H1 2016 Results
Jacques Aschenbroich
Chairman and CEO
## The New Valeo: a virtuous circle

**H1 2016**

<table>
<thead>
<tr>
<th>Metric</th>
<th>H1 15</th>
<th>H1 16</th>
<th>Year-on-year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net R&amp;D (as a % of sales)</td>
<td>5.5%</td>
<td>6.0%</td>
<td>+0.5pts</td>
</tr>
<tr>
<td>Order intake (€bn)</td>
<td>10.7</td>
<td>12.8</td>
<td>+20%</td>
</tr>
<tr>
<td><strong>Innovative products (in a % of order intake)</strong></td>
<td>30%</td>
<td>45%</td>
<td>+15pts</td>
</tr>
<tr>
<td>Sales (€bn)</td>
<td>7.3</td>
<td>8.1</td>
<td>+11%</td>
</tr>
<tr>
<td>Gross margin (as a % of sales)</td>
<td>17.5%</td>
<td>18.3%</td>
<td>+0.8pts</td>
</tr>
<tr>
<td>Operating margin* (as a % of sales)</td>
<td>7.4%</td>
<td>8.0%</td>
<td>+0.6pts</td>
</tr>
<tr>
<td>Net income (as a % of sales)</td>
<td>4.7%</td>
<td>5.2%</td>
<td>+0.5pts</td>
</tr>
</tbody>
</table>

* Including joint ventures and associates
Q2: acceleration in growth

Sales of €4.2bn

OEM sales of €3.7bn

OEM sales outperformance

<table>
<thead>
<tr>
<th>Region</th>
<th>Growth (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>+13%</td>
</tr>
<tr>
<td>Europe</td>
<td>+16%</td>
</tr>
<tr>
<td>China</td>
<td>+9%</td>
</tr>
<tr>
<td>Asia (excluding China)</td>
<td>+14%</td>
</tr>
<tr>
<td>North America</td>
<td>+9%</td>
</tr>
<tr>
<td>South America</td>
<td>+1%</td>
</tr>
</tbody>
</table>

Outperformance (2)

<table>
<thead>
<tr>
<th>Region</th>
<th>Growth (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>+13%</td>
</tr>
<tr>
<td>Europe</td>
<td>+16%</td>
</tr>
<tr>
<td>China</td>
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</tr>
<tr>
<td>Asia (excluding China)</td>
<td>+14%</td>
</tr>
<tr>
<td>North America</td>
<td>+9%</td>
</tr>
<tr>
<td>South America</td>
<td>+1%</td>
</tr>
</tbody>
</table>

Aftermarket sales of €0.4bn

Successful integration of the 2 acquisitions, peiker and Spheros

(1) Constant Group structure and exchange rates.
(2) Versus automotive production
The New Valeo: less cyclical thanks to outperformance in all production regions and Business Groups

H1 highlights

<table>
<thead>
<tr>
<th>Fueled by innovation</th>
<th>Order intake(^{(1)}) of €12.8bn</th>
<th>+20%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less cyclical thanks to outperformance driven by higher content per car due to increased added value</td>
<td>Sales of €8.1bn</td>
<td>+11% as reported +11% like-for-like(^{(2)})</td>
</tr>
<tr>
<td></td>
<td>OEM sales of €7.1bn</td>
<td>+13% as reported +11.5% like-for-like(^{(2)})</td>
</tr>
<tr>
<td></td>
<td>OEM sales outperformance</td>
<td>Outperformance(^{(3)})</td>
</tr>
<tr>
<td></td>
<td>World</td>
<td>Growth(^{(2)})</td>
</tr>
<tr>
<td></td>
<td>Europe</td>
<td>+11.5%</td>
</tr>
<tr>
<td></td>
<td>China</td>
<td>+13%</td>
</tr>
<tr>
<td></td>
<td>Asia (excluding China)</td>
<td>+11%</td>
</tr>
<tr>
<td></td>
<td>North America</td>
<td>+12%</td>
</tr>
<tr>
<td></td>
<td>South America</td>
<td>+10%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-6%</td>
</tr>
</tbody>
</table>

