestation du responsable du Document de référence contenant un rapport financier annuel*" by Mr. Jacques Aschenbroich, *Directeur Général* of the Issuer, referring, *inter alia*, to the *lettre de fin de travaux* of the statutory auditors of the Issuer on page 352 of such 2012 Reference Document and any reference thereto shall not be deemed incorporated herein;

(iii) the sections identified in the cross-reference table below of the 2011 *Document de Référence* in the French language relating to the Issuer filed with the AMF on 29 March 2012 under no. D.12-0237, including the statutory audited consolidated financial statements of the Issuer as at, and for the year ended, 31 December 2011 and the related notes thereto (the "**2011 Reference Document**") save that the third paragraph of the "*Attestation du responsable du Document de référence contenant un rapport financier annuel*" by Mr. Jacques Aschenbroich, *Directeur Général* of the Issuer, referring, *inter alia*, to the *lettre de fin de travaux* of the statutory auditors of the Issuer on page 318 of such 2011 Reference Document and any reference thereto shall not be deemed incorporated herein; and

(iv) the terms and conditions of the notes contained in the base prospectus of the Issuer dated 13 April 2011 which received visa no. 11-108 from the AMF (the "**2011 EMTN Conditions**").

Free translations in the English language of the 2012 Reference Document, the 2011 Reference Document and the 2013 HYFR are available on the Issuer's website (www.valeo.com).

The Issuer will, at the specified office of each Paying Agent for the time being during normal business hours, make available, free of charge, a copy of any or all of the documents incorporated by reference (the "**Documents Incorporated by Reference**") herein. All Documents Incorporated by Reference in this Base Prospectus will also be available on the website of the *Autorité des marchés financiers* (www.amf-france.org) and on the website of Valeo (www.valeo.com).

The following table cross-references the pages of the Documents Incorporated by Reference. Any information not listed in the cross-reference list but included in the documents incorporated by reference is given for information purposes only.

Information incorporated by reference	**2013 HYFR**	**2012 Reference Document**	**2011 Reference Document**
1. PERSONS RESPONSIBLE			
1.1. Names of the persons responsible for the information given in the prospectus	–	p. 352	–
1.2. Declaration of the persons responsible	–	p. 352	–
2. STATUTORY AUDITORS			
2.1. Names and addresses of the Issuer's auditors (together with their membership of a professional body)	–	p. 350	–
2.2. Change of situation of the auditors	N/A	N/A	N/A
3. RISK FACTORS			
3.1 Risk factors	–	p. 56-66	
4. INFORMATION ABOUT THE ISSUER			
4.1. History and development of the Issuer			
4.1.1. Legal and commercial name	–	p. 342	–
4.1.2. Place of registration and registration number	–	p. 343	–
4.1.3. Date of incorporation and length of life	–	p. 342	–
4.1.4. Domicile, legal form, legislation, country of incorporation, address and telephone number	–	p. 342	–
4.1.5. Recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency	p. 10, 24, 33 and 34	p. 21	–
5. BUSINESS OVERVIEW			
5.1. Principal activities			

Information incorporated by reference	2013 HYFR	2012 Reference Document	2011 Reference Document
5.1.1. Description of the Issuer's principal activities	_	p. 36-53	_
5.1.2. Competitive position	p. 6 et 7	p. 38-39, 42, 45-47, 49-50, 53	_
6. ORGANISATIONAL STRUCTURE			
6.1. Description of the group and of the Issuer's position within it	_	p. 22-23, 345-347	_
6.2. Dependence relationships within the group	_	p. 216-219, 262, 264-268, 290, 292-293, 345-347	_
7. TREND INFORMATION			
7.1. Statement of no material adverse change on the Issuer's prospects	p. 9	p. 17, 18, 270	_
8. PROFIT FORECASTS OR ESTIMATES			
8.1. Principal assumptions	_	N/A	_
8.2. Statement by independent accountants or auditors	_	N/A	_
8.3. Comparable with historical financial information	_	N/A	_
9. ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES			
9.1 Information concerning the administrative and management bodies	p. 1	p. 70-87, 298-299	_
9.2 Conflicts	_	p. 87, 299, 339-340	_
10. MAJOR SHAREHOLDERS			
10.1. Information concerning control	p. 12	p. 324-326	_
10.2. Description of arrangements which may result in a change of control	_	p. 338	_
11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES			
11.1. Historical financial information			
	_	**Consolidated financial statements 2012:**	**Consolidated financial statements 2011:**

Information incorporated by reference	2013 HYFR	2012 Reference Document	2011 Reference Document
		p. 198-268 - Balance sheet: p. 200 - Income statement: p. 198 - Accounting policies: p. 204-216 - Explanatory notes: p. 204-268	p. 188-254 in 2011 Reference Document - Balance sheet: p. 190 - Income statement: p. 188 - Accounting policies: p. 194-205 - Explanatory notes: p. 194-254
	_	**Non consolidated financial statements 2012:** p. 272-290 - Balance sheet: p. 273 - Income statement: p. 272 - Accounting policies: p. 276-277 - Explanatory notes: p. 275-290	**Non consolidated financial statements 2011:** p. 258-277 in 2011 Reference Document - Balance sheet: p. 259 - Income statement: p. 258 - Accounting policies: p. 262-263 - Explanatory notes: p. 261-277
11.2. Financial statements	p. 2, 3, 16-38	p. 198-269, 272-291	p. 188-255, 258-278
11.3. Auditing of historical annual financial information			
11.3.1. Statement of audit of the historical annual financial information	_	p. 269, 291	p. 255, 278
11.3.2. Other audited information	_	p. 292-293, 316	p. 177-179
11.3.3. Unaudited data	_	N/A	_
11.4. Age of latest financial information			
11.4.1. Age of latest financial information	_	31 December 2012	_
11.5. Legal and arbitration proceedings	p. 31, 32 and 35	p. 60, 61, 223, 244-245, 261-262	_
11.6. Significant change in the Issuer's financial or trading position	p. 2 to 14 and p. 16 to 37	p. 263, 270	_

Information incorporated by reference	2013 HYFR	2012 Reference Document	2011 Reference Document
12. MATERIAL CONTRACTS			
12. Material contracts	_	p. 348	_
13. THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST			
13.1 Statement by experts	_	N/A	_
13.2 Statement by third party	_	N/A	_
14. DOCUMENTS ON DISPLAY			
14. Documents on display	_	p. 349	_

The 2011 EMTN Conditions are incorporated by reference in this Base Prospectus for the purpose only of further issues of notes to be assimilated (*assimilées*) and form a single series with Notes already issued with the 2011 EMTN Conditions.

