

s.a. D'leteren n.v.

Consolidated Financial Statements 2015

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For the statement of the statutory auditor, KPMG Réviseurs d'entreprises, represented by Alexis Palm, we refer to the press release.

Financial report, excluding the Directors' Report, as authorized for issue by the Board of Directors on 25 February 2016, for presentation to the Annual General Meeting of 26 May 2016.

Consolidated Statement of Profit or Loss

Year ended 31 December

EUR million	Notes	2015	2014 ⁽¹⁾
Revenue	5	6,035.4	5,453.1
Cost of sales		-4,169.5	-3,735.6
Gross margin		1,865.9	1,717.5
Commercial and administrative expenses		-1,622.9	-1,516.9
Other operating income		7.0	3.9
Other operating expenses		-15.2	-141.8
Operating result	6	234.8	62.7
Net finance costs	7	-38.9	-32.3
Finance income		3.7	18.2
Finance costs		-42.6	-50.5
Share of result of entities accounted for using the equity method, net of income tax	8	0.5	0.9
Result before tax	3	196.4	31.3
Income tax expense	9	-21.6	-9.7
Result from continuing operations		174.8	21.6
Discontinued operations	41	-40.4	-36.2
RESULT FOR THE PERIOD		134.4	-14.6
Result attributable to:			
Equity holders of the Parent	3	130.7	-11.1
Non-controlling interests		3.7	-3.5
Earnings per share for result for the period attributable to equity holders of the Parent			
Basic (EUR)	10	2.38	-0.20
Diluted (EUR)	10	2.38	-0.20
Earnings per share for result from continuing operations attributable to equity holders of the Parent			
Basic (EUR)	10	3.08	0.43
Diluted (EUR)	10	3.08	0.42

The notes on pages 6 to 65 are an integral part of these consolidated financial statements.

The Group uses Alternative Performance Measures (non-GAAP measures) to reflect its financial performance – See note 3 for more information.

(1) As restated to reflect discontinued operations in the Vehicle Glass segment (see notes 2 and 41 for more information). In addition, within the 2014 items comparative (Vehicle Glass segment) there is a reallocation of EUR 17.2 million from cost of sales to commercial and administrative expenses reflecting the change in staff activities as the business has expanded.

Consolidated Statement of Comprehensive Income

Year ended 31 December

EUR million	Notes	2015	2014
Result for the period		134.4	-14.6
Other comprehensive income			
Items that will not be reclassified to profit or loss:		12.6	-28.7
<i>Actuarial gains (losses) on employee benefits</i>	20	14.5	-30.9
<i>Tax relating to actuarial gains (losses) on employee benefits</i>	9	-1.9	2.2
Items that may be reclassified subsequently to profit or loss:		-7.6	6.1
<i>Translation differences</i>		-9.9	5.2
<i>Cash flow hedges: fair value gains (losses) in equity</i>		2.7	0.9
<i>Tax relating to cash flow hedges : fair value gains (losses) in equity</i>		-0.4	-
Other comprehensive income, net of tax		5.0	-22.6
Total comprehensive income for the period		139.4	-37.2
<i>being: attributable to equity holders of the Parent</i>		135.5	-32.6
<i>attributable to Non-controlling interests</i>		3.9	-4.6

The notes on pages 6 to 65 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

At 31 December

EUR million	Notes	2015	2014
Goodwill	11	990.6	965.7
Other intangible assets	13	470.7	457.9
Property, plant and equipment	15	521.0	505.8
Investment property	16	4.3	6.7
Equity accounted investments	8	59.5	62.8
Available-for-sale financial assets	17	0.5	0.5
Employee benefits	20	47.6	40.9
Deferred tax assets	21	46.5	52.8
Other receivables	22	25.1	24.7
Non-current assets		2,165.8	2,117.8
Non-current assets classified as held for sale	23	15.2	6.3
Inventories	24	614.7	608.7
Held-to-maturity investments	14	59.8	176.1
Derivative hedging instruments	18	4.3	1.5
Derivatives held for trading	19	0.9	4.2
Other financial assets	25	-	1.8
Current tax assets	26	3.8	6.9
Trade and other receivables	27	360.4	379.1
Cash and cash equivalents	28	110.1	84.8
Current assets		1,169.2	1,269.4
TOTAL ASSETS		3,335.0	3,387.2
Capital and reserves attributable to equity holders		1,733.3	1,644.2
Non-controlling interests		1.8	0.6
Equity		1,735.1	1,644.8
Employee benefits	20	26.5	60.3
Provisions	30	28.8	23.0
Loans and borrowings	31/32	709.4	739.5
Derivatives held for trading	19	-	2.7
Put options granted to non-controlling shareholders	33	85.2	75.2
Other payables	34	21.6	15.9
Deferred tax liabilities	21	31.1	38.2
Non-current liabilities		902.6	954.8
Liabilities associated with non-current assets held for sale	23	6.7	-
Provisions	30	10.9	34.5
Derivative hedging instruments	18	0.2	0.1
Loans and borrowings	31/32	54.9	139.2
Derivatives held for trading	19	5.5	8.2
Current tax liabilities	26	17.0	10.8
Trade and other payables	35	602.1	594.8
Current liabilities		697.3	787.6
TOTAL EQUITY AND LIABILITIES		3,335.0	3,387.2

The notes on pages 6 to 65 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

At 31 December

EUR million	Capital and reserves attributable to equity holders									Total Group's share	Non- controlling interests	Equity
	Share capital	Share premium	Treasury shares	Share- based payment reserve	Hedging reserve	Retained earnings	Actuarial gains and losses	Taxes	Cumu- lative translation differences			
At 1 January 2014	160.0	24.4	-23.3	10.4	0.1	1,639.6	-63.6	14.2	-38.2	1,723.6	1.6	1,725.2
Treasury shares	-	-	-4.5	-	-	-	-	-	-	-4.5	-	-4.5
Dividend 2013 paid in 2014	-	-	-	-	-	-44.0	-	-	-	-44.0	-	-44.0
Put options - Movement of the period	-	-	-	-	-	-	-	-	-	-	3.6	3.6
Other movements	-	-	-	1.7	-	-	-	-	-	1.7	-	1.7
Total transactions with owners of the Company	-	-	-4.5	1.7	-	-43.9	-	-	-	-46.8	3.6	-43.2
Total comprehensive income	-	-	-	-	0.9	-11.1	-29.4	2.1	4.9	-32.6	-4.6	-37.2
At 31 December 2014	160.0	24.4	-27.8	12.1	1.0	1,584.6	-93.0	16.3	-33.3	1,644.2	0.6	1,644.8
At 1 January 2015	160.0	24.4	-27.8	12.1	1.0	1,584.6	-93.0	16.3	-33.3	1,644.2	0.6	1,644.8
Treasury shares	-	-	-3.1	-	-	-	-	-	-	-3.1	-	-3.1
Dividend 2014 paid in 2015	-	-	-	-	-	-43.9	-	-	-	-43.9	-1.7	-45.6
Put options - Movement of the period	-	-	-	-	-	-	-	-	-	-	-1.9	-1.9
Acquisition of non-controlling interests (see note 33)	-	-	-	-	-	-0.9	-	-	-	-0.9	0.9	-
Defined benefit scheme pension transfer (see note 29)	-	-	-	-	-	-23.7	24.9	-1.2	-	-	-	-
Transfer within reserves	-	-	-0.1	-2.4	0.3	4.5	-1.9	-0.1	-0.3	-	-	-
Other movements	-	-	-	1.2	-	0.2	-	-	-	1.5	-	1.5
Total transactions with owners of the Company	-	-	-3.2	-1.2	0.3	-63.8	23.0	-1.3	-0.3	-46.4	-2.7	-49.1
Total comprehensive income	-	-	-	-	2.6	130.7	13.8	-2.2	-9.4	135.5	3.9	139.4
At 31 December 2015	160.0	24.4	-31.0	10.9	3.9	1,651.5	-56.2	12.8	-43.0	1,733.3	1.8	1,735.1

The notes on pages 6 to 65 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

Year ended 31 December

EUR million	Notes	2015	2014 ⁽¹⁾
Cash flows from operating activities - Continuing			
Result for the period		174.8	21.6
Income tax expense	9	21.6	9.7
Share of result of entities accounted for using the equity method, net of income tax	8	-0.5	-0.9
Net finance costs	7	38.9	32.3
Operating result from continuing operations		234.8	62.7
Depreciation of other items	6	100.6	92.4
Amortisation of other intangible assets	3/6/13	39.7	36.7
Impairment losses on goodwill and other non-current assets	3/11/15	19.3	91.1
Other non-cash items	3	8.3	63.9
Employee benefits	3	-24.3	-6.8
Other cash items	3	-25.2	-15.9
Change in net working capital		-4.0	-28.4
Cash generated from operations		349.2	295.7
Income tax paid		-18.0	-21.6
Net cash from operating activities		331.2	274.1
Cash flows from investing activities - Continuing			
Purchase of property, plant and equipment and intangible assets		-121.9	-131.4
Sale of property, plant and equipment and intangible assets		11.8	10.1
Net capital expenditure		-110.1	-121.3
Acquisition of subsidiaries (net of cash acquired)	3/12	-22.6	-34.0
Contribution of cash to joint venture		-	-0.4
Investment in held-to-maturity financial assets	3/14	116.4	121.9
Interest received		14.0	11.8
Dividends received from equity accounted entities	3/8	3.9	-
Net investment in other financial assets		-1.1	-0.9
Net cash from investing activities		0.5	-22.9
Cash flows from financing activities - Continuing			
Acquisition of non-controlling interests	3	-	0.8
Net disposal/(acquisition) of treasury shares		-3.1	-4.5
Capital element of finance lease payments		-27.2	-22.4
Net change in other loans and borrowings	3	-186.7	-221.7
Interest paid		-43.9	-57.4
Dividends paid by Parent	29	-43.9	-44.0
Dividends received from/(paid by) subsidiaries		-1.7	-
Net cash from financing activities		-306.5	-349.2
Cash flows from continuing activities		25.2	-98.0
Cash flows from discontinued operations	41	-10.1	-16.3
TOTAL CASH FLOW FOR THE PERIOD		15.1	-114.3
Reconciliation with statement of financial position			
Cash at beginning of period	28	84.8	195.6
Cash equivalents at beginning of period	28	-	4.0
Cash and cash equivalents at beginning of period	28	84.8	199.6
Total cash flow for the period		15.1	-114.3
Translation differences		10.8	-0.5
Cash and cash equivalents at end of period		110.7	84.8
<i>Included within "Cash and cash equivalents"</i>	28	110.1	84.8
<i>Included within "Non-current assets classified as held for sale"</i>	23	0.6	-

(1) As restated to reflect discontinued operations in the Vehicle Glass segment (see notes 2 and 41 for more information).
The notes on pages 6 to 65 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

NOTE 1: GENERAL INFORMATION

s.a. D'leteren n.v. (the Company or the Parent) is a public company incorporated and domiciled in Belgium, whose main shareholders are listed in note 29. The address of the Company's registered office is:

Rue du Mail 50
B-1050 Brussels

The Company, its subsidiaries and its interests in associates and joint ventures (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 mainly 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 34 countries, serving over 12 million corporate and end customers.

The Company is listed on Euronext Brussels.

These consolidated financial statements have been authorized for issue by the Board of Directors on 25 February 2016.

NOTE 2: ACCOUNTING POLICIES

On 7 January 2016 the Parent announced that the Vehicle Glass segment has entered into an agreement with Advisia Investimentos ("Advisia") to form a joint venture in Brazil. Under the agreement, the Vehicle Glass segment sold 60% of its investment in Carglass Brazil to Advisia. The Board of Directors of the Parent has considered that, at the balance sheet date, the Vehicle Glass segment is committed to a sale plan of Carglass Brazil which will involve a loss of control of its subsidiary. It has therefore classified in the consolidated statement of financial position as at 31 December 2015 all the assets and liabilities of the Brazilian cash-generating unit as held for sale, and has also decided to present the 12 months results of this Brazilian cash-generating unit as a discontinued operation; the recognition criteria defined in IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations" being satisfied. The consolidated statement of profit or loss, consolidated statement of comprehensive income and consolidated statement of cash flows for the year ended 31 December 2014 have been restated accordingly. See notes 23 and 41 of these consolidated financial statements for more information and adequate disclosures.

Note 2.1: Basis of Preparation

These 2015 consolidated financial statements are for the 12 months ended 31 December 2015. They are presented in euro, which is the Group's functional currency. All amounts have been rounded to the nearest million, unless otherwise indicated. They have been prepared in accordance with the International Financial Reporting Standards ("IFRS") and the related International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued which have been adopted by the European Union ("EU") as at 31 December 2015 and are effective for the period ending 31 December 2015. They correspond to the standards and interpretations issued by the International Accounting Standards Board ("IASB") and are effective as at 31 December 2015.

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, employee benefits, non-current assets and liabilities held for sale, business combination and financial assets and financial liabilities (including derivative instruments) that have been measured at fair value. Following adoption of IFRS 13 "Fair Value Measurement", which clarifies the valuation methodology of fair value measurements required or permitted by other IFRS, fair values presented reflect the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction at the date of the statement of financial position.

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. Actual results may differ from these estimates. 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 mainly the measurement of defined benefit obligations (key actuarial assumptions), the recognition of deferred tax assets (availability of future taxable profit against which carryforward tax losses can be used), the impairment test (key assumptions underlying recoverable amounts), the recognition and measurement of provisions and contingencies (key assumptions about the

NOTE 2: ACCOUNTING POLICIES (continued)

likelihood and magnitude of an outflow of resources) and the acquisition of subsidiary (fair value measured on a provisional basis). They are also disclosed in the relevant notes.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The main areas are employee benefits, share-based payments, investment properties, non-current assets and liabilities held for sale, financial instruments and business combinations. When measuring the fair value of an asset or a liability, the Group used observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques. Further information is included in the relevant notes, especially the note 38.

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 new standards and amendments to standards that are mandatory for the first time for the Group's accounting period beginning on 1 January 2015 are listed below and have no significant impact on the Group's consolidated financial statements.

- IFRIC 21 "Levies". This interpretation provides guidance on accounting for levies in accordance with the requirements of IAS 37 "Provisions". This interpretation became retrospectively applicable on 1 January 2014. Comparative amounts have not been restated since the impact (increase of capital and reserves attributable to equity holders of the Parent of EUR 0.3 million, decrease of deferred tax assets of EUR 0.2 million and increase of other payables of EUR 0.1 million) was not considered material at Group level;
- Annual improvements to IFRS 2010-2012 and IFRS 2011-2013 cycles. These improvements are a collection of minor improvements to existing standards;
- Amendments to IAS 19 "Employee Benefits – Defined Benefit Plans: Employee Contributions". These amendments introduce a relief that will reduce the complexity and burden of accounting for certain contributions from employees or third parties.

The standards, amendments and interpretations to existing standards issued by the IASB but not yet effective in 2015 have not been early adopted by the Group. They are listed below. The Group is currently assessing the impact of these new standards, amendments and interpretations to existing standards. Except for IFRS 15 (too early at this stage to assess the impact), no significant impact on the Group's consolidated financial statements is expected.

- Annual improvements to IFRS 2012-2014 cycle (effective 1 January 2016 – endorsed by the EU). These improvements are a collection of minor improvements to existing standards;
- Accounting for Acquisitions of Interests in Joint Operations - Amendments to IFRS 11 (effective 1 January 2016 – endorsed by the EU). This amendment determines that when an entity acquires an interest in a joint operation that is a business, as defined in IFRS 3, it shall apply all of the principles on business combinations accounting in IFRS 3, and other IFRS, that do not conflict with the guidance in this IFRS;
- Clarification of Acceptable Methods of Depreciation and Amortisation – Amendments to IAS 16 and IAS 38 (effective 1 January 2016 – endorsed by the EU). These amendments emphasize that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment;
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (effective 1 January 2016 – subject to endorsement by the EU). These amendments provide guidance on the recognition of the gain or loss when accounting for the sale or contribution of a subsidiary to an associate or joint venture;
- Disclosure Initiative – Amendment to IAS 1 (effective 1 January 2016 – endorsed by the EU). This amendment aims to improve presentation and disclosures in financial reporting;
- IFRS 9 "Financial Instruments: Classification and Measurement" (effective 1 January 2018 – subject to endorsement by the EU). This new standard will replace the existing guidance in IAS 39 "Financial Instruments: Recognition and Measurement";
- IFRS 15 "Revenue from Contracts with Customers" (initial effective date 1 January 2017, with deferral to 1 January 2018 – subject to endorsement by the EU). This new standard will replace existing revenue recognition guidance (notably IAS 18 "Revenue") and establish a comprehensive framework for determining whether, how much and when revenue is recognised.

On 13 January 2016, the IASB issued the new standard IFRS 16 "Leases" (effective date 1 January 2019 – subject to endorsement by the EU) which will require the Group when operating as a lessee to bring most leases on-balance sheet. IFRS 16 eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. The Group is starting a detailed review and analysis of the new standard in order to be able to assess its business implications and impacts on the Group's assets and liabilities.

NOTE 2: ACCOUNTING POLICIES (continued)

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 exercise control over the operations, are consolidated. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. 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.

Associated undertakings

Associates are all entities over which the Group has significant influence but not control or joint control, over the financial and operating policies. 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, until the date on which significant influence or joint control ceases. 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

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Interests in joint ventures 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.

NOTE 2: ACCOUNTING POLICIES (continued)

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. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

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 consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. 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, other than those associated with the issue of debt or equity securities that the Group incurs in connection with a business combination, are expensed as incurred.

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 for business combinations and transactions performed by the Parent, and at the country level for business combinations performed by Belron s.a. and its subsidiaries.

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 generally amortised over their useful life on a straight line basis. The estimated useful lives are between 2 and 10 years.

Brands for which there is a limit to the period over which these assets are expected to generate cash inflows will be amortised on a straight line basis over their remaining useful lives which are estimated to be up to 5 years. Amortisation periods are reassessed annually.

Brands that have indefinite useful lives are those, thanks to the marketing spend and advertising made, where 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. Impairment losses are recognised in the consolidated income statement.

Expenditure on internally generated intangible assets is recognised in the consolidated income statement as an expense as incurred. Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then, to reduce the carrying amount of the other assets in the unit, on a pro rata basis.

NOTE 2: ACCOUNTING POLICIES (continued)

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.

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 cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

The depreciable amount of the item is allocated according to the straight-line method over its useful life. Land is not depreciated. 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.

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. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Finance leases for which the Group is the lessee

Leases of property, plant and equipment for which substantially all the risks and rewards of ownership are transferred to the Group 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.