Aftermarket sales of €0.8bn

\(^{(1)}\) See glossary page 42
\(^{(2)}\) Constant Group structure and exchange rates.
\(^{(3)}\) Versus automotive production
### The New Valeo: strong improvement in profitability

#### H1 highlights

<table>
<thead>
<tr>
<th>Strong improvement in profitability</th>
<th>Operating margin* of €647m</th>
<th>8.0% of sales</th>
<th>up 20%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Net income of €422m</td>
<td>5.2% of sales</td>
<td>up 23%</td>
</tr>
<tr>
<td></td>
<td>EPS of €1.79</td>
<td></td>
<td>up 22%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Significant increase in cash generation</th>
<th>EBITDA(^{(1)}) of €1,052m</th>
<th>12.9% of sales</th>
<th>up 15%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Free cash flow(^{(1)}) of €339m</td>
<td></td>
<td>up 11%</td>
</tr>
<tr>
<td></td>
<td>Cash conversion rate (FCF/EBITDA)</td>
<td></td>
<td>32%</td>
</tr>
<tr>
<td></td>
<td>ROCE(^{(1)})</td>
<td></td>
<td>36%</td>
</tr>
<tr>
<td></td>
<td>ROA(^{(1)})</td>
<td></td>
<td>21%</td>
</tr>
<tr>
<td></td>
<td>Net debt(^{(1)}) of €739m</td>
<td></td>
<td>up €615m vs end-2015</td>
</tr>
</tbody>
</table>

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\(^{(1)}\) See glossary page 42

* incl. joint ventures and associates in accordance with new IFRS standards
2016 outlook

Based on the following assumptions:

- An increase in global automotive production of around 2.5%, including:
  - Europe: around 2%
  - China: around 5%
  - North America: around 2%
- Raw material prices and exchange rates in line with current levels

Thanks to vigorous sales growth and the strong outperformance of our original equipment sales on the world's main markets, we can confidently confirm the full-year 2016 objectives that were announced on publication of our 2015 annual results, despite the uncertainties that may affect the European automotive market following the recent Brexit decision by the United Kingdom.
Half year order intake of €12.8bn, up 20% confirming high growth potential
Acceleration in order intake up 20% to €12.8bn…
… confirming Valeo’s strong future capacity to outperform automotive production

Order intake**
€bn

FY order intake**
€bn

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

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

**Excluding Access Mechanisms business from 2005 to 2013 and including joint ventures consolidated proportionally

July 26, 2016
Acceleration in order intake fueling future market outperformance
Chinese OEMs represent 22% of Chinese OEM sales and 43% of Chinese order intake

% of H1 2016 OEM sales*

- Europe: €3.6bn (50%)
- China: €1bn (15%)
- Asia: €0.9bn (27%)
- NA: €1.6bn (21%)

OEM sales: €7.1bn

% of H1 2016 order intake*

- China: €3.1bn (24%)
- Europe: €4.7bn (27%)
- Asia: €1.7bn (37%)
- NA: €0.2bn (0.2%)

Order intake: €12.8bn

*OEM sales and order intake by destination including joint-ventures consolidated proportionally
Record high order intake sustained by high level of innovations
Strong positioning of technologies for CO₂ emissions reduction

Internal combustion engine

- Cabin filters
- Air intake module
- Active Grill Shutter
- Electric supercharger
- Stop-Start System
- Dual mass Flywheel
- Dual-clutch
- Two-vane rotary compressor

Lighting business

LED technology

July 26, 2016
Record high order intake sustained by high level of innovations
Strong positioning of technologies for CO$_2$ emissions reduction