EMTN PREVIOUS CONDITIONS	
2011 EMTN Conditions	Pages 30 to 63

RECENT DEVELOPMENTS

The section "Recent Developments" appearing on page 62 of the Base Prospectus is supplemented by the following information:

January 6, 2014 Press Release

In line with the agreement communicated on June 18, 2013, Osram GmbH has exercised its put option to sell to Valeo its entire stake in their North American joint venture, Valeo Sylvania LLC, for a price of $104 million equivalent to 3 times the 2014 Ebitda of the Company expected by Valeo.

Following the sale, Valeo will own 100% of Valeo Sylvania shares.

The transaction is expected to close by the end of January 2014.

Jacques Aschenbroich CEO of Valeo has declared, "the takeover of Osram's shares in Valeo Sylvania represents a major step in Valeo's strategy to increase its position as a global leader in Automotive Lighting, business in which Valeo grew 20% in 2013 at same perimeter and exchange rate".

October 17, 2013 Press release

Third-quarter sales growth accelerated to 12% on a like-for-like basis * *[*: Constant Group structure and exchange rates]*

Original equipment sales growth evenly spread across the different regions: up 10% * *in Europe, 25%* * *in North America, 13%* * *in Asia and 10%* * *in South America*

Jacques Aschenbroich, Valeo's Chief Executive Officer, stated:
"*Valeo's sales growth accelerated in the third quarter of 2013. The Group recorded excellent figures for the original equipment market (up 13%, 11 percentage points higher than global automotive production), as well as in the aftermarket (up 10%) and demonstrated its capacity for balanced growth, outpacing the market in all regions across the globe. These results reflect the gradual entry into production of the high order intake recorded by the Group over the last three years and the strength of Valeo's growth model.*"

Third-quarter 2013

- Third-quarter sales came in at 2,905 million euros (up 2.2% versus the same prior-year period). After taking account of exchange rate effects (5.2%) and changes in Group structure (4.4%), growth came to 12% on a like-for-like basis (up 8% in the first nine months of the year).

- Performance on a like-for-like basis evenly spread between the original equipment business (up 13%) and the aftermarket business (up 10%).

- Original equipment sales growth outpaced the global market by 11 percentage points, with contributions evenly spread across the different production regions:
    - Up 10%* in Europe, 9 percentage points higher than the market
    - Up 13%* in Asia, 11 percentage points higher than the market
      Including 24%* growth in China, 16 percentage points higher than the market
    - Up 25%* in North America, 20 percentage points higher than the market
    - Up 10%* in South America, 7 percentage points higher than the market

- Growth outpaced the market in all Business Groups.

2013 outlook

Valeo confirms the objectives set when the Group released the first-half 2013 results:

- performance higher than the market in the main production regions;
- assuming stabilized market conditions in Europe, a slight increase in operating margin (as a percentage of sales) compared to 2012.

Following the meeting of its Board of Directors on October 17, 2013, Valeo released its sales figures for the third quarter of 2013:

Global automotive production up 2%, reflecting stabilized production in Europe

Global automotive production increased slightly thanks to a solid performance in the Chinese and American markets, as well as the stabilization of production in Europe during the third quarter in comparison to 2012 levels.

Change in automotive production	Third-quarter*	Nine months ended September 30*
Europe & Africa	*+1%*	*-2%*
Asia & Middle East	*+2%*	*+1%*
of which China	*+8%*	*+11%*
North America	*+5%*	*+4%*
South America	*+3%*	*+12%*
Total	***+2%***	***+2%***

** LMC & Valeo estimates*

In the third quarter, sales growth accelerated to 12% on a like-for-like basis thanks to the Group's balanced performance across its different markets.
In the first nine months of the year, sales were up 8% on a like-for-like basis.

Valeo's consolidated sales came to 2,905 million euros, up 2.2% on a reported basis on third-quarter 2012 and up 12% **on a like-for-like basis,** reflecting a balanced performance between the original equipment business (up 13%) and the aftermarket business (up 10%).

Changes in exchange rates and Group structure had negative impacts of 5.2% and 4.4%, respectively:
- changes in exchange rates reflect the significant depreciation of currencies from emerging countries, particularly the Brazilian real and depreciation of the yen and the dollar against the euro;
- changes in Group structure were mainly attributable to the sale of the Access Mechanisms business (with effect from April 30, 2013) and the acquisition of a controlling interest in Foshan Ichikoh Valeo (fully consolidated as of January 1, 2013).

(in millions of euros)	As a % of total sales First 9 months	Third-quarter*				Nine months ended September 30*			
		2012	2013	Change	Change on a like-for-like basis	2012	2013	Change	Change on a like-for-like basis
Total	**100%**	**2,842**	**2,905**	**+2.2%**	**+12%**	**8,841**	**9,071**	**+2.6%**	**+8%**
of which**:**									
Original equipment	85%	2,393	2,461	+2.8%	+13%	7,511	7,711	+2.7%	+8%
Aftermarket	12%	357	368	+3.1%	+10%	1,089	1,133	+4.0%	+8%
Miscellaneous	3%	92	76	-17.4%	-16%	241	227	-5.8%	-3%

** Unaudited*

Original equipment sales (85% of total sales) advanced 13% on a like-for-like basis, beating the global market by 11 percentage points. In the first nine months of the year, original equipment sales rose 8% on a like-for-like basis, outpacing the global market by 6 percentage points. These results reflect the gradual entry into production of the high order intake recorded by the Group over the last three years.

Aftermarket sales (12% of total sales) surged 10% like-for-like (8% in the first nine months of the year) on the back of improved market conditions in Europe, strong sales momentum and continued expansion in Asia and emerging countries.

Miscellaneous sales (3% of total sales), mainly consisting of tooling revenues, fell 16% like-for-like (down 3% in the first nine months of the year).

Original equipment sales growth outpaced the global market by 11 percentage points, with contributions evenly spread across the different production regions

The Group's innovative products, its focus on German and Asian customers and the expansion of its business in Asia and emerging countries allowed Valeo to post sales growth that outpaced the market, with contributions evenly spread across the different production regions.

