FINANCIAL AND DIRECTORS' REPORT 2011

D'Ieteren

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Financial and Directors' Report 2011

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*The topics of Article 96 of the Company Code, defining the content of the management report, that are not applicable for D'Ieteren, have not been included in this summary.

2011 Full-Year Results

D'Ieteren's financial statements present Avis Europe as a "discontinued operation" following the sale of this activity, effective since 3 October 2011 (see page 5). Consequently, unless otherwise stated, this text concerns "continuing operations" only.

ABOUT 2011, JEAN-PIERRE BIZET, CEO, COMMENTS:

"2011 will have been a pivotal year in the life of the group and an exceptional one in several respects. We have sold our short term car rental activities to Avis Budget Group Inc. at attractive terms. We have created a joint venture with the Volkswagen Group, our historical partner, to offer Belgian customers a full line of automotive financial services. Our automobile distribution teams have taken the best advantage of an exceptionally high Belgian market, also managing to gain market share. And our Belron teams, who for the first time have been faced with the combined negative effects of weather conditions and an economic recession, have succeeded in limiting their impact. We have lowered our debt by more than 1 billion EUR and have strengthened our equity. Given the new configuration of the group, the Board of Directors has decided to propose to the AGM a significantly enhanced dividend. We have also defined criteria to search for a new activity. This search has no time constraints and it will be carried out rigorously in order to foster a long term development of the group in the best interests of all its stakeholders".

SUMMARY

- Sales up 8.0% year-on-year at 6.0 billion EUR.
- Result before tax up 8.4% at 297.4 million EUR.
  - Excluding unusual items and re-measurements, result before tax up 10.6% at 322.0 million EUR. This result breaks down as follows:
    - D'Ieteren Auto and Corporate activities: 92.1 million EUR, up 42.6% due to the growth of the market share of the distributed makes at a record level of 21.89% (20.13% in 2010) in a new car market up 4.5% vs a record 2010, thanks to the CO_2 incentives and the announcement of their withdrawal at year-end.
    - Belron: 229.9 million EUR, up 1.5% compared to a very good 2010 thanks to higher shares in markets affected by adverse weather conditions and an unfavourable economic environment, and to cost reductions.
  - Unusual items and re-measurements: -24.6 million EUR (2010 : -16,8 million EUR), notably including, at Belron, restructuring costs, the impairment of certain intangible IT assets and acquisition costs, partially offset by a one-off gain relating to a change in the UK government index for pension revaluations.
- Current consolidated result before tax, group's share, of 305.8 million EUR, up 10.7%.
- Group's share in the result for the period of 312.6 million EUR, including 69.7 million EUR related to discontinued operations.
- Group's net consolidated financial debt[1] of 850.2 million EUR, down 53.4% mainly due to the deconsolidation of the net financial debt and the receipt of the proceeds of the sale of Avis Europe.
- Proposition of the Board of Directors to increase the dividend for 2011 to 0.80 EUR per share (2010: 0.425 EUR).
- Current consolidated result before tax, group's share[2], expected to be down around 25% following an exceptional 2011.

1. AUTOMOBILE DISTRIBUTION (D'IETEREN AUTO) AND CORPORATE ACTIVITIES

- **Belgian market up 4.5% to a record 572,211 new car registrations.**
- **D'Ieteren Auto's share in new car registrations up to 21.89% compared with 20.13% in 2010. This increase is primarily due to the outstanding performance of Volkswagen and Škoda.**
- **New vehicle sales up 20.2% to 2.6 billion EUR, due to increased volumes. Total sales up 17.4% to 3.2 billion EUR.**
- **Operating result up 26.0% to 116.7 million EUR thanks to the effect of increased sales, partially offset by increased marketing investments and higher costs related to the sales increase. Excluding unusual items and re-measurements: up 24.1% to 114.9 million EUR.**
- **Current result before tax, group's share, up 42.8% to 92.7 million EUR.**
- **2012 Belgian market forecast of circa 495,000 new car registrations.**

1.1. Activities and results

D'Ieteren Auto's sales reached 3,208.3 million EUR, i.e. a year-on-year growth of 17.4%. This increase is the result of the Belgian market's continued growth, exceeding the record of 2010, and the increase in market share of the makes distributed by D'Ieteren Auto.

New vehicles

2011 new car registrations in Belgium totalled 572,211 units, up 4.5% on the previous year and up 20.2% compared with 2009, the last year where the Light Commercial Vehicles, Recreational Vehicles and Motorcycles Show was held. The market was supported by the CO_2 incentives, maintained throughout the year. Moreover, the announcement by the Belgian government that these incentives would be withdrawn as from January 1st, 2012, generated some 20,000 extra registrations in December 2011 compared with the previous year.

The makes distributed by D'Ieteren Auto reached a historically high market share of 21.89% in 2011, vs. 20.13% in 2010. This growth mainly reflects the high market share of Volkswagen, which still benefited from the recovery plan put in place in 2009, from the success of its new models and from a sufficient inventory of BlueMotion vehicles, which were very successful at the end of the year when the withdrawal of the CO_2 incentives was announced. Volkswagen reported the strongest growth amongst the main car makes and was therefore the number one make in the Belgian car market in 2011. Audi maintained its leadership in the premium segment, mainly thanks to faster deliveries in the second half and to the success of the A1 and A7 models. Despite the absence of new models, Škoda ended up the year with a record market share, notably thanks to a strong demand for its environmentally-friendly models. Seat's market share remained stable.

Registrations of new light commercial vehicles increased by 16.5% to 62,158 units. D'Ieteren Auto's share grew from 9.33% in 2010 to 11.07% in 2011. This exceptional performance in a buoyant market is mainly due to the success of the new, more economical models and to a particularly dynamic commercial strategy.

Total new vehicles, including light commercial vehicles, delivered by D'Ieteren Auto in 2011 reached 136,199 units, up 15.5% year-on-year. Both this increase in volumes and the mix improvement led to a 20.2% increase in new vehicles sales to 2,649.8 million EUR.

Other activities

Used vehicles sales, mainly defleeting at D'Ieteren Lease, were up 11.0% to 115.3 million EUR.

Sales of spare parts and accessories rose by 6.2% to 178.0 million EUR. This increase is due to the combined effect of a strongly growing new vehicles market and commercial initiatives.

After-sales activities by the D'Ieteren Car Centers grew by 4.9% to 57.4 million EUR.

Sales by D'Ieteren Lease, active in the long-term car rental of the D'Ieteren Auto makes, amounted to 146.6 million EUR, up 3.7%.

Sales by D'Ieteren Sport, mainly Yamaha motorbikes, quads and scooters, decreased by 9.8% to 32.3 million EUR, due to an unfavourable motorcycle market.

Results

The operating result stood at 116.7 million EUR, up 26.0% year-on-year. Excluding unusual items and re-measurements, the current operating result reached 114.9 million EUR, up 24.1%. This increase is mainly due to the increase in new vehicles sales, partially offset by increased marketing investments and higher costs related to the sales increase.

Total net financial costs were 21.6 million EUR, compared with 24.7 million EUR the previous year. Excluding re-measurements of financial instruments (mainly interest rate swaps and the revaluation of puts granted to the family holding company of Belron's CEO) at fair value, current net financial costs were 22.8 million EUR, down 5.2 million EUR compared with 2010. This decrease reflects the reduction in the average net debt resulting notably from the receipt of the proceeds of the sale of Avis Europe and of Belron's dividend.

The current result before tax, group's share, of the Automobile distribution & Corporate segment stood at 92.7 million EUR, up 42.8% year-on-year.

1.2. Key developments

A series of new models was successfully launched or revamped in 2011. At Volkswagen, the Amarok made a remarkable entry into the pick-up segment and the Beetle and Tiguan were launched in the second half. At Audi the A5, A6 and Q3 were launched, whilst Porsche introduced the new 911.

In October 2011, D'Ieteren and Volkswagen Financial Services (a subsidiary of the Volkswagen group) reached an agreement to create a joint venture, Volkswagen D'Ieteren Finance, intended to provide a full range of financial services related to the sale of the Volkswagen group vehicles on the Belgian market. This partnership strengthens the strong link that has existed between D'Ieteren and Volkswagen for over sixty years.

Volkswagen D'Ieteren Finance is operational since February 2012 and has been created by the contribution of D'Ieteren Lease, the D'Ieteren subsidiary active in operational leasing, and of the Volkswagen Bank Belgium operations. Volkswagen D'Ieteren Finance is 50% owned (minus one share) by D'Ieteren and 50% owned (plus one share) by Volkswagen Financial Services. Its Board of Directors and management are equally made up of representatives from D'Ieteren and Volkswagen Financial Services.

Volkswagen D'Ieteren Finance aims at developing a comprehensive, coherent and competitive range of car financing services to individual customers, professionals and dealers. Offering advantageous financing is an efficient promotional and loyalty tool in the individual customer segment. Enlarging the range of financial services and having these actively promoted by a dedicated entity will therefore better exploit this potential and strengthen the position of the makes distributed by D'Ieteren Auto on the retail market. D'Ieteren Auto's leasing services, notably through D'Ieteren lease, are now provided by the new entity and their development will be facilitated by an easier access to capital.

All the debt financing of the new joint venture is provided by the Volkswagen group under the terms applied to its subsidiaries.

D'Ieteren Lease's contribution to the new entity and its accounting using the equity method will lead to a reduction in D'Ieteren's consolidated net financial debt of 283 million EUR and to a consolidated capital gain of around 40 million EUR.

On January 1, 2012, Denis Gorteman succeeded Thierry van Kan as CEO of D'Ieteren Auto.

1.3. Activity outlook 2012

Considering the withdrawal of the CO_2 incentives (on January 1st, 2012) and the resulting anticipated purchase of around 20,000 new vehicles in December 2011, as well as new tax rules for company cars and the current economic environment, the Belgian car market is expected to decrease by 13.5% to 495,000 new car registrations in 2012. On this basis, D'Ieteren Auto pursues its objective of annual market share growth. This year will see a number of models launched or revamped: the up! at Volkswagen, the A8 at Audi, the Citigo at Škoda, the Mii at Seat and the Boxster at Porsche.

2. VEHICLE GLASS REPAIR AND REPLACEMENT (VGRR) – BELRON

- **External sales down 1.1% to 2.8 billion EUR comprising a 0.9% organic decline, due to milder weather compared to an exceptional 2010 and a weaker economic environment, partially offset by segment share gains, a 1.0% adverse currency translation effect and a 0.8% increase due to acquisitions.**
- **Operating result down 0.3% to 234.8 million EUR**
  - **Excluding unusual items and re-measurements, current operating result up 2.6% to 262.3 million EUR due to cost reductions offsetting the impact on margin of the slight sales decline.**
  - **Unusual items and re-measurements: -27.5 million EUR (-20.2 million EUR in 2010) mainly due to restructuring costs, impairment of certain intangible IT assets and acquisition costs, partially offset by a one-off gain relating to a change in the UK government index for pension revaluations.**
- **Current result before tax, group's share, up 0.9% to 213.1 million EUR.**
- **Moderate organic sales growth expected in 2012 given the anticipated economic trends.**

2.1. Activities and results

Sales decreased by 1.1% to 2,769.0 million EUR consisting of an organic decline in sales of 0.9% and an adverse currency impact of 1.0% partially offset by 0.8% from acquisitions. The organic sales decline reflected a decline in the overall 'vehicle glass repair and replacement' market as a result of milder weather in Europe compared to 2010 as well as weaker general economic conditions, offset, in most geographies, by segment share gains and mix improvement. Total repair and replacement jobs decreased by 3% to 11.3 million. The translation impact was primarily due to a weaker US dollar. The acquired growth was mainly achieved in Russia, Canada, and France.

European sales declined by 3.7% which included a reduction in organic sales of 4.6% partially offset by acquisition growth of 0.9%, predominantly due to acquisitions in France during the first half of 2010 and in Russia, where Belron acquired the Mobiscar fitting business in the second half of 2010 and the wholesale business during the first half of 2011. Organic sales decline reflects a weaker overall market due to mild weather conditions and unfavourable economic climate. In most European countries, this was partially offset by segment share gains.

Outside of Europe, sales increased by 2.2%, comprising organic sales growth of 4.0% despite overall market declines, an impact from acquisitions of 0.8%, due primarily to acquisitions in Canada, offset by an adverse currency impact of 2.6% due to a weaker US dollar.

The operating result was 234.8 million EUR, down 0.3%. Excluding unusual items and re-measurements, the current operating result was up 2.6% to 262.3 million EUR. The impact of sales volume declines was offset by cost savings plans implemented during the first half of the year but which did not impact the result until the second half. In addition there were lower long term incentive costs reflecting the lower operating profit.

Unusual costs before tax were 16.2 million EUR and mainly relate to the impairment of certain intangible IT assets following a change in strategy to leverage new technology, acquisition and re-branding costs in Canada, restructuring of the glass repair and replacement operations related to commercial vehicles and coaches in the UK and France, partially offset by a one-off gain relating to a change in the UK government index for pension revaluations from the retail price index to the consumer price index. Re-measurements amounted to 11.4 million EUR and include the amortization of intangibles resulting from acquisitions and changes in the fair value of derivatives.

Net finance costs were 32.5 million EUR (2010: 28.9 million EUR). Before re-measurements resulting from the changes in the fair value of derivatives, current net finance costs increased from 29.0 million EUR to 32.4 million EUR due to higher average borrowings with interest rates remaining largely stable.

Current result before tax, group's share, rose by 0.9% to 213.1 million EUR (2010: 211.3 million EUR).

During the second quarter of 2011, Belron paid dividends relating to 2010 profits of 100 million EUR to its shareholders, of which D'Ieteren's share was 92.7 million EUR.

2.2. Key developments

Belron pursued its central goal of delivering an outstanding service to all of its customers during 2011. Many of the Belron businesses achieved record customer service levels during the year due to the implementation of various improvement initiatives. The customer booking experience was improved and made more convenient by rolling out mobile optimised versions of websites together with iPhone and Android applications. The development and roll out of new tools and processes further enhanced the customer experience by ensuring work was performed more efficiently and to the highest safety levels. This included the launch of a new exclusive repair solution integrating a superior resin and primer which has now been rolled out to the majority of countries.

Further investment in the supply chain has also enabled Belron to respond faster and more efficiently to its customer needs. A new distribution centre was opened in Milan and there were upgrades to other facilities throughout the group which reduced the mileage travelled and improved energy efficiency. New Warehouse Management software with voice picking technology was introduced in Canada which increased productivity and pick accuracy whilst significantly reducing glass damage. Further, the business continued to develop the awareness of its brands, primarily through television advertising and online activities.

In addition to focussing on delivering an outstanding service to its customers, Belron continued to work closely with its insurance and fleet partners by focussing on the total value delivered to these partners through the combination of service and cost. In the USA an agreement was signed with the Allstate Insurance Company, to provide the administration of its vehicle glass repair and replacement claims in the USA commencing 1 January 2012.

Belron also continued to pursue its goal of targeted geographic expansion notably in China with acquisitions in Shenzhen and Changsha and greenfield sites being opened in Shanghai and Beijing. There has also been good progress in consolidating the previously acquired Chinese operations. Elsewhere Belron completed several fill in acquisitions and signed a franchise agreement in Croatia. The business terminated its franchise agreement in Poland. In Canada, the business initiated a major transformation project which included the acquisition of a number of former franchisees. Negotiations are on-going with a number of other franchisees with a view to further acquisitions during 2012.

2.3. Activity outlook 2012

The outlook for 2012 is for flat to moderate organic sales growth due to the anticipated economic trends. Belron remains committed to delivering an outstanding service to its customers, its insurance and fleet partners, and improving its operational efficiency.

3. SHORT-TERM CAR RENTAL – AVIS EUROPE

Avis Europe's latest press release regarding its half-year results was published on 4 August 2011 and is available in English on its website www.avis-europe.com.

On 14 June 2011, Avis Budget Group offered 3.15 GBP in cash, by way of a Scheme of Arrangement, for each Avis Europe share, which valued the entire share capital of Avis Europe at approximately 636 GBP million (719 million EUR at that date) and D'Ieteren's 59.6% share of Avis Europe at approximately 367 GBP million (409 million EUR taking into account the net effect of foreign exchange hedging and transaction costs). This cash consideration of 3.15 GBP per share represented a premium of:

- 60.2% over the 1.966 GBP closing price of Avis Europe shares on 13 June 2011, i.e. the last trading day before the issue of the release; and
- 63.3% over the average closing price of 1.929 GBP of Avis Europe shares for the three months prior to the date of the release.

The disposal of Avis Europe has taken effect on 3 October 2011 and the proceeds of the sale received mid-October.

Following this offer, Avis Europe is presented as discontinued operation in D'Ieteren's 2011 consolidated financial statements. Avis Europe's net contribution to D'Ieteren's result for the period, group's share, amounts to 69.7 million EUR. Moreover, 18.2 million EUR were recognized in the group's consolidated reserves.

FINANCING OF THE ACTIVITIES

The activities of the D'Ieteren group are financed autonomously and independently of each other.

Net financial debt[1] of the D'Ieteren Auto/Corporate segment decreased by 555.1 million EUR to 71.6 million EUR, notably thanks to the receipt of the proceeds of the sale of Avis Europe in October 2011.

Belron's net financial debt[1] increased from 736.8 million EUR to 778.6 million EUR. In 2011, Belron refinanced 250 million USD by a new loan agreement with US institutional investors (maturing in 2018, 2021 and 2023) and at the end of the year agreed a new credit facility over 5 years of 450 million EUR.

D'Ieteren's consolidated net financial debt[1] decreased from 1,823.0 million EUR to 850.2 million EUR.

REINVESTMENT STRATEGY AND DIVIDEND POLICY

Since reaching 92.7% of Belron's equity capital and since the sale of Avis Europe, a highly capital-consuming activity, D'Ieteren's future financing needs – except for new acquisitions – now primarily consist in operational and growth-related investments at Belron and D'Ieteren Auto, which can be financed by these entities without additional funding from the group.

Under such circumstances, and in line with the entrepreneurial spirit which has continually characterized D'Ieteren, the Board of Directors wishes that the freed-up funds be redeployed, by acquisition, in an activity with a qualified leadership team and a proven business model, with a view to further develop the activity, notably internationally, in concert with its management. Such activity should allow the group to play an active ownership role.

The Board of Directors of D'Ieteren has also reviewed its dividend policy.

The Board confirms that it intends to pursue its existing self-financing policy, which has supported the group's development, with a view to strengthen its equity capital and to maintain quality financial ratios. Absent major unforeseen events, the company will ensure a stable or, results permitting, a steadily growing dividend.

The Board of Directors will propose to the AGM a 2011 dividend of EUR 0,80 per share (2010: 0.425 EUR), representing a 18.2% payout of the 2011 consolidated net result group's share of continued activities.

OUTLOOK FOR FY 2012 CURRENT CONSOLIDATED RESULT BEFORE TAX, GROUP'S SHARE[2]

Following the creation of Volkswagen D'Ieteren Finance (see page 3) the perimeter of D'Ieteren's current consolidated result before tax, group's share, is slightly changed: until 2011 it reflected 100% of result of D'Ieteren Lease's long-term lease activity; from 2012 onwards, it will reflect 50% of the result of the combined Volkswagen D'Ieteren Finance entity. For 2012, this change leads to an estimated decrease in the current consolidated result before tax, group's share, of ca. 2%.

Including this change and given the current outlook of its activities as well as the uncertain economic environment, D'Ieteren expects its 2012 current consolidated result before tax, group's share, to decline by around 25% compared with an exceptional 2011.

The financial report of the annual results 2011 is available on D'Ieteren's website (www.dieteren.com) or can be obtained on request.

Notes

[1] Net debt is defined as the sum of the borrowings minus cash, cash equivalents and investments in non-current and current assets.

[2] Following the creation of Volkswagen D'Ieteren Finance, whose results will be accounted for using the equity method, and in order to reflect all the group's activities, the current result before tax, group's share, will from now on include the group's share in the current result before tax of the entities accounted for using the equity method.

s.a. D'Ieteren n.v. Consolidated Financial Statements 2011

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Statement from the responsible persons

We certify that, to the best of our knowledge, the consolidated financial statements as of 31 December 2011, prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and result of s.a. D'Ieteren n.v. and the undertakings included in the consolidation taken as a whole, and that the management report includes a fair review of the development and performance of the business and of the position of s.a. D'Ieteren n.v. and the undertakings included in the consolidation taken as a whole, as well as a description of the principal risks and uncertainties that they face.

On behalf of the Board of Directors,

Jean-Pierre Bizet
Managing Director

Roland D'Ieteren
Chairman

Consolidated Income Statement

Year ended 31 December

EUR million	Notes	2011			2010 [1]		
		Total	Of which		Total	Of which	
			Current items [2]	Unusual items and re-measurements [2]		Current items [2]	Unusual items and re-measurements [2]
Sales	4	**5,977.3**	*5,977.3*	*-*	**5,533.8**	*5,533.8*	*-*
Cost of sales		-4,246.3	*-4,246.4*	*0.1*	-3,833.0	*-3,834.2*	*1.2*
Gross margin		**1,731.0**	*1,730.9*	*0.1*	**1,700.8**	*1,699.6*	*1.2*
Commercial and administrative expenses		-1,369.3	*-1,357.6*	*-11.7*	-1,363.6	*-1,348.6*	*-15.0*
Other operating income		2.2	*2.2*	*-*	0.6	*0.6*	*-*
Other operating expenses		-12.4	*1.7*	*-14.1*	-9.8	*-3.4*	*-6.4*
Operating result	5	**351.5**	*377.2*	*-25.7*	**328.0**	*348.2*	*-20.2*
Net finance costs	6	-54.1	*-55.2*	*1.1*	-53.6	*-57.0*	*3.4*
Result before tax	9	**297.4**	*322.0*	*-24.6*	**274.4**	*291.2*	*-16.8*
Share of result of entities accounted for using the equity method	7	-0.1	*-0.1*	*-*	0.5	*0.5*	*-*
Tax expense	8	-43.7	*-49.5*	*5.8*	-58.1	*-63.2*	*5.1*
Result from continuing operations		**253.6**	*272.4*	*-18.8*	**216.8**	*228.5*	*-11.7*
Discontinued operations	41	122.4	*86.1*	*36.3*	19.4	*27.9*	*-8.5*
RESULT FOR THE PERIOD		**376.0**	*358.5*	*17.5*	**236.2**	*256.4*	*-20.2*
Result attributable to:							
Equity holders of the Parent	9	**312.6**	*312.0*	*0.6*	**218.8**	*234.2*	*-15.4*
Non-controlling interest		63.4	*46.5*	*16.9*	17.4	*22.2*	*-4.8*
Earnings per share for result for the period attributable to equity holders of the Parent							
Basic (EUR)	10	5.66	*5.65*	*0.01*	3.97	*4.26*	*-0.29*
Diluted (EUR)	10	5.63	*5.62*	*0.01*	3.95	*4.23*	*-0.28*
Earnings per share for result from continuing operations attributable to equity holders of the Parent							
Basic (EUR)	10	4.40	*4.71*	*-0.31*	3.76	*3.95*	*-0.19*
Diluted (EUR)	10	4.37	*4.68*	*-0.31*	3.73	*3.93*	*-0.20*

[1] As restated (see note 2.1).
[2] See summary of significant accounting policies in note 2 and unusual items and re-measurements in note 9.

Consolidated Statement of Comprehensive Income

Year ended 31 December

EUR million	Notes	2011	2010
Result for the period		376.0	236.2
Other comprehensive income			
Actuarial gains (losses) on employee benefit obligations	20	*-57.0*	*22.6*
Translation differences		*1.0*	*10.7*
Translation differences: recycling to income statement	41	*7.3*	*-*
Fair value of available-for-sale financial instruments		*-0.1*	*0.1*
Cash flow hedges: fair value gains (losses) in equity		*17.8*	*-9.4*
Cash flow hedges: transferred to income statement		*2.2*	*10.0*
Cash flow hedges: recycling to income statement	41	*6.3*	*-*
Tax relating to actuarial gains (losses) on employee benefit obligations		*15.8*	*-8.6*
Tax relating to translation differences		*-0.4*	*3.3*
Tax relating to cash flow hedges		*-4.9*	*-0.8*
Subtotal		-12.0	27.9
Total comprehensive income for the period		**364.0**	**264.1**
being: Attributable to equity holders of the Parent		*301.1*	*238.7*
Continuing operations		*215.3*	*216.0*
Discontinued operations	41	*85.8*	*22.7*
Attributable to non-controlling interest		*62.9*	*25.4*

Consolidated Statement of Financial Position

At 31 December

EUR million	Notes	2011	2010
Goodwill	11	1,026.0	1,004.6
Other intangible assets	13	428.4	792.2
Vehicles	14	-	658.3
Other property, plant and equipment	15	436.3	475.4
Investment property	16	5.6	5.8
Equity accounted investments	7	3.8	20.3
Available-for-sale financial assets	17	0.5	1.2
Derivative hedging instruments	18	15.7	4.8
Derivatives held for trading	19	-	2.2
Long-term employee benefit assets	20	30.5	39.2
Deferred tax assets	21	54.3	92.3
Other receivables	22	3.0	4.0
Non-current assets		**2,004.1**	**3,100.3**
Non-current assets classified as held for sale	23	347.7	1.7
Inventories	24	626.9	551.4
Derivative hedging instruments	18	1.1	0.1
Derivatives held for trading	19	12.3	19.7
Other financial assets	25	1.1	25.9
Current tax assets	26	7.7	5.9
Trade and other receivables	27	399.4	1,384.9
Cash and cash equivalents	28	250.0	267.2
Current assets		**1,646.2**	**2,256.8**
TOTAL ASSETS		**3,650.3**	**5,357.1**
Capital and reserves attributable to equity holders		1,530.5	1,250.6
Non-controlling interest		1.6	214.1
Equity		**1,532.1**	**1,464.7**
Long-term employee benefit obligations	20	59.1	110.1
Other provisions	30	68.6	96.1
Derivative hedging instruments	18	-	17.3
Borrowings	31/32	788.2	1,738.6
Derivatives held for trading	19	1.1	0.1
Put options granted to non-controlling shareholders	33	154.0	163.0
Other payables	34	7.7	13.3
Deferred tax liabilities	21	45.6	156.6
Non-current liabilities		**1,124.3**	**2,295.1**
Liabilities associated with non-current assets held for sale	23	333.2	-
Provisions	30	8.9	25.3
Derivative hedging instruments	18	-	12.9
Borrowings	31/32	53.1	356.2
Derivatives held for trading	19	7.6	24.6
Current tax liabilities	26	33.4	60.7
Trade and other payables	35	557.7	1,117.6
Current liabilities		**993.9**	**1,597.3**
TOTAL EQUITY AND LIABILITIES		**3,650.3**	**5,357.1**

Consolidated Statement of Changes in Equity

Year ended 31 December

EUR million	Capital and reserves attributable to equity holders										Total Group's share	Non-controlling interest	Equity
	Share capital	Share premium	Treasury shares	Share-based payment reserve	Fair value reserve	Hedging reserve	Retained earnings	Actuarial gains and losses	Taxes	Cumulative translation differences			
At 1 January 2010	**160.0**	**24.4**	**-20.2**	**2.6**	**0.1**	**-3.1**	**931.3**	**-57.0**	**20.5**	**-30.1**	**1,028.5**	**126.1**	**1,154.6**
Treasury shares	-	-	4.6	-	-	-	-	-	-	-	4.6	-	4.6
Dividend 2009 paid in 2010	-	-	-	-	-	-	-17.9	-	-	-	-17.9	-6.3	-24.2
Put options treatment - Movement of the period	-	-	-	-	-	-	-2.6	-	-	-	-2.6	-3.8	-6.4
Other movements	-	-	-	1.9	-	-	-3.3	-	0.7	-	-0.7	72.7	72.0
Total comprehensive income	-	-	-	-	-	-0.2	218.8	18.6	-5.3	6.8	238.7	25.4	264.1
At 31 December 2010	**160.0**	**24.4**	**-15.6**	**4.5**	**0.1**	**-3.3**	**1,126.3**	**-38.4**	**15.9**	**-23.3**	**1,250.6**	**214.1**	**1,464.7**
Treasury shares	-	-	-	-	-	-	-	-	-	-	-	-0.7	-0.7
Dividend 2010 paid in 2011	-	-	-	-	-	-	-23.5	-	-	-	-23.5	-7.3	-30.8
Put options treatment - Movement of the period	-	-	-	-	-	-	-	-	-	-	-	-1.6	-1.6
Scope exit (see note 41)	-	-	-	-	-	-	-	-	-	-	-	-265.2	-265.2
Other movements	-	-	-	2.5	-	-	-0.2	-	-	-	2.3	-0.6	1.7
Total comprehensive income	-	-	-	-	-0.1	24.2	312.6	-51.0	8.8	6.6	301.1	62.9	364.0
At 31 December 2011	**160.0**	**24.4**	**-15.6**	**7.0**	**-**	**20.9**	**1,415.2**	**-89.4**	**24.7**	**-16.7**	**1,530.5**	**1.6**	**1,532.1**

Consolidated Statement of Cash Flows

Year ended 31 December

EUR million	Notes	2011	2010 [1]
Cash flows from operating activities - Continuing			
Operating profit from continuing operations		351.5	328.0
Depreciation of vehicles for operating lease activities	5	62.6	61.5
Depreciation of other items	5	83.0	80.2
Amortisation of other intangible assets	5	24.2	26.5
Impairment losses on goodwill and other non-current assets	9	13.7	-
Other non-cash items	9	4.1	-159.9
Retirement benefit obligations		-25.7	-14.0
Purchase of vehicles for operating lease activities [2]		-183.7	-150.2
Sale of vehicles for operating lease activities [2]		106.4	95.7
Change in net working capital		-106.6	-56.8
Cash generated from operations		**329.5**	**211.0**
Tax paid		-40.2	-53.3
Net cash from operating activities		**289.3**	**157.7**
Cash flows from investing activities - Continuing			
Purchase of fixed assets (excl. vehicles)		-119.9	-137.9
Sale of fixed assets (excl. vehicles)		7.4	2.7
Net capital expenditure		**-112.5**	**-135.2**
Acquisition of non-controlling interest	9	-13.1	-0.3
Acquisition of subsidiaries (net of cash acquired)	9/12	-27.7	-29.8
Disposal of non-controlling interest	9	0.2	16.6
Disposal of subsidiaries (net of cash disposed of)	9/41	302.3	-
Net investment in other financial assets	25	2.5	-5.2
Net cash from investing activities		**151.7**	**-153.9**

[1] As restated (see note 2.1).
[2] Excluding vehicles held under buy-back agreements.

Consolidated Statement of Cash Flows (continued)

Year ended 31 December

EUR million	Notes	2011	2010 [1]
Cash flows from financing activities - Continuing			
Net proceeds from rights issue	9	-	-111.3
Net disposal (acquisition) of treasury shares		-	4.7
Net capital element of finance lease payments		-23.7	-24.1
Net change in other borrowings		-227.7	-43.1
Net interest paid		-53.5	-57.8
Dividends paid by Parent	29	-23.5	-17.9
Dividends received from/(paid by) subsidiaries		-7.3	-6.0
Net cash from financing activities		**-335.7**	**-255.5**
Cash flows from continuing activities		**105.3**	**-251.7**
Cash flows from discontinued operations	41	**-122.2**	**170.6**
TOTAL CASH FLOW FOR THE PERIOD		**-16.9**	**-81.1**
Reconciliation with statement of financial position			
Cash at beginning of period	28	127.8	91.5
Cash equivalents at beginning of period	28	139.4	256.7
Cash and cash equivalents at beginning of period	28	**267.2**	**348.2**
Total cash flow for the period		-16.9	-81.1
Translation differences		-0.2	0.1
Cash and cash equivalents at end of period		**250.1**	**267.2**
Included within "Cash and cash equivalents"	28	*250.0*	*267.2*
Included within "Non-current assets classified as held for sale"	23	*0.1*	-

[1] As restated (see note 2.1).