Hybrid electric powertrain

- DC/DC converter
- Battery thermal management module
- Battery chargers
- Power electronics box inverter
- Electric compressor
- 48V
Record high order intake sustained by high level of innovations
Strong positioning of technologies for intuitive driving

- Cruise4U®
- 360Vue®
- Sensors
- Camera co-developed with Mobileye®
- Park4U®
- Radars
- Valeo InBlue® Virtual Key System
- Laser scanner
- Hand-free access and start system
- LaneGuide®

July 26, 2016

Valeo
Acceleration in sales growth throughout H1

Sales of €8.1bn, up 11% like-for-like
up 11% as reported

OEM sales up 11.5% like-for like
10-point outperformance, up 13% as reported

Aftermarket sales up 6% like-for-like
up 4% as reported
Acceleration in sales growth in Q2
H1 sales up 11% like-for-like (up 11% as reported) to €8.1bn

<table>
<thead>
<tr>
<th></th>
<th>Q1 16</th>
<th>Q2 16</th>
<th>H1 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>€m</td>
<td>3,917</td>
<td>4,213</td>
<td>8,130</td>
</tr>
<tr>
<td>Reported</td>
<td>+9%</td>
<td>+13%</td>
<td>+11%</td>
</tr>
<tr>
<td>Q1-2015</td>
<td>3,581</td>
<td>-1.1%</td>
<td>-1.8%</td>
</tr>
<tr>
<td>Exchange rates</td>
<td>3,717</td>
<td>-2.5%</td>
<td>-1.8%</td>
</tr>
<tr>
<td>Scope</td>
<td>+0.9%</td>
<td>+3.8%</td>
<td>+2.4%</td>
</tr>
</tbody>
</table>
Acceleration in OEM sales growth in Q2
H1 OEM sales up 11.5% like-for-like (up 13% as reported) to €7.1bn
Improvement in aftermarket sales (up 6% and up 7% like-for-like respectively in Q1 and Q2)
OEM sales accelerated in Q2 leading to outperformance improvement to 11 percentage points in Q2 from 9 percentage points in Q1.

- **North America**: 22% of Valeo sales, Production*** +2%, OEM sales** +9%, Outperf. +7pts.
- **Europe**: 52% of Valeo sales, Production*** +6%, Outperf. +10pts.
- **Asia* excl. China**: 12% of Valeo sales, Production*** -2%, OEM sales** +14%, Outperf. +16pts.
- **China**: 12% of Valeo sales, Production*** +4%, OEM sales** +9%, Outperf. +5pts.
- **World**: +13%.

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

- **Q2**
  - Like-for-like

- **24% of total sales**
  - Asia
  - Production** +1%
  - Outperf. +10pts

- **50% of Asian sales**
  - China
  - Production** +4%
  - Outperf. +5pts

- **25% of Asian sales**
  - Korea
  - Production** -5%
  - Outperf. +31pts

- **17% of Asian sales**
  - Japan
  - Production** -6%
  - Outperf. +1pt

- **4% of Asian sales**
  - India
  - Production** +6%
  - Outperf. +23pts

*Valeo OEM sales by destination
**LMC estimates – light vehicle production
OEM sales acceleration throughout H1
Outperforming the global market by 10 percentage points
Higher content per car due to increased added value

- OEM sales acceleration throughout H1
- Outperforming the global market by 10 percentage points
- Higher content per car due to increased added value

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

July 26, 2016
Outperformance in all Asian countries

25% of total sales
Asia
Production** +1%
Outperf. +10pts

24% of Asian sales
Korea
Production** -4%

50% of Asian sales
China
Production** +5%
Outperf. +29pts

18% of Asian sales
Japan
Production** -7%
Outperf. +4pts

4% of Asian sales
India
Production** +7%
Outperf. +36pts

43% of total sales
Outperformed +29pts

Valeo OEM sales by destination
**LMC estimates – light vehicle production
Balanced geographic positioning
Asia and emerging markets accounted for 53% of OEM sales