Original equipment	Third-quarter*					Nine months ended September 30*				
(by destination, in millions of euros)	2012	2013	OE sales growth **	Auto. prod. growth ***	Perf. versus market	2012	2013	OE sales growth **	Auto. prod. growth ***	Perf. versus market
TOTAL	**2,393**	**2,461**	**+13%**	**+2%**	**+11 pts**	**7,511**	**7,711**	**+8%**	**+2%**	**+6 pts**
Europe & Africa	1,159	1,179	+10%	+1%	+9 pts	3,864	3,901	+5%	-2%	+7 pts
Asia, Middle East & Oceania	646	656	+13%	+2%	+11 pts	1,901	1,928	+7%	+1%	+6 pts
of which China	*267*	*319*	*+24%*	*+8%*	*+16 pts*	*748*	*912*	*+23%*	*+11%*	*+12 pts*
of which Japan	*184*	*159*	*+10%*	*-5%*	*+15 pts*	*569*	*442*	*-6%*	*-10%*	*+4 pts*
North America	434	505	+25%	+5%	+20 pts	1,297	1,480	+18%	+4%	+14 pts
South America	154	121	+10%	+3%	+7 pts	449	402	+10%	+12%	-2 pts

** Unaudited*
*** Like-for-like*
**** LMC & Valeo estimates*

In **Europe**, like-for-like original equipment sales rose 10%, 9 percentage points higher than the market (7 percentage points higher in the first nine months of the year), driven by the appeal of its portfolio of high-tech products and a favorable customer mix.

In **Asia**, original equipment sales were up 13% on a like-for-like basis, beating the market by 11 percentage points (6 percentage points in the first nine months of the year), reflecting the Group's solid performance in China, Japan and India.

In **North America**, like-for-like original equipment sales climbed 25%, outpacing automotive production by 20 percentage points (14 percentage points in the first nine months of the year), thanks to a favorable customer mix and market share gains.

In **South America**, like-for-like original equipment sales advanced 10%, beating the market by 7 percentage points, reflecting an improved situation after several quarters of below-market performance (over the first nine months of the year, the Group's performance was 2 percentage points lower than the market).

Geographic repositioning

In the first nine months of the year, Valeo continued to rebalance its businesses:

- the share of original equipment sales produced in Asia and emerging countries (including Eastern Europe) remained stable at 54%;
- the share of original equipment sales produced in Western Europe decreased by 1 percentage point to 37% while the share produced in North America increased by 2 percentage points to 18%.

Balanced customer portfolio

In the first nine months of the year:

- the share of German customers increased by 1 percentage point and now represents 30% of original equipment sales;
- the share of Asian customers declined to 26% (versus 29% in 2012), reflecting Japanese customers' high level of activity in the first nine months of 2012;
- the share of American customers has increased and now represents 21% of original equipment sales (versus 18% in 2012);
- the share of French customers decreased to 17% of original equipment sales (versus 18% in 2012).

Above-market growth in all Business Groups with strong growth for Visibility Systems and Comfort and Driving Assistance Systems

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

Business Group sales (*in millions of euros*)	**Third-quarter***				**Nine months ended September 30***			
	2012	**2013**	**% change sales**	**% change OE sales****	**2012**	**2013**	**% change sales**	**% change OE sales****
Comfort and Driving Assistance Systems	616	521	-15%	+18%	1,907	1,720	-10%	+7%
Powertrain Systems	783	810	+3%	+6%	2,464	2,519	+2%	+4%
Thermal Systems	808	838	+4%	+10%	2,527	2,554	+1%	+5%
Visibility Systems	656	769	+17%	+23%	2,013	2,369	+18%	+19%

** Unaudited*
*** Like-for-like*

Sales for the **Comfort and Driving Assistance Systems Business Group** were impacted by the sale of the Access Mechanisms business (with effect from April 30, 2013). In the first nine months of the year, the Business Group's original equipment sales increased by 7% on a like-for-like basis, 5 percentage points higher than production, as a result of the market's keen interest in the Group's detection, radar and parking assistance systems.

On the back of the ramp-up of innovative LED technologies and the solid performance of the aftermarket, in the first nine months of the year original equipment sales for the **Visibility Systems Business Group** grew 19% on a like-for-like basis to 2.4 billion euros.

<u>2013 outlook</u>

Valeo confirms the objectives set when the Group released the first-half 2013 results:

- performance higher than the market in the main production regions;

- assuming stabilized market conditions in Europe, a slight increase in operating margin (as a percentage of sales) compared to 2012.

Highlights

On September 4, 2013, Valeo and Safran signed a research partnership agreement in driving aid and autonomous vehicles. This research and development alliance brings together two companies that are leaders in their respective technologies in different industries and distinct markets in the automotive, aerospace and defense sectors. The first research projects could lead to the development of technological solutions by 2014.

Valeo attended the International Motor Show (IAA) in Frankfurt from September 10 to 22, 2013. Thanks to sustained investment in Research and Development, representing a total of 1 billion euros in 2012, Valeo presented its innovations including:

- **Valet Park4U®** (Driving Assistance Systems) allows drivers to leave their car at the entrance of a parking lot and let the car find a suitable space to park. The car then becomes completely autonomous once the fully automatic parking feature is activated remotely using the driver’s smartphone. Similarly, they can use their smartphone to be picked up at the exit.
- **The electric supercharger** (Powertrain Systems) improves throttle response from small engines at low RPMs. As a replacement of or in complement to traditional turbochargers, this solution also increases driving comfort by improving in-gear acceleration by 27% without increasing fuel consumption. When coupled with a Valeo energy recovery system, electric superchargers can deliver fuel savings of up to 20%.
- **The Air Intake Module** (Thermal Systems) is paving the way for cleaner, more compact engines by enhancing the efficiency of the air-fuel mixture drawn into the engine. This system helps cut both fuel consumption and toxic particulate emissions. The Air Intake Module is integrated in Volkswagen’s modular diesel engine platform.
- **The BeamAtic® PremiumLED** (Visibility Systems) allows drivers to keep their high beams on in all circumstances without ever blinding other motorists. Already series produced in its xenon version for the new Volkswagen Golf 7, BeamAtic® Premium technology delivers all the benefits of LED lighting. These include reduced electric consumption, a working life that is considerably longer than that of the vehicle, lighting that is nearly the color of sunlight and design flexibility.

On September 26, 2013, Valeo announced the signing of a plea agreement between its Japanese subsidiary Valeo Japan and the United States Department of Justice. Pursuant to this agreement, Valeo Japan acknowledges its participation in certain antitrust practices in violation of US law and agrees to pay a fine of 13.6 million dollars. This plea agreement will, upon court approval, terminate proceedings brought by the US federal authorities against the Valeo Group in connection with the antitrust practices disclosed by this investigation. The Valeo Group continues to cooperate with the US antitrust authorities and others with respect to the on going investigations opened by the said authorities. On October 9, 2013, Valeo was informed of a class action brought against the Valeo Group and some of the Group's competitors in the US District Court of Michigan. The plaintiffs have yet to stipulate the amount they are claiming under this action which concerns the air conditioning system market.

On September 30, 2013, Valeo announced the acquisition of Eltek Electric Vehicles, a Norwegian company fully dedicated to designing, developing, manufacturing, assembling and marketing worldwide high efficiency on-board chargers for passenger cars and commercial vehicles. This acquisition will enable Valeo to accelerate and expand the development of its offer for hybrid and electric vehicles and consolidate its offering with high efficiency invertors developed alongside a number of top original equipment manufacturers.