NOTE 2: ACCOUNTING POLICIES (continued)

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.

Investment Properties

Investment properties are measured at cost less accumulated depreciation and accumulated impairment losses. These items are amortised over their useful life on a straight-line basis method. The estimated useful lives are between 40 and 50 years.

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, excluding any blocked or restricted cash held by the Group. 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. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money.

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

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.

Obligations for contributions to *defined contribution pension plans* are charged as an expense as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

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. 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 until the benefits become vested.

NOTE 2: ACCOUNTING POLICIES (continued)

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 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. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

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. This provision is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise.

Financial Instruments Excluding Derivatives

The Group initially recognises loans and receivables and debt securities issued on the date when they are originated. All other financial assets and liabilities are initially recognised on the trade date when the entity becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies its financial assets in the following categories: at fair value through profit or loss, held-to-maturity investments, 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. 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) Held-to-maturity investments

These assets are initially recognised at fair value. Subsequent to initial recognition, they are measured at amortised cost using the effective interest rate method.

(c) 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.

(d) 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.

NOTE 2: ACCOUNTING POLICIES (continued)

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 and subsequently at fair value. Any directly attributable transaction costs are recognised in profit or loss as incurred. Unless accounted for as hedges, they are classified as held for trading and are subsequently measured at fair value. Derivatives classified as held for trading are those which do not meet the strict criteria of IAS 39 for application of hedge accounting. 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. In the case of a cash flow hedge, any cumulative gain or loss recognised in other comprehensive income is transferred to profit or loss when profit or loss is impacted by the hedged item. If the forecast transaction is no longer expected to occur, the cumulative gain or loss is reclassified in the profit or loss immediately.

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.

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 comprising assets and liabilities) 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. Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

A discontinued operation is a component of the Group's business that represents a separate major line of the business or geographical area of operations 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. When an operation is classified as a discontinued operation, the comparative statement of profit or loss and statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

NOTE 2: ACCOUNTING POLICIES (continued)

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.

Revenue is measured net of returns, trade discounts and volume rebates.

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 "revenue". 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, with a corresponding increase in equity, over the vesting period of the awards.

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.

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

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or other comprehensive income.

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. Current tax assets and liabilities are offset only if certain criteria are met.

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

NOTE 2: ACCOUNTING POLICIES (continued)

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 tax 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.

NOTE 3: ALTERNATIVE PERFORMANCE MEASUREMENT (APM) – NON-GAAP MEASUREMENT

Framework and definitions

In order to better reflect its underlying performance and assist investors in gaining a better understanding of its financial performance, the Group uses Alternative Performance Measures ("APMs"). These APMs are non-GAAP measures, i.e. their definition are not addressed by IFRS. The Group does not present APMs as an alternative to financial measures determined in accordance with IFRS and does not give to APMs greater prominence than defined IFRS measures.

Each line of the statement of profit or loss (see below), and each subtotal of the segment statement of profit or loss (see note 4), 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 (ie change in fair value between the opening and the end of the period, excluding the accrued cash flows of the derivatives that occurred during the period), where hedge accounting may not be applied under IAS 39 (in this case recognised fair value gains and losses being directly accounted for in the Consolidated Statement of Comprehensive Income);
- (b) Exchange gains and losses arising upon the translation of foreign currency loans and borrowings at the closing rate;
- (c) Re-measurement of financial liabilities resulting from put options granted to non-controlling interests 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.

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 above, 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 above.

Current PAT, Group's share, and current PBT, Group's share, exclude the share of minority shareholders in current PAT and current PBT.

NOTE 3: ALTERNATIVE PERFORMANCE MEASUREMENT (APM) – NON-GAAP MEASUREMENT (continued)

Presentation of APMs in the consolidated statement of profit or loss for the year ended 31 December

EUR million	Notes	2015			2014 ⁽¹⁾		
		Total	Of which Current items ⁽²⁾	Unusual items and re-measu- rements ⁽²⁾	Total	Of which Current items ⁽²⁾	Unusual items and re-measu- rements ⁽²⁾
Revenue	5	6,035.4	6,035.4	-	5,453.1	5,453.1	-
Cost of sales		-4,169.5	-4,171.6	2.1	-3,735.6	-3,725.3	-10.3
Gross margin		1,865.9	1,863.8	2.1	1,717.5	1,727.8	-10.3
Commercial and administrative expenses		-1,622.9	-1,611.7	-11.2	-1,516.9	-1,501.9	-15.0
Other operating income		7.0	1.6	5.4	3.9	3.9	-
Other operating expenses		-15.2	-5.2	-10.0	-141.8	-11.4	-130.4
Operating result	6	234.8	248.5	-13.7	62.7	218.4	-155.7
Net finance costs	7	-38.9	-37.1	-1.8	-32.3	-42.2	9.9
Finance income		3.7	3.6	0.1	18.2	5.6	12.6
Finance costs		-42.6	-40.7	-1.9	-50.5	-47.8	-2.7
Share of result of entities accounted for using the equity method, net of income tax	8	0.5	5.2	-4.7	0.9	4.4	-3.5
Result before tax	3	196.4	216.6	-20.2	31.3	180.6	-149.3
Income tax expense	9	-21.6	-24.2	2.6	-9.7	-31.7	22.0
Result from continuing operations		174.8	192.4	-17.6	21.6	148.9	-127.3
Discontinued operations	41	-40.4	-4.4	-36.0	-36.2	-19.3	-16.9
RESULT FOR THE PERIOD		134.4	188.0	-53.6	-14.6	129.6	-144.2
Result attributable to:							
Equity holders of the Parent	3	130.7	182.2	-51.5	-11.1	125.7	-136.8
Non-controlling interests		3.7	5.8	-2.1	-3.5	3.9	-7.4
Earnings per share for result for the period attributable to equity holders of the Parent							
Basic (EUR)	10	2.38	3.32	-0.94	-0.20	2.29	-2.49
Diluted (EUR)	10	2.38	3.31	-0.93	-0.20	2.28	-2.48
Earnings per share for result from continuing operations attributable to equity holders of the Parent							
Basic (EUR)	10	3.08	3.40	-0.32	0.43	2.62	-2.19
Diluted (EUR)	10	3.08	3.39	-0.31	0.42	2.61	-2.19

(1) As restated to reflect discontinued operations in the Vehicle Glass segment (see notes 2 and 41 for more information).

(2) Alternative Performance Measure (non-GAAP measure) - See section "Framework and definitions" of this note 3 for more explanations.

NOTE 3: ALTERNATIVE PERFORMANCE MEASUREMENT (APM) – NON-GAAP MEASUREMENT (continued)

Explanations and details of the figures presented as APMs

In 2015 and 2014, the unusual items and re-measurements (APMs) from continuing operations comprised:

EUR million	2015			2014 ⁽¹⁾		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Unusual items and re-measurements						
Included in operating result	-6.1	-7.6	-13.7	-3.4	-152.3	-155.7
<i>Re-measurements of financial instruments</i>	-	6.1 (g)	6.1	-	-10.3 (g)	-10.3
<i>Amortisation of customer contracts</i>	-	-9.9 (h)	-9.9	-	-10.1 (h)	-10.1
<i>Amortisation of brands with finite useful life</i>	-	-1.6 (i)	-1.6	-	-1.5 (i)	-1.5
<i>Amortisation of other intangibles with finite useful life</i>	-0.6 (a)	-	-0.6	-1.3 (a)	-	-1.3
<i>Impairment of goodwill and of non-current assets</i>	-4.1 (b)	-13.1 (j)	-17.2	-2.1 (b)	-89.0 (j)	-91.1
<i>Other unusual items</i>	-1.4 (c)	10.9 (k)	9.5	-	-41.4 (k)	-41.4
Included in net finance costs	-3.6	1.8	-1.8	-	9.9	9.9
<i>Re-measurements of financial instruments</i>	-1.7 (d)	1.8 (g)	0.1	-2.7 (d)	9.9 (g)	7.2
<i>Re-measurement of put options granted to non-controlling interests</i>	-1.9 (e)	-	-1.9	2.7 (e)	-	2.7
Included in equity accounted result	-4.7 (f)	-	-4.7	-3.5 (f)	-	-3.5
Included in result before taxes (PBT)	-14.4	-5.8	-20.2	-6.9	-142.4	-149.3
<i>of which: Unusual items</i>	-1.4	10.9	9.5	-	-41.4	-41.4
<i>Re-measurements</i>	-13.0	-16.7	-29.7	-6.9	-101.0	-107.9

(1) As restated to reflect discontinued operations in the Vehicle Glass segment (see notes 2 and 41 for more information).

Automobile Distribution

- In the framework of the acquisition in July 2012 of the remaining 67% of S.M.A.R.T. & Clean Automotive Services s.a. (Wondercar, active in smart repairs on vehicles), a fair value adjustment was made in 2013 to the initial valuations. An intangible asset with a finite useful life was recognised and is being amortised on a straight-line basis over 3 years as from the acquisition date. The 2015 amortisation (in commercial and administrative expenses) amounted to EUR 0.6 million (2014: EUR 1.3 million). This intangible asset with a finite useful life is now fully amortised.
- In the period, commercial and administrative expenses mainly include an impairment charge of EUR 1.2 million on properties in the framework of the optimization of the footprint of the corporately-owned car dealerships (reshaping project announced in February 2014) and an impairment charge of EUR 2.6 million on certain intangible IT software following a change in strategy in the implementation of new technology. In the prior period, commercial and administrative expenses included an impairment charge of EUR 2.1 million on a property (corporately-owned car dealership in Brussels) following the implementation of the reshaping project announced in February 2014.
- In the period, other unusual items in operating result include an unusual gain of EUR 5.4 million (presented in other operating income) on the sale of buildings classified as non-current asset held for sale as at 31 December 2014 (see note 23 of the 2014 Financial and Directors' Report) and unusual costs (EUR 6.8 million in cost of sales and in commercial and administrative expenses) related to the "Emissiongate". These unusual costs include provisions for extra costs to be disbursed in 2016 (e.g. logistic and mailing costs related to the upcoming recalls).
- Net finance costs include re-measurements of financial instruments amounting to EUR -1.7 million (EUR -2.7 million in the prior period) arising from changes in the "clean" fair value of derivatives. Change in "clean" fair value of derivatives corresponds to the change of "dirty" fair value (i.e. the change of value between the opening and the end of the period) excluding the accrued cash flows of the derivatives that occurred during the period.
- Net finance costs include re-measurement charge of put options granted to certain non-controlling shareholders (family holding company of Belron's CEO) amounting to EUR -1.9 million (re-measurement income of EUR 2.7 million in the prior period). See note 33 of these consolidated financial statements for more information.
- In the period, the share of the Group in the unusual items and re-measurements of entities accounted for using the equity method amounts to EUR -4.7 million (EUR -3.5 million in the prior period) and is related to the amortisation of intangible assets with a finite useful life (customer contracts recognised in the framework of the contribution of D'Ieteren Lease's operating leases activities to Volkswagen D'Ieteren Finance and intangible IT assets recognised in the framework of the contribution to OTA Keys s.a. of development activities around virtual key solutions) and, in 2015 is also related to additional unusual write-downs related to the "Emissiongate". See note 8 for more information.

NOTE 3: ALTERNATIVE PERFORMANCE MEASUREMENT (APM) – NON-GAAP MEASUREMENT (continued)

Vehicle Glass

- (g) Cost of sales and net finance costs include re-measurements of financial instruments (fair value of fuel hedge instruments in cost of sales and fair value movements of the cross currency interest rate swaps – see note 19) amounting respectively to EUR 6.1 million (2014: EUR -10.3 million) and to EUR 1.8 million (2014: EUR 9.9 million) arising from changes in the “clean” fair value of derivatives. Change in “clean” fair value of derivatives corresponds to the change of “dirty” fair value (i.e. the change of value between the opening and the end of the period) excluding the accrued cash flows of the derivatives that occurred during the period.
- (h) In the framework of recent acquisitions, certain customer contracts were recognised as intangible assets with a finite useful life. The 2015 amortisation (in commercial and administrative expenses) amounts to EUR 9.9 million (2014: EUR 10.1 million).
- (i) Commercial and administrative expenses include the amortisation of brands with finite useful lives (certain brands are no longer considered to be intangibles with indefinite useful lives since there is now a limit to the period over which these assets are expected to generate cash inflows) amounting to EUR 1.6 million (2014: EUR 1.5 million).
- (j) In the period, commercial and administrative expenses and other operating charges comprise:
- A total impairment charge of EUR 4.2 million on the Turkish cash-generating unit following the impairment test performed at half-year on every cash-generating unit. From the total impairment charge on Turkey, EUR 3.4 million is related to the full impairment of goodwill and EUR 0.8 million to the write-off of tangible fixed assets. See note 11 for further information;
 - An impairment charge on IT assets at the Centre (EUR 5.4 million) following the decision to pass down web site design, production and operation to individual countries;
 - An impairment charge on IT assets in Australia and New-Zealand (EUR 3.5 million) from an aborted front office implementation and revised strategy

In the prior period, other operating expenses comprised a goodwill impairment charge of EUR 89.0 million on the UK cash-generating unit.

- (k) In 2015, other unusual items (EUR 10.9 million presented in cost of sales, commercial and administrative expenses and other operating expenses) relate to a credit for the settlement of defined benefit pension obligations in the Netherlands (EUR 21.5 million), the additional costs associated with the closure of the UK defined benefit pension plan (EUR -0.6 million), the associated staff termination costs (EUR -0.7 million) following the decision to pass down web site design, production and operation to individual countries, the restructuring of call centres and the closure of the bus and coach glass distribution business in France (EUR -3.9 million), the loss on disposal (EUR -2.7 million) of the Autorestore® ADR business in the United Kingdom following the decision to focus the business solely on its mobile bodyshops going forward, the headcount reductions in Italy (EUR -2.2 million) and to the finalisation of the Guardian Glass acquisition in Spain (EUR -0.5 million).

In the prior period, other unusual items (EUR -41.4 million) related to the restructuring charge and asset write-downs associated with a change to the UK business operating model (EUR -16.4 million), the closure of the German specials business (EUR 10.3 million), the integration costs relating to the acquisition of Guardian Glass Co. in the USA and Spain (EUR -6.7 million), restructuring charges in Italy (EUR -3.2 million) and in the Netherlands (EUR -4.0 million) and to the finalisation of the Canadian acquisition programme (EUR -0.8 million).

In 2015 and in 2014, in the Vehicle Glass segment, the line “Discontinued operations” (see note 41 for more information) of the consolidated statement of profit or loss comprises unusual items and re-measurements amounting respectively to EUR -36.0 million and to EUR -16.9 million.

The 2015 charge of EUR 36.0 million comprises:

- The full impairment of goodwill and write-downs of fixed assets, intangible assets, stocks and debtors on the Brazilian cash-generating unit (respectively EUR -15.9 million, EUR -3.1 million, EUR -3.0 million, EUR -8.5 million and EUR -5.8 million) and disposal costs (EUR -0.4 million) ;
- The closure costs relating to China (EUR -3.6 million) partially offset by an associated foreign exchange translation gain (EUR 4.3 million).

The 2014 charge of EUR 16.9 million comprised a goodwill impairment charge of EUR 9.4 million and disposal and closure costs of EUR 7.5 million on the China cash-generating unit.

NOTE 3: ALTERNATIVE PERFORMANCE MEASUREMENT (APM) – NON-GAAP MEASUREMENT (continued)

Reconciliations between APMs and IFRS reported figures

EUR million	2015			2014 ⁽¹⁾		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
From reported PBT to current PBT, Group's share:						
Reported PBT	57.1	139.3	196.4	43.6	-12.3	31.3
Less: Unusual items and re-measurements in PBT	14.4	5.8	20.2	6.9	142.4	149.3
Current PBT	71.5	145.1	216.6	50.5	130.1	180.6
Less: Share of the group in tax on current result of equity accounted entities	2.9	-	2.9	1.8	-	1.8
Share of non-controlling interests in current PBT	0.1	-7.5	-7.4	0.2	-6.7	-6.5
Current PBT, Group's share	74.5	137.6	212.1	52.5	123.4	175.9
From current PBT, Group's share, to current PAT, Group's share:						
Current PBT, Group's share	74.5	137.6	212.1	52.5	123.4	175.9
Share of the group in tax on current result of equity accounted entities	-2.9	-	-2.9	-1.8	-	-1.8
Current tax, Group's share	2.7	-25.4	-22.7	-1.0	-29.1	-30.1
Current PAT, Group's share	74.3	112.2	186.5	49.7	94.3	144.0
From current PAT, Group's share, to current result for the period attributable to equity holders of the Parent:						
Current PAT, Group's share	74.3	112.2	186.5	49.7	94.3	144.0
Share of the group in current discontinued operations 41	-	-4.3	-4.3	-	-18.3	-18.3
Current result for the period attributable to equity holders of the Parent	74.3	107.9	182.2	49.7	76.0	125.7

(1) As restated to reflect discontinued operations in the Vehicle Glass segment (see notes 2 and 41 for more information).

Comments related to the cash flow statement

The line "Acquisition of subsidiaries" for the year ended 31 December 2015 included, among other transactions, the business combinations disclosed in note 12.

In 2015 and 2014, in the Vehicle Glass segment, the line "Other non-cash items" included, among other amounts, the restructuring provisions recognised at year-end.

In 2015, in the Vehicle Glass segment, the line "Other cash items" included, among other amounts, the cash outflow related to the restructurings announced in December 2014.

In 2015, in the Vehicle Glass segment, the line "Employee benefits" includes among other amounts the unusual non-cash gain related to the settlement of defined benefit pension obligations in the Netherlands (see above and note 20).

In 2015, the line "Dividends received from equity accounted entities" includes the group's share in the dividends paid by D'Ieteren Vehicle Trading s.a., a 49%-owned associate (see note 8).

In 2015 and 2014, the lines "Investment in held-to-maturity financial assets" and "Net change in other loans and borrowings" were mainly explained by the reimbursements in December 2014 and in July 2015 of two bonds (Automobile Distribution segment).

In 2015, the inter-segment loan represented amounts lent by the Automobile Distribution segment to the Vehicle Glass segment, at arm's length conditions.

