

## **TRADING UPDATE FOR THE PERIOD ENDING 31 MARCH 2017**

### **SOLID SALES GROWTH IN 1Q17 – FULL-YEAR GUIDANCE MAINTAINED**

- **D'Ieteren group's consolidated sales** rose by 11.9% in 1Q 2017. Note that Moleskine was included as from 1 October 2016. Excluding Moleskine, sales were up 10.2%.
- **D'Ieteren Auto's** sales increased by 14.0% on the back of strong new vehicle sales (+14.8%). D'Ieteren Auto's market share<sup>1</sup> improved by 35bps to 20.29% in a market that was up 10.3%<sup>1</sup>.
- **Belron's** sales rose by 6.2% in 1Q 2017 thanks in particular to solid growth in Europe. Sales growth slowed down in the US due to soft winter conditions especially in the Northeast.
- **Moleskine's** revenues increased by 13.8% in Q1 2017 underpinned by strong growth in Retail, E-Commerce and Wholesale.
- D'Ieteren **maintains** its **full-year guidance**: the group aims at an **adjusted consolidated result before tax, group's share<sup>2</sup>, that is about 10% higher** compared to EUR 241.6 million in 2016. Given the investments made during the first half year to support the growth of each of its activities and the sequencing of certain other elements of the results, D'Ieteren **expects however a result over the first semester 2017 that should be more or less equivalent to the result realized over the first semester 2016**, at comparable perimeters.

### **MESSAGE FROM THE MANAGEMENT**

*"The three activities of D'Ieteren group reported solid sales growth in 1Q 2017.*

*D'Ieteren Auto managed to increase its market share in a buoyant market thanks to the attractive pipeline of new models and strong commercial initiatives.*

*Belron continued to realize healthy top line growth with nine out of the top 10 countries reporting positive trends. The company pursues the integration of Care in Belgium and Speedy Collision in Canada, while looking for new external growth opportunities in line with its purpose of "Making a difference by solving people's problems with real care."*

*Moleskine continued to innovate while broadening and strengthening the depth of its product offering during 1Q 2017. Its double digit sales growth was underpinned by very strong growth in the EMEA and APAC regions.*

*On 2 May 2017, D'Ieteren announced its decision to look for a minority partner in Belron. It is D'Ieteren's aim to remain the majority shareholder while strengthening its investment capacity. A partial sale of Belron shares to a minority partner would allow D'Ieteren to pursue its long-term strategy which aims to invest in other activities with high growth potential."*

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

### Q1 2017 performance

Excluding registrations of less than 30 days<sup>1</sup>, Belgian new car registrations rose by 10.3% (year-on-year) to 160,872 units in Q1 2017. The market share<sup>1</sup> of the brands distributed by D'Ieteren Auto improved by 35bps to 20.29% in Q1 2017. Volkswagen remained the Belgian market leader with a market share of 8.96% (+21 bps) thanks to higher demand for the Polo, Golf, Caddy and Touran. Audi's market share<sup>1</sup> was broadly stable thanks to the success of the Q2, A5 and Q7. SEAT's share<sup>1</sup> improved by 11bps thanks to the Ateca. Škoda's share<sup>1</sup> increased marginally thanks to the Octavia and Superb. Porsche's market share<sup>1</sup> was broadly flat in spite of delivery delays. Registrations of the Porsche Macan, Panamera and 718 (Boxster) were up.

	Q1 16	FY 2016	Q1 17
<b>New car registrations (in units)<sup>1</sup></b>	<b>145,837</b>	<b>519,755</b>	<b>160,872</b>
<i>% change yoy</i>	<i>4.0%</i>	<i>10.4%</i>	<i>10.3%</i>
<b>Total market share new cars<sup>1</sup></b>	<b>19.94%</b>	<b>21.81%</b>	<b>20.29%</b>
Volkswagen	8.75%	10.15%	8.96%
Audi	5.66%	6.26%	5.67%
Škoda	3.61%	3.57%	3.65%
SEAT	1.33%	1.24%	1.44%
Porsche	0.58%	0.59%	0.55%
Bentley/Lamborghini	0.01%	0.02%	0.02%
<b>Market share commercial vehicles<sup>2</sup></b>	<b>8.97%</b>	<b>10.00%</b>	<b>10.25%</b>

<sup>1</sup> Excluding deregistrations within 30 days

<sup>2</sup> Gross figures

During 1Q 2017 new model launches included the Škoda Kodiaq and Porsche Panamera Sport Turismo. The Volkswagen Golf and Crafter, the SEAT Leon and Škoda Octavia received a facelift and Audi renewed its A5 range.