Upcoming event

Full-year 2013 results: February 20, 2014.

September 30, 2013 Press release
Valeo announces the acquisition of Eltek Electric Vehicles

Valeo announced on September 30, 2013 the acquisition of Eltek Electric Vehicles. Eltek Electric Vehicles is a Norwegian company fully dedicated to designing, developing, manufacturing, assembling and commercializing worldwide high efficiency on-board chargers for passenger cars and commercial vehicles.

This acquisition will enable Valeo to accelerate and expand the development of its offer for hybrid and electric vehicles by adding Eltek Electric Vehicles' on-board chargers.

With this acquisition, Valeo will complete its offer in power electronics by adding high efficiency conversion solutions to the ongoing development of high efficiency inverters with several top Original Equipment Manufacturers.

September 26, 2013 Press release
Following investigation initiated by the Antitrust Division of the Department of Justice of the United States of America ("DoJ"), Valeo Japan Co. Ltd, ("Valeo Japan"), a subsidiary of Valeo S.A., has entered into a plea agreement with the DoJ.

Pursuant to this agreement, Valeo Japan acknowledges its participation in certain anticompetitive practices in the market for air conditioning systems and components, which were in violation of U.S. antitrust law, agrees to pay a fine of $13.6 Mn to the U.S. federal authorities within fifteen days of the approval of the plea agreement terminating the proceedings by the U.S. federal court having jurisdiction over the matter, and also commits to continue its cooperation with the DoJ with respect to the DoJ's on-going investigation concerning the same market.

This plea agreement will, upon court approval, terminate proceedings (brought or that could potentially be brought) by the U.S federal authorities against Valeo Japan and, more generally, against the companies of the Valeo Group, in connection with the anticompetitive practices disclosed by this investigation.

July 30, 2013 Press Release
Second-quarter sales growth accelerated to 10.4% on a like-for-like basis [*: Constant Group structure and exchange rates]*
First-half 2013 like-for-like sales advanced 5.8% to 6.2 billion euros and original equipment growth outpaced the global market by 5 percentage points during the period
Operating margin jumped 4% to 384 million euros, or 6.2% of sales

Jacques Aschenbroich, Valeo's Chief Executive Officer, stated:
"*In the first half of 2013, Valeo once again confirmed its status as a growth business. Second-quarter sales grew by 10.4% on a like-for-like basis, driving up first-half 2013 growth to 5.8%. Original equipment sales posted balanced growth across the different geographic areas, outpacing the global market by 5 percentage points. Valeo's operating margin came to 6.2% of sales, demonstrating its resilience in the context of decreased production in Europe. Given the results of Valeo's efforts in innovation and expansion in Asia and emerging countries, we are confident that the Group will achieve its medium-term financial objectives."*

First-half 2013 results

- **Order intake$_{(1)}$ of 7.3 billion euros** (excluding the Access Mechanisms business) remaining at a high level despite the 5% decrease compared to first-half 2012, thereby confirming the Group's growth and profitability potential
- **In the second quarter, sales growth accelerated 10.4% on a like-for-like basis**
- **In first-half 2013, consolidated sales of 6,166 million euros,** up 5.8% on a like-for-like basis, despite a difficult climate in Europe
    - Balanced performance between the original equipment business (up 5.7%) and the aftermarket business (up 6.3%)
    - Balanced performance for original equipment sales across the different regions
        - → Up 3% in Europe, 7 percentage points higher than the market
        - → Up 14% in North America, 10 percentage points higher than the market
        - → Up 4% in Asia, 2 percentage points higher than the market
          Including 22% growth in China, 9 percentage points higher than the market
        - → Up 10% in South America, 3 percentage points lower than the market
- **Operating margin$_{(2)}$ of 384 million euros, up 4%, to 6.2% of sales**
    - Negative 0.3 percentage point impact of exchange rates
    - Increase in net research and development expenditure offset by a decrease in administrative and selling expenses (as a % of sales)
- **Net attributable income excluding non-recurring items$_{(3)}$ up 10% to 230 million euros**
    - Net attributable income of 190 million euros in line with first-half 2012

- **Free cash flow(7) of 113 million euros**
  - Net debt of 457 million euros, down 306 million euros versus end-2012

2013 outlook

- Based on the following market assumptions for 2013:
  - 2% to 3% decline in automotive production in Europe
  - 2% growth in global automotive production

- Valeo has set the following objectives for 2013:
  - performance higher than the market in the main production regions
  - assuming stabilized market conditions in Europe, a slight increase in operating margin (as a percentage of sales) compared to 2012

Following the meeting of its Board of Directors on July 29, 2013, Valeo released its results for the first half of 2013:

	H1 2012	H1 2013*	Change
Order intake(1) *(in €b)*	7.7	7.3	-5%
Sales *(in €m)*	5,999	6,166	+2.8% (+5.8% on a like-for-like basis)
o/w OE sales *(in €m)*	5,118	5,250	+2.6% (+5.7% on a like-for-like basis)
Research and Development expenditure, net *(in €m)*	313	332	+6%
Research and Development expenditure, net (as a % of sales)	*5.2%*	*5.4%*	*+0.2 pts*
Operating margin(2) *(in €m)*	370	384	+4%
Operating margin(2) (as a % of sales)	*6.2%*	*6.2%*	-
Net attributable income *(in €m)*	193**	190	-2%
Net attributable income (as a % of sales)	*3.2%*	*3.1%*	*-0.1 pts*
Net attributable income (excluding non-recurring items)(3) *(in €m)*	210	230	+10%
Net attributable income (excluding non-recurring items)(3) (as a % of sales)	*3.5%*	*3.7%*	*+0.2 pts*
Basic earnings per share (excluding non-recurring items) *(in €)*	2.79	3.00	+8%
ROCE(4)	31%	28%	*-3 pts*
ROA(5)	19%	19%	-
EBITDA(6) *(in €m)*	655	669	+2%
EBITDA(6) (as a % of sales)	*10.9%*	*10.8%*	*-0.1 pts*
Cash flows related to investments in non-current assets *(in €m)*	424	444	+5%
Free cash flow(7) *(in €m)*	148	113	-24%
Net debt(9) *(in €m)*	485	457	-6%
Gearing ratio	25%	21%	N/A

** The consolidated financial statements for the six months ended June 30, 2013 were subject to a review by the Statutory Auditors.*

*** The amount of other financial income and expenses shown for first-half 2012 differs from the amount published in July 2012 since it has been adjusted to reflect changes in the expected return on plan assets resulting from the retrospective application of the amended IAS 19, effective as of January 1, 2013.*

****

Order intake(1) of 7.3 billion euros (excluding the Access Mechanisms business) remaining at a high level despite the 5% decrease compared to first-half 2012, thereby confirming the Group's growth and profitability potential

In first-half 2013, Valeo's order intake(1) amounted to 7.3 billion euros equally balanced across the main automotive production regions.