NOTE 4: SEGMENT INFORMATION

Note 4.1: 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 4.2: Segment Statement of Profit or Loss - Operating Segments (Year ended 31 December)

EUR million	Notes	2015				2014 ⁽¹⁾			
		Auto- mobile Distri- bution	Vehicle Glass	Elimi- nations	Group	Auto- mobile Distri- bution	Vehicle Glass	Elimi- nations	Group
External revenue	5	2,874.2	3,161.2		6,035.4	2,660.5	2,792.6		5,453.1
Inter-segment revenue		5.1	-	-5.1	-	3.8	-	-3.8	-
Segment revenue		2,879.3	3,161.2	-5.1	6,035.4	2,664.3	2,792.6	-3.8	5,453.1
Operating result (being segment result)	6	60.4	174.4		234.8	49.9	12.8		62.7
<i>of which: current items (APMs)</i>	6	66.5	182.0		248.5	53.3	165.1		218.4
<i>unusual items and re-measurements (APMs)</i>	3/6	-6.1	-7.6		-13.7	-3.4	-152.3		-155.7
Net finance costs	7	-3.8	-35.1		-38.9	-7.2	-25.1		-32.3
Finance income		1.3	2.4		3.7	8.0	10.2		18.2
Finance costs		-5.1	-37.5		-42.6	-15.2	-35.3		-50.5
Share of result of entities accounted for using the equity method, net of income tax	8	0.5	-		0.5	0.9	-		0.9
Result before taxes	3	57.1	139.3		196.4	43.6	-12.3		31.3
<i>of which: current items (APMs)</i>	3	71.5	145.1		216.6	50.5	130.1		180.6
<i>unusual items and re-measurements (APMs)</i>	3	-14.4	-5.8		-20.2	-6.9	-142.4		-149.3
Income tax expense	9	2.6	-24.2		-21.6	5.0	-14.7		-9.7
Result from continuing operations		59.7	115.1		174.8	48.6	-27.0		21.6
<i>of which: current items (APMs)</i>		74.2	118.2		192.4	49.5	99.4		148.9
<i>unusual items and re-measurements (APMs)</i>		-14.5	-3.1		-17.6	-0.9	-126.4		-127.3
Discontinued operations	41	-	-40.4		-40.4	-	-36.2		-36.2
RESULT FOR THE PERIOD		59.7	74.7		134.4	48.6	-63.2		-14.6

		Auto- mobile Distri- bution	Vehicle Glass	Group	Auto- mobile Distri- bution	Vehicle Glass	Group
Attributable to :							
Equity holders of the Parent		59.8	70.9	130.7	48.8	-59.9	-11.1
<i>of which: current items (APMs)</i>	3	74.3	107.9	182.2	49.7	76.0	125.7
<i>unusual items and re-measurements (APMs)</i>		-14.5	-37.0	-51.5	-0.9	-135.9	-136.8
Non-controlling interests		-0.1	3.8	3.7	-0.2	-3.3	-3.5
RESULT FOR THE PERIOD		59.7	74.7	134.4	48.6	-63.2	-14.6

(1) As restated to reflect discontinued operations in the Vehicle Glass segment (see notes 2 and 41 for more information).

NOTE 4: SEGMENT INFORMATION (continued)

Note 4.3: Segment Statement of Financial Position - Operating Segments (At 31 December)

EUR million	Notes	2015			2014		
		Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Goodwill	11	9.9	980.7	990.6	9.9	955.8	965.7
Other intangible assets	13	9.2	461.5	470.7	9.3	448.6	457.9
Property, plant and equipment	15	184.1	336.9	521.0	179.4	326.4	505.8
Investment property	16	4.3	-	4.3	6.7	-	6.7
Equity accounted investments	8	59.5	-	59.5	62.8	-	62.8
Available-for-sale financial assets	17	0.5	-	0.5	0.5	-	0.5
Employee benefits	20	-	47.6	47.6	-	40.9	40.9
Deferred tax assets	21	2.0	44.5	46.5	1.4	51.4	52.8
Other receivables	22	22.5	2.6	25.1	22.4	2.3	24.7
Non-current assets		292.0	1,873.8	2,165.8	292.4	1,825.4	2,117.8
Non-current assets classified as held for sale	23	7.0	8.2	15.2	6.3	-	6.3
Inventories	24	329.1	285.6	614.7	323.3	285.4	608.7
Held-to-maturity investments	14	59.8	-	59.8	176.1	-	176.1
Derivative hedging instruments	18	-	4.3	4.3	-	1.5	1.5
Derivatives held for trading	19	-	0.9	0.9	3.3	0.9	4.2
Other financial assets	25	-	-	-	-	1.8	1.8
Current tax assets	26	-	3.8	3.8	0.2	6.7	6.9
Trade and other receivables	27	117.5	242.9	360.4	132.3	246.8	379.1
Cash and cash equivalents	28	88.1	22.0	110.1	54.9	29.9	84.8
Current assets		601.5	567.7	1,169.2	696.4	573.0	1,269.4
TOTAL ASSETS		893.5	2,441.5	3,335.0	988.8	2,398.4	3,387.2
Capital and reserves attributable to equity holders		1,733.3	-	1,733.3	1,644.2	-	1,644.2
Non-controlling interests		-	1.8	1.8	-0.8	1.4	0.6
Equity		1,733.3	1.8	1,735.1	1,643.4	1.4	1,644.8
Employee benefits	20	7.6	18.9	26.5	8.4	51.9	60.3
Provisions	30	21.9	6.9	28.8	20.5	2.5	23.0
Loans and borrowings	31/32	4.6	704.8	709.4	6.2	733.3	739.5
Derivatives held for trading	19	-	-	-	-	2.7	2.7
Put options granted to non-controlling shareholders	33	85.2	-	85.2	75.2	-	75.2
Other payables	34	-	21.6	21.6	-	15.9	15.9
Deferred tax liabilities	21	14.1	17.0	31.1	17.8	20.4	38.2
Non-current liabilities		133.4	769.2	902.6	128.1	826.7	954.8
Liabilities associated with non-current assets held for sale	23	-	6.7	6.7	-	-	-
Provisions	30	-	10.9	10.9	-	34.5	34.5
Derivative hedging instruments	18	-	0.2	0.2	-	0.1	0.1
Loans and borrowings	31/32	5.9	49.0	54.9	106.7	32.5	139.2
Inter-segment loan	31	-20.0	20.0	-	-	-	-
Derivatives held for trading	19	-	5.5	5.5	0.4	7.8	8.2
Current tax liabilities	26	1.1	15.9	17.0	0.1	10.7	10.8
Trade and other payables	35	117.8	484.3	602.1	136.7	458.1	594.8
Current liabilities		104.8	592.5	697.3	243.9	543.7	787.6
TOTAL EQUITY AND LIABILITIES		1,971.5	1,363.5	3,335.0	2,015.4	1,371.8	3,387.2

NOTE 4: SEGMENT INFORMATION (continued)

Note 4.4: Segment Statement of Cash Flows - Operating Segments (Year ended 31 December)

EUR million	Notes	2015			2014 ⁽¹⁾		
		Autom. Distrib.	Vehicle Glass	Group	Autom. Distrib.	Vehicle Glass	Group
Cash flows from operating activities - Continuing							
Result for the period		59.7	115.1	174.8	48.6	-27.0	21.6
Income tax expense	9	-2.6	24.2	21.6	-5.0	14.7	9.7
Share of result of entities accounted for using the equity method, net of income tax	8	-0.5	-	-0.5	-0.9	-	-0.9
Net finance costs	7	3.8	35.1	38.9	7.2	25.1	32.3
Operating result from continuing operations		60.4	174.4	234.8	49.9	12.8	62.7
Depreciation of other items	6	12.9	87.7	100.6	14.4	78.0	92.4
Amortisation of other intangible assets	3/6/13	1.9	37.8	39.7	2.5	34.2	36.7
Impairment losses on goodwill and other non-current assets	3/11/15	4.1	15.2	19.3	2.1	89.0	91.1
Other non-cash items	3	-3.2	11.5	8.3	11.4	52.5	63.9
Employee benefits	3	-0.4	-23.9	-24.3	-0.2	-6.6	-6.8
Other cash items	3	-	-25.2	-25.2	-	-15.9	-15.9
Change in net working capital		-10.1	6.1	-4.0	-49.3	20.9	-28.4
Cash generated from operations		65.6	283.6	349.2	30.8	264.9	295.7
Income tax paid		-0.7	-17.3	-18.0	-1.0	-20.6	-21.6
Net cash from operating activities		64.9	266.3	331.2	29.8	244.3	274.1
Cash flows from investing activities - Continuing							
Purchase of property, plant and equipment and intangible assets		-27.1	-94.8	-121.9	-34.9	-96.5	-131.4
Sale of property, plant and equipment and intangible assets		9.9	1.9	11.8	7.7	2.4	10.1
Net capital expenditure		-17.2	-92.9	-110.1	-27.2	-94.1	-121.3
Acquisition of subsidiaries (net of cash acquired)	3/12	-	-22.6	-22.6	-20.0	-14.0	-34.0
Contribution of cash to joint venture		-	-	-	-0.4	-	-0.4
Investment in held-to-maturity financial assets	3/14	116.4	-	116.4	121.9	-	121.9
Interest received		12.3	1.7	14.0	11.5	0.3	11.8
Dividends received from equity accounted entities	3/8	3.9	-	3.9	-	-	-
Net investment in other financial assets		-0.9	-0.2	-1.1	-1.0	0.1	-0.9
Net cash from investing activities		114.5	-114.0	0.5	84.8	-107.7	-22.9
Cash flows from financing activities - Continuing							
Acquisition (-)/Disposal (+) of non-controlling interests	3	-	-	-	0.8	-	0.8
Net disposal/(acquisition) of treasury shares		-3.1	-	-3.1	-4.5	-	-4.5
Capital element of finance lease payments		-	-27.2	-27.2	-	-22.4	-22.4
Net change in other loans and borrowings	3	-102.5	-84.2	-186.7	-153.0	-68.7	-221.7
Inter-segment loan	31	-20.0	20.0	-	-	-	-
Interest paid		-8.8	-35.1	-43.9	-22.1	-35.3	-57.4
Dividends paid by Parent	29	-43.9	-	-43.9	-44.0	-	-44.0
Dividends received from/(paid by) subsidiaries		32.1	-33.8	-1.7	-	-	-
Net cash from financing activities		-146.2	-160.3	-306.5	-222.8	-126.4	-349.2
Cash flows from continuing operations		33.2	-8.0	25.2	-108.2	10.2	-98.0
Cash flows from discontinued operations	41	-	-10.1	-10.1	-	-16.3	-16.3
TOTAL CASH FLOW FOR THE PERIOD		33.2	-18.1	15.1	-108.2	-6.1	-114.3
		Autom, Distrib,	Vehicle Glass	Group	Autom, Distrib,	Vehicle Glass	Group
Reconciliation with statement of financial position							
Cash at beginning of period	28	54.9	29.9	84.8	159.1	36.5	195.6
Cash equivalents at beginning of period	28	-	-	-	4.0	-	4.0
Cash and cash equivalents at beginning of period	28	54.9	29.9	84.8	163.1	36.5	199.6
Total cash flow for the period		33.2	-18.1	15.1	-108.2	-6.1	-114.3
Translation differences		-	10.8	10.8	-	-0.5	-0.5
Cash and cash equivalents at end of period		88.1	22.6	110.7	54.9	29.9	84.8
Included within "Cash and cash equivalents"	28	88.1	22.0	110.1	54.9	29.9	84.8
Included within "Non-current assets held for sale"	23	-	0.6	0.6	-	-	-

(1) As restated to reflect discontinued operations in the Vehicle Glass segment (see notes 2 and 41 for more information).

NOTE 4: SEGMENT INFORMATION (continued)

Note 4.5: Other Segment Information - Operating Segments (Year ended 31 December)

EUR million	2015			2014		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Capital additions ⁽¹⁾	27,3	162,0	189,3	56,5	131,3	187,8

(1) Capital additions include both additions and acquisitions through business combinations including goodwill.

Besides depreciation and amortisation of segment assets (which are provided in note 6), the charge arising from the long-term management incentive schemes is the other significant non-cash expense deducted in measuring segment result.

Note 4.6: 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 the world.

EUR million	2015				2014 ⁽¹⁾			
	Belgium	Rest of Europe	Rest of the world	Group	Belgium	Rest of Europe	Rest of the world	Group
Segment revenue from external customers ⁽²⁾	2,777.2	1,479.8	1,778.4	6,035.4	2,577.4	1,520.3	1,355.4	5,453.1
Non-current assets ⁽³⁾	244.1	1,099.3	668.3	2,011.7	240.6	1,071.8	648.4	1,960.8
Capital additions ⁽⁴⁾	38.0	54.0	97.3	189.3	61.4	34.2	92.2	187.8

(1) As restated to reflect discontinued operations in the Vehicle Glass segment (see notes 2 and 41 for more information).

(2) Based on the geographical location of the customers.

(3) Non-current assets, as defined by IFRS 8, consists of goodwill, other intangible assets, 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 5: REVENUE

EUR million	2015	2014 ⁽¹⁾
New vehicles	2,512.8	2,316.5
Used cars	46.1	38.7
Spare parts and accessories	180.4	169.7
After-sales activities by D'Ieteren Car Centers	83.9	81.0
D'Ieteren Sport	25.5	26.0
Rental income under buy-back agreements	4.8	5.0
Other revenue	20.7	23.6
Subtotal Automobile Distribution	2,874.2	2,660.5
Vehicle Glass	3,161.2	2,792.6
REVENUE (EXTERNAL)	6,035.4	5,453.1
<i>of which: sales of goods</i>	<i>2,950.8</i>	<i>2,717.5</i>
<i>rendering of services</i>	<i>3,083.8</i>	<i>2,735.2</i>
<i>royalties</i>	<i>0.8</i>	<i>0.4</i>

(1) As restated to reflect discontinued operations in the Vehicle Glass segment (see notes 2 and 41 for more information).

Interest income and dividend income (if any) are presented among net finance costs (see note 7).

NOTE 6: OPERATING RESULT

Operating result is stated after charging:

EUR million	2015			2014 ⁽¹⁾		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Current items (APMs – see note 3):						
Purchases and changes in inventories	-2,452.4	-728.6	-3,181.0	-2,260.8	-644.2	-2,905.0
Depreciation of other items (excl. investment property)	-12.5	-87.7	-100.2	-14.0	-78.0	-92.0
Amortisation (excl. re-measurements - see note 3)	-1.2	-26.1	-27.3	-1.2	-22.6	-23.8
Other operating lease rentals ⁽²⁾	-4.3	-160.8	-165.1	-3.6	-155.0	-158.6
Write-down on inventories	2.2	-2.1	0.1	-4.1	-0.6	-4.7
Employee benefit expenses (see note 36)	-165.1	-1,251.8	-1,416.9	-155.0	-1,094.8	-1,249.8
Research and development expenditure	-	-2.1	-2.1	-	-1.1	-1.1
Sundry ⁽³⁾	-173.7	-717.1	-890.8	-164.2	-629.4	-793.6
Other operating expenses:						
Bad and doubtful debts	-0.2	-1.7	-1.9	-7.0	-1.8	-8.8
Loss on sale of property, plant and equipment	-0.8	-0.6	-1.4	-0.1	-0.3	-0.4
Investment property expenses:						
Depreciation (see note 16)	-0.4	-	-0.4	-0.4	-	-0.4
Operating expenses ⁽⁴⁾	-0.2	-	-0.2	-0.1	-	-0.1
Sundry	-0.7	-0.6	-1.3	-0.6	0.3	-0.3
Subtotal other operating expenses	-2.3	-2.9	-5.2	-8.2	-1.8	-10.0
Other operating income:						
Gain on sale of property, plant and equipment	0.1	-	0.1	-	-	-
Rental income from investment property ⁽⁵⁾	1.0	-	1.0	1.6	-	1.6
Sundry	0.5	-	0.5	2.3	-	2.3
Subtotal other operating income	1.6	-	1.6	3.9	-	3.9
Subtotal current items (APMs)	-2,807.7	-2,979.2	-5,786.9	-2,607.2	-2,627.5	-5,234.7
Unusual items and re-measurements (APMs - see note 3)	-6.1	-7.6	-13.7	-3.4	-152.3	-155.7
NET OPERATING EXPENSES	-2,813.8	-2,986.8	-5,800.6	-2,610.6	-2,779.8	-5,390.4

(1) As restated to reflect discontinued operations in the Vehicle Glass segment (see notes 2 and 41 for more information).

(2) Primarily hire of vehicles and other plant and equipment in relation with the business activity.

(3) Mainly relates to marketing and IT costs, legal and consultancy fees.

(4) The full amount is related to investment property that generated rental income.

(5) Does not include any contingent rent.

NOTE 7: NET FINANCE COSTS

Net finance costs are broken down as follows:

EUR million	2015			2014 ⁽¹⁾		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Current items (APMs – see note 3):						
Finance costs:						
Current interest expense	-1.0	-37.9	-38.9	-9.7	-35.9	-45,6
Net interest cost on pension (see note 20)	-0.1	0.4	0.3	-0.1	0.6	0,5
Other financial charges	-2.1	-	-2.1	-2.7	-	-2,7
Subtotal finance costs	-3.2	-37.5	-40.7	-12.5	-35.3	-47,8
Finance income	3,0	0.6	3.6	5.3	0.3	5.6
Current net finance costs (APMs)	-0,2	-36.9	-37.1	-7.2	-35.0	-42.2
Unusual items and re-measurements (APMs - see note 3):						
Re-measurements of put options granted to non-controlling interests (see note 33)	-1,9	-	-1.9	2.7	-	2.7
Re-measurements of financial instruments ⁽²⁾ :						
Designated at fair value upon initial recognition	-1.7	1.8	0.1	-2.7	9.9	7,2
Unusual items and re-measurements (APMs)	-3,6	1.8	-1.8	-	9.9	9.9
NET FINANCE COSTS	-3,8	-35.1	-38.9	-7.2	-25.1	-32.3

(1) As restated to reflect discontinued operations in the Vehicle Glass segment (see notes 2 and 41 for more information).

(2) Change in "clean" fair value of derivatives corresponds to the change of "dirty" fair value (ie the change of value between the opening and the end of the period) excluding the accrued cash flows of the derivatives that occurred during the period.

NOTE 8: ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD

In 2015, three group entities are accounted for using the equity method.

EUR million	2015	2014
Interests in joint ventures	58.1	57.6
Interest in associate	1.4	5.2
Total of equity accounted investments	59.5	62.8
Share of profit in joint ventures	0.4	0.5
Share of profit in associate	0.1	0.4
Total of share of result after tax of equity accounted companies	0.5	0.9
of which: Current items (APMs – see note 3)	5.2	4.4
Unusual items and re-measurements (APMs – see note 3)	-4.7	-3.5

Joint ventures

In 2015 and 2014, two joint ventures are accounted for using the equity method.