Belgian registrations of new light commercial vehicles (0-6 tonnes) reached 21,875 units in Q1 2017, up 17.2% year-on-year. D'Ieteren Auto's market share improved by 128bps to 10.2% thanks to a catch up in delivery delays which led to higher registrations of the Caddy, Amarok and Transporter.

D'Ieteren Auto's sales rose by 14.0% in Q1 2017. The total number of new vehicles, including commercial vehicles, delivered by D'Ieteren Auto rose by 16.0% to 37,488. The 14.8% rise in new vehicle sales (in EUR) was underpinned by higher volumes partly offset by a negative brand mix effect (higher share of SEAT in the sales mix). Revenues from used cars, spare parts and accessories and after-sales activities increased, while D'Ieteren Sport's sales fell slightly.

### Activity outlook 2017

The Belgian new car market<sup>1</sup> has been buoyant in 2016 (+10.4%) and in 1Q17. Whereas previously Belgian new car registrations were expected to decrease slightly in FY 2017, the trend is now expected to be marginally up. There is still uncertainty however about potential changes to the regime governing 'salary cars' in Belgium.

At the end of April 2017, D'Ieteren Auto's order book (in number of units) was 2% higher compared to April 2016 and 32% versus April 2015. Note that 2015 and 2017 were both "small" Brussels Motor Show editions.

The pipeline for the remainder of 2017 includes the launch of the Volkswagen 7-seater Tiguan and the Arteon, the Škoda Karoq (small SUV), the replacement of the Seat Ibiza and the facelift of the Škoda Citigo and Rapid.

Unchanged FY 2017 guidance: the *adjusted* result before tax, group's share<sup>2</sup> of D'Ieteren Auto and Corporate is expected to improve slightly.

## VEHICLE GLASS REPAIR AND REPLACEMENT – BELRON

### Q1 2017 performance

Sales increased by 6.2% in Q1 2017 comprising a 3.8% organic increase, 0.5% from acquisitions, a 0.6% trading day impact and a 1.3% positive currency translation effect. The business served 3.9 million consumers (of which 2.9m VGRR related), an increase of 7% compared to 2016.

In Europe, sales rose by 6.6%, consisting of a 5.8% organic increase, a 1.5% positive trading day impact and a 0.8% increase from acquisitions partially offset by a 1.5% decline due to a negative currency translation effect. The organic sales increase was widespread and especially strong in France and Germany. The trading day impact mainly reflects Easter falling in Q2 in 2017 compared to Q1 in 2016. External growth mainly relates to acquisitions in Finland and Spain in 2016. The translation impact is primarily due to the weaker GBP.

Outside Europe, sales grew by 5.2% comprising a 1.6% organic increase, a 0.3% growth from acquisitions and a 3.5% positive currency impact, partially offset by a 0.2% decrease due to trading days. The organic growth primarily relates to the USA where further market share growth was achieved offsetting a 4% market decline as a result of a mild winter. The translation impact is primarily due to the strong USD, but also the stronger AUD, NZD and CAD.

In Q1 2017 Belron paid out a EUR 56 million dividend out of which D'Ieteren's share amounted to EUR 53 million.

### Activity outlook 2017

For the remainder of the year, Belron continues to expect moderate organic sales growth and a slightly lower *adjusted* result before tax, group share<sup>2</sup> due to higher charges related to the long term management incentive programme (EUR 19.3 million expected for 2017 compared to EUR 9.5 million in 2016). In order to improve its results, the business will continue to be innovative in all areas, increasing the flexibility of its operations and looking for further efficiency improvements.