Order intake was driven by:
- innovative products and systems, which accounted for 35% of order intake;
- accelerated expansion in Asia and emerging countries. Asia contributed 39% to order intake, 15 percentage points more than its contribution to original equipment sales. China contributed 29% to order intake and 11% to original equipment sales. Over the next four years, Valeo is expected to once again double its sales in China, which will become the Group's largest country as from 2014.

Global automotive production up 1% despite a decline in production in Europe

In first-half 2013, global automotive production rose 1%, reflecting contrasting results across the various regions:

Change in automotive production	*First-half 2013**	*First-quarter 2013**	*Second-quarter 2013**
Europe & Africa	-4%	-8%	+1%
Asia & Middle East	+2%	+1%	+3%
North America	+4%	+1%	+6%
South America	+13%	+7%	+19%
Total	**+1%**	**-1%**	**+4%**

* *LMC & Valeo estimates*

- European automotive production shrank 4%, but improved in the second quarter;
- Global automotive production increased slightly thanks, in particular, to a strong performance in Chinese and North American markets.

In the second quarter, sales growth accelerated by 10.4% on a like-for-like basis
In first-half 2013, sales up 5.8% on a like-for-like basis thanks to the Group's balanced performance across its different markets

Valeo's consolidated sales came to 6,166 million euros, up 2.8% on a reported basis on first-half 2012.

Consolidated sales were up 5.8% on a like-for-like basis, reflecting:
- accelerated sales growth of 10.4% in the second quarter; and
- a balanced performance between the original equipment business (up 5.7%) and the aftermarket business (up 6.3%).

Changes in exchange rates and changes in Group structure had negative impacts of 1.7% and 1.3%, respectively. Changes in Group structure were mainly attributable to the sale of the Access Mechanisms business (with effect from April 30, 2013) and the acquisition of a controlling interest in Foshan Ichikoh Valeo (fully consolidated as of January 1, 2013).

(in millions of euros)	First-half				First-quarter	Second-quarter
	2012	2013	Change	Change on a like-for-like basis	Change on a like-for-like basis	Change on a like-for-like basis

Total of which**:**	**5,999**	**6,166**	**+2.8%**	**+5.8%**	**+1.3%**	**+10.4%**
Original equipment	5,118	5,250	+2.6%	+5.7%	+0.1%	+11.7%
Aftermarket	732	765	+4.5%	+6.3%	+4.3%	+8.4%
Miscellaneous	149	151	+1.3%	+4.7%	+35.5%	-17.2%

Original equipment sales (85% of total sales) advanced 5.7% on a like-for-like basis, beating the global market by 5 percentage points. In the second quarter, original equipment sales rose 11.7% on a like-for-like basis, outpacing the global market by 8 percentage points.

Aftermarket sales (13% of total sales) increased 6.3% like-for-like (8.4% in the second quarter) thanks to an improvement in market conditions in Europe and continued expansion in Asia and emerging countries.

Miscellaneous sales (2% of total sales) climbed 4.7% like-for-like thanks to an increase in tooling revenues resulting from the launch of new production lines.

Balanced growth in original equipment sales across the different regions, outpacing the global market by 5 percentage points

Valeo recorded balanced growth across the different regions thanks to sales of its high value-added innovations in Europe and North America and the expansion of its business in Asia and emerging countries.

Original equipment *(in millions of euros)*	First-half				
	2012	2013	OE sales growth*	Auto. prod. growth**	Versus market
TOTAL	**5,118**	**5,250**	**+6%**	**+1%**	**+5 pts**
Europe & Africa	2,705	2,722	+3%	-4%	+7 pts
Asia, Middle East & Oceania	1,255	1,272	+4%	+2%	+2 pts
of which China	*481*	*593*	*+22%*	*+13%*	*+9 pts*
of which Japan	*385*	*283*	*-14%*	*-9%*	*-5 pts*
North America	863	975	+14%	+4%	+10 pts
South America	295	281	+10%	+13%	-3 pts

** Like-for-like*
*** LMC & Valeo estimates*

In **Europe**, like-for-like original equipment sales rose 3%, 7 percentage points higher than the market (10 percentage points higher in the second quarter), driven by the appeal of its portfolio of high-tech products and a favorable customer mix.

In **Asia**, original equipment sales were up 4% on a like-for-like basis, beating the market by 2 percentage points (4 percentage points in the second quarter), reflecting the Group's strong performance in India, South Korea and China (with growth outpacing the market by 4, 4 and 9 percentage points, respectively). However, this performance continued to be impacted by an unfavorable customer mix in Japan.

In **North America**, like-for-like original equipment sales climbed 14%, outpacing automotive production by 10 percentage points (12 percentage points in the second quarter), thanks to a favorable customer mix and market share gains.

In **South America**, like-for-like original equipment sales advanced 10%, standing at 3 percentage points lower than the market. In the second quarter, the Group's results were in line with the market, reflecting an improved situation after several periods of below-market performance.

Geographic repositioning

In first-half 2013, Valeo continued to rebalance its businesses:

- the share of original equipment sales produced in Asia and emerging countries (including Eastern Europe) increased by one percentage point to 54%;
- the share of original equipment sales produced in Western Europe decreased by one percentage point to 38%.

Balanced customer portfolio

The share of German customers has increased and now represents 30% of original equipment sales (versus 28% in first-half 2012). The share of Asian customers declined to 26% (versus 29% in first-half 2012), reflecting Japanese customers' high level of activity in first-half 2012. American customers represented 20% of original equipment sales and French customers accounted for 18% of original equipment sales.

Above-market growth in all Business Groups and continued strong growth for the Visibility Systems Business Group

As was the case for the consolidated Group, the sales performance for each Business Group reflected the specific geographic and customer mix and the relative weighting of the aftermarket in their activity as a whole.

Sales *(in millions of euros)*	First-half			
	2012*	2013*	Sales growth	OE sales growth**
Powertrain Systems	1,681	1,710	+2%	+2%
Thermal Systems	1,719	1,716	+0%	+3%
Comfort and Driving Assistance Systems	1,291	1,199	-7%	+3%
Visibility Systems	1,357	1,600	+18%	+18%

* *Including intersegment sales*
** *Like-for-like*

On the back of the ramp-up of innovative lighting technologies and the strong performance of the aftermarket, sales for the **Visibility Systems Business Group** grew 18% to 1.6 billion euros.