Volkswagen D'Ieteren Finance (VDFin) is a 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), active in a full range of financial services related to the sale of the Volkswagen group vehicles on the Belgian market.

The following table summarises the financial information of VDFin as included in its own financial statements, adjusted for differences in accounting policies, and also reconciles this summarised financial information to the carrying amount of the Group's interest in VDFin.

NOTE 8: ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD (continued)

EUR million	2015	2014
Non-current assets	815.0	730.6
Current assets (excluding cash and cash equivalents)	406.1	337.9
Cash and cash equivalents	20.2	18.7
Non-current liabilities (excluding financial liabilities)	-5.8	-7.8
Non-current financial liabilities	-441.0	-380.5
Current liabilities (excluding financial liabilities)	-72.5	-67.3
Current financial liabilities	<u>-607.3</u>	<u>-519.9</u>
Net assets (100%)	114.7	111.7
Group's share of net assets (49.99%) and carrying amount of interest in joint venture	57.3	55.8
Revenue	294.3	264.6
Profit before tax	3.9	1.3
<i>of which: Current items (APMs)</i>	17.8	11.9
Result for the period (100%)	2.9	1.5
<i>of which: Current items (APMs)</i>	12.0	8.5
Other comprehensive income (100%)	-	-
Total comprehensive income (100%)	2.9	1.5
Group's share of total comprehensive income (49.99%)	1.4	0.7
<i>of which: Current items (APMs)</i>	6.0	4.2
<i>Unusual items and re-measurements (APMs)</i>	-4.6	-3.5

Share of net assets represents the share of the Group in the equity of VDFin as at 31 December 2015. In the framework of the contribution in early 2012 of DIL to VDFin and in accordance with IFRS 3 "Business Combinations", customer contracts were recognised as an intangible asset with a finite useful life (EUR 38.9 million of initial gross amount net of deferred taxes; EUR 0.5 million of carrying amount as at 31 December 2015). The share of the Group in the amortisation after tax amounted to EUR 3.1 million (2014: EUR 3.5 million) and in accordance with the Group's accounting policies is accounted for in the Group's consolidated financial statements as a re-measurement. In 2015, in the framework of the "Emissiongate", additional unusual write-downs on vehicles have been accounted for. The share of the Group in this unusual charge after tax amounted to EUR 1.5 million.

In September 2014, the Parent and Continental AG have set up OTA Keys s.a., a joint venture owned 50% by the Group and 50% by Continental AG, bringing together their development activities around virtual key solutions. The contribution of the Group's development activities occurred in early September 2014, resulting in the recognition in current operating result of the prior period of a consolidated gain of EUR 1.7 million. The following table summarises financial information of OTA Keys s.a. as included in its own financial statements, adjusted for differences in accounting policies, and also reconciles this summarised financial information to the carrying amount of the Group's interest in OTA Keys s.a.

EUR million	2015	2014
Non-current assets	2.9	3.3
Current assets	0.6	0.6
Current liabilities	<u>-1.9</u>	<u>-0.2</u>
Net assets (100%)	1.6	3.7
Group's share of net assets (50%) and carrying amount of interest in joint venture	0.8	1.8
Result for the period (100%)	-2.1	-0.5
Group's share of total comprehensive income (50%)	-1.0	-0.2
<i>of which: Current items (APMs)</i>	-0.9	-0.2
<i>Unusual items and re-measurements (APMs)</i>	-0.1	-

NOTE 8: ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD (continued)

Associate

As from June 2012, new finance lease services to customers of the Automobile Distribution segment are provided by the joint venture VDFin. Services related to previous finance lease contracts are still provided by D'Ieteren Vehicle Trading (DVT) s.a., a 49%-owned associate.

The following table summarises the financial information of DVT as included in its own financial statements and also reconciles this summarised financial information to the carrying amount of the Group's interest in DVT. At year end, the Automobile Distribution's interest in the associate comprised:

EUR million	2015	2014
Non-current assets	9.4	24.4
Current assets	6.7	15.8
Non-current liabilities	-11.3	-27.7
Current liabilities	-2.0	-1.9
Net assets (100%)	2.8	10.6
Group's share of net assets (49%) and carrying amount of interest in associate	1.4	5.2
Revenue	7.4	13.1
Profit before tax	0.3	1.1
Result for the period (100%)	0.2	0.8
Group's share of result for the period (49%)	0.1	0.4

The decrease in net assets is mainly explained by the dividends (EUR 3.9 million for the Group's share) paid during the period.

NOTE 9: INCOME TAX EXPENSE

Income tax expense is broken down as follows:

EUR million	2015			2014 ⁽¹⁾		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Current year income tax	-1.8	-20.6	-22.4	-1.0	-17.5	-18.5
Prior year income tax	-	0.6	0.6	-	1.1	1.1
Movement in deferred taxes	4.4	-4.2	0.2	6.0	1.7	7.7
Income tax expense	2.6	-24.2	-21.6	5.0	-14.7	-9.7
<i>of which: current items (APMs)</i>	2.7	-26.9	-24.2	-1.0	-30.7	-31.7
<i>unusual items and re-measurements (APMs - see note 3)</i>	-0.1	2.7	2.6	6.0	16.0	22.0

(1) As restated to reflect discontinued operations in the Vehicle Glass segment (see notes 2.1 and 41 for more information).

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

EUR million	2015			2014 ⁽¹⁾		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Result before taxes	57.1	139.3	196.4	43.6	-12.3	31.3
Tax at the Belgian corporation tax rate of 33.99%	-19.4	-47.3	-66.7	-14.8	4.2	-10.6
Reconciling items (see below)	22.0	23.1	45.1	19.8	-18.9	0.9
Actual income tax on result before taxes	2.6	-24.2	-21.6	5.0	-14.7	-9.7

(1) As restated to reflect discontinued operations in the Vehicle Glass segment (see notes 2 and 41 for more information).

NOTE 9: INCOME TAX EXPENSE (continued)

The reconciling items are provided below:

EUR million	2015			2014 ⁽¹⁾		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Current PBT (APMs - see note 3)	71.5	145.1	216.6	50.5	130.1	180.6
Tax at the Belgian corporation tax rate of 33.99%	-24.3	-49.3	-73.6	-17.2	-44.2	-61.4
Rate differential	-	-1.8	-1.8	-	4.3	4.3
Permanent differences	18.7	23.3	42.0	16.3	17.5	33.8
Utilisation of tax losses	2.8	-	2.8	0.9	-	0.9
Adjustments in respect of prior years	-	0.8	0.8	-	2.9	2.9
Deferred tax assets not recognised	-0.7	-1.8	-2.5	-3.6	-8.9	-12.5
Recognition of previously unrecognised deferred tax assets	4.3	1.9	6.2	1.4	-	1.4
Derecognition of previously recognised deferred tax assets	-	-	-	-	-2.3	-2.3
Impact of dividends	-	-	-	-0.3	-	-0.3
Joint venture and associate	1.8	-	1.8	1.5	-	1.5
Other	0.1	-	0.1	-	-	-
Actual income tax on current PBT (APMs - see note 3)	2.7	-26.9	-24.2	-1.0	-30.7	-31.7
<i>Actual tax rate on current PBT (APMs - see note 3)</i>	<i>-4%</i>	<i>19%</i>	<i>11%</i>	<i>2%</i>	<i>24%</i>	<i>18%</i>
Unusual items and re-measurements in PBT (APMs - see note 3)	-14.4	-5.8	-20.2	-6.9	-142.4	-149.3
Tax at the Belgian corporation tax rate of 33.99%	4.9	2.0	6.9	2.3	48.4	50.7
Rate differential	-	-1.4	-1.4	-	-4.2	-4.2
Permanent differences	-	-19.7	-19.7	2.7	-20.9	-18.2
Deferred tax assets not recognised	-3.4	21.8	18.4	2.7	-7.3	-4.6
Joint venture and associate	-1.6	-	-1.6	-1.2	-	-1.2
Other	-	-	-	-0.5	-	-0.5
Actual income tax on unusual items and re-measurements in PBT (APMs - see note 3)	-0.1	2.7	2.6	6.0	16.0	22.0

(1) As restated to reflect discontinued operations in the Vehicle Glass segment (see notes 2 and 41 for more information).

The tax relating to actuarial losses on employee benefits recognised in the consolidated statement of comprehensive income amounts to EUR -1.9 million. The actual tax rate is mainly driven by the difference in tax rates between the local statutory rates faced by the different countries in which the Group has established pension schemes and the Belgian corporation tax rate, and by the unrecognised deferred tax assets on actuarial losses in certain countries. The Group is subject to several factors which may affect future tax charges, principally the levels and mix of profitability in different jurisdictions and tax rates imposed.

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 statement of profit or loss. 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 3, are Alternative Performance Measures (APMs – see note 3) and are presented to highlight underlying 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. Such shares constitute the only category of potentially dilutive ordinary shares.

The options over ordinary shares of the Parent increased the weighted average number of shares of the Parent in 2014 and 2015 as some option exercise prices were below the market share price. These options are dilutive for the purpose of calculating diluted earnings per share.

NOTE 10: EARNINGS PER SHARE (continued)

The computation of basic and diluted EPS is set out below:

		2015	2014 ⁽¹⁾
Result for the period attributable to equity holders		130.7	-11.1
Adjustment for participating shares		-1.6	0.1
Numerator for EPS (EUR million)	(a)	129.1	-11.0
Current result for the period attributable to equity holders		182.2	125.7
Adjustment for participating shares		-2.1	-1.4
Numerator for current EPS (EUR million)	(b)	180.1	124.3
Result from continuing operations		174.8	21.6
Share of non-controlling interests in result from continuing operations		-5.9	1.4
Result from continuing operations attributable to equity holders		168.9	23.0
Adjustment for participating shares		-1.6	0.1
Numerator for continuing EPS (EUR million)	(c)	167.3	23.1
Current result from continuing operations		192.4	148.9
Share of non-controlling interests in current result from continuing operations		-5.9	-4.9
Current result from continuing operations attributable to equity holders ("Current PAT, Group's share" as defined in note 3)		186.5	144.0
Adjustment for participating shares		-2.1	-1.4
Numerator for current continuing EPS (EUR million)	(d)	184.4	142.6
Weighted average number of ordinary shares outstanding during the period	(e)	54,245,790	54,349,038
Adjustment for stock option plans		93,697	107,722
Weighted average number of ordinary shares taken into account for diluted EPS	(f)	54,339,487	54,456,760
Result for the period attributable to equity holders			
Basic EPS (EUR)	(a)/(e)	2.38	-0.20
Diluted EPS (EUR)	(a)/(f)	2.38	-0.20
Basic current EPS (EUR)	(b)/(e)	3.32	2.29
Diluted current EPS (EUR)	(b)/(f)	3.31	2.28
Result from continuing operations attributable to equity holders			
Basic continuing EPS (EUR)	(c)/(e)	3.08	0.43
Diluted continuing EPS (EUR)	(c)/(f)	3.08	0.42
Basic current continuing EPS (EUR)	(d)/(e)	3.40	2.62
Diluted current continuing EPS (EUR)	(d)/(f)	3.39	2.61

(1) As restated to reflect discontinued operations in the Vehicle Glass segment (see notes 2 and 41 for more information).

NOTE 11: GOODWILL

EUR million	2015	2014
Gross amount at 1 January	1,068.2	1,061.0
Accumulated impairment losses at 1 January	-102.5	-4.1
Carrying amount at 1 January	965.7	1,056.9
Additions (see note 12)	26.8	6.5
Increase/(Decrease) arising from put options granted to non-controlling shareholders (see note 33)	6.2	-7.6
Impairment losses (see notes 3 and 41)	-19.3	-98.4
Adjustments	-	-6.1
Translation differences	11.2	14.4
Carrying amount at 31 December	990.6	965.7
<i>of which: gross amount</i>	<i>1,112.4</i>	<i>1,068.2</i>
<i>accumulated impairment losses</i>	<i>-121.8</i>	<i>-102.5</i>

The additions arising from business combinations that occurred in the period are detailed in note 12.

The increase arising from put options comprises the movement of 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). In the prior period, the adjustments resulted from subsequent changes in the fair value of the net assets in relation to the acquisitions performed in 2013 by both segments.

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	2015	2014
Automobile Distribution	9.9	9.9
Vehicle Glass		
United Kingdom	15.5	15.5
France	143.6	143.6
Italy	85.4	84.2
Germany	138.4	131.4
Canada	83.1	86.7
Holland	47.7	33.4
Belgium	33.1	33.1
Australia	30.9	30.9
United States	274.6	254.3
Spain	34.4	34.4
Norway	11.6	11.6
New Zealand	6.4	6.4
Greece	0.2	0.2
Sweden	12.6	11.4
Switzerland	11.4	11.4
Portugal	1.5	1.5
Denmark	5.2	5.2
Brazil	-	18.1
China	-	-
Russia	5.3	5.5
Turkey	-	3.4
Austria	0.3	0.3
Ireland	0.1	0.1
Hungary	0.4	0.4
Total of cash-generating units	941.7	923.0
Allocated at the Vehicle Glass segment as a whole	39.0	32.8
Subtotal Vehicle Glass	980.7	955.8
GROUP	990.6	965.7

NOTE 11: GOODWILL (continued)

Goodwill is monitored at the country level for business combinations performed by Belron s.a. and its subsidiaries and at the operating segment and country levels for business combinations and transactions performed by the Parent.

The goodwill allocated to the Vehicle Glass segment as a whole comes 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).

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, based on the value in use calculation, 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.

The Vehicle Glass segment completed this review for each of its cash-generating units (being the different countries where it operates). In 2015, at the half year, this review led to the conclusion that the carrying values of Brazil and Turkey were not supported by the latest long term financial projections and to impairment charges of EUR 22.8 million in relation to the Brazilian cash-generating unit (of which EUR 15.9 million was related to the full impairment of goodwill, EUR 2.6 million to the write-off of other intangible assets and EUR 4.3 million to the write-off of tangible fixed assets) and of EUR 4.2 million in relation to the Turkish cash-generating unit (of which EUR 3.4 million was related to the full impairment of goodwill and EUR 0.8 million to the write-off of tangible fixed assets). The impairment charges were primarily driven by lower cash flows reflecting the challenging market conditions in these countries, combined with the impact on the individual country's risk element in the discount rate. The value in use of both countries' (post impairment) assets was viewed as being equal to the recoverable amount. Both impairment charges are presented as a re-measurement (Alternative Performance Measure – Non-GAAP measurement used by the Group – see note 3) in the operating result.

In 2014, this review led to an impairment of EUR 89.0 million in relation to the UK cash-generating unit. The impairment charge was primarily driven by lower cash flows reflecting the exceptionally challenging market conditions in the country. The value in use of UK (post impairment) assets was viewed as being equal to the recoverable amount. Following an operating review in China, there was also an impairment of EUR 9.4 million, reflecting the full write-down of the goodwill. The impairment charges for these were presented as a re-measurement (Alternative Performance Measure – Non-GAAP measurement used by the Group) in the operating result.

In determining the value in use of each cash-generating unit, the Vehicle Glass segment calculated the present value of the estimated future cash flows expected to arise from the continuing use of the assets using a specific pre-tax discount rate reflecting the risk profile of the identified cash-generating unit. This pre-tax discount rate is based upon the weighted average cost of capital of each cash-generating unit with appropriate adjustment for the relevant risks associated with the businesses and with the underlying country ("country risk premium"). Estimated future cash flows are based on projected long-term plans approved by management for each cash-generating unit, with extrapolation thereafter (terminal value) based on a long-term average growth rate. This growth rate is set at 2% (2014: 2%) for all the cash-generating units. The projected long-term plans cover a five-year period, except for some emerging countries where a period of up to twelve years was used due to the very recent entry of the Vehicle Glass segment in these countries and their high growth potential.

NOTE 11: GOODWILL (continued)

The pre-tax discount rates applied to the cash flow projections for the major cash-generating units are:

Pre-tax discount rate	2015	2014
United Kingdom	7.1%	8.2%
France	6.5%	7.9%
Italy	8.0%	9.1%
Germany	5.8%	7.2%
Canada	6.6%	8.1%
Holland	5.2%	6.5%
Belgium	6.6%	7.9%
Australia	8.3%	9.7%
United States	8.3%	9.7%
Spain	7.8%	9.3%
China	-	11.0%
Brazil	28.8%	25.6%
Turkey	18.4%	17.8%
Greece	15.6%	19.5%
Others	from 4.0% to 18.1%	from 6.3% to 23.8%

The Board of Directors of the Parent also reviewed the carrying amount of its investment in Belron. In determining the value in use, the Parent calculated the present value of the estimated future cash flows expected to arise, based on Belron's latest five years plan reviewed by the Board of Directors, with extrapolation thereafter (terminal growth rate of 1% in 2015 and of 2% in 2014). The discount rate applied (pre-tax rate of 9.2% in 2015 and of 7.8% in 2014) is based upon the weighted average cost of capital of the Vehicle Glass segment. The Board of Directors of the Parent is satisfied that the carrying amount of the Vehicle Glass cash-generating unit is stated at no more than its value in use.

Key assumptions of the financial projections in supporting the value of goodwill and intangible assets with indefinite useful lives include revenue growth rates, operating margins, long-term growth rates and segment share. A set of financial projections were prepared for each cash-generating unit, starting with the budget numbers for 2015. For 2016 and following, an assumption of no market growth or decline has been made in the developed markets and of continued market growth in emerging markets. An assumption of stable or increasing margins has been made in line with the revenue growth assumptions. The assumptions on revenue growth are consistent with historical long-term 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 for most cash-generating units to comfortably absorb a normal variation in the underlying assumptions.

Sensitivities were also calculated on each of the key assumptions as follows : reduction in the long term growth rate of 1%, decrease in margins of 0.5% and increase in the discount rate of 1%. When applying the sensitivities as at 31 December 2015 there were no impairment charges resulting in any of the cash-generating units, therefore headroom appears sufficient in all cases.

