DESCRIPTION OF THE SHARE BUY-BACK PROGRAM

TO BE SUBMITTED FOR APPROVAL TO THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS’ MEETING TO BE HELD ON MAY 21, 2007

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 May 21, 2007.

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 Eurolist by Euronext.

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 May 21, 2007 will be asked to put an end to the fifth resolution adopted by the Shareholders’ Meeting of May 17, 2006 and to authorize, through a vote approving the fifth 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 May 21, 2007.

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

As at May 15, 2007, the total number of shares directly or indirectly held by Valeo is 590,353 shares, representing 0.76% of the Company’s capital.

3°) **Breaking-down per Objectives of the Shares held by Valeo**

As at May 15, 2007,

- 559,377 shares are allocated for hedging in connection with the stock option purchase plans of the Company; and

- 25,000 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.

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

Under the new share buy-back program that will be submitted to the Ordinary and Extraordinary Shareholders’ Meeting of May 21, 2007, Valeo is considering repurchasing its shares, or having its shares repurchased, with a view:

- to implement stock option purchase plans of the Company under the terms of Articles L. 225-177 *et seq.* of the French Commercial Code;

- to grant or transfer shares to employees in respect of their participation in the proceeds of the Company’s expansion and to implement company savings plans under the terms provided for by law, in particular Articles L. 443-1 *et seq.* of the French Labor Code;

- 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 adoption by the Extraordinary Shareholders’ Meeting of the twenty-fourth resolution below and pursuant to the terms mentioned therein;

- 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*; or
to have a provider of investment services carry out purchases, sales or transfers through any means, in particular in the context of transactions carried out off-market.

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 77,580,617 shares as at May 15, 2007), it being specified that the number of shares purchased in order to be held and subsequently delivered as part of a merger, spin-off or contribution transaction shall not exceed 5% of the share capital.

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.* 584,377 shares as at May 15, 2007 (0.75% of the capital) and subject to possible adjustments affecting the Company’s share capital subsequent to the Ordinary and Extraordinary Shareholders’ Meeting of May 21, 2007, 7,117,685 shares (9.25% of the capital) may be bought back.

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 € 60 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 € 600 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 fifth resolution that will be submitted to approval during the Ordinary and Extraordinary Shareholders’ Meeting of May 21, 2007, the new share buy-back program may be implemented over an eighteen-month period following the date of the Meeting, *i.e.* until November 21, 2008.
B. – SYNTHESIS OF THE TRANSACTIONS CARRIED OUT ON TREASURY SHARES BY VALEO FROM MAY 13, 2006 TO MAY 15, 2007

Percentage of capital directly or indirectly held by the Company as at May 15, 2007: **0.75%**

Number of shares cancelled during the last 24 months: **6,250,000**

Number of shares held in portfolio as at May 15, 2007: **584,377**

Book value of the portfolio as at May 15, 2007: **€ 19,325,353.00**

Market value of the portfolio as at May 15, 2007: **€ 23,427,673.93**

1°) **Transactions carried out from May 18, 2006 to May 15, 2007**

Pursuant to its fifth resolution, the Ordinary and Extraordinary Shareholders’ Meeting of May 17, 2006 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 May 18, 2006 and May 15, 2007 were as follows:

<table>
<thead>
<tr>
<th>Period between 18/05/2006 to 15/05/2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cumulated Gross Flows</strong></td>
</tr>
<tr>
<td>Purchases</td>
</tr>
<tr>
<td>Number of Shares</td>
</tr>
<tr>
<td>Average Maximum Expiry Date</td>
</tr>
<tr>
<td>Average Price for the Transaction (€)</td>
</tr>
<tr>
<td>Average Exercise Price (€)</td>
</tr>
<tr>
<td>Amounts (€)</td>
</tr>
</tbody>
</table>
All the purchases and sales of securities mentioned in the cumulated gross flows scheduled above were carried out under the liquidity agreement entered into with CA Cheuvreux on April 22, 2004, as amended on June 24, 2005. Valeo did not use any derivative products in the context of this program.

2°) Transactions carried out from May 13, 2006 to May 17, 2006

For the period between May 13, 2006 (day following the date on which the report of the previous share buy-back program was prepared) and May 17, 2006, the transactions carried out on the treasury shares under the share buy-back program authorized by the Ordinary and Extraordinary Shareholders’ Meeting of May 3, 2005 were as follows:

<table>
<thead>
<tr>
<th>Period between 05/13/2006 to 05/17/2006</th>
<th>Cumulated Gross Flows</th>
<th>Positions Opened as at May 17, 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Purchases</td>
<td>Sales/Transfers</td>
</tr>
<tr>
<td>Number of Shares</td>
<td>60,000</td>
<td>17,500</td>
</tr>
<tr>
<td>Average Maximum Expiry Date</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Price for the Transaction (€)</td>
<td>31.52</td>
<td>33.91</td>
</tr>
<tr>
<td>Average Exercise Price (€)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts (€)</td>
<td>1,891,400.00</td>
<td>593,455.69</td>
</tr>
</tbody>
</table>

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.