# s.a. D'Ieteren n.v.

## 2016 Half-Yearly Financial Report

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# Declaration by Responsible Persons

**Statement on the true and fair view of the condensed consolidated interim financial statements and the fair overview of the management report**

Roland D'Ieteren, Chairman of the Board, and Axel Miller, Managing Director, certify, on behalf and for the account of s.a. D'Ieteren n.v., that, to the best of their knowledge, these condensed consolidated interim financial statements which have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union, give a true and fair view of the equity, financial position and financial performance of s.a. D'Ieteren n.v. and the entities included in the consolidation as a whole, and the interim management report includes a fair overview of the development and performance of the business and the position of s.a. D'Ieteren n.v., and the entities included in the consolidation, together with a description of the principal risks and uncertainties which they are exposed to.

# Interim management report

*Both activities (D'Ieteren Auto and Belron) realised higher sales and results during the first half of 2016 with D'Ieteren Auto's performance significantly exceeding expectations. Our key performance indicator[1] – the current consolidated result before tax, group's share – increased by 6.9%. D'Ieteren Auto's sales benefitted from solid market growth (+10%[2]), successful commercial campaigns during the Brussels Motor Show, model replacements and new model introductions. The significant improvement of its current operating result[1] is due to higher volumes and prices combined with efficiency gains. Belron's solid sales growth was mainly driven by market share gains in the US and Germany and by the improving performance in the UK. The fall through from higher sales to the current operating result[1] was negatively impacted by growth investments in the US.*

*D'Ieteren maintains its previously announced guidance of a FY 2016 current consolidated result before tax, group's share[1], which should be stable to slightly lower compared to FY 2015. Given the H1 2016 results, the confidence that the results should be stable versus 2015 has improved.*

## GROUP SUMMARY

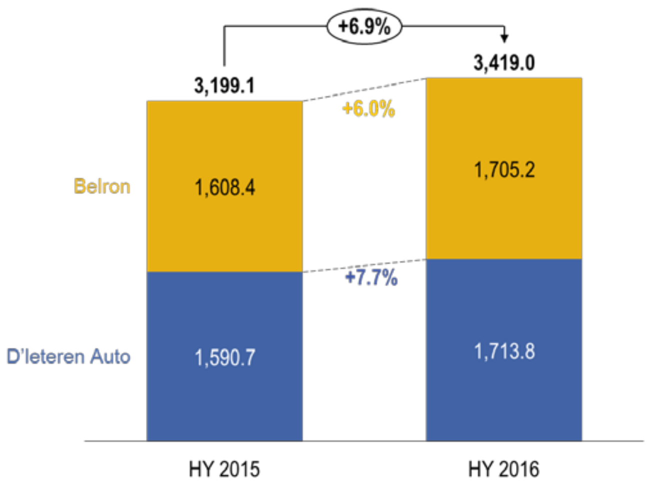
See pages 9 and 11 of this half-yearly financial report for the consolidated statement of profit or loss and the consolidated statement of financial position.

## A. SALES

**Consolidated sales** from continuing operations amounted to **EUR 3,419.0 million, +6.9%** compared with the first half of 2015. The breakdown is as follows:

- **D'Ieteren Auto**: EUR 1,713.8 million, **+7.7%** year-on-year. The market share[2] reached 21.47% in H1 2016 (22.02% in H1 2015 and 22.34% for the FY 2015). The number of new vehicle deliveries increased by 6.5% to 67,350 units in H1 2016.
- **Belron:** EUR 1,705.2 million, **+6.0%** year-on-year, comprising 4.6% organic sales growth, 1.1% growth from acquisitions and a 1.9% trading day impact, partially offset by a negative currency translation effect of 1.6%. The organic increase mainly reflects solid growth in the US, the UK and Germany.

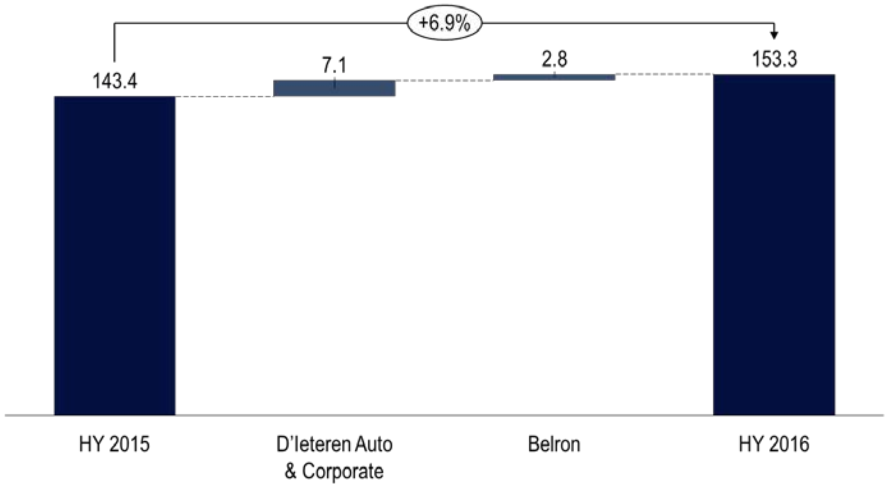
**Group sales by activity (€m)**



## B. RESULTS

- The **consolidated result before tax** from continuing operations reached EUR 154.9 million (EUR 136.7 million in H1 2015). Excluding unusual items and re-measurements[1] (EUR -1.6 million), the current consolidated result before tax[1] reached EUR 156.5 million (+6.4% year-on-year). At D'Ieteren Auto unusual items[1] mainly included real estate disposal gains and the partial release of some "Emissiongate" provisions partially offset by costs related to the "Market Area" project. At Belron, unusual items and re-measurements[1] mainly comprise fuel hedge gains in the US that were more than offset by the amortisation of customer contracts and brands.
    - Our key performance indicator[1] – the **current consolidated result before tax, group's share** – amounted to EUR 153.3 million, up 6.9%. It breaks down as follows:
        - ***D'Ieteren Auto and Corporate activities***: EUR 66.7 million, +11.9% year-on-year, mainly thanks to higher volumes and prices, a positive product mix effect and efficiency improvements.
        - ***Belron****:* EUR 86.6 million, up 3.3% year-on-year in spite of a EUR 4.4 million rise in the charge related to the long term management incentive programme, growth investments in the US and continued market declines in the majority of European countries.

**Segment contribution to the current consolidated result before tax, groups's share[1] (€m)**




- The **group's share in the net result for the period** stood at EUR 108.8 million (EUR 83.7 million in H1 2015). Excluding unusual items and re-measurements[1], the current net profit, group's share, reached EUR 136.4 million, up 16.1% year-on-year.

## C. FINANCING OF THE ACTIVITIES

D'Ieteren's activities are financed autonomously and independently of each other. The group's consolidated financial net debt[3] decreased from EUR 650.6 million in June 2015 to EUR 521.7 million in June 2016.

The net cash position[3] of the D'Ieteren Auto/Corporate segment increased from EUR 113.3 million in June 2015 to EUR 277.8 million mainly due to a EUR 113.4 million improvement in trade and other receivables as the vast majority of independent dealers switched to cash payments, EUR 75.5 million (of which EUR 32.1 million in H2 2015) dividends from Belron, and a higher EBITDA[4].

Belron's net financial debt[3] rose from EUR 763.9 million in June 2015 to EUR 799.5 million, mainly due to the currency impact on debt and cash balances, acquisitions and EUR 79.6 million dividend payments. In June 2016, a five-year EUR 450 million revolving credit facility, which replaces the facility maturing in December 2016, was agreed upon with a syndicate of 10 banks.

## D. OUTLOOK FOR THE FY 2016 CURRENT CONSOLIDATED RESULT BEFORE TAX, GROUP'S SHARE

D'Ieteren maintains its previously announced guidance of a FY 2016 current consolidated result before tax, group's share[1], which should be stable to slightly lower compared to FY 2015. Given the H1 2016 results, the confidence that the results should be stable versus 2015 has improved.

The recent weakening of the British pound versus the euro should have a positive impact on D'Ieteren's key KPI[1] this year because Belron's operations in the UK are currently still loss-making. Moreover, about 75% of Belron's central costs are denominated in GBP.

## E. EXECUTIVE COMMITTEE

D'Ieteren SA announces that Francis Deprez (51) will join the group as from 1 September 2016. Together with D'Ieteren's CEO and CFO, Francis Deprez will form the group's executive committee and will be more particularly in charge of providing added value services to the group's businesses, enabling them to further improve their development and efficiencies, and he will deepen and expand the group's capacity to develop into new activities. After having worked in various consultancies (including McKinsey & Company between 1990-2006, as partner from 1998), Francis acted as Senior Vice President Group Strategy and Policy for Deutsche Telekom between 2006 and 2011 whilst simultaneously designing and implementing significant transformation programmes across the group. Since 2011, Francis has been CEO of Detecon International, Deutsche Telekom's consulting arm.

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

- **Excluding registrations of less than 30 days[2], the Belgian market increased by 10.03% year-on-year and D'Ieteren Auto's share was 21.47% (H1 2015: 22.02%) at the end of H1 2016.**
- **New vehicle sales rose by 8.1% to EUR 1,516.8 million due to higher volumes on the back of strong market growth and higher list prices. Total sales reached EUR 1,713.8 million (EUR 1,590.7 million in H1 2015, +7.7%).**
- **The operating result reached EUR 65.7 million (EUR 54.1 million in H1 2015):**
  - **The current operating result, excluding unusual items and re-measurements[1], rose by 13.5% to EUR 62.9 million. The improvement mainly reflects the strong rise in new vehicle sales and improved results at D'Ieteren Auto's retail activities.**
  - **The unusual items and re-measurements[1] comprised in the operating result reached EUR 2.8 million.**
- **The result before tax totalled EUR 66.9 million (EUR 53.3 million in H1 2015), up 25.5%.**
- **The current result before tax, group's share[1], reached EUR 66.7 million (EUR 59.6 million in H1 2015), up 11.9%.**
- **Excluding registrations of less than 30 days[2], the Belgian car market is expected to rise by some 10% in 2016. D'Ieteren Auto still aims at a stable market share.**

| €m | HY 2015 | | | | HY 2016 | | | |
|---|---|---|---|---|---|---|---|---|
| | | APM (non-GAAP measures)[1] | | | APM (non-GAAP measures)[1] | | | |
| | Total IFRS | Unusual items and re-measurements | Current items | % change current items | Current items | Unusual items and re-measurements | Total IFRS | % change total |
| New vehicles delivered *(in units)* | 63,237 | - | - | - | - | - | 67,350 | 6.5% |
| External sales | 1,590.7 | - | 1,590.7 | 7.7% | 1,713.8 | - | 1,713.8 | 7.7% |
| Operating result | 54.1 | -1.3 | 55.4 | 13.5% | 62.9 | 2.8 | 65.7 | 21.4% |
| Net finance costs | -2.2 | -2.4 | 0.2 | n.s. | -0.3 | -0.7 | -1.0 | -54.5% |
| Result before tax | 53.3 | -5.4 | 58.7 | 11.1% | 65.2 | 1.7 | 66.9 | 25.5% |
| Current result before tax, group's share[1] | - | - | 59.6 | 11.9% | 66.7 | - | - | - |

### 1.1 Activities and results

D'Ieteren Auto's sales increased by 7.7% to EUR 1,713.8 million in H1 2016 on the back of higher volumes and list prices and a favourable product mix effect due to the success of the Volkswagen Tiguan, Audi A4 and Q7, Porsche 911 and Škoda Superb and Octavia.