NOTE 12: BUSINESS COMBINATIONS

During the period, the Group made the following acquisitions (only in the Vehicle Glass segment):

- On 16 February 2015, Belron acquired part of the assets of Vetri Auto Vigevano, a fitting business based in Italy.
- On 4 May 2015, Belron acquired the business assets of Timothy C. Henrich and Mary E. Henrich doing business as "Pro Auto Glass" and "Pro Auto Glass & Mirror", a fitting business based in the United States.
- On 3 June 2015, Belron acquired 100% of the shares of A.T.G. Exploitatie B.V, Autotaalglas Tilburg B.V, and Autotaalglas Nederland B.V, VGRR businesses based in the Netherlands which comprised one franchisor, one owned branch and a franchise network.
- On 1 July 2015, Belron acquired the assets of Fasadglas AB, a fitting business based in Sweden.
- On 1 July 2015, Belron acquired the assets of Circelli & Partners, a fitting business based in Italy.
- On 24 September 2015, Belron acquired 100% of the shares of Autoglas Büsseldorf GmbH, Autoglas Colonia GmbH, a 1 Autoglas GmbH and jünited AUTOGLAS Deutschland Betriebs GmbH, and became a limited partner in jünited AUTOGLAS Deutschland GmbH & Co. KG, based in Germany. This is a franchise network including franchisor and seven branches.
- On 1 October 2015, Belron acquired the assets of Hanssons Glas & Metall, a fitting business based in Sweden.
- On 2 November 2015, Belron acquired the assets of Hallsberg's Glasmästeri, a fitting business based in Sweden.
- On 2 November 2015, Belron acquired the assets of Norrtälje Bilglas, a fitting business based in Sweden.

NOTE 12: BUSINESS COMBINATIONS (continued)

- On 9 November 2015, Belron acquired 100% of the shares of De GlasGarage B.V, GlasGarage Schade Service B.V, and GlasGarage Breda B.V, fitting businesses based in the Netherlands which comprised one franchisor, one owned branch and a franchise network.
- On 13 November 2015, Belron acquired the assets of Turner's Custom Auto Glass, Inc., a fitting business based in the United States.
- On 31 December 2015, Belron acquired the assets of Accurate Auto Glass LLC, a fitting business based in the United States.

The additional revenue arising subsequent to these acquisitions amounts approximately to EUR 9 million (approximately EUR 27 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	Total provisional fair value ⁽¹⁾
Brands	1.4
Other intangibles	5.5
Property, plant & equipment	0.6
Inventories	0.1
Trade and other receivables	3.8
Cash and cash equivalents	4.9
Other non-current payables	-1.1
Deferred tax liabilities	-1.9
Trade and other payables	-7.7
Net assets acquired	5.6
Goodwill (see note 11)	26.8
CONSIDERATION	32.4
<i>Consideration satisfied by:</i>	
Cash payment	23.3
Estimation of fair value of the deferred consideration payable in the future	9.1
	32.4

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

The goodwill recognised above reflects the expected synergies and other benefits resulting from the combination of the acquired activities with those of the Vehicle Glass segment. As permitted by IFRS 3 "Business Combinations" (maximum period of 12 months to finalize the acquisition accounting), the above provisional allocation will be reviewed and if necessary reallocated to brands and other intangible assets.

The gross contractual amounts of the trade and other receivables amounts to EUR 3.8 million and it is expected that the full amount can be collected.

NOTE 13: OTHER INTANGIBLE ASSETS

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

EUR million	Other licenses and similar rights	Brands (with finite and indefinite useful lives)	Customer contracts	Computer software	Other	Total
Gross amount at 1 January 2015	0.4	361.9	81.1	234.1	4.0	681.5
Accumulated amortisation and impairment losses at 1 January 2015	-0.4	-25.9	-59.7	-134.2	-3.4	-223.6
Carrying amount at 1 January 2015	-	336.0	21.4	99.9	0.6	457.9
Additions:						
Items separately acquired	-	-	-	44.6	-	44.6
Amortisation	-	-1.6	-9.9	-27.3	-0.6	-39.4
Impairment losses (see note 3)	-	-	-	-14.5	-	-14.5
Items acquired through business combinations (see note 12)	-	1.4	5.5	-	-	6.9
Translation differences	-	12.2	2.1	0.9	-	15.2
Carrying amount at 31 December 2015	-	348.0	19.1	103.6	-	470.7
<i>of which: gross amount</i>	<i>0.4</i>	<i>376.6</i>	<i>94.8</i>	<i>269.3</i>	<i>4.0</i>	<i>745.1</i>
<i>accumulated amortisation and impairment losses</i>	<i>-0.4</i>	<i>-28.6</i>	<i>-75.7</i>	<i>-165.7</i>	<i>-4.0</i>	<i>-274.4</i>
Gross amount at 1 January 2014	0.4	349.1	68.5	19-	3.8	611.8
Accumulated amortisation and impairment losses at 1 January 2014	-0.4	-23.4	-44.1	-107.5	-1.9	-177.3
Carrying amount at 1 January 2014	-	325.7	24.4	82.5	1.9	434.5
Additions:						
Items separately acquired	-	-	-	37.6	-	37.6
Disposals	-	-	-	-0.2	-	-0.2
Amortisation	-	-1.5	-10.1	-23.8	-1.3	-36.7
Transfer from (to) another caption	-	0.5	4.7	-	-	5.2
Items acquired through business combinations	-	-	0.2	0.1	-	0.3
Translation differences	-	11.3	2.2	3.7	-	17.2
Carrying amount at 31 December 2014	-	336.0	21.4	99.9	0.6	457.9
<i>of which: gross amount</i>	<i>0.4</i>	<i>361.9</i>	<i>81.1</i>	<i>234.1</i>	<i>4.0</i>	<i>681.5</i>
<i>accumulated amortisation and impairment losses</i>	<i>-0.4</i>	<i>-25.9</i>	<i>-59.7</i>	<i>-134.2</i>	<i>-3.4</i>	<i>-223.6</i>

In 2014, the transfer from another caption is related to the fair value adjustments made to the initial valuations of the 2013 business combinations, with the recognition of intangible assets with finite useful lives.

In the Vehicle Glass segment, the brands CARGLASS® and AUTOGLASS®, acquired in 1999, 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.

The following brands are not considered to have indefinite useful lives, since there is a limit to the period over which they are expected to generate cash inflows. They are therefore amortised on their remaining useful life on a straight-line basis.

- Giant Glass acquired in 2012 – Fully amortised by 2017;
- Doctor Glass acquired in 2013 – Fully amortised by 2016;
- Royal Glass and Michigan Mobile acquired in 2013 – Fully amortised by 2016;
- Autotaalglass Glass acquired in 2015 – Fully amortised by 2020.

The 2015 amortisation (in commercial and administrative expenses) amounted to EUR 1.6 million (2014: EUR 1.5 million). The carrying value of the brands with a finite useful life at 31 December 2015 amounted to EUR 2.1 million (2014: EUR 2.1 million), whilst the carrying amount of brands with indefinite useful life amounted to EUR 345.9 million (2014: EUR 333.9 million). The increase in brands with indefinite useful life reflects foreign currency revaluation as at 31 December 2015.

NOTE 13: OTHER INTANGIBLE ASSETS (continued)

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

EUR million	2015	2014
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	111.4	99.4
Spain	9.1	9.1
Portugal	2.9	2.9
Italy	0.3	0.3
Carrying amount of brands	345.9	333.9

The other disclosures required by IAS 36 for intangible assets with indefinite useful lives are provided in note 11.

NOTE 14: HELD-TO-MATURITY INVESTMENTS

In the Automobile Distribution segment, short-term held-to-maturity investments for a total amount of EUR 59.8 million (2014: EUR 176.1 million) comprise short-term investments in corporate commercial papers and sovereign debts with high credit ratings. These investments have been building up notably with the proceeds of the sale of the Avis Europe shares and with the net cash inflow arising from the set-up of Volkswagen D'leteren Finance (VDFin) and the contribution to VDFin of all the D'leteren Lease shares. The decrease during the period is partly due to the reimbursement in July 2015 of a bond of EUR 100.0 million (see note 31).

NOTE 15: PROPERTY, PLANT AND EQUIPMENT

EUR million	Property	Plant and equipment	Assets under construction	Total
Gross amount at 1 January 2015	462.0	764.1	13.5	1,239.6
Accumulated depreciation and impairment losses at 1 January 2015	-224.3	-509.5	--	-733.8
Carrying amount at 1 January 2015	237.7	254.6	13.5	505.8
Additions	19.0	80.9	10.5	110.4
Disposals	-2.1	-3.8	-0.3	-6.2
Depreciation	-21.7	-77.7	-0.8	-100.2
Impairment (see note 3)	-1.2	-4.0	-	-5.3
Transfer from (to) another caption	5.3	-	-9.1	-3.8
Items acquired through business combinations (see note 12)	0.1	0.5	-	0.6
Translation differences	5.6	14.1	-	19.7
Carrying amount at 31 December 2015	242.7	264.5	13.8	521.0
<i>of which: gross amount</i>	<i>478.1</i>	<i>833.9</i>	<i>13.8</i>	<i>1,325.8</i>
<i>accumulated depreciation and impairment losses</i>	<i>-235.4</i>	<i>-569.4</i>	<i>-</i>	<i>-804.8</i>
Gross amount at 1 January 2014	426.1	667.5	9.5	1,103.1
Accumulated depreciation and impairment losses at 1 January 2014	-208.3	-436.6	--	-644.9
Carrying amount at 1 January 2014	217.8	230.9	9.5	458.2
Additions	25.7	79.0	16.5	121.2
Disposals	-3.2	-3.9	-5.0	-12.1
Depreciation	-21.2	-72.1	-0.8	-94.1
Impairment (see note 3)	-2.1	-	-	-2.1
Transfer from (to) another caption	-0.3	2.9	-6.7	-4.1
Items acquired through business combinations	15.1	4.9	-	20.0
Translation differences	5.9	12.9	-	18.8
Carrying amount at 31 December 2014	237.7	254.6	13.5	505.8
<i>of which: gross amount</i>	<i>462.0</i>	<i>764.1</i>	<i>13.5</i>	<i>1,239.6</i>
<i>accumulated depreciation and impairment losses</i>	<i>-224.3</i>	<i>-509.5</i>	<i>--</i>	<i>-733.8</i>

In 2015, the transfers from (to) another caption are related to the presentation as non-current assets classified as held for sale (see note 23) of buildings previously used for automobile distribution activities.

At 31 December 2015 and at 31 December 2014, assets under construction included property under construction in the Automobile Distribution segment.

Assets held under finance leases (mainly vehicles) are included in the above at the following amounts:

EUR million	Property	Plant and equipment	Assets under construction	Total
31 December 2015	-	60.1	-	60.1
31 December 2014	-	51.4	-	51.4

NOTE 16: INVESTMENT PROPERTY

EUR million	2015	2014
Gross amount at 1 January	14.7	12.8
Accumulated depreciation at 1 January	-8.0	-8.0
Carrying amount at 1 January	6.7	4.8
Additions	-	2.2
Depreciation	-0.4	-0.4
Transfer from (to) another caption	-2.0	0.1
Carrying amount at 31 December	4.3	6.7
<i>of which: gross amount</i>	12.6	14.7
<i>accumulated depreciation</i>	-8.3	-8.0
Fair value	6.8	9.9

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 2014.

All items of investment property are located in Belgium and are held by the Automobile Distribution segment.

See also notes 5 and 38 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	2015		2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Sundry	0.5	0.5	0.5	0.5
Total available-for-sale financial assets	0.5	0.5	0.5	0.5

In 2015 and 2014, available-for-sale financial assets comprise non-controlling interests in non-listed companies (measured at cost, being an approximation of their fair value) held by the Automobile Distribution segment. 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	2015	2014
Current assets	4.3	1.5
Current liabilities	-0.2	-0.1
Net derivative hedging instruments	4.1	1.4

Derivative hedging instruments are analysed as follows:

EUR million	2015	2014
Forward foreign exchange contracts (non-debt derivatives)	4.1	1.4
Net derivative hedging instruments	4.1	1.4

NOTE 18: DERIVATIVE HEDGING INSTRUMENTS (continued)

In 2015 and in 2014, all derivative hedging instruments belong to the Vehicle Glass segment.

- Forward foreign exchange contracts were used to hedge the cost of future payables where those payables 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 and US 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 statement of profit or loss during the same year. The total notional amount of these contracts is EUR 82.1 million equivalent (2014: EUR 23.2 million) and the total fair value designated as effective cash flow hedges is an asset of EUR 4.1 million (2014: an asset of EUR 1.4 million). The amount released from equity (2015: gain of EUR 5.8 million; 2014: gain of EUR 1.4 million) during the period is included in the initial costs of inventories.
- As part of its net investment hedge policy, the Vehicle Glass segment also used currency denominated borrowings to hedge its exposure of a proportion of its non-EUR denominated net assets against changes in value due to changes in foreign exchange rates. The carrying value of these borrowings is EUR 598.2 million (2014: EUR 536.9 million).

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 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	2015	2014
Forward foreign exchange contracts (non-debt derivatives)	82.1	23.2

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	2015	2014
Current assets		
Debt derivatives		
Interest rate swaps	-	4,2
Forward foreign exchange contracts	0.9	-
Subtotal	0.9	4.2
Non-current liabilities		
Non-debt derivatives		
Fuel hedge instruments	-	-2,7
Subtotal	-	-2.7
Current liabilities		
Debt derivatives		
Interest rate swaps	-	-0,6
Forward foreign exchange contracts	-0.1	-
Non-debt derivatives		
Fuel hedge instruments	-5.4	-7,6
Subtotal	-5.5	-8.2
NET DERIVATIVES HELD FOR TRADING	-4.6	-6.7

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 forward futures curve for gasoline given the volume hedged and the contract period.

In 2014, cross currency interest rate swaps were used in the Vehicle Glass segment to hedge the future US Dollar denominated cash flows of certain US loan notes. These cross currency interest rate swaps were cancelled in January 2015.

In 2015, the Vehicle Glass segment uses foreign exchange swap contracts to match currency inflows and outflows and to swap currency balances to minimise cash pooling interest. Hedge accounting has not been applied to these contracts. No contracts were in place at 31 December 2014.

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 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 fair value of forward rate agreements is calculated as the present value of future estimated cash flows.

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

EUR million	2015	2014
Interest rate swaps	-	360.3
Forward foreign exchange contracts and options	183.5	-

NOTE 20: EMPLOYEE BENEFITS

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 has established pension schemes for its employees in various locations. The major schemes are located in Belgium, the United Kingdom, Canada the United States, and, up until 31 December 2015, the Netherlands. The schemes in Belgium relate to the Automobile Distribution segment and are funded and unfunded. All the others concern the Vehicle Glass segment and are mainly funded. Independent actuarial valuations for the plans in these countries are performed as required. The Group is and has always been fully compliant with all local governance and funding requirements.

The overall investment policy and strategy for the Group's defined benefit schemes is guided by the objective of achieving an investment return, which together with contributions, ensures that there will be sufficient assets to pay pension benefits as they fall due while also mitigating the various risks of the plans. The investment strategies for the plans are managed under local laws and regulations in each jurisdiction. The actual asset allocation is determined by the current and expected economic and market conditions and in consideration of specific asset class risk and risk profile. In addition consideration is given to the maturity profile of scheme liabilities. There are no asset-liability matched assets at 31 December 2015. The asset-liability matched assets at 31 December 2014 related to the scheme in the Netherlands. Asset-liability matched assets are used as appropriate depending on the local funding requirements.

The Group operates one defined benefit scheme in Belgium that was closed to new members in 2005. The retirement capital plan accrues a percentage of annual salary inflated to the point of retirement subject to a maximum of 4.0%. A full actuarial valuation of the plan was carried out in December 2013 by a qualified independent actuary. Full IAS19 measurements are carried out every three years and roll-forwards are performed in the meantime.

The Group operates one defined benefit scheme in the United Kingdom that was closed to new members in 2003 and 2011. The retirement capital plan accrues a percentage of annual salary inflated to the point of retirement subject to a maximum of 5%. In May 2015, these two schemes were closed to future accrual. All current members were transferred to defined contribution arrangements. A full actuarial valuation of the UK Plan was carried out as at 31 March 2014 and updated to 31 December 2015 by a qualified independent actuary. Funding valuations are carried out every three years which determine the contribution requirement to the Plan. The pension plan is governed by a set of trustees, some of who are appointed by the Group and some by the members.

The Group operates several defined benefit schemes in Canada. Two of these plans are closed to new members. The last full actuarial valuations of all these plans were last carried out as at 31 December 2013. All of these valuations were updated to 31 December 2015 by a qualified independent actuary. A full valuation of the plans is carried out every three years.

The Group operates one defined benefit arrangement in the Netherlands. Up to 1 January 2006 a final pay pension plan was in place. Pension rights accrued under this scheme are held through a contract with the insurance company. Between 1 January 2006 and 31 December 2015 an average pay plan is in place with pension rights accrued under this scheme held through a contract with an insurance company. In November 2015 a new contract was signed with the same insurance company to provide pension benefits to employees under a defined contribution arrangement for the period 1 January 2016 to 31 December 2018. As part of this new contract, which was agreed in consultation with current employees, the Group's previously stated ambition to provide indexation of past service benefits was removed. With the exception of a payment to the insurance company of EUR 0.3 million which is due to be paid in 2016 and is fully provided for in these accounts, there are no further obligations under the old arrangements. This has resulted in a gain of EUR 21.5 million, which is shown within unusual items (see note 3). The new arrangement is a collective defined contribution plan with with a company contribution of 25.1% of pensionable salary.

The Group operates one defined benefit scheme in the United States, closed to future accrual. A full valuation was carried out by a qualified independent actuary on 31 December 2013. This was updated to the 31 December 2015 by a qualified independent actuary. The pension plan is governed by a retirement plan committee all of whom are appointed by the Group. A full valuation of the Plan assets and liabilities is performed every year. The plan is currently undergoing the process of settlement, whereby the remaining liabilities, subject to regulatory agreement and market conditions, will be settled through the purchase of an annuity. Based on actuarial and market assumptions at 31 December 2015, the settlement is expected to crystallise a loss of EUR 4.8 million. In preparation for the plan settlement, investments have been liquidated into cash as of 31 December 2015.

The Group recognises all actuarial gains and losses directly in Consolidated Statement of Comprehensive Income.

NOTE 20: EMPLOYEE BENEFITS (continued)

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

	Funded schemes				Unfunded schemes			
	2015		2014		2015		2014	
	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
Inflation rate	1.5%	3.5%	1.5%	3.2%	n.s.	n.s.	n.s.	n.s.
Discount rate	1.5%	3.9%	1.4%	3.7%	n.s.	n.s.	n.s.	n.s.
Rate of salary increases	1.0%	5.2%	1.0%	4.9%	3.6%	3.6%	2.4%	2.4%
Rate of pension increases	1.9%	3.4%	1.5%	3.1%	0.3%	0.3%	0.3%	0.3%
Life expectancy of male pensioner	21.1	23.0	21.1	22.9				
Life expectancy of female pensioner	24.0	26.3	23.7	26.3				
Life expectancy of male non-pensioner	40.2	44.7	39.8	44.6				
Life expectancy of female non-pensioner	43.5	46.4	43.5	46.3				

The weighted average duration of the liabilities across the plans ranges from 9 to 23 years.

