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A French *société anonyme* with a capital of € 234,628,851
Registered office: 43, rue Bayen - 75017 Paris
Registry of Commerce and Companies of Paris 552 030 967

DESCRIPTION OF THE SHARE BUY-BACK PROGRAM

TO BE SUBMITTED FOR APPROVAL TO THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING TO BE HELD ON JUNE 9, 2009

Prepared in accordance with Articles 241-1 *et seq.* of the General Rules of the *Autorité des marchés financiers* (AMF), this description of the share buy-back program aims to indicate the objectives, terms and conditions of the new share buy-back program of Valeo (the "Company") to be submitted for approval to the ordinary and extraordinary shareholders' meeting to be held on June 9, 2009.

Valeo is an independent industrial group fully dedicated to the design, manufacturing and sale of components, integrated systems and modules for cars and heavy trucks.

The Company's shares are listed on Euronext Paris.

A. – MAIN FEATURES OF THE NEW SHARE BUY-BACK PROGRAM

Valeo's Board of Directors would like the Company to continue to have access to a share buy-back program.

For such purpose, the Ordinary and Extraordinary Shareholders' Meeting to be held on June 9, 2009 will be asked to put an end to the sixth resolution adopted by the Shareholders' Meeting of June 20, 2008 and to authorize, through a vote approving the seventh resolution, the implementation of a new share buy-back program, in accordance with the provisions of Articles L. 225-209 *et seq.* of the French Commercial Code, Title IV of Book II of the AMF General Rules and EC Regulation no. 2273/2003 dated December 22, 2003.

1°) Date of the Shareholders' Meeting called to Authorize the New Share Buy-Back Program

The new share buy-back program will be submitted for approval to the Ordinary and Extraordinary Shareholders' Meeting of June 9, 2009.

2°) Number of Shares and Interest held by the Issuer

As at May 29, 2009, the total number of shares directly or indirectly held by Valeo is 3,075,869 shares, representing 3.93% of the Company's capital.

3°) Breakdown by Objectives of the Shares held by Valeo

As at May 29, 2009:

- 2,671,869 shares are allocated for hedging in connection with the stock option purchase plans of the Company, at the same level as at the end of December 2008.
- 404,000 shares are allocated for implementing the liquidity agreement entered into with CA Cheuvreux on April 22, 2004 and amended on June 24, 2005, in accordance with the ethical charter of the *Association Française des Entreprises d'Investissement* (A.F.E.I.) approved by the AMF on March 22, 2005 (that has now become the ethical charter of the *Association des Marchés Financiers (AMAFI)* approved by the AMF on October 1st, 2008).

4°) Objectives of the New Share Buy-Back Program

Under the new share buy-back program that will be submitted to the Shareholders' Meeting of June 9, 2009, Valeo is considering repurchasing its shares, or having its shares repurchased, with a view:

- to implement stock option plans of the Company under the terms of Articles L. 225-177 *et seq.* of the French Commercial Code; or
- to grant or transfer shares to employees in respect of their participation in the proceeds of the Company's expansion or to implement company savings plans under the terms provided for by law, in particular Articles L. 3332-1 *et seq.* of the French Labor Code; or
- to grant free shares in accordance with the provisions of articles L. 225-197-1 *et seq.* of the French Commercial Code; or
- to deliver shares at the time of the exercise of rights attached to securities giving access to the capital through redemption, conversion, exchange, presentation of a warrant or otherwise;
- to cancel all or part of the securities so repurchased; subject to the Extraordinary General Meeting's adoption of the thirteenth resolution of the final notice of meeting (*avis de convocation*) published in the Bulletin of Mandatory Legal Announcements (*Bulletin des Annonces Légales Obligatoires*) on May 25, 2009, and in accordance with the terms set forth therein; or
- to deliver shares (for exchange, payment or otherwise) as part of external growth, merger, spin-off or contribution transactions; or

- to have a provider of investment services act on the secondary market or act on the liquidity of Valeo shares under a liquidity agreement in compliance with the ethical charter recognized by the *Autorité des marchés financiers*.

5°) Maximum Proportion of Capital to be Purchased and Maximum Number of Securities that may be Acquired under the New Share Buy-Back Program

The maximum proportion of the Company's share capital that may be bought back under the new share buy-back program shall be 10% of the total number of shares comprising the Company's capital (for information purposes, the total capital is composed of 78,209,617 shares as at May 29, 2009).

In accordance with Article L. 225-210 of the French Commercial Code, the number of shares that Valeo can hold at any time may not exceed 10% of the shares comprising the Company's capital on the date in question.

Considering the securities already held, *i.e.* 3,075,869 shares as at May 29, 2009 (3.93% of the capital) and subject to possible adjustments affecting the Company's share capital subsequent to the Ordinary and Extraordinary Shareholders' Meeting of June 9, 2009, 4,745,092 shares may be bought back (6.07% of the capital based on the share capital as at May 30, 2009).