OEM sales by production region

54% in Asia & emerging countries

H1 2015

H1 2016
Balanced customer portfolio

% of OEM sales

H1 2015

- French*: 16%
- American: 23%
- Asian**: 25%
- Other: 6%
- German: 30%

H1 2016

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

* Excluding Nissan
** Including Nissan
Outperformance in all Business Groups
Group sales accelerated throughout H1 particularly at Powertrain and Thermal
Successful integration of the acquisitions, peiker and Spheros

<table>
<thead>
<tr>
<th></th>
<th>H1 2016 total sales growth (year-on-year)</th>
<th>OEM sales growth (like-for-like)</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q1</td>
<td>Q2</td>
<td>H1</td>
</tr>
<tr>
<td>CDA*</td>
<td>+24%</td>
<td>+17%</td>
<td>+16%</td>
</tr>
<tr>
<td>Powertrain</td>
<td>+4%</td>
<td>+6%</td>
<td>+11%</td>
</tr>
<tr>
<td>Thermal</td>
<td>+10%</td>
<td>+7%</td>
<td>+10%</td>
</tr>
<tr>
<td>Visibility</td>
<td>+10%</td>
<td>+13%</td>
<td>+15%</td>
</tr>
<tr>
<td>Group</td>
<td>+11%</td>
<td>+10%</td>
<td>+13%</td>
</tr>
</tbody>
</table>

* Comfort & Driving Assistance

July 26, 2016
Operating margin*  
up 20% to €647m (8.0% of sales)  

Net income  
up 23% to €422m (5.2% of sales)

* incl. JV & Associates
Gross margin up 16% to €1,488m or 18.3% of sales
Improvement driven by volume impact

€1,280m

+16%

€1,488m

17.5%

+0.9pts

-0.2pts

+0.1pts

-0.2pts

+0.2pts

18.3%

H1 15

Product mix/Volume/inflation

Depreciation linked to growth

South America

Other including exchange rates

Perimeter

H1 16

NB: rounded figures
21% increase in net R&D expenditure, to 6.0% of sales, up 50bps to sustain record high order intake
SG&A expenses down 30bps to 4.7% of sales

SG&A
In €m and as a % of sales

<table>
<thead>
<tr>
<th></th>
<th>H1 15</th>
<th></th>
<th>H1 16</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Selling</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>expenses</td>
<td>115</td>
<td>1.6%</td>
<td>124</td>
<td>1.5%</td>
</tr>
<tr>
<td>Admin.</td>
<td>248</td>
<td>3.4%</td>
<td>260</td>
<td>3.2%</td>
</tr>
</tbody>
</table>

Selling expenses down 10bps, Admin. expenses down 20bps, total SG&A down 30bps.
Operating margin* up 20% to €647m or 8.0% of sales

* Including joint ventures and associates
NB: rounded figures
Net income up 23% to €422m or 5.2% of sales