#### *New vehicles*

Excluding registrations of less than 30 days[2], the number of new car registrations in Belgium increased by 10.03% year-on-year to 299,719 units. Including these registrations, the Belgian market totalled 309,604 new car registrations, up 7.34% year-on-year.

Excluding registrations of less than 30 days[2], the market share of the brands distributed by D'Ieteren Auto reached 21.47% in H1 2016 (vs 22.02% in H1 2015). Including these registrations, the market share equalled 20.99% (vs 21.13% in H1 2015).

Volkswagen remained the Belgian market leader, mainly thanks to the success of the new Touran and the Tiguan Edition (run-out version). Audi was the number 2 brand in a contracted premium segment, thanks to the success of the new A4 and Q7. SEAT's share[2] was slightly down (-23bps) with the good performance of the Ibiza and Alhambra offset by the discontinuation of the Altea. All of Škoda's models contributed to the brand's market share[2] improvement (+20bps). Porsche's market share[2] remained stable at a high level.

| *Net figures[2]* | *HY 2015* | *FY 2015* | *HY 2016* |
|---|---|---|---|
| New car market (in units) | 272,406 | 470,811 | 299,719 |
| *% change yoy* | *-0.7%* | *2.9%* | *10.0%* |
| Total market share new cars | 22.02% | 22.34% | 21.47% |
| Volkswagen | 9.95% | 10.05% | 9.81% |
| Audi | 6.53% | 6.76% | 6.19% |
| Škoda | 3.39% | 3.55% | 3.59% |
| Seat | 1.47% | 1.34% | 1.24% |
| Porsche | 0.66% | 0.62% | 0.63% |
| Bentley/Lamborghini | 0.01% | 0.01% | 0.01% |
| Market share light commercial vehicles *(gross figures)* | 9.35% | 9.19% | 9.72% |

Registrations of new light commercial vehicles (0 to 6 tonnes) rose by 9.69% to 38,063 units. D'Ieteren Auto's share improved to 9.72% (vs 9.35% in H1 2015).

The total number of new vehicles, including commercial vehicles, delivered by D'Ieteren Auto in H1 2016 reached 67,350 units (+6.5% compared to H1 2015). Solid volume growth combined with a positive product mix effect led to an 8.1% rise in new vehicle sales to EUR 1,516.8 million.

***Other activities***

The sale of spare parts and accessories reached EUR 95.3 million (+4.3% year-on-year), revenues from after-sales activities of the corporately-owned dealerships decreased by 0.9% to EUR 42.9 million, and used vehicle sales equalled EUR 27.2 million (+10.6%).

D'Ieteren Sport's sales, which are mainly comprised of Yamaha motorbikes, quads and scooters, increased by 8.3% to EUR 16.9 million. The scooter and motorbike market increased by 4.9% and Yamaha's market share improved marginally from 10.77% in H1 2015 to 10.83% in H1 2016.

***Results***

The operating result reached EUR 65.7 million (EUR 54.1 million in H1 2015). The current operating result, which excludes unusual items and re-measurements[1], increased by 13.5% to EUR 62.9 million. The improvement mainly reflects the strong rise in new vehicle sales and improved results at D'Ieteren Auto's retail activities. A provision was booked in H1 2016 for the "Wecare" campaign whereby some 10,000 buyers of new cars were given a free two-year "Wecare" maintenance and repair service, and marketing costs were higher year-on-year due to the biennial Brussels Motor Show and the tail-end effect of the "Emissiongate". These two factors combined had a dampening impact of EUR -12 million on the current operating result[1].

The unusual items and re-measurements[1] comprised in the operating result amounted to EUR 2.8 million. Real estate disposal gains and the partial reversal of "Emissiongate" provisions were partially offset by charges related to the implementation of the Market Area strategy.

The net financial costs decreased from EUR 2.2 million in H1 2015 to EUR 1.0 million in H1 2016. Excluding unusual items and re-measurements[1], the current net financial costs reached EUR 0.3 million in H1 2016. This compares with a EUR 0.2 million net financial income in H1 2015. A EUR 100 million bond has been reimbursed in July 2015.

The result before tax reached EUR 66.9 million (compared to EUR 53.3 million in H1 2015, +25.5%).

The current result before tax, group's share[1], of the Automobile distribution & Corporate segment rose by 11.9% to EUR 66.7 million (EUR 59.6 million in H1 2015). The contribution of the equity accounted entities to the current result before tax, group's share[1], improved from EUR 3.9 million in H1 2015 to EUR 4.2 million.

### 1.2 Key developments

D'Ieteren Auto continues to implement its three-pronged strategy:

- **"Market Area":** As announced earlier, a new structure is being set up for the distribution network, dividing the territory into 26 homogeneous Market Areas. The goal is to improve the profitability of the independent dealers through an enhanced competitive position and economies of scale. The first Market Area (Nivelles-Waterloo) has been established in March 2016. It is expected that by the end of 2016 about 14 Market Area agreements will have been signed.
- **"Pole Position":** The footprint of D'Ieteren Auto's corporately-owned dealerships in the Brussels area has been optimised further. The Bentley and Lamborghini showrooms and workshops were moved from Zaventem to new facilities in Drogenbos during H1 2016. In September, the activities of D'Ieteren Meiser, Woluwe and Stokkel will be moved to a new VW-CVI-SEAT-Škoda hub in Zaventem (Loozenberg). By the end of 2018, the network of D'Ieteren Car Centers in the Brussels region will consist of 5 locations compared to 12 in 2013.
- **"Powered by You":** Last year, D'Ieteren overhauled its internal structure to become even more customer-oriented and to foster cross-functional working practices. Six interconnected business units were set up. The Research, Marketing & Training business unit was reinforced this year through the appointment of a Chief Marketing & Digital Officer. This unit's mission is to work out a company-wide and transversal marketing strategy, to improve the customer experience and loyalty and to prepare D'Ieteren Auto for new mobility trends.

D'Ieteren is in the process of transferring all of its real estate to a single company in order to optimise the management of these assets. They will be transferred to D'Ieteren Immo, a fully owned subsidiary of D'Ieteren SA that will be placed under the management responsibility of the group.

The recalls related to the "Emissiongate", involving about 320,000 vehicles equipped with a non-compliant software in Belgium, started in April 2016 following the green light from the German Federal Motor Transport Authority (KBA). The inconvenience experienced by customers is negligible because in most cases the software update is combined with a regular maintenance job. Moreover, a mobile service solution has been put in place for fleet clients. To date, the non-compliant software has been updated in close to 15,000 vehicles. The recall campaign should be completed during the course of 2017.

### 1.3 Activity outlook 2016

The Belgian new car market, excluding registrations of less than 30 days[2], should be up around 10% in 2016. D'Ieteren Auto still aims at a stable market share for the full year 2016 compared to 2015.

D'Ieteren Auto's order book is respectively 25% and 34% higher compared to the end of June 2015 and to the end of June 2014. The order intake during the remainder of the year should be underpinned by the attractive product pipeline. The Volkswagen Tiguan, the Audi A4 Allroad and the Porsche Boxster were replaced in Q2 2016. In the commercial vehicle segment, the new Volkswagen Crafter was launched at the end of July. New model introductions include two SUV's: the SEAT Ateca in Q3 2016 and the Audi Q2 in Q4 2016. Porsche is planning the replacement of the Panamera and Cayman during Q4 2016. The Audi A5 coupé will also be replaced in the last quarter. Several models (Volkswagen up!, Beetle and Amarok, Audi A3 and SEAT Leon) will receive a facelift in H2 2016.

D'Ieteren Auto expects a slightly higher current operating result[1] for FY 2016.

## 2. VEHICLE GLASS REPAIR AND REPLACEMENT – BELRON

- **External sales (EUR 1,705.2 million) from continuing operations rose by 6.0% in H1 2016, comprising 4.6% organic growth, primarily due to market share gains in the USA, 1.1% growth from acquisitions, and a 1.9% trading day impact partially offset by a negative currency translation effect of 1.6%.**
- **The operating result from continuing operations reached EUR 105.2 million (EUR 100.2 million in H1 2015):**
  - o **The current operating result, excluding unusual items and re-measurements[1], totalled EUR 107.7 million (+0.7%). The low fall through from higher sales to operating result reflects the impact of continued market declines in the majority of markets and significant investments in the USA in order to drive market share growth. This was partially offset by the benefit of restructuring actions and continued tight cost control and a positive currency translation effect.**
  - o **Unusual items and re-measurements[1] totalling EUR 2.5 million included amortisation of intangibles partially offset by gains on US fuel hedges.**
- **The result before tax from continuing operations totalled EUR 88.0 million (EUR 83.4 million in 2015), up 5.5%.**
- **The current result before tax[1], group's share, reached EUR 86.6 million (EUR 83.8 million in 2015), up 3.3%.**
- **Sales growth is expected to remain solid in H2 2016 with a higher fall through to operating result in the US as investments in growth start to generate stronger returns. The operating result is expected to be stable in Europe.**