Notes to the Consolidated Financial Statements

NOTE 1: GENERAL INFORMATION

s.a. D'Ieteren n.v. (the Company or the Parent) is a public company incorporated and domiciled in Belgium, whose controlling shareholders are listed in note 29. The address of the Company's registered office is:
Rue du Mail 50
B-1050 Brussels

The Company and its subsidiaries (together the Group) form an international group, active in sectors of services to the motorist:
- Automobile distribution in Belgium of Volkswagen, Audi, Seat, Skoda, Bentley, Lamborghini, Bugatti, Porsche, and Yamaha;
- Vehicle glass repair and replacement in Europe, North and South America, Australia and New Zealand through Belron s.a. and notably its CARGLASS®, AUTOGLASS® and SAFELITE® AUTO GLASS brands.

The Group is present in 33 countries serving over 13 million customers.

The Company is listed on Euronext Brussels.

These consolidated financial statements have been approved for issue by the Board of Directors on 28 February 2012.

NOTE 2: ACCOUNTING POLICIES

Note 2.1: Basis of Preparation

These 2011 consolidated financial statements are for the 12 months ended 31 December 2011. They have been prepared in accordance with the International Financial Reporting Standards ("IFRS") and the related International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective, as adopted by the European Union ("EU").

These consolidated financial statements have been prepared under the historical cost convention, except for available-for-sale financial assets, money market assets classified within cash and cash equivalents and financial assets and financial liabilities (including derivative instruments) that have been measured at fair value.

These consolidated financial statements are prepared on the assumption that the Group is a going concern and will continue in operation for the foreseeable future.

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. If in the future such estimates and assumptions, which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in the relevant notes.

Significant transactions

In June 2011 the Boards of Avis Budget Group, Inc. and Avis Europe plc announced that they had reached agreement on the terms of a recommended cash acquisition of the entire share capital of Avis Europe plc by Avis Budget Group by way of a Court-sanctioned Scheme of arrangement between Avis Europe plc and the Avis Europe shareholders under Part 26 of the UK Companies Act. The Board of Directors of the Parent undertook irrevocably to vote in favour of this Scheme, which was effective on 3 October 2011. The Board of Directors of the Parent considered that the Group had lost control at this effective date and has therefore de-consolidated Avis Europe plc and its subsidiaries (Car Rental segment) as from 1 October 2011. The Board of Directors of the Parent also considered that the recognition criteria as defined in IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations" were met and has therefore decided to present the 9 months results of the Car Rental segment as a discontinued operation. The consolidated income statement, consolidated statement of comprehensive income and consolidated statement of cash flows for the year ended 31 December 2010 have been restated accordingly. See note 41 of these consolidated financial statements for more information and adequate disclosures.

On 10 October 2011 the Parent and Volkswagen Financial Services (a subsidiary of the Volkswagen group) announced that they had reached an agreement to create a joint venture, Volkswagen D'Ieteren Finance (VDFin), intended to provide a full range of financial services related to the sale of the Volkswagen group vehicles on the Belgian market. VDFin will be operational in early 2012 and will be created by the contribution of D'Ieteren Lease s.a., the Group subsidiary active in operating leases, and of the Volkswagen Bank Belgium operations. VDFin will be 50% owned (minus one share) by the Group and 50% owned (plus one share) by Volkswagen Financial Services. Both parties signed the shareholders' agreement on 23 December 2011. The Board of Directors of the Parent has considered that the Parent is committed to a sale plan of D'Ieteren Lease which will involve loss of control of its subsidiary, and has therefore classified in the consolidated statement of financial position as at 31 December 2011 all the assets and liabilities of its subsidiary as held for sale; the recognition criteria defined in IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations" being satisfied. See note 23 of these consolidated financial statements for more information and adequate disclosures.

NOTE 2: ACCOUNTING POLICIES (CONTINUED)

Note 2.2: Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

The estimates of amounts reported in the interim financial reporting have not been changed significantly during the final interim period of the financial year.

The following new standards, amendments to standards and interpretations are mandatory for the first time for the Group's accounting period beginning 1 January 2011:
- Amendment to IAS 24 "Related Party Disclosures" (effective 1 January 2011);
- Amendment to IAS 32 "Financial Instruments: Presentation – Classification of Rights Issues" (effective 1 February 2010);
- Amendment to IFRIC 14 "Prepayments of a Minimum Funding Requirement" (effective 1 January 2011);
- IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments" (effective 1 July 2010);
- Improvements to IFRSs amending IAS 1, IAS 27, IAS 34, IFRS 1, IFRS 3, IFRS 7 and IFRIC 13 (issued by the IASB in May 2010 – effective 1 January 2011).

These new amendments and interpretations have no significant impact on the Group's consolidated financial statements.

The standards, amendments and interpretations to existing standards that have been published by the IASB and are mandatory for the Group's accounting periods beginning on or after 1 January 2012 or later periods but which the Group has not early adopted, are:
- Amendment to IFRS 7 "Financial Instruments: Disclosures" (effective 1 July 2011 – subject to endorsement by the EU);
- Amendment to IAS12 "Income Taxes – Deferred Taxes" (effective 1 January 2012 – subject to endorsement by the EU);
- Amendment to IAS 1 "Presentation of Financial Statements: Other Comprehensive Income" (effective 1 July 2012 – subject to endorsement by the EU);
- Amendment to IAS 19 "Employee Benefits" (effective 1 January 2013 – subject to endorsement by the EU);
- Amendment to IAS 27 Revised "Separate Financial Statements" (effective 1 January 2013 – subject to endorsement by the EU);
- Amendment to IAS 28 Revised "Investments in Associates and Joint Ventures" (effective 1 January 2013 – subject to endorsement by the EU);
- IFRS 9 "Financial Instruments" (effective 1 January 2015 – subject to endorsement by the EU);
- IFRS 10 "Consolidated Financial Statements" (effective 1 January 2013 – subject to endorsement by the EU);
- IFRS 11 "Joint Arrangements" (effective 1 January 2013 – subject to endorsement by the EU);
- IFRS 12 "Disclosure of Interests in Other Entities" (effective 1 January 2013 – subject to endorsement by the EU);
- IFRS 13 "Fair Value Measurement" (effective 1 January 2013 – subject to endorsement by the EU).

The Group is currently assessing the impact of the new standards, interpretations and amendments listed above.

Principles of Consolidation

Subsidiary undertakings

Subsidiary undertakings, which are those entities in which the Group has, directly or indirectly, an interest of more than half of the voting rights or otherwise has the power to govern the financial and operating policies are consolidated. Subsidiaries are consolidated from the date that control is transferred to the Group, and are no longer consolidated from the date that control ceases. All inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated upon consolidation.

Transactions with non-controlling interest that do not result in loss of control are accounted for as equity transactions. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interest (that do not result in loss of control) are also recorded in equity.

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date where control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income are reclassified to profit or loss.

NOTE 2: ACCOUNTING POLICIES (CONTINUED)

Associated undertakings

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method. The investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

The Group's share of profit from the associate represents the Group's share of the associate's profit after tax. Profits and losses resulting from transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associate. Unrealised gains on transactions between the Group and its associate are also eliminated based on the same principle; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Equity accounting is discontinued when the carrying amount of the investment in an associate reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the associate.

Interests in joint ventures

Interests in jointly controlled entities are recognised using the equity method. The above principles regarding associated undertakings are also applicable to joint ventures.

Impairment of associates and joint ventures

The Group determines at each reporting date whether there is any objective evidence that the investment in the equity accounted investment is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount adjacent to "share of profit/(loss) of an associate/joint venture" in the income statement.

Foreign Currency Translation

The Group consolidation is prepared in euro. Income statements of foreign operations are translated into euro at the weighted average exchange rates for the period and statements of financial positions are translated into euro at the exchange rate ruling on the statement of financial position date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as local currency assets and liabilities of the foreign entity and are translated at the closing rate.

Foreign currency transactions are accounted for at the exchange rate prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised within the income statement. Exchange movements arising from the retranslation at closing rates of the Group's net investment in subsidiaries, joint ventures and associates are taken to the translation reserve component in other comprehensive income. The Group's net investment includes the Group's share of net assets of subsidiaries, joint ventures and associates, and certain inter-company loans.

The net investment definition includes loans between "sister" companies and certain inter-company items denominated in any currency. Other exchange movements are taken to the income statement.

Where the Group hedges net investments in foreign operations, the gains and losses relating to the effective portion of the hedging instrument are recognised in the translation reserve in other comprehensive income. The gain or loss relating to any ineffective portion is recognised in the income statement. Gains and losses accumulated in other comprehensive income are included in the income statement when the foreign operation is disposed of.

Goodwill

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest and previously held interest in the acquiree. For each business combination, the Group measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. The excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net recognised amount (generally at fair value) of the identifiable assets acquired and liabilities assumed constitutes goodwill, and is recognised as an asset. In case this excess is negative, it is recognised immediately in the income statement. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss. Acquisition-related costs incurred are expensed.

NOTE 2: ACCOUNTING POLICIES (CONTINUED)

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGU's or groups of CGU's, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Intangible Assets

An item of intangible assets is valued at its cost less any accumulated amortisation and any accumulated impairment losses. Customer contracts and brands acquired in a business combination are recognised at fair value at the acquisition date.

Generally, costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. However, costs that are directly associated with identifiable and unique software products controlled by the Group which have probable economic benefits exceeding the cost beyond one year, are recognised as intangible assets.

Intangible assets with a finite useful life are amortised over their useful life in accordance with the following methods:
- Computer software programmes: straight-line method over 2 to 7 years;
- Safelite's customer contracts: straight-line method over 10 years (as from March 2007);
- Cindy Rowe's customer contracts: straight-line method over 7 years (as from January 2009);
- Diamond's customer contracts: straight-line method over 7 years (as from July 2008);
- IGD's customer contracts: straight-line method over 7 years (as from October 2009);
- Car et Bus customer contracts: straight-line method over 4 years (as from March 2010);
- Canada's customer contracts: straight-line method between 1 and 6 years;
- AUTO GLASS SPECIALISTS® and ELITE AUTO GLASS™ brands: straight-line method over 2.5 years (as from 1 July 2008);
- DIAMOND TRIUMPH GLASS™ brand: straight-line method over 24 months (as from 1 July 2008);
- CINDY ROWE AUTO GLASS™ brand: straight-line method over 3 years (as from 1 January 2009);
- Auto Glass Center Inc and Alliance Claims Solutions brands (IGD acquisition): straight-line method over 3 years (as from 1 October 2009);
- Car et Bus® brand: straight-line method over 2 years (as from 1 January 2010);
- Apple and Autostock brand: straight-line method over 2 years (as from the beginning of 2011).

Amortisation periods are reassessed annually. When brands are expected to generate net cash inflows during a limited period, they are amortised over their remaining useful lives.

The brands CARGLASS® and AUTOGLASS®, acquired in 1999, as well as GLASPRO™, SPEEDY GLASS®, APPLE AUTO GLASS® and WINDSHIELD PROS™ acquired in 2005, as well as SAFELITE® AUTO GLASS acquired in 2007, have indefinite useful lives, since, thanks to the marketing spend and advertising made, there is no foreseeable limit to the period over which these assets are expected to generate net cash inflows for the Group. They are therefore not amortised but tested for impairment annually.

For any intangible asset with a finite or indefinite useful life, where an indication of impairment exists, its carrying amount is assessed and written down immediately to its recoverable amount.

Research and Development

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.
An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:
(a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
(b) the Group has the intention to complete the intangible asset and use or sell it;
(c) the Group has ability to use or sell the intangible asset;
(d) how the intangible asset will generate probable future economic benefits;
(e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
(f) the Group has the ability to measure reliably the expenditure attributable to the intangible asset during its development.

NOTE 2: ACCOUNTING POLICIES (CONTINUED)

Property, Plant and Equipment

An item of property, plant and equipment is initially measured at cost. This cost comprises its purchase price (including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates), plus any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating. If applicable, the initial estimate of the cost of dismantling and removing the item and restoring the site is also included in the cost of the item. After initial recognition, the item is carried at its cost less any accumulated depreciation and any accumulated impairment losses. The depreciable amount of the item is allocated according to the straight-line method over its useful life.
The main depreciation periods are the following:

- Buildings: 40 to 50 years;
- Plant and equipment: 3 to 15 years;
- IT equipment: 2 to 7 years;
- Leased assets: depending on the length of the lease;
- Straight-line depreciation on the vehicle fleet is based on the acquisition costs of the vehicles, estimates of their future residual values, and expected holding periods.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.
Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.
Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Leases

Operating leases for which the Group is the lessor

Assets leased out under operating leases in which a significant portion of the risks and rewards of ownership are retained by the lessor (other than vehicles sold under buy-back agreements) are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives. Rental income is recognised on a straight-line basis over the lease term.

Operating leases for which the Group is the lessee

Lease payments under operating leases are recognised as expenses in the income statement on a straight-line basis over the lease term.

Finance leases for which the Group is the lessee

Leases of property, plant and equipment where the Group has transferred substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and the finance charge so as to achieve a constant rate of return on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance cost is charged to the income statement over the lease period. The leased assets are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. If there is no reasonable certainty that ownership will be acquired by the end of the lease term, the asset is depreciated over the shorter of the lease term and its useful life.

Vehicles sold under buy-back agreements

Vehicles sold under buy-back agreements are accounted for as operating leases (lessor accounting), and are presented in the statement of financial position under inventories. The difference between the sale price and the repurchase price (buy-back obligation) is considered as deferred income, while buy-back obligations are recognised in trade payables. The deferred income is recognised as revenue on a straight line basis over the relevant vehicle holding period.

Vehicles purchased under buy-back agreements

Vehicles purchased under buy-back agreements are not recognised as assets since these arrangements are accounted for as operating leases (lessee accounting). The difference between the purchase price and the resale price (buy-back obligation of the supplier) is considered as deferred expense, while a trade receivable is recognised for the resale price. The deferred expense is recognised within cost of sale on a straight line basis over the relevant vehicle holding period.

Investment Properties

Investment properties are measured at cost less accumulated depreciation and accumulated impairment losses.

NOTE 2: ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Items that are not interchangeable, like new vehicles and second-hand vehicles, are valued using specific identification of their individual costs. Other items are valued using the first in, first out or weighted average cost formula. When inventories are used, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. Losses and write-downs of inventories are recognised in the period in which they occur. Reversal of a write-down is recognised as a credit to cost of sales in the period in which the reversal occurs.

Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term (maximum 3 months), highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effect(s).
Where the Company (or its subsidiaries) reacquires its own equity instruments, those instruments are deducted from equity as treasury shares. Where such equity instruments are subsequently sold, any consideration received is recognised in equity.
Dividends to holders of equity instruments proposed or declared after the balance sheet date are not recognised as a liability at the balance sheet date; it is presented in equity.

Provisions

A provision is recognised when:
- there is a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

If these conditions are not met, no provision is recognised.

Post-employment Employee Benefits

The Group has various defined benefit pension plans and defined contribution pension plans. Most of these plans are funded schemes, i.e. they are financed through a pension fund or an external insurance policy. The minimum funding level of these schemes is defined by national rules.
Payments to *defined contribution pension plans* are charged as an expense as they fall due.
The Group's commitments under *defined benefit pension plans*, and the related costs, are valued using the "projected unit credit method", with independent actuaries carrying out the valuations at least on a yearly basis. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used. Actuarial gains and losses are recognised in full in the period in which they occur. They are recognised in other comprehensive income. Past service cost is recognised immediately to the extent that the benefits have already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.
The long-term employee benefit obligation recognised in the statement of financial position represents the present value of the defined benefit obligations as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of any refunds and reductions in future contributions to the plan.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits as it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal.

Other long-term incentives

The group recognises a provision for long-term incentives where they are contractually obliged or where there is a past practice that has created a constructive obligation.

NOTE 2: ACCOUNTING POLICIES (CONTINUED)

Financial Instruments Excluding Derivatives

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) **Financial assets at fair value through profit or loss**
Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

(b) **Loans and receivables**
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables', 'cash and cash equivalents' and 'other financial assets' in the statement of financial position.

(c) **Available-for-sale financial assets**
Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Measurement of financial instruments:
(a) Available-for-sale financial assets are measured at fair value through other comprehensive income. Impairment losses are recorded in the income statement.
(b) The cost of treasury shares is deducted from equity.
(c) Trade and other receivables are measured at their amortised cost using the effective interest rate method, as reduced by appropriate allowances for irrecoverable amounts.
(d) Financial assets held for trading are measured at fair value.
(e) Trade and other payables, as well as borrowings, are measured at amortised cost using the effective interest rate method.

Financial Instruments – Derivatives

Derivatives are used as hedges in the financing and financial risk management of the Group.
The Group's activities expose it to the financial risks of changes in foreign currency exchange rates and interest rates. The Group uses foreign exchange forward contracts, interest rate swaps, cross currency interest rate swaps, and options to hedge these exposures. The Group does not use derivatives for speculative purposes. However, certain financial derivative transactions, while constituting effective economic hedges, do not qualify for hedge accounting under the specific rules in IAS 39.
Derivatives are recorded initially at fair value. Unless accounted for as hedges, they are classified as held for trading and are subsequently measured at fair value.
Changes in fair value of derivatives that do not qualify for hedge accounting are recognised in the income statement as they arise.

Cash flow hedge

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in other comprehensive income and any ineffective portion is recognised immediately in the income statement. If the cash flow hedge is a firm commitment or the forecasted transaction results in the recognition of an asset or a liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in other comprehensive income are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of an asset or a liability, amounts deferred in other comprehensive income are recognised in the income statement in the same period in which the hedged item affects net profit or loss.

Fair value hedge

For an effective hedge of an exposure to changes in the fair value, the hedged item is adjusted for changes in fair value attributable to the risk being hedged with a corresponding entry in profit or loss. Gains or losses from re-measuring the derivative, or for non-derivatives the foreign currency component of its carrying amount, are recognised in profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss recognised in other comprehensive income is transferred to profit or loss.
Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts, and the host contracts are not carried at fair value with unrealised gains or losses reported in income statement.

NOTE 2: ACCOUNTING POLICIES (CONTINUED)

Put Options Granted to Non-Controlling Shareholders

The Group is committed to acquiring the non-controlling shareholdings owned by third parties in Belron, should these third parties wish to exercise their put options. The exercise price of such options granted to non-controlling interest is reflected as a financial liability in the consolidated statement of financial position. For put options granted to non-controlling interest prior to 1 January 2010, the goodwill is adjusted at period end to reflect the change in the exercise price of the options and the carrying value of non-controlling interest to which they relate.

For put options granted to non-controlling interest as from 1 January 2010, at inception, the difference between the consideration received and the exercise price of the options granted is recognised against the group's share of equity. At each period end, the re-measurement of the financial liability resulting from these options will be recognised in the consolidated income statement as a re-measurement item in net finance costs.

Non-Current Assets (or Disposal Groups) Held for Sale and Discontinued Operations

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale and is disclosed as a single line item in the income statement.

Revenue Recognition

Revenue from the *sale of goods* is recognised when all the following conditions have been satisfied:
(a) the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
(b) the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
(c) the amount of revenue can be measured reliably;
(d) it is probable that the economic benefits associated with the transaction will flow to the Group; and
(e) the cost incurred or to be incurred in respect of transaction can be measured reliably.

When the outcome of a transaction involving the *rendering of services* can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the balance sheet date.

The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:
(a) the amount of revenue can be measured reliably;
(b) it is probable that the economic benefits associated with the transaction will flow to the Group;
(c) the stage of completion of the transaction at the balance sheet date can be measured reliably; and
(d) the cost incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest is recognised on a time proportion basis that takes into account the effective yield on the asset. *Royalties* are recognised on an accrual basis in accordance with the substance of the relevant agreement. *Dividends* are recognised when the shareholder's right to receive payment has been established.

In the income statement, sales of goods, rendering of services and royalties are presented under the heading "sales". Interest income is presented under the heading "net finance costs".

Share-Based Payments

Share-based payments are exclusively made in connection with employee stock option plans ("ESOP").
Equity-settled ESOP granted after 7 November 2002 are accounted for in accordance with IFRS 2, such that their cost is recognised in the income statement over the related performance period.
All cash-settled ESOP (i.e. granted before, on, or after 7 November 2002) are recognised as liabilities, and their cost is recognised in the income statement over the related vesting period.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

NOTE 2: ACCOUNTING POLICIES (CONTINUED)

Government Grants

Government grants related to assets are presented in liabilities as deferred income, and amortised over the useful life of the related assets.

Income Taxes

Current taxes relating to current and prior periods are, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset. The benefit relating to a tax loss that can be carried back to recover current tax of a previous period is recognised as an asset. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred taxes are provided in full using the balance sheet liability method, on temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are not calculated on the following temporary differences: (i) the initial recognition of goodwill and (ii) the initial recognition of assets and liabilities that affects neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balance on a net basis.

Unusual Items and Re-measurements

Each line of the income statement, and each subtotal of the segment income statement, is broken down in order to provide information on the current result and on unusual items and re-measurements. Unusual items and re-measurements comprise the following items:

(a) Recognised fair value gains and losses on financial instruments, excluding the accrued cash flows that occur under the Group's hedging arrangements, where hedge accounting is unable to be applied under IAS 39;
(b) Exchange gains and losses arising upon the translation of foreign currency borrowings at the closing rate;
(c) Re-measurement of financial liabilities resulting from put options granted to non-controlling interest as from 1 January 2010;
(d) Impairment of goodwill and other non-current assets;
(e) Amortisation of intangible assets with finite useful lives recognised in the framework of the allocation as defined by IFRS 3 of the cost of a business combination;
(f) Other unusual items. They are material items that derive from events or transactions that fall within the ordinary activities of the Group, and which individually or, if of a similar type, in aggregate, are separately disclosed by virtue of their size or incidence.

All other items are recognised as part of the current result.

NOTE 3: SEGMENT INFORMATION

Note 3.1: Basis of Segmentation

The Group's reportable operating segments are Automobile Distribution and Vehicle Glass.

The Automobile Distribution segment includes the automobile distribution activities (see note 1) as well as corporate activities. The Vehicle Glass segment comprises Belron s.a. and its subsidiaries (see note 1).

These operating segments are consistent with the Group's organisational and internal reporting structure.

NOTE 3: SEGMENT INFORMATION (CONTINUED)

Note 3.2: Segment Income Statement - Operating Segments (Year ended 31 December)

EUR million	Notes	2011				2010 [1]			
		Automobile Distribution	Vehicle Glass	Eliminations	Group	Automobile Distribution	Vehicle Glass	Eliminations	Group
External sales	4	3,208.3	2,769.0		5,977.3	2,732.9	2,800.9		5,533.8
Inter-segment sales		8.5	2.1	-10.6	-	8.2	3.7	-11.9	-
Segment sales		**3,216.8**	**2,771.1**	**-10.6**	**5,977.3**	**2,741.1**	**2,804.6**	**-11.9**	**5,533.8**
Operating result (being segment result)	5	**116.7**	**234.8**		**351.5**	**92.6**	**235.4**		**328.0**
of which: current items	5	*114.9*	*262.3*		*377.2*	*92.6*	*255.6*		*348.2*
unusual items and re-measurements	5	*1.8*	*-27.5*		*-25.7*	*-*	*-20.2*		*-20.2*
Net finance costs	6	-21.6	-32.5		-54.1	-24.7	-28.9		-53.6
Result before taxes	9	**95.1**	**202.3**		**297.4**	**67.9**	**206.5**		**274.4**
of which: current items	9	*92.1*	*229.9*		*322.0*	*64.6*	*226.6*		*291.2*
unusual items and re-measurements	9	*3.0*	*-27.6*		*-24.6*	*3.3*	*-20.1*		*-16.8*
Share of result of entities accounted for using the equity method	7	-0.1	-		-0.1	0.5	-		0.5
Tax expense	8	2.7	-46.4		-43.7	-4.0	-54.1		-58.1
Result from continuing operations		**97.7**	**155.9**		**253.6**	**64.4**	**152.4**		**216.8**
of which: current items		*97.4*	*175.0*		*272.4*	*61.7*	*166.8*		*228.5*
unusual items and re-measurements		*0.3*	*-19.1*		*-18.8*	*2.7*	*-14.4*		*-11.7*
Discontinued operations	41				122.4				19.4
RESULT FOR THE PERIOD					**376.0**				**236.2**

Attributable to :		Automobile Distribution	Vehicle Glass	Discontinued operations	Group	Automobile Distribution	Vehicle Glass	Discontinued operations	Group
Equity holders of the Parent		98.3	144.6	69.7	312.6	64.7	142.1	12.0	218.8
of which: current items	9	*98.0*	*162.3*	*51.7*	*312.0*	*62.0*	*155.5*	*16.7*	*234.2*
unusual items and re-measurements		*0.3*	*-17.7*	*18.0*	*0.6*	*2.7*	*-13.4*	*-4.7*	*-15.4*
Non-controlling interest		-0.6	11.3	52.7	63.4	-0.3	10.3	7.4	17.4
RESULT FOR THE PERIOD		**97.7**	**155.9**	**122.4**	**376.0**	**64.4**	**152.4**	**19.4**	**236.2**

[1] As restated (see note 2.1).

NOTE 3: SEGMENT INFORMATION (CONTINUED)

Note 3.3: Segment Statement of Financial Position - Operating Segments (At 31 December) - Assets

EUR million	Notes	2011			2010			
		Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Car Rental	Vehicle Glass	Group
Goodwill	11	6.2	1,019.8	1,026.0	2.6	0.2	1,001.8	1,004.6
Other intangible assets	13	1.8	426.6	428.4	1.2	363.9	427.1	792.2
Vehicles	14	-	-	-	304.8	353.5	-	658.3
Other property, plant and equipment	15	143.2	293.1	436.3	139.1	58.8	277.5	475.4
Investment property	16	5.6	-	5.6	5.8	-	-	5.8
Equity accounted investments	7	3.8	-	3.8	4.0	16.3	-	20.3
Available-for-sale financial assets	17	0.5	-	0.5	0.5	0.5	0.2	1.2
Derivative hedging instruments	18	-	15.7	15.7	-	4.8	-	4.8
Derivatives held for trading	19	-	-	-	-	2.2	-	2.2
Long-term employee benefit assets	20	-	30.5	30.5	-	-	39.2	39.2
Deferred tax assets	21	0.1	54.2	54.3	1.2	41.4	49.7	92.3
Other receivables	22	0.9	2.1	3.0	1.4	-	2.6	4.0
Non-current assets		**162.1**	**1,842.0**	**2,004.1**	**460.6**	**841.6**	**1,798.1**	**3,100.3**
Non-current assets classified as held for sale	23	347.7	-	347.7	1.7	-	-	1.7
Inventories	24	370.6	256.3	626.9	310.4	7.1	233.9	551.4
Derivative hedging instruments	18	-	1.1	1.1	-	-	0.1	0.1
Derivatives held for trading	19	12.0	0.3	12.3	14.8	2.7	2.2	19.7
Other financial assets	25	-	1.1	1.1	8.9	-	17.0	25.9
Current tax assets	26	0.1	7.6	7.7	0.1	1.6	4.2	5.9
Trade and other receivables	27	145.8	253.6	399.4	120.8	1,026.1	238.0	1,384.9
Cash and cash equivalents	28	213.5	36.5	250.0	2.1	231.7	33.4	267.2
Current assets		**1,089.7**	**556.5**	**1,646.2**	**458.8**	**1,269.2**	**528.8**	**2,256.8**
TOTAL ASSETS		**1,251.8**	**2,398.5**	**3,650.3**	**919.4**	**2,110.8**	**2,326.9**	**5,357.1**

NOTE 3: SEGMENT INFORMATION (CONTINUED)

Note 3.3: Segment Statement of Financial Position - Operating Segments (At 31 December) - Equity and liabilities

EUR million	Notes	2011			2010			
		Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Car Rental	Vehicle Glass	Group
Capital and reserves attributable to equity holders		1,530.5	-	1,530.5	1,250.6	-	-	1,250.6
Non-controlling interest		0.5	1.1	1.6	1.1	212.2	0.8	214.1
Equity		**1,531.0**	**1.1**	**1,532.1**	**1,251.7**	**212.2**	**0.8**	**1,464.7**
Long-term employee benefit obligations	20	5.4	53.7	59.1	5.6	68.0	36.5	110.1
Other provisions	30	31.8	36.8	68.6	31.7	27.4	37.0	96.1
Derivative hedging instruments	18	-	-	-	-	17.3	-	17.3
Borrowings	31/32	251.3	536.9	788.2	537.5	460.5	740.6	1,738.6
Derivatives held for trading	19	-	1.1	1.1	-	-	0.1	0.1
Put options granted to non-controlling shareholders	33	154.0	-	154.0	163.0	-	-	163.0
Other payables	34	-	7.7	7.7	-	-	13.3	13.3
Deferred tax liabilities	21	16.3	29.3	45.6	20.8	118.6	17.2	156.6
Non-current liabilities		**458.8**	**665.5**	**1,124.3**	**758.6**	**691.8**	**844.7**	**2,295.1**
Liabilities associated with non-current assets held for sale	23	333.2	-	333.2	-	-	-	-
Provisions	30	-	8.9	8.9	-	20.9	4.4	25.3
Derivative hedging instruments	18	-	-	-	-	10.1	2.8	12.9
Borrowings	31/32	12.0	41.1	53.1	29.1	297.5	29.6	356.2
Inter-segment financing	31	-240.0	240.0	-	-	-	-	-
Derivatives held for trading	19	7.2	0.4	7.6	14.3	8.9	1.4	24.6
Current tax liabilities	26	0.2	33.2	33.4	0.3	20.3	40.1	60.7
Trade and other payables	35	189.7	368.0	557.7	199.1	528.3	390.2	1,117.6
Current liabilities		**302.3**	**691.6**	**993.9**	**242.8**	**886.0**	**468.5**	**1,597.3**
TOTAL EQUITY AND LIABILITIES		**2,292.1**	**1,358.2**	**3,650.3**	**2,253.1**	**1,790.0**	**1,314.0**	**5,357.1**

NOTE 3: SEGMENT INFORMATION (CONTINUED)

Note 3.4: Segment Statement of Cash Flows - Operating Segments (Year ended 31 December)

EUR million	Notes	2011			2010 [1]		
		Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Cash flows from operating activities - Continuing							
Operating profit from continuing operations		116.7	234.8	351.5	92.6	235.4	328.0
Depreciation of vehicles for operating lease activities	5	62.6	-	62.6	61.5	-	61.5
Depreciation of other items	5	12.0	71.0	83.0	12.2	68.0	80.2
Amortisation of other intangible assets	5	0.8	23.4	24.2	1.0	25.5	26.5
Impairment losses on goodwill and other non-current assets	9	-	13.7	13.7	-	-	-
Other non-cash items	9	2.0	2.1	4.1	-0.2	-159.7	-159.9
Retirement benefit obligations		-0.3	-25.4	-25.7	-0.4	-13.6	-14.0
Purchase of vehicles for operating lease activities [2]		-183.7	-	-183.7	-150.2	-	-150.2
Sale of vehicles for operating lease activities [2]		106.4	-	106.4	95.7	-	95.7
Change in net working capital		-53.0	-53.6	-106.6	-33.9	-22.9	-56.8
Cash generated from operations		**63.5**	**266.0**	**329.5**	**78.3**	**132.7**	**211.0**
Tax paid		-2.5	-37.7	-40.2	-0.2	-53.1	-53.3
Net cash from operating activities		**61.0**	**228.3**	**289.3**	**78.1**	**79.6**	**157.7**
Cash flows from investing activities - Continuing							
Purchase of fixed assets (excl. vehicles)		-16.9	-103.0	-119.9	-18.2	-119.7	-137.9
Sale of fixed assets (excl. vehicles)		2.9	4.5	7.4	0.1	2.6	2.7
Net capital expenditure		**-14.0**	**-98.5**	**-112.5**	**-18.1**	**-117.1**	**-135.2**
Acquisition of non-controlling interest	9	-13.1	-	-13.1	-0.3	-	-0.3
Acquisition of subsidiaries (net of cash acquired)	9/12	-3.3	-24.4	-27.7	-	-29.8	-29.8
Disposal of non-controlling interest	9	-	0.2	0.2	16.6	-	16.6
Disposal of subsidiaries (net of cash disposed of)	9/41	302.3	-	302.3	-	-	-
Net investment in other financial assets	25	1.2	1.3	2.5	0.6	-5.8	-5.2
Net cash from investing activities		**273.1**	**-121.4**	**151.7**	**-1.2**	**-152.7**	**-153.9**

[1] As restated (see note 2.1).
[2] Excluding vehicles held under buy-back agreements.