Sales for the **Comfort and Driving Assistance Systems Business Group** were impacted by the sale of the Access Mechanisms business (with effect from April 30, 2013). The Business Group grew by 3% on a like-for-like basis, 2 percentage points higher than the global market.

Operating margin(2) up 4% on first-half 2012 to 384 million euros, or 6.2% of sales
Net income excluding non-recurring items up 10% to 230 million euros

Gross margin amounted to 1,037 million euros or 16.8% of sales, up 3% on first-half 2012 (1,006 million euros). Gross margin was impacted by the depreciation of the yen and the Brazilian real, and startup costs at new plants.

Operating margin(2) amounted to 384 million euros or 6.2% of sales, up 4% on first-half 2012. Sound management of administrative expenses offset the increase in net research and development (R&D) expenditure required to support growth.

Valeo is continuing its **R&D** efforts in response to the high level of order intake. Net R&D expenditure rose 6% to 332 million euros, or 5.4% of sales, edging up by 0.2 percentage points compared with first-half 2012.

Administrative and selling expenses were down 1% to 321 million euros, or 5.2% of sales (versus 5.4% in first-half 2012). Administrative and general expenses alone represented 3.6% of sales for first-half 2013.

The Group's **operating income** came in at 343 million euros, or 5.6% of sales, after taking into account other expenses, including the impact of the sale of the Access Mechanisms business without the Indian portion (20 million euros) and restructuring costs (12 million euros).

The **cost of net debt** totaled 50 million euros, in line with first-half 2012.

The Group's share in net earnings of associates was 4 million euros. Taking into account the 26% effective tax rate and non-controlling interests in net income for 14 million euros, **net attributable income** came in at 190 million euros, in line with first-half 2012. **Excluding non-recurring items(3), net attributable income** amounted to 230 million euros, up 10% on first-half 2012.

The **return on capital employed**(4) (ROCE) and **return on assets**(5) (ROA) were impacted by the increase in investments aimed at supporting the growth in order intake and stood at 28% and 19%, respectively.

Consolidated EBITDA(6) came in at 669 million euros, or 10.8% of sales, in line with 2012.

EBITDA(6) *(as a % of sales)*	First-half 2012	Full-year 2012	First-half 2013
Powertrain Systems	9.3	10.1	10.3
Thermal Systems	12.0	11.5	11.2
Comfort and Driving Assistance Systems	12.1	12.0	12.5
Visibility Systems	9.4	8.1	8.8
TOTAL	**10.9**	**10.7**	**10.8**

** Including intersegment sales*

Free cash flow(7) of 113 million euros after taking into account investment flows of 444 million euros

In first-half 2013, the Group generated 113 million euros in **free cash flow**(7) compared with 148 million euros in first-half 2012. This is chiefly the result of:

- a 2% increase in **EBITDA**(6) to 669 million euros;
- investment flows of 444 million euros due to a growing number of projects under development requiring further production capacities and additional capitalized R&D expenditure.

Net cash flow(8) amounted to 283 million euros and includes:

- financial expenses totaling 74 million euros; and
- income from other financial items amounting to 244 million euros, including, in particular, income from the sale of the Access Mechanisms business (171 million euros).

Strong balance sheet

Net debt$_{(9)}$ came in at 457 million euros at June 30, 2013 versus 763 million euros at December 31, 2012 (485 million euros at June 30, 2012).

The **leverage ratio** (net debt$_{(9)}$/EBITDA) came out at 0.4 times EBITDA and the **gearing ratio** (net debt$_{(9)}$/stockholders' equity excluding non-controlling interests) stood at 21% of equity.

In first-half 2013, the Group's debt had an average interest rate of 4.95% and an average maturity of 3.6 years.

2013 outlook

- Based on the following market assumptions for 2013:
  - 2% to 3% decline in automotive production in Europe
  - 2% growth in global automotive production

- Valeo has set the following objectives for 2013:
  - performance higher than the market in the main production regions
  - assuming stabilized market conditions in Europe, a slight increase in operating margin (as a percentage of sales) compared to 2012

Highlights

Sale of the Access Mechanisms business
On May 24, 2013, Valeo confirmed the sale of the Access Mechanisms business, save for its Indian portion, to Japan-based U-Shin for an enterprise value of 203 million euros with effect from April 30, 2013. The Access Mechanisms business, which was part of the Comfort and Driving Assistance Systems Business Group, is primarily mechanical-based and comprises products such as locksets, steering column locks, handles and latches. Boasting a broad presence in Europe and South America, the business generated sales of 569 million euros in 2012 and employed 4,500 people at 12 plants. This divestment is aligned with Valeo's strategy of focusing on developing products that reduce CO_2 emissions and stepping up its expansion in Asia and emerging markets.

Acquisitions
On June 18, 2013, Valeo announced that it had agreed on a put and call option contract by which, if the reciprocal options are exercised by Osram or Valeo in early 2014, Valeo would be committed to acquire Osram's shares in the companies' joint venture in North America (until then, Valeo and Osram will continue operating under a 50%-50% joint venture).

Debt management and ratings
On April 26, 2013, Standard & Poor's Rating Services confirmed its "BBB" long-term corporate credit rating with a stable outlook and its “A-2" short-term corporate credit rating to Valeo.

2012 dividend
At the Shareholders’ Meeting on June 6, 2013, all of the resolutions put to the vote of the shareholders, including the resolution on the dividend payment of 1.50 euros per share, were adopted. The dividend was paid on July 1, 2013.

Upcoming event

Third-quarter 2013 sales: October 17, 2013

Financial glossary

(1) Order intake corresponds to contracts awarded by automakers (less any cancellations) during the period, based on Valeo's best and reasonable estimates in terms of volumes, sale prices and project lifespans. Order intake for the Access Mechanisms business was not included in order intake for first-half 2012 and 2013.
(2) Operating margin 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.

(4) ROCE, or return on capital employed, corresponds to operating margin/capital employed excluding goodwill calculated over 12 months.
(5) ROA, or return on assets, corresponds to operating income/capital employed including goodwill.
(6) EBITDA corresponds to operating income before depreciation, amortization, impairment losses (included in the operating margin) and other income and expenses.
(7) Free cash flow corresponds to net cash from operating activities 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 with a change in control and to changes in certain items shown in non-current financial assets, and (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.
(9) Net debt comprises all long-term debt, short-term debt and bank overdrafts, less loans and other non-current financial assets, cash and cash equivalents.

July 5, 2013 Press Release
Valeo to double its sales in China every four years.
Valeo chooses Nanjing new extended plant in China for first production of double clutch transmission systems.