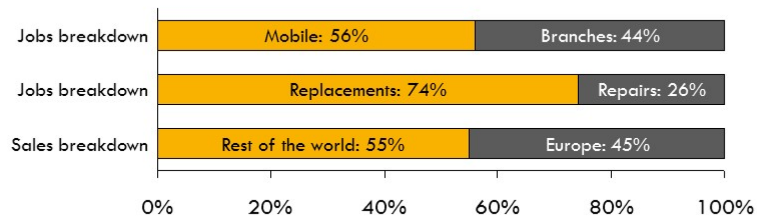
| €m | HY 2015 | | | | HY 2016 | | | |
|---|---|---|---|---|---|---|---|---|
| | | APM (non-GAAP measures)[1] | | | APM (non-GAAP measures)[1] | | | |
| | **Total** IFRS | *Unusual items and re-measurements* | *Current items* | *% change current items* | *Current items* | *Unusual items and re-measurements* | **Total** IFRS | ***% change total*** |
| Total jobs *(in million units)* | **5.5** | - | - | - | - | - | **5.8** | **6.7%** |
| External sales | **1,608.4** | - | *1,608.4* | 6.0% | *1,705.2* | - | **1,705.2** | **6.0%** |
| Operating result | **100.2** | *-6.8* | *107.0* | 0.7% | *107.7* | *-2.5* | **105.2** | **5.0%** |
| Net finance costs | **-16.8** | *1.8* | *-18.6* | -11.8% | *-16.4* | - | **-16.4** | **-2.4%** |
| Result before tax | **83.4** | *-5.0* | *88.4* | 3.3% | *91.3* | *-3.3* | **88.0** | **5.5%** |
| Current result before tax, group's share[1] | **-** | - | *83.8* | 3.3% | *86.6* | - | **-** | - |

### 2.1 Activities and results

***Sales from continuing operation***

Belron's sales from continuing operations reached EUR 1,705.2 million during H1 2016, a year-on-year increase of 6.0%, comprising a 4.6% organic increase, 1.1% growth from acquisitions and a 1.9% trading day impact partially offset by a 1.6% negative currency translation impact. The organic sales growth reflects a very strong first half of the year in the USA, due to market share gains, with mixed results in Europe where the majority of markets continued to decline. Total repair and replacement jobs (continuing activities) increased by 6.7% to 5.8 million. The currency translation impact is primarily due to a weaker British pound and Canadian dollar. The acquired growth reflects the acquisitions of Autotaalglas and Glasgarage in the Netherlands, Junited Autoglas in Germany as well as minor acquisitions in the US, Canada, Italy, Sweden and Spain.

European sales increased by 4.0% which included an increase in organic sales of 0.5% due to a strong recovery in the UK, with the remaining European countries making steady progress in the face of continued market declines in the majority of countries. There was a 2.1% growth from acquisitions, primarily in Germany and the Netherlands, and a 3.4% increase due to the trading day impact. The gains were partially offset by a negative currency impact of 2.0% due to a weaker British pound.
Outside of Europe, sales increased by 7.8% comprising an organic sales increase of 8.1% primarily due to market



share gains in the USA, a positive impact of 0.4% from acquisitions in the USA and a positive trading day impact of 0.5% partially offset by a negative currency impact of 1.2% mainly due to the weaker Canadian and Australian dollars. The US growth was strong in the first half as a result of significant investments in technician capacity and marketing.

***Results***

The operating result from continuing operations reached EUR 105.2 million (2015: EUR 100.2 million). The current operating result, which excludes unusual items and re-measurements[1], rose by 0.7% to EUR 107.7 million. In the US, the current operating result[1] was broadly flat year-on-year despite higher sales reflecting the investment for growth. In Europe, both higher sales combined with tight cost control actions and the impact of restructuring in prior years has resulted in a stable current operating result. Charges related to the long term management incentive programme increased by EUR 4.4 million year-on-year. Central costs remained under tight control.

Unusual items and re-measurements[1] amounting to EUR 2.5 million comprised the amortisation of customer contracts and brands and restructuring costs which were partially offset by gains on US fuel hedges.

The net finance costs amounted to EUR 16.4 million (H1 2015: EUR 16.8 million or EUR 18.6 million excluding re-measurements[1] related to the changes in the fair value of derivatives). Net finance costs did not include any re-measurements[1] in H1 2016.

The result before tax from continuing operations increased by 5.5% to EUR 88.0 million.

The current result before tax, group's share[1], from continuing operations increased by 3.3% to EUR 86.6 million.

### 2.2 Key developments

Belron continued to face market declines in the majority of the countries in which it operates necessitating innovative responses to grow market share and improve efficiency. New promotions were launched in several markets and additional claims management services introduced for insurance partners. The business continued to develop cost efficient solutions for the calibration of advanced driver assistance systems following a windshield replacement in order to mitigate the cost of this additional service for its customers and insurance partners.

The US invested heavily in technician capacity and marketing in the first half of the year resulting in substantial market share gains albeit at lower short term profitability. The business announced in July its intent to build a new claims management centre in New Mexico later in the year being its fifth claims management operation and allowing it to expand the services it offers to its insurance clients. The business also announced in August its decision to close its manufacturing site in Enfield, North Carolina, which is no longer able to compete with international glass manufacturers' more modern, state of the art facilities. The closure is expected to result in unusual costs of circa EUR 13 million of which EUR 7 million cash costs and EUR 6 million asset write-offs in the second half of the year.

The business has commenced its search for additional service offerings and is currently exploring a number of opportunities focused on both vehicles and home.

### 2.3 Activity outlook 2016

Sales growth is expected to remain strong through the second half of 2016 with a higher fall through to the operating result in the US as the investments start to generate stronger returns, and with European results expected to be relatively flat against last year.

Due to higher charges related to management long-term incentive programmes, results are expected to be globally at the same level as FY 2015.

## MAJOR RISK FACTORS

On 23 June 2016 the United Kingdom voted to leave the European Union ("EU"). At this early stage the full economic and political implications of Brexit are not clear. Whilst there is no consensus on what the longer term impacts will be we should expect increased exchange rate volatility. From a Belron's perspective, the negative impact on gross margin due to the euro-denominated glass purchases in the United Kingdom will be partially compensated by the positive impact of the translation in EUR of the GBP-denominated central costs. We do not expect significant impacts and we will continue to closely monitor foreign exchange exposures.

To the best of our knowledge, there are no other major risks influencing the remaining six months of the financial year than those disclosed on pages 67-70 and 89-91 of our 2015 financial and directors' report.

**Notes**

[1] *In order to better reflect its underlying performance and assist investors in gaining a better understanding of its financial performance, D'Ieteren uses Alternative Performance Measures ("APMs"). These APMs are non-GAAP measures, i.e. their definitions are not addressed by IFRS. D'Ieteren 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. See note 4 of the 2016 Half-Yearly Financial Report for the definition of these performance indicators.*

[2] *In order to provide an accurate picture of the car market, Febiac publishes market figures excluding registrations that have been cancelled within 30 days. Most of them relate to vehicles that are unlikely to have been put into circulation in Belgium by the end customer.*

[3] *The net financial debt is not an IFRS indicator. D'Ieteren uses this Alternative Performance Measure to reflect its indebtedness. This non-GAAP indicator is defined as the sum of the borrowings minus cash, cash equivalents and investments in non-current and current financial assets. See note 11 of the 2016 Half-Yearly Financial Report.*

[4] *EBITDA is not an IFRS indicator. This APM (non-GAAP indicator) is defined as earnings before interest, taxes, depreciation and amortization.*

# Condensed Consolidated Interim Financial Statements

## Consolidated Statement of Profit or Loss

6-month period ended 30 June

| EUR million | Notes | 2016 | 2015 (1) |
|---|---|---|---|
| **Revenue** | | **3,419.0** | **3,199.1** |
| Cost of sales | | -2,380.9 | -2,223.9 |
| **Gross margin** | | **1,038.1** | **975.2** |
| Commercial and administrative expenses | | -872.8 | -820.9 |
| Other operating income | | 6.1 | 4.0 |
| Other operating expenses | | -0.5 | -4.0 |
| **Operating result** | | **170.9** | **154.3** |
| Net finance costs | | -17.4 | -19.0 |
| Finance income | | 0.7 | 4.5 |
| Finance costs | | -18.1 | -23.5 |
| Share of result of entities accounted for using the equity method, net of income tax | 6 | 1.4 | 1.4 |
| **Result before tax** | | **154.9** | **136.7** |
| Income tax expense | 7 | -19.0 | -22.4 |
| **Result from continuing operations** | | **135.9** | **114.3** |
| Discontinued operations | 15 | -24.9 | -29.0 |
| **RESULT FOR THE PERIOD** | | **111.0** | **85.3** |
| **Result attributable to:** | | | |
| **Equity holders of the Parent** | | **108.8** | **83.7** |
| Non-controlling interests | | 2.2 | 1.6 |
| Earnings per share | | | |
| Basic (EUR) | 10 | 1.99 | 1.52 |
| Diluted (EUR) | 10 | 1.99 | 1.52 |
| Earnings per share - Continuing operations | | | |
| Basic (EUR) | 10 | 2.42 | 2.02 |
| Diluted (EUR) | 10 | 2.42 | 2.02 |

The notes on pages 14 to 28 are an integral part of these condensed consolidated interim financial statements.
The Group uses Alternative Performance Measures (non-GAAP measures) to reflect its financial performance – See note 4 for more information.
(1) As restated to reflect discontinued operations in the Vehicle Glass segment (see notes 2 and 15 for more information).

# Consolidated Statement of Comprehensive Income

6-month period ended 30 June

| EUR million | Notes | 2016 | 2015 |
|---|---|---|---|
| Result for the period | | 111.0 | 85.3 |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss: | | -19.9 | - |
| *Re-measurements of defined benefit liabilities/assets* | *2* | *-24.8* | - |
| *Related tax* | | *4.9* | - |
| | | | |
| Items that may be reclassified subsequently to profit or loss: | | 12.0 | 13.8 |
| *Translation differences* | | *-13.0* | *14.0* |
| *Reclassification of translation differences on loss of control* | *15* | *24.9* | - |
| *Cash flow hedges: fair value gains (losses) in equity* | | *0.5* | *-0.2* |
| *Tax relating to cash flow hedges* | | *-0.4* | - |
| | | | |
| Other comprehensive income, net of tax | | -7.9 | 13.8 |
| | | | |
| **Total comprehensive income for the period** | | **103.1** | **99.1** |
| *being: attributable to equity holders of the Parent* | | *101.3* | *96.8* |
| *attributable to non-controlling interests* | | *1.8* | *2.3* |

The notes on pages 14 to 28 are an integral part of these condensed consolidated interim financial statements.

# Consolidated Statement of Financial Position

| EUR million | Notes | 30 June 2016 | 31 Dec. 2015 | 30 June 2015 |
|---|---|---|---|---|
| Goodwill | | 1,001.8 | 990.6 | 978.0 |
| Intangible assets | | 466.4 | 470.7 | 471.0 |
| Property, plant & equipment | | 550.2 | 521.0 | 516.6 |
| Investment property | | 3.6 | 4.3 | 6.5 |
| Equity accounted investments | 6 | 61.4 | 59.5 | 60.4 |
| Available-for-sale financial assets | | 1.0 | 0.5 | 0.5 |
| Employee benefits | | 31.0 | 47.6 | 48.6 |
| Deferred tax assets | | 45.3 | 46.5 | 44.2 |
| Other receivables | | 24.7 | 25.1 | 25.0 |
| **Non-current assets** | | **2,185.4** | **2,165.8** | **2,150.8** |
| Non-current assets classified as held for sale | | 6.2 | 15.2 | 7.2 |
| Inventories | | 651.6 | 614.7 | 603.5 |
| Held-to-maturity investments | 11 | 25.0 | 59.8 | 44.1 |
| Derivative hedging instruments | 13 | 5.0 | 4.3 | 1.2 |
| Derivatives held for trading | 13 | - | 0.9 | 3.1 |
| Other financial assets | | - | - | 2.0 |
| Current tax assets | | 7.2 | 3.8 | 8.6 |
| Trade and other receivables | | 407.9 | 360.4 | 519.8 |
| Cash & cash equivalents | 11 | 205.8 | 110.1 | 137.7 |
| **Current assets** | | **1,308.7** | **1,169.2** | **1,327.2** |
| **TOTAL ASSETS** | | **3,494.1** | **3,335.0** | **3,478.0** |
| | | | | |
| Capital & reserves attributable to equity holders | | 1,779.4 | 1,733.3 | 1,693.3 |
| Non-controlling interests | | 1.8 | 1.8 | 1.9 |
| **Equity** | | **1,781.2** | **1,735.1** | **1,695.2** |
| Employee benefits | | 38.4 | 26.5 | 61.5 |
| Provisions | | 34.9 | 28.8 | 20.8 |
| Loans & borrowings | 11 | 580.4 | 709.4 | 700.4 |
| Derivatives held for trading | 13 | - | - | 1.7 |
| Put options granted to non-controlling interests | 12 | 89.3 | 85.2 | 80.3 |
| Other payables | | 20.3 | 21.6 | 18.8 |
| Deferred tax liabilities | | 27.8 | 31.1 | 41.2 |
| **Non-current liabilities** | | **791.1** | **902.6** | **924.7** |
| Liabilities associated with non-current assets classified as held for sale | | - | 6.7 | - |
| Provisions | | 6.1 | 10.9 | 15.8 |
| Loans & borrowings | 11 | 193.3 | 54.9 | 152.4 |
| Derivative hedging instruments | 13 | 0.3 | 0.2 | - |
| Derivatives held for trading | 13 | 2.7 | 5.5 | 4.3 |
| Current tax liabilities | | 28.0 | 17.0 | 14.8 |
| Trade & other payables | | 691.4 | 602.1 | 670.8 |
| **Current liabilities** | | **921.8** | **697.3** | **858.1** |
| **TOTAL EQUITY AND LIABILITIES** | | **3,494.1** | **3,335.0** | **3,478.0** |

The notes on pages 14 to 28 are an integral part of these condensed consolidated interim financial statements.

# Consolidated Statement of Changes in Equity

| EUR million | Capital and reserves attributable to equity holders | | | | | | | | | Total | Non- | Equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Share capital | Share premium | Treasury shares | Share-based payment reserve | Hedging reserve | Retained earnings | Actuarial gain and losses | Taxes | Cumu-lative translation differences | Group's share | controlling interests | |
| **At 1 January 2015** | **160.0** | **24.4** | **-27.8** | **12.1** | **1.0** | **1,584.5** | **-93.0** | **16.3** | **-33.3** | **1,644.2** | **0.6** | **1,644.8** |
| Treasury shares | - | - | -3.8 | - | - | - | - | - | - | -3.8 | - | -3.8 |
| Dividend 2014 paid in 2015 | - | - | - | - | - | -43.9 | - | - | - | -43.9 | - | -43.9 |
| Put options - Movement of the period | - | - | - | - | - | - | - | - | - | - | -1.9 | -1.9 |
| Acquisition of non-controlling interests | - | - | - | - | - | -0.9 | - | - | - | -0.9 | 0.9 | - |
| Other movements | - | - | - | 0.5 | 0.5 | 0.4 | - | -0.5 | - | 0.9 | - | 0.9 |
| Total transactions with owners of the Company | - | - | -3.8 | 0.5 | 0.5 | -44.4 | - | -0.5 | - | -47.7 | -1.0 | -48.7 |
| Total comprehensive income | - | - | - | - | -0.2 | 83.7 | - | - | 13.3 | 96.8 | 2.3 | 99.1 |
| **At 30 June 2015** | **160.0** | **24.4** | **-31.6** | **12.6** | **1.3** | **1,623.8** | **-93.0** | **15.8** | **-20.0** | **1,693.3** | **1.9** | **1,695.2** |
| | | | | | | | | | | | | |
| **At 1 January 2016** | **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** |
| Treasury shares | - | - | -6.6 | - | - | - | - | - | - | -6.6 | - | -6.6 |
| Dividend 2015 paid in 2016 | - | - | - | - | - | -49.3 | - | - | - | -49.3 | -2.3 | -51.6 |
| Put options - Movement of the period | - | - | - | - | - | - | - | - | - | - | 0.5 | 0.5 |
| Transfer within reserves | - | - | - | - | - | -0.3 | -1.2 | -0.1 | 1.6 | - | - | - |
| Other movements | - | - | - | 0.7 | - | - | - | - | - | 0.7 | - | 0.7 |
| Total transactions with owners of the Company | - | - | -6.6 | 0.7 | - | -49.6 | -1.2 | -0.1 | 1.6 | -55.2 | -1.8 | -57.0 |
| Total comprehensive income | - | - | - | - | 0.5 | 108.8 | -23.6 | 4.2 | 11.4 | 101.3 | 1.8 | 103.1 |
| **At 30 June 2016** | **160.0** | **24.4** | **-37.6** | **11.6** | **4.4** | **1,710.7** | **-81.0** | **16.9** | **-30.0** | **1,779.4** | **1.8** | **1,781.2** |

The notes on pages 14 to 28 are an integral part of these condensed consolidated interim financial statements.

# Condensed Consolidated Statement of Cash Flows

6-month period ended 30 June

| EUR million | Notes | 2016 | 2015 [1] |
|---|---|---|---|
| **Cash flows from operating activities - Continuing** | | | |
| Result for the period | | 135.9 | 114.3 |
| Income tax expense | | 19.0 | 22.4 |
| Share of result of entities accounted for using the equity method, net of income tax | 6 | -1.4 | -1.4 |
| Net finance costs | | 17.4 | 19.0 |
| **Operating result from continuing operations** | | **170.9** | **154.3** |
| Depreciation and amortisation | | 68.9 | 71.4 |
| Impairment losses on goodwill and other non-current assets | | - | 9.0 |
| Other non cash items | | -6.7 | -10.2 |
| Employee benefits | | -1.2 | -2.1 |
| Other cash items | | - | -18.1 |
| Change in net working capital | | 10.0 | -58.4 |
| **Cash generated from operations** | | **241.9** | **145.9** |
| Income tax paid | | -8.7 | -8.0 |
| **Net cash from operating activities** | | **233.2** | **137.9** |
| **Cash flows from investing activities - Continuing** | | | |
| Net capital expenditure | | -50.2 | -51.3 |
| Acquisition of subsidiaries (net of cash acquired) | 4/9 | -11.4 | -16.5 |
| Contribution of cash to joint ventures | | -0.4 | - |
| Investment in held-to-maturity financial assets | | 34.8 | 132.1 |
| Interest received | | 0.6 | 9.7 |
| Dividends received from equity accounted entities | 4 | 0.3 | 3.9 |
| Net investment in other financial assets | | 0.4 | -0.5 |
| **Net cash from investing activities** | | **-25.9** | **77.4** |
| **Cash flows from financing activities - Continuing** | | | |
| Net disposal/(acquisition) of treasury shares | | -6.6 | -3.8 |
| Capital element of finance lease payments | | -16.1 | -13.1 |
| Net change in other loans and borrowings | | -8.4 | -84.4 |
| Interest paid | | -18.3 | -24.0 |
| Dividends paid by Parent | 8 | -49.3 | -43.9 |
| Dividends paid by subsidiaries | | -2.3 | - |
| **Net cash from financing activities** | | **-101.0** | **-169.2** |
| **Cash flows from continuing operations** | | **106.3** | **46.1** |
| **Cash flows from discontinued operations** | 15 | **-** | **-6.0** |
| **TOTAL CASH FLOW FOR THE PERIOD** | | **106.3** | **40.1** |
| **Reconciliation with statement of financial position** | | **-** | **-** |
| Cash at beginning of period | | 110.1 | 84.8 |
| Cash included in non-current assets classified as held for sale | | 0.6 | - |
| **Cash and cash equivalents at beginning of period** | | **110.7** | **84.8** |
| Total cash flow for the period | | 106.3 | 40.1 |
| Translation differences | | -11.2 | 12.8 |
| **Cash and cash equivalents at end of period** | | **205.8** | **137.7** |
| *Included within "Cash and cash equivalents"* | | *205.8* | *137.7* |

The notes on pages 14 to 28 are an integral part of these condensed consolidated interim financial statements.

(1) As restated to reflect discontinued operations in the Vehicle Glass segment (see notes 2 and 15 for more information)

# Notes to the Condensed Consolidated Interim Financial Statements

## NOTE 1: GENERAL INFORMATION

s.a. D'Ieteren n.v. (the Company or the Parent) is a public company incorporated and domiciled in Belgium, whose controlling shareholders are listed in note 29 of the 2015 Consolidated Financial Statements. 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 the following sectors:

- Automobile distribution in Belgium of Volkswagen, Audi, Seat, Skoda, Bentley, Lamborghini, Bugatti, Porsche, and Yamaha;
- Vehicle glass repair and replacement in Europe, North and South America, Australia and New Zealand through Belron s.a. and notably its CARGLASS®, AUTOGLASS® and SAFELITE® AUTO GLASS brands.

The Group is present in 33 countries, serving over 12 million corporate and end customers.

The Company is listed on Euronext Brussels.

These condensed consolidated interim financial statements have been authorized for issue by the Board of Directors on 29 August 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 decided that this sale of Carglass Brazil involved the loss of control of the subsidiary and in line with accounting standards the remaining 40% interest has been accounted for as an equity investment in 2016. The Board of Directors of the Parent has also decided to present the 6 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 and consolidated statement of cash flows for the 6 month period ended 30 June 2015 have been restated accordingly. According to the requirements of IAS 21 the cumulative amount of foreign exchange difference held in translation reserve has been recycled to income statement (non-cash charge of EUR 24.9 million) on disposal of the Brazilian subsidiary. See note 15 of these condensed consolidated interim financial statements for more information and adequate disclosures.

On 23 June 2016 the United Kingdom voted to leave the European Union ("EU"). At this early stage the full economic and political implications of Brexit are not clear. After analysis, the Group has concluded that the Brexit is not at this stage a significant event that triggers the need for a full impairment review of the asset base at half year. The Group has however assessed the performance of each cash-generating unit for indicators of impairment and has concluded that there are no indicators of impairment at half year requiring a detailed impairment review to be conducted. Following the EU referendum result global financial markets have been volatile and corporate bond yields have been significantly depressed. The Group has therefore decided to update the IFRS accounting valuation for the two largest defined benefit schemes of the Group (being United Kingdom and United States in the Vehicle Glass segment). This update mainly led to an actuarial loss of ca. EUR 25 million recognised in the Consolidated Statement of Comprehensive Income.

### Note 2.1: Basis of Preparation

These condensed consolidated interim financial statements are for the six months ended 30 June 2016. 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 IAS 34 "Interim Financial Reporting" as adopted by the European Union ("EU"). They do not include all the information required for a complete set of IFRS financial statements. They have been prepared in a condensed format, with selected explanatory notes to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements. Therefore, they should be read in conjunction with the 2015 annual consolidated financial statements.

In preparing these condensed consolidated interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2015 annual consolidated financial statements.

## NOTE 2: ACCOUNTING POLICIES (continued)

**Note 2.2: Significant Accounting Policies**

The accounting policies applied are consistent with those summarized in note 2 of the 2015 annual consolidated financial statements, except for the adoption of new standards and amendments to standards effective as of 1 January 2016.

The new standards and amendments to standards that are mandatory for the first time for the Group's accounting period beginning on 1 January 2016 are listed below and have no significant impact on the Group's consolidated financial statements.

- Annual improvements to IFRS 2012-2014 cycle. These improvements are a collection of minor improvements to existing standards;
- Accounting for Acquisitions of Interests in Joint Operations - Amendments to IFRS 11. 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. 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;
- Equity Method in Separate Financial Statements – Amendments to IAS 27;
- Disclosure Initiative – Amendment to IAS 1. This amendment aims to improve presentation and disclosures in financial reporting. There is an emphasis on materiality. Specific single disclosures that are not material do not have to be presented – even if they are a minimum requirement of a standard.

The standards, amendments and interpretations to existing standards issued by the IASB but not yet effective in 2016 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 and IFRS 16 (too early at this stage to assess the impacts – see below), no significant impact on the Group's consolidated financial statements is expected.

- Disclosure Initiative – Amendments to IAS 7 (effective 1 January 2017 – subject to endorsement by the EU);
- Recognition of Deferred Tax Assets for Unrealised Losses – Amendments to IAS 12 (effective 1 January 2017 – subject to endorsement by the EU);
- Amendments to IFRS 2 "Classification and Measurement of Share-based Payment Transactions" (effective 1 January 2018 – subject to endorsement by the EU);
- 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" (effective 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;
- IFRS 16 "Leases" (effective 1 January 2019 – subject to endorsement by the EU). This new standard 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 currently undergoing a detailed review and analysis of these two new standards (IFRS 15 and IFRS 16) in order to be able to assess its business implications and impacts on the Group's financial statements. At this stage, the Group is not able to accurately estimate the effect of the two new rules on the Group's consolidated financial statements. The Group will make more detailed assessments of the effects over the next twelve months. The Group does not expect to adopt these two new standards before 1 January 2018.

## NOTE 3: SEASONALITY

**Automobile Distribution**

The Automobile Distribution segment experiences a higher demand for new vehicles (sales of new vehicles represent about 80% of total external revenue of the segment) in the first half of the year. This phenomenon is further increased every two years by the impact of the Brussels' Car and Motorcycle Show (the last one took place in January 2016).

**Vehicle Glass**

The Vehicle Glass segment experiences some natural increases in business in the early part of the year corresponding with cold weather in Europe and in North America, and in mid-summer prior to the start of the continental European holiday season.

## NOTE 4: 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.

The Group has adopted a columnar presentation for its consolidated statement of profit or loss in order to facilate a better understanding of what the Group considers as underlying results. Each line of the statement of profit or loss (see below), and each subtotal of the segment statement of profit or loss (see note 5), 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 (i.e. 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 4: ALTERNATIVE PERFORMANCE MEASUREMENT (APM) – NON-GAAP MEASUREMENT (continued)

**Presentation of APMs in the consolidated statement of profit or loss for the 6-month period ended 30 June**

| EUR million | Notes | 2016 | | | 2015 [1] | | |
|---|---|---|---|---|---|---|---|
| | | Total | *Of which Current items* [2] | *Of which Unusual items and re-measurements* [2] | Total | *Of which Current items* [2] | *Of which Unusual items and re-measurements* [2] |
| **Revenue** | | **3,419.0** | *3,419.0* | - | **3,199.1** | *3,199.1* | - |
| Cost of sales | | -2,380.9 | *-2,383.6* | *2.7* | -2,223.9 | *-2,229.0* | *5.1* |
| **Gross margin** | | **1,038.1** | *1,035.4* | *2.7* | **975.2** | *970.1* | *5.1* |
| Commercial and administrative expenses | | -872.8 | *-865.2* | *-7.6* | -820.9 | *-809.0* | *-11.9* |
| Other operating income | | 6.1 | *1.0* | *5.1* | 4.0 | *1.1* | *2.9* |
| Other operating expenses | | -0.5 | *-0.6* | *0.1* | -4.0 | *0.2* | *-4.2* |
| **Operating result** | | **170.9** | *170.6* | *0.3* | **154.3** | *162.4* | *-8.1* |
| Net finance costs | | -17.4 | *-16.7* | *-0.7* | -19.0 | *-18.4* | *-0.6* |
| Finance income | | 0.7 | *0.7* | - | 4.5 | *2.7* | *1.8* |
| Finance costs | | -18.1 | *-17.4* | *-0.7* | -23.5 | *-21.1* | *-2.4* |
| Share of result of entities accounted for using the equity method, net of income tax | 6 | 1.4 | *2.6* | *-1.2* | 1.4 | *3.1* | *-1.7* |
| **Result before tax** | 4 | **154.9** | *156.5* | *-1.6* | **136.7** | *147.1* | *-10.4* |
| Income tax expense | 7 | -19.0 | *-16.5* | *-2.5* | -22.4 | *-23.3* | *0.9* |
| **Result from continuing operations** | | **135.9** | *140.0* | *-4.1* | **114.3** | *123.8* | *-9.5* |
| Discontinued operations | 15 | -24.9 | - | *-24.9* | -29.0 | *-3.1* | *-25.9* |
| **RESULT FOR THE PERIOD** | | **111.0** | *140.0* | *-29.0* | **85.3** | *120.7* | *-35.4* |
| **Result attributable to:** | | | | | | | |
| **Equity holders of the Parent** | 4 | **108.8** | *136.4* | *-27.6* | **83.7** | *117.5* | *-33.8* |
| Non-controlling interests | | 2.2 | *3.6* | *-1.4* | 1.6 | *3.2* | *-1.6* |
| Earnings per share for result for the period attributable to equity holders of the Parent | | | | | | | |
| Basic (EUR) | 10 | 1.99 | *2.49* | *-0.50* | 1.52 | *2.14* | *-0.62* |
| Diluted (EUR) | 10 | 1.99 | *2.49* | *-0.50* | 1.52 | *2.14* | *-0.62* |
| Earnings per share for result from continuing operations attributable to equity holders of the Parent | | | | | | | |
| Basic (EUR) | 10 | 2.42 | *2.49* | *-0.07* | 2.02 | *2.19* | *-0.17* |
| Diluted (EUR) | 10 | 2.42 | *2.49* | *-0.07* | 2.02 | *2.19* | *-0.17* |

(1) As restated to reflect discontinued operations in the Vehicle Glass segment (see notes 2 and 15 for more information)
(2) Alternative Performance Measure (non-GAAP measure) - See section "Framework and definitions" of this note 4 for more explanations.

## NOTE 4: ALTERNATIVE PERFORMANCE MEASUREMENT (APM) – NON-GAAP MEASUREMENT (continued)

**Explanations and details of the figures presented as APMs**

In the 6-month periods ended 30 June 2016 and 30 June 2015, the unusual items and re-measurements (APMs) comprised:

| **EUR million** | **2016** | | | | | **2015 [1]** | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **Automobile Distribution** | | **Vehicle Glass** | | **Group** | **Automobile Distribution** | | **Vehicle Glass** | | **Group** |
| **Unusual items and re-measurements** | | | | | | | | | | |
| **Included in operating result** | **2.8** | | **-2.5** | | **0.3** | **-1.3** | | **-6.8** | | **-8.1** |
| *Re-measurements of financial instruments* | *-* | | *2.4* | *(g)* | *2.4* | *-* | | *5.1* | *(g)* | *5.1* |
| *Amortisation of customer contracts* | *-* | | *-4.6* | *(h)* | *-4.6* | *-* | | *-4.8* | *(h)* | *-4.8* |
| *Amortisation of brands with finite useful life* | *-* | | *-0.5* | *(i)* | *-0.5* | *-* | | *-0.8* | *(i)* | *-0.8* |
| *Amortisation of other intangibles with finite useful life* | *-* | | *-* | | *-* | *-0.6* | *(d)* | *-* | | *-0.6* |
| *Impairment of goodwill and of non-current assets* | *-* | | *-* | | *-* | *-3.6* | *(e)* | *-5.4* | *(j)* | *-9.0* |
| *Other unusual items* | *2.8* | *(a)* | *0.2* | *(k)* | *3.0* | *2.9* | *(a)* | *-0.9* | *(k)* | *2.0* |
| **Included in net finance costs** | **-0.7** | | **-** | | **-0.7** | **-2.4** | | **1.8** | | **-0.6** |
| *Re-measurements of financial instruments* | *-* | | *-* | | *-* | *-1.4* | *(f)* | *1.8* | *(g)* | *0.4* |
| *Re-measurements of put options granted to non-controlling interests* | *-0.7* | *(b)* | *-* | | *-0.7* | *-1.0* | *(b)* | *-* | | *-1.0* |
| **Included in equity accounted result** | **-0.4** | *(c)* | **-0.8** | *(l)* | **-1.2** | **-1.7** | *(c)* | **-** | | **-1.7** |
| **Included in result before taxes (PBT)** | **1.7** | | **-3.3** | | **-1.6** | **-5.4** | | **-5.0** | | **-10.4** |
| *of which* *Unusual items* | *2.8* | | *0.2* | | *3.0* | *2.9* | | *-0.9* | | *2.0* |
| *Re-measurements* | *-1.1* | | *-3.5* | | *-4.6* | *-8.3* | | *-4.1* | | *-12.4* |

(1) As restated to reflect discontinued operations in the Vehicle Glass segment (see notes 2 and 15 for more information)

*Automobile Distribution*

(a) In the period, other unusual items in operating result include an unusual gain of EUR 5.0 million (presented in other operating income) on the sale of buildings previously used for activities (part of them were classified as non-current assets held for sale as at 31 December 2015), an unusual gain of EUR 2.8 million (in cost of sales and in commercial and administrative expenses) on the partial release of provisions recognised last year in relation to the "Emissiongate" (see note 3 of the 2015 Consolidated Financial Statements), and an unusual cost of EUR 5.0 million in the framework of the "Market Area" project (optimization of the independent dealer network). In the prior period, other unusual items included an unusual gain of EUR 2.9 million (presented in other operating income) on the sale of a building classified as non-current asset held for sale as at 31 December 2014.

(b) Net finance costs include a re-measurement charge of put options granted to certain non-controlling shareholders (family holding company of Belron's CEO) amounting to EUR -0.7 million (-EUR 1.0 million in the prior period). See note 12 of these condensed consolidated interim financial statements for more information.

(c) 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 -0.4 million (EUR -1.7 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 – will be fully amortised as at 31 December 2016 - 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 2016, is also related to additional unusual write-downs related to the "Emissiongate" (Volkswagen D'Ieteren Finance).

(d) In the prior period, commercial and administrative expenses included the amortisation of an intangible asset with a finite useful life (recognised in 2013 in the framework of a fair value adjustment made to the valuations related to the acquisition of the remaining 67% of S.M.A.R.T. & Clean Automotive Services s.a. – Wondercar – active in smart repairs on vehicles), fully amortised as at 30 June 2015.

(e) In the prior period, commercial and administrative expenses included an impairment charge of EUR 1.3 million on properties in the framework of the optimization of the footprint of the corporately-owned dealerships (reshaping project announced in 2014) and an impairment charge of EUR 2.3 million on certain intangible IT software following a change in strategy in the implementation of new technology.

(f) In the prior period, net finance costs included re-measurements of financial instruments amounting to EUR -1.4 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.

## NOTE 4: ALTERNATIVE PERFORMANCE MEASUREMENT (APM) – NON-GAAP MEASUREMENT (continued)

*Vehicle Glass*

(g) Cost of sales (fair value of fuel hedge instruments) and net finance costs include re-measurements of financial instruments amounting to respectively EUR 2.4 million (EUR 5.1 million in the prior period) and nil (EUR 1.8 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.

(h) In the framework of recent acquisitions, certain customer contracts were recognised as intangible assets with a finite useful life. In the period, the amortisation (in commercial and administrative expenses) amounts to EUR 4.6 million (EUR 4.8 million in the prior period). EUR 4.2 million relates to the US, of which the largest component dates back to the original Safelite acquisition and which becomes fully written down in 2017.

(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 0.5 million (EUR 0.8 million in the prior period).

(j) In the prior period, commercial and administrative expenses and other operating charges comprised:

- A total impairment charge of EUR 4.2 million on the Turkish cash-generating unit following the impairment test performed last year at half-year on every cash-generating unit. From the total impairment charge on Turkey, 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;
- An impairment charge of EUR 1.3 million on fixed assets of the Autorestore® ADR business in the United Kingdom following the decision to focus the business solely on its mobile bodyshops going forward.

(k) In the period, other unusual gain of EUR 0.2 million relates to the partial release of the France restructuring provision. In the prior period, other unusual items (EUR -0.9 million presented in other operating expenses) related to the additional costs associated with the closure of the UK defined benefit pension plan (EUR -0.6 million) and to the finalisation of the Guardian Glass acquisition in Spain (EUR -0.3 million).

(l) In the period, the share of the Group in the re-measurement of entity accounted for using the equity method amounts to EUR -0.8 million and is related to the full write-off of the 40% interest in Carglass Brazil.

In the period and prior period, in the Vehicle Glass segment, the line "Discontinued operations" (see notes 2 and 15 for more information) of the consolidated statement of profit or loss comprises unusual items and re-measurements amounting respectively to EUR -24.9 million and to EUR -25.9 million.

In the period, following the disposal of the Brazil business (see note 2) and in accordance with IAS 21, the cumulative amount of foreign exchange difference held in translation reserve has been recycled to income statement (non-cash unusual charge of EUR 24.9 million).

In the prior period, the charge of EUR 25.9 million comprised the total impairment charge on the Brazilian cash-generating unit following the impairment test performed last year at half-year on every cash-generating unit. From the total impairment charge on Brazil, EUR 18.2 million was related to the full impairment of goodwill and EUR 7.7 million to the write-off of tangible fixed assets.

## NOTE 4: ALTERNATIVE PERFORMANCE MEASUREMENT (APM) – NON-GAAP MEASUREMENT (continued)

**Reconciliations between APMs and IFRS reported figures**

| EUR million | 2016 | | | 2015 (1) | | |
|---|---|---|---|---|---|---|
| | Automobile Distribution | Vehicle Glass | Group | Automobile Distribution | Vehicle Glass | Group |
| **From reported PBT to current PBT, Group's share:** | | | | | | |
| Reported PBT | 66.9 | 88.0 | 154.9 | 53.3 | 83.4 | 136.7 |
| Less: Unusual items and re-measurements in PBT | -1.7 | 3.3 | 1.6 | 5.4 | 5.0 | 10.4 |
| **Current PBT** | **65.2** | **91.3** | **156.5** | **58.7** | **88.4** | **147.1** |
| Less: Share of the group in tax on current results on equity accounted entities | 1.5 | - | 1.5 | 0.8 | - | 0.8 |
| Share of non-controlling interests in current PBT | - | -4.7 | -4.7 | 0.1 | -4.6 | -4.5 |
| **Current PBT, Group's share** | **66.7** | **86.6** | **153.3** | **59.6** | **83.8** | **143.4** |
| **From reported PBT Group's share, to current PAT, Group's share:** | | | | | | |
| Current PBT, Group's share | 66.7 | 86.6 | 153.3 | 59.6 | 83.8 | 143.4 |
| Share of the group in tax on current result of equity accounted entities | -1.5 | - | -1.5 | -0.8 | - | -0.8 |
| Current tax, Group's share | 4.8 | -20.2 | -15.4 | -2.1 | -20.1 | -22.2 |
| **Current PAT, Group's share** | **70.0** | **66.4** | **136.4** | **56.7** | **63.7** | **120.4** |
| **From current PAT, Group's share, to current result for the period attributable to equity holder of the Parent** | | | | | | |
| Current PAT, Group's share | 70.0 | 66.4 | 136.4 | 56.7 | 63.7 | 120.4 |
| Share of the group in current discontinued operations | - | - | - | - | -2.9 | -2.9 |
| **Current result of the period attributable to equity holders of the parent** | **70.0** | **66.4** | **136.4** | **56.7** | **60.8** | **117.5** |

(1) As restated to reflect discontinued operations in the Vehicle Glass segment (see notes 2 and 15 for more information)

**Assets, Liabilities, Equity, Cash Flows**

In the condensed consolidated statement of cash flows:

- In the period, the line “Acquisition of subsidiaries” includes, among other transactions, the business combinations disclosed in note 9;
- In the prior period, the line “Other cash items” included, among other amounts, the cash outflow related to the restructurings announced in December 2014 (Vehicle Glass segment);
- In the period and prior period, the line “Dividends received from equity accounted entities” includes the group’s share in the dividends paid by D’Ieteren Vehicle Trading (DVT) s.a., a 49%-owned associate.

No other items, other than those listed above, have any material impact on assets, liabilities, equity or cash flows.

## NOTE 5: SEGMENT INFORMATION

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.

**Segment Statement of Profit or Loss - Operating Segments** (6-month period ended 30 June)

| **EUR million** | **Notes** | **2016** | | | | **2015 (1)** | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | **Automobile Distribution** | **Vehicle Glass** | **Eliminations** | **Group** | **Automobile Distribution** | **Vehicle Glass** | **Eliminations** | **Group** |
| External revenue | | 1,713.8 | 1,705.2 | | 3,419.0 | 1,590.7 | 1,608.4 | | 3,199.1 |
| Inter-segment revenue | | 4.0 | - | -4.0 | - | 2.2 | - | -2.2 | - |
| **Segment revenue** | | **1,717.8** | **1,705.2** | **-4.0** | **3,419.0** | **1,592.9** | **1,608.4** | **-2.2** | **3,199.1** |
| **Operating result (being segment result)** | | **65.7** | **105.2** | | **170.9** | **54.1** | **100.2** | | **154.3** |
| *Of which Current items (APMs)* | *4* | *62.9* | *107.7* | | *170.6* | *55.4* | *107.0* | | *162,4* |
| *Unusual items and re-measurements (APMs)* | *4* | *2.8* | *-2.5* | | *0.3* | *-1.3* | *-6.8* | | *-8,1* |
| Net finance costs | | -1.0 | -16.4 | | -17.4 | -2.2 | -16.8 | | -19.0 |
| Finance income | | 0.4 | 0.3 | | 0.7 | 2.5 | 2.0 | | 4.5 |
| Finance costs | | -1.4 | -16.7 | | -18.1 | -4.7 | -18.8 | | -23.5 |
| Share of result of entities accounted for using the equity method, net of income tax | 6 | 2.2 | -0.8 | | 1.4 | 1.4 | - | | 1.4 |
| **Result before tax** | **4** | **66.9** | **88.0** | | **154.9** | **53.3** | **83.4** | | **136.7** |
| *Of which Current items (APMs)* | *4* | *65.2* | *91.3* | | *156.5* | *58.7* | *88.4* | | *147.1* |
| *Unusual items and re-measurements (APMs)* | *4* | *1.7* | *-3.3* | | *-1.6* | *-5.4* | *-5.0* | | *-10.4* |
| Income tax expense | 7 | 1.6 | -20.6 | | -19.0 | -1.0 | -21.4 | | -22.4 |
| **Result from continuing operations** | | **68.5** | **67.4** | | **135.9** | **52.3** | **62.0** | | **114.3** |
| *Of which Current items (APMs)* | | *70.0* | *70.0* | | *140.0* | *56.6* | *67.2* | | *123.8* |
| *Unusual items and re-measurements (APMs)* | | *-1.5* | *-2.6* | | *-4.1* | *-4.3* | *-5.2* | | *-9.5* |
| Discontinued operations | 15 | - | -24.9 | | -24.9 | - | -29.0 | | |
| **RESULT FOR THE PERIOD** | | **68.5** | **42.5** | | **111.0** | **52.3** | **33.0** | | **85.3** |

| **Attributable to:** | | **Automobile Distribution** | **Vehicle Glass** | **Group** | **Automobile Distribution** | **Vehicle Glass** | **Group** |
|---|---|---|---|---|---|---|---|
| Equity holders of the Parent | | 68.5 | 40.3 | 108.8 | 52.4 | 31.3 | 83.7 |
| *Of which Current items (APMs)* | *4* | *70.0* | *66.4* | *136.4* | *56.7* | *60.8* | *117.5* |
| *Unusual items and re-measurements (APMs)* | | *-1.5* | *-26.1* | *-27.6* | *-4.3* | *-29.5* | *-33.8* |
| Non-controlling interests | | - | 2.2 | 2.2 | -0.1 | 1.7 | 1.6 |
| **RESULT FOR THE PERIOD** | | **68.5** | **42.5** | **111.0** | **52.3** | **33.0** | **85.3** |

(1) As restated to reflect discontinued operations in the Vehicle Glass segment (see notes 2 and 15 for more information)

## NOTE 5: SEGMENT INFORMATION (continued)

### Segment Statement of Financial Position - Operating Segments

| EUR million | Notes | 30 June 2016 | | | 30 June 2015 | | |
|---|---|---|---|---|---|---|---|
| | | Automobile Distribution | Vehicle Glass | Group | Autombile Distribution | Vehicle Glass | Group |
| Goodwill | | 12.3 | 989.5 | 1,001.8 | 9.9 | 968.1 | 978.0 |
| Other intangible assets | | 9.9 | 456.5 | 466.4 | 8.8 | 462.2 | 471.0 |
| Property, plant & equipment | | 190.3 | 359.9 | 550.2 | 179.3 | 337.3 | 516.6 |
| Investment property | | 3.6 | - | 3.6 | 6.5 | - | 6.5 |
| Equity accounted investments | 6 | 61.4 | - | 61.4 | 60.4 | - | 60.4 |
| Available-for-sale financial assets | | 0.5 | 0.5 | 1.0 | 0.5 | - | 0.5 |
| Employee benefits | | - | 31.0 | 31.0 | - | 48.6 | 48.6 |
| Deferred tax assets | | 2.2 | 43.1 | 45.3 | 1.4 | 42.8 | 44.2 |
| Other receivables | | 22.6 | 2.1 | 24.7 | 22.5 | 2.5 | 25.0 |
| **Non-current assets** | | **302.8** | **1,882.6** | **2,185.4** | **289.3** | **1,861.5** | **2,150.8** |
| Non-current assets classified as held for sale | | 6.2 | - | 6.2 | 7.2 | - | 7.2 |
| Inventories | | 361.2 | 290.4 | 651.6 | 319.9 | 283.6 | 603.5 |
| Held-to-maturity investments | 11 | 25.0 | - | 25.0 | 44.1 | - | 44.1 |
| Derivative hedging instruments | 13 | - | 5.0 | 5.0 | - | 1.2 | 1.2 |
| Derivatives held for trading | 13 | - | - | - | 3.1 | - | 3.1 |
| Other financial assets | | - | - | - | - | 2.0 | 2.0 |
| Current tax assets | | 0.9 | 6.3 | 7.2 | - | 8.6 | 8.6 |
| Trade and other receivables | | 82.0 | 325.9 | 407.9 | 195.4 | 324.4 | 519.8 |
| Cash & cash equivalents | 11 | 171.8 | 34.0 | 205.8 | 98.6 | 39.1 | 137.7 |
| **Current assets** | | **647.1** | **661.6** | **1,308.7** | **668.3** | **658.9** | **1,327.2** |
| **TOTAL ASSETS** | | **949.9** | **2,544.2** | **3,494.1** | **957.6** | **2,520.4** | **3,478.0** |
| Capital & reserves attributable to equity holders | | 1,779.4 | - | 1,779.4 | 1,693.3 | - | 1,693.3 |
| Non-controlling interests | | - | 1.8 | 1.8 | - | 1.9 | 1.9 |
| **Equity** | | **1,779.4** | **1.8** | **1,781.2** | **1,693.3** | **1.9** | **1,695.2** |
| Employee benefits | | 7.5 | 30.9 | 38.4 | 8.1 | 53.4 | 61.5 |
| Provisions | | 21.8 | 13.1 | 34.9 | 16.6 | 4.2 | 20.8 |
| Loans & borrowings | 11 | 5.3 | 575.1 | 580.4 | 5.7 | 694.7 | 700.4 |
| Derivatives held for trading | 13 | - | - | - | - | 1.7 | 1.7 |
| Put options granted to non-controlling interests | 12 | 89.3 | - | 89.3 | 80.3 | - | 80.3 |
| Other payables | | - | 20.3 | 20.3 | - | 18.8 | 18.8 |
| Deferred tax liabilities | | 10.4 | 17.4 | 27.8 | 17.4 | 23.8 | 41.2 |
| **Non-current liabilities** | | **134.3** | **656.8** | **791.1** | **128.1** | **796.6** | **924.7** |
| Provisions | | - | 6.1 | 6.1 | - | 15.8 | 15.8 |
| Loans & borrowings | 11 | 9.9 | 183.4 | 193.3 | 104.1 | 48.3 | 152.4 |
| Inter-segment loan | 11 | -75.0 | 75.0 | - | -60.0 | 60.0 | - |
| Derivative hedging instruments | 13 | - | 0.3 | 0.3 | - | - | - |
| Derivatives held for trading | 13 | - | 2.7 | 2.7 | 0.2 | 4.1 | 4.3 |
| Current tax liabilities | | 3.4 | 24.6 | 28.0 | 1.4 | 13.4 | 14.8 |
| Trade & other payables | | 169.6 | 521.8 | 691.4 | 166.0 | 504.8 | 670.8 |
| **Current liabilities** | | **107.9** | **813.9** | **921.8** | **211.7** | **646.4** | **858.1** |
| **TOTAL EQUITY AND LIABILITIES** | | **2,021.6** | **1,472.5** | **3,494.1** | **2,033.1** | **1,444.9** | **3,478.0** |

For segment statement of financial position as per 31 December 2015, see note 4.3 of the 2015 annual consolidated financial statements.

## NOTE 6: ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD

In 2016, four group entities (three in 2015) are accounted for using the equity method :

| EUR million | 30 June 2016 | | | 30 June 2015 | | |
|---|---|---|---|---|---|---|
| | Automobile Distribution | Vehicle Glass | Group | Autombile Distribution | Vehicle Glass | Group |
| Interests in joint ventures | 60.2 | - | 60.2 | 59.0 | - | 59.0 |
| Interests in associate | 1.2 | - | 1.2 | 1.4 | - | 1.4 |
| **Total of equity accounted investments** | **61.4** | **-** | **61.4** | **60.4** | **-** | **60.4** |
| Share of profit in joint ventures | 2.2 | - | 2.2 | 1.3 | - | 1.3 |
| Share of profit in associates | - | -0.8 | -0.8 | 0.1 | - | 0.1 |
| **Total of share of result after tax of equity accounted companies** | **2.2** | **-0.8** | **1.4** | **1.4** | **-** | **1.4** |

In 2016 and 2015, the largest entity accounted for using the equity method is the joint venture Volkswagen D'Ieteren Finance (VDFin), 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.

| EUR million | 30 June 2016 | 30 June 2015 |
|---|---|---|
| Non-current assets | 953.4 | 812.9 |
| Current assets (excluding cash and cash equivalents) | 534.3 | 367.6 |
| Cash and cash equivalents | 60.9 | 10.5 |
| Non-current liabilities (excluding financial liabilities) | -6.4 | -7.6 |
| Non-current financial liabilities | -489.0 | -455.5 |
| Current liabilities (excluding financial liabilities) | -98.0 | -72.8 |
| Current financial liabilities | -835.4 | -539.8 |
| Net assets (100%) | 119.8 | 115.3 |
| **Group's share of net assets (49,99%) and carrying amount of interest in joint venture** | **59.9** | **57.6** |
| Revenue | 159.5 | 139.7 |
| Profit before tax | 7.8 | 3.7 |
| Result for the period (100%) | 5.2 | 3.6 |
| Total comprehensive income (100%) | 5.2 | 3.6 |
| **Group's share of profit and comprehensive income (49,99%)** | **2.6** | **1.8** |

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 decided that this sale of Carglass Brazil involved the loss of control of the subsidiary and in line with accounting standards the remaining 40% interest has been accounted for as an equiy investment as from January 2016.

## NOTE 7: INCOME TAX EXPENSE

The Group's consolidated effective tax rate for the six months ended 30 June 2016 was 12% (six months ended 30 June 2015: 16%). The decrease in effective tax rate is mainly driven by the recognition of deferred tax assets on unused tax losses and credits, due to future profit streams.

## NOTE 8: EQUITY AND DIVIDENDS

The Ordinary General Meeting of 26 May 2016 decided to distribute a gross dividend of EUR 0.90 per share for the year 2015. Payment of the dividend started on 2 June 2016. The aggregate dividend amounts to EUR 49.3 million.

The controlling shareholders are listed in note 29 of the 2015 Consolidated Financial Statements. According to the transparency notification dated 11 July, MFS Investment Management (Boston, United States) now holds, following the sale of shares on 21 April 2016 4.94% of the voting rights of the Company. It has therefore crossed downwards the lowest threshold of 5%.

Treasury shares (1,213,313 at the end of the period; 1,073,910 at the end of the prior period) are held to cover the stock option plans set up by the Parent since 1999 (see note 14 of these condensed consolidated interim financial statements and note 37 of the 2015 annual consolidated financial statements).

## NOTE 9: ACQUISITION OF SUBSIDIARIES

During the period, the Group made the following acquisitions :

- On 1 February 2016, Belron acquired the assets of Haglöfs Glas, a fitting business in Sweden.
- On 1 February 2016, Belron acquired the assets of Iberluna Aranjuez Y Glassaranjuez SL, a fitting business of three branches in Spain.
- In March 2016, the Automobile Distribution segment acquired 100% of the shares of Automobile Center Mechelen, and its real estate, which operates dealerships distributing the Volkswagen group's makes in Belgium.
- On 8 April 2016, Belron acquired the assets of AAA Mid-Atlantic Auto Glass LLC, a fitting business in the United States.
- On 30 June 2016, Belron acquired 100% of the shares of Cabot Auto Glass & Upholstery, a fitting business in Canada.