<table>
<thead>
<tr>
<th></th>
<th>H1 15</th>
<th>H1 16</th>
<th>▲</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total sales (€m)</strong></td>
<td>7,298</td>
<td>8,130</td>
<td>+11%</td>
</tr>
<tr>
<td><strong>Operating margin excl. JV &amp; Associates (€m)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As a % of sales</td>
<td>515</td>
<td>619</td>
<td>+20%</td>
</tr>
<tr>
<td></td>
<td>7.1%</td>
<td>7.6%</td>
<td>+50bps</td>
</tr>
<tr>
<td>JV &amp; Associates (€m)</td>
<td>23</td>
<td>28</td>
<td>+22%</td>
</tr>
<tr>
<td>As a % of sales</td>
<td>0.3%</td>
<td>0.3%</td>
<td>0bp</td>
</tr>
<tr>
<td><strong>Operating margin incl JV &amp; Associates (€m)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As a % of sales</td>
<td>538</td>
<td>647</td>
<td>+20%</td>
</tr>
<tr>
<td></td>
<td>7.4%</td>
<td>8.0%</td>
<td>+60bps</td>
</tr>
<tr>
<td>Other income &amp; expenses (€m)</td>
<td>(21)</td>
<td>(34)</td>
<td>+62%</td>
</tr>
<tr>
<td>As a % of sales</td>
<td>-0.3%</td>
<td>-0.4%</td>
<td>+10bps</td>
</tr>
<tr>
<td><strong>Operating income (€m)</strong></td>
<td>517</td>
<td>613</td>
<td>+19%</td>
</tr>
<tr>
<td>As a % of sales</td>
<td>7.1%</td>
<td>7.5%</td>
<td>+40bps</td>
</tr>
<tr>
<td>Cost of net debt (€m)</td>
<td>(43)</td>
<td>(43)</td>
<td>0%</td>
</tr>
<tr>
<td>Other financial expenses (€m)</td>
<td>(26)</td>
<td>(24)</td>
<td>-8%</td>
</tr>
<tr>
<td><strong>Income before taxes (€m)</strong></td>
<td>448</td>
<td>546</td>
<td>+22%</td>
</tr>
<tr>
<td>Taxes (€m)</td>
<td>(80)</td>
<td>(97)</td>
<td>+21%</td>
</tr>
<tr>
<td><em>Effective tax rate</em></td>
<td>18.8%</td>
<td>18.7%</td>
<td>-0.1pts</td>
</tr>
<tr>
<td>Non-controlling interests and other (€m)</td>
<td>(24)</td>
<td>(27)</td>
<td>+13%</td>
</tr>
<tr>
<td><strong>Net income (€m)</strong></td>
<td>344</td>
<td>422</td>
<td>+23%</td>
</tr>
<tr>
<td>As a % of sales</td>
<td>4.7%</td>
<td>5.2%</td>
<td>+50bps</td>
</tr>
</tbody>
</table>
Net income up 23%
Excluding non-recurring items, net income up 26%

<table>
<thead>
<tr>
<th></th>
<th>H1 15</th>
<th>H1 16</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income (€m)</td>
<td>344</td>
<td>422</td>
<td>+23%</td>
</tr>
<tr>
<td>EPS</td>
<td>€1.47</td>
<td>€1.79</td>
<td>+22%</td>
</tr>
<tr>
<td>Net income (€m) (excluding non-recurring items)</td>
<td>357</td>
<td>451</td>
<td>+26%</td>
</tr>
<tr>
<td>EPS (excluding non-recurring items)</td>
<td>€1.53</td>
<td>€1.91</td>
<td>+25%</td>
</tr>
</tbody>
</table>
ROCE at 36%

<table>
<thead>
<tr>
<th></th>
<th>H1 15</th>
<th>H1 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total sales</td>
<td>€7.3bn</td>
<td>€8.1bn</td>
</tr>
<tr>
<td>Operating margin*</td>
<td>7.4%</td>
<td>8.0%</td>
</tr>
<tr>
<td>ROCE</td>
<td>32%</td>
<td>36%</td>
</tr>
<tr>
<td>ROA</td>
<td>21%</td>
<td>21%</td>
</tr>
</tbody>
</table>

* Including joint ventures and associates
Free cash flow of €339m
EBITDA margin up 40bps or 15% to 12.9% of sales

<table>
<thead>
<tr>
<th>As a % of sales</th>
<th>H1 15</th>
<th>H1 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comfort &amp; Driving Assistance</td>
<td>14.4</td>
<td>14.5</td>
</tr>
<tr>
<td>Powertrain</td>
<td>12.1</td>
<td>12.7</td>
</tr>
<tr>
<td>Thermal</td>
<td>11.1</td>
<td>10.1</td>
</tr>
<tr>
<td>Visibility</td>
<td>11.8</td>
<td>13.9</td>
</tr>
<tr>
<td>TOTAL</td>
<td>12.5</td>
<td>12.9</td>
</tr>
</tbody>
</table>