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

EUR million	2015	2014
Long-term employee benefit assets	47.6	40.9
Long-term employee benefit obligations	-26.5	-60.3
Recognised net deficit (-) / surplus (+) in the schemes	21.1	-19.4
<i>of which: amount expected to be settled within 12 months</i>	<i>-13.0</i>	<i>-0.8</i>
<i>amount expected to be settled/received in more than 12 months</i>	<i>34.1</i>	<i>-18.6</i>

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

EUR million	2015			2014		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Present value of defined benefit obligations	-518.7	-7.3	-526.0	-579.3	-8.1	-587.4
Fair value of scheme assets	547.1	-	547.1	568.0	-	568.0
Net deficit (-) / surplus (+) in the schemes	28.4	-7.3	21.1	-11.3	-8.1	-19.4

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

EUR million	2015			2014		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Actual return less interest return on pension assets net of asset management charges	-4.4	-	-4.4	34.0	-	34.0
Asset ceiling restriction	-	-	-	3.2	-	3.2
Experience gain (+) / loss (-) on liabilities	2.9	-	2.9	16.7	-	16.7
Gain (+) / Loss (-) on change of financial assumptions	14.7	-	14.7	-85.5	-0.4	-85.9
Gain (+) / Loss (-) on change of demographic assumptions	1.3	-	1.3	1.1	-	1.1
Actuarial gains (+) / losses (-)	14.5	-	14.5	-30.5	-0.4	-30.9

The cumulative amount of actuarial gains and losses (group's share) recognised in the consolidated statement of comprehensive income is a loss of EUR 55 million.

NOTE 20: EMPLOYEE BENEFITS (continued)

The fair value of scheme assets includes the following items:

EUR million	2015			2014		
	Quoted in an active market	Other	Total	Quoted in an active market	Other	Total
Equity instruments	290.6	-	290.6	298.6	-	298.6
Government bonds	99.1	-	99.1	105.9	-	105.9
Non-government bonds	77.1	-	77.1	84.4	-	84.4
Property	-	0.2	0.2	-	0.1	0.1
Other assets	4.9	75.2	80.1	4.9	74.1	79.0
Fair value of scheme assets	471.7	75.4	547.1	493.8	74.2	568.0

The fair value of scheme assets does not comprise any property or other assets used by the Group, nor any financial instruments of the Group. All equity and debt instruments have quoted prices in active markets and are of high investment quality. Other assets are mainly composed of cash and, in 2014, of asset-liability matched insurance backed assets (related to the scheme in the Netherlands).

The movements in the fair value of plan assets are as follows:

EUR million	2015			2014		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Scheme assets at 1 January	568.0	-	568.0	477.9	-	477.9
Interest on pension assets	21.5	-	21.5	22.1	-	22.1
Employer contributions	9.1	-	9.1	16.4	-	16.4
Contributions paid by employees	0.8	-	0.8	2.6	-	2.6
Benefits paid	-35.3	-	-35.3	-13.8	-	-13.8
Actual return less interest return on pension assets	-2.9	-	-2.9	35.2	-	35.2
Costs of managing the pension assets	-1.5	-	-1.5	-1.2	-	-1.2
Curtailement and settlements	-43.9	-	-43.9	-	-	-
Administrative costs	-1.6	-	-1.6	-1.6	-	-1.6
Translation differences	32.9	-	32.9	30.4	-	30.4
Scheme assets at 31 December	547.1	-	547.1	568.0	-	568.0

The actual return on scheme assets is as follows:

EUR million	2015	2014
Interest return on pension assets	21.5	22.1
Actual return less interest return on pension assets	-2.9	35.2
Costs of managing the pension assets	-1.5	-1.2
Actual net return on pension assets	17.1	56.1

NOTE 20: EMPLOYEE BENEFITS (continued)

The movements in the present value of defined benefit obligations are as follows:

EUR million	2015			2014		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Defined benefit obligations at 1 January	-579.3	-8.1	-587.4	-463.3	-4.4	-467.7
Current service cost	-7.6	-0.5	-8.1	-11.1	-1.8	-12.9
Interest payable on pension liabilities	-21.2	-	-21.2	-21.3	-0.3	-21.6
Contributions by employees	-0.8	-	-0.8	-2.6	-	-2.6
Past service cost	0.1	-	0.1	2.3	-	2.3
Benefits paid	35.3	1.3	36.6	13.8	2.0	15.8
Experience gain (+) / loss (-) on liabilities	2.9	-	2.9	16.7	-	16.7
Gain (+) / Loss (-) arising from changes to financial assumptions	14.7	-	14.7	-85.5	-0.4	-85.9
Gain (+) / Loss (-) arising from changes to demographic assumptions	1.3	-	1.3	1.1	-	1.1
Curtailment and settlements	67.1	-	67.1	-	-	-
Transfer from another caption	-	-	-	-	-3.2	-3.2
Translation differences	-31.2	-	-31.2	-29.4	-	-29.4
Defined benefit obligations at 31 December	-518.7	-7.3	-526.0	-579.3	-8.1	-587.4

The amounts recognised in the statement of profit or loss are as follows:

EUR million	2015			2014		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Current service cost	-7.6	-0.5	-8.1	-11.1	-1.8	-12.9
Past service cost (-)/gain (+)	0.1	-	0.1	2.3	-	2.3
Effect of curtailment or settlement	1.7	-	1.7	-	-	-
Administrative costs	-1.6	-	-1.6	-1.6	-	-1.6
Pension costs within the current operating result	-7.4	-0.5	-7.9	-10.4	-1.8	-12.2
Interest payable on pension liabilities	-21.2	-	-21.2	-21.3	-0.3	-21.6
Interest return on pension assets	21.5	-	21.5	22.1	-	22.1
Net pension interest cost	0.3	-	0.3	0.8	-0.3	0.5
Effect of curtailment or settlement (unusual items - see note 3)	21.5	-	21.5	-	-	-
Expense recognised in the statement of profit or loss	-7.1	-0.5	-7.6	-9.6	-2.1	-11.7

Past service gains during 2015 were EUR 0.1 million (2014: EUR 2.3 million) and relate to the scheme in the Netherlands where current member benefits have been amended in line with market practice. There were curtailments and settlements totalling EUR 23.2 million in 2015 (nil in 2014), from which EUR 21.5 million is due to the contract signed with an insurance company in November in relation to the settlement of the Netherlands scheme. This settlement gain is presented as unusual item in the segment consolidated statement of profit or loss (see note 3).

The best estimate of normal contributions expected to be paid to the schemes during the 2016 annual period is EUR 3 million. The expected contribution in relation to the termination of the US scheme is EUR 17 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 (the surplus might decrease).

NOTE 20: EMPLOYEE BENEFITS (continued)

The following table presents a sensitivity analysis for each significant actuarial assumption showing how the defined benefit obligation at 31 December 2015 would have been affected by changes in the relevant actuarial assumption that were reasonably possible at the balance sheet date. The sensitivity analysis applies to the defined benefit obligation only and not to the net defined benefit pension liability in its entirety, the measurement of which is driven by a number of factors including, in addition to the assumptions below, the fair value of plan assets.

EUR million	(Increase) / decrease in defined benefit obligation at 31 December 2015	(Increase) / decrease in defined benefit obligation at 31 December 2014
Discount rate		
Increase by 50 basis points	50.8	58.3
Decrease by 50 basis points	-59.8	-69.1
Rate of salary increase		
Increase by 50 basis points	-8.2	-8.7
Decrease by 50 basis points	8.0	8.6
Inflation rate		
Increase by 50 basis points	-15.4	-14.2
Decrease by 50 basis points	12.6	11.6
Rate of pension increase		
Increase by 50 basis points	-19.1	-30.8
Decrease by 50 basis points	19.1	28.6
Life expectancy		
Increase in longevity by one additional year	-17.2	-20.1

The sensitivity analyses are based on a change in one assumption while holding all other assumptions constant so that interdependencies between the assumptions are excluded.

There is a pension plan in Belgium legally structured as defined contribution plan. Because of the Belgian social legislation applicable, all Belgian defined contribution plans are considered under IFRS as defined benefit plan because the employer must guarantee a minimum return on employee and employer contributions. Because of this, the Group is exposed to a financial risk (legal obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits).

The plan is insured at an insurance company. The insurance company guarantees a minimum rate of return on the contributions paid. However, the minimum guaranteed rates have dropped significantly the last years and are currently below the social minimum return borne by the employer on the contributions (according to article 24 of the Law of 28 April 2003 on occupational pensions, the Group has to guarantee an average minimum return of 3.75% on employee contributions and of 3.25% on employer contributions). The financial risk has therefore increased. However, it is likely that the social minimum return will also be decreased in the future, which will then reduce again the employer's financial risk.

The IFRS valuation and accounting of this kind of plan with contribution-based promises are not envisaged by IAS 19. The Group considers that a method based on the IAS 19 methodology ("Projected unit credit" method used for defined benefit plan) is not appropriate to measure the liability in the Belgian context. The Group has therefore decided to apply an alternative method (intrinsic value approach) until the IASB issues a final statement. This method consists in calculating the potential liability to be recognised in the statement of financial position as the sum of any individual differences between the mathematical reserves (calculated by capitalizing the past contributions at the technical interest rate applied by the insurance company, taking profit-sharing into account) and the minimum guarantee as determined by the Belgian law applicable (calculated by applying the minimum return on the contributions paid). The contributions are not projected to calculate the defined benefit obligation.

At year-end, the estimated potential impact is considered as not significant at group level and no liability has therefore been recognised.

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	Revalua- tions	Depreciation amortisation write-downs	Provisions	Dividends	Tax losses available for offset	Financial instru- ments	Other	Total
Deferred tax liabilities (negative amounts)								
At 1 January 2014	-13.2	-26.0	1.5	-1.0	-	-1.9	2.2	-38.4
Credited (charged) to income statement	-	10.8	-1.3	0.5	0.2	1.0	-2.3	8,9
Credited (charged) to equity	-	-	0.3	-	-	-	-	0,3
Other variations	-	-1.7	-	-	-	-	-	-1,7
Exchange differences	-	-9.6	2.0	-	-	0.3	-	-7,3
At 31 December 2014	-13.2	-26.5	2.5	-0.5	0.2	-0.6	-0.1	-38.2
Credited (charged) to income statement	-	18.9	-4.1	-0.2	1.5	-0.2	-1.6	14,3
Transfer to non-current liabilities held for sale	-	3.8	-	-	-	-	-	3,8
Items acquired through business combinations (see note 12)	-	-1.9	-	-	-	-	-	-1,9
Exchange differences	-	-11.5	2.4	-	-	-	-	-9,1
At 31 December 2015	-13.2	-17.2	0.8	-0.7	1.7	-0.8	-1.7	-31.1
Deferred tax assets (positive amounts)								
At 1 January 2014	-	-78.7	47.4	-	68.4	0.1	4.4	41.6
Credited (charged) to income statement	-	-17.0	6.4	-	8.8	-	0.5	-1,3
Credited (charged) to equity	-	-	1.9	-	-	-	-	1,9
Exchange differences	-	0.2	4.4	-	6.0	-0.1	0.1	10,6
At 31 December 2014	-	-95.5	60.1	-	83.2	-	5.0	52.8
Credited (charged) to income statement	-	-21.5	7.5	-	0.1	-0.4	0.2	-14,1
Credited (charged) to equity	-	-	-1.9	-	-	-0.4	-	-2,3
Transfer to non-current assets held for sale	-	-	-1.3	-	-	-	-	-1,3
Exchange differences	-	0.2	4.6	-	6.3	-	0.3	11,4
At 31 December 2015	-	-116.8	69.0	-	89.6	-0.8	5.5	46.5
Net deferred tax assets (liabilities) after offsetting recognised in the consolidated statement of financial position:								
31 December 2014	-13.2	-122.0	62.6	-0.5	83.4	-0.6	4.9	14.6
31 December 2015	-13.2	-134.0	69.8	-0.7	91.3	-1.6	3.8	15.4

The net deferred tax balance includes net deferred tax assets amounting to EUR 9.7 million (2014: EUR 7.0 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 228.5 million (2014: EUR 253.3 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 17.9 million (2014: EUR 18.0 million) that will expire in the period 2016-2033 (2014: 2015-2032) and unused tax credits of EUR 27.7 million (2014: EUR 35.6 million) that will expire in the period 2016-2018 (2014: 2015-2018). Other losses may be carried forward indefinitely.

Deferred tax has not been recognised in respect of other deductible temporary differences amounting to EUR 10.9 million (2014: EUR 16.5 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 1.117 million (2014: EUR 1,126 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.

NOTE 21: DEFERRED TAXES (continued)

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 composed of guarantee deposits against rental properties and of a loan granted to a minority shareholder of Belron. The loan granted to a minority shareholder is fully guaranteed by a pledge. Their carrying amount approximates their fair value. The loan granted to a minority shareholder of Belron earns interest at a rate set with reference to the prevailing EURIBOR and the other non-current receivables generally generate no interest income. They are expected to be recovered after more than 12 months.

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

EUR million		2015			2014		
	Notes	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Property, plant and equipment		7.0	-	7.0	6.3	-	6.3
Deferred tax assets		-	1.3	1.3	-	-	-
Inventories		-	0.8	0.8	-	-	-
Current tax assets		-	5.0	5.0	-	-	-
Trade and other receivables		-	0.5	0.5	-	-	-
Cash and cash equivalents	32	-	0.6	0.6	-	-	-
Non-current assets classified as held for sale		7.0	8.2	15.2	6.3	-	6.3

EUR million		2015			2014		
		Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Deferred tax liabilities		-	3.8	3.8	-	-	-
Loans and borrowings	32	-	0.2	0.2	-	-	-
Trade and other payables		-	2.7	2.7	-	-	-
Liabilities associated with non-current assets held for sale		-	6.7	6.7	-	-	-

Automobile Distribution

In the Automobile Distribution segment, non-current assets classified as held for sale comprise buildings previously used for Automobile Distribution activities, for which the management are committed to disposal. The disposal is expected to occur in the course of 2016.

Vehicle Glass

On 7 January 2016 the Parent announced that the Vehicle Glass segment, following a period of negotiation in 2015, has entered into an agreement with Advisia Investimentos ("Advisia") to form a joint venture in Brazil. Under the agreement, the Vehicle Glass segment sold 60% of its investment in Carglass Brazil to Advisia. The Board of Directors of the Parent has considered that, at the balance sheet date, the Vehicle Glass segment is committed to a sale plan of Carglass Brazil which will involve a loss of control of its subsidiary. It has therefore classified in the consolidated statement of financial position as at 31 December 2015 all the assets and liabilities of the Brazilian cash-generating unit as held for sale; the recognition criteria defined in IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations" being satisfied.

NOTE 23: NON-CURRENT ASSETS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (continued)

There has been an impairment charge of EUR 17.7 million for the disposal group to the lower of its carrying amount and its fair value less costs to sell which is presented as a re-measurement (APMs - see note 3). Prior to being transferred to the disposal group, the goodwill (EUR 15.9 million) and fixed assets (EUR 3.1 million) had been impaired (see note 3). At 31 December 2015, the disposal group was stated at fair value less costs to sell (EUR 1.5 million).

There are no cumulative incomes or expenses included in other comprehensive income relating to the disposal group.

The fair value measurement for the disposal group of EUR 1.9 million (before costs to sell of EUR 0.4 million) has been categorised as a level 3 fair value (see note 38) based on the inputs to the valuation technique used. The valuation technique and significant unobservable inputs used for the fair value measurement is the sale agreement made in January 2016.

NOTE 24: INVENTORIES

EUR million	2015	2014
Automobile Distribution		
Vehicles	296.7	287.7
Spare parts and accessories	32.1	34.2
Other	0.3	1.4
Subtotal	329.1	323.3
Vehicle Glass		
Glass and related product	285.6	285.4
Subtotal	285.6	285.4
GROUP	614.7	608.7
<i>of which: items carried at fair value less costs to sell</i>	<i>69.8</i>	<i>68.3</i>

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 accumulated write-down on inventories amounts to EUR 31.4 million (2014: EUR 31.6 million).

The inventories are expected to be recovered within 12 months and are mainly composed of merchandises.

NOTE 25: OTHER FINANCIAL ASSETS

In 2014, in the Vehicle Glass segment, the other financial assets comprise restricted cash related to acquisitions. The other financial assets are expected to be recovered within 12 months. Their carrying amount is equal to their fair value.

EUR million	2015	2014
Vehicle Glass - Restricted cash related to acquisitions	-	1.8
Other financial assets	-	1.8

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	2015			2014		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Trade receivables - net	100.7	163.8	264.5	110.1	164.0	274.1
Receivables from entities accounted for using the equity method	11.2	-	11.2	14.0	-	14.0
Other receivables	5.6	79.1	84.7	8.2	82.8	91.0
Trade and other receivables	117.5	242.9	360.4	132.3	246.8	379.1

The trade and other receivables are expected to be recovered within 12 months. Their carrying amount approximates 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 set 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 25.0% (2014: 23.0%) and no customer is above 11% (2014: 10%). 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 Belron's customer base.

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 2015, the provisions for bad and doubtful debt amounted to EUR 34.3 million (2014: EUR 34.9 million).

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

EUR million	2015	2014
Up to three months past due	63.2	71.9
Three to six months past due	7.3	10.0
Over six months past due	3.7	2.4
Total	74.2	84.3

The increase of the provisions for bad and doubtful debt amounts to EUR 1.9 million (before effect of translation differences) as disclosed in note 6 (in 2014, increase of EUR 8.8 million excluding discontinued operations).

NOTE 28: CASH AND CASH EQUIVALENTS

Cash and cash equivalents are analysed below:

EUR million	2015			2014		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Cash at bank and in hand	86.4	22.0	108.4	54.9	29.9	84.8
Money Market Assets	1.7	-	1.7	-	-	-
Cash and cash equivalents	88.1	22.0	110.1	54.9	29.9	84.8

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.

NOTE 29: EQUITY

A reconciliation of share capital and reserves are set out in the consolidated statement of changes in equity on page 4.

Share capital

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 2014	55,302,620	160.0
Change	-	-
At 31 December 2014	55,302,620	160.0
Change	-	-
At 31 December 2015	55,302,620	160.0

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.

