



Final Terms dated 10 May 2011

VALEO

**Issue of EUR 500,000,000 4.875 per cent. Notes due 11 May 2018 (the "Notes")
under the Euro 2,000,000,000 Euro Medium Term Note Programme**

**SERIES N°: 2
TRANCHE N°: 1**

Joint Lead Managers

**BNP PARIBAS
CITIGROUP GLOBAL MARKETS LIMITED
HSBC BANK PLC
NATIXIS
SOCIETE GENERALE**

Co-Lead Managers

**MITSUBISHI UFJ SECURITIES INTERNATIONAL PLC
MIZUHO INTERNATIONAL PLC**

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 13 April 2011 which received visa no. 11-108 from the *Autorité des marchés financiers* (the “AMF”) on 13 April 2011 and the supplement to the Base Prospectus dated 27 April 2011 which received visa no. 11-131 from the AMF on 27 April 2011 which together constitute a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003) as amended by Directive 2010/73/EC (the “**2010 PD Amending Directive**”) to the extent implemented in the Relevant Member State (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus as so supplemented. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus as so supplemented. The Base Prospectus, the supplement to the Base Prospectus and the Final Terms are available for viewing at the office of the Paying Agents during normal business hours and on the websites of (a) the *Autorité des marchés financiers* (www.amf-france.org) and (b) the Issuer (www.valeo.com) and copies may be obtained free of charge from Valeo, 43 rue Bayen, 75017 Paris, France.

1. Issuer: Valeo
2. Series Number: 2
 - (i) Tranche Number: 1
3. Specified Currency or Currencies: Euro (“EUR”)
4. Aggregate Principal Amount of Notes :
 - (i) Series: EUR 500,000,000
 - (ii) Tranche: EUR 500,000,000
5. Issue Price: 99.30 per cent. of the Aggregate Principal Amount
6. Specified Denomination: EUR 100,000
7. Issue Date: 12 May 2011
 - (i) Interest Commencement Date: 12 May 2011
8. Maturity Date: 11 May 2018
9. Interest Basis: 4.875 per cent. Fixed Rate
(further particulars specified below)
10. Redemption/Payment Basis: Redemption at par
11. Change of Interest or Redemption/Payment Basis: Not Applicable

12. Put/Call Options:	Not Applicable
13. Status of the Notes:	Unsubordinated Notes
(i) Date of corporate authorisations for issuance of Notes:	Resolution of the Board of Directors of the Issuer dated 24 February 2011 and <i>décision d'émission</i> of the <i>Directeur Général</i> dated 10 May 2011
14. Method of distribution:	Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions	Applicable
(i) Rate of Interest:	4.875 per cent. per annum payable annually in arrear
(ii) Interest Payment Date(s):	11 May in each year up to and including the Maturity Date (there shall be a first short coupon in respect of the first Interest Period from and including 12 May 2011 to but excluding 11 May 2012 (the " First Interest Period "))
(iii) Fixed Coupon Amount:	EUR 4,875 per cent. per Note of EUR 100,000 Specified Denomination
(iv) Broken Amount(s):	EUR 4,861.68 per Note of EUR 100,000 Specified Denomination in respect of the First Interest Period
(v) Day Count Fraction:	Actual/Actual (ICMA)
(vi) Determination Dates:	11 May in each year
(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
16. Floating Rate Note Provisions	Not Applicable
17. Zero Coupon Note Provisions	Not Applicable
18. Index-Linked Interest Note/other variable-linked interest Note Provisions	Not Applicable
19. Dual Currency Note Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

20. Issuer Call Option	Not Applicable
21. Investor Put Option	Not Applicable
22. Final Redemption Amount of each Note	EUR 100,000 per Note of EUR 100,000 Specified Denomination

23. Early Redemption Amount (Tax) or Early Termination Amount
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| Early Redemption Amount(s) (Tax) of each Note payable on redemption for taxation reasons or Early Termination Amount(s) payable on an event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): | EUR 100,000 per Note of EUR 100,000 Specified Denomination |
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GENERAL PROVISIONS APPLICABLE TO THE NOTES

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| 24. Form of Notes: | Dematerialised Notes |
| (i) Form of Dematerialised Notes: | Bearer dematerialised form (<i>au porteur</i>) |
| (ii) Registration Agent: | Not Applicable |
| (iii) Temporary Global Certificate: | Not Applicable |
| (iv) Applicable TEFRA exemption: | Not Applicable |
| 25. Financial Centre(s) or other special provisions relating to payment dates | Not Applicable |
| 26. Talons for future Coupons or Receipts to be attached to Definitive Bearer Materialised Notes (and dates on which such Talons mature): | No |
| 27. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: | Not Applicable |
| 28. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: | Not Applicable |
| 29. Redenomination, renominatisation and reconventioning provisions: | Not Applicable |
| 30. Consolidation provisions: | Not Applicable |
| 31. "Masse" | The Notes are issued outside France and Condition 11 applies. |

The initial representative of the *Masse* is:

Anne Besson-Imbert
CIB Legal
BNP Paribas
10 Harewood Avenue
London NW1 6AA

The alternative representative of the *Masse* will be:

Alice Bonardi
Legal and Transaction Management Group
BNP Paribas
3 rue Taitbout
75009 Paris

The acting representative shall receive no remuneration.

32. Other final terms:

Not Applicable

33. Applicable tax regime:

As described in the Base Prospectus

DISTRIBUTION

34. If syndicated, names of Managers:

Joint Lead Managers:

BNP PARIBAS
CITIGROUP GLOBAL MARKETS LIMITED
HSBC BANK PLC
NATIXIS
SOCIETE GENERALE

Co-Lead Managers:

MITSUBISHI UFJ SECURITIES INTERNATIONAL
PLC
MIZUHO INTERNATIONAL PLC

(i) Stabilising Manager(s) (if any):

BNP PARIBAS

35. If non-syndicated, name of Dealer:

Not Applicable

36. US Selling Restrictions:

Reg. S Compliance Category 2 ; TEFRA Not Applicable

37. Additional selling restrictions:

Not Applicable

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the regulated market of NYSE Euronext in Paris ("**Euronext Paris**") of the Notes described herein pursuant to the Euro 2,000,000,000 Euro Medium Term Note Programme of Valeo (the "**Issuer**").

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:



By: K. CHARVILLAT

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

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| (i) Listing: | Euronext Paris |
| (ii) Admission to trading: | Application has been made by the Issuer (or on its behalf) for the Notes to be listed and admitted to trading on Euronext Paris with effect from 12 May 2011. |
| (iii) Estimate of total expenses related to admission to trading: | EUR 12,000 |

2. RATINGS

Ratings: The Notes to be issued have been rated:

Moody's: Baa3

Such credit rating agency is established in the European Union and has applied for registration under Regulation (EU) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "CRA Regulation"), although notification of the corresponding registration decision has not yet been provided by the relevant competent authority. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered with the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save as discussed in the Section "Subscription and Sale" of the Base Prospectus, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

4. REASONS FOR THE OFFER

Reasons for the offer: The net proceeds of the issue of the Notes will be used to refinance existing debt of the Issuer. The Issuer intends thereby to take advantage of currently favourable market conditions to lengthen and smooth its debt maturity profile.

5. YIELD

Indication of yield: 4.996 per cent.

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. OPERATIONAL INFORMATION

- (i) ISIN Code: FR0011043124
- (ii) Common Code: 062281561
- (iii) Any clearing system(s) other than Euroclear France and the relevant identification number(s): Not Applicable
- (iv) Delivery: Delivery against payment
- (v) Names and addresses of Initial Paying Agent(s): BNP Paribas Securities Services
Global Corporate Trust
Les Grands Moulins de Pantin
9 rue du Débarcadère
93500 Pantin
- (vi) Names and addresses of additional Paying Agent(s) (if any): Not Applicable

7. GENERAL

The aggregate principal amount of Notes issued has been translated into Euro at the rate of [●], producing a sum of (for Notes not denominated in Euro): Not Applicable