NOTE 3: SEGMENT INFORMATION (CONTINUED)

Note 3.4: Segment Statement of Cash Flows - Operating Segments (Year ended 31 December) - Continued

EUR million	Notes	2011			2010 [1]		
		Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Cash flows from financing activities - Continuing							
Net proceeds from rights issue	9	-	-	-	-111.3	-	-111.3
Net disposal/(acquisition) of treasury shares		-	-	-	4.7	-	4.7
Net capital element of finance lease payments		-	-23.7	-23.7	-	-24.1	-24.1
Net change in other borrowings		-276.3	48.6	-227.7	-274.0	230.9	-43.1
Net interest paid		-25.0	-28.5	-53.5	-29.8	-28.0	-57.8
Dividends paid by Parent	29	-23.5	-	-23.5	-17.9	-	-17.9
Dividends received from/(paid by) subsidiaries		92.7	-100.0	-7.3	94.0	-100.0	-6.0
Net cash from financing activities		**-232.1**	**-103.6**	**-335.7**	**-334.3**	**78.8**	**-255.5**
Cash flows from continuing operations		**102.0**	**3.3**	**105.3**	**-257.4**	**5.7**	**-251.7**
Cash flows from discontinued operations	41			**-122.2**			**170.6**
TOTAL CASH FLOW FOR THE PERIOD				**-16.9**			**-81.1**

EUR million	Notes	2011				2010 [1]			
		Automobile Distribution	Vehicle Glass	Discon-tinued operations	Group	Automobile Distribution	Vehicle Glass	Discon-tinued operations	Group
Reconciliation with statement of financial position									
Cash at beginning of period	28	2.1	33.4	92.3	127.8	24.7	28.1	38.7	91.5
Cash equivalents at beginning of period	28	-	-	139.4	139.4	234.8	-	21.9	256.7
Cash and cash equivalents at beginning of period	28	**2.1**	**33.4**	**231.7**	**267.2**	**259.5**	**28.1**	**60.6**	**348.2**
Total cash flow for the period					-16.9				-81.1
Translation differences					-0.2				0.1
Cash and cash equivalents at end of period					**250.1**				**267.2**
Of which "Cash and cash equivalents - Automobile Distribution"	28				*213.5*				*2.1*
Of which "Cash and cash equivalents - Car Rental"	28				-				*231.7*
Of which "Cash and cash equivalents - Vehicle Glass"	28				*36.5*				*33.4*
Of which "Cash classified as held for sale - Autom. Distribution"	23				*0.1*				-

[1] As restated (see note 2.1).

NOTE 3: SEGMENT INFORMATION (CONTINUED)

Note 3.5: Other Segment Information - Operating Segments (Year ended 31 December)

EUR million	2011			2010 [1]		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Capital additions [2]	205.3	147.1	352.4	168.4	177.2	345.6

(1) As restated (see note 2.1).
(2) Capital additions include both additions and acquisitions through business combinations including goodwill.

Besides depreciation and amortisation of segment assets (which are provided in note 5), the charge arising from the long-term management incentive schemes is the other significant non-cash expense deducted in measuring segment result.

Note 3.6: Geographical Segment Information (Year ended 31 December)

The Group's two operating segments operate in three main geographical areas, being Belgium (main market for the Automobile Distribution segment), the rest of Europe and the rest of world.

EUR million	2011				2010 [2]			
	Belgium	Rest of Europe	Rest of world	Group	Belgium	Rest of Europe	Rest of world	Group
Segment sales from external customers [1 - 2]	3,098.0	1,609.2	1,270.1	5,977.3	2,702.7	1,594.2	1,236.9	5,533.8
Non-current assets [3]	171.2	1,164.9	563.2	1,899.3	469.9	1,909.7	560.7	2,940.3
Capital additions [2 - 4]	211.9	49.7	90.8	352.4	174.9	76.1	94.6	345.6

[1] Based on the geographical location of the customers.
[2] As restated (see note 2.1).
[3] Non-current assets, as defined by IFRS 8, consists of goodwill, other intangible assets, vehicles, other property, plant and equipment, investment property and non-current other receivables.
[4] Capital additions include both additions and acquisitions through business combinations including goodwill.

NOTE 4: SALES

EUR million	2011	2010 [1]
New vehicles	2,649.8	2,204.4
Used cars	115.3	103.9
Spare parts and accessories	178.0	167.6
After-sales activities by D'Ieteren Car Centers	57.4	54.7
D'Ieteren Sport	32.3	35.8
D'Ieteren Lease	146.6	141.4
Rental income under buy-back agreements	4.5	2.7
Other sales	24.4	22.4
Subtotal Automobile Distribution	**3,208.3**	**2,732.9**
Vehicle Glass	**2,769.0**	**2,800.9**
SALES (EXTERNAL)	**5,977.3**	**5,533.8**
of which: sales of goods	*3,158.1*	*2,692.4*
rendering of services	*2,818.4*	*2,840.7*
royalties	*0.8*	*0.7*

[1] As restated (see note 2.1).

Interest income and dividend income (if any) are presented among net finance costs (see note 6).

NOTE 5: OPERATING RESULT

Operating result is stated after charging:

EUR million	2011			2010 [1]		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Current items:						
Purchases and changes in inventories	-2,700.8	-660.5	-3,361.3	-2,286.8	-674.0	-2,960.8
Depreciation of vehicles	-64.4	-	-64.4	-61.5	-	-61.5
Depreciation of other items (excl. investment property)	-11.6	-71.0	-82.6	-11.7	-68.0	-79.7
Amortisation (excl. re-measurements - see note 9)	-0.8	-13.8	-14.6	-1.0	-10.5	-11.5
Other operating lease rentals [2]	-	-142.9	-142.9	-	-139.2	-139.2
Write-down on inventories	-1.2	0.3	-0.9	-1.0	-2.1	-3.1
Net gain (loss) on vehicles	4.8	-	4.8	4.5	-	4.5
Employee benefit expenses (see note 36)	-142.0	-998.9	-1,140.9	-130.0	-1,022.7	-1,152.7
Research and development expenditure	-	-1.2	-1.2	-	-3.2	-3.2
Sundry	-177.9	-622.1	-800.0	-153.5	-622.1	-775.6
Other operating expenses:						
Bad and doubtful debts	-	3.0	3.0	0.3	-2.8	-2.5
Investment property expenses:						
Depreciation	-0.5	-	-0.5	-0.5	-	-0.5
Operating expenses [3]	-0.1	-	-0.1	-0.1	-	-0.1
Sundry	-0.1	-0.6	-0.7	0.4	-0.7	-0.3
Subtotal other operating expenses	-0.7	2.4	1.7	0.1	-3.5	-3.4
Other operating income:						
Gain on property, plant and equipment	0.1	1.0	1.1	-	-	-
Rental income from investment property [4]	0.6	-	0.6	0.6	-	0.6
Sundry	0.5	-	0.5	-	-	-
Subtotal other operating income	1.2	1.0	2.2	0.6	-	0.6
Subtotal current items	**-3,093.4**	**-2,506.7**	**-5,600.1**	**-2,640.3**	**-2,545.3**	**-5,185.6**
Unusual items and re-measurements (see note 9)	**1.8**	**-27.5**	**-25.7**	**-**	**-20.2**	**-20.2**
NET OPERATING EXPENSES	**-3,091.6**	**-2,534.2**	**-5,625.8**	**-2,640.3**	**-2,565.5**	**-5,205.8**

[1] As restated (see note 2.1).
[2] Primarily hire of vehicles and other plant and equipment in relation with the business activity.
[3] The full amount is related to investment property that generated rental income.
[4] Does not include any contingent rent.

NOTE 6: NET FINANCE COSTS

Net finance costs are broken down as follows:

EUR million	2011			2010 [1]		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Current items:						
Finance costs:						
Interest expense	*-23.5*	*-35.2*	*-58.7*	*-25.2*	*-28.3*	*-53.5*
Transfer from re-measurements	*-0.9*	*1.4*	*0.5*	*-3.8*	*-2.0*	*-5.8*
Current interest expense	-24.4	-33.8	-58.2	-29.0	-30.3	-59.3
Other financial charges	-0.3	-	-0.3	-0.4	-	-0.4
Subtotal finance costs	-24.7	-33.8	-58.5	-29.4	-30.3	-59.7
Finance income	1.9	1.4	3.3	1.4	1.3	2.7
Current net finance costs	**-22.8**	**-32.4**	**-55.2**	**-28.0**	**-29.0**	**-57.0**
Unusual items and re-measurements (see note 9):						
Re-measurements of put options granted to non-controlling interest	-0.6	-	-0.6	-1.4	-	-1.4
Re-measurements of financial instruments:						
Gains (Losses) on "dirty" fair value of derivatives [2]	*0.9*	*1.3*	*2.2*	*0.9*	*-1.9*	*-1.0*
Transfer to current items	*0.9*	*-1.4*	*-0.5*	*3.8*	*2.0*	*5.8*
Subtotal gains (losses) on "clean" fair value of derivatives [2]	1.8	-0.1	1.7	4.7	0.1	4.8
Unusual items and re-measurements	**1.2**	**-0.1**	**1.1**	**3.3**	**0.1**	**3.4**
NET FINANCE COSTS	**-21.6**	**-32.5**	**-54.1**	**-24.7**	**-28.9**	**-53.6**

[1] As restated (see note 2.1).
[2] Change in "dirty" fair value of derivatives corresponds to the change of value of the derivatives between the beginning and the end of the period. Change in "clean" fair value of derivatives corresponds to the change of "dirty" fair value excluding the accrued cash flows of the derivatives that occurred during the period.

NOTE 7: ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD

In 2011, four group entities are accounted for using the equity method.

D'Ieteren Vehicle Trading s.a. is a 49%-owned associate which provides finance lease services to customers of the Automobile Distribution segment. In 2010, the Automobile Distribution segment acquired 33% of the company S.M.A.R.T & Clean Automotive Services S.A. and of its subsidiary Riankar, both acting in smart repairs on vehicles.
At year end, the Automobile Distribution's interest in these three associates comprised:

EUR million	2011	2010
Share of gross assets (incl. goodwill)	45.5	36.8
Share of gross liabilities	-41.8	-32.8
Share of net assets	3.7	4.0
Share of sales	13.8	12.2
Share of profit (loss)	-0.1	0.5

In November 2011, the Parent and Volkswagen Financial Services (a subsidiary of the Volkswagen group) incorporated a joint venture, Volkswagen D'Ieteren Finance (VDFin), intended to provide a full range of financial services related to the sale of the Volkswagen group vehicles on the Belgian market. VDFin is 50% owned (minus one share) by the Group and 50% owned (plus one share) by Volkswagen Financial Services. VDFin will be operational in early 2012 with the contribution of D'Ieteren Lease s.a., the Group subsidiary active in operating leases, and of the Volkswagen Bank Belgium operations.
At 2011 year end, the Automobile Distribution's interest in this joint venture comprised its share in the cash subscription (EUR 0.1 million) at incorporation of the joint venture.

In 2010, Mercury Car Rentals Ltd was a 33%-owned associate of Avis Europe plc which provided short-term car rental services in India under the Avis brand. At 2010 year end, the Car Rental's interest in this associate comprised:

EUR million	2011	2010
Share of gross assets (incl. goodwill)	-	3.0
Share of gross liabilities	-	-2.5
Share of net assets	-	0.5
Share of sales	-	4.1
Share of profit (loss)	-	-0.2

In 2010, Anji Car Rental and Leasing Company Ltd and OKIGO were 50%-owned joint ventures of Avis Europe plc which provided, under the Avis brand, short-term car rental services in China and France respectively. The Car Rental's interest comprised:

EUR million	2011	2010
Share of non-current assets (incl. goodwill)	-	38.8
Share of current assets	-	9.7
Share of current liabilities	-	-32.7
Share of net assets	-	15.8
Share of sales	-	26.1
Share of profit (loss)	-	2.5

NOTE 8: TAX EXPENSE

Tax expense is broken down as follows:

EUR million	2011			2010 (1)		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Current year income tax	-1.9	-31.5	-33.4	-0.5	-40.2	-40.7
Prior year income tax	-	0.9	0.9	-	-1.2	-1.2
Movement in deferred taxes	4.6	-15.8	-11.2	-3.5	-12.7	-16.2
Tax expense	**2.7**	**-46.4**	**-43.7**	**-4.0**	**-54.1**	**-58.1**
of which: current items	*5.4*	*-54.9*	*-49.5*	*-3.4*	*-59.8*	*-63.2*
unusual items and re-measurements (see note 9)	*-2.7*	*8.5*	*5.8*	*-0.6*	*5.7*	*5.1*

[1] As restated (see note 2.1).

The relationship between tax expense and accounting profit is explained below:

EUR million	2011			2010 (1)		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Result before taxes	95.1	202.3	297.4	67.9	206.5	274.4
Tax at the Belgian corporation tax rate of 33.99%	-32.3	-68.8	-101.1	-23.1	-70.2	-93.3
Reconciling items (sum of items marked (a) and (b) below)	35.0	22.4	57.4	19.1	16.1	35.2
Actual tax on result before taxes	**2.7**	**-46.4**	**-43.7**	**-4.0**	**-54.1**	**-58.1**

[1] As restated (see note 2.1).

NOTE 8: TAX EXPENSE (CONTINUED)

The reconciling items are provided below:

EUR million		2011			2010 [1]		
		Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Current PBT		92.1	229.9	322.0	64.6	226.6	291.2
Tax at the Belgian corporation tax rate of 33.99%		-31.3	-78.1	-109.4	-22.0	-77.0	-99.0
Rate differential	(a)	-	-2.2	-2.2	-	1.5	1.5
Permanent differences	(a)	21.1	30.8	51.9	14.7	14.3	29.0
Utilisation of tax losses	(a)	14.2	0.3	14.5	4.7	0.7	5.4
Adjustments in respect of prior years	(a)	6.1	-0.7	5.4	-	-4.7	-4.7
Deferred tax assets not recognised	(a)	-3.5	-5.0	-8.5	-2.6	-6.7	-9.3
Recognition of previously unrecognised deferred tax assets	(a)	1.5	-	1.5	3.3	12.1	15.4
Impact of dividends	(a)	-2.2	-	-2.2	-1.5	-	-1.5
Other	(a)	-0.5	-	-0.5	-	-	-
Actual tax on current PBT		**5.4**	**-54.9**	**-49.5**	**-3.4**	**-59.8**	**-63.2**
Actual tax rate on current PBT		*-6%*	*24%*	*15%*	*5%*	*26%*	*22%*
Unusual items and re-measurements in PBT		3.0	-27.6	-24.6	3.3	-20.1	-16.8
Tax at the Belgian corporation tax rate of 33.99%		-1.0	9.4	8.4	-1.1	6.8	5.7
Rate differential	(b)	-	-0.9	-0.9	-	-1.1	-1.1
Deferred tax assets not recognised	(b)	-1.7	-	-1.7	0.5	-	0.5
Actual tax on unusual items and re-measurements in PBT		**-2.7**	**8.5**	**5.8**	**-0.6**	**5.7**	**5.1**

[1] As restated (see note 2.1).

NOTE 9: UNUSUAL ITEMS AND RE-MEASUREMENTS

Result for the Period

Current result after tax ("current PAT") consists of the reported result from continuing operations (or the result for the period when no discontinued operation is reported), excluding unusual items and re-measurements as defined in note 2, and excluding their tax impact.
Current result before tax ("current PBT") consists of the reported result before tax excluding unusual items and re-measurements as defined in note 2.
Current PAT, Group's share, and current PBT, Group's share, exclude the share of non-controlling shareholders in current PAT and current PBT.
Current result is a non-GAAP measure, i.e. its definition is not addressed by IFRS. The Group does not represent current result as an alternative to financial measures determined in accordance with IFRS. Current result as reported by the Group may differ from similarly titled measures by other companies. The Group uses the concept of current result to reflect its underlying performance.

NOTE 9: UNUSUAL ITEMS AND RE-MEASUREMENTS (CONTINUED)

EUR million	2011			2010 [1]		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
From reported PBT to current PBT, Group's share:						
Reported PBT	95.1	202.3	297.4	67.9	206.5	274.4
Less: Unusual items and re-measurements in PBT:						
Re-measurements of financial instruments	-1.8 *(a)*	1.8 *(d)*	-	-4.7 *(a)*	-1.3 *(d)*	-6.0
Re-measurement of put options granted to non-controlling interest	0.6 *(b)*	-	0.6	1.4 *(b)*	-	1.4
Amortisation of customer contracts	-	6.3 *(e)*	6.3	-	6.3 *(e)*	6.3
Amortisation of brands with finite useful life	-	3.3 *(f)*	3.3	-	8.7 *(f)*	8.7
Other unusual items	-1.8 *(c)*	16.2 *(g)*	14.4	-	6.4 *(g)*	6.4
Current PBT	**92.1**	**229.9**	**322.0**	**64.6**	**226.6**	**291.2**
Share of non-controlling interest in current PBT	0.6	-16.8	-16.2	0.3	-15.3	-15.0
Current PBT, Group's share	**92.7**	**213.1**	**305.8**	**64.9**	**211.3**	**276.2**
From current PBT, Group's share, to current PAT, Group's share:						
Current PBT, Group's share	92.7	213.1	305.8	64.9	211.3	276.2
Share of the group in current result of equity accounted entities	-0.1	-	-0.1	0.5	-	0.5
Tax on current PBT, Group's share	5.4	-50.8	-45.4	-3.4	-55.8	-59.2
Current PAT, Group's share	**98.0**	**162.3**	**260.3**	**62.0**	**155.5**	**217.5**
From current PAT, Group's share, to current result for the period attributable to equity holders of the Parent:						
Current PAT, Group's share			260.3			217.5
Share of the group in current discontinued operations			51.7			16.7
Current result for the period attributable to equity holders of the Parent			**312.0**			**234.2**

[1] As restated (see note 2.1).

Automobile Distribution

(a) Net finance costs include re-measurements of financial instruments amounting to EUR 1.8 million (2010: EUR 4.7 million) arising from changes in the "clean" fair value of derivatives.
(b) Net finance costs include re-measurements of put options granted to certain non-controlling interest (family holding company of Belron's CEO) amounting to EUR -0.6 million (2010: EUR -1.4 million). See note 33 of these Consolidated Financial Statements for more information.
(c) At year-end, cost of sales includes an unusual adjustment on depreciation of vehicles (EUR 1.8 million) in relation with the future disposal of D'Ieteren Lease s.a. See notes 2.1. and 23 for more information.

Vehicle Glass

(d) Net finance costs and cost of sales include re-measurements of financial instruments amounting to respectively EUR -0.1 million (2010: EUR 0.1 million) and EUR -1.7 million (2010: EUR 1.2 million) arising from changes in the "clean" fair value of derivatives.
(e) In the framework of recent US, French and Canadian acquisitions, customer contracts were recognised as an intangible asset with a finite useful life. The 2011 amortisation (in commercial and administrative expenses) amounted to EUR 6.3 million (2010: EUR 6.3 million).
(f) Commercial and administrative expenses include the amortisation of US, French and Canadian brands with finite useful lives amounting to EUR 3.3 million (2010: EUR 8.7 million).

NOTE 9: UNUSUAL ITEMS AND RE-MEASUREMENTS (CONTINUED)

(g) Other unusual items (in commercial and administrative expenses and other operating expenses) of the Vehicle Glass segment comprise impairment of certain intangible IT assets (EUR 13.7 million) and associated costs (EUR 1.0 million) following a change in strategy to leverage new technology, acquisition and integration costs in Canada (EUR 5.3 million), other reorganisation costs predominantly in France (EUR 7.9 million) offset by an unusual pension gain following the UK Government's change to the index used for increasing deferred state pensions (EUR 11.7 million). In 2010, restructuring costs of EUR 6.4 million (in other operating expenses) were incurred in relation to the integration of the US (IGD) and French acquisitions.

Car Rental

Unusual items and re-measurements of the Car Rental segment are detailled in note 41 of these consolidated financial statements.

Comments related to the cash flow statement

In 2010, the line "Other non-cash items" included, among other amounts, the utilisation of the provision previously set-up to cover the settlement of the long-term management incentive scheme of the Vehicle Glass segment.
In the period, the line "Acquisition of non-controlling interest" comprised the cash outflow arising from the price adjustment paid to Cobepa in relation to the put options they exercised in September 2009. In 2010, the line included the non-controlling interest acquired by the Automobile Distribution segment in two associates active in smart repairs (see note 7).
The line "Acquisition of subsidiaries" for the year ended 31 December 2011 included, among other transactions, the business combinations disclosed in note 12.
In 2010, the line "Disposal of non-controlling interest" included the sale in May 2010 of one percent of Belron's equity to the family holding company of Belron's CEO.
In the period, the line "Disposal of subsidiaries" included the proceeds of the sale of Avis Europe shares previously held by the Group (EUR 411.8 million after taking into account foreign exchange economic hedging), net of Avis Europe's cash disposed of (EUR 109.5 million).
In July 2010, Avis Europe plc raised EUR 179.2 million, net of expenses, through a 9 for 8 Rights Issue at an issue price of 15 pence per new share. D'Ieteren subscribed its share of the capital increase, i.e. EUR 111.3 million.

NOTE 10: EARNINGS PER SHARE

Earnings per share ("EPS") and earnings per share for continuing operations ("Continuing EPS") are shown above, on the face of the consolidated income statement. Basic and diluted EPS are based on the result for the period attributable to equity holders of the Parent (based on the result from continuing operations attributable to equity holders of the Parent for the continuing EPS), after adjustment for participating shares (each participating share confers one voting right and gives right to a dividend equal to one eighth of the dividend of an ordinary share). Current EPS and current continuing EPS, which do not include unusual items and re-measurements as defined in note 9, are presented to highlight underlying trading performance.
The weighted average number of ordinary shares in issue for the period is shown in the table below.
The Group has granted options to employees over ordinary shares of the Parent (and of Avis Europe plc in 2010). Such shares constitute the only category of potentially dilutive ordinary shares.
In 2010, the options over ordinary shares of Avis Europe plc increased the weighted average number of shares of Avis Europe plc as certain related performance conditions were fully satisfied and the prevailing market price was in excess of the option exercise price.
The options over ordinary shares of the Parent increased the weighted average number of shares of the Parent in 2010 and 2011 as some option exercise prices were below the market share price. These options are dilutive.

NOTE 10: EARNINGS PER SHARE (CONTINUED)

The computation of basic and diluted EPS is set out as follows:

		2011	2010 [1]
Result for the period attributable to equity holders		312.6	218.8
Adjustment for participating shares		-3.5	-2.5
Numerator for EPS (EUR million)	(a)	309.1	216.3
Current result for the period attributable to equity holders		312.0	234.2
Adjustment for participating shares		-3.6	-2.6
Numerator for current EPS (EUR million)	(b)	308.4	231.6
Result from continuing operations		253.6	216.8
Share of non-controlling interest in result from continuing operations		-10.7	-10.0
Result from continuing operations attributable to equity holders		242.9	206.8
Adjustment for participating shares		-2.8	-2.4
Numerator for continuing EPS (EUR million)	(c)	240.1	204.4
Current result from continuing operations		272.4	228.5
Share of non-controlling interest in current result from continuing operations		-12.1	-11.0
Current result from continuing operations attributable to equity holders ("Current PAT, Group's share" as defined in note 9)		260.3	217.5
Adjustment for participating shares		-3.0	-2.5
Numerator for current continuing EPS (EUR million)	(d)	257.3	215.0
Weighted average number of ordinary shares outstanding during the period	(e)	54,581,442	54,427,166
Adjustment for stock option plans		339,500	344,461
Weighted average number of ordinary shares taken into account for diluted EPS	(f)	54,920,942	54,771,627
Result for the period attributable to equity holders			
Basic EPS (EUR)	**(a)/(e)**	**5.66**	**3.97**
Diluted EPS (EUR)	**(a)/(f)**	**5.63**	**3.95**
Basic current EPS (EUR)	(b)/(e)	5.65	4.26
Diluted current EPS (EUR)	(b)/(f)	5.62	4.23
Result from continuing operations attributable to equity holders			
Basic continuing EPS (EUR)	(c)/(e)	4.40	3.76
Diluted continuing EPS (EUR)	(c)/(f)	4.37	3.73
Basic current continuing EPS (EUR)	(d)/(e)	4.71	3.95
Diluted current continuing EPS (EUR)	(d)/(f)	4.68	3.93

[1] As restated (see note 2.1).

NOTE 11: GOODWILL

EUR million	2011	2010
Carrying amount at 1 January	**1,004.6**	**939.8**
Additions	21.7	26.5
Increase arising from put options granted to non-controlling shareholders (see note 33)	1.6	25.8
Adjustments	0.6	-6.3
Scope exit	-0.9	-
Translation differences	-1.6	18.8
Carrying amount at 31 December	**1,026.0**	**1,004.6**

The additions arising from business combinations that occurred in the period are detailed in note 12.
The increase arising from put options comprises the additional goodwill recognised at year end to reflect the change in the exercise price of the remaining options granted to non-controlling shareholders and the carrying value of non-controlling interest to which they relate (see note 33).
The adjustments result from subsequent changes in the fair value of the net assets in relation to the acquisitions performed in 2010 by the Vehicle Glass segment.
The scope exit is related to the de-consolidation of Avis Europe plc following its disposal in October 2011.
In accordance with the requirements of IAS 36 "Impairment of Assets", the Group completed a review of the carrying value of goodwill and of the other intangible assets with indefinite useful lives (see note 13) as at each year end. The impairment review, undertaken by calculating value in use, was carried out to ensure that the carrying value of the Group's assets are stated at no more than their recoverable amount, being the higher of fair value less costs to sell and value in use.
In determining the value in use, the Group calculated the present value of the estimated future cash flows expected to arise from the continuing use of the assets using a pre-tax discount rate of 9,1% (in 2010 : in the range from 8% to 9%). The discount rate applied is based upon the weighted average cost of capital of each segment with appropriate adjustment for the relevant risks associated with the businesses. Estimated future cash flows are based on long-term plans (i.e. over 3 years) for each cash-generating unit, with extrapolation thereafter based on long-term average growth rates for the individual cash-generating units. This growth rate is set at 2% (2010: in the range from 2% to 4%) for most of the units, including the ones that carry the most significant goodwill and intangible assets with indefinite useful lives.

Key assumptions in supporting the value of goodwill and intangible assets with indefinite useful lives include revenue growth rates, gross margin, operating expenses, discount rate and long-term growth rates. Gross margins are based on historical values achieved by the respective cash-generating units and global market trends. Operating expenses are based on historical levels suitably adjusted for increases in activity levels over the term of the cash projections. The cash flows assumptions of these cash-generating units form part of the latest financial projections as reviewed by the Board of Directors. The discount rate is based upon the weighted average cost of capital of each segment. Long-term growth rates are based upon industry analysis and are consistent with historical trends.

Future cash flows are estimates that may be revised in future periods as underlying assumptions change. Should the assumptions vary adversely in the future, the value in use of goodwill and intangible assets with indefinite useful lives may reduce below their carrying amounts. Based on current valuations, headroom appears to be sufficient to absorb a normal variation in the underlying assumptions. For information, an increase in discount rate of one percentage point and a decrease in long-term growth rate of one percentage point would not result in an impairment charge on goodwill and on other intangible assets with indefinite useful lives.

NOTE 11: GOODWILL (CONTINUED)

The allocation of goodwill to cash-generating units is set out below (the allocation of other intangible assets with indefinite useful lives is set out in note 13):

EUR million	2011	2010
Automobile Distribution	**6.2**	**2.6**
Car Rental		
France	-	0.2
Subtotal Car Rental	**-**	**0.2**
Vehicle Glass		
United Kingdom	97.2	97.1
France	70.7	70.7
Italy	54.2	54.2
Germany	47.8	47.8
Canada	51.3	40.3
Holland	29.1	29.1
Belgium	27.1	27.1
Australia	27.3	24.8
United States	124.3	123.5
Spain	19.7	17.9
Norway	7.0	7.0
New Zealand	6.4	6.4
Greece	3.8	3.8
Sweden	4.9	4.5
Switzerland	2.1	2.1
Portugal	1.2	1.2
Denmark	5.2	5.2
Brazil	24.6	26.6
China	4.7	2.9
Russia	8.6	8.4
Turkey	4.8	4.8
Unallocated	397.8	396.4
Subtotal Vehicle Glass	**1,019.8**	**1,001.8**
GROUP	**1,026.0**	**1,004.6**

The unallocated amount in the Vehicle Glass segment comes from the acquisition of Belron by the Group in 1999, from the transactions entered into with the non-controlling shareholders of Belron since 1999, and from the recognition of the put options granted to non-controlling shareholders of Belron following the introduction of IAS 32 from 1 January 2005 onwards (see note 33).