*Restated in accordance with IFRIC 21

*July 26, 2016*
Recorded capex including capitalized R&D of €619m
Supporting record high order intake

In €m

H1 15  |  H1 16
---|---
535  |  619
362  |  410
173  |  209

* excluding capitalized R&D

Capex*  |  Capitalized R&D
---|---
H1 15  |  7.4%  |  5.0%  |  2.4%
H1 16  |  7.6%  |  5.0%  |  2.6%

July 26, 2016
Free cash flow of €339m

<table>
<thead>
<tr>
<th></th>
<th>H1 15</th>
<th>H1 16</th>
<th>+15%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBITDA (€m)</strong></td>
<td>913</td>
<td>1,052</td>
<td></td>
</tr>
<tr>
<td>Operating working capital (€m)</td>
<td>48</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>Restructuring &amp; employee-related costs (€m)</td>
<td>(11)</td>
<td>(18)</td>
<td></td>
</tr>
<tr>
<td>Other operating items (incl. taxes) (€m)</td>
<td>(105)</td>
<td>(128)</td>
<td></td>
</tr>
<tr>
<td>Of which:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>(81)</td>
<td>(133)</td>
<td></td>
</tr>
<tr>
<td>Pensions</td>
<td>(16)</td>
<td>(11)</td>
<td></td>
</tr>
<tr>
<td><em><em>Cash from operating activities</em> (€m)</em>*</td>
<td>845</td>
<td>946</td>
<td></td>
</tr>
<tr>
<td>Capex (incl. capitalized R&amp;D) (€m)**</td>
<td>(539)</td>
<td>(607)</td>
<td></td>
</tr>
<tr>
<td><em><em>Free cash flow</em> (€m)</em>*</td>
<td>306</td>
<td>339</td>
<td></td>
</tr>
<tr>
<td>(before interest payments)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest (€m)</td>
<td>(56)</td>
<td>(52)</td>
<td></td>
</tr>
<tr>
<td>Other financial items (€m)</td>
<td>(141)</td>
<td>(896)</td>
<td></td>
</tr>
<tr>
<td><strong>Net cash flow</strong>(1) (€m)</td>
<td>109</td>
<td>(609)</td>
<td></td>
</tr>
<tr>
<td><strong>Net debt (€m)</strong></td>
<td>272</td>
<td>739</td>
<td></td>
</tr>
</tbody>
</table>

*excluding sale of trade receivables
**cash outflow
(1) See glossary page 42

Of which:
- Acquisitions of peiker & Spheros €610m
- Dividend paid to shareholders €236m

July 26, 2016
Strong balance sheet
Leverage & gearing ratios less than 0.4x and 21% respectively
Group ratings confirmed by S&P and Moody’s

### Leverage: net debt/EBITDA

<table>
<thead>
<tr>
<th>Period</th>
<th>Net debt (€m)</th>
<th>EBITDA 12 months rolling (€m)</th>
<th>After taking account of FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2015</td>
<td>272</td>
<td>1,705</td>
<td>3,533</td>
</tr>
<tr>
<td>Dec 31, 2015</td>
<td>124</td>
<td>1,847</td>
<td>3,473</td>
</tr>
<tr>
<td>June 30, 2016</td>
<td>739</td>
<td>1,986</td>
<td>3,151</td>
</tr>
</tbody>
</table>

### Gearing: net debt/stockholders’ equity

<table>
<thead>
<tr>
<th>Period</th>
<th>Net debt (€m)</th>
<th>Stockholders’ equity (€m) excluding non-controlling interests</th>
<th>After taking account of FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2015</td>
<td>272</td>
<td>1,559</td>
<td>3,533</td>
</tr>
<tr>
<td>Dec 31, 2015</td>
<td>124</td>
<td>820</td>
<td>3,473</td>
</tr>
<tr>
<td>June 30, 2016</td>
<td>739</td>
<td>820</td>
<td>3,151</td>
</tr>
</tbody>
</table>