Securities that Valeo is proposing to acquire are exclusively shares.

6°) Maximum Unit Purchase Price

The maximum purchase price for the shares under the new share buy-back program shall be € 45 per share; it being specified that such price may be adjusted in case of change in the share's par value, capital increase by capitalizing reserves, granting of free shares, stock split or reverse stock split, distribution of reserves or any other assets, depreciation of the capital, or any other transaction affecting shareholders' equity, in order to take into account the effect of such transactions on the stock price.

The overall maximum amount authorized for the completion of the new share buy-back program shall be € 350 million, including costs and fees. Valeo may use all of the authorized program.

7) Term of the New Share Buy-Back Program

In accordance with the seventh resolution that will be submitted to approval during the Ordinary and Extraordinary Shareholders' Meeting of June 9, 2009, the new share buy-back program may be implemented over an eighteen-month period following the date of the Meeting, *i.e.* until December 9, 2010.

B. – SYNTHESIS OF THE TRANSACTIONS CARRIED OUT ON TREASURY SHARES BY VALEO FROM MAY 30, 2008 TO MAY 29, 2009

Percentage of capital directly or indirectly held by the Company as at May 29, 2009: 3.93%
Number of shares cancelled during the last 24 months: 0
Number of shares held in portfolio as at May 29, 2009: 3,075,869
Book value of the portfolio as at May 29, 2009: € 68,400,172.97
Market value of the portfolio as at May 29, 2009: € 45,645,895.96

1) Transactions carried out from June 21, 2008 to May 29, 2009

Pursuant to its sixth resolution, the Ordinary and Extraordinary Shareholders' Meeting of June 20, 2008 authorized the Board of Directors to buy back shares of the Company.

Under such program, the transactions carried out on treasury shares during the period between June 21, 2008 and May 29, 2009 were as follows:

	Cumulated Gross Flows		Positions Opened as at May 29, 2009			
	Purchases	Sales/Transfers	Positions Opened for Purchase		Positions Opened for Sale	
Period between 06/21/2008 and 05/29/2009						
Number of Shares	Liquidity agreement: 1,202,694 Agreement of partial management: 1,399,399	Sales: 1,235,694 Free shares: 26,500	Purchased Stock Options	Future Purchases	Sold Stock Options	Future Sales
Average Maximum Expiry Date			No position opened	No position opened	No position opened	No position opened

	Cumulated Gross Flows		Positions Opened as at May 29, 2009			
	Purchases	Sales/Transfers	Positions Opened for Purchase		Positions Opened for Sale	
Period between 06/21/2008 and 05/29/2009						
Average Price for the Transaction (€)	Liquidity agreement: 17.72* Agreement for partial management: 16.48*	Sales: 21.97*				
Average Exercise Price (€)	No position opened or past due forward contracts	No position opened or past due forward contracts	No position opened	No position opened	No position opened	No position opened
Amounts (€)	Liquidity agreement: 21,314,737.10 Agreement for partial management: 23,058,761.51	Sales: 27,145,944.36				

* Average price

- Under the liquidity agreement entered into with CA Cheuvreux, 1,202,694 Company shares have been bought for a total amount of € 21,314,737.10, and 1,235,694 Company shares have been sold for a total amount of € 27,145,944.36;
- Under the agreement of partial management of the share buy-back program entered into with an investment services provider in order to ensure the implementation of any and all share buy-back programs.
 - Agreement at August 8, 2008 : 488,218 Company shares have been purchased on October 16, 2009 for a total amount of € 11,052,767.30
 - Agreement at November 4, 2008: 911,181 Company shares have been purchased on November 19, 2008 for a total amount of € 12,005,994.21.

The treasury shares were not reallocated for other purposes provided for in the share buy-back program.

2°) Transactions carried out from June 1st, 2008 to June 20, 2008

For the period between June 1st, 2008 (day following the date on which the report of the previous share buy-back program was prepared) and June 20, 2008, the transactions carried out on the treasury shares under the share buy-back program authorized by the Ordinary and Extraordinary Shareholders' Meeting of June 21, 2007 were as follows:

	Cumulated Gross Flows		Positions Opened as June 1 st , 2008			
	Purchases	Sales/Transfers	Positions Opened for Purchase		Positions Opened for Sale	
Period between 06/01/2008 and 06/20/2008						
Number of Shares	104,018	55,262	Purchased Stock Options	Future Purchases	Sold Stock Options	Future Sales
Average Maximum Expiry Date			No position opened	No position opened	No position opened	No position opened
Average Price for the Transaction (€)	22.61*	23.11*				
Average Exercise Price (€)	No position opened or past due forward contracts	No position opened or past due forward contracts				
Amounts (€)	2,352,107.78	1,277,302.86				

* Average price

All the purchases and sales of securities mentioned in the cumulated gross flows scheduled above were carried out under the aforementioned liquidity agreement. Valeo did not use any derivative products in the context of such program.