NOTE 12: BUSINESS COMBINATIONS

The Group applies the revised version of IFRS 3 "Business Combinations" as from 1 January 2010.
During the period, the Group made the following acquisitions:

- On 1 January 2011, Belron acquired the assets of Jinan Xin Mei Ka Glass Ltd, a fitting and wholesale business in China.
- On 4 February 2011, Avis Europe acquired the remaining 50% of its French joint venture OKIGO.
- On 1 March 2011, Belron acquired the assets of Shenzhen Minky Automobile Glass Co. Ltd, a fitting business in China.
- On 7 March 2011, Belron acquired the assets of Bilglas Express, a fitting business with one branch in Sweden.
- On 1 April 2011, Belron acquired the assets of KST-Glass LLC, a wholesale business in Russia.
- On 4 April 2011, Belron acquired the assets of Tyresö Biglasa, a fitting business with one branch in Sweden.
- On 16 May 2011, Belron acquired the assets of Comercial Kuramoto de Autovidros Ltda, a fitting business in Brazil.
- On 27 May 2011, Belron acquired the assets of Capital Glass Pty Ltd, a flat glass replacement business in Australia.
- On 1 July 2011, Belron acquired the assets of Changsha Fuyao Vehicle Glass Parts Co. Ltd and Changzha Yinxi Glass Sales Co Ltd, a fitting business in China.
- In July 2011, the Parent acquired a 100% interest in Penders s.a. which operates a garage distributing the make Porsche in Belgium.
- On 4 July 2011, Belron acquired the assets of MN Comercio de Vidros Automotivos e Espamentos Ltds ME, a fitting business in Brazil.
- On 4 August 2011, Belron acquired the assets of Allglas i Orebro, a fitting business in Sweden.
- On 14 November 2011, Belron acquired the assets of Struder Autoglas GmbH & Co. KG, a fitting business in Austria.
- On 1 December 2011, Belron
- On 1 December 2011, Belron acquired the assets of EFK Glass BVBA, a fitting business in Belgium.
- During the year, Belron acquired 27 branches in Canada. These were all independently owned former Apple® or Duro® franchisees.

The goodwill recognised above reflects the expected synergies and other benefits resulting from the combination of the acquired activities with those of the Automobile Distribution and Vehicle Glass segments.
The fair value of the trade and other receivables amounts to EUR 6.4 million and it is expected that the full amount can be collected.
Acquisition-related costs of EUR 5.7 million are included in the consolidated income statement.

The goodwill on the 2010 acquisitions was increased by EUR 0.6 million reflecting fair value adjustments made to the initial valuations disclosed in note 12 of the 2010 Consolidated Financial Statements. This increase mainly reflects changes in the fair value of the net assets acquired.

NOTE 12: BUSINESS COMBINATIONS (CONTINUED)

The additional sales arising subsequent to these acquisitions amount approximately to EUR 25 million (approximately EUR 48 million if they had occurred on the first day of the period). The results arising subsequent to these acquisitions (even if they had occurred on the first day of the period) are not considered material to the Group and accordingly are not disclosed separately.

The details of the net assets acquired, goodwill and consideration of the acquisitions are set out below:

EUR million	Provisional fair value [1]
Other intangibles	2.1
Other property, plant & equipment	1.8
Inventories	4.5
Trade and other receivables	6.4
Cash and cash equivalents	1.4
Non-current borrowings	-0.2
Current borrowings	-2.5
Current tax liabilities	-0.4
Trade and other payables	-8.7
Net assets acquired	**4.4**
Goodwill (see note 11)	21.7
CONSIDERATION	**26.1**
Consideration satisfied by:	
Cash payment	22.6
Fair-value of previously held investment	-0.1
Estimation of fair value of the deferred consideration payable in the future	3.6
	26.1

[1] The fair values are provisional since the integration process of the acquired entities and businesses is still ongoing.

NOTE 13: OTHER INTANGIBLE ASSETS

Goodwill is analysed in note 11. All other intangible assets have finite useful lives, unless otherwise specified.

EUR million	Avis licence rights	Other licenses and similar rights	Brands (with finite and indefinite useful lives)	Customer contracts	Computer software	Other	Total
Gross amount at 1 January 2011	711.5	0.4	349.2	59.2	165.4	0.3	1,286.0
Accumulated amortisation and impairment losses at 1 January 2011	-358.9	-0.4	-16.6	-22.7	-94.9	-0.3	-493.8
Carrying amount at 1 January 2011	**352.6**	**-**	**332.6**	**36.5**	**70.5**	**-**	**792.2**
Additions:							
Items separately acquired	-	-	-	-	37.0	-	37.0
Disposals	-	-	-	-	-0.2	-	-0.2
Amortisation	-6.2	-	-3.3	-6.3	-17.1	-	-32.9
Impairment losses (see note 9)	-	-	-	-	-13.7	-	-13.7
Reversal of impairment losses (see note 41)	96.2	-	-	-	-	-	96.2
Items acquired through business combinations	-	-	-	2.1	-	-	2.1
Scope exit	-442.6	-	-	-	-10.8	-	-453.4
Translation differences	-	-	0.3	-	0.8	-	1.1
Carrying amount at 31 December 2011	**-**	**-**	**329.6**	**32.3**	**66.5**	**-**	**428.4**
of which: gross amount	-	*0.4*	*349.8*	*61.9*	*145.7*	*0.3*	*558.1*
accumulated amortisation and impairment losses	-	*-0.4*	*-20.2*	*-29.6*	*-79.2*	*-0.3*	*-129.7*
Gross amount at 1 January 2010	711.5	0.4	336.1	50.9	123.3	0.3	1,222.5
Accumulated amortisation and impairment losses at 1 January 2010	-345.2	-0.4	-7.7	-14.8	-77.9	-0.3	-446.3
Carrying amount at 1 January 2010	**366.3**	**-**	**328.4**	**36.1**	**45.4**	**-**	**776.2**
Additions:							
Internal development	-	-	-	-	1.0	-	1.0
Items separately acquired	-	-	-	-	32.3	-	32.3
Disposals	-	-	-	-	-0.1	-	-0.1
Amortisation	-13.7	-	-8.7	-6.3	-16.6	-	-45.3
Transfer from (to) another caption	-	-	2.3	2.5	5.7	-	10.5
Items acquired through business combinations	-	-	1.1	0.4	-	-	1.5
Translation differences	-	-	9.5	3.8	2.8	-	16.1
Carrying amount at 31 December 2010	**352.6**	**-**	**332.6**	**36.5**	**70.5**	**-**	**792.2**
of which: gross amount	*711.5*	*0.4*	*349.2*	*59.2*	*165.4*	*0.3*	*1,286.0*
accumulated amortisation and impairment losses	*-358.9*	*-0.4*	*-16.6*	*-22.7*	*-94.9*	*-0.3*	*-493.8*

Prior to the de-consolidation of the Car Rental segment, all the assets and liabilities were re-measured to the lower of carrying amount and fair value less costs to sell at the date of disposal.

NOTE 13: OTHER INTANGIBLE ASSETS (CONTINUED)

The Board of Directors of the Parent has considered that the consideration offered for the acquisition of the Avis shares (see note 41) is an indication that the impairment recognised in 2008 on the Avis licence rights has decreased. As a result and in accordance with the requirements of IAS 36, a reversal of impairment charge has been recognised to bring the carrying amount of the Car Rental segment to its fair value less costs to sell at the date of disposal. The resulting reversal of impairment charge (gross amount of EUR 96.2 million) was fully allocated to the value of the Avis licence rights. This reversal of impairment has also led to an increase of EUR 28.8 million in the deferred tax liability arising on the recognition of the Avis licence rights.

The nature of the brands with indefinite useful lives is provided in the summary of significant accounting policies in note 2. The increase in customer contracts reflects the businesses acquired in the period (see note 12) by the Vehicle Glass segment. The brands with finite useful lives are amortised on their remaining useful life on a straight-line basis since there is a limit to the period over which these assets are expected to generate cash inflows. The 2011 amortisation amounted to EUR 3.3 million (2010: EUR 8.7 million). The carrying value of the brands with a finite useful life at 31 December 2011 amounted to EUR 3.0 million (2010: EUR 2.3 million), whilst the carrying amount of brands with indefinite useful life amounted to EUR 326.6 million (2010: EUR 330.3 million).

The allocation of brands (with indefinite useful lives) to cash-generating units in the Vehicle Glass segment is set out below:

EUR million	2011	2010
United Kingdom	67.9	67.9
France	61.9	61.9
Germany	34.8	34.8
Holland	24.2	24.2
Belgium	18.1	18.1
Canada	15.3	15.3
United States	92.1	95.8
Spain	9.1	9.1
Portugal	2.9	2.9
Italy	0.3	0.3
Carrying amount of brands	**326.6**	**330.3**

The other disclosures required by IAS 36 for intangible assets with indefinite useful lives are provided in note 11. Based on current valuations (see note 11), headroom appears to be sufficient to absorb a normal variation in the underlying assumptions. For information, an increase in discount rate of one percentage point and a decrease in long-term growth rate of one percentage point would not result in an impairment charge on goodwill and on other intangible assets with indefinite useful lives.

NOTE 14: VEHICLES

EUR million	2011	2010
Gross amount at 1 January	865.4	910.5
Accumulated depreciation at 1 January	-207.1	-238.6
Carrying amount at 1 January	**658.3**	**671.9**
Additions	649.8	571.5
Disposals	-101.6	-
Depreciation charge	-110.5	-166.8
Transfer to inventories	-227.9	-456.1
Transfer from (to) current assets	6.2	31.8
Transfer to non-current assets held for sale (see note 23)	-324.3	-
Scope exit	-549.5	-
Translation differences	-0.5	6.0
Carrying amount at 31 December	**-**	**658.3**
of which: gross amount	-	*865.4*
accumulated depreciation	-	*-207.1*

NOTE 14: VEHICLES (CONTINUED)

In 2010, vehicles held under finance leases included in the above (in the Car Rental segment only) amounted to EUR 40 million.

The Automobile Distribution's fleet is rented out in Belgium by s.a. D'Ieteren Lease n.v. ("D'Ieteren Lease"), a wholly-owned subsidiary of the Group. All rentals are operating leases. On average, the rentals are 44 months long (2010: 44 months). The average size of the fleet in 2011 is 20,827 vehicles (2010: 20,712 vehicles).
At year-end, the Group is committed to a sale plan of D'Ieteren Lease which will involve loss of control of its subsidiary, with the contribution planned in early 2012 to a newly joint venture (Volkswagen D'Ieteren Finance) created by the Group and Volkswagen Financial Services (a subsidiary of the Volkswagen group). The fleet assets have therefore been classified as held for sale in accordance with IFRS 5. See notes 2.1 and 23 for more information.

In 2011 and 2010, the financing of the D'Ieteren Lease fleet was provided by a securitisation programme. This programme initially launched in 2006 had been renewed in June 2009 up to EUR 310 million for another three year period, and had been extended in 2010 until December 2011 at improved conditions. This securitisation operation consists of the issue of bonds to professional investors. That securitisation programme has no impact on the net debt of the Group (this programme being a substitute to other external sources of financing). The carrying amount of the bonds changes as new lease contracts are concluded and as old ones expire. The reimbursement of the bonds and the payment of interest are covered by customers' lease payments and the resale of the vehicles. The programme enables the carrying amount of the bonds to follow the evolution of the carrying amount of the fleet until the third anniversary of the renewal (or eighteen months after the renewal, absent extension of the financing of the programme). It then starts to amortise, in line with the maturation of the underlying lease contracts.

The securitisation programme does not result in the derecognition of any item from the statement of financial position. Other disclosures regarding the securitisation programme are provided in notes 19, 25, 31 and 39.
This programme will be fully reimbursed in early 2012 at the occasion of the contribution of D'Ieteren Lease to Volkswagen D'Ieteren Finance, the financing of the fleet being provided by Volkswagen Financial Services.

The line "Scope exit" is related to the de-consolidation of the Car Rental's fleet (see note 2.1). Before the disposal of Avis Europe shares, the Car Rental's fleet was rented out by Avis Europe plc and its subsidiaries in Europe. All rentals were operating leases. In accordance with IFRS 5, the Group decided not to depreciate the Car Rental's fleet as from the date of its classification as held for sale (30 June 2011). The impact in the consolidated income statement is EUR 32.0 million.

NOTE 15: OTHER PROPERTY, PLANT AND EQUIPMENT

EUR million	Property	Plant and equipment	Assets under construction	Total
Gross amount at 1 January 2011	434.2	592.6	8.8	1,035.6
Accumulated depreciation and impairment losses at 1 January 2011	-193.1	-367.1	-	-560.2
Carrying amount at 1 January 2011	**241.1**	**225.5**	**8.8**	**475.4**
Additions	22.8	86.1	5.6	114.5
Disposals	-0.3	-9.5	-	-9.8
Depreciation	-21.7	-66.4	-0.3	-88.4
Transfer from (to) another caption	4.8	0.3	-5.1	-
Items acquired through business combinations	0.7	1.1	-	1.8
Scope exit	-47.9	-10.2	-0.4	-58.5
Translation differences	0.2	1.1	-	1.3
Carrying amount at 31 December 2011	**199.7**	**228.0**	**8.6**	**436.3**
of which: gross amount	*377.9*	*595.3*	*8.6*	*981.8*
accumulated depreciation and impairment losses	*-178.2*	*-367.3*	-	*-545.5*
Gross amount at 1 January 2010	399.9	498.0	3.2	901.1
Accumulated depreciation at 1 January 2010	-172.4	-309.6	-	-482.0
Carrying amount at 1 January 2010	**227.5**	**188.4**	**3.2**	**419.1**
Additions	32.0	103.1	7.9	143.0
Disposals	-0.7	-2.7	-	-3.4
Depreciation	-23.5	-69.4	-	-92.9
Transfer from (to) another caption	0.4	-6.2	-2.3	-8.1
Items acquired through business combinations	-	1.3	-	1.3
Translation differences	5.4	11.0	-	16.4
Carrying amount at 31 December 2010	**241.1**	**225.5**	**8.8**	**475.4**
of which: gross amount	*434.2*	*592.6*	*8.8*	*1,035.6*
accumulated depreciation and impairment losses	*-193.1*	*-367.1*	-	*-560.2*

At 31 December 2011, assets under construction include property under construction in the Automobile Distribution segment (EUR 8.6 million). The line "Scope exit" relates to the de-consolidation of the Car Rental segment (see note 2.1).

Assets held under finance leases are included in the above at the following amounts:

EUR million	Property	Plant and equipment	Assets under construction	Total
31 December 2011	**-**	**46.2**	**-**	**46.2**
31 December 2010	-	54.2	-	54.2

NOTE 16: INVESTMENT PROPERTY

EUR million	2011	2010
Gross amount at 1 January	12.5	12.5
Accumulated depreciation at 1 January	-6.7	-6.2
Carrying amount at 1 January	**5.8**	**6.3**
Additions	0.3	-
Depreciation	-0.5	-0.5
Carrying amount at 31 December	**5.6**	**5.8**
of which: gross amount	*12.8*	*12.5*
accumulated depreciation	*-7.2*	*-6.7*
Fair value	9.1	9.2

The fair value is supported by market evidence, and is based on a valuation by an independent valuer who holds a recognised and relevant professional qualification, and who has recent experience in the location and category of the investment property held by the Group. The latest valuations were performed in March 2010.
All items of investment property are located in Belgium and are held by the Automobile Distribution segment.
See also notes 5 and 39 for other disclosures on investment property.

NOTE 17: AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (i) loans and receivables, (ii) held-to-maturity investments or (iii) financial assets held for trading.

EUR million	2011		2010	
	Carrying amount	Fair value	Carrying amount	Fair value
Sundry	0.5	0.5	1.2	1.2
Total available-for-sale financial assets	**0.5**	**0.5**	**1.2**	**1.2**

In 2011, available-for-sale financial assets comprise non-controlling interests in non-listed companies (measured at cost less accumulated impairment losses if any, being an approximation of their fair value) held by the Automobile Distribution segment. The decrease during the period is due to the de-consolidation of available-for-sale financial assets held by the Car Rental segment and to the sale of the non-controlling interest previously held by the Vehicle Glass segment in a listed company. They are considered as non-current assets, and are not expected to be realised within 12 months. However, some or all of them could be disposed of in the near future, depending on opportunities.

NOTE 18: DERIVATIVE HEDGING INSTRUMENTS

Derivative hedging instruments are derivatives that meet the strict criteria of IAS 39 for application of hedge accounting. They provide economic hedges against risks faced by the Group (see note 38).
Derivative hedging instruments are classified in the statement of financial position as follows:

EUR million	2011	2010
Non-current assets	15.7	4.8
Current assets	1.1	0.1
Non-current liabilities	-	-17.3
Current liabilities	-	-12.9
Net derivative hedging instruments	**16.8**	**-25.3**

Derivative hedging instruments are analysed as follows:

EUR million	2011	2010
Cross currency interest rate swaps (debt derivatives)	15.7	-9.0
Interest rate swaps (debt derivatives)	-	-12.4
Forward foreign exchange contracts (non-debt derivatives)	1.1	-3.2
Non-deliverable forward exchange contracts	-	-0.7
Net derivative hedging instruments	**16.8**	**-25.3**

In 2011, all derivative hedging instruments are recognised in the Vehicle Glass segment (in 2010, in the Car Rental and Vehicle Glass segments).

In the Vehicle Glass segment:

- Forward foreign exchange contracts were used to hedge the cost of future purchases of raw materials where those purchases are denominated in a currency other than the functional currency of the purchasing entity. The hedging instruments are primarily used to hedge material purchases in Australian Dollars, US Dollars and Canadian Dollars. These contracts qualify for hedge accounting and are classified as cash flow hedges. These will occur within one year of the date of the consolidated statement of financial position and are expected to impact the consolidated income statement during the same year. The total notional amount of these contracts is EUR 26.3 million equivalent (2010: EUR 45.7 million) and the total fair value recognised within other comprehensive income is an asset of EUR 1.1 million (2010: a liability of EUR 2.0 million).
- Forward foreign exchange contracts were also used to hedge future interest costs, where the underlying loan was denominated in a currency other than the functional currency of the paying entity. Certain of those contracts qualified for hedge accounting whereas others did not. Those that qualified for hedge accounting were classified as cash flow hedges. These will occur within one year of the date of the consolidated statement of financial position and are expected to impact the consolidated income statement during the same year. The total notional amount of these contracts is nil (2010: EUR 0.8 million) and the net position recognised within other comprehensive income amounts to nil in 2011 and 2010.
- Cross currency interest rate swaps were used to hedge future US Dollar denominated cash flows of US Private Placement debt where that debt is not used to hedge either net investments or short term intercompany loans. These contracts qualify for hedge accounting. The total notional amount of outstanding cross currency interest swaps contracts (to receive US Dollars for EUR) is EUR 73.6 million (2010: nil) and the fair value is an asset of EUR 15.7 million (2010: nil). The gain on cross currency interest swaps during the period was EUR 14.7 million and represented the fair value less accrued interest recognised in the consolidated income statement.
- Non-deliverable forward exchange contracts were used to hedge a proportion of the net assets of the Brazilian business. These contracts qualifying for hedge accounting were used to hedge exchange movements on EUR denominated loans held in Brazil. The total notional amount of these contracts is nil (2010: EUR 10.1 million) and the fair value is nil (2010: liability of EUR 0.7 million).
- As part of its net investment hedge policy, the Vehicle Glass segment also used currency denominated borrowings to hedge the exposure of a proportion of its non-EUR denominated net assets against changes in value due to changes in foreign exchange rates. The fair value of these borrowings is EUR 349.5 million (2010: EUR 347.2 million).

NOTE 18: DERIVATIVE HEDGING INSTRUMENTS (CONTINUED)

In the prior year, in the Car Rental segment, cross currency interest rate swaps of aggregate notional principal amounts of USD 240 million were used to hedge the Avis Europe's USD denominated loan notes. Fair value hedge adjustments of EUR -1.8 million arised from the hedging of the principal value of the exposures to euro denominated liabilities. Cash flow hedges of EUR 0.1 million arised from the conversion of the regular semi-annual USD denominated interest payments to euro denominated interest payments. Interest rate swaps of aggregate notional principal amounts of EUR 200.0 million with average fixed interest payable of 4.03% were also used to hedge variable quarterly interest payments arising under the Senior Floating Rate Notes due 2013 issued by Avis Europe in 2006. The aim of the hedge relationship was to transform the variable interest borrowing into a fixed interest borrowing and resulted in cash flow hedges of EUR 11.4 million. Credit risks do not form part of the hedge. There was no material ineffectiveness of these hedges recorded as at the prior year balance sheet date. Forward foreign exchange contracts were used to hedge expected foreign currency income and expected foreign currency payments. Movements in the fair value of these forward foreign exchange contracts were recognised as cash flow hedges in the hedging reserve within equity. There was no material ineffectiveness of these hedges recorded as at the prior year balance sheet date.

The non-current portion of the derivative hedging instruments is expected to be settled after more than 12 months; the current portion within 12 months.

The fair values are determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions at the balance sheet date. The fair value of cross currency interest rate swaps and interest rate swaps is calculated as the present value of future estimated cash flows. The fair value of interest rate caps and collars is valued using option valuation techniques. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance sheet date.

The notional principal amounts of the outstanding derivative hedging instruments are as follows:

EUR million	2011	2010
Cross currency interest rate swaps (debt derivatives)	73.6	183.0
Interest rate swaps (debt derivatives)	-	200.0
Forward foreign exchange contracts (non-debt derivatives)	26.3	80.6

NOTE 19: DERIVATIVES HELD FOR TRADING

Derivatives held for trading are derivatives that do not meet the strict criteria of IAS 39 for application of hedge accounting. They however provide economic hedges against risks faced by the Group (see note 38).

Derivatives held for trading are classified in the statement of financial position as follows:

EUR million	2011	2010
Non-current assets		
Debt derivatives		
Embedded derivatives	-	2.2
Subtotal	**-**	**2.2**
Current assets		
Debt derivatives		
Interest rate swaps excluding securitisation swaps	10.3	10.8
Interest rate securitisation swaps [1]	1.7	4.2
Interest rate caps	-	0.2
Non-debt derivatives		
Forward foreign exchange contracts	-	2.3
Fuel hedge instruments	0.3	2.2
Subtotal	**12.3**	**19.7**
Non-current liabilities		
Debt derivatives		
Interest rate swaps excluding securitisation swaps	-1.1	-0.1
Subtotal	**-1.1**	**-0.1**
Current liabilities		
Debt derivatives		
Interest rate swaps excluding securitisation swaps	-7.6	-18.4
Interest rate securitisation swaps [1]	-	-4.4
Interest rate caps	-	-0.6
Forward foreign exchange contracts	-	-0.7
Non-debt derivatives		
Forward foreign exchange contracts	-	-0.5
Subtotal	**-7.6**	**-24.6**
NET DERIVATIVES HELD FOR TRADING	**3.6**	**-2.8**

[1] Other disclosures regarding the securitisation programme are provided in notes 14, 25, 31 and 39.

In the Vehicle Glass segment, a combination of options, collars and swaps (collectively "fuel hedge instruments") was used to hedge the price of fuel purchases. The fair value of fuel hedge instruments is determined using market valuations prepared by the respective banks that executed the initial transactions at the statement of financial position date based on the present value of the monthly futures forward curve for gasoline given the volume hedged and the contract period.

In the prior year, the EUR 250.0 million Senior Floating Rate Notes due 2013 issued by Avis Europe in 2006 included a call option permitting Avis Europe to repay the notes with effect from 31 July 2008. Under the option, the notes may be redeemed at par with effect from 31 July 2010. In accordance with IAS 39, this option was separately recognised from the underlying notes as an embedded derivative. This embedded derivative was classified as non-current asset consistent with the maturity of the borrowing in which it is embedded.

The fair values of forward rate agreements are calculated as the present value of future estimated cash flows. The fair values of interest rate swaps and interest rate caps are valued using option valuation techniques. See note 18 for details on the other valuation techniques used.

NOTE 19: DERIVATIVES HELD FOR TRADING (CONTINUED)

The notional principal amounts of the outstanding derivatives held for trading are as follows:

EUR million	2011	2010
Interest rate swaps excluding securitisation swaps	1,151.0	1,118.8
Interest rate securitisation swaps [1]	402.0	402.0
Interest rate caps and collars	10.0	40.0
Interest rate floors and collars	10.0	15.0
Forward foreign exchange contracts and options	2.6	18.9
"Fuel hedge instruments"	16.7	12.1

[1] Other disclosures regarding the securitisation programme are provided in notes 14, 25, 31 and 39.

NOTE 20: LONG-TERM EMPLOYEE BENEFIT ASSETS AND OBLIGATIONS

Long-term employee benefits include post-employment employee benefits and other long-term employee benefits. Post-employment employee benefits are analysed below. Other long-term employee benefits are presented among non-current provisions or non-current other payables, and, if material, separately disclosed in the relevant note.
Post-employment benefits are limited to retirement benefit schemes. Where applicable, Group entities contribute to the relevant state pension schemes. Certain Group entities operate schemes which provide retirement benefits, including those of the defined benefit type, which are in most cases funded by investments held outside the Group. The disclosures related to defined contribution schemes are provided in note 36.

The Group operates defined benefit schemes for qualifying employees in the following countries:

Automobile Distribution:
Funded and unfunded schemes:
Belgium
Car Rental (in 2010 only):
Funded schemes:
Austria
France
Spain
United Kingdom
Unfunded schemes:
Germany
Italy
Vehicle Glass:
Funded schemes:
Canada
France
Ireland
Holland
United Kingdom
United States

The valuations used have been based on the most recent actuarial valuations, updated by the scheme actuaries to assess the liabilities of the scheme and the market value of the scheme assets at each of the balance sheet dates.

NOTE 20: LONG-TERM EMPLOYEE BENEFIT ASSETS AND OBLIGATIONS (CONTINUED)

The main actuarial assumptions are as follows (ranges are provided given the plurality of schemes throughout the Group :

	Funded schemes				Unfunded schemes			
	2011		2010		2011		2010	
	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
Inflation rate	1.9%	3.1%	1.9%	3.6%	2.0%	2.0%	2.0%	2.0%
Discount rate	2.6%	4.7%	3.6%	5.4%	0.6%	4.1%	1.5%	5.4%
Expected return on scheme assets:								
Equities	5.8%	8.0%	7.0%	8.4%	-	-	-	-
Bonds	2.8%	5.0%	3.0%	5.3%	-	-	-	-
Other	4.1%	7.0%	0.4%	7.3%	-	-	-	-
Rate of salary increases	1.0%	5.0%	1.0%	5.4%	2.6%	2.6%	-0.3%	2.5%
Rate of pension increases	1.0%	3.1%	1.0%	3.6%	2.3%	2.3%	1.3%	2.0%

The expected rates of return on scheme assets are based on market expectations at the beginning of each year, for returns over the entire life of the related obligation. The expected return on bonds is based on long-term bond yields. The expected return on equities is based on a wide range of qualitative and quantitative market analysis including consideration of market equity risk premiums.

The actual return on scheme assets is analysed as follows:

EUR million	2011	2010 [1]
Expected return on scheme assets	20.9	18.3
Actual return less expected return on scheme assets	-21.5	29.5
Actual return on scheme assets	**-0.6**	**47.8**

(1) As restated (see note 2.1).

The amounts recognised in the statement of financial position are summarised as follows:

EUR million	2011	2010
Long-term employee benefit assets	30.5	39.2
Long-term employee benefit obligations	-59.1	-110.1
Recognised net deficit (-) / surplus (+) in the schemes	**-28.6**	**-70.9**
of which: amount expected to be settled within 12 months	*-0.8*	*-0.9*
amount expected to be settled in more than 12 months	*-27.8*	*-70.0*

NOTE 20: LONG-TERM EMPLOYEE BENEFIT ASSETS AND OBLIGATIONS (CONTINUED)

The amounts recognised in the statement of financial position are analysed as follows:

EUR million	2011			2010		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Present value of defined benefit obligations	-388.8	-3.4	-392.2	-534.0	-43.7	-577.7
Fair value of scheme assets	363.6	-	363.6	506.8	-	506.8
Net deficit (-) / surplus (+) in the schemes	**-25.2**	**-3.4**	**-28.6**	**-27.2**	**-43.7**	**-70.9**

The amounts recognised in the statement of financial position for the years 2009 and 2008 were analysed as follows:

EUR million	2009			2008		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Present value of defined benefit obligations	-466.2	-39.1	-505.3	-347.3	-38.1	-385.4
Fair value of scheme assets	392.3	-	392.3	279.0	-	279.0
Net deficit (-) / surplus (+) in the schemes	**-73.9**	**-39.1**	**-113.0**	**-68.3**	**-38.1**	**-106.4**

The fair value of scheme assets includes the following items:

EUR million	2011			2010		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Equity instruments	215.4	-	215.4	306.3	-	306.3
Debt instruments	112.5	-	112.5	143.5	-	143.5
Other assets	35.7	-	35.7	57.0	-	57.0
Fair value of scheme assets	**363.6**	**-**	**363.6**	**506.8**	**-**	**506.8**

The fair value of scheme assets did not comprise any property or other assets used by the Group, nor any financial instruments of the Group.

The movements in the recognised net deficit are as follows:

EUR million	2011			2010		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Net deficit (-) / surplus (+) at 1 January	-27.2	-43.7	-70.9	-73.9	-39.1	-113.0
Contributions paid by the Group	18.5	-	18.5	38.1	-	38.1
Benefits paid by the Group	-	0.8	0.8	-	2.2	2.2
Expense recognised in the income statement - continuing	6.7	-0.4	6.3	-6.3	-0.5	-6.8
Expense recognised in the income statement - discontinued	-1.8	-	-1.8	-4.9	-2.5	-7.4
Actuarial gains (+) / losses (-)	-57.0	-	-57.0	26.4	-3.8	22.6
Scope exit	35.7	39.9	75.6	-	-	-
Other benefits paid	-	-	-	0.2	-	0.2
Transfer from another caption	-	-	-	-2.3	-	-2.3
Translation differences	-0.1	-	-0.1	-4.5	-	-4.5
Net deficit (-) / surplus (+) at 31 December	**-25.2**	**-3.4**	**-28.6**	**-27.2**	**-43.7**	**-70.9**

NOTE 20: LONG-TERM EMPLOYEE BENEFIT ASSETS AND OBLIGATIONS (CONTINUED)

The amounts recognised in the income statement are as follows:

EUR million	2011			2010		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Current service cost	-8.7	-0.3	-9.0	-10.7	-0.9	-11.6
Past service cost	11.7	-	11.7	-0.1	-	-0.1
Interest cost	-17.6	-0.1	-17.7	-27.7	-2.1	-29.8
Effect of curtailment or settlement	0.4	-	0.4	0.2	-	0.2
Expected return on scheme assets	20.9	-	20.9	27.1	-	27.1
Expense recognised in the income statement	**6.7**	**-0.4**	**6.3**	**-11.2**	**-3.0**	**-14.2**
of which: commercial and administrative expenses (current items)	*-5.0*	*-0.4*	*-5.4*	*-11.2*	*-3.0*	*-14.2*
commercial and administrative expenses (unusual items - see note 9)	*11.7*	-	*11.7*	-	-	-

In 2011, the past service cost of EUR 11.7 million is due to the change by the UK Government of the index used for increasing deferred state pensions (see note 9).

The amounts recognised through the statement of comprehensive income are as follows:

EUR million	2011			2010		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Actual return less expected return on scheme assets	-21.5	-	-21.5	29.5	-	29.5
Experience gain (+) / loss (-) on liabilities	11.5	-	11.5	1.4	-	1.4
Gain (+) / Loss (-) on change of assumptions [1]	-41.2	-	-41.2	-15.7	-	-15.7
Discontinued operations	-5.8	-	-5.8	11.2	-3.8	7.4
Actuarial gains (+) / losses (-)	**-57.0**	**-**	**-57.0**	**26.4**	**-3.8**	**22.6**

[1] Financial and/or demographic assumptions.

The best estimate of the contributions expected to be paid to the schemes during the 2012 annual period is EUR 16.3 million.
The obligation of defined benefit schemes is calculated on the basis of a set of actuarial assumptions (including among others: mortality, discount rate of future payments, salary increases, personnel turnover, etc.). Should these assumptions change in the future, the obligation may increase. The defined benefit scheme assets are invested in a diversified portfolio, with a return that is likely to experience volatility in the future. Should the return of these assets be insufficient, the deficit might increase.