- **Gearing**: 9% (June 30, 2015), 4% (Dec 31, 2015), 21% (June 30, 2016)
- **Leverage**: 0.2x (June 30, 2015), 0.1x (Dec 31, 2015), 0.4x (June 30, 2016)

**Ratings**:
- Moody’s: LT Baa2, Outlook Stable, ST Prime-2
- S&P: LT BBB, Outlook Stable, ST A-2
Debt maturity profile lengthened to 5.9 years from 4.3 years at end-2015

Average maturity: 5.9 years
2016 outlook
2016 outlook

Based on the following assumptions:

- An increase in global automotive production of around 2.5%, including:
  - Europe: around 2%
  - China: around 5%
  - North America: around 2%
- Raw material prices and exchange rates in line with current levels

Thanks to vigorous sales growth and the strong outperformance of our original equipment sales on the world's main markets, we can confidently confirm the full-year 2016 objectives that were announced on publication of our 2015 annual results, despite the uncertainties that may affect the European automotive market following the recent Brexit decision by the United Kingdom.
Contact

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Website: www.valeo.com
## Share Information

### Share Data

- **Bloomberg Ticker**: FR FP
- **Reuters Ticker**: VLOF.PA
- **ISIN Number**: FR 0013176526
- **Shares outstanding as of June 30, 2016**: 238,387,620

### ADR Data

- **Ticker/trading symbol**: VLEEY
- **CUSIP Number**: 919134304
- **Exchange**: OTC
- **Ratio (ADR: ord)**: 1:2
- **Depositary Bank**: J.P. Morgan
- **Contact at J.P. Morgan – ADR broker relationship desk**: Jim Reeves +1 212-622-2710
Glossary

1) **Order intake** corresponds to business awarded by automakers during the period (including joint ventures at least 50%-owned by the Group) less any cancellations, based on Valeo’s best reasonable estimates in terms of volumes, selling prices and project lifespans. Based on Valeo’s best reasonable estimates in terms of volumes, selling prices and project lifespans. *Unaudited indicator.*

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

3) **Net attributable income excluding non-recurring items** corresponds to net attributable income adjusted for "other income and expenses" net of tax and non-recurring income and expenses net of tax shown in operating margin including share in net earnings of equity-accounted companies.

4) **ROCE**, or return on capital employed, corresponds to operating margin (including share in net earnings of equity-accounted companies) in relation to capital employed (including investments in equity-accounted companies) excluding goodwill.

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

6) **EBITDA** corresponds to (i) operating margin before depreciation, amortization and impairment losses (included in the operating margin), and (ii) net dividends received from equity accounted companies.

7) **Free cash flow** corresponds to net cash from operating activities (excluding changes in the sale of non-recurring trade receivables) after taking into account acquisitions and disposals of property, plant and equipment and intangible assets.

8) **Net cash flow** corresponds to free cash flow less (i) cash flows in respect of investing activities, relating to acquisitions and disposals of investments and to changes in certain items shown in non-current financial assets, (ii) cash flows in respect of financing activities, relating to dividends paid, treasury share purchases and sales, interest paid and received, and acquisitions of equity interests without a change in control, and (iii) changes in sales of non-recurring trade receivables.

9) **Net debt** comprises all long-term debt, short-term debt and bank overdrafts, less loans and other non-current financial assets, cash and cash equivalents.
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 25, 2016 (under no. D.16-0211). With respect to risks relating to legal actions resulting from antitrust investigations, Valeo has set aside USD 8,750,000 to pay for settlement agreements entered into with automotive end users and automotive dealers. If approved by the court, these settlements will terminate the two U.S. air conditioning systems class action lawsuits brought by end users and automotive dealers against Valeo. Valeo has not admitted to any wrong-doing or liability in connection with these settlements.

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.