Valeo officially inaugurated on July 5, 2013 the Valeo Nanjing expansion plant in Yangtze Delta Region, Nanjing, one of China's major automotive manufacturing bases. This inauguration marks a milestone in Valeo's strategy of continuous development in Asia and consolidates its position as a global leader in transmission systems. The official ceremony was presided by Valeo Group CEO, Jacques Aschenbroich, as well as Edouard de Pirey, Valeo China President, together with VIP guests.

Reducing CO2 emissions and boosting the Group's presence in Asia and emerging countries are the two pillars of Valeo's global strategy. "I am confident in the continued success of Valeo in China thanks to its expended footprint and growing products portfolio. Our sales in China have doubled over the past four years and will double again every four years in the future. In addition, by 2014 China will become the leading market for Valeo, along with France" Jacques Aschenbroich said. "Nanjing plant extension is a further step to accompany our growth in China, alongside our 22 existing plants, our four new plants and two other extensions we are building this year".

On top of current activity for clutches and torque converters, the Nanjing plant will also be the first site in the world for Valeo to produce double-clutch systems. In order to meet the increasing global demand for CO2 emission reduction, auto suppliers are developing advanced transmission technologies. Valeo double clutch system is able to improve energy efficiency during power transmission which leads to better fuel economy.

In 2011, Valeo Nanjing was awarded by the Jiangning Environment Bureau "Green Company" certification for its outstanding environmental behavior. It has also been recognized by Shanghai GM for its excellent work in the Green Supply Chain Project. Valeo has received strong support from Nanjing Municipal People's Government since its establishment. Valeo's footprint in China can be traced back to 1994. In line with its "Becoming Chinese in China" philosophy, Valeo China has been playing an important role in the local market. Based on its know-how and rich experience, Valeo is gradually improving the production capacity in China. Today it includes 22 sites. In 2012, three new plants were opened (Guangzhou, Wuhu and Huadu). In 2013, three plants are being extended (Foshan, Wuhan and Nanjing) and four other new ones are under construction.

June 18, 2013 Press Release
Valeo and Osram agreed on reciprocal options allowing Valeo to eventually acquire 100% of their joint operations in North America no earlier than 2014 and on reinforcing their global cooperation in automotive lighting business

Valeo SA and Osram GmbH have agreed on an option contract by which, if the reciprocal options are exercised by Osram or Valeo early 2014, Valeo would be committed to acquire Osram shares in the companies' joint operations in North America (until then, Valeo and Osram will continue operating in North America under a 50%/50% joint venture).

Valeo and Osram have also agreed to reinforce their cooperation in automotive lighting business with a global strategic supply agreement.
The closing of the transaction will be subject to approval by the competent antitrust authorities.

June 6, 2013 Press Release
Valeo: 2013 Annual Shareholders' Meeting

Valeo's Annual Shareholders' Meeting was held on June 6, 2013 under the chairmanship of Pascal Colombani, Chairman of the Board of Directors. During the meeting, shareholders approved the 2012 financial statements that were published on February 22, 2013.
They also re-elected Michael Jay and Gérard Blanc to the Board and elected as a new member Sophie Dutordoir, who is Director and General Manager of Electrabel.
All of the other resolutions, including the payment of a dividend of €1.50 per share, were also adopted.
The results of the vote on each resolution may be viewed on the Valeo website.

May 24, 2013 Press Release
Closing of Access Mechanisms

As announced on May 23, 2013, the sale to U-Shin by Valeo of its Access Mechanisms Business (save for its Indian portion) took place on May 24, 2013.

May 23, 2013 Press Release
Closing of Access Mechanisms

Valeo announced on May 23, 2013 that the sale to Japan-based U-Shin of its Access Mechanisms Business (save for its Indian portion to be closed as soon as the necessary procedures are completed) is scheduled to complete on May 24, 2013, with economic effect as of April 30, 2013, for an enterprise value of 203 million Euros.

The Access Mechanisms Business, which is primarily mechanical based, comprises products such as locksets, steering column locks, handles and latches. Broadly present in Europe and South America the business generated 580 million Euros in sales in 2012. It operates 12 plants and has 4,500 employees.

The proposed divestment is aligned with Valeo's strategy of focusing on solutions to reduce CO_2 emissions and on stepping up its development in Asia and in emerging markets.

U-Shin is one of Asia's largest producers of automotive access mechanisms. Through the acquisition of Valeo's Access Mechanisms Business, U-Shin would become a global market leader with a diversified customer base and a front-rank presence in Asia, Europe and South America.

April 24, 2013 Press Release
Valeo reports 1.1% growth in consolidated sales on a like-for-like basis [*:Constant Group structure and exchange rates] for first-quarter 2013 despite a 9% drop in automotive production in Europe.*

Jacques Aschenbroich, Valeo's Chief Executive Officer, stated:
"*Valeo's performance in the first quarter once again proved the strength of our strategy, which is based on innovations and the expansion of our business in Asia and emerging countries. On the back of the ramp-up of our projects and an excellent performance in China and North America, the Group reported 1.1% growth in like-for-like sales and outpaced the market in the main automotive production regions, offsetting particularly strong economic headwinds in Europe*."

First-quarter 2013

- Consolidated sales remained stable at 3,039 million euros, up 1.1% on a like-for-like basis
- Original equipment sales came in at 2,575 million euros, stable on a like-for-like basis.
  The impact of the marked downturn in the European market was offset by above-market growth in the main automotive production regions:
    - up 5 percentage points in Europe
    - up 8 percentage points in North America
    - up 7 percentage points in China
- Aftermarket sales totaled 382 million euros, up 3.5% on a reported basis and 4.2% like-for-like

2013 outlook confirmed

At this time, Valeo confirms its guidance for 2013 as published last February.

Following the meeting of its Board of Directors on April 24, 2013, Valeo released its sales figures for the first quarter of 2013:

Global automotive production down 1%

In the first quarter of 2013, global automotive production fell 1%, reflecting widely contrasting results across the various regions:

	Change in Q1 2013*
Asia and Middle East	+1%
Europe & Africa	-9%
North America	+1%
South America	+9%
Total	**-1%**

** LMC estimates*

- European automotive production (down 9%) was impacted by the economic crisis and the resulting fall in new vehicle registrations.
- Global automotive production declined slightly despite a strong performance in Asian and American markets.

Sales up 1.1% on a like-for-like basis despite economic headwinds in Europe

Sales increased 1.1% on a like-for-like basis: changes in exchange rates had a negative impact of 1.4% while changes in Group structure had a positive 0.5% impact.

The Group's consolidated sales came to 3,039 million euros, in line with first-quarter 2012.

In millions of euros	**Q1 2012***	**Q1 2013***	**Change**	**Change****
Total	**3,033**	**3,039**	**+0.2%**	**+1.1%**
of which:				
Original equipment	2,602	2,575	-1.0%	0.0%
Aftermarket	369	382	+3.5%	+4.2%
Miscellaneous	62	82	+32.3%	+34.2%

** Unaudited*
*** Like-for-like*

Original equipment sales (86% of total sales) remained stable on a like-for-like basis, with the Group's above-market performance in the main automotive production regions offsetting particularly strong economic headwinds in Europe.