## MOLESKINE

### Q1 2017 performance

Moleskine's revenues increased by 13.8% in Q1 2017 or by 12.6% at constant exchange rates. The positive currency translation effect from the strengthening of the USD and HKD was partially offset by the weaker GBP.

At actual exchange rates Wholesale revenues increased by 13.5% with double digit growth in EMEA (Europe, Middle East and Africa) and APAC (Asia-Pacific) and were stable in the Americas. At constant exchange rates, Wholesale revenues declined slightly in the Americas due to lower sales at some brick-and-mortar retailers in the US.

B2B revenues were -1.9% lower at actual exchange rates due to the timing of some orders. This was especially the case in the US where some orders were postponed to Q2 or Q3.

E-Commerce revenues grew by 14.2% at actual exchange rates reflecting continued solid business evolution.

Retail revenues grew by 30.6% at actual exchange rates reflecting continued network expansion (76 directly operated stores at the end of 1Q 2017 compared to 62 at the end of 1Q 2016).

### Latest developments

Moleskine continued to innovate while broadening and strengthening the depth of its product offering during 1Q 2017. Within paper-based product category, the company launched two new Limited Editions (Peter Pan and Beauty and the Beast) and a new line of bags (ID Collection) was introduced in the non-paper product category.

Moleskine was present at the Milan Design Week with an important communication project delving into the idea of nomadic design and comprising several activities among which the partnership with an acclaimed New York street artist who used Moleskine backpacks as a canvas for his creativity.

### Activity outlook 2017

Moleskine reiterates its outlook: excluding the financing costs related to the acquisition by D'Ieteren, the *adjusted* consolidated result before tax, group's share<sup>2</sup>, is expected to grow by more than 10% in 2017.

**Notes**

<sup>1</sup> 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.

<sup>2</sup> 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 page 9 of the Full-Year 2016 Financial and Directors' Report for the definition of these performance indicators.

***End of press release***

## GROUP PROFILE

In existence since 1805, and across family generations, D'Ieteren seeks growth and value creation by pursuing a strategy on the long term for its businesses and actively encouraging and supporting them to develop their position in their industry or in their geographies. The group has currently three activities articulated around strong brands:

- **D'Ieteren Auto** distributes Volkswagen, Audi, SEAT, Škoda, Bentley, Lamborghini, Bugatti, Porsche and Yamaha vehicles in Belgium. It is the country's number one car distributor, with a market share of around 22% and 1.2 million vehicles on the road at the end of 2016. Sales and adjusted operating result reached respectively EUR 3.1 billion and EUR 75.8 million in FY 2016.
- **Belron** (94.85% owned) makes a difference by solving people's problems with real care. It is the worldwide leader in vehicle glass repair and replacement, trading under more than 10 major brands including Carglass®, Safelite® AutoGlass and Autoglass®. In addition, it manages vehicle glass and other insurance claims on behalf of insurance customers. Belron is also expanding its services to focus on solving problems for people who need assistance with repairs to their vehicles. Sales and adjusted operating result reached respectively EUR 3.3 billion and EUR 190.7 million in FY 2016.
- **Moleskine** (100% owned) is a premium and aspirational lifestyle brand which develops and sells iconic branded notebooks and writing, travel and reading accessories through a multichannel distribution strategy across 102 countries. Sales and operating result reached respectively EUR 145.2 million and EUR 34.0 million on a stand-alone basis in FY 2016.

## FINANCIAL CALENDAR

Last five press releases <small>(with the exception of press releases related to the repurchase or sale of own shares)</small>		Next events	
2 May 2017	D'Ieteren is exploring the potential to bring a minority partner into Belron	1 June 2017	General Meeting
20 April 2017	Publication annual report 2016	6 June 2017	Dividend ex date
6 March 2017	2016 Full-year results	8 June 2017	Dividend payment date
7 February 2017	Upward revision of D'Ieteren's FY 2016 guidance	31 August 2017	2017 Half-Year Results
24 January 2017	D'Ieteren holds 100% of the shares in Moleskine		

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The D'Ieteren app is available on:

