



**ALD**

**(formerly known as ALD International)**

*(incorporated in France as a société anonyme)*

**Second supplement dated 14 February 2018  
to the Euro 6,000,000,000  
Euro Medium Term Note Programme  
Base Prospectus  
dated 26 June 2017**

This supplement (the "**Supplement**") is supplemental to, and should be read in conjunction with, the base prospectus dated 26 June 2017, as supplemented by the first supplement dated 7 November 2017 (together, the "**Base Prospectus**"), and is prepared in relation to the Euro 6,000,000,000 Euro Medium Term Note Programme (the "**Programme**") of ALD (the "**Issuer**"). On 26 June 2017 the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") approved the Base Prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (as amended, including by Directive 2010/73/EU, the "**Prospectus Directive**") and Article 8.4 of the *loi relative aux prospectus pour valeurs mobilières du 10 juillet 2005* (the Luxembourg law on prospectus for securities of 10 July 2005), as amended (the "**Prospectus Act 2005**").

This Supplement constitutes a supplement to the Base Prospectus for the purposes of Article 16 of the Prospectus Directive and pursuant to Article 13 of the Prospectus Act 2005 and it is primarily for the purposes of incorporating by reference the press release of the Issuer relating to the full year 2017 results.

In addition, this Supplement has been prepared for the purpose of:

- (i) amending the section "IMPORTANT NOTICES" included in the Base Prospectus;
- (ii) amending the section "RISKS RELATING TO THE NOTES" of the Base Prospectus by replacing (i) the risk factor under the heading "Financial transaction tax" with a revised risk factor entitled "Financial transaction tax" and (ii) the risk factor under the heading "Risk relating to the new Benchmark Regulation" with a new risk factor entitled "Risk relating to benchmark reforms and licensing";
- (iii) adding a legend to the section "FORM OF FINAL TERMS" in the Base Prospectus;
- (iv) replacing the section "TAXATION – France Taxation" of the Base Prospectus with a new section under the same heading;
- (v) amending certain information in the section "GENERAL INFORMATION" of the Base Prospectus; and
- (vi) amending the address of ALD in the section "REGISTERED OFFICE OF THE ISSUER" of the Base Prospectus.

Unless otherwise defined in this Supplement, terms used herein shall be deemed to be defined as such for the purposes of the relevant Terms and Conditions of the Notes set forth in the Base Prospectus. To the extent that there is any inconsistency between (i) any statement in this Supplement and (ii) any other statement in the Base Prospectus, the statements in (i) above will prevail.

This Supplement has been prepared 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. The Issuer, having taken all reasonable care to ensure that such is the case, confirms that the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect the import of such information. The Issuer accepts responsibility accordingly.

Copies of this Supplement can be obtained, without charge, from the Issuer and the specified office of the Paying Agent, in each case, at the address given at the end of the Base Prospectus.

This Supplement will be published on the websites of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and the Issuer (<http://www.aldautomotive.com/investors/information-and-publications/debt-investors>).

## INFORMATION INCORPORATED BY REFERENCE

The following document which has been previously published and has been filed with the CSSF shall be deemed to be incorporated by reference into, and to form part of, this Supplement: the press release of the Issuer dated 8 February 2018 relating to the full year 2017 results with the exception of the sentence under the heading “GUIDANCE FOR 2018” and comments by Mike Masterson, ALD CEO (page 2 of the 2017 Year End Results) and section “2018 GUIDANCE” (page 6 of the 2017 Year End Results).

The 2017 Full Year Results (as defined below) constitute a profit forecast for purposes of Article 2(11) and the Annex IX of the Commission Regulation (EC) No 809/2004, as amended implementing the Prospectus Directive. The Issuer confirms that this profit forecast has been properly prepared on the basis stated therein and that the basis of accounting is consistent with the accounting policies of the Issuer.

## AMENDMENT TO THE BASE PROSPECTUS

1. The following paragraphs shall be added on page 1 of the Base Prospectus, at the end of the section “IMPORTANT NOTICES”:

“**MIFID II product governance / target market** – The Final Terms in respect of any Notes will include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealer(s) nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.”

2. The content of the section “II. RISKS RELATING TO THE NOTES – A. General risks relating to the Notes” is amended by replacing the risk factor under the following heading “Financial transaction tax” on page 8 of the Base Prospectus with the following risk factor:

### “**Financial transaction tax**

On 14 February 2013, the European Commission published a proposal (the “**Commission’s Proposal**”) for a Directive for a common financial transaction tax (“**FTT**”) in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (the “**Participating Member States**”). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and, if introduced in its current form, could apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes provided that at least one party to the transaction is established or deemed established in a Participating Member State and that at least one party is a financial institution. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

However, the Commission's Proposal remains subject to negotiation between the Participating Member States and its scope is uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective investors should consult their own tax advisers in relation to the FTT."

3. The content of the section "II. RISKS RELATING TO THE NOTES – B. Risks related to the structure of a particular issue of Notes" is amended by replacing the risk factor under the following heading "Risk relating to the new Benchmark Regulation" on pages 10-11 of the Base Prospectus with the following risk factor:

**"Risk relating to benchmark reforms and licensing**

Interest rates and indices which are deemed to be "benchmarks" are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a benchmark.

The Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the "**Benchmark Regulation**") was published in the Official Journal of the European Union on 29 June 2016 and entered into force on 30 June 2016. It applies across the European Union from 1 January 2018, with the exception of certain provisions (specified in article 59, mainly on critical benchmarks) that applied from 30 June 2016 and certain provisions which amend Regulation (EU) No 596/2014 on market abuse (the "**Market Abuse Regulation**") and therefore became effective on the date of entry into force of the Market Abuse Regulation, 3 July 2016.

The purpose of the Benchmark Regulation is to regulate the risk of manipulating the value of indices and to reduce the risk of conflicts of interests arising. It aims at improving the quality (integrity and accuracy) of the input data and the transparency of the methodologies used by administrators and at improving governance and controls of both administrators' and contributors' activities.

The Benchmark Regulation will apply to "contributors", "administrators" and "users" of "benchmarks" in the EU, and will, among other things, (i) require benchmark administrators to be authorised or registered by the competent authority (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of "benchmarks" and (ii) prevent certain uses by EU supervised entities of "benchmarks" of administrators that are not authorised/registered (or, if non-EU-based, deemed equivalent or otherwise recognised or endorsed). The scope of the Benchmark Regulation is wide and will apply to many interest rate indices, as well as equity, commodity and foreign exchange rate indices and other indices (including "proprietary" indices or strategies) which are referenced in certain financial instruments where used to determine the amount payable under or the value or performance of certain financial instruments traded on a trading venue or via a "systematic internaliser", financial contracts and investment funds.

In order to provide a proportionate response to the risks that different benchmarks pose, the Benchmark Regulation distinguishes different types of "benchmark" depending on quantitative and qualitative criteria and subjects these different types of benchmarks to more or less stringent requirements.

The Benchmark Regulation could have a material impact on any Notes traded on a trading venue or via a "systematic internaliser" linked to a "benchmark" index, including in any of the following circumstances:

- (i) an index which is a "benchmark" could not be used as such if its administrator does not obtain the required authorisation, registration or if it is based in a non-EU jurisdiction, the equivalence conditions or recognitions and the Notes could be adjusted, redeemed prior to maturity or otherwise impacted in accordance with the Conditions; and
- (ii) the methodology or other terms of the "benchmark" could be changed in order to comply with the terms of the Benchmark Regulation, and such changes could have the effect of reducing or increasing the level or affecting the volatility of the published level, and could lead to adjustments pursuant to the Conditions.

The Benchmark Regulation (and further guidance in relation to it) could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements.

Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the disappearance of certain "benchmarks". The disappearance of a "benchmark" or changes in the manner of administration of a "benchmark" could result in adjustments to the Notes in accordance with the Terms and Conditions of the Notes, including early redemption of the Notes. Any such consequence could have a material adverse effect on the value of and return on the Notes.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. For example, on 27 July 2017, the U.K. Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the London interbank offered rate ("**LIBOR**") benchmark after 2021 (the "**FCA Announcement**"). The FCA Announcement indicated that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the terms and conditions, or result in other consequences, in respect of any Notes referencing such benchmark (including but not limited to floating rate Notes whose interest rates reference LIBOR). Such factors may have the effect, amongst other things, of: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes referencing a benchmark."

4. The content of first paragraph of section "INFORMATION INCORPORATED BY REFERENCE" on page 20 of the Base Prospectus is deleted and replaced as follows:

"The following information shall be deemed to be incorporated by reference in, and to form part of, this Base Prospectus:

1. English version of the registration document of the Issuer dated 11 May 2017 which includes the audited consolidated financial statements of the Issuer in respect of the years ended 31 December 2016, 31 December 2015 and 31 December 2014 and statutory auditors' audit report thereon and the unaudited interim condensed consolidated financial statements and statutory auditors' review report for the three months ended 31 March 2017 and which was filed with the *Autorité des marchés financiers* on the 11 May 2017 under visa no. 17-042 (the "**2017 Registration Document**"), with the exception of cover page (page 1), Chapter 1 (page 8) and Chapter 13.3 (pages 194-197) of the 2017 Registration Document;
2. the financial report of the Issuer for the first half of 2017 which includes the Issuer's interim condensed consolidated financial statements for the six months ended 30 June 2017 and the auditors' review report thereon (the "**Half Year 2017 Results**");
3. the press release of the Issuer dated 8 February 2018 relating to the full year 2017 results (the "**2017 Year End Results**"), with the exception of the sentence under the heading "GUIDANCE FOR 2018"

and comments by Mike Masterson, ALD CEO (page 2 of the 2017 Year End Results) and section “2018 GUIDANCE” (page 6 of the 2017 Year End Results); and

4. the section "Terms and Conditions of the Notes" of the following base prospectuses relating to the Programme: (i) base prospectus dated 8 July 2016 (pages 36 to 57) (the "**2016 Conditions**"), (ii) base prospectus dated 30 June 2015 (pages 36 to 56) (the "**2015 Conditions**"), (iii) base prospectus dated 29 April 2014 (pages 34 to 53) (the "**2014 Conditions**") and (iv) base prospectus dated 29 April 2013 (pages 33 to 52) (the "**2013 Conditions**").”

The content of section “CROSS-REFERENCE TABLE IN RESPECT OF INFORMATION INCORPORATED BY REFERENCE REGARDING THE ISSUER AND THE GROUP- Prospectus Regulation – Annex IX – A9.11.1” on page 22 of the Base Prospectus is deleted and replaced with the following:

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Prospectus Regulation – Annex IX	
<p>A9.11.1      <b>Historical Financial Information</b></p> <p>Audited historical financial information covering the latest 2 financial years (or such shorter period that the issuer has been in operation), and the audit report in respect of each year.</p> <p>(a) consolidated income statements;</p> <p>(b) consolidated statements of comprehensive income;</p> <p>(c) consolidated balance sheet;</p> <p>(d) consolidated statements of changes in equity;</p> <p>(e) consolidated statements of cash flows; and</p> <p>(f) notes to consolidated financial statements</p>	<p>Pages 255-336 and 341-366 of the 2017 Registration Document</p> <p>Pages 258 and 343 of the 2017 Registration Document Page 11 of the Half Year 2017 Results Pages 8 and 9 of the 2017 Year End Results</p> <p>Pages 259 and 344 of the 2017 Registration Document Page 12 of the Half Year 2017 Results</p> <p>Pages 260 and 345 of the 2017 Registration Document Page 13 of the Half Year 2017 Results</p> <p>Pages 261 and 346-347 of the 2017 Registration Document Page 14 of the Half Year 2017 Results</p> <p>Pages 262-263 and 348-349 of the 2017 Registration Document Page 15 of the Half Year 2017 Results</p> <p>Pages 264-336 and 350-365 of the 2017 Registration Document Pages 16-36 of the Half Year 2017 Results</p>

5. The section “FORM OF FINAL TERMS” included on pages 28-37 of the Base Prospectus is amended as follows:

The following legend shall be added on page 28 of the Base prospectus as a second paragraph:

“**[MIFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes, taking into account the five categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018, has led to the conclusion that: (i) the target market for the Notes is eligible counterparties

and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]”

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6. The content of the section “TAXATION – France Taxation” on pages 64-65 of the Base Prospectus is deleted and replaced as follows:

#### “**France Taxation**

*The following is a basic summary of certain French withholding tax considerations that may be relevant to Noteholders who do not concurrently hold shares of the Issuer. This overview is based on French tax laws and interpretation hereof currently in force and does not purport to constitute a complete tax analysis of all of the tax considerations relating to the Notes, whether in this country or elsewhere, nor to be viewed as legal advice. Prospective purchasers are urged to consult with their own tax advisers prior to purchasing the Notes to determine the tax implications of investing in the Notes in light of each purchaser's circumstances.*

##### *Withholding tax*

Payments of interest and other revenues made by the Issuer with respect to the Notes will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a "**Non-Cooperative State**"). If such payments under the Notes are made in a Non-Cooperative State, a 75 per cent. withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*.

Furthermore, according to Article 238 A of the French *Code général des impôts*, interest and other revenues on such Notes will not be deductible from the Issuer's taxable income, if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid to a bank account opened in a financial institution located in such a Non-Cooperative State (the "**Deductibility Exclusion**"). Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Article 109 and *seq.* of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts*, at a rate of 30 per cent. or 75 per cent. for legal entities, or 12.8 per cent. or 75 per cent. for individuals (subject to the more favourable provisions of any applicable double tax treaty).

Notwithstanding the foregoing, neither the 75 per cent. withholding tax set out under Article 125 A III of the French *Code général des impôts* nor, to the extent the relevant interest or revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, the Deductibility Exclusion, (and therefore the withholding tax set out under article 119 *bis* 2 of the French *Code général des impôts* which may apply as a result of the Deductibility Exclusion) will apply in respect of a particular issue of Notes if the Issuer can prove that the principal purpose and effect of such issue of Notes were not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "**Exception**"). Pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* (BOI-INT-DG-20-50-20140211, n°550 and n°990, BOI-RPPM-RCM-30-10-20-40-20140211, n°70 and n°80, and BOI-IR-DOMIC-10-20-20-60-20150320 n°10), an issue of the Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of such issue of Notes, if such Notes are:

- (i) offered by means of a public offer within the meaning of Article L 411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer made in a State other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- (ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (iii) admitted, at the time of their issue, to the operations of a central depository or of a securities clearing

and delivery and payments systems operator within the meaning of Article L 561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositaries or operators provided that such depositary or operator is not located in a Non-Cooperative State.

*Withholding tax applicable to French tax resident investors*

Pursuant to Article 125 A of the French *Code général des impôts*, where the paying agent (*établissement payeur*) is established in France and subject to certain limited exceptions, interest and other similar revenues received by French tax resident individuals are subject to a 12.8 per cent. withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 17.2 per cent. on interest and other similar revenues paid to French tax resident individuals.”

7. The content of paragraphs 1 and 3 of section “GENERAL INFORMATION” on pages 71-72 of the Base Prospectus are amended as follows:

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**1. AUTHORISATION**

The establishment of the Programme was authorised by the *Conseil d'Administration* of the Issuer dated 15 April 2013. No authorisation procedure is required of the Issuer by French law for the update of the Programme. However, to the extent that Notes issued by the Issuer under the Programme may constitute *obligations* under French law, the issue of such Notes have been authorised by a resolution of the Board of Directors of the Issuer dated 7 February 2018 for a period of 1 year up to a maximum amount of €2,000,000,000.

**3. SIGNIFICANT CHANGE/MATERIAL ADVERSE CHANGE**

Except as otherwise mentioned in the sections headed (i) “Recent Developments” on pages 62-63 of this Base Prospectus, (ii) “Key Strategic Initiatives & Operational Developments” and “Events Subsequent to 30 June 2017” on pages 5-6 of the Half Year 2017 Results and (iii) “Key Strategic Initiatives & Operational Developments” on pages 4-5 of the 2017 Year End Results , there has been no material adverse change in the prospects of the Issuer since 31 December 2016 nor any significant change in the financial or trading position of the Issuer and ALD Automotive since 30 June 2017.”

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8. The address of ALD in “REGISTERED OFFICE OF THE ISSUER” on page 73 of the Base Prospectus is amended as follows:

« **ALD**  
1-3 rue Eugène et Armand PEUGEOT  
CS 90111  
92 508 RUEIL-MALMAISON  
France »