Aftermarket sales (12% of total sales) advanced 4.2% like-for-like on the back of the performance of the Group's businesses in Asia and emerging countries as well as in Europe.

Miscellaneous sales (2% of total sales) benefited from significant increases in tooling revenues resulting from the launch of new production lines, climbing 34.2% like-for-like.

Foreign customers represented 82% of original equipment sales, with German and Asian customers combined accounting for 55%

The share of German customers during the first quarter remained stable at 29% of original equipment sales, while the share of Asian customers declined to 26% (versus 29% in first-quarter 2012), reflecting Japanese customers' high level of activity in first-quarter 2012. American customers represented 20% of original equipment sales (versus 17% in the same year-ago period), in the process overtaking French customers who accounted for 18% of original equipment sales.

Above-market growth in original equipment sales in the main production regions enabled Valeo to offset the marked economic downturn in Europe

Valeo's original equipment sales remained stable on a like-for-like basis, standing at one percentage point higher than global automotive production (down 1%).

In millions of euros	**Q1 2012***	**Q1 2013***	**Change OE sales****	**Change automotive production*****
Total	**2,602**	**2,575**	**+0%**	**-1%**
of which:				
Europe	1,404	1,348	-4%	-9%
Asia	624	628	+2%	+1%
of which China	*229*	*282*	*+20%*	*+13%*
of which Japan	*202*	*140*	*-22%*	*-12%*
North America	422	460	+9%	+1%
South America	152	139	+3%	+9%

** Unaudited*
*** Like-for-like*
**** LMC estimates*

Valeo's performance in each of its production regions over the first three months of the year was as follows:

- **In Europe**, Valeo’s like-for-like original equipment sales slipped 4% whereas automotive production retreated 9%. The Group therefore reported an excellent performance, outpacing the market by 5 percentage points, driven by the appeal of its portfolio of high-tech products and a favorable customer mix.

- **In Asia**, original equipment sales were up 2% on a like-for-like basis, beating the market by 1 percentage point. This performance is attributable to a sharp increase in original equipment sales in South Korea, China and India (with growth outpacing automotive production by 6, 7 and 15 percentage points, respectively) and an unfavorable customer mix in Japan.

- **In North America**, like-for-like original equipment sales climbed 9%, once again outpacing automotive production (up 1%) thanks to a favorable customer mix, reflecting a strong performance by American customers.

- **In South America**, like-for-like original equipment sales advanced 3%, versus a 9% increase in automotive production, standing at 6 percentage points lower than the market on the back of a low order intake in 2006 and 2007 and an unfavorable customer mix.

Share of original equipment sales produced in Asia and emerging countries remained stable at 53%

In the first quarter of 2013, Valeo continued to rebalance its businesses:
- the share of original equipment sales produced in Western Europe decreased to 38% (versus 40% in the same year-ago period);
- the share of original equipment sales produced in Asia and emerging countries (including Eastern Europe) remained stable at 53%.

Strong growth for the Visibility Systems Business Group

As was the case for the consolidated Group, the sales performance for each Business Group reflected the specific geographic and customer mix and the relative weighting of the aftermarket in their activity as a whole.

Business Group sales In millions of euros	**Q1 2012***	**Q1 2013***	**Change sales**	**Change OE sales****
Comfort & Driving Assistance Systems	657	629	-4%	-3%
Powertrain Systems	855	833	-3%	-2%
Thermal Systems	864	824	-5%	-3%
Visibility Systems	685	782	+14%	+10%

** Unaudited*

*** Like-for-like*

Thanks to the success of the Visibility Systems Business Group's innovative Lighting Systems and the ramp-up of new projects, sales for the Business Group grew 14% to 782 million euros.

2013 outlook confirmed

Given that business levels observed during first-quarter 2013 are consistent with the scenario outlined at the start of the year, i.e.:
- decline in automotive production in Europe in the region of 4%,
- growth in global automotive production in the region of 1%,
- raw material prices in line with 2012 levels;

At this time, Valeo confirms its objectives for 2013:
- sales growth higher than the market in the main production regions,
- assuming an upturn in the European market in the second half of 2013, operating margin in line with 2012 (in millions of euros) despite a decline in the first half of the year as a result of market conditions.

Highlights

On April 2, 2013, Valeo announced that, for technical reasons, the closing regarding the sale of the Access Mechanisms business to Japan-based U-Shin did not occur as initially expected at the end of March, but should take place within a short period of time.
On January 29, 2013, Moody's Rating Services confirmed its "Baa3/P3" long- and short-term corporate credit ratings for Valeo with a stable outlook.

Upcoming event

Annual Shareholders' Meeting: June 6, 2013.
First-half 2013 results: July 30, 2013.

GENERAL INFORMATION

The paragraphs (3) and (4) of section “Recent Developments” appearing on page 82 of the Base Prospectus are amended as follow:

(3) *Material adverse change in the prospects of the Issuer*

Save as disclosed in item 7.1 of the cross reference table on page 24 in this Base Prospectus (including the Documents Incorporated by Reference), there has been no material adverse change in the prospects of the Issuer since 30 June 2013.

(4) *No significant change in the financial or trading position of the Issuer*

Save as disclosed in item 11.6 of the cross reference table on page 26 in this Base Prospectus (including the Documents Incorporated by Reference), there has been no significant change in the financial or trading position of the Issuer since 30 June 2013.

PERSON RESPONSIBLE FOR THE PROSPECTUS SUPPLEMENT NO. 1

Person responsible for this Prospectus Supplement no. 1

Jacques Aschenbroich, Chief Executive Officer

Declaration by the person responsible for this Prospectus Supplement no. 1

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. 1 is in accordance with the facts and contains no omission likely to affect its import.

The review report of the statutory auditors of the Issuer on the unaudited consolidated financial statements for the half-year ended 30 June 2013 includes one emphasis paragraph (relating to a change in accounting principles).

Paris, 7 January 2014

Valeo
43, rue Bayen
75848 Paris Cedex 17
France

Duly represented by Jacques Aschenbroich
Chief Executive Officer

AMF | AUTORITÉ DES MARCHÉS FINANCIERS

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 (*Réglement 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. 1 the visa n°14-003 on 7 January 2014. The base prospectus, as supplemented by this Prospectus Supplement no. 1, may only be used for the purposes of a financial transaction if completed by Final Terms. This Prospectus Supplement No. 1 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. 1, shall be subject to the publication of Final Terms setting out the terms of the securities being issued.