The additional revenue arising subsequent to these acquisitions amounts approximately to EUR 0.2 million (approximately EUR 1.3 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 | Auto-mobile Distri-bution | Vehicle Glass | Total Provisonal fair value (1) |
|---|---|---|---|
| Property, plant and equipment | 4.5 | 0.1 | 4.6 |
| Inventories | 5.1 | 0.1 | 5.2 |
| Trade and other receivables | 1.7 | - | 1.7 |
| Cash and cash equivalents | 1.3 | - | 1.3 |
| Non-current borrowings | -1.4 | - | -1.4 |
| Deferred tax liabilities | -0.4 | - | -0.4 |
| Current borrowings | -2.7 | - | -2.7 |
| Current tax liabilities | -0.2 | - | -0.2 |
| Trade and other current payables | -5.4 | - | -5.4 |
| **Net assets acquired** | **2.5** | **0.2** | **2.7** |
| Goodwill | 2.4 | 3.9 | 6.3 |
| **Consideration** | **4.9** | **4.1** | **9.0** |
| *Consideration satisfied by:* | | | |
| Cash payment | 4.9 | 3.6 | 8.5 |
| Estimation of fair value of the deferred consideration payable in the future | - | 0.5 | 0.5 |
| | **4.9** | **4.1** | **9.0** |

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

## NOTE 9: ACQUISITION OF SUBSIDIARIES (continued)

The goodwill recognised above reflects the expected synergies and other benefits resulting from the combination of the acquired activities with those of the Group. 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 fair value of the trade and other receivables amounts to EUR 1.7 million and it is expected that the full amount can be collected.

## 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 4, are Alternative Performance Measures (APMs – see note 4) and are presented to highlight underlying performance.

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 the first half of 2015 and 2016 as some option exercise prices were below the average market share price. These options are dilutive for the purpose of calculating diluted earnings per share.

The weighted average number of ordinary shares outstanding during the period is 54,167,723 (54,248,073 in the prior period) and the weighted average number of ordinary shares taken into account for diluted EPS is 54,296,644 (54,347,571 in the prior period).

## NOTE 11: 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** | **30 June 2016** | | | **30 June 2015** | | |
|---|---|---|---|---|---|---|
| | **Automobile Distribution** | **Vehicle Glass** | **Group** | **Autombile Distribution** | **Vehicle Glass** | **Group** |
| Non-current loans and borrowings | 5.3 | 575.1 | 580.4 | 5.7 | 694.7 | 700.4 |
| Current loans and borrowings | 9.9 | 183.4 | 193.3 | 104.1 | 48.3 | 152.4 |
| Inter-segment loan | -75.0 | 75.0 | - | -60.0 | 60.0 | - |
| **Gross debt** | **-59.8** | **833.5** | **773.7** | **49.8** | **803.0** | **852.8** |
| Less: cash and cash equivalents | -171.8 | -34.0 | -205.8 | -98.6 | -39.1 | -137.7 |
| Less: other current receivables | -1.2 | - | -1.2 | -0.4 | - | -0.4 |
| Less: other non-current receivables | -20.0 | - | -20.0 | -20.0 | - | -20.0 |
| Less: Held-to-maturity investments | -25.0 | - | -25.0 | -44.1 | - | -44.1 |
| **Total net debt** | **-277.8** | **799.5** | **521.7** | **-113.3** | **763.9** | **650.6** |

For segment net debt as per 31 December 2015, see note 32 of the 2015 annual consolidated financial statements.

In the period, in the Vehicle Glass segment, current loans and borrowings comprised an US private placement of EUR 138 million maturing in April 2017. In the prior period, in the Automobile Distribution segment, current loans and borrowings comprised a bond of EUR 100.0 million maturing in July 2015.

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.

## NOTE 11: NET DEBT (continued)

In the Automobile Distribution segment, held-to-maturity investments for a total amount of EUR 25.0 million (EUR 44.1 million in the prior period) comprise current investments in corporate commercial papers and sovereign debts with high credit ratings.

In the Vehicle Glass segment, the revolving credit facility currently in place, which matures in December 2016, was refinanced with the conclusion on 20 June 2016 of a new five year revolving credit facility of EUR 450 million at a pricing lower than the previous one. EUR nil was drawn on our revolving syndicated facility at the end of June.

## NOTE 12: RELATIONS WITH NON-CONTROLLING SHAREHOLDERS

**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 interests is reflected as a financial liability in the consolidated statement of financial position.

At 30 June 2016, the exercise price of all options granted to non-controlling shareholders (put options with related call options, exercisable until 2024) amounts to EUR 89.3 million (EUR 85.2 million as at 31 December 2015).

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 interests (EUR 29.2 million as at 30 June 2015) is presented as additional goodwill (EUR 42.8 million as at 30 June 2016).

For put options granted to non-controlling shareholders as from 1 January 2010, the re-measurement at period end of the financial liability resulting from these options amounts to EUR -0.7 million and is recognised in the consolidated statement of profit or loss as a re-measurement charge in finance costs (see note 4).

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 13: FINANCIAL INSTRUMENTS

**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).

At the end of June 2016 and of June 2015, 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.

**Fair value disclosed**

For all Group's 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 the non-current loans and borrowings of EUR 580.4 million (EUR 700.4 million in the prior period). The fair value amounts to EUR 652.0 million (EUR 760.7 million in the prior period) and is classified in level 1 of the fair value hierarchy as described above.

For the non-current loans and borrowings, the fair value is classified in level 1 (nil in the period; EUR 101.9 million in the prior period) and in level 2 (EUR 760.7 million in the period; EUR 783.1 million in the prior period) of the fair value hierarchy as described above. The level 1 concerned the quoted bond in the Automobile Distribution segment (see note 31 of the 2014 annual consolidated financial statements for more information).

**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

## NOTE 13: FINANCIAL INSTRUMENTS (continued)

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 14: SHARE-BASED PAYMENTS

There is in the Group an equity-settled share-based payment scheme. Since 1999, share option schemes have been granted to officers and managers of the Automobile Distribution segment, in the framework of the Belgian law of 26 March 1999. The underlying share is the ordinary share of s.a. D'Ieteren n.v. Under these schemes, vesting conditions are three years' service from grant date and holders of vested options are entitled to purchase shares at the exercice price of the related scheme during the exercise period.

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

| | Number (in units) | |
|---|---|---|
| | 30 June 2016 | 30 June 2015 |
| **Outstanding options at the beginning of the period** | **1,056,481** | **964,846** |
| Granted during the period | 312,000 | 158,352 |
| Exercised during the period | -155,168 | -49,345 |
| **Outstanding options at the end of the period** | **1,213,313** | **1,073,853** |
| *of which: exercisable at the end of the period* | *466,259* | *559,699* |

All outstanding options are covered by treasury shares (see note 8).

During the period, three new plans totalling 312,000 options were granted at the exercise prices of EUR 31.71 and 28.92 and with an exercise period starting 1 January 2020 and ending in January and March 2026.

## NOTE 15: DISCONTINUED OPERATIONS

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 sale of Carglass Brazil involved the loss of control of the subsidiary and the remaining 40% interest has been accounted for as an equiy investment in 2016. The 6 months results of this Brazilian cash-generating unit are presented as a discontinued operation.

According to the requirements of IAS 21 the cumulative amount of foreign exchange difference held in translation reserve has been recycled to profit or loss (non-cash charge of EUR 24.9 million) on disposal of the Brazilian subsidiary.

## NOTE 15: DISCONTINUED OPERATIONS (continued)

**Results of discontinued operations**

| EUR million | 2016 | | | 2015 | | |
|---|---|---|---|---|---|---|
| | **Total** | *Of which* | | **Total** | *Of which* | |
| | | *Current items* (1) | *Unusual items and re-measu-rements* (1) | | *Current items* (1) | *Unusual items and re-measu-rements* (1) |
| **Revenue** | **-** | - | - | **31.2** | *31.2* | - |
| **Operating result** | **-** | - | - | **-29.4** | *-3.5* | *-25.9* |
| Net finance costs | - | - | - | -0.1 | *-0.1* | - |
| **Result before tax** | **-** | - | - | **-29.5** | *-3.6* | *-25.9* |
| Tax expense | - | - | - | 0.5 | *0.5* | - |
| **Result after tax of discontinued operations** | **-** | - | - | **-29.0** | *-3.1* | *-25.9* |
| Recycling of currency translation reserve | -24.9 | - | *-24.9* | - | - | - |
| **Result after tax from discontinued operations** | **-24.9** | **-** | ***-24.9*** | **-29.0** | ***-3.1*** | ***-25.9*** |

(1) Alternative Performance Measure (non-GAAP measure) - See section "Framework and definitions" of the note 4 for more explanations.

**Cash flow from discontinued operations**

| EUR million - Period ended 30 June | 2016 | 2015 |
|---|---|---|
| Net cash generated from operating activities | - | -6.0 |
| Net cash from investing activities | - | - |
| Net cash from financing activities | - | - |
| **Effect on cash flows** | **-** | **-6.0** |

## NOTE 16: SUBSEQUENT EVENTS

On 8 August 2016, the Vehicle Glass segment announced the closure of the Enfield, North Carolina manufacturing facility in the USA. The expected unusual cost of closure is EUR 13 million comprising an EUR 7 million cash cost and asset write-offs of EUR 6 milion. The Enfield facility has been manufacturing vehicle glass since 1970 and has been an integral part of the Safelite supply base due to its location in the USA versus imports.

No other significant transactions out of the ordinary course of business occurred between the closing date and the date these condensed consolidated interim financial statements were authorised for issue.

# Auditor’s Report

**Statutory auditor’s report to the Board of Directors of D’Ieteren SA on the review of the condensed consolidated interim financial statements as at 30 June 2016 and for the six-month period then ended.**

**Introduction**

We have reviewed the accompanying consolidated statement of financial position of D’Ieteren SA as at 30 June 2016, the consolidated statements of profit or loss, comprehensive income, changes in equity and condensed cash flows for the 6 month period then ended, and notes to the condensed consolidated interim financial statements (“the condensed consolidated interim financial statements”). The board of directors is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, “Interim Financial Reporting” as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial statements based on our review.

**Scope of review**

We conducted our review in accordance with the International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at 30 June 2016 and for the 6-month period then ended is not prepared, in all material respects, in accordance with IAS 34, “Interim Financial Reporting” as adopted by the European Union.

Brussels, 29 August 2016

KPMG Réviseurs d’Entreprises
Statutory Auditor
Represented by
Alexis Palm
Réviseur d’Entreprises/Bedrijfsrevisor