NOTE 21: DEFERRED TAXES

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The movement in deferred tax assets and liabilities during the period and the prior period is as follows:

EUR million	Revaluations	Depreciation amortisation write-downs	Provisions	Dividends	Tax losses available for offset	Financial instruments	Other	Total
Deferred tax liabilities (negative amounts)								
At 1 January 2010	-127.5	-25.2	10.0	-1.0	5.2	-1.6	-7.4	-147.5
Credited (charged) to income statement	4.3	4.7	-8.8	-0.2	5.9	-0.1	-7.0	-1.2
Credited (charged) to equity	-	-	-5.2	-	-	0.2	-	-5.0
Exchange differences	-	-2.4	-0.2	-	-	-	-0.3	-2.9
At 31 December 2010	-123.2	-22.9	-4.2	-1.2	11.1	-1.5	-14.7	-156.6
Credited (charged) to income statement	-27.0	3.1	-13.0	-0.3	-6.1	-3.0	8.3	-38.0
Credited (charged) to equity	-	-	7.1	-	-	-3.7	-	3.4
Scope exit	138.5	5.2	4.3	-	-5.7	-0.3	8.4	150.4
Exchange differences	0.1	-3.2	0.2	-	-2.0	-	0.1	-4.8
At 31 December 2011	**-11.6**	**-17.8**	**-5.6**	**-1.5**	**-2.7**	**-8.5**	**2.1**	**-45.6**
Deferred tax assets (positive amounts)								
At 1 January 2010	-	-16.2	62.6	-	40.4	5.9	5.4	98.1
Credited (charged) to income statement	-	-11.9	-17.2	-	13.6	-0.9	3.3	-13.1
Credited (charged) to equity	-	-	-	-	-	-1.0	-2.2	-3.2
Transfer to current tax	-	0.1	-	-	-	-	1.7	1.8
Exchange differences	-	-0.5	4.4	-	3.5	-0.1	1.4	8.7
At 31 December 2010	-	-28.5	49.8	-	57.5	3.9	9.6	92.3
Credited (charged) to income statement	-	8.1	-3.4	-	6.2	-0.1	-	10.8
Credited (charged) to equity	-	-	4.6	-	-	-0.4	2.9	7.1
Scope exit	-	-30.2	-9.1	-	-1.5	-3.4	-6.8	-51.0
Transfer to non-current assets held for sale	-	-1.0	-	-	-	-	-	-1.0
Exchange differences	-	-0.2	-4.1	-	0.4	-	-	-3.9
At 31 December 2011	**-**	**-51.8**	**37.8**	**-**	**62.6**	**-**	**5.7**	**54.3**
Net deferred tax assets (liabilities) after offsetting recognised in the consolidated statement of financial position:								
31 December 2010	-123.2	-51.4	45.6	-1.2	68.6	2.4	-5.1	-64.3
31 December 2011	**-11.6**	**-69.6**	**32.2**	**-1.5**	**59.9**	**-8.5**	**7.8**	**8.7**

NOTE 21: DEFERRED TAXES (CONTINUED)

In the prior year, the revaluation column mainly included the deferred tax liability (EUR 111.8 million) arising on the recognition of the Avis licence rights. The movement during the year is explained by the deferred tax impact on the amortisation and on the reversal of impairment on the Avis licence rights, as well as the de-consolidation of the net position of this deferred tax liability at the end of September 2011.

The net deferred tax balance includes net deferred tax assets amounting to EUR 11.1 million (2010: EUR 13.7 million) that are expected to be reversed in the following year. However, given the low predictability of deferred tax movements, this net amount might not be reversed as originally foreseen.

At the balance sheet date, the Group has unused tax losses and credits of EUR 240.2 million (2010: EUR 480.3 million) available for offset against future profits, for which no deferred tax asset has been recognised, due to the unpredictability of future profit streams. This includes unused tax losses of EUR 3.3 million (2010: EUR 2.4 million) that will expire in the period 2015-2027 (2010: 2015-2027) and unused tax credits of EUR 41.1 million (2010: EUR 105.8 million) that will expire in the period 2012-2018 (2010: 2011-2017). Other losses may be carried forward indefinitely.
Deferred tax has not been recognised in respect of other deductible temporary differences amounting to EUR 10.0 million (2010: EUR 22.8 million) due to the unpredictability of future profit streams.
At the balance sheet date the aggregate amount of temporary differences associated with the investments in subsidiaries, branches, associates and interests in joint ventures (being mainly the accumulated positive consolidated reserves of these entities) for which deferred tax liabilities have not been recognised is EUR 831.8 million (2010: EUR 809.6 million). No deferred tax liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future. It should also be noted that the reversal of these temporary differences, for example by way of distribution of dividends by the subsidiaries to the Parent, would generate no (or a marginal) current tax effect.

Deferred tax assets include, among other items:
- EUR 0.2 million (2010: EUR 3.8 million) of which the utilisation is dependent on future taxable profits in excess of the profit arising from the reversal of existing taxable temporary differences;
- EUR 4.6 million (2010: EUR 0.5 million) related to entities that suffered a loss in either the current or preceding period in a tax jurisdiction to which the deferred tax assets relate.

The recognition of these deferred tax assets is supported by profit expectations in the foreseeable future.
Deferred tax assets are recognised provided that there is a sufficient probability that they will be recovered in the foreseeable future. Recoverability has been conservatively assessed. However, should the conditions for this recovery not be met in the future, the current carrying amount of the deferred tax assets may be reduced.

NOTE 22: OTHER NON-CURRENT RECEIVABLES

The other non-current receivables are comprised of guarantee deposits and of non-current receivables from entities accounted for using the equity method. Their carrying amount approximates their fair value, and they generally generate no interest income. They are expected to be recovered after more than 12 months.

NOTE 23: NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Framework

On 10 October 2011, the Parent and Volkswagen Financial Services (a subsidiary of the Volkswagen group) announced that they reached an agreement to create a joint venture, Volkswagen D'Ieteren Finance (VDFin), intended to provide a full range of financial services related to the sale of the Volkswagen group vehicles on the Belgian market. VDFin will be operational in early 2012 and will be created by the contribution in early 2012 of D'Ieteren Lease sa, the Group subsidiary active in operating leases, and of the Volkswagen Bank Belgium operations. VDFin will be 50% owned (minus one share) by the Group and 50% owned (plus one share) by Volkswagen Financial Services. Both parties signed the shareholders' agreement on 23 December 2011.

Classification as held for sale

The Board of Directors of the Parent considered that the Parent is committed to a sale plan of D'Ieteren Lease which will involve the loss of control of its subsidiary, and has therefore classified in the consolidated statement of financial position as at 31 December 2011 all the assets and liabilities of its subsidiary as held for sale; the recognition criteria defined in IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations" being satisfied. These assets and liabilities were re-measured to the lower of carrying amount and fair value less costs to sell at the date of the classification as held for sale (31 December 2011).

NOTE 23: NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE (CONTINUED)

Assets and liabilities (Automobile Distribution segment)

EUR million	2011
Vehicles	324.3
Deferred tax assets	1.1
Other non-current receivables	0.6
Other financial assets - Securitisation cash reserves	7.7
Current tax assets	0.6
Trade and other receivables	13.3
Cash and cash equivalents	0.1
Non-current assets classified as held for sale	**347.7**

In the prior year, non-current assets held for sale comprised buildings previously used for Automobile Distribution activities, for which the management was commited to disposal. The disposal occurred in the second half of 2011.

EUR million	Notes	2011
Other non-current provisions		4.0
Current bonds under securitisation programme		181.4
Current intra-segment subordinated loan	31	89.0
Current derivatives held for trading - Interest rate securitisation programme		2.0
Trade and other payables		56.8
Liabilities associated with non-current assets held for sale		**333.2**
Net assets group's share		**14.5**

Net debt

EUR million	2011
Current bonds under securitisation programme	181.4
Current intra-segment subordinated loan	89.0
Less: Other financial assets - Securitisation cash reserves	-7.7
Less: Cash and cash equivalents	-0.1
Total net debt	**262.6**

NOTE 24: INVENTORIES

EUR million	2011	2010
Automobile Distribution		
Vehicles	339.6	283.2
Spare parts and accessories	29.5	26.3
Other	1.5	0.9
Subtotal	**370.6**	**310.4**
Car Rental		
Vehicles	-	0.7
Fuel	-	5.9
Spare parts and accessories	-	0.5
Subtotal	**-**	**7.1**
Vehicle Glass		
Glass and related product	256.3	233.9
Subtotal	**256.3**	**233.9**
GROUP	626.9	551.4
of which: items carried at fair value less costs to sell	*88.0*	*82.0*

In the prior year, in the Car Rental segment, vehicles comprised ex-rental vehicles where management was commited to the disposal of the vehicles. The disposal occurred in early 2011.
The items carried out at fair value less costs to sell are mainly the vehicles sold under buy-back agreements (this kind of agreement being accounted for as operating lease) that are kept on statement of financial position until their subsequent resale.
The inventories are expected to be recovered within 12 months.

NOTE 25: OTHER FINANCIAL ASSETS

The other financial assets are analysed as follows:

EUR million	2011	2010
Automobile Distribution - Securitisation cash reserves	-	8.9
Vehicle Glass - Restricted cash related to acquisitions	1.1	17.0
Other financial assets	**1.1**	**25.9**

The securitisation cash reserves (see note 23 for amounts classified as held for sale as at 31 December 2011) are pledged by D'Ieteren Lease and are held on its own bank accounts. Other disclosures regarding the securitisation programme are provided in notes 14, 19, 31 and 39.
The other financial assets are expected to be recovered within 12 months. Their carrying amount is equal to their fair value.

NOTE 26: CURRENT TAX ASSETS AND LIABILITIES

Current tax assets (liabilities) are largely expected to be recovered (settled) within 12 months.

NOTE 27: TRADE AND OTHER RECEIVABLES

Trade and other receivables are analysed as follows:

EUR million	2011			2010			
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Car Rental	Vehicle Glass	Group
Trade receivables - net	137.2	186.1	323.3	107.5	147.7	192.2	447.4
Vehicle related receivables	-	-	-	-	758.4	-	758.4
Receivables from entities accounted for using the equity method	1.3	-	1.3	0.5	-	-	0.5
Other receivables	7.3	67.5	74.8	12.8	120.0	45.8	178.6
Trade and other receivables	**145.8**	**253.6**	**399.4**	**120.8**	**1,026.1**	**238.0**	**1,384.9**

The trade and other receivables are expected to be recovered within 12 months. Their carrying amount approximates to their fair value, and they generate no interest income.

The Group is exposed to credit risk arising from its operating activities. Such risks are mitigated by selecting clients and other business partners on the basis of their credit quality and by avoiding as far as possible concentration on a few large counterparties. Credit quality of large counterparties is assessed systematically and credit limits are put in place prior to taking exposure. Payment terms are on average less than one month except where local practices are otherwise. Receivables from sales involving credit are closely tracked and collected mostly centrally in the Automobile Distribution segment, and at the country level in the Vehicle Glass segment.

In the Automobile Distribution segment, concentration on top ten customers is 23% (2010: 20%) and no customer is above 7% (2010: 6%). Certain receivables are also credit insured.

In the Vehicle Glass segment, concentrations of risk with respect to receivables are limited due to the diversity of the Belron's customer base.

In the prior year, in the Car Rental segment, vehicle related receivables included receivables related to vehicles purchased under buy-back agreements, prepaid vehicle operating lease charges, amount due from leasing companies and other vehicle receivables.

Statement of financial position amounts are stated net of provisions for doubtful debts, and accordingly, the maximum credit risk exposure is the carrying amount of the receivables in the statement of financial position. As at 31 December 2011, the provisions for bad and doubtful debt amounted to EUR 22.8 million (2010: EUR 53.4 million).

The ageing analysis of trade and other receivables past due but not impaired is as follows:

EUR million	2011	2010
Up to three months past due	95.1	153.8
Three to six months past due	10.2	11.7
Over six months past due	6.5	9.8
Total	**111.8**	**175.3**

The decrease of the provisions for bad and doubtful debts is explained by the de-consolidation of the Car Rental segment's receivables and by the decrease of EUR 3.0 million as disclosed in note 5.

NOTE 28: CASH AND CASH EQUIVALENTS

Cash and cash equivalents are analysed below:

EUR million	2011			2010			
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Car Rental	Vehicle Glass	Group
Cash at bank and in hand	74.5	36.5	111.0	2.1	92.3	33.4	127.8
Short-term deposits	20.0	-	20.0	-	139.4	-	139.4
Money Market Assets	119.0	-	119.0	-	-	-	-
Cash and cash equivalents	**213.5**	**36.5**	**250.0**	**2.1**	**231.7**	**33.4**	**267.2**

Cash and cash equivalents are mainly floating rate assets which earn interest at various rates set with reference to the prevailing EONIA, LIBID or equivalent. Their carrying amount is equal to their fair value.

In 2011, in the Automobile Distribution segment, cash and cash equivalents have been building up, notably with the proceeds of the sale in October 2011 of the Avis Europe shares previously held by the Group.

In the Vehicle Glass segment, due to legal restrictions, cash balances held in Brazil, amounting to EUR 3.7 million (2010: EUR 5.2 million), are not available for general use by the Parent or other subsidiaries.

Short-term deposits mature within 1 month (5 months in the prior period in the Car Rental segment).

NOTE 29: EQUITY

The change in ordinary share capital is set out below:

EUR million, except number of shares stated in units	Number of ordinary shares	Ordinary share capital
At 1 January 2010	**5,530,262**	**160.0**
Ten for one share split	-	-
At 31 December 2010	**55,302,620**	**160.0**
Change	-	-
At 31 December 2011	**55,302,620**	**160.0**

On 20 December 2010, the Extraordinary General Meeting of Shareholders approved the proposal of the Board of Directors to divide by ten the ordinary shares and the participating shares, by way of exchange. After this split (which was effective 27 December 2010), the number of ordinary shares and participating shares issued by the Parent amounts respectively to 55,302,620 and 5,000,000.

All ordinary shares issued are fully paid. Ordinary shares have no face value. The same Extraordinary General Meeting of Shareholders approved the dematerialization of bearer shares. The bearer ordinary shares are therefore to be converted into either registered or dematerialized shares prior to the exercise of any rights attached to them. Each ordinary share confers one voting right.

The 5,000,000 nominative participating shares do not represent share capital. Each participating share confers one voting right and gives the right to a dividend equal to one eighth of the dividend of an ordinary share.

NOTE 29: EQUITY (CONTINUED)

Treasury shares are held by the Parent and by subsidiaries as set out below:

EUR million, except number of shares stated in units	31 December 2011 Number	31 December 2011 Amount	31 December 2010 Number	31 December 2010 Amount
Treasury shares held by the Parent	744,423	15.8	779,860	15.8
Treasury shares held by subsidiaries	-	-	-	-
Treasury shares held	**744,423**	**15.8**	**779,860**	**15.8**

Treasury shares are held to cover the stock option plans set up by the Parent since 1999 (see note 37).

On 28 May 2009, the Extraordinary General Meeting of Shareholders renewed the authorisation to the Board of Directors to increase the share capital on one or more occasions, during a renewable period of five years, up to a maximum of EUR 60 million by contributions in cash or in kind or by incorporation of available or non-available reserves or share premium account, with or without creation of new shares, either preference or other shares, with or without voting rights, with or without subscription rights, with the possibility of limiting or withdrawing preferential subscription rights including in favour of one or more specified persons. The same Meeting authorised the Board of Directors to purchase own shares, during a period of five years, up to a maximum of ten percent of the ordinary shares issued.

Registered shares not fully paid-up may not be transferred except by virtue of a special authorisation from the Board of Directors for each assignment and in favour of an assignee appointed by the Board (art. 7 of the Articles). Participating shares may not be transferred except by the agreement of a majority of members of the Board of Directors, in which case they must be transferred to an assignee appointed by said members (art. 8 of the Articles).

The Group's objectives when managing capital are to safeguard each of its activities ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital. The Group monitors the capital adequacy at the level of each of its activities through a set of ratios relevant to their specific business. In order to maintain or adjust the capital structure, each activity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt, taking into account the existence of non-controlling shareholders.

Disclosure of company shareholders (according to the declarations of major shareholdings dated 02/11/2011)	Capital shares		Participating shares		Total voting rights	
	Number	%	Number	%	Number	%
s.a. de Participations et de Gestion, Brussels	10,322,060	18.66%	-	-	10,322,060	17.12%
Reptid Commercial Corporation, Dover, Delaware	2,025,320	3.66%	-	-	2,025,320	3.36%
Mrs Catheline Périer-D'Ieteren	1,529,900	2.77%	1,250,000	25.00%	2,779,900	4.61%
Mr Olivier Périer	10,000	0.02%	-	-	10,000	0.02%
The four abovementioned persons (collectively "SPDG Group") are associated and act in concert with Cobepa s.a.	**13,887,280**	**25.11%**	**1,250,000**	**25.00%**	**15,137,280**	**25.10%**
Nayarit Participations s.c.a., Brussels	17,217,830	31.13%	-	-	17,217,830	28.55%
Mr Roland D'Ieteren	466,190	0.84%	3,750,000	75.00%	4,216,190	6.99%
Mr Nicolas D'Ieteren	10,000	0.02%	-	-	10,000	0.02%
The three abovementioned persons (collectively "Nayarit Group") are associated and act in concert with Cobepa s.a.	**17,694,020**	**31.99%**	**3,750,000**	**75.00%**	**21,444,020**	**35.56%**
The persons referred to as SPDG Group and Nayarit Group act in concert.						
Cobepa s.a., Brussels	2,126,210	3.84%	-	-	2,126,210	3.53%
Cobepa s.a. acts in concert on the one hand with Nayarit Group and on the other hand with SPDG Group.						

The Board of Directors proposed the distribution of a gross dividend amounting to EUR 0.80 per share (2010: EUR 0.425 per share), or EUR 44.1 million in aggregate (2010: EUR 23.5 million).

NOTE 30: PROVISIONS

Provisions for post-retirement benefit schemes are analysed in note 20. The other provisions, either current or non-current, are analysed below.

The major classes of provisions are the following ones:

EUR million	2011			2010			
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Car Rental	Vehicle Glass	Group
Non-current provisions							
Dealer-related	19.2	-	19.2	15.5	-	-	15.5
Warranty	5.0	-	5.0	5.0	-	-	5.0
Insurance and covers	-	-	-	2.7	18.4	-	21.1
Other non-current items	7.6	36.8	44.4	8.5	9.0	37.0	54.5
Subtotal	**31.8**	**36.8**	**68.6**	**31.7**	**27.4**	**37.0**	**96.1**
Current provisions							
Insurance and covers	-	-	-	-	13.9	-	13.9
Other current items	-	8.9	8.9	-	7.0	4.4	11.4
Subtotal	**-**	**8.9**	**8.9**	**-**	**20.9**	**4.4**	**25.3**
Total provisions	**31.8**	**45.7**	**77.5**	**31.7**	**48.3**	**41.4**	**121.4**

The changes in provisions are set out below for the year ended 31 December 2011:

EUR million	Dealer-related	Warranty	Insurance and covers	Other non-current items	Other current items	Total
At 1 January 2011	**15.5**	**5.0**	**35.0**	**54.5**	**11.4**	**121.4**
Charged in the year	6.8	0.9	9.6	2.6	14.1	34.0
Utilised in the year	-3.0	-0.2	-2.7	-2.2	-9.6	-17.7
Reversed in the year	-0.1	-0.7	-	-0.2	-	-1.0
Transferred during the year	-	-	-8.2	-0.5	5.7	-3.0
Transferred to liabilities associated with non-current assets held for sale (see note 23)	-	-	-2.9	-1.1	-	-4.0
Scope exit	-	-	-30.8	-8.7	-12.7	-52.2
At 31 December 2011	**19.2**	**5.0**	**-**	**44.4**	**8.9**	**77.5**

The timing of the outflows being largely uncertain, most of the provisions are considered as non-current items. Current provisions are expected to be settled within 12 months.

The dealer-related provisions arise from the ongoing improvement of the distribution networks.

In the Automobile Distribution segment, warranty provisions relate to the cost of services offered to new vehicle customers, like mobility. Provisions are also set up for incurred material damage (registered or not) at D'Ieteren Lease. At year-end, these are classified within liabilities associated with non-current assets held for sale (see note 23).
Other current and non-current provisions primarily comprise:

- Reorganisation and employee termination provisions that are expected to crystallise within the next few years;
- Dilapidation and environmental provisions to cover the costs of the remediation of certain properties held under operating leases;
- Provisions for vacant properties;
- Provision against legal claims that arise in the normal course of business, that are expected to crystallise in the next couple of years. After taking appropriate legal advice, the outcome of these legal claims should not give rise to any significant loss beyond amounts provided at 31 December 2011;
- Provisions for long-term management incentive schemes in the Vehicle Glass segment. The scheme set up in 2005 was settled in the first half of 2010. The settlement of the new scheme commenced in 2010 is expected to occur between 2013 and 2015.

NOTE 31: BORROWINGS

Borrowings are analysed as follows:

EUR million	Notes	2011			2010			
		Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Car Rental	Vehicle Glass	Group
Non-current borrowings								
Bonds		249.7	-	249.7	349.6	-	-	349.6
Bonds under securitisation programme		-	-	-	186.4	-	-	186.4
Obligations under finance leases		-	25.9	25.9	-	0.1	30.3	30.4
Bank and other loans		1.6	46.6	48.2	1.5	-	439.3	440.8
Loan notes		-	464.4	464.4	-	435.6	271.0	706.6
Deferred consideration		-	-	-	-	24.8	-	24.8
Subtotal non-current borrowings		**251.3**	**536.9**	**788.2**	**537.5**	**460.5**	**740.6**	**1,738.6**
Current borrowings								
Bonds		100.0	-	100.0	-	-	-	-
Obligations under finance leases		-	20.3	20.3	-	184.3	21.2	205.5
Bank and other loans		1.0	20.8	21.8	3.6	20.3	8.4	32.3
Loan notes		-	-	-	-	91.6	-	91.6
Commercial paper		-	-	-	25.5	1.0	-	26.5
Deferred consideration		-	-	-	-	0.3	-	0.3
Intra-segment subordinated loan	23	-89.0	-	-89.0	-	-	-	-
Inter-segment financing		-240.0	240.0	-	-	-	-	-
Subtotal current borrowings		**-228.0**	**281.1**	**53.1**	**29.1**	**297.5**	**29.6**	**356.2**
TOTAL BORROWINGS		**23.3**	**818.0**	**841.3**	**566.6**	**758.0**	**770.2**	**2,094.8**

The Group issues bonds both through the Parent and its wholly-owned subsidiary D'Ieteren Trading b.v. The bonds outstanding at 31 December are as follows (only in the Automobile Distribution segment):

	2011				2010			
	Issued	Principal (EUR million)	Maturing	Fixed rate	Issued	Principal (EUR million)	Maturing	Fixed rate
	July 2004	100.0	2012	5.25%	July 2004	100.0	2012	5.25%
	July 2005	100.0	2015	4.25%	July 2005	100.0	2015	4.25%
	December 2009	150.0	2014	5.50%	December 2009	150.0	2014	5.50%
Total		**350.0**				**350.0**		

The weighted average cost of bonds in 2011 was 5.1% (2010: 5.1%).

The Group issues bonds under a securitisation programme, through its wholly-owned subsidiary s.a. D'Ieteren Lease n.v. ("D'Ieteren Lease"). The programme is set out in note 14. The weighted average cost of this programme, including the amortisation of the initial set-up and renewal costs over a two successive three-year periods, was 3.4% (2010: 3.5%). Pledged accounts related to this securitisation programme are recorded under the heading "other financial assets" (see notes 23 and 25). Other disclosures regarding the securitisation programme are also provided in notes 19 and 39.
At year-end, in accordance with the requirements of IFRS 5 (see notes 2.1 and 23), bonds under securitisation programme have been classified within liabilities associated with non-current assets held for sale. The programme will be fully repaid in early 2012 at the occasion of the contribution of D'Ieteren Lease to Volkswagen D'Ieteren Finance, the financing of the fleet being guaranteed throughout this new joint venture created by the Group and Volkswagen Financial Services (a subsidiary of the Volkswagen group).

NOTE 31: BORROWINGS (CONTINUED)

Obligations under finance leases are analysed below:

EUR million	2011		2010	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Within one year	20.8	20.3	211.6	205.5
Between one and five years	27.5	25.3	32.4	29.6
More than five years	0.8	0.7	1.0	0.8
Subtotal	49.1	46.3	245.0	235.9
Less: future finance charges	-2.9		-9.1	
Present value of finance lease obligations	**46.2**		**235.9**	

At year-end, obligations under finance leases are only located in the Vehicle Glass segment. Finance leases were also previously used in the Car Rental segment (until its disposal in 2011) which leased certain of its vehicles (including some vehicles held under buy-back agreements) and plant and equipment under finance leases. The Group's obligations under finance leases are secured by the lessors having legal title over the leased assets.

Bank and other loans mainly represent non syndicated bank loans (in the Automobile Distribution segment) and syndicated arrangements (in Vehicle Glass segment), as well as overdrafts. Depending on the currency of the bank borrowings and the segment concerned, the weighted average cost ranged from 1.9% to 20.6% in 2011 (2010: 1.3% to 16.9%).

In the Vehicle Glass segment, loan notes represent the following outstanding balances, due by Belron Finance Limited, a wholly-owned subsidiary of Belron:

			2011		2010	
	Interest rate	Currency	Principal (in million)	Maturing	Principal (in million)	Maturing
Series A (April 2007)	5.68%	USD	200.0	2014	200.0	2014
Series B (April 2007)	5.80%	USD	125.0	2017	125.0	2017
Series C (April 2007)	5.94%	GBP	20.0	2017	20.0	2017
Series A (March 2011)	4.51%	USD	50.0	2018	n/a	n/a
Series B (March 2011)	5.13%	USD	100.0	2021	n/a	n/a
Series C (March 2011)	5.25%	USD	100.0	2023	n/a	n/a

In the prior year, in the Car Rental segment, loan notes represented the following balances, due by Avis Finance Company plc ("AFC"), an indirect wholly-owned subsidiary of Avis Europe plc:

		2011		2010	
Issued	Currency	Principal (in million)	Maturing	Principal (in million)	Maturing
June 2002	EUR	-	-	26.8	2012
June 2004	USD	-	-	240.0	2011,2012,2014
June 2004	EUR	-	-	65.0	2012
July 2006	EUR	-	-	250.0	2013

NOTE 31: BORROWINGS (CONTINUED)

The Group runs one commercial paper programme in Belgium throughout s.a. D'Ieteren Treasury n.v., a wholly-owned subsidiary of the Parent (EUR 300.0 million; in 2010: EUR 300.0 million). This programme is guaranteed by the Parent. The weighted average cost over 2011 was nil (2010: 0.6%). Medium term notes can also be drawn from this programme.

In the prior year, in the Car Rental segment, deferred consideration represented amounts still due arising on the acquisition of Avis Europe Investment Holdings Limited (a wholly-owned subsidiary of Avis Europe plc) from Avis Inc. in 1997, and payable in annual instalments of GBP 1.9 million including interest. The deferred consideration was denominated in GBP and beared an interest rate of 8.0% fixed for 27 years.

Inter-segment financing items are amounts lent by the Automobile Distribution segment to the Vehicle Glass segment, at arm's length conditions.

The intra-segment subordinated loan represents an amount lent by s.a. D'Ieteren Services n.v., a wholly-owned subsidiary of the Parent, to D'Ieteren Lease at arm's length conditions. This inter-company loan is eliminated upon consolidation but is separately presented in notes 23 and 31 due to the classification of D'Ieteren Lease's assets and liabilities as held for sale. This subordinated loan will be repaid at the occasion of the contribution of D'Ieteren Lease to Volkswagen D'Ieteren Finance.

Non-current borrowings are due for settlement after more than one year, in accordance with the maturity profile set out below:

EUR million	2011	2010
Between one and five years	475.6	1,591.5
After more than five years	312.6	147.1
Non-current borrowings	**788.2**	**1,738.6**

The exposure of the Group's borrowings to interest rate changes and the repricing dates (before the effect of the debt derivatives) at the balance sheet date is as follows:

EUR million	2011	2010
Less than one year	53.1	982.7
Between one and five years	475.6	968.1
After more than five years	312.6	144.0
Borrowings	**841.3**	**2,094.8**

The interest rate and currency profiles of borrowings are as follows (including the value of the adjustment for hedged borrowings disclosed in note 32):

EUR million	2011			2010		
Currency	Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total
EUR	355.4	304.6	660.0	446.6	1,043.2	1,489.8
GBP	24.0	5.0	29.0	48.7	0.1	48.8
USD	397.9	14.2	412.1	477.4	77.4	554.8
Other	5.3	2.4	7.7	4.8	1.4	6.2
Total	**782.6**	**326.2**	**1,108.8**	**977.5**	**1,122.1**	**2,099.6**

NOTE 31: BORROWINGS (CONTINUED)

When the effects of debt derivatives are taken into account, the interest rate and currency profiles of borrowings are as follows:

EUR million	2011			2010		
Currency	Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total
EUR	763.8	-180.4	583.4	1,531.6	52.3	1,583.9
GBP	24.0	5.0	29.0	48.7	101.1	149.8
USD	474.5	14.2	488.7	366.0	1.3	367.3
Other	5.3	2.4	7.7	4.8	-6.2	-1.4
Total	**1,267.6**	**-158.8**	**1,108.8**	**1,951.1**	**148.5**	**2,099.6**

The floating rate borrowings bear interest at various rates set with reference to the prevailing EURIBOR or equivalent. The range of interest rates applicable for fixed rate borrowings outstanding is as follows:

	2011		2010	
Currency	Min.	Max.	Min.	Max.
EUR	1.9%	6.6%	2.0%	6.8%
GBP	3.0%	5.9%	4.0%	5.9%
USD	2.0%	7.0%	2.0%	7.0%
Other	2.9%	20.6%	3.7%	16.9%

The fair value of current borrowings approximates to their carrying amount. The fair value of non-current borrowings is set out below:

EUR million	2011		2010	
	Fair value	Carrying amount	Fair value	Carrying amount
Bonds	255.3	249.7	359.4	349.6
Bonds under securitisation programme	-	-	186.4	186.4
Obligations under finance leases	25.9	25.9	30.4	30.4
Bank loans, loan notes and other loans	509.3	512.6	1,139.2	1,147.4
Deferred consideration	-	-	23.0	24.8
Non-current borrowings	**790.5**	**788.2**	**1,738.4**	**1,738.6**

The fair value of the bonds is determined based on their market prices. The fair value of the bonds under securitisation programme is equal to their carrying amount. The fair value of the other borrowings is based on either tradable market values, or where such market values are not readily available is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.
Certain of the borrowings in the Group have covenants attached.

NOTE 32: NET DEBT

Net debt is a non-GAAP measure, i.e. its definition is not addressed by IFRS. The Group does not represent net debt as an alternative to financial measures determined in accordance with IFRS. The Group uses the concept of net debt to reflect its indebtedness. Net debt is based on borrowings less cash, cash equivalents and non-current and current asset investments. It excludes the fair value of derivative debt instruments. The hedged borrowings (i.e. those that are accounted for in accordance with the hedge accounting rules of IAS 39) are translated at the contractual foreign exchange rates of the related cross currency swaps. The other borrowings are translated at closing foreign exchange rates.

EUR million	2011			2010			
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Car Rental	Vehicle Glass	Group
Non-current borrowings	251.3	536.9	788.2	537.5	-	740.6	1,278.1
Current borrowings	12.0	41.1	53.1	29.1	-	29.6	58.7
Inter-segment financing	-240.0	240.0	-	-	-	-	-
Adjustment for hedged borrowings	-	-2.9	-2.9	-	-	-	-
Gross debt	**23.3**	**815.1**	**838.4**	**566.6**	**-**	**770.2**	**1,336.8**
Less: Cash and cash equivalents	-213.5	-36.5	-250.0	-2.1	-	-33.4	-35.5
Less: Current financial assets	-0.3	-	-0.3	-8.9	-	-	-8.9
Less: Other non-current receivables	-0.5	-	-0.5	-0.5	-	-	-0.5
Net debt from continuing activities excluding assets and liabilities classified as held for sale	**-191.0**	**778.6**	**587.6**	**555.1**	**-**	**736.8**	**1,291.9**
Net debt in assets and liabilities classified as held for sale	262.6	-	262.6	-	-	-	-
Net debt from discontinued operations	-	-	-	-	531.1	-	531.1
Total net debt	**71.6**	**778.6**	**850.2**	**555.1**	**531.1**	**736.8**	**1,823.0**

NOTE 33: PUT OPTIONS GRANTED TO NON-CONTROLLING SHAREHOLDERS

The Group is committed to acquiring the non-controlling shareholdings owned by third parties in Belron, should these third parties wish to exercise their put options. The exercise price of such options granted to non-controlling interest is reflected as a financial liability in the consolidated statement of financial position.

For put options granted to non-controlling shareholders prior to 1 January 2010, the goodwill is adjusted at period end to reflect the change in the exercise price of the options and the carrying value of non-controlling interest to which they relate. This treatment reflects the economic substance of the transaction, and has no impact on the result attributable to equity holders of the Parent.
For put options granted to non-controlling shareholders as from 1 January 2010, at inception, the difference between the consideration received and the exercise price of the options granted is recognised against the group's share of equity. At each period end, the re-measurement of the financial liability resulting from these options is recognised in the consolidated income statement as a re-measurement item in net finance costs.

At 31 December 2011, the exercise price of all options granted to non-controlling shareholders amounts to EUR 154.0 million (put options with related call options, exercisable until 2024). At 31 December 2010, the exercise price of all options granted to non-controlling shareholders amounted to EUR 163.0 million and comprised EUR 149.8 million of put options with related call options, exercisable until 2024 and EUR 13.2 million of expected price adjustment on put options exercised in September 2009 by Cobepa (settled in 2011 - see note 9).

For put options granted to non-controlling shareholders prior to 1 January 2010, the difference between the exercise price of the options and the carrying value of the non-controlling interest (EUR 40.3 million at 31 December 2011) is presented as additional goodwill (EUR 92.5 million at 31 December 2011).

For put options granted to non-controlling shareholders as from 1 January 2010, the re-measurement at year-end of the financial liability resulting from these options amounts to EUR 0.6 million and is recognised in the consolidated income statement as a re-measurement charge in net finance costs (see note 9).

The exercise price of the put options takes into account estimates of the future profitability of Belron. Should the underlying estimates change, the value of the put options recognised in the statement of financial position would be impacted, with impacts on the related goodwill and net finance costs.

NOTE 34: OTHER NON-CURRENT PAYABLES

Other non-current payables are non interest-bearing deferred consideration on acquisitions, payable after more than 12 months. The carrying value of other non-current payables approximates to their fair value.

NOTE 35: TRADE AND OTHER CURRENT PAYABLES

Trade and other payables are analysed below:

EUR million	2011			2010			
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Car Rental	Vehicle Glass	Group
Trade payables	99.4	98.3	197.7	86.4	207.8	95.4	389.6
Accrued charges and deferred income	37.1	5.7	42.8	51.9	212.7	2.6	267.2
Non-income taxes	6.4	15.8	22.2	4.0	42.7	12.4	59.1
Deferred consideration on acquisitions	-	6.9	6.9	-	-	5.7	5.7
Other creditors	46.8	241.3	288.1	56.8	65.1	274.1	396.0
Trade and other payables	**189.7**	**368.0**	**557.7**	**199.1**	**528.3**	**390.2**	**1,117.6**

Trade and other current payables are expected to be settled within 12 months. The carrying value of trade and other current payables approximates to their fair value.

NOTE 36: EMPLOYEE BENEFIT EXPENSE

The employee benefit expense is analysed below:

EUR million	2011			2010 [1]		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Retirement benefit charges under defined contribution schemes	*-5.2*	*-13.3*	*-18.5*	*-4.9*	*-12.1*	*-17.0*
Retirement benefit charges under defined benefit schemes (see note 20)	*-0.7*	*7.0*	*6.3*	*-0.8*	*-6.1*	*-6.9*
Total retirement benefit charge	-5.9	-6.3	-12.2	-5.7	-18.2	-23.9
Wages, salaries and social security costs	-135.1	-980.9	-1,116.0	-123.7	-1,004.5	-1,128.2
Share-based payments: equity-settled	-1.0	-	-1.0	-0.6	-	-0.6
Total employee benefit expense	**-142.0**	**-987.2**	**-1,129.2**	**-130.0**	**-1,022.7**	**-1,152.7**
of which: current items	*-142.0*	*-998.9*	*-1,140.9*	*-130.0*	*-1,022.7*	*-1,152.7*
unusual items (defined benefit schemes - see notes 9 and 20)	-	*11.7*	*11.7*	-	-	-

[1] As restated (see note 2.1).

The above expense includes the amounts charged in 2011 and in 2010 in respect of the long-term management incentive schemes mentioned in note 30.

The staff numbers are set out below (average full time equivalents):

EUR million	2011	2010 [1]
Automobile Distribution	1,685	1,584
Vehicle Glass	25,199	24,790
Group	**26,884**	**26,374**

[1] As restated (see note 2.1).

NOTE 37: SHARE-BASED PAYMENTS

There is in the Group an equity-settled share-based payment scheme. Since 1999, share option schemes have been granted to officers and managers of the Automobile Distribution segment, in the framework of the Belgian law of 26 March 1999. The underlying share is the ordinary share of s.a. D'Ieteren n.v.

Options outstanding are as follows:

Date of grant	Number of options (in units)		Exercise price (EUR)	Exercise period	
	2011	2010		From	To
2011	217,814	-	35.00	1/01/2015	22/12/2021
2010	81,350	81,350	39.60	1/01/2014	3/10/2020
2009	107,850	107,850	24.00	1/01/2013	27/10/2019
2008	121,530	121,230	12.10	1/01/2012	5/11/2018
2007	72,910	97,130	26.40	1/01/2011	2/12/2022
2006	40,300	44,850	26.60	1/01/2010	27/11/2021
2005	45,250	58,550	20.90	1/01/2009	6/11/2020
2004	28,950	37,350	14.20	1/01/2008	28/11/2019
2003	27,200	41,200	16.34	1/01/2007	16/11/2018
2002	31,200	37,600	11.60	1/01/2006	13/10/2015
2001	14,250	26,250	13.30	1/01/2005	25/10/2014
2000	25,000	37,350	26.70	1/01/2004	25/09/2013
1999	32,525	57,380	37.50	1/01/2003	17/10/2012
Total	**846,129**	**748,090**			

A high proportion of outstanding options are covered by treasury shares (see note 29).

A reconciliation of the movements in the number of outstanding options during the year is as follows:

	Number (in units)		Weighted average exercise price (EUR)	
	2011	2010	2011	2010
Outstanding options at the beginning of the period	748,090	1,019,510	23.30	22.02
Granted during the period	217,814	81,350	35.00	39.60
Forfeited during the period	-	-3,600	-	18.50
Exercised during the period	-120,075	-349,170	24.00	23.50
Other movements during the period	300	-	12.00	-
Outstanding options at the end of the period	**846,129**	**748,090**	**26.20**	**23.30**
of which: exercisable at the end of the period	*439,115*	*437,660*	*16.50*	*17.30*

In 2011, a large part of the options were exercised during the first quarter of the period. The average share price during the period was EUR 43.20 (2010: EUR 36.57).

For share options outstanding at the end of the period, the weighted average remaining contractual life is as follows:

	Number of years
31 December 2011	**8.0**
31 December 2010	8.1

NOTE 37: SHARE-BASED PAYMENTS (CONTINUED)

IFRS 2 "Share-Based Payment" requires that the fair value of all share options issued after 7 November 2002 is charged to the income statement. The fair value of the options must be assessed on the date of each issue. The assumptions for the 2011 and 2010 issues were as follows:

	2011	2010
Number of employees	223	106
Spot share price (EUR)	34.34	39.58
Option exercise price (EUR)	35.00	39.60
Vesting period (in years)	3.0	3.0
Expected life (in years)	7.0	6.8
Expected volatility (in %)	27%	32%
Risk free rate of return (in %)	2.19%	2.67%
Expected dividend (EUR)	0.425	0.350
Probability of ceasing employment before vesting (in %)	0%	0%
Weighted average fair value per option (EUR)	11.04	15.07

Expected volatility and expected dividends were provided by an independent expert. The risk free rate of return is based upon EUR zero-coupon rates with an equivalent term to the options granted.

NOTE 38: FINANCIAL RISK MANAGEMENT

Treasury policies aim to ensure permanent access to sufficient liquidity, and to monitor and limit interest and currency exchange risks. These are summarised below:

Liquidity Risk

Each business unit of the Group seeks to ensure that it has sufficient committed funding in place to cover its requirements - as estimated on the basis of its long-term financial projections - in full for at least the next 12 months. Long-term funding is managed at the level of each business unit. This funding is complemented by various sources of uncommitted liquidity (short-term banking facilities, commercial paper).
The long-term funding mainly consists of:
- In the Vehicle Glass segment: syndicated loan facilities, and private and public bonds;
- In the Automobile Distribution segment: public retail bonds and bi-lateral bank facilities.

The securitisation programme of the leasing activities has been fully repaid in early 2012 at the occasion of the contribution of D'Ieteren Lease to Volkswagen D'Ieteren Finance, a joint venture created by the Group and Volkswagen Financial Services (a subsidiary of the Volkswagen group). Debt finance will be provided by the latter going forward. At year-end, the bonds issued throughout this programme are therefore considered as due within one year.

Repayment dates are spread as evenly as possible and funding sources are diversified in order to mitigate refinancing risk (timing, markets) and its associated costs (credit spread risk).
Cash pooling schemes are sought and implemented each time when appropriate (in the Automobile Distribution and the Vehicle Glass segments) in order to minimise gross financing needs and costs of liquidity.

NOTE 38: FINANCIAL RISK MANAGEMENT (CONTINUED)

The following is an analysis of the contractual undiscounted cash flows payable under financial liabilities together with derivative financial instrument assets and liabilities at balance sheet date:

	Due within one year		Due between one and five years		Due after five years		Total	
EUR million	Capital	Interest	Capital	Interest	Capital	Interest	Capital	Interest
At 31 December 2011								
Borrowings								
Bonds	100.0	17.8	249.7	29.3	-	-	349.7	47.1
Bonds under securitisation programme	181.4	1.0	-	-	-	-	181.4	1.0
Obligations under finance leases	20.3	0.5	25.3	2.3	0.7	0.1	46.3	2.9
Other borrowings	22.6	28.6	203.6	78.3	312.3	46.4	538.5	153.3
Total	324.3	47.9	478.6	109.9	313.0	46.5	1,115.9	204.3
Trade and other payables	557.7	-	-	-	-	-	557.7	-
Derivative financial assets and liabilities								
Derivative contracts - receipts	-26.3	-21.0	-	-34.7	-76.6	-20.1	-102.9	-75.8
Derivative contracts - payments	25.4	18.9	-	23.0	73.6	9.8	99.0	51.7
Total	**881.1**	**45.8**	**478.6**	**98.2**	**310.0**	**36.2**	**1,669.7**	**180.2**
At 31 December 2010								
Borrowings								
Bonds	-	17.8	349.6	47.0	-	-	349.6	64.8
Bonds under securitisation programme	-	5.5	183.4	11.2	3.0	0.1	186.4	16.8
Obligations under finance leases	205.5	6.1	29.6	2.8	0.8	0.2	235.9	9.1
Other borrowings	151.2	37.4	1,025.7	64.3	119.9	9.4	1,296.8	111.1
Deferred consideration	0.3	-	1.4	-	23.4	-	25.1	-
Total	357.0	66.8	1,589.7	125.3	147.1	9.7	2,093.8	201.8
Trade and other payables	1,117.3	-	-	-	-	-	1,117.3	-
Derivative financial assets and liabilities								
Derivative contracts - receipts	-286.8	-17.4	-82.2	-27.6	-	-	-369.0	-45.0
Derivative contracts - payments	293.7	20.2	76.9	25.8	-	-	370.6	46.0
Total	**1,481.2**	**69.6**	**1,584.4**	**123.5**	**147.1**	**9.7**	**3,212.7**	**202.8**

Interest Rate Risk

The Group seeks to cap the impact of adverse interest rates movements on its current financial results, particularly in relation to the next 12 months. To manage its interest rate exposures, the Group primarily uses forward rate agreements, interest rate swaps, caps and floors. Each business unit determines its own minimum hedge percentages, which, for the period up to 12 months, are comprised between 50% and 100%, and thereafter gradually lower over time.

The hedge horizon overall is typically 3 years. Hedges, or fixed rate indebtedness, beyond 5 years are unusual.

More specifically, the Automobile Distribution segment seeks to protect the margins forthcoming from its long-term (operational) leasing activity (D'Ieteren Lease). Here, hedging is driven by lease contracts duration (estimated length of contracts, amortisation profiles). As explained in note 2.1, D'Ieteren Lease has been contributed in early 2012 to Volkswagen D'Ieteren Finance, a new joint venture created by the Group and Volkswagen Financial Services (a subsidiary of the Volkswagen group).

NOTE 38: FINANCIAL RISK MANAGEMENT (CONTINUED)

A change of 100 basis point in interest rate at the reporting date would have increased/decreased equity and result from continuing operations by the amounts shown below. This analysis assumes that all other variables remain constant.

EUR million	Result from continuing operations		Cash flow hedge reserve	
	1% increase	1% decrease	1% increase	1% decrease
31 December 2011	**2.9**	**-2.9**	**-**	**-**
31 December 2010 [1]	-0.5	0.4	-20.4	20.4

[1] As restated (see note 2.1).

Currency Risk

The Group's objective is to protect its cash flows and investments from the potentially high volatility of the foreign exchange markets by hedging any material net foreign currency exposure. Material means in excess of one million euros. Transaction exposures are limited and generally not material. When material, they are reduced or cancelled as soon as they are identified.
Investments outside the Eurozone generate translation exposures. These are minimised mainly through the creating of liabilities (debt) denominated in the same currency as the cash flows generated by the corresponding assets. To complement these natural hedges, the Group uses instruments such as forwards, swaps, plain-vanilla foreign exchange options and, when appropriate, cross currency swaps. The hedging levels are reviewed periodically, in light of the market conditions and each time a material asset is added or removed.
A 10 percent strenghtening/weakening of the euro against the following currencies at 31 December would have increased/decreased equity and result from continuing operations by the amounts shown below. This analysis assumes that all other variables remain constant:

EUR million	Result from continuing operations		Equity	
	10% strenghtening	10% weakening	10% strenghtening	10% weakening
31 December 2011				
EUR vs GBP	0.1	-0.1	-5.9	7.2
EUR vs USD	1.0	-1.2	-0.2	0.2
31 December 2010 [1]				
EUR vs GBP	0.1	-0.1	-17.9	20.1
EUR vs USD	0.1	-0.1	-0.3	0.3
EUR vs CHF	-	-	-3.1	3.1

[1] As restated (see note 2.1).

Counterparty Risk

Exposure limits to financial counterparties in respect of both amount and duration are set in respect of derivatives and cash deposits. Such transactions are effected with a limited number of pre-designated banks on the basis of their publicly available credit ratings, which are checked at least once a year. The required minimum rating is A- (Standard and Poor's). Limits on length of exposure per category of transaction are in place to protect liquidity and mitigate counterparty default risks. The instruments and their documentation must be authorized before entering the contemplated transactions.
There is no meaningful price risk other than those mentioned above.
Within this framework, considerable autonomy is granted to each of the businesses.

NOTE 38: FINANCIAL RISK MANAGEMENT (CONTINUED)

Measurement of financial instruments by category

IFRS 7 requires disclosure of how the fair value measurements fit within the fair value measurement hierarchy. The following table presents the Group's financial assets and liabilities measured at fair value within the hierarchy:

	2011				2010			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Non-current and current assets:								
Available-for-sale financial assets	-	-	-	-	0.2	-	-	0.2
Derivative hedging instruments	-	16.8	-	16.8	-	4.9	-	4.9
Derivatives held for trading	-	12.3	-	12.3	-	19.7	2.2	21.9
Total assets	**-**	**29.1**	**-**	**29.1**	**0.2**	**24.6**	**2.2**	**27.0**
Non-current and current liabilities:								
Derivative hedging instruments	-	-	-	-	-	30.2	-	30.2
Derivatives held for trading	-	10.7	-	10.7	-	24.7	-	24.7
Total liabilities	**-**	**10.7**	**-**	**10.7**	**-**	**54.9**	**-**	**54.9**

Level 1 comprises those financial instruments measured at fair value where the valuation is based on quoted prices (unadjusted) in active markets for identifiable assets or liabilities. As at 31 December 2010, in the Vehicle Glass segment, the available-for-sale financial assets comprise a non-controlling interest in a listed company.

Level 2 comprises those financial instruments measured at fair value where the valuation is based on inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (this is, as prices) or indirectly (that is, derived from prices). The fair values of all the Group's derivative hedging instruments and derivatives held for trading are determined using valuation techniques. These valuations techniques maximise the use of observable market data where it is available, and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The fair value of the Group's derivative hedging instruments and derivatives held for trading (other than the embedded derivative as at 31 December 2010 in the Car Rental segment – see note 19) are calculated as the present value of the estimated future cash flows based on observable yield curves, and are therefore included in level 2.

Level 3 comprises those financial instruments measured at fair value where the valuation is based on inputs for the asset or liability that are not based on observable data. In 2010, the fair value of the embedded derivative contract (in the Car Rental segment - see note 19) was determined using option valuation techniques which were based on both observable market rates, but also assumptions with respect to estimates of exercise probabilities. The embedded derivative was therefore included in level 3.

NOTE 39: CONTINGENCIES AND COMMITMENTS

EUR million	2011	2010
Commitments to acquisition of non-current assets	26.3	60.2
Other important commitments:		
Commitments given	40.4	40.4
Commitments received	3.5	2.8

In 2011, the commitments to acquisition of non-current assets mainly concern the vehicle fleet in the Automobile segment and other property, plant and equipment in the Vehicle Glass segment.

The Group is a lessee in a number of operating leases (mainly buildings, non-fleet vehicles and items of property, plant and equipment). The related future minimum lease payments under non-cancellable operating leases, per maturity, are as follows:

EUR million	2011	2010
Within one year	109.7	196.2
Later than one year and less than five years	302.1	395.9
After five years	113.0	138.2
Total	**524.8**	**730.3**

The Group also acts as a lessor in a number of operating leases, mainly through its wholly-owned subsidiary s.a. D'Ieteren Lease n.v. The related future minimum lease payments under non-cancellable operating leases, per maturity, are as follows:

EUR million	2011				2010			
	Investment property	Vehicles	Other property, plant and equipment	Total	Investment property	Vehicles	Other property, plant and equipment	Total
Within one year	0.7	88.0	-	88.7	0.8	86.0	-	86.8
Later than one year and less than five years	2.8	129.9	-	132.7	1.6	122.5	-	124.1
After five years	0.3	0.2	-	0.5	0.2	0.2	-	0.4
Total	**3.8**	**218.1**	**-**	**221.9**	**2.6**	**208.7**	**-**	**211.3**

At each year end, the Group also had prepaid various other operating lease commitments in relation to vehicles sold under buy-back agreements, included in deferred income in note 35.

The revenue, expenses, rights and obligations arising from leasing arrangements regarding investment property are not considered material to the Group, and accordingly a general description of these leasing arrangements is not disclosed.

Under the securitisation programme (see notes 14, 19, 25, 31), D'Ieteren Lease granted a floating charge on its business to the bondholders to secure its obligations. The floating charge was granted for up to the following amounts:
- in respect of principal: EUR 309.0 million;
- three years of interest calculated at the rate of 5%, or such other rate as may be agreed between the parties.

NOTE 40: RELATED PARTY TRANSACTIONS

EUR million	2011	2010
With entities with joint control or significant influence over the Group:		
Amount of the transactions entered into during the period	0.7	0.8
Outstanding creditor balance at 31 December	10.4	15.0
With associates:		
Sales	11.6	8.1
Purchases	-0.6	-0.3
Trade receivables outstanding at 31 December	1.0	0.5
With joint ventures in which the Group is a venturer:		
Sales	-	1.7
Trade receivables outstanding at 31 December	-	0.6
With key management personnel:		
Compensation:		
Short-term employee benefits	5.4	4.4
Post-employment benefits	0.2	0.5
Total compensation	5.6	4.9
Amount of the other transactions entered into during the period	n/a	n/a
Outstanding creditor balance at 31 December	n/a	n/a
With other related parties:		
Amount of the transactions entered into during the period	0.2	0.2
Outstanding creditor balance at 31 December	0.5	-

NOTE 41: DISCONTINUED OPERATIONS

Framework and discontinued operation

In June 2011 the Boards of Avis Budget Group, Inc. and Avis Europe plc announced that they had reached agreement on the terms of a recommended cash acquisition (315 pence in cash for each Avis Europe share) of the entire share capital of Avis Europe plc by Avis Budget Group by way of a Court-sanctioned Scheme of arrangement between Avis Europe plc and the Avis Europe shareholders under Part 26 of the UK Companies Act. The Board of Directors of the Parent undertook irrevocably to vote in favour of this Scheme, which was effective on 3 October 2011. The Board of Directors of the Parent considered that the Group had lost control at this effective date and has therefore de-consolidated Avis Europe plc and its subsidiaries (Car Rental segment) as from 1 October 2011. The disposal proceeds (EUR 411.8 million after taking into account foreign exchange economic hedging) was received in October 2011.

The Board of Directors of the Parent also considered that the recognition criteria as defined in IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations" were met and has therefore decided to present the 9 months results of the Car Rental segment as a discontinued operation. The consolidated income statement, consolidated statement of comprehensive income and consolidated statement of cash flows for the year ended 31 December 2010 have been restated accordingly.

Measurement of the disposal group

The assets and liabilities of the Car Rental segment were re-measured to the lower of carrying amount and fair value less costs to sell at the date of its classification as held for sale.

The Board of Directors of the Parent has considered that the consideration offered for the acquisition of the shares was an indication that the impairment recognised in 2008 on the Avis licence rights has decreased. As a result and in accordance with the requirements of IAS 36, a reversal of impairment charge has been recognised to bring the carrying amount of the Car Rental segment to its fair value less costs to sell at the date of disposal. The resulting reversal of impairment charge (gross amount of EUR 96.2 million) has been fully allocated to the value of the Avis licence rights. This reversal of impairment has also led to an increase of EUR 28.8 million in the deferred tax liability arising on the recognition of the Avis licence rights.

NOTE 41: DISCONTINUED OPERATIONS (CONTINUED)

Income statement

EUR million	30 September 2011			31 December 2010		
	Total	Current items[1]	Unusual items and re-measur--ements[1]	Total	Current items[1]	Unusual items and re-measur-ements[1]
Sales	**1,161.2**	*1,161.2*	-	**1,519.8**	*1,519.8*	-
Operating result	**136.4**	*157.7*	*-21.3*	**92.0**	*108.2*	*-16.2*
Net finance costs	-39.1	*-36.7*	*-2.4*	-58.3	*-59.5*	*1.2*
Result before tax	**97.3**	*121.0*	*-23.7*	**33.7**	*48.7*	*-15.0*
Share of result of entities accounted for using the equity method	0.6	*0.6*	-	2.3	*2.3*	-
Tax expense	-29.3	*-35.5*	*6.2*	-16.6	*-23.1*	*6.5*
Result after tax of discontinued operations	**68.6**	*86.1*	*-17.5*	**19.4**	*27.9*	*-8.5*
Result before tax recognised on the re-measurement of assets disposed of	96.2	-	*96.2*	-	-	-
Recycling of other comprehensive income reserves	-13.6	-	*-13.6*	-	-	-
Tax expense	-28.8	-	*-28.8*	-	-	-
Result after tax from discontinued operations	**122.4**	*86.1*	*36.3*	**19.4**	*27.9*	*-8.5*

[1] See summary of significant accounting policies in note 2.

In accordance with the requirements of IFRS 5, the Group has decided not to depreciate the Car Rental's non-current assets (including fleet vehicles) as from the date of its classification as held for sale (30 June 2011). The impact in the consolidated income statement is EUR 36.4 million.

Unusual items and re-measurements

EUR million	30 September 2011	31 December 2010
Operating result	**-21.3**	**-16.2**
Re-measurements of financial instruments	*-0.1*	-2.8
Amortisation of Avis licence rights	*-6.2*	-13.7
Other unusual items	*-15.0*	0.3
Net finance costs	**-2.4**	**1.2**
Re-measurements of financial instruments	*0.8*	*-4.6*
Foreign exchange	*0.3*	*-2.0*
Other unusual items	*-3.5*	*7.8*
Result before tax recognised on the re-measurement of assets disposed of	**96.2**	**-**
Reversal of impairment of Avis licence rights	*96.2*	-
Recycling of other comprehensive income reserves	**-13.6**	**-**
Recycling of cash flow hedges	*-6.3*	-
Recycling of translation differences	*-7.3*	-
Tax expense	**-22.6**	**6.5**
Total unusual items and re-measurements	**36.3**	**-8.5**

In the period, other unusual items presented in operating result are costs relating to the acquisition of Avis Europe by Avis Budget Group Inc. (national insurance costs associated with share options and professional, legal and consultancy costs recognised by Avis Europe).

NOTE 41: DISCONTINUED OPERATIONS (CONTINUED)

Assets and liabilities

EUR million	30 September 2011
Goodwill	0.9
Other intangible assets	453.4
Vehicles	549.5
Other property, plant and equipment	58.5
Equity accounted investments	17.5
Available-for-sale financial assets	0.1
Deferred tax assets	51.0
Non-current assets	**1,130.9**
Inventories	9.7
Derivatives instruments	1.3
Current tax assets	1.2
Trade and other receivables	1,356.6
Cash and cash equivalents	109.5
Current assets	**1,478.3**
TOTAL ASSETS	**2,609.2**
Non-controlling interest	**265.2**
Long-term employee benefit obligations	75.6
Other provisions	26.8
Borrowings	24.2
Deferred tax liabilities	150.4
Non-current liabilities	**277.0**
Provisions	25.4
Derivatives instruments	22.4
Borrowings	906.4
Current tax liabilities	43.4
Trade and other payables	660.6
Current liabilities	**1,658.2**
TOTAL EQUITY AND LIABILITIES	**2,200.4**

Earnings per share for result from discontinued operations attributable to equity holders of the Parent

EUR	30 September 2011			31 December 2010		
	Total	*Current items* [1]	*Unusual items and re-measurements* [1]	**Total**	*Current items* [1]	*Unusual items and re-measurements* [1]
Basic	**1.26**	*0.94*	*0.32*	**0.21**	*0.31*	*-0.10*
Diluted	**1.26**	*0.94*	*0.32*	**0.22**	*0.30*	*-0.08*

[1] See summary of significant accounting policies in note 2.

NOTE 41: DISCONTINUED OPERATIONS (CONTINUED)

Total comprehensive income

EUR million	30 September 2011	31 December 2010
Total comprehensive income		
Result for the period	122.4	19.4
Actuarial gains (losses) on employee benefit obligations	-5.8	7.4
Translation differences	4.8	9.4
Cash flow hedges: fair value gains (losses) in equity	-	-7.4
Cash flow hedges: transferred to income statement	2.2	10.0
Tax relating to items recognised in other comprehensive income	2.9	-1.1
Recycling to income statement of translation differences	7.3	-
Recycling to income statement of cash flow hedges	6.3	-
Total	**140.1**	**37.7**

Cash flows

EUR million	30 September 2011	31 December 2010
Net cash generated from operating activities	-104.7	177.0
Net cash from investing activities	-4.6	-6.3
Net cash from financing activities	-12.9	-0.1
Effect on cash flows	**-122.2**	**170.6**

NOTE 42: LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The full list of companies concerned by articles 114 and 165 of the Royal Decree of 30 January 2001 implementing the Company Code will be lodged with the Central Balance Sheet department of the National Bank of Belgium. It is also available on request from the Parent head office (see note 1).

The main fully consolidated subsidiaries of the Parent are listed below:

	Country of incorporation	% of share capital owned at 31 Dec. 2011	% of share capital owned at 31 Dec. 2010
Automobile Distribution			
s.a. D'Ieteren Lease n.v.	Belgium	100%	100%
s.a. D'Ieteren Sport n.v.	Belgium	75%	75%
Power To Wheels s.a.	Belgium	100%	100%
s.a. D'Ieteren Services n.v.	Belgium	100%	100%
s.a. D'Ieteren Treasury n.v.	Belgium	100%	100%
D'Ieteren Trading b.v.	The Netherlands	100%	100%
D'Ieteren Car Rental s.a.	Luxemburg	-	100%
D'Ieteren Vehicle Glass s.a.	Luxemburg	100%	100%
Dicobel s.a.	Belgium	100%	100%
Verellen s.a.	Belgium	100%	100%
Kronos Automobiles s.a.	Belgium	100%	100%
Penders s.a.	Belgium	100%	-
Car Rental			
Avis Europe plc	United Kingdom	-	59.59%
Vehicle Glass			
Belron s.a.	Luxemburg	92.73%	92.73%

Taking into account the treasury shares held by Avis Europe, the percentages used for the consolidation of Avis Europe are higher than the proportion held in Avis Europe's share capital shown above:

	2011	2010
Average percentage	60.13%	60.06%
Year-end percentage	-	60.05%

In 2010, taking into account the impact of the sale of one percent of Belron's equity to the family holding company of Belron's CEO, the average percentage used in 2010 for the consolidation of Belron was different than the year-end percentage.

	2011	2010
Average percentage	92.73%	93.24%
Year-end percentage	92.73%	92.73%

NOTE 43: EXCHANGE RATES

Monthly income statements of foreign operations are translated at the relevant rate of exchange for that month. Except for the statement of financial position which is translated at the closing rate, each line item in these consolidated financial statements represents a weighted average rate.

The main exchange rates used for the translations were as follows:

Number of euros for one unit of foreign currency	2011	2010
Closing rate		
AUD	0.78	0.76
BRL	0.41	0.45
CAD	0.75	0.75
GBP	1.20	1.18
USD	0.77	0.76
Average rate [1]		
AUD	0.74	0.70
BRL	0.42	0.43
CAD	0.73	0.74
GBP	1.16	1.18
USD	0.72	0.76

[1] Effective average rate for the profit or loss attributable to equity holders.

NOTE 44: SUBSEQUENT EVENTS

The contribution of D'Ieteren Lease s.a., the Group subsidiary active in operating leases, to Volkswagen D'Ieteren Finance (joint venture owned 50% minus one share by the Group and 50% plus one share by Volkswagen Financial Services, a subsidiary of the Volkswagen group) occurred in February 2012. The net gain group's share related to the contribution of all D'Ieteren Lease shares amounts to ca. EUR 40 million (after taking into account the settlement of various swaps related to the securitisation programme).

NOTE 45: AUDITOR'S REPORT

Statutory Auditor's report to the General Meeting of Shareholders of D'Ieteren s.a. on the consolidated financial statements for the year ended December 31, 2011

In accordance with the legal requirements, we report to you on the performance of the engagement of Statutory Auditor which has been entrusted to us. This report contains our opinion on the true and fair view of the consolidated financial statements as well as the required additional statements.

Unqualified audit opinion on the consolidated financial statements

We have audited the consolidated financial statements for the year ended December 31, 2011, prepared in accordance with International Financial Information Standards as adopted by the European Union, which show a balance sheet total of EUR 3,650.3 million and of which the profit and loss account closes with a profit for the year attributable to equity holders for an amount of EUR 312.6 million.

These consolidated financial statements include subsidiaries, which have been audited by other auditors. Within the framework of our assignment on the consolidated financial statements, we obtained their clearance on the accounts of the related subsidiaries.

Management is responsible for the preparation and the fair presentation of these consolidated financial statements. This responsibility includes: designing, implementing and maintening internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting principles and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the legal requirements and the auditing standards applicable in Belgium, as issued by the Institute of Registered Auditors (Institut des Reviseurs d'Entreprises / Instituut der Bedrijfsrevisoren). Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatements, whether due to fraud or error.

In accordance with the above-mentioned auditing standards, we have carried out procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The selection of these procedures is a matter for our judgment, as is the assessment of the risk that the consolidated financial statements contain material misstatements, whether due to fraud or error. In making those risk assessments, we have considered the company's internal control relating to the preparation and fair presentation of the consolidated financial statements, in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. We have also assessed the appropriateness of the accounting principles and consolidation principles, the reasonableness of accounting estimates made by management, as well as the overall presentation of the consolidated financial statements. Finally, we have obtained from management and the company's officials the explanations and information necessary for our audit. We believe that the audit evidence we have obtained provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements for the year ended December 31, 2011 give a true and fair view of the group's assets and liabilities, its financial situation, the results of its operations and cash flows in accordance with International Financial Reporting Standards as adopted by the European Union.

Additional statements

The preparation of the consolidated Directors' report and its content are the responsability of management.

Our responsibility is to supplement our report with the following additionnal statement, which does not modify our audit opinion on the consolidated financial statements:

- the consolidated Directors' report includes the information required by law and is consistent with the consolidated financial statements. We are, however, unable to comment on the description of the principal risks and uncertainties which the consolidated group is facing, and of its financial situation, its foreseeable evolution or the significant influence of certain facts on its future development. We can nevertheless confirm that the matters disclosed do not present any obvious inconsistencies with the information that we became aware of during the performance of our engagement.

Lasne, March 26, 2012

BDO Réviseurs d'entreprises SOC. CIV. SCRL
Statutory Auditor
Represented by

Félix FANK
Registered Auditor

Hugues FRONVILLE
Registered Auditor

s.a. D'Ieteren n.v. Abridged Statutory Financial Statements 2011

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The statutory financial statements of s.a. D'Ieteren n.v. are summarised below in accordance with article 105 of the Company Code. The unabridged version of the statutory financial statements of s.a. D'Ieteren n.v., the related management report and Statutory Auditor's report shall be deposited at the National Bank of Belgium within the legal deadline and may be obtained free of charge from the internet site www.dieteren.com or on request from:
s.a. D'Ieteren n.v.
Rue du Mail 50
B-1050 Brussels

The Statutory Auditor has issued an unqualified opinion on the statutory financial statements of s.a. D'Ieteren n.v.

Abridged Balance Sheet

At 31 December

EUR million		2011	2010
ASSETS			
Fixed assets		**2,428.2**	**2,419.0**
II.	Intangible assets	1.8	1.2
III.	Tangible assets	96.5	95.5
IV.	Financial assets	2,329.9	2,322.3
Current assets		**401.1**	**350.3**
V.	Non-current receivables	-	0.1
VI.	Stocks	354.5	299.1
VII.	Amounts receivable within one year	19.2	23.7
VIII.	Investments	17.7	17.8
IX.	Cash at bank and in hand	1.8	1.4
X.	Deferred charges and accrued income	7.9	8.2
TOTAL ASSETS		**2,829.3**	**2,769.3**

EUR million		2011	2010
LIABILITIES			
Capital and reserves		**920.4**	**833.1**
I.A.	Issued capital	160.0	160.0
II.	Share premium account	24.4	24.4
IV.	Reserves	666.0	608.7
V.	Accumulated profits	70.0	40.0
Provisions and deferred taxes		**35.6**	**31.6**
Creditors		**1,873.3**	**1,904.6**
VIII.	Amounts payable after one year	1,306.1	1,363.4
IX.	Amounts payable within one year	507.4	489.4
X.	Accrued charges and deferred income	59.8	51.8
TOTAL LIABILITIES		**2,829.3**	**2,769.3**

Abridged Income Statement

Year ended 31 December

EUR million		2011	2010
I.	Operating income	3,118.9	2,640.4
II.	Operating charges	3,035.5	2,579.0
III.	Operating profit	83.4	61.4
IV.	Financial income	113.5	84.7
V.	Financial charges	65.1	54.7
VI.	Result on ordinary activities before income taxes	131.8	91.4
VII.	Extraordinary income	-	9.4
VIII.	Extraordinary charges	-	-
IX.	Result for the period before taxes	131.8	100.8
IXbis.	Deferred taxes	-0.5	-
X.	Income taxes	-	-
XI.	Result for the period	131.3	100.8
XII.	Variation of untaxed reserves (1)	-0.7	-
XIII.	Result for the period available for appropriation	130.6	100.8

[1] Transfers from untaxed reserves (+) / Transfers to untaxed reserves (-).

Abridged Appropriation

Year ended 31 December

EUR million	2011	2010
APPROPRIATION ACCOUNT		
Profit (loss) to be appropriated	170.6	130.8
Gain (loss) of the period available for appropriation	130.6	100.8
Profit (loss) brought forward	40.0	30.0
Withdrawals from capital and reserves	0.3	0.3
from reserves	0.3	0.3
Transfer to capital and reserves	56.8	67.6
to other reserves	56.8	67.6
Profit (loss) to be carried forward	70.0	40.0
Profit to be distributed	44.1	23.5
Dividends	44.1	23.5

This proposed appropriation is subject to approval by the Annual General Meeting of 31 May 2012.

Abridged Note

Auditor's Remuneration

The Statutory Auditor is BDO Réviseurs d'entreprises Soc. Civ. SCRL ("BDO"). Auditor's remuneration, including the fees charged by entities related to the Statutory Auditor as defined by article 134 of the Company Law, is analysed as follows:

EUR	2011	2010
Audit		
s.a. D'Ieteren n.v. (charged by BDO)	191,500	160,000
Non-audit		
Other assurance services		
s.a. D'Ieteren n.v. (charged by BDO)	126,077	27,104
Tax advisory services (charged by SC BDO, Conseils fiscaux - Belastingsconsulenten– former Socofidex)	19,852	14,213
TOTAL	**337,429**	**201,317**

Summary of Accounting Policies

The **capitalised costs for the development of information technology projects (intangible assets)** are amortised on a straight-line basis over their useful life. The amortisation period cannot be less than 2 years nor higher than 7 years.

Tangible Fixed Assets are recognised at their acquisition value; this value does not include borrowing costs. Assets held by virtue of long-term leases ("emphytéose"), finance leases or similar rights are entered at their capital reconstitution cost. The rates of depreciation for fixed assets depend on the probable economic lifetime for the assets concerned. As from the 1st of January 2003, tangible fixed assets acquired or constructed after this date shall be depreciated pro rata temporis and the ancillary costs shall be depreciated at the same rate as the tangible fixed assets to which they relate.

The main depreciation rates are the following:

	Rate	Method
Buildings	5%	L/D
Building improvements	10%	L/D
Warehouse and garage	15%	L/D
Network identification equipment	20%	L/D
Furniture	10%	L/D
Office equipment	20%	L/D
Rolling stock	25%	L
Heating system	10%	L/D
EDP hardware	20%-33%	L/D

L: straight line.
D: declining balance (at a rate twice as high as the equivalent straight line rate).

Summary of Accounting Policies (continued)

Tangible fixed assets are revalued if they represent a definite, long-term capital gain. Depreciation of any revaluation surplus is calculated linearly over the remaining lifetime in terms of the depreciation period of the asset concerned.

Financial Fixed Assets are entered either at their acquisition price, after deduction of the uncalled amounts (in the case of shareholdings), or at their nominal value (amounts receivable). They can be revalued, and are written down if they suffer a capital loss or a justifiable long-term loss in value. The ancillary costs are charged to the income statement during the financial year.

Amounts Receivable within one year and those receivable after one year are recorded at their nominal value. Write-downs are applied if repayment by the due date is uncertain or compromised in whole or in part, or if the repayment value at the closing date is less than the book value.

Stocks of new vehicles are valued at their individual acquisition price. Other categories of stocks are valued at their acquisition price according to the fifo method, the weighted average price or the individual acquisition price. Write-downs are applied as appropriate, according to the selling price or the market value.

Treasury Investments and Cash at Bank and in Hand are recorded at their acquisition value. They are written down if their realisation value on the closing date of the financial year is less than their acquisition value.
When these treasury investments consist of own shares held for hedging share options, additional write-downs are applied if the exercise price is less than the book value resulting from the above paragraph.

Provisions for Liabilities and Charges are subject to individual valuation, taking into account any foreseeable risks. They are written back by the appropriate amount at the end of the financial year if they exceed the current assessment of the risks which they were set aside to cover.

Amounts Payable are recorded at their nominal value.

Valuation of assets and liabilities in foreign currencies
Financial fixed assets are valued in accordance with recommendation 152/4 by the Accounting Standards Commission. Stocks are valued at their historical cost. However, the market value (as defined by the average rate on the closing date of the balance sheet) is applied if this is less than the historical cost. Monetary items and commitments are valued at the official rate on the closing date, or at the contractual rate in the case of specific hedging operations. Only negative differences for each currency are entered in the income statement.

Corporate governance statement

The Company adheres to the corporate governance principles set out in the Belgian Code of Corporate Governance 2009 published on the website www.corporategovernancecommittee.be. It has published since 1 January 2006 its Corporate Governance Charter on its website (www.dieteren.com). However, the implementation of these principles takes into consideration the particular structure of the Company's share capital, with family shareholders owning the majority and having ensured the continuity of the Company since 1805. Exceptions to the principles are set out in this corporate governance statement (see p.92).

1. COMPOSITION AND OPERATION OF THE BOARD, EXECUTIVE MANAGEMENT AND CONTROL BODIES

1.1. BOARD OF DIRECTORS

1.1.1. Composition

The Board of Directors consists of:
- six non-executive directors, appointed on the proposal of the family shareholders;
- one non-executive director, appointed on the proposal of Cobepa;
- five non-executive directors, three of whom being independent, chosen on the basis of their experience;
- the managing director (CEO).

The Chairman and Deputy Chairman of the Board are selected among the Directors appointed on the proposal of the family shareholders.

The introduction in 2011 of a second female director enhanced the diversity of the Board's composition.

1.1.2. Roles and activities

Without prejudice to its legal and statutory attributions and those of the General Meeting, the roles of the Board of Directors are to:
- determine the Company's strategy and values;
- approve its plans and budgets;
- decide on major financial transactions, acquisitions and divestments;
- ensure that appropriate organization structures, processes and controls are in place to achieve the Company's objectives and properly manage its risks;
- appoint the Directors proposed by the Company for the Boards of Directors of its main subsidiaries;
- appoint and revoke the CEO and, based on a proposal by the latter, the managers who are attached to him and determine their remuneration;
- monitor and review day-to-day management performance;
- supervise communications with the Company's shareholders and the other interested parties;
- set the dividend. In that framework, the Board of Directors intends to maintain its ongoing policy of providing the largest possible self-financing, which has supported the group's development, with a view to strengthen its equity capital and to maintain quality financial ratios. Absent major unforeseen events, the Board will ensure a stable or, results permitting, a steadily growing dividend.

Composition	Audit Committee[1]	Nomination Committee	Remuneration Committee[1]
Chairman	Pascal Minne	Roland D'Ieteren	Roland D'Ieteren
Members	Axel Miller [2]	Christine Blondel [2]	Christine Blondel [2]
	Gilbert van Marcke de Lummen	Axel Miller [2]	Axel Miller [2]
	Christian Varin	Pascal Minne	
		Alain Philippson	
		Maurice Périer	

[1] Given their respective training and management experience in industrial and financial companies, the members of the Audit Committee, on the one hand, and of the Remuneration Committee, on the other, have the expertise in accounting and audit required by law for the former, and in remuneration policy for the latter.
[2] Independent Director.

Composition of the Board of Directors (as at 31 December 2011)		Joined the Board in	End of term
Roland D'Ieteren (69) [1]	**Chairman of the Board** Graduate of Solvay Business School, MBA (INSEAD). Chairman and managing director of D'Ieteren from 1975 to 2005. Chairman of the Board of Directors of D'Ieteren since 2005. Director of Belron.	1973	May 2014
Maurice Périer (73) [1]	**Deputy Chairman of the Board** Bachelor Civil Engineer and Bachelor Commercial Engineer, Solvay Business School (ULB). Career at ELECTROBEL (1971-1987): management controller; CEO of an electro-acoustical equipment subsidiary; research department; company secretary of ELECTROBEL Engineering Int'l. Director of D'Ieteren since 1978. Deputy Chairman of the Board of Directors since 1993. Director of Belron.	1978	May 2015
Jean-Pierre Bizet (63)	**Managing director** Graduate of Solvay Business School, MBA (Harvard), PhD in Applied Economics (ULB). Consultant, partner and director at McKinsey (1980-1994). Managing director of GIB Group (1999-2002). Joined D'Ieteren in 2002, managing director since 2005. Chairman of the Board of Directors of Belron.	2005	May 2015
Nicolas D'Ieteren (36) [1]	**Non-executive Director** BSc Finance & Management (University of London); Asia Int'l Executive Program and Human Resources Management in Asia Program (INSEAD). Led projects at Bentley Germany and Porsche Austria. From 2003 to 2005, finance director of a division of Total UK. Since 2005, managing director of a Private Equity fund investing in young companies.	2005	May 2015
Olivier Périer (40) [1]	**Non-executive Director** Degree in architecture and urban planning (ULB); Executive Program for the Automotive Industry (Solvay Business School); International Executive Program (INSEAD). Since 2000, founding partner of architectural firm Urban Platform. Managing director of SPDG since August 2010.	2005	May 2015
s.a. de Participations et de Gestion (SPDG) [1]	**Non-executive Director – Permanent representative: Michel Allé (60)** Civil engineer and economist (ULB). Joined Cobepa in 1987, member of the its Executive Committee (1995-2000). Finance Director of Brussels Airport (2001-2005). Finance Director of SNCB Holding since 2005. Director of Telenet and Zetes Industries. Represents SPDG at the Board of Directors of D'Ieteren. Professor at ULB.	2001	May 2014
Nayarit Participations s.c.a. [1]	**Non-executive Director – Permanent representative: Gilbert van Marcke de Lummen (74)** [2] Civil Engineer (ULB). Member (1968-1992), then Deputy Chairman (1992-2002), of the Executive Committee of D'Ieteren. Former Director of Avis Europe (1987-2007) and Belron (1999-2007). Director and Chairman of the Audit Committee, Cofinimmo.	2001	May 2014
Christine Blondel (53)	**Independent non-executive Director** Ecole Polytechnique (France), MBA (INSEAD). Held executive positions at Procter & Gamble and led the Wendel Centre for Family Businesses at INSEAD. Adjunct professor of Family Companies (INSEAD); consultant in family company corporate governance; director, INSEAD Foundation.	2009	May 2013
Axel Miller (46)	**Independent non-executive Director** Law degree (ULB). Partner at Stibbe Simont, then at Clifford Chance (1996-2001). After holding several executive positions at Dexia Bank and within the Dexia Group, became managing director in 2006. Partner at Petercam since 2009. Directorships, Carmeuse (Chairman); Spadel, Duvel Moortgat, IPM (Chairman).	2010	May 2014
Pascal Minne (61)	**Non-executive Director** Law degree (ULB), Masters in Economics (Oxford). Partner and Chairman of PricewaterhouseCoopers Belgium (until 2001). Partner and Director of Petercam since 2001. Various directorships. Professor of tax law at ULB.	2001	May 2014
Alain Philippson (72)	**Non-executive Director** Graduate of Solvay Business School. Joined Banque Degroof in 1972, currently director and honorary Chairman. Chairman of the Board of Directors of Banque Degroof Luxembourg and Degroof Banque Privée Genève. Chairman of the advisory committee of SBSEM (ULB) and of several foundations.	2001	May 2014
Michèle Sioen (51)	**Independent non-executive Director** Degree in economics. CEO of Sioen Industries. Chairman of Fedustria until 2010. Deputy Chairman of the FEB. Director at Belgacom and ING Belgium, amongst others. Member of the Corporate Governance Committee.	2011	May 2015
Christian Varin (64) [3]	**Non-executive Director** Institut d'Etudes Politiques (Paris), MBA (Wharton), PhD in management (Université de Paris). BNP Paribas (until 2004). Chairman of the Board of Directors of Cobepa. Directorships (ISOS, Helse, Sapec, BeCapital, Gingko, Yareal, Cie Financière Rothschild).	2001	May 2014

[1] Appointed on the proposal of family shareholders.
[2] Until the General Meeting of 26 May 2011, the permanent representative of Nayarit Participations s.c.a was Mr Etienne Heilporn.
[3] Appointed on the proposal of Cobepa.

The Board of Directors meets at least six times a year. Additional meetings are held as necessary. The Board of Director's decisions are taken by a majority of the votes, the Chairman having a casting vote in case of a tie. In 2011, the Board met 13 times. All of the directors attended all of the meetings, except for:

- Mrs Michèle Sioen and Messrs Pascal Minne, Olivier Périer and Alain Philippson, each excused for one meeting
- Mr Michel Allé, excused for two meetings
- Mr Axel Miller, excused for three meetings

1.1.3. Tenures of Directors

The Ordinary General Meeting held on 26 May 2011 appointed Mrs Michèle Sioen as independent Director for a four-year term and noted the replacement of Mr Etienne Heilporn by Mr Gilbert van Marcke de Lummen as permanent representative of Nayarit Participations s.c.a.. The directorships of Messrs Jean-Pierre Bizet, Nicolas D'Ieteren, Maurice Périer and Olivier Périer have been renewed for a four-year term.

1.1.4. Committees of the Board of Directors

- the Audit Committee, which met 4 times in 2011, twice in the presence of the Auditor. All of the directors attended all of the meetings;
- the Nomination Committee, which met 6 times in 2011. All of the directors attended all of the meetings;
- the Remuneration Committee, which met 3 times in 2011. All of the directors attended all of the meetings.

Each committee has reported on its activities to the Board.

Operation of the Committees

Audit Committee

The Audit Committee comprises four non-executive Directors, with at least one independent Director; the Chairman, who can be represented by the Deputy Chairman, is invited to its meetings. The Audit Committee's terms of reference primarily include the monitoring of the Company's financial statements and the supervision of the risk management and internal controls systems. The Committee will review auditor's reports on half-year and year-end financial statements of the subsidiaries which are consolidated into the Company's accounts. The Audit Committee meets at least four times a year, including at least once every six months in the presence of the Auditor, and reports on its activities to the Board of Directors. A specific meeting is also dedicated to the supervision of the risk management and internal controls systems. The Committee's charter adopted by the Board is set out in Appendix I of the Charter published on the Company's website.

Nomination Committee

The Nomination Committee comprises six non-executive Directors, including the Chairman of the Board, who chairs it, with at least one independent Director. The Committee makes proposals to the Board concerning appointments of non-executive Directors, the CEO, and based on a proposal by the latter, the managers reporting to him, and ensures that the Company has official, rigorous and transparent procedures to support these decisions. The Committee meets at least twice a year and reports on its work to the Board of Directors. The Committee's Charter, adopted by the Board, is reproduced in Appendix II a to the Company Governance Charter available on the Company's website.

Remuneration Committee

The Remuneration Committee comprises three non-executive Directors, including the Chairman of the Board, who chairs it, and two independent Directors. The Committee makes proposals to the Board regarding the remuneration of the non-executive Directors, the CEO, and, based on a proposal by the latter, the managers reporting to him, and ensures that the Company has official, rigorous and transparent procedures to support these decisions. The Committee also prepares the remuneration report and comments it during the General Meeting. The Committee meets at least twice a year and reports on its work to the Board of Directors. The Committee's Charter adopted by the Board is reproduced in Appendix II b of the Corporate Governance Charter available on the Company's website.

Consultation Committee

The Chairman and Deputy Chairman meet once a month with the managing director, as a Consultation Committee, an advisory body, to monitor Company performance, review progress on major projects and prepare meetings of the Board of Directors.

Policy for transactions and other contractual relationships not covered by the legal provisions on conflicts of interest

Directors and managers are not authorised to provide paid services or to purchase or sell goods directly or indirectly to or from the Company or to its Group's companies within the framework of transactions not covered by their mandates or duties, without the specific consent of the Board of Directors, except for transactions realised in the normal course of business.

They are to consult the Chairman or managing director, who shall decide whether an application for derogation can be submitted to the Board of Directors; if so, they will notify the details of the transaction to the Company secretary, who will ensure that the related legal matters are applied. Such transactions shall only be authorised if carried out at market conditions.

Evaluation of the Board and its Committees
The Board and its Committees assess on a regular basis, and at least once every three years, their size, composition, procedures, performance and their relationships with the managers as bodies of the Company, as well as the individual contribution of each Director to overall functioning, in order to constantly improve the effectiveness of their actions and the contribution of said actions to the group's proper governance.

This self-assessment is carried out using a detailed questionnaire sent to each Director and covering various aforementioned assessment criteria, a summary of the responses of which is presented to the Board of Directors and, if applicable, to the relevant Committee. The Board's next triennial self-assessment will be carried out in 2012.

In 2010, the Audit Committee carried out a self-assessment. The conclusions of this assessment were communicated to the Board of Directors in February 2011.

The Nomination Committee and the Remuneration Committee will assess their performance following the same procedure in 2013.

1.2. GROUP EXECUTIVE MANAGEMENT

The Group executive management is comprised of the CEO, the CFO, the CLO – also responsible for the Board's secretariat – and the Treasurer. The managing director-CEO is responsible for day-to-day management. He is assisted by the group's executive management, which is responsible at the Group level for finance, financial communications, investor relations, account consolidation, treasury, legal and tax functions.

1.3. EXECUTIVE MANAGEMENT OF THE TWO ACTIVITIES

The activities of the D'Ieteren Group were organised into three sectors until the sale of Avis Europe to Avis Budget Group on 3 October 2011.

The Automobile Distribution sector – D'Ieteren Auto, an operational department of s.a. D'Ieteren n.v. without separate legal status – is managed by the CEO of D'Ieteren Auto, reporting to the Group's managing director. The CEO of D'Ieteren Auto chairs a management committee comprising six other members responsible for D'Ieteren Car Centers, Finance and IT, Group Service, Marketing, Makes and Human Resources and Real Estate.

The Vehicle Glass sector is comprised of Belron, of which D'Ieteren owned 92.73% at 31 December 2011, and its subsidiaries. On 31 December 2011, Belron is governed by a Board of Directors consisting of 11 members, 6 of whom being appointed on the proposal of D'Ieteren, 1 Director appointed on the proposal of the founding shareholders, 2 executive Directors and 2 non-executive Directors. D'Ieteren's managing director is Chairman of the Board. The Board of Directors of Belron has 2 committees: the Audit Committee and the Remuneration Committee, each of which is chaired by a Director appointed on the proposal of D'Ieteren.

1.4. EXTERNAL AUDIT

The external audit is conducted by BDO Réviseurs d'entreprises, Soc. Civ. SCRL, represented by Hugues Fronville et Félix Fank since the General Meeting of May 2011. The fees charged by the Statutory Auditor and linked companies for the work carried out in 2011 on behalf of S.A. D'Ieteren amounted to 191,500 EUR, excluding VAT, for the statutory auditing of the annual and of the consolidated financial statements, and to 145,929 EUR for non-audit work, including 126,077 EUR for other certification work and 19,852 EUR for tax advice.

DEROGATIONS TO THE 2009 BELGIAN CORPORATE GOVERNANCE CODE

The Company derogates from the Code on the following principles:

→ Derogation to principle 2.2.

The group of Directors appointed on the proposal of the family shareholders is in a position to dominate decisions. In companies where family shareholders hold a majority of the share capital, the family shareholders do not have, as do other shareholders, the opportunity to sell their shares if they do not agree with the orientations defined by the Board. Their joint or majority representation on the Board enables them to influence these orientations, thereby ensuring the shareholding stability necessary to the profitable and sustainable growth of the Company. The potential risks for corporate governance resulting from the existence of a high degree of control by the majority shareholder on the working of the Board can be mitigated, on the one hand, by appropriate use of this power by the Directors concerned in respect of the legitimate interests of the Company and of its minority shareholders and, on the other hand, by the long-term presence of several non-executive Directors not representative of the family shareholding, which ensures genuine dialogue on the Board.

→ Derogation to principles 5.2./4 and 5.3./1

The composition of the Audit Committee and of the Nomination Committee, each of which includes at least one independent Director, derogates from the Belgian Corporate Governance Code, which recommends the presence of a majority of independent Directors. This is because the Board believes that an in-depth knowledge of the Company is at least as important as independent status.

2. REMUNERATION REPORT

2.1. Determination of the remuneration policy for the managers and of the individual amounts

The remuneration policy for the non-executive Directors and executive management of s.a. D'Ieteren n.v. and the individual remuneration amounts are determined by the Board of Directors based on the recommendations of the Remuneration Committee. Belron s.a., who has minority shareholders, has its own Board of Directors and Remuneration Committee, who determine the remuneration of its non-executive Directors and executive managers.

D'Ieteren's Remuneration Committee considers the following elements at the end of each year and submits them to the Board for approval, based on the recommendations of the CEO when his direct reports are concerned:

- the remuneration of the non-executive Directors for the following year;
- the variable remuneration of the executive managers for the past year, taking into account any annual or multi-annual criteria related to the performance of the Company and/or of the beneficiaries to which its granting is submitted;
- any changes to the fixed remuneration of executive managers and their target variable remuneration for the following year, and associated performance criteria.

The Board intends to maintain this procedure for the next two years.

2.2. Remuneration of the non-executive Directors

The Company implements a remuneration policy designed to attract and retain on the Board a group of non-executive Directors with a wide variety of expertise in the various areas necessary to the profitable growth of the Company's activities. These Directors receive an identical fixed annual remuneration, independent of their presence at Board meetings. Some Directors are also entitled to a fixed remuneration for rendering specific services as Chairman or Deputy Chairman of the Board, or for participating to one or more Board committees. Some Directors also receive a fixed annual remuneration from Belron s.a. (as well as from Avis Europe plc until its sale on 03/10/2011) for the exercise of a directorship. The non-executive Directors do not receive any remuneration related to the Company's performance. The CEO does not receive any specific remuneration for his participation on the Board of Directors.

For the year ended 31 December 2011, a total of 1,642,337 EUR has been paid to the non-executive Directors by the Company and by the Group's subsidiaries, broken down as follows. No other benefit or remuneration, loan or guarantee has been granted to them by D'Ieteren or its subsidiaries.

2011	Base remuneration (EUR)	Directorships in group subsidiaries	Total
D'Ieteren Roland	428,769	62,943	491,712
Périer Maurice	179,874	35,000	214,874
Blondel Christine	90,000		90,000
D'Ieteren Nicolas	72,751		72,751
Miller Axel	103,000		103,000
Minne Pascal	160,000		160,000
Nayarit Participations (Heilporn Etienne until May 2011)	29,000		29,000
Nayarit Participations (van Marcke Gilbert since June 2011)	41,000		41,000
Périer Olivier	70,000		70,000
Philippson Alain	80,000		80,000
Sioen Michèle	41,000		41,000
SPDG (Allé Michel)	70,000		70,000
van Marcke de Lummen Gilbert	69,000		69,000
Varin Christian	110,000		110,000
Total	**1,544,394**	**97,943**	**1,642,337**

2.3. Remuneration of the executive managers

General principles
The executive managers are Jean-Pierre Bizet, CEO, Marc-Henri Decrop, Treasurer, Anne del Marmol, Chief Legal Officer, and Benoit Ghiot, Chief Financial Officer. The group has its own remuneration policy for attracting and retaining managers with the appropriate background and motivating them by means of appropriate incentives. This policy is based on external fairness criteria, measured in terms of comparable positions outside the group, and on internal fairness criteria among colleagues within the Company.

The policy is to position executive managers' total individual remuneration, as a minimum, at the median of remuneration for positions of similar responsibility in comparable Belgian companies, as determined through benchmarking undertaken by an independent expert. The last benchmarking was carried out in October 2011.

Description of the various components
The executive management's remuneration comprises:

A. a fixed remuneration, consisting of a base remuneration, employer contributions to pension schemes, private medical and life insurance, company car fringe benefits, and, as the case may be, a remuneration for the exercise of directorships in group subsidiaries.

The executive managers' defined contribution pension scheme comprises:
- a base plan into which the employer pays an indexed fixed premium for retirement (possible from the age of 60), invested at a guaranteed rate with an insurer (who may add any participating bonuses). In the event of death before retirement, the employer will fund with the same insurer a lump sum equal to a multiple of the annual gross salary plus a multiple of the portion of this salary exceeding the maximum legal pension plan amount;
- a supplementary plan into which the employer pays a premium equal to a percentage of the gross revenues for the previous year, variable according to the age of the beneficiary, which is capitalized with the insurer at the same guaranteed rate (to which he may add any participating bonuses) until retirement or death of the beneficiary.

B. a variable remuneration comprising:
- an annual variable remuneration, whose target is between 40% and 45% of the fixed short term remuneration
- and a long-term incentive plan in the form of share options.

As regards the phasing of the payment of the components of this variable remuneration over time, the Company complies with the legal requirements in terms of relative proportions relating to:

– the target annual variable remuneration, which shall not exceed 50% of the total variable remuneration and the amount of which, adjusted according to whether performance criteria have been achieved, is paid at the beginning of the year following the services provided;
– the long-term variable remuneration in the form of share options, which can be exercised at the earliest from the fourth year following the year in which they were allocated.

The allocation of the variable remuneration depends on the achievement of individual and collective quantitative and qualitative performance criteria. The individual criteria are directly related to the description of the responsibilities of the interested parties.

In 2011, the collective criteria consisted of achieving the consolidated budget and implementing strategies approved by the Board of Directors.

From 2012, the following collective criteria will be applied:

- quantitative: year-on-year improvement of the results; creation of market value as measured by the total shareholders' return (dividend + share price); creation of intrinsic value as measured by a formula; achievement of the consolidated budget approved by the Board of Directors;
- qualitative: design and implementation of the group strategy; dialogue with the management of the activities; senior leadership development; financing continuity; group corporate social responsibility.

An assessment of the performance of the interested parties is carried out at the start of the year following the one to which the remuneration in question is allocated, by the CEO for his direct reports and by the Board for the CEO, on the recommendation of the Remuneration Committee and in accordance with the aforementioned performance criteria.

Based on the performance noted, the actual annual variable remuneration may vary between 0% and 150% of the target, without prejudice to the Board deviating from this range in exceptional circumstances.

The executive managers' long-term incentive plan takes the form of D'Ieteren stock options. The value of the options granted, which determines their amount, is based on the recommendation of the Remuneration Committee set out at the time of granting, using a Black & Scholes-type formula and including valuation elements from independent third parties. The actual exercise depends upon the evolution of the share price allowing for option exercises after the 3-year vesting period.

The features of the D'Ieteren share option schemes were approved by the Ordinary General Meeting of 26 May 2005. These options can be exercised from the 1st January of the fourth year following the launch date of the offer until the end of the tenth year thereafter, except during periods of 1.5 months preceding the announcement of the annual and half-yearly financial results, entitling holders to acquire existing shares of the Company at a price which is, for each scheme, either the average price during the 30 working days prior to the offer date or the closing price of the immediately preceding working day. Further details of the share option plans are provided in note 37 of the consolidated financial statements.

109,114 D'Ieteren share options were granted to the executive managers for 2011 at an exercise price per share of 35 EUR, allocated as follows.

2011	Options granted	Options exercised	Options expired
Chief Executive Officer	57,766	0	0
Chief Financial Officer	21,823	0	0
Treasurer	19,255	0	0
Chief Legal Officer	10,270	0	0

Summary table

The following table summarises the various categories of remuneration of the CEO and the other executive managers of the group allocated for 2010 and 2011.

	CEO		Other executive managers	
	2011	2010	2011	2010
Fixed remuneration				
Base salary	931,771	973,345	525,803	508,387
Directorships in group companies	103,784	128,262	87,943	97,888
Other benefits	22,440	22,440	17,945	19,622
Total short-term fixed	*1,057,995*	*1,124,047*	*631,691*	*625,897*
Long-term fixed remuneration				
Group insurance	69,005	88,652	148,506	121,419
Total fixed remuneration[1]	*1,127,000*	*1,212,699*	*780,197*	*747,316*
Variable remuneration[3]				
Annual variable remuneration[1]	720,000	617,994	460,207	420,414
Share options[2]	450,000	200,000	400,000	250,000
Long-term cash remuneration		200,000		250,000
Total variable remuneration	*1,170,000*	*1,017,994*	*860,207*	*920,414*
Total remuneration	**2,297,000**	**2,230,693**	**1,640,404**	**1,667,730**

[1] Gross amounts, excluding employer's Social Security contributions.
[2] Publication of option pricing for the first time by applying a Black & Scholes-type formula.
[3] For the phasing of the variable remuneration, see "Description of the variable remuneration components", section B.

Main contractual conditions concerning the departure of members of the executive management and right to claim reimbursement of all or part of the variable remuneration

The employment contracts of the managing director and the other members of the executive management do not provide for severance pay in the event of termination of contract. Should such a situation arise, the parties will negotiate in good faith to determine the terms and conditions applicable to such termination. In the event of a disagreement, the dispute will be resolved by courts applying Belgian law. They do not contain claw back clauses applicable if the variable remuneration has been allocated on the basis of incorrect information.

3. INTERNAL CONTROLS AND RISK MANAGEMENT SYSTEMS

The Board of Directors performs its control duties on D'Ieteren's entities by (i) ensuring that these entities' bodies correctly perform their own control duties and that committees entrusted with special survey and control tasks (such as an Audit Committee and a Remuneration Committee) are put in place and function properly and (ii) ensuring that reporting procedures are implemented to allow the Board to follow up at regular intervals the entities' businesses, notably regarding the risks they are facing.

The Board of Directors is assisted by the Audit Committee in the exercise of its control responsibilities on the Company's entities, in particular as regards the financial information distributed to shareholders and to third parties and in monitoring the mechanisms for risk management and internal control.

Against this background, the effectiveness of D'Ieteren's system of controls, including operational and compliance controls, risk management and the company's internal control arrangements, has been reviewed. Such a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

These reviews have included an assessment of both financial and operational internal controls by the internal audit of each entity and reports from the external auditor on matters identified in the course of its statutory audit work.

3.1. INTERNAL CONTROL ENVIRONMENT

3.1.1. The system of internal control includes but is not limited to:

- clear definition of the organization structure and the appropriate delegation of authorities to management;
- maintenance of appropriate separation of duties together with other procedural controls;
- strategic planning and the related annual budgeting and regular review process;
- monthly reporting and review of financial results and key performance statistics;
- adoption of accounting policies to help ensure the consistency, integrity and accuracy of the company's financial records;
- specific treasury policies and the regular reporting and review of all significant treasury transactions and financing activities;
- procedures for the authorisation of capital expenditure;
- internal audit reviews;
- policies and business standards;

3.1.2. The effectiveness of the system of internal control has been reviewed through the following processes:

- review of internal and external audit plans;
- review of any significant reported unsatisfactory control matters;
- review of any control issues that arise from internal and external audits together with any additional matters brought to the attention of the Audit Committee;
- review of any significant risks identified by the company's risk management process;
- discussions with management on any significant new risk areas identified by management and the internal and external audit processes.

D'Ieteren's Audit Committee receives a regular report on the work carried out by the Audit Committee of each entity and makes in turn its own reporting to the Board.

3.2. ASSESSMENT OF BUSINESS RISK

3.2.1. D'Ieteren ensures that business risks, whether strategic, operational, reputational, financial, legal or environmental, are both understood and visible as far as practicable. D'Ieteren's policy is to ensure that risk is taken on an informed rather than unintentional basis.

3.2.2. Each entity conducts an annual risk review and updates its risk register with each risk's impact, probability and mitigation actions. This approach forms the cornerstone of the risk management activities of D'Ieteren, the aim of which is to provide the assurance that the major risks the company faces have been identified and assessed, and that there are controls either in place or planned to manage these risks.

A summary of the main risks the company faces is provided hereafter.

3.3. INTERNAL AUDIT

3.3.1. Each entity has its own internal audit and risk management function, which is independent of its external auditors and which may work in partnership with an outsourced provider, where specialist skills are required. A periodic review ensures that these functions are appropriately staffed, that their scope of work is adequate in the light of the key identified risks the entity faces and that the annual internal audit plan is properly approved.

3.3.2. The Audit Committee of each entity ratifies the appointment and dismissal of its internal audit manager and assesses his independence and objectivity and helps ensure that he has unfettered access to management and to the Audit Committee.

3.3.3. The role of internal audit of each entity is to:

- assess the design and operating effectiveness of controls governing key operational processes and business risks;
- provide with an assessment, independent of management, as to the adequacy of the entity's internal operating and financial controls, systems and practices;
- provide advisory services to management in order to enhance the control environment and improve business performance.

3.4. KEY RISKS

3.4.1. Business risks

3.4.1.1. Industry risk
The automobile distribution business may be impacted by several factors relating to the car industry and the volume of cars sold on the Belgian market. Overall demand and mix may be affected by factors including general economic conditions, availability of credit to potential buyers, the tax treatment of company cars or CO_2 emissions. Specific demand for the distributed makes depends on the success of models developed by their automotive suppliers (VW, Porsche, Yamaha, etc.) and their adequate pricing on the Belgian market.

In the vehicle glass repair and replacement business, mild weather conditions, a reduction in the number of miles driven (e.g. as a result of an increase in fuel prices) or reduction of average speed on roads as a result of speed limit enforcements are unfavourable factors as they tend to reduce the frequency of glass breakage. Changes in insurance policies regarding glass breakage, such as increase of deductibles may reduce demand or increase price pressure.

Disruptions in the recent used car market as a result of economic conditions or intense price competition in the new car market may affect residual values on buyback cars repurchased from car rental companies at D'Ieteren Auto.

These developments are actively monitored by each entity and fed in a planning process including strategic planning, long term financial planning, budgets and monthly reporting. This process allows a good anticipation of these trends or quick reaction to sudden events and provide management with a base for decisions regarding the range of products and services offered, their pricing and the sizing of the organisation.

Where business is by essence subject to rapid changes in demand, structures have been adapted to provide the maximum flexibility.

3.4.1.2. Sourcing risk
D'Ieteren Auto imports and distributes new cars and spare parts of the makes of the Volkswagen group. The relationship with Volkswagen has been built over the last 60 years and is formalized in wholesale agreements with each of the makes with no specified end dates. Any adverse changes to the terms of the agreements, any deterioration in the relationship with the Volkswagen group or any significant change in policy towards independent importers is likely to have an adverse effect on the financial condition and the results of the entity.

The key defense against this risk resides in the company's ability to demonstrate to the Volkswagen group its added value through the management of the Belgian network of distributors. The company is strictly aligned to the commercial, marketing and services policies of the Volkswagen group.

VGRR business is critically dependent on the supply of vehicle glass, polyurethane and repair resin. In order to avoid that the loss of a key supplier in any of these areas significantly disrupts its operations, purchasing teams have developed a strategy to diversify sourcing and actively allocate volumes.

3.4.1.3. Key account risk
In both entities of D'Ieteren, a significant part of the business is transacted with large key accounts such as businesses, fleet leasing companies or insurers. Any loss of one or several major key account(s) could have an adverse effect on the financial condition and the results of D'Ieteren.

Each entity undertakes many activities to ensure that its relationship with key accounts remains strong. Every major account will have a clear owner who will develop a key account plan with clear objectives on how to develop the relationship further. Each entity ensures that its customer portfolio remains sufficiently balanced.

3.4.1.4. Product/service failure risk
Vehicles or spare parts distributed by D'Ieteren Auto may be subject to a major default. In this case, all the technical and PR response to such failure would be organised by the Volkswagen group.

In the vehicle glass repair and replacement business, as the windscreen is an important part of the safety of a vehicle, any badly fitted windscreen could adversely impact the safety of the vehicle and have a legal, financial and reputational impact.

In order to minimise this risk, Belron develops clear fitting standards, rolls them out throughout the organisation, and regularly monitors compliance through technical teams in every business unit. In addition, events such as the "Best of Belron", a worldwide competition to elect the best fitter of the group, based on compliance with standards and quality of execution, reinforce the importance of the highest fitting standards.

3.4.1.5. Loss of key Personnel
Continuity of the business may be impaired by the loss of personnel responsible for key business processes, for physical reasons or as a result of their decision to leave the organisation.

Personnel retention is managed through the offering of a competitive compensation, regularly benchmarked against market practice, good career perspectives, regular feedback and employee satisfaction surveys. Succession plan of key personnel is regularly reviewed by the top management of each entity.

3.4.2. Finance and IT risks

3.4.2.1. Catastrophic loss risk
D'Ieteren's entities are heavily dependant on key resources such as IT systems, call centers and distribution centers. Major disaster affecting these resources may result in the inability of the entity to provide essential products or services either locally or globally. Absent mitigating actions, operating costs resulting from the occurrence of a disaster could be significant.

Management regularly reviews the underlying potential causes of loss and implements protective measures. In addition, Business Continuity Plans are designed to ensure continuity of the entities should a disaster occur. More specifically for IT systems, duplication of key data and systems mitigate the impact of a potential major system failure. Residual risk may be covered by appropriate insurance policies.

3.4.2.2. Liquidity risk

A substantial proportion of D'Ieteren's entities is financed by loans, whose availability depends on access to credit markets. Lack of availability of funds or a breach of financial covenant could result in the inability of all or part of the company to operate or may lead to a significant increase of the cost of funding.

Each entity seeks to ensure that it has a core level of long-term committed funding in place with maturities spread over a number of years.

This core funding is supplemented with shorter-term committed and uncommitted facilities particularly to cover seasonal debt requirements. All funding is arranged with a wide range of providers, on both a public and private basis. Each entity maintains a regular dialogue with debt providers and keeps them updated on the general situation of the company.

Following the sale of Avis Europe, liquidity risk has been considerably reduced.

3.4.2.3. Interest rate and currency risk

D'Ieteren's international operations expose it to foreign currency and interest rate risks. The majority of the business carried out by the company is transacted in euro, pounds and US dollars. In each country where D'Ieteren has a subsidiary, revenue generated and costs incurred are primarily denominated in the relevant local currency, thereby providing a natural currency hedge. In the vehicle glass repair and replacement activity, the policy is, whenever possible, to hedge the value of foreign currency denominated investment with an equivalent amount of debt in the same currency to protect their value in euro.

Interest rate risk arises from the borrowings, which, after foreign currency risk hedging, principally arise in euro and Sterling. Borrowings issued at variable rates expose the company to cash flow interest rate risk whereas borrowings issued at fixed rates expose the company to fair value interest rate risk.

To manage these risks, D'Ieteren is financed through a combination of both fixed and floating rate facilities possibly assorted with derivatives-based hedges. As present debt facilities mature, D'Ieteren is exposed to higher credit spreads on its borrowings.

3.4.3. Other risks

3.4.3.1. Compliance risk

In geographies where D'Ieteren's businesses have significant market shares and/or are governed by vertical agreements falling in the scope of Block Exemption regulations, the key legislative risk relates to Competition Law. Any competition law breach could result in significant fines. In addition to this, there has recently been significant development in Data Protection legislation with substantial fines for violations.

In order to mitigate these risks, clear policies and legal monitoring have been put in place and widely communicated. Their application is audited on a regular basis.

3.4.3.2. Integrity risk

D'Ieteren's reputation or assets may be affected if unethical or fraudulent activities were perpetrated by employees, customers, suppliers or agents against the D'Ieteren for personal gains, or if D'Ieteren was considered jointly responsible for such acts perpetrated by third parties.

The company is putting in place a series of measures in order to avoid these risks to the maximum extent possible, including established policies and procedures, ethics policy or code of conduct applicable to all staff, appropriate training of the staff, delegation of authority in place with separation of duties, management information, internal audit and financial controls.

4. CAPITAL INFORMATION

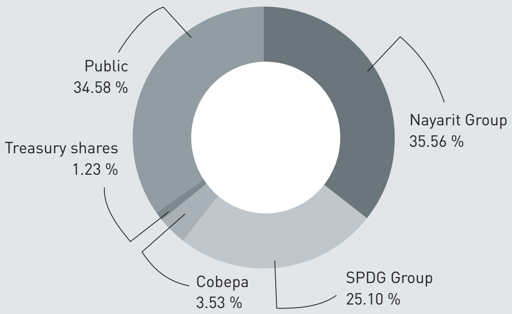
Denominator

At 31 December 2011	Number	Related voting rights
Ordinary shares*	55,302,620	55,302,620
Participating shares*	5,000,000	5,000,000
Total		**60,302,620**

* Each of the shares and participating shares grants one voting right.

Shareholding structure

At 31 December 2011 (in voting rights)	
Nayarit Group	35.56%
SPDG Group	25.10%
Cobepa	3.53%
Treasury shares	1.23%
Public	34.58%



Disclosure of significant shareholdings (Transparency law)

Following the Nayarit Group's acquisition of shares representing respectively 3.99% (on 4 April 2011) and 1.44% (on 27 October 2011) of the voting rights attached to the Company's shares, the latter has received a disclosure of significant shareholding on 6 April and 2 November 2011 respectively.

In compliance with Article 14 paragraph 4 of the law of 2 May 2007 on the disclosure of significant shareholdings, the shareholding structure such as it results from the notifications received by the Company is presented in Note 29 (see page 59).

The Company is not aware of any subsequent notification modifying the information presented in this Note.

Law on takeover bids

In accordance with Article 74 § 7 of the Law of 1 April 2007 on takeover bids, s.a. D'Ieteren n.v. received on 20 February 2008 a notification from the Nayarit group (whose members are listed in Note 29 of the Consolided Financial Statements), which includes all legally required statements and in particular mentions that, either separately or acting in concert with other people, on 30 September 2007 it held more than 30% of the voting shares issued by the Company.

Elements that can have an influence in case of a takeover bid on the shares of the Company

The Extraordinary General Meeting of 28 May 2009 has renewed the authorisation to the Board to increase the share capital in one or several times by a maximum of 60 million EUR. The capital increases to be decided upon in the framework of the **authorised capital** can be made either in cash or in kind within the limits set up by the Company Code, or by incorporation of available as well as non-available reserves or a share premium account, with or without creation of new shares, either preference or other shares, with or without voting rights and with or without subscription rights. The Board of Directors may limit or waive, in the Company's best interest and in accordance with the conditions determined by the law, the preferential subscription right for the capital increases it decides, including in favour of one or more determined persons.

The Board of Directors is also entitled to decide, in the framework of the authorised capital, on the issuance of convertible bonds, subscription rights or financial instruments which may in term give right to Company shares, under the conditions set up by the Company Code, up to a maximum, such that the amount of the capital increases which could result from the exercise of the above mentioned rights and financial instruments does not exceed the limit of the remaining capital authorised as the case may be, without the preferential subscription right of bondholders.

Without prejudice to the authorisation given to the Board of Directors according to the previous paragraphs, the Extraordinary General Meeting of 26 May 2011 has explicitly authorized the Board of Directors, for a renewable 3-year period, to proceed – in the event of takeover bids on the Company's shares and provided the required notification has been made by the FSMA within a 3-year period – to capital increases by contribution in kind or in cash, as the case may be, without the preferential subscription right of shareholders.

By decision of the same Meeting, the Board of Directors has been authorised to purchase **own shares**, without prior approval of the Assembly, in order to prevent the Company from suffering a severe and imminent damage, for a renewable 3-year period, starting from the date of publication of the decisions taken to amend the articles of association in the appendixes of the Belgian Official Gazette. The Board is also authorized, in order to prevent the Company from suffering a severe and imminent damage, to sell own shares on the stock exchange or through a sale offer made under the same conditions to all shareholders in accordance with the law. These authorisations also apply, under the same conditions, to the purchase and sale of the Company's shares by subsidiaries in accordance with clauses 627, 628 and 631 of the Company Code.

Finally, the Extraordinary General Meeting of 28 May 2009 granted the Board a 5-year authorisation to purchase own shares under the legal conditions, notably to cover stock option plans for managers of the Company.

The rules governing the **appointment and replacement of Board members and the amendment of the articles** of association are those provided for by the Company Code.

The **change of control clauses** included in the credit agreements concluded with financial institutions and in the prospectus for the public bond offering of 23 December 2009 was approved by the General Meeting of shareholders of 27 May 2010, in accordance with article 556 of the Company Code.

Share information

D'Ieteren share

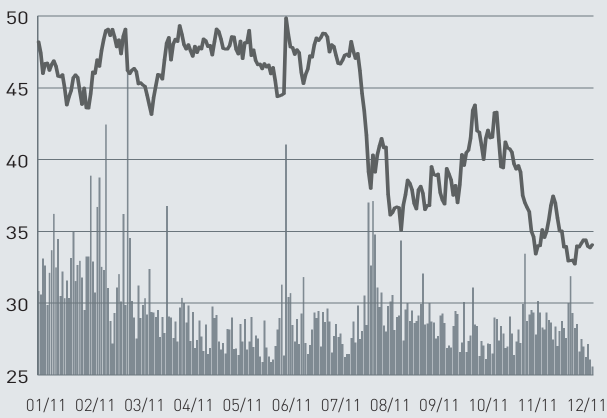
Financial year from 1 January to 31 December	
Minimum lot	1 share
ISIN code	BE0974259880
Reuters code	IETB.BR
Bloomberg code	DIE.BB

Stock market indices

On 19 March 2012, the D'Ieteren share has returned in the BEL20 index with a weight of 1.50% at that date. The D'Ieteren share also forms part of the Next 150 and Belgian All Shares (BAS) indexes of Euronext with respective weighting of 1.13% and 0.80% at the same date. Finally, it also forms part of sector indexes published by Dow Jones, Eurostoxx and Bloomberg.

Evolution of the share price and traded volumes in 2011

EUR



	2011	
Annualised performance	-27.8%	
Total shareholder return	-26.9%	
Average price (EUR)	43.22	
Maximum price (EUR)	49.85	*14/06/11*
Minimum price (EUR)	32.73	*19/12/11*
Average volume (in units)	78,403	
Maximum volume (in units)	390,481	*1/03/11*
Minimum volume (in units)	11,086	*30/12/11*

Evolution of the share price over 10 years

EUR

	2002-2011 (ten years)	
Annualised performance	6.3%	
Total shareholder return (annualised)	7.4%	
Average price (EUR)	23.53	
Maximum price (EUR)	49.85	*14/06/11*
Minimum price (EUR)	7.22	*29/12/08*
Average volume (in units)	69,121	
Maximum volume (in units)	1,007,880	*5/11/03*
Minimum volume (in units)	1,930	*28/05/07*

Detailed and historic information on the share price and the traded volumes are available on the website of D'Ieteren (www.dieteren.com).

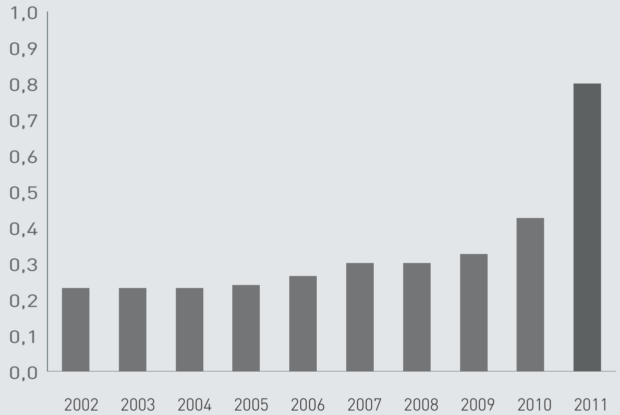
Dividend

If the allocation of results proposed on note 29 of this report is approved by the Ordinary General Meeting of 31 May 2012, a gross dividend for the year 2011 of 0.800 EUR per share will be distributed.

The dividend will be paid starting on 7 June 2012.

Evolution of the gross dividend per share over ten years (EUR)

EUR



Global Reporting Initiative – Disclosure on sustainable development

• D'Ieteren's self-assessment puts it at level C. 13 GRI indicators are reported, of which 11 relate to environment;
• The scope of this report covers D'Ieteren's two activities: D'Ieteren Auto and Belron;
• D'Ieteren continues to develop its CSR strategy and initiatives notably by engaging with stakeholders and responding appropriately to their CR concerns.

STRATEGY AND ANALYSIS

§	GRI Content	Reference/Comment
1.1	CEO statement	See Activity Report 2011 – page 36

ORGANISATIONAL PROFILE

2.1	Name	s.a. D'Ieteren n.v.
2.2	Brands, products and services	Distribution in Belgium of Volkswagen, Audi, Seat, Škoda, Bentley, Lamborghini, Bugatti, Porsche and Yamaha vehicles; Vehicle Glass Repair and Replacement (VGRR) across the world through more than ten major brands including Carglass, Autoglass and Safelite AutoGlass; For further information, please refer to the corporate website www.dieteren.com.
2.3	Operational structure	See page 1 of the Activity Report
2.4	Location of headquarters	Rue du Mail, 50 - 1050 Brussels, Belgium
2.5	Number of countries	33 countries on 5 continents (see map on page 1 of the Activity Report)
2.6	Nature of ownership and legal form	Public company established and domiciled in Belgium, whose controlling shareholders are listed in note 29 of the Consolidated Financial Statements 2011 (see page 59)
2.7	Markets served	See map on page 1 of the Activity Report
2.8	Scale	See the Consolidated Financial Statements 2011
2.9	Significant changes regarding size, structure or ownership	See note 2 (Significant transactions) of the Consolidated Financial Statements 2011 (see page 14)

REPORT PARAMETERS

§	GRI Content	Reference/Comment
3.1	Reporting period	January 1, 2011 to December 31, 2011
3.2	Date of most previous report	December 2010 - This is the second year that D'Ieteren reports following the GRI reporting guidelines
3.3	Reporting cycle	Yearly
3.4	Contact point for questions	Financial indicators: Vincent Joye, vincent.joye@dieteren.be, tel: +322 536 54 39 Environmental and Social indicators: Catherine Vandepopeliere, catherine.vandepopeliere@dieteren.be, tel: +322 536 91 91
3.5	Process for defining report content	Materiality of CR stakes directly related to the two core activities of the Group has been the main selection criteria; The selection of content and indicators has been reviewed and validated by a representative team of D'Ieteren.
3.6	Boundaries	Belron has activities in 33 countries. D'Ieteren Auto has activities on13 sites in Belgium – offices and garages: Audi Center Zaventem, Seat Woluwe, Bentley, D'Ieteren Centre, D'Ieteren Drogenbos, National distribution centre in Erps-Kwerps, D'Ieteren Expo, D'Ieteren Mail, D'Ieteren Meiser, D'Ieteren Anderlecht, D'Ieteren Fort Jaco, D'Ieteren Stokkel and D'Ieteren Vilvoorde
3.7	Limitations on the scope	The activities of the independent dealers of D'Ieteren Auto are not covered by this report
3.8	Basis for reporting	Same as Consolidated Financial Statements 2011
3.10	Effects of re-statement of information provided in earlier reports	No restatement of information provided in earlier reports
3.11	Significant changes in scope, boundary or measurement methods	No significant changes from previous reports
3.12	GRI content index	See Table page 107

GOVERNANCE, COMMITMENT AND ENGAGEMENT

§	GRI Content	Reference/Comment
4.1	Governance	D'Ieteren adheres to the corporate governance principles set out in the Belgian Code of Corporate Governance 2009 published on the website www.corporategovernancecommittee.be. However, the implementation of these principles takes into consideration the particular structure of the Company's share capital, with family shareholders owning the majority and having ensured the continuity of the Company since 1805. The Board of Directors consists of: • six non-executive directors, appointed on the proposal of the family shareholders; • one non-executive director, appointed on the proposal of Cobepa; • five non-executive directors, three of whom being independent, chosen on the basis of their experience; • the managing director (CEO). Information relative to the D'Ieteren Corporate Governance Charter is available http://www.dieteren.com/publications/legal-publications/corporate-governance-charter Contact point for questions: Financial indicators: Vincent Joye, vincent.joye@dieteren.be Environmental and Social indicators: Catherine Vandepopeliere, catherine.vandepopeliere@dieteren.be
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	
4.3	Number of members of the highest governance body that are independent and/or non-executive members	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	First discussions with external stakeholders have been initiated and will be further structured in 2012.They are involved on the basis of their interest in, impact on, and knowledge of the main challenges of D'Ieteren's core activities. Examples include green mobility, professional training in automobile skills, sustainable buying and selling practices.
4.14	List of stakeholder groups engaged by the organization	
4.15	Basis for identification and selection of stakeholders with whom to engage	

			Units	D'Ieteren Auto 2009	D'Ieteren Auto 2010	D'Ieteren Auto 2011	Belron 2009	Belron 2010	Belron 2011
ECONOMIC PERFORMANCE									
Generated and distributed direct economic value		EC1	EUR million	2,453,.8	2,732.9	**3,208.3**	2,423.2	2,800.9	**2,769.0**
ENERGY CONSUMPTION									
Direct	Heating fuel	EN3	MWh/yr	4,220	1,881	**970**	4,125	5,533	**4,614**
	Natural gas		MWh/yr	20,550	28,372	**25,031**	119,401	116,003	**113,531**
	Other (Coal, biofuel, ethanol, hydrogen)		MWh/yr	-	-	**-**	-	-	**-**
	Company owned vehicles fuel consumption		liters	1,774,381	1,721,940	**1,752,899**	Belron Environmental Reporting system introduced in 2011		**46,948,603**
Indirect	Electricity consumption	EN4	MWh/yr	13,786	11,909	**11,304**	100,510	110,257	**143,078**
GHG EMISSIONS									
Direct	Heating fuel	EN16	tCO_2e/yr	1,140	508	**262**	993	1,326	**1,085**
	Natural gas consumption		tCO_2e/yr	3,813	5,264	**4,695**	23,913	22,364	**22,066**
	Gases for cooling systems		tCO_2e/yr	202	219	**233**	4,465	6,647	**3,916**
	Company owned vehicles		tCO_2e/yr	5,026	4,512	**4,965**	93,779	114,717	**113,421**
	Company controlled logistics		tCO_2e/yr	NA	NA	**NA**	25,649	24,152	**30,029**
	Fork Lift Trucks		tCO_2e/yr	NA	NA	**NA**	1,026	690	**1,508**
Indirect	Electricity consumption	EN17	tCO_2e/yr	2,821	2,354	**1878**	43,063	45,460	**53,256**
Total GHG (Scope 1 & 2 only)			tCO_2e/yr	16,232	16,386	**16,293**	230,193	262,373	**271,821**
INITIATIVES TO REDUCE ENERGY CONSUMPTION AND TO MITIGATE ENVIRONMENTAL IMPACT									
Energy saved due to conservation and efficiency improvements	Initiatives to reduce energy use and improve energy efficiency	EN5	tCO_2e/yr	See CSR section of the activity report / See additional information on D'Ieteren Auto below			See CSR section of the activity report		
	Initiatives to provide energy-efficient products and services	EN6							
	EMS/ISO 14001						ISO 14001: UK , Germany, Netherlands, Italy		Belron Environmental Reporting system introduced in 2011
Initiatives to reduce indirect energy consumption		EN7					See CSR section of the activity report		
Initiatives to reduce greenhouse gas emissions		EN18							
Initiatives to mitigate environmental impacts of products & services		EN26							
WASTE									
	Recycling flows	EN22	tons/yr	756	818	**1,061**	Belron Environmental Reporting system introduced in 2011 - see additional information on Belron below		**69,488**
	Incinerators		tons/yr	408	389	**484**			**4,231**
	Landfill		tons/yr	-	-	**-**			**89,965**
	Hazardous		tons/yr	348	210	**282**			**314**
TRANSPORT									
Environmental impacts of transportation of products	Business travel (air, road, rail)	EN29	tCO_2e/yr	391	297	**571**	14,298	19,280	**23,865**
	CO_2 emissions of logistics: corporately owned vehicles		tCO_2e/yr	-	-	**-**	25,649	24,152	**30,029**
	Outsourced Logistics		tCO_2e/yr	1,850	2,199	**2,521**	23,007	29,100	**22,676**
LABOR PRACTICES & DECENT WORK									
Total workforce by employment type, employment contract, and region	Total workforce	LA1	Average FTE	1,539	1,578	**1,633**	22,399	24,790	**25,199**
	% of total employees who are part time		%	3,5%	3,7%	**3,6%**	NA	NA	**NA**

Additional information: **D'Ieteren Auto -** D'Ieteren Auto has developped its own monitoring system for its environmental performance. Yearly audits are performed at the corporately-owned sites. The company reports on energy and water consumption, as well as waste level, twice a year. **Belron** - The GHG emissions of the business-units are reported twice a year and followed by a central team of the Belron Environmental Reporting System (BERS), allowing close monitoring of the emissions. Waste: so far Belron has focussed on reducing the impact of its operational waste. These efforts were focused on reducing packaging volumes and increasing glass recycling rates.

FINANCIAL CALENDAR

Interim management statement (after market)	10 May 2012
General Meeting	31 May 2012
Ex date	4 June 2012
Payment date	7 June 2012
2012 Half-year results (after market)	28 August 2012
Analyst meeting & press conference HY 2012	29 August 2012
Interim management statement (after market)	8 November 2012

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Information about the Group (press releases, annual reports, financial calendar, share price, statistical information, social documents…) is available, mostly in three languages (French, Dutch and English), on www.dieteren.com or on request. www.dieteren.com ou sur simple demande.

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