Treasury shares

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

EUR million, except number of shares stated in units	31/12/2015		31/12/2014	
	Number	Amount	Number	Amount
Treasury shares held by the Parent	1,056,481	31.1	997,376	28.0
Treasury shares held by subsidiaries	-	-	-	-
Treasury shares held	1,056,481	31.1	997,376	28.0

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

Share-based payment reserve

The share-based payment reserve relates to the employee stock option plans (equity-settled) granted to officers and managers of the Automobile Distribution segment (see note 37).

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows affect profit or loss.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of financial instruments that hedge the Group's net investment in a foreign subsidiary.

The cumulative translation differences at 31 December 2015 include a debit of EUR 7.1 million in relation to the Brazilian entity Carglass Automotiva Ltda (Vehicle Glass segment – see note 23).

Actuarial gains and losses reserve

The actuarial gains and losses reserve relates to the actuarial movement linked with defined benefit pension plans (see note 20).

The movement of EUR 24.9 million during the period (see the consolidated statement of changes in equity – transfer between actuarial gain and losses reserve, translation reserve and retained earnings with no impact on total equity) relates to the settlement of defined benefit pension obligation in the Netherlands (see note 20).

NOTE 29: EQUITY (continued)

On 5 June 2014, 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.

The main shareholders are listed here below :

Shareholders with controlling interest according to the declaration of transparency dated 2 November 2011, and communications dated 29 August 2013, 14 December 2015 and 16 February 2016.	Capital shares		Participating shares		Total voting rights	
	Number	%	Number	%	Number	%
s.a. de Participations et de Gestion, Brussels	11,873,280	21.47%	-	-	11,873,280	19.69%
Reptid Commercial Corporation, Dover, Delaware	2,004,000	3.62%	-	-	2,004,000	3.32%
Mrs Catheline Périer-D'leteren	-	-	1,250,000	25.00%	1,250,000	2.07%
Mr Olivier Périer	10,000	0.02%	-	-	10,000	0.02%
The four abovementioned persons (collectively "SPDG Group") are associated.	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'leteren	466,190	0.84%	3,750,000	75.00%	4,216,190	6.99%
Mr Nicolas D'leteren	10,000	0.02%	-	-	10,000	0.02%
The three abovementioned persons (collectively "Nayarit Group") are associated.	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.						

Other major shareholders according to the declaration of transparency dated 18 June 2014.	Capital shares		Participating shares		Total voting rights	
	Number	%	Number	%	Number	%
MFS Investment Management, Boston, United States	3,027,306	5.47%	-	-	3,027,306	5.02%

The Board of Directors proposed the distribution of a gross dividend amounting to EUR 0.90 per share (2014: EUR 0.80 per share), or EUR 49.4 million in aggregate (2014: EUR 43.9 million).

NOTE 30: PROVISIONS

Liabilities 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	2015			2014		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Non-current provisions						
Dealer-related	7.8	-	7.8	10.3	-	10.3
Warranty	4.3	-	4.3	4.9	-	4.9
Other non-current items	9.8	6.9	16.7	5.3	2.5	7.8
Subtotal	21.9	6.9	28.8	20.5	2.5	23.0
Current provisions						
Other current items	-	10.9	10.9	-	34.5	34.5
Subtotal	-	10.9	10.9	-	34.5	34.5
Total provisions	21.9	17.8	39.7	20.5	37.0	57.5

The changes in provisions are set out below for the year ended 31 December 2015:

EUR million	Dealer-related	Warranty	Other non-current items	Other current items	Total
At 1 January 2015	10.3	4.9	7.8	34.5	57.5
Charged in the year	0.7	0.1	11.7	6.6	19.1
Utilised in the year	-2.3	-	-2.5	-30.6	-35.4
Reversed in the year	-0.9	-0.7	-0.3	-	-1.9
Translation differences	-	-	-	0.4	0.4
At 31 December 2015	7.8	4.3	16.7	10.9	39.7

The timing of the outflows being largely uncertain, most of the provisions are considered as non-current items. The non-current provisions are not discounted since the impact is not considered material to the Group. Current provisions are expected to be settled within 12 months.

In the Automobile Distribution segment, warranty provisions relate to the cost of services offered to new vehicle customers, like mobility, and the dealer-related provisions arise from the ongoing improvement of the distribution networks.

In 2015 and 2014, other current provisions relate to the restructuring provisions (reorganisation and employee termination costs) in the Vehicle Glass segment (see note 3).

In 2015 and 2014, other non-current provisions in the Vehicle Glass segment mainly relate to the provision for the long-term management incentive schemes. A new scheme commenced in 2015, the settlement of which is expected to occur in 2018. The provision for the 2014 long-term management scheme was released in the year.

In 2015, other non-current provisions in the Automobile Distribution segment comprise, among other amounts, the "Emissiongate" provisions amounting to EUR 3.8 million. These provisions mainly comprise extra logistic costs related to the upcoming recalls. See note 39 for more explanation.

Other non-current provisions also comprise:

- 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 2015.

NOTE 31: LOANS AND BORROWINGS

Loans and borrowings are analysed as follows:

EUR million	2015			2014		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Non-current loans and borrowings						
Obligations under finance leases	0.8	32.3	33.1	0.9	27.3	28.2
Bank and other loans	3.8	-	3.8	5.3	94.1	99.4
Loan notes	-	672.5	672.5	-	611.9	611.9
Subtotal non-current loans and borrowings	4.6	704.8	709.4	6.2	733.3	739.5
Current loans and borrowings						
Bonds	-	-	-	100.0	-	100.0
Obligations under finance leases	0.1	26.8	26.9	-	23.3	23.3
Bank and other loans	5.8	22.2	28.0	6.7	9.2	15.9
Inter-segment loan	-20.0	20.0	-	-	-	-
Subtotal current loans and borrowings	-14.1	69.0	54.9	106.7	32.5	139.2
TOTAL LOANS AND BORROWINGS	-9.5	773.8	764.3	112.9	765.8	878.7

In the Automobile Distribution segment, the bond outstanding at 31 December 2014 was repaid in July 2015. The weighted average cost of the bond in 2014 was 5.1%.

	2015				2014			
	Issued	Principal (EUR million)	Maturing	Fixed rate	Issued	Principal (EUR million)	Maturing	Fixed rate
	-	-	-	-	July 2005	100.0	2015	4.25%
Total		-				100.0		

Obligations under finance leases are analysed below:

EUR million	2015		2014	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Within one year	27.2	26.8	23.9	23.3
Between one and five years	35.9	33.1	30.8	28.2
Subtotal	63.1	59.9	54.7	51.5
Less: future finance charges	-3.1		-3.2	
Present value of finance lease obligations	60.0		51.5	

At year-end, obligations under finance leases are mainly located in the Vehicle Glass segment and are mainly related to vehicles. 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 loan facilities (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 1.5% to 22.8% in 2015 (2014: 1.6% to 24.1%).

NOTE 31: LOANS AND BORROWINGS (continued)

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

	Interest rate	Currency	2015		2014	
			Principal (in million)	Maturing	Principal (in million)	Maturing
Series A (April 2007)	5.68%	USD	-	-	-	-
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	50.0	2018
Series B (March 2011)	5.13%	USD	100.0	2021	100.0	2021
Series C (March 2011)	5.25%	USD	100.0	2023	100.0	2023
Series A (August 2013)	3.04%	EUR	75.0	2020	75.0	2020
Series B (September 2013)	3.93%	USD	135.0	2020	135.0	2020
Series C (September 2013)	4.33%	USD	21.0	2022	21.0	2022
Series D (September 2013)	4.50%	USD	71.0	2023	71.0	2023
Series E (September 2013)	4.65%	USD	23.0	2025	23.0	2025

During the prior period, a loan note of USD 200.0 million maturing in April 2014 was repaid by the Vehicle Glass segment.

In the period, the inter-segment loan comprised amounts lent by the Automobile Distribution segment to the Vehicle Glass segment, at arm's length conditions.

The Group runs one commercial paper (EUR 300.0 million; 2014: EUR 300.0 million) programme in Belgium through s.a. D'Ieteren Treasury n.v., a wholly-owned subsidiary of the Parent. This programme is guaranteed by the Parent. No cost incurred over 2015 and 2014 as unused during these periods. Medium term notes can also be drawn from this programme.

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

EUR million	2015	2014
Between one and five years	421.0	294.8
After more than five years	288.4	444.7
Non-current loans and borrowings	709.4	739.5

The exposure of the Group's loans and 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	2015	2014
Less than one year	54.9	234.2
Between one and five years	421.0	199.8
After more than five years	288.4	444.7
Loans and borrowings	764.3	878.7

The interest rate and currency profiles of loans and borrowings are as follows:

EUR million	2015			2014		
Currency	Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total
EUR	67.5	20.4	87.9	188.2	180.1	368.3
GBP	27.2	-2.5	24.7	25.5	-	25.5
USD	625.1	10.4	635.5	473.2	6.4	479.6
Other	2.1	14.1	16.2	3.7	1.6	5.3
Total	721.9	42.4	764.3	690.6	188.1	878.7

NOTE 31: LOANS AND BORROWINGS (continued)

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

EUR million	2015			2014		
Currency	Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total
EUR	67.5	20.4	87.9	88.2	198.3	286.5
GBP	27.2	-2.5	24.7	25.5	-	25.5
USD	625.1	10.4	635.5	555.0	6.4	561.4
Other	2.1	14.1	16.2	3.7	1.6	5.3
Total	721.9	42.4	764.3	672.4	206.3	878.7

EUR fixed rate borrowings are stated after deduction of deferred financing costs of EUR 1.1 million (2014: EUR 1.7 million).

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:

	2015		2014	
Currency	Min.	Max.	Min.	Max.
EUR	1.5%	6.8%	1.9%	6.8%
GBP	5.9%	5.9%	5.9%	24.1%
USD	2.8%	6.7%	2.8%	6.7%
Other	1.5%	22.8%	2.2%	23.0%

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

EUR million	2015		2014	
	Fair value	Carrying amount	Fair value	Carrying amount
Obligations under finance leases	33.1	33.1	28.2	28.2
Bank loans, loan notes and other loans	731.1	676.3	772.4	711.3
Non-current loans and borrowings	764.2	709.4	800.6	739.5

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. See note 38 for fair value hierarchy and further information. Certain of the borrowings in the Group have covenants attached. At year-end, there is no breach of covenants.

NOTE 32: NET DEBT

In order to better reflect its indebtedness, the Group uses the concept of net debt. This non-GAAP measure, i.e. its definition is not addressed by IFRS, is an Alternative Performance Measure ("APM") and is not presented as an alternative to financial measures determined in accordance with IFRS. Net debt is based on loans and borrowings less cash, cash equivalents and non-current and current asset investments. It excludes the fair value of derivative debt instruments. The hedged loans and 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 loans and borrowings are translated at closing foreign exchange rates.

EUR million	Notes	31 December 2015			31 December 2014		
		Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Non-current loans and borrowings		4.6	704.8	709.4	6.2	733.3	739.5
Current loans and borrowings		5.9	49.0	54.9	106.7	32.5	139.2
Inter-segment loan		-20.0	20.0	-	-	-	-
Gross debt		-9.5	773.8	764.3	112.9	765.8	878.7
Less: Cash and cash equivalents	28	-88.1	-22.0	-110.1	-54.9	-29.9	-84.8
Less: Held-to-maturity investments	14	-59.8	-	-59.8	-176.1	-	-176.1
Less: Other non-current receivables	22	-20.0	-	-20.0	-20.0	-	-20.0
Less: Other current receivables		-0.8	-	-0.8	-	-	-
Net debt from continuing activities excluding assets and liabilities classified as held for sale		-178.2	751.8	573.6	-138.1	735.9	597.8
Net debt in assets and liabilities classified as held for sale	41	-	-0.4	-0.4	-	-	-
Total net debt		-178.2	751.4	573.2	-138.1	735.9	597.8

NOTE 33: RELATIONS WITH NON-CONTROLLING SHAREHOLDERS

Transaction with non-controlling interests

During the period, the Automobile Distribution segment acquired the remaining 25% of s.a. D'Ieteren Sport n.v. (active in two-wheel activity). The Group recognised an increase of non-controlling interests and a decrease of capital and reserves attributable to equity holders of the Parent of EUR 0.9 million.

Put options granted to non-controlling interests

The Group is committed to acquiring the non-controlling shareholdings owned by third parties in Belron (5.15%), 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 (4.15%) 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 interests 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.

Due to the introduction of the revised version of IFRS 3 (effective date 1 January 2010), for put options granted to non-controlling shareholders (1.0%) as from 1 January 2010, at inception, the difference between the consideration received and the exercise price of the options granted is recognised against equity Group's share. At each period end, the re-measurement of the financial liability resulting from these options is recognised in the consolidated statement of profit or loss as a re-measurement item in finance costs (see note 4).

At 31 December 2015, the exercise price of all options granted to non-controlling shareholders (put options with related call options, exercisable until 2024) amounts to EUR 85.2 million (2014: EUR 75.2 million).

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 29.7 million at 31 December 2015) is presented as additional goodwill (EUR 39.0 million at 31 December 2015 – see note 11).

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 -1.9 million and is recognised in the consolidated statement of profit or loss as a re-measurement charge in net finance costs (see notes 3 and 7).

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.

The carrying value of put options granted to non-controlling shareholders approximates their fair value.

NOTE 34: OTHER NON-CURRENT PAYABLES

Other non-current payables are non interest-bearing deferred consideration on acquisitions (2015: EUR 3.1 million; 2014: EUR 3.0 million) and other creditors (2015: EUR 18.5 million; 2014: EUR 12.9 million), payable after more than 12 months. The carrying value of other non-current payables approximates their fair value.

NOTE 35: TRADE AND OTHER CURRENT PAYABLES

Trade and other payables are analysed below:

EUR million	2015			2014		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Trade payables	29.2	125.9	155.1	52.7	151.8	204.5
Accrued charges and deferred income	31.7	8.1	39.8	33.3	7.7	41.0
Non-income taxes	5.9	17.7	23.6	7.0	12.1	19.1
Deferred consideration on acquisitions (see note 12)	-	8.4	8.4	-	6.5	6.5
Other creditors	51.0	324.2	375.2	43.7	280.0	323.7
Trade and other payables	117.8	484.3	602.1	136.7	458.1	594.8

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

NOTE 36: EMPLOYEE BENEFIT EXPENSE

The employee benefit expense is analysed below:

EUR million	2015			2014 ⁽¹⁾		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
<i>Retirement benefit charges under defined contribution schemes</i>	-	-20.9	-20.9	-	-16.9	-16.9
<i>Retirement benefit charges under Belgian defined contribution schemes considered as defined benefit schemes</i>	-5.3	-	-5.3	-4.7	-	-4.7
<i>Retirement benefit charges under defined benefit schemes (see note 20)</i>	-0.4	-7.5	-7.9	-1.9	-10.3	-12.2
Total retirement benefit charge	-5.7	-28.4	-34.1	-6.6	-27.2	-33.8
Wages, salaries and social security costs	-158.2	-1,201.9	-1,360.1	-146.7	-1,067.6	-1,214.3
Share-based payments: equity-settled	-1.2	-	-1.2	-1.7	-	-1.7
Total employee benefit expense	-165.1	-1,230.3	-1,395.4	-155.0	-1,094.8	-1,249.8
<i>of which: current items</i>	-165.1	-1,251.8	-1,416.9	-155.0	-1,094.8	-1,249.8
<i>unusual items</i>	-	21.5	21.5	-	-	-

(1) As restated to reflect discontinued operations in the Vehicle Glass segment (see notes 2 and 41 for more information).

The above expense includes the amounts accounted for in 2015 (charge of EUR 4.9 million) and in 2014 (reversal of EUR 3.0 million) in respect of the long-term management incentive schemes in the Vehicle Glass segment.

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

	2015	2014
Automobile Distribution	1,580	1,606
Vehicle Glass	26,390	26,542
Group	27,970	28,148

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'leteren n.v. Under these schemes, vesting conditions are three years' service from grant date and holders of vested options are entitled to purchase shares at the exercise price of the related scheme during the exercise period.

Options outstanding are as follows:

Date of grant	Number of options (in units)		Exercise price (EUR)	Exercise period	
	2015	2014		From	To
2015	95,000	-	32.10	1/01/2019	12/03/2025
2015	63,352	-	32.10	1/01/2019	12/03/2025
2014	122,091	122,091	33.08	1/01/2018	10/03/2024
2013	65,250	65,250	34.99	1/01/2017	24/11/2013
2013	89,361	89,361	34.23	1/01/2017	18/03/2023
2012	79,100	79,100	36.45	1/01/2016	14/10/2022
2011	215,914	217,814	35.00	1/01/2015	22/12/2021
2010	81,350	81,350	39.60	1/01/2014	3/10/2020
2009	68,336	90,140	24.00	1/01/2013	27/10/2019
2008	42,910	57,510	12.10	1/01/2012	5/11/2018
2007	53,560	63,880	26.40	1/01/2011	2/12/2022
2006	29,000	37,600	26.60	1/01/2010	27/11/2021
2005	25,200	32,800	20.90	1/01/2009	6/11/2020
2004	5,400	8,150	14.20	1/01/2008	28/11/2019
2003	5,800	6,100	16.34	1/01/2007	16/11/2018
2002	-	13,700	11.60	1/01/2006	13/10/2015
Total	1,041,624	964,846			

All 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)	
	2015	2014	2015	2014
Outstanding options at the beginning of the period	964,846	860,005	23.09	26.61
Granted during the period	158,352	122,091	33.08	33.08
Forfeited during the period	-1,800	-850	11.60	13.30
Exercised during the period	-79,774	-16,400	20.16	15.03
Outstanding options at the end of the period	1,041,624	964,846	26.96	30.80
<i>of which: exercisable at the end of the period</i>	<i>527,470</i>	<i>391,230</i>	<i>9.56</i>	<i>16.88</i>

In 2015, a large part of the options were exercised during the third and fourth quarters of the period. The average share price during the period was EUR 32.74 (2014: EUR 31.95). The forfeited movement during the period relates to the options initially granted in 2002 which have expired in October 2015 and those forfeited in 2014 related to the options initially granted in 2001 which had expired in October 2014.

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

	Number of years
31 December 2015	6.6
31 December 2014	7.0

NOTE 37: SHARE-BASED PAYMENTS (continued)

IFRS 2 "Share-Based Payments" 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. A simple Cox valuation model was used at each issue date re-assessing the input assumptions on each occasion. The assumptions for the 2015 and 2014 issues were as follows:

	2015		2014
Number of employees	122	6	4
Spot share price (EUR)	32.90	33.88	33.28
Option exercise price (EUR)	32.10	32.10	33.08
Vesting period (in years)	3.0	3.0	3.0
Expected life (in years)	6.5	6.5	6.5
Expected volatility (in %)	28%	28%	21%
Risk free rate of return (in %)	0.46%	0.43%	1.64%
Expected dividend (EUR)	0.8	0.8	0.8
Probability of ceasing employment before vesting (in %)	0%	0%	0%
Weighted average fair value per option (EUR)	6.4	6.9	6.9

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

The main risks managed by the Group under policies approved by the Board of Directors, are liquidity and re-financing risk, market risk and credit risk. The Board periodically reviews the Group's treasury activities, policies and procedures. 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 and re-financing 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. Funding is managed at the level of each business unit. This funding is supplemented 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 bonds;
- In the Automobile Distribution segment: bi-lateral bank facilities.

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:

EUR million	Due within one year		Due between one and five years		Due after five years		Total	
	Capital	Interest	Capital	Interest	Capital	Interest	Capital	Interest
At 31 December 2015								
Loans and borrowings								
Obligations under finance leases	26.9	0.6	33.1	2.5	-	-	60.0	3.1
Other borrowings and private bonds	28.2	31.8	388.6	88.8	288.6	26.1	705.4	146.7
Total	55.1	32.4	421.7	91.3	288.6	26.1	765.4	149.8
Trade and other payables	602.1	-	-	-	-	-	602.1	-
Derivative financial instruments								
Derivative contracts - receipts	-75.4	-	-	-	-	-	-75.4	-
Derivative contracts - payments	81.0	-	-	-	-	-	81.0	-
Total	662.8	32.4	421.7	91.3	288.6	26.1	1,373.1	149.8
At 31 December 2014								
Loans and borrowings								
Public bonds	100.0	4.3	-	-	-	-	100.0	4.3
Obligations under finance leases	23.3	0.6	27.9	2.6	0.3	-	51.5	3.2
Other borrowings and private bonds	16.7	30.0	266.8	92.7	445.5	41.1	729.0	163.8
Total	140.0	34.9	294.7	95.3	445.8	41.1	880.5	171.3
Trade and other payables	594.8	-	-	-	-	-	594.8	-
Derivative financial instruments								
Derivative contracts - receipts	-23.2	-9.2	-	-15.9	-81.8	-13.9	-105.0	-39.0
Derivative contracts - payments	29.4	5.2	2.7	10.5	80.3	9.2	112.4	24.9
Total	741.0	30.9	297.4	89.9	444.3	36.4	1,482.7	157.2

Interest Rate Risk

The Group's interest rate risk arises from changes in interest rates on interest-bearing assets and from loans and borrowings.

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 sets them gradually lower over time. The overall hedge horizon is typically 3 years. Hedges, or fixed rate indebtedness, beyond 5 years are unusual.

The interest rate and currency profiles of loans and borrowings are disclosed in note 31.

A change of 100 basis points 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	
	1% increase	1% decrease
31 December 2015	-0.2	0.1
31 December 2014	0.6	-0.6

NOTE 38: FINANCIAL RISK MANAGEMENT (continued)

Currency Risk

The Group's objective is to protect its cash flows, commercial transactions and net investments in foreign operations 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.

The Group has certain investments in foreign operations whose net assets and related goodwill are exposed to foreign currency translation risk. Group policy is to hedge the economic value of material foreign currency investments (limited to the net book value of the asset) in a particular currency with financial instruments including debt in the currency of the investment. The proportion to which an investment is hedged is individually determined having regard to the economic and accounting exposures and the currency of the investment. 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.

The significant exchange rates applied in 2015 and in 2014 are disclosed in note 43.

A 10 percent strengthening/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% strengthening	10% weakening	10% strengthening	10% weakening
31 December 2015				
EUR vs GBP	0.1	-0.1	-13.8	16.0
EUR vs USD	2.1	-2.6	-0.7	0.9
31 December 2014				
EUR vs GBP	0.1	-0.1	-11.3	13.8
EUR vs USD	1.5	-1.8	0.1	-0.1

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 entered into 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), Baa3 (Moody's) for long-term deposits and financial instruments and P-2 (Moody's) for short term deposits. 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.

Financial instruments measured at fair value in the consolidated statement of financial position

All Group's financial assets and liabilities measured at fair value in the consolidated statement of financial position are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted market prices in an active market (that are unadjusted) for identical assets and liabilities;
- Level 2: valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable);
- Level 3: valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable).

In 2015 and 2014, all Group's financial assets and liabilities measured at fair value in the consolidated statement of financial position (derivative hedging instruments and derivatives held for trading) are classified in level 2.

NOTE 38: FINANCIAL RISK MANAGEMENT (continued)

Disposal group held for sale measured at fair value in the consolidated statement of financial position

As disclosed in note 23, the fair value measurement of the disposal groupe (EUR 1.9 million before costs to sell of EUR 0.4 million) is classified in level 3 of the fair value hierarchy (valuation technique and significant unobservable inputs used for the fair value measurement is the sale agreement made in January 2016).

Fair value disclosed

For all Group's financial and non-financial assets and liabilities not measured at fair value in the consolidated statement of financial position, their fair value approximates their carrying amount, except for:

EUR million	31 December 2015		31 December 2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets				
Investment properties	4.3	6.8	6.7	9.9
Liabilities				
Non-current loans and borrowings	709.4	764.2	739.5	800.6

In 2015 and 2014, for the non-current loans and borrowings (see note 31), the fair value is classified in level 2 of the fair value hierarchy, described above.

In 2015 and 2014, the fair value of the investment properties (see note 16) is classified in level 3 of the fair value hierarchy as described above (valuation by an independent valuer who holds a recognised and relevant professional qualification).

Valuation techniques

The fair value of the bonds is determined based on their market prices. The fair value of the other loans and borrowings is based on either tradable market values, or should such market values not be readily available is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

The fair values of derivative hedging instruments and derivatives held for trading are determined using valuation techniques. The Group uses a variety of methods and makes assumptions 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 fair value of fuel hedge instruments (combination of options, collars and swaps used in the Vehicle Glass segment to hedge the price of fuel purchases) 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. The fair values of forward rate agreements are calculated as the present value of future estimated cash flows.

NOTE 39: CONTINGENCIES AND COMMITMENTS

EUR million	2015	2014
Commitments to acquisition of non-current assets	18.0	19.1
Other important commitments:		
Commitments given	7.4	7.2
Commitments received	26.4	25.9

In 2015, the commitments to acquisition of non-current assets mainly concern other property, plant and equipment in the Automobile Distribution and in the Vehicle Glass segments.

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	2015	2014
Within one year	118.6	123.0
Later than one year and less than five years	327.4	338.0
After five years	143.7	156.8
Total	589.7	617.8

NOTE 39: CONTINGENCIES AND COMMITMENTS (continued)

The Group also acts as a lessor in a number of operating leases, normally when the Group has been unable to extricate itself from a head lease when the use of that head lease is no longer required. The related future minimum lease payments under non-cancellable operating leases, per maturity, are as follows:

EUR million	2015			2014		
	Investment property	Other property, plant and equipment	Total	Investment property	Other property, plant and equipment	Total
Within one year	0.8	2.0	2.8	1.1	0.4	1.5
Later than one year and less than five years	2.0	3.5	5.5	6.0	0.9	6.9
After five years	0.8	0.2	1.0	0.7	-	0.7
Total	3.6	5.7	9.3	7.8	1.3	9.1

At each year end, the Group also has various other prepaid 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.

“Emissiongate”

On 18 September 2015, the United States Environmental Protection Agency (EPA) revealed irregularities concerning a software installed on certain vehicles with diesel engines sold by the Volkswagen group in the US. On 3 November, the Volkswagen group revealed that during the course of internal investigations other irregularities were found when determining the CO2 levels of certain vehicles (together, the “Emissiongate”).

From the outset, the Automobile Distribution segment took all actions within its control to minimize the impact of the “Emissiongate” on its customers and to communicate fully and transparently as soon as information became available. A ‘customer care’ website was launched on 25 September in response to customer concerns. The following day, the Automobile Distribution segment decided to stop the commercialisation of vehicles that were potentially fitted with the non-compliant software (NOx). Customers who had ordered a vehicle equipped with an EA189 (EU5) engine were offered the option to change their order for an equivalent vehicle equipped with an EU6 diesel engine. Between 5 and 20 November, the Automobile Distribution segment also suspended the commercialisation of models that were potentially affected by the CO2 irregularities. Since the beginning of the “Emissiongate”, the Automobile Distribution segment has been in touch with the various relevant federal and regional authorities in order to discuss the necessary measures and to minimize any consequences for its customers.

About 320,000 vehicles with the EA189 diesel engine and the non-compliant software will have to be recalled in Belgium. The Volkswagen group has ensured that it will cover the costs arising from interventions required to fix the problems.

Since the irregularities related to CO2 emissions are not technical in nature, no technical intervention will be needed for the concerned vehicles. The Volkswagen group confirmed to take at their charge any possible tax consequences. The Automobile Distribution segment is confident that the Volkswagen group will reach an agreement with the competent Belgian authorities to ensure that neither private customers nor fleet customers will be affected by any retroactive or future tax adjustment.

NOTE 40: RELATED PARTY TRANSACTIONS

EUR million	2015	2014
With entities with joint control or significant influence over the Group:		
Amount of the transactions entered into during the period	0.6	1.1
Outstanding creditor balance at 31 December	0.7	0.5
With associates:		
Sales	-	0.1
Purchases	-	-
Trade receivables outstanding at 31 December	0.1	0.1
With joint ventures in which the Group is a venturer:		
Sales	132.9	94.1
Purchases	-15.3	-11.2
Trade receivables outstanding at 31 December	10.4	13.8
With key management personnel:		
Compensation:		
Short-term employee benefits	3.8	3.6
Post-employment benefits	0.4	0.2
Termination benefits	1.0	-
Total compensation	5.2	3.8
Amount of the other transactions entered into during the period	n/a	n/a
Outstanding creditor balance at 31 December	0.1	n/a
With other related parties:		
Amount of the transactions entered into during the period	-	-
Outstanding creditor balance at 31 December	-	0.5

NOTE 41: DISCONTINUED OPERATIONS

In August 2015, the Vehicle Glass segment closed its remaining VGRR operations in China. The Board of Directors committed to a plan to close the operation following a review of the market which concluded that due to the complex Chinese market the Group's resources would be better utilised by focusing on other operations across the world.

On 7 January 2016 the Parent announced that the Vehicle Glass segment has entered into an agreement with Advisia Investimentos ("Advisia") to form a joint venture in Brazil. Under the agreement, the Vehicle Glass segment sold 60% of its investment in Carglass Brazil to Advisia. This followed a management review of the business during 2015 which concluded that the significant challenges leading to declines in market share made the financial commitment in Brazil unsustainable.

Results of discontinued operations

EUR million – Year ended 31 December	2015			2014		
	Total	Current items ⁽¹⁾	Unusual items and re-measurements ⁽¹⁾	Total	Current items ⁽¹⁾	Unusual items and re-measurements ⁽¹⁾
Sales	53.6	53.6	-	88.5	88.5	-
Operating result	-40.9	-4.9	-36.0	-36.7	-19.8	-16.9
Net finance costs	-0.2	-0.2	-	0.1	0.1	-
Result before tax	-41.1	-5.1	-36.0	-36.6	-19.7	-16.9
Share of result of entities accounted for using the equity method	-	-	-	-	-	-
Tax expense	0.7	0.7	-	0.4	0.4	-
Result after tax from discontinued operations	-40.4	-4.4	-36.0	-36.2	-19.3	-16.9

(1) Alternative Performance Measure (non-GAAP measure) - See section "Framework and definitions" of the note 3 for more explanations.

NOTE 41: DISCONTINUED OPERATIONS (continued)**Unusual items and re-measurements (APMs)**

EUR million	2015	2014
Operating result	-36.0	-16.9
<i>Impairments of goodwill and non-current assets</i>	<i>-22.0</i>	<i>-9.4</i>
<i>Other unusual items</i>	<i>-14.0</i>	<i>-7.5</i>
Total unusual items and re-measurements (APMs - see note 3)	-36.0	-16.9

See note 3 for more explanations on the unusual items and re-measurements.

Cash flow from discontinued operations

EUR million - Year ended 31 December	2015	2014
Net cash generated from operating activities	-9.4	-13.7
Net cash from investing activities	-0.3	-2.2
Net cash from financing activities	-0.4	-0.4
Effect on cash flows	-10.1	-16.3

Earnings per share

Earnings per share for discontinued operations amounted to EUR -0.08 in 2015 and to EUR -0.33 in 2014.

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:

Name	Country of incorporation	% of share capital owned at 31 Dec. 2015	% of share capital owned at 31 Dec. 2014
Automobile Distribution			
s.a. D'Ieteren Sport n.v.	Belgium	100%	75%
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%
D'Ieteren Vehicle Glass s.a.	Luxemburg	100%	100%
Dicobel s.a.	Belgium	100%	100%
Kronos Automobiles s.a.	Belgium	100%	100%
PC Liège s.a.	Belgium	100%	100%
S.M.A.R.T. & Clean Automotive Services s.a.	Belgium	100%	100%
Garage Joly b.v.b.a.	Belgium	100%	100%
PC Mechelen n.v.	Belgium	100%	-
Autonatie n.v.	Belgium	100%	100%
Y&N Claessens b.v.b.a.	Belgium	100%	100%
PC Paal - Beringen n.v.	Belgium	100%	100%
Vehicle Glass			
Belron s.a.	Luxemburg	94.85%	94.85%

NOTE 42: LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (continued)

The main entity accounted for using the equity method is the joint venture Volkswagen D'leteren Finance s.a. (50% owned minus one share), incorporated in Belgium. See note 8 for adequate disclosures.

Belron s.a. and its subsidiaries have material non-controlling interests. The ownership interest held by non-controlling interests is 5.15%. Since the Vehicle Glass segment comprises Belron s.a. and its subsidiaries, no specific additional disclosures are made.

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	2015	2014
Closing rate		
AUD	0.66	0.66
BRL	0.23	0.30
CAD	0.66	0.71
GBP	1.36	1.27
USD	0.91	0.82
Average rate ⁽¹⁾		
AUD	0.68	0.68
BRL	0.27	0.32
CAD	0.70	0.68
GBP	1.38	1.24
USD	0.90	0.76

(1) Effective average rate for the profit or loss attributable to equity holders.

NOTE 44: SERVICES PROVIDED BY THE STATUTORY AUDITOR

The external audit is conducted by KPMG Réviseurs d'Entreprises, represented by Alexis Palm, whose auditing term expires at the General Meeting of June 2017.

EUR million	2015	2014
Audit services	2.8	2.7
KPMG Belgium	0.4	0.3
Other offices in the KPMG network	2.4	2.4
Non-audit services	3.3	2.0
KPMG Belgium	0.2	-
Other offices in the KPMG network	3.1	2.0
Services provided by the Statutory Auditor	6.1	4.7

Due diligence services are out of scope for the One-to-One rule. These due diligence services provided by the Statutory Auditor amounts to EUR 0.3 million in 2015. Additionally, approval was granted by the Group Audit committee for a specific project in China for EUR 0.6 million.

Based on above elements, one-to-one rule is respected and the Parent complies with article 133 of the Belgian Company Code.

NOTE 45: SUBSEQUENT EVENTS

Other than the disposal of a controlling interest in the Brazilian entity of the Vehicle Glass segment (see notes 2, 23 and 41), there have been no significant transactions out of the ordinary course of business occurred between the closing date and the date these consolidated financial statements were authorised for issue.

s.a. D'leteren n.v.

Summarised Statutory Financial Statements 2015

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The statutory financial statements of s.a. D'leteren 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'leteren 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'leteren n.v.
Rue du Mail 50
B-1050 Brussels

Summarised Balance Sheet

At 31 December

EUR million	2015	2014
ASSETS		
Fixed assets	2,413.5	2,529.7
II. Intangible assets	7.9	7,8
III. Tangible assets	121.3	116,9
IV. Financial assets	2,284.3	2,405,0
Current assets	401.6	367.4
V. Non-current receivables	20.0	20,0
VI. Stocks	300.5	297,2
VII. Amounts receivable within one year	44.2	20,6
VIII. Investments	34.5	25,7
IX. Cash at bank and in hand	0.2	0,2
X. Deferred charges and accrued income	2.2	3,7
TOTAL ASSETS	2,815.1	2,897.1
EUR million	2015	2014
LIABILITIES		
Capital and reserves	877.1	882.2
I.A. Issued capital	160.0	160,0
II. Share premium account	24.4	24,4
IV. Reserves	690.7	696,3
V. Accumulated profits	2.0	1,5
Provisions and deferred taxes	28.2	24.7
Creditors	1,909.8	1,990.2
VIII. Amounts payable after one year	630.8	761,1
IX. Amounts payable within one year	1,231.3	1,175,8
X. Accrued charges and deferred income	47.7	53,3
TOTAL LIABILITIES	2,815.1	2,897.1

Summarised Income Statement

Year ended 31 December

EUR million	2015	2014
I. Operating income	2,798.8	2,593.2
II. Operating charges	2,753.6	2,543.4
III. Operating profit	45.2	49.8
IV. Financial income	32.6	5.8
V. Financial charges	37.1	56.7
VI. Result on ordinary activities before income taxes	40.7	-1.1
VII. Extraordinary income	53.5	9.7
VIII. Extraordinary charges	47.5	12.8
IX. Result for the period before taxes	46.7	-4.2
IXbis. Deferred taxes	-2.4	-
X. Income taxes	-0.1	-0.1
XI. Result for the period	44.2	-4.3
XII. Variation of untaxed reserves ⁽¹⁾	-4.6	0.1
XIII. Result for the period available for appropriation	39.6	-4.2

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

Summarised Appropriation

Year ended 31 December

EUR million	2015	2014
APPROPRIATION ACCOUNT		
Profit (loss) to be appropriated	41.1	45.5
Gain (loss) of the period available for appropriation	39.6	-4.2
Profit (loss) brought forward	1.5	49.7
Withdrawals from capital and reserves	11.2	0.7
from capital and share premium account	-	-
from reserves	11.2	0.7
Transfer to capital and reserves	0.9	0.8
to capital and share premium account	-	-
to legal reserve	-	-
to other reserves	0.9	0.8
Profit (loss) to be carried forward	2.0	1.5
Owners' contribution in respect of losses	-	-
Profit to be distributed	49.4	43.9
Dividends	49.4	43.9
Directors' or managers' entitlements	-	-
Other beneficiaries	-	-

This proposed appropriation is subject to approval by the Annual General Meeting of 26 May 2016.

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 1 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).

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